

Pleasantdale School District 107
Burr Ridge, Illinois

Annual Financial Report

Year Ended June 30, 2019

Pleasantdale School District 107

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

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Pleasantdale School District 107

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
Pleasantdale School District 107
Burr Ridge, 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 Pleasantdale School District 107 (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Pleasantdale School District 107'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.

(Continued)

Auditors' Responsibility (Continued)

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

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 Pleasantdale School District 107, as of June 30, 2019, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois pension data on pages 65 through 68, the other postemployment benefits data on pages 69 through 70, budgetary comparison schedules and notes to the required supplementary information on pages 71 through 90 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.

(Continued)

Other Information

Our audit, for the year ended June 30, 2019, was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pleasantdale School District 107's basic financial statements. The other schedules listed in the table of contents as 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.

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Pleasantdale School District 107, as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated January 8, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pleasantdale School District 107's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund and Fire Prevention and Safety Fund with comparative actual amounts for the year ended June 30, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Capital Projects Fund, Debt Service Fund and Fire Prevention and Safety Fund have been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund and Fire Prevention and Safety Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

(Continued)

Other Information (Continued)

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2019 on our consideration of Pleasantdale School District 107's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pleasantdale School District 107's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
November 14, 2019

Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2019

The discussion and analysis of Pleasantdale School District 107's (the "District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2019. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- > In total, net position increased by \$1,961,306. This represents an 11.0% increase from 2018.
- > General revenues accounted for \$14.7 in revenue or 72.8% of all revenues in fiscal year 2019. Program specific revenues in the form of charges for services and fees and grants accounted for \$5.5 or 27.2% of total revenues of \$20.2.
- > The District incurred \$18.2 in expenses related to government activities in fiscal year 2019. However, only \$5.5 of these expenses were offset by program specific charges and grants.

Overview of the Financial Statements

This discussion and analysis are 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 basic financial statements.

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

Government-wide financial statements

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

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows and outflows, 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 government'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, operation and maintenance of facilities and transportation services.

Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2019

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 does not have any 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 a 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 fund balance sheet and the governmental fund 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 seven individual governmental funds. 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.

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

Fiduciary 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 statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

Notes to basic financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the financial statements.

Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2019

Government-Wide Financial Analysis

The District's combined net position was higher on June 30, 2019, than it was the year before, increasing 11% to \$19.8.

Table 1
Condensed Statements of Net Position
(in millions of dollars)

	<u>2018</u>	<u>2019</u>
Assets:		
Current and other assets	\$ 20.9	\$ 21.3
Capital assets	16.4	16.9
Total assets	<u>37.2</u>	<u>38.2</u>
Deferred outflows:		
Related to pensions	0.5	1.0
Related to other post-employment benefits	0.6	0.5
Total deferred outflows	<u>1.1</u>	<u>1.5</u>
Liabilities:		
Current liabilities	0.3	0.3
Long-term debt outstanding	12.3	10.7
Total liabilities	<u>12.6</u>	<u>11.0</u>
Deferred inflows:		
Property tax levied for a future period	6.5	7.0
Related to pensions	0.5	0.5
Related to other post-employment benefits	0.9	1.4
Total deferred inflows	<u>7.9</u>	<u>8.9</u>
Net position:		
Net investment in capital assets	13.2	15.3
Restricted	6.6	6.0
Unrestricted	<u>(2.0)</u>	<u>(1.5)</u>
Total net position	<u>\$ 17.8</u>	<u>\$ 19.8</u>

Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2019

Revenues in the governmental activities of the District of \$20.2 million exceeded expenditures by \$2.0 million.

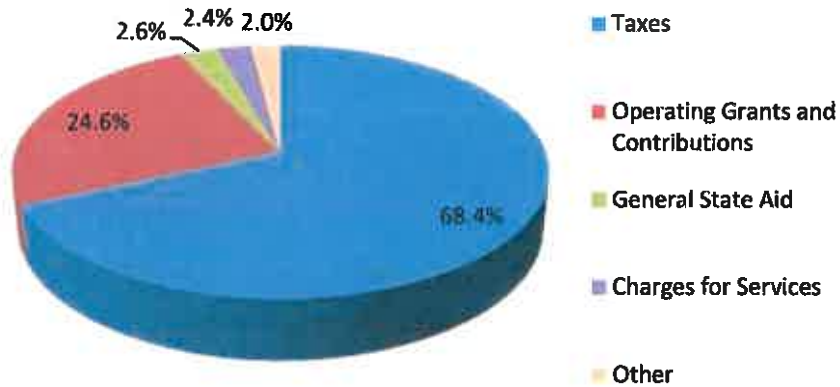
Table 2
Changes in Net Position
(in millions of dollars)

	<u>2018</u>	<u>2019</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 0.4	\$ 0.5
Operating grants and contributions	6.4	5.0
<i>General revenues:</i>		
Taxes	13.0	13.8
General state aid	0.5	0.5
Other	<u>0.3</u>	<u>0.4</u>
Total revenues	<u>20.6</u>	<u>20.2</u>
Expenses:		
Instruction	14.6	13.1
Support services	4.8	4.8
Other	<u>0.2</u>	<u>0.3</u>
Total expenses	<u>19.6</u>	<u>18.2</u>
Increase in net position	1.0	2.0
Beginning net position	<u>16.8</u>	<u>17.8</u>
Ending net position	<u>\$ 17.8</u>	<u>\$ 19.8</u>

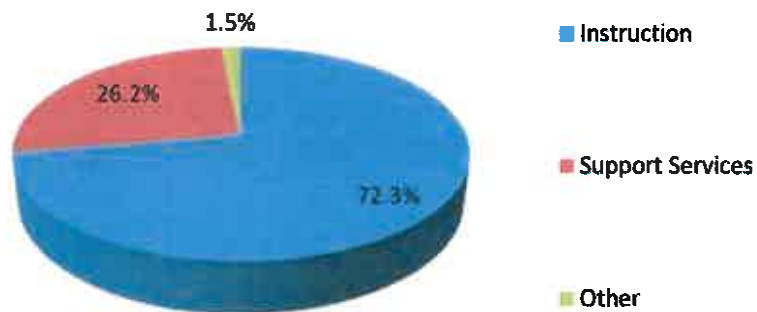
Property taxes accounted for the largest portion of the District's revenues, contributing 65.9%. The remainder of revenues came from personal property replacement taxes, state and federal grants, and other sources. The total cost of all the District's programs was \$18.2, mainly related to instruction and support services.

Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2019

Government-Wide Revenues by Source



Government-Wide Expenses by Function



Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2019

Financial Analysis of the District's Funds

The District's Governmental Funds balance increased from \$14.0 million at June 30, 2018 to \$14.1 million at June 30, 2019.

General Fund Budgetary Highlights

The District budgeted for the General Fund's fund balance to decrease by \$0.23 million. The General Fund balance actually increased by \$0.7 million.

Capital Assets and Debt Administration

Capital assets

By the end of 2019, the District had compiled a total investment of \$16.9 million (\$15.8 net of accumulated depreciation) in a broad range of capital assets including land, land improvements, building improvements, buildings, and equipment. Total depreciation expense for the year was \$0.4. More detailed information about capital assets can be found in Note E of the basic financial statements.

Table 3
Capital Assets (net of depreciation)
(in millions of dollars)

	<u>2018</u>	<u>2019</u>
Land	\$ 0.4	\$ 0.4
Construction in progress	0.1	0.6
Land improvements	0.2	0.4
Building improvements	0.7	0.7
Equipment	0.1	0.2
Buildings	<u>14.9</u>	<u>14.6</u>
Total	<u>\$ 16.4</u>	<u>\$ 16.9</u>

Long-term debt

The District retired \$1.9 of bonds in 2019. At the end of fiscal 2019, the District had a debt margin of \$42.0, of which \$40.5 is fully available. More detailed information on long-term debt can be found in Note F of the basic financial statements.

Table 4
Outstanding Long-Term Debt
(in millions of dollars)

	<u>2018</u>	<u>2019</u>
General obligation bonds	\$ 3.4	\$ 1.6
Other long term liabilities	<u>8.9</u>	<u>9.1</u>
Total	<u>\$ 12.3</u>	<u>\$ 10.7</u>

Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2019

Factors Bearing on the District's Future

The District is in stable financial position. It is the goal of the Board of Education to maintain a fund balance reserve level that is sufficient to mitigate future risk.

Consistent with West Cook County, Pleasantdale School District 107's EAV decreased by 4% in 2018 after an increase of 23.5% in 2017. This large decrease is due to 2017 being a triennial year for reassessments. The National Consumer Price Index for tax year 2018 is 2.1% and the CPI for tax year 2019 will be 1.9%. Any increase in the local property tax revenues will be limited to the CPI, plus "new growth."

The District is beginning to negotiate a new collective bargaining agreement with certified and educational support staff members as the current agreement expires at the end of this year. The new agreement will have a significant impact on future financial projections as salaries account for the majority of the District's expenditures.

Enrollments increased from 778 students in grades K-8 at the end of 2018-2019 to 795 students at the beginning of the 2019-2020 school year. This required the addition of another section in kindergarten. The District is in the process of doing a demographic study to obtain more current enrollment projections so we can better plan for future staffing and building capacity needs.

The District utilizes the strategic blueprint to assure a quality education program well into the future. The blueprint puts vision into action plans that articulate instructional, facility, and human capital changes that will be implemented and desired achievement levels to be attained. The strategic blueprint also serves as a means to budget new initiatives within fiscal parameters each year.

The Pleasantdale mission statement:

"To create a community of inspired learners."

The mission is known by the staff and community and is the guiding force behind all decisions at Pleasantdale. The strategic blueprint serves the District well to advance the quality of education the community expects within fiscal realities.

In summary, Pleasantdale School District 107 has the financial resources to adequately fund educational services to advance the District mission.

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, contact the Business Office:

Frank Adams
Pleasantdale School District 107
7450 South Wolf Road
Burr Ridge, Illinois 60527

BASIC FINANCIAL STATEMENTS

Pleasantdale School District 107
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2019

ASSETS

Cash and investments	\$ 14,217,058
Receivables (net of allowance for uncollectibles):	
Property taxes	6,970,425
Replacement taxes	80,587
Intergovernmental	75,185
Capital assets:	
Land	399,498
Construction in progress	633,289
Depreciable buildings, property, and equipment, net	<u>15,821,735</u>
Total assets	<u>38,197,777</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows related to pensions	942,012
Deferred outflows related to other postemployment benefits	<u>536,337</u>
Total deferred outflows	<u>1,478,349</u>

LIABILITIES

Accounts payable	235,034
Unearned revenue	71,863
Interest payable	3,775
Long-term liabilities:	
Due within one year	1,510,000
Due after one year	<u>9,188,869</u>
Total liabilities	<u>11,009,541</u>

DEFERRED INFLOW OF RESOURCES

Property taxes levied for a future period	6,970,425
Deferred inflows related to pensions	570,051
Deferred inflows related to other post employment benefits	<u>1,359,728</u>
Total deferred inflows	<u>8,900,204</u>

NET POSITION

Net investment in capital assets	15,344,522
Restricted For:	
Operations and maintenance	2,555,166
Debt service	449,883
Student transportation	848,873
Retirement benefits	394,411
Capital projects	1,677,509
Tort immunity	54,396
Unrestricted	<u>(1,558,379)</u>
Total net position	<u>\$ 19,766,381</u>

The accompanying notes are an integral part of this statement.

Pleasantdale School District 107

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction:				
Regular programs	\$ 5,250,296	\$ 248,808	\$ 57,342	\$ (4,944,146)
Special programs	2,218,387	117,328	11,261	(2,089,798)
Other instructional programs	1,052,754	57,313	-	(995,441)
State retirement contributions	4,622,803	-	4,622,803	-
Support services:				
Pupils	305,852	-	-	(305,852)
Instructional staff	1,059,921	-	21,850	(1,038,071)
General administration	479,163	-	-	(479,163)
School administration	703,336	-	-	(703,336)
Business	432,537	-	32,686	(399,851)
Transportation	729,590	-	211,671	(517,919)
Operations and maintenance	1,044,749	67,615	-	(977,134)
Nonprogrammed charges - excluding special education	270,693	-	-	(270,693)
Interest and fees	9,818	-	-	(9,818)
Total governmental activities	<u>\$ 18,179,899</u>	<u>\$ 491,064</u>	<u>\$ 4,957,613</u>	<u>(12,731,222)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				9,611,599
Real estate taxes, levied for specific purposes				2,280,776
Real estate taxes, levied for debt service				1,381,158
Personal property replacement taxes				503,689
State aid-formula grants				530,901
Investment earnings				339,129
Miscellaneous				45,276
Total general revenues				<u>14,692,528</u>
Change in net position				1,961,306
Net position, beginning of year				<u>17,805,075</u>
Net position, end of year				\$ 19,766,381

The accompanying notes are an integral part of this statement.

Pleasantdale School District 107

Governmental Funds

BALANCE SHEET

June 30, 2019

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 8,113,588	\$ 2,732,884	\$ 801,435	\$ 394,411
Receivables (net of allowance for uncollectibles):				
Property taxes	5,228,308	453,762	344,338	140,942
Replacement taxes	80,587	-	-	-
Intergovernmental	<u>22,683</u>	<u>-</u>	<u>52,502</u>	<u>-</u>
Total assets	<u>\$ 13,445,166</u>	<u>\$ 3,186,646</u>	<u>\$ 1,198,275</u>	<u>\$ 535,353</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 8,679	\$ 177,718	\$ 5,064	\$ -
Unearned revenue	<u>71,863</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>80,542</u>	<u>177,718</u>	<u>5,064</u>	<u>-</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>5,228,308</u>	<u>453,762</u>	<u>344,338</u>	<u>140,942</u>
Total deferred inflows	<u>5,228,308</u>	<u>453,762</u>	<u>344,338</u>	<u>140,942</u>
FUND BALANCES				
Restricted	54,396	2,555,166	848,873	394,411
Unassigned	<u>8,081,920</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>8,136,316</u>	<u>2,555,166</u>	<u>848,873</u>	<u>394,411</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 13,445,166</u>	<u>\$ 3,186,646</u>	<u>\$ 1,198,275</u>	<u>\$ 535,353</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 453,658	\$ 1,431,212	\$ 289,870	\$ 14,217,058
803,075	-	-	6,970,425
-	-	-	80,587
-	-	-	75,185
<u>\$ 1,256,733</u>	<u>\$ 1,431,212</u>	<u>\$ 289,870</u>	<u>\$ 21,343,255</u>
\$ -	\$ 43,573	\$ -	\$ 235,034
-	-	-	71,863
-	43,573	-	306,897
803,075	-	-	6,970,425
803,075	-	-	6,970,425
453,658	1,387,639	289,870	5,984,013
-	-	-	8,081,920
453,658	1,387,639	289,870	14,065,933
<u>\$ 1,256,733</u>	<u>\$ 1,431,212</u>	<u>\$ 289,870</u>	<u>\$ 21,343,255</u>

Pleasantdale School District 107
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
For the Year Ended June 30, 2019

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

Total fund balances - governmental funds	\$ 14,065,933
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Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.	16,854,522
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Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the governmental funds:

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

IMRF pension	\$ 458,725	
TRS pension	(86,764)	
THIS OPEB	<u>(823,391)</u>	(451,430)

Interest on long-term liabilities accrued in the statement of net position will not be paid with current financial resources and, accordingly, is not recognized in the governmental funds balance sheet.	(3,775)
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Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet.	<u>(10,698,869)</u>
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Net position of governmental activities	<u>\$ 19,766,381</u>
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The accompanying notes are an integral part of this statement.

Pleasantdale School District 107
Governmental Funds
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2019

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 9,692,596	\$ 1,225,185	\$ 668,038	\$ 306,556
Replacement taxes	492,811	-	-	10,878
State aid	3,625,582	-	211,671	-
Federal aid	112,919	-	-	-
Interest	197,036	96,694	17,759	9,274
Other	468,725	67,615	-	-
Total revenues	14,589,669	1,389,494	897,468	326,708
Expenditures				
Current:				
Instruction:				
Regular programs	4,762,191	-	-	49,769
Special programs	1,650,875	-	-	112,755
Other instructional programs	1,000,534	-	-	20,648
State retirement contributions	3,084,461	-	-	-
Support services:				
Pupils	275,115	-	-	14,792
Instructional staff	961,116	-	-	36,513
General administration	438,338	-	-	8,851
School administration	633,291	-	-	27,937
Business	331,968	22,543	-	7,907
Transportation	-	-	721,737	2,945
Operations and maintenance	-	904,370	-	31,900
Nonprogrammed charges	654,231	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	118,887	282,300	-	-
Total expenditures	13,911,007	1,209,213	721,737	314,017
Excess (deficiency) of revenues over expenditures	678,662	180,281	175,731	12,691
Other financing sources (uses)				
Transfers in	17,759	-	-	-
Transfers (out)	-	(1,895,878)	(17,759)	-
Total other financing sources (uses)	17,759	(1,895,878)	(17,759)	-
Net change in fund balance	696,421	(1,715,597)	157,972	12,691
Fund balance, beginning of year	7,439,895	4,270,763	690,901	381,720
Fund balance, end of year	\$ 8,136,316	\$ 2,555,166	\$ 848,873	\$ 394,411

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 1,381,158	\$ -	\$ -	\$ 13,273,533
			503,689
			3,837,253
			112,919
12,460		5,906	339,129
			536,340
1,393,618	-	5,906	18,602,863
			4,811,960
			1,763,630
			1,021,182
			3,084,461
			289,907
			997,629
			447,189
			661,228
		5,009	367,427
			724,682
			936,270
			654,231
1,830,000			1,830,000
70,882			70,882
-	508,239		909,426
1,900,882	508,239	5,009	18,570,104
(507,264)	(508,239)	897	32,759
	1,895,878		1,913,637
	-		(1,913,637)
-	1,895,878	-	-
(507,264)	1,387,639	897	32,759
960,922	-	288,973	14,033,174
\$ 453,658	\$ 1,387,639	\$ 289,870	\$ 14,065,933

Pleasantdale School District 107

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

For the Year Ended June 30, 2019

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

Net change in fund balances - total governmental funds \$ 32,759

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 capital outlay exceeds depreciation expense in the current period. 483,615

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

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

IMRF pension	653,256
TRS pension	(245,275)
THIS OPEB	(517,646)

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. 3,913

Governmental funds report the effects of premiums, discounts, and similar items when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year net effect of these differences. 62,984

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. 1,487,700

Change in net position of governmental activities \$ 1,961,306

The accompanying notes are an integral part of this statement.

Pleasantdale School District 107
Agency Fund
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2019

	Student Activity Fund
<hr/>	
ASSETS	
Cash	\$ <u>42,987</u>
LIABILITIES	
Due to student groups	\$ 38,819
Due to employees	<u>4,168</u>
	\$ <u>42,987</u>

The accompanying notes are an integral part of this statement.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Pleasantdale School District 107 (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.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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 fund), and the acquisition or construction of major capital facilities (capital project fund). 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 and intergovernmental revenues.

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

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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 general government, 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 Account may be permanently 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 - accounts 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.

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b. Special Revenue Funds (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 sources are local property taxes levied specifically for debt service and transfers from other funds.

d. Capital Projects Fund

Capital Projects Fund - accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bond proceeds or transfers from other funds.

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

e. Fiduciary Fund

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

e. Fiduciary Fund (Continued)

The *Agency Funds* - include student activity funds and convenience 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. These 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. Convenience accounts account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary agency fund statements. 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 after year-end. Revenues that are paid to the District by the Illinois State Board of Education are considered available if they are 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, 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.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 the legal claim to the resources, the liability or deferred inflow of resources for unearned and 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. At June 30, 2019, property taxes levied for a future period were reported as unavailable revenue in the governmental funds.

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

5. Deferred Outflows / Deferred Inflows

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

6. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that the District does not budget for "on-behalf" contributions from the state for the employer's share of the Teachers' Retirement Pension and the Teachers' Health Insurance System OPEB liability (see 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 (the Treasurer). Investments are stated at fair value. Changes in fair value are included in investment income.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Personal Property Replacement Taxes

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

9. Capital Assets

Capital assets, which include land, construction in progress, buildings, building improvements, 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.

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

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

Depreciation of capital assets is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	80
Building improvements	20
Land improvements	20
Equipment	5 - 15

10. 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 using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Long-Term Obligations (Continued)

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

11. 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.

12. Restricted Net Position

For the government-wide financial statements, net position is reported as restricted when constraints exist that 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.

13. Fund Balance

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

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Fund Balance (Continued)

- b. *Restricted* - refers to amounts that are subject to outside restrictions, such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds, capital project funds and debt service funds are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. At June 30, 2019, the District had no committed fund balances.
- 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 delegated this authority to the Superintendent or Superintendent's designee. At June 30, 2019 the District had no assigned fund balances.
- 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.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension liability and other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plan and additions to/deductions from the pension/OPEB plan's 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.

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

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

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

General obligation bonds	\$ (1,510,000)
Unamortized bond premiums	(47,239)
Net pension liability - IMRF	(949,070)
Net pension liability - TRS	(630,368)
THIS net other postemployment benefit	<u>(7,562,192)</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net position of governmental activities	 <u>\$ (10,698,869)</u>

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

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

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

Capital outlay	\$ 900,335
Depreciation expense	<u>(416,720)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities.	\$ <u><u>483,615</u></u>

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

Principal repayments	
General obligation bonds	\$ 1,830,000
Accreted interest	(5,833)
Net pension liability - IMRF, net	(730,134)
Net pension liability - TRS, net	272,958
THIS net other postemployment benefit liability	<u>120,709</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities.	\$ <u><u>1,487,700</u></u>

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS

The District's investment policy, which is the same as the Treasurer's investment policy, 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

As explained in Note A-7, the Illinois Compiled Statutes require the District to utilize the investment services of the Lyons Township School Treasurer (the Treasurer). As such, the Treasurer is the lawful custodian of these school funds. The Treasurer is appointed by the Township 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 Compiled Statutes. 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 fund) are part of a common pool for all the school districts and cooperatives within the township. The Treasurer maintains records that segregate the cash and investment balances by district or cooperative. Income from investments is distributed based upon the District's percentage participation in the pool. Cash for all funds, including cash applicable to the Debt Service Fund and the Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

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

The weighted-average maturity of all pooled marketable investments held by the Treasurer was 5.75 years, at June 30, 2019. The Treasurer also holds money market type investments and deposits with financial institutions, including certificates of deposit. As of the same date, the fair value of all investments held by the Treasurer's office was \$200,606,078. The District's proportionate share of all pooled cash and investments is approximately 6.96%. Further information about investments held at the Treasurer's office is available from the Treasurer's financial statements.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

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

2. Cash and Investments in the Custody of the District

Deposits of the student activity and imprest funds, which are held in the District's custody, consist of deposits with financial institutions. At June 30, 2019, the carrying value of the District's Agency Funds and imprest funds were \$45,987, all of which were 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, 2019, the District had no uninsured cash balances.

NOTE D - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on December 19, 2018. The District's property tax is levied each year on all taxable real property located in the District, and becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

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

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE D - PROPERTY TAXES RECEIVABLE (Continued)

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

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

The County Clerk adds the equalized assessed valuation of all real property in the county to the valuation of property assessed directly by the state (to which the equalization factor is not applied) to arrive at the base amount (the assessment base) used to calculate the annual tax rates, as described above. The equalized assessed valuation for the extension of the 2018 tax levy was \$608,570,368.

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

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE E - CAPITAL ASSETS

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

	Balance July 1, 2018	Increases/ Transfers	Decreases/ Transfers	Balance June 30, 2019
Capital assets, not being depreciated				
Land	\$ 399,498	\$ -	\$ -	\$ 399,498
Construction in progress	129,708	795,326	291,745	633,289
Total capital assets, not being depreciated	529,206	795,326	291,745	1,032,787
Capital assets, being depreciated				
Buildings	21,256,079	-	-	21,256,079
Building improvements	760,459	25,758	-	786,217
Land improvements	557,661	291,745	-	849,406
Equipment	3,150,743	79,251	-	3,229,994
Total capital assets, being depreciated	25,724,942	396,754	-	26,121,696
Less accumulated depreciation for:				
Buildings	6,385,242	265,701	-	6,650,943
Building improvements	92,832	39,583	-	132,415
Land improvements	386,569	42,470	-	429,039
Equipment	3,018,598	68,966	-	3,087,564
Total accumulated depreciation	9,883,241	416,720	-	10,299,961
Total capital assets, being depreciated, net	15,841,701	(19,966)	-	15,821,735
Governmental activities capital assets, net	\$ 16,370,907	\$ 775,360	\$ 291,745	\$ 16,854,522

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE E - CAPITAL ASSETS (Continued)

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

Governmental activities	
General government	
Regular programs	\$ 236,124
Education media	10,750
General administration	20,808
School administration	17,837
Facilities acquisition and construction services	54,944
Operations and maintenance	75,063
Food service	1,194

Total depreciation from governmental activities	\$ 416,720
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NOTE F - LONG-TERM LIABILITIES

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

	Balance July 1, 2018	Additions/ Accretion	Reductions	Balance June 30, 2019
Bonds payable:				
General obligation bonds	\$ 3,334,167	\$ 5,833	\$ 1,830,000	\$ 1,510,000
Unamortized premium	110,223	-	62,984	47,239
Total bonds payable	3,444,390	5,833	1,892,984	1,557,239
IMRF net pension liability	218,936	1,236,996	506,862	949,070
TRS net pension liability	903,326	13,999	286,957	630,368
THIS net other postemployment benefit liability	7,682,901	456,654	577,363	7,562,192
Total long-term liabilities - governmental activities	\$ 12,249,553	\$ 1,713,482	\$ 3,264,166	\$ 10,698,869

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE F - LONG-TERM LIABILITIES (Continued)

	<u>Due within one year</u>
General obligation bonds	\$ <u>1,510,000</u>

1. General Obligation Bonds

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

	<u>Bonds Payable July 1, 2018</u>		<u>Accretion</u>		<u>Debt Retired</u>		<u>Bonds Payable June 30, 2019</u>
Series 2005 Capital Appreciation interest at 4.50%, maturing December 1, 2018	\$ 259,167	\$	5,833	\$	265,000	\$	-
Series 2016 General Obligation Refunding Bonds interest at 2.00% to 3.00%, maturing December 2, 2019	<u>3,075,000</u>		<u>-</u>		<u>1,565,000</u>		<u>1,510,000</u>
Total	<u>\$ 3,334,167</u>	\$	<u>5,833</u>	\$	<u>1,830,000</u>	\$	<u>1,510,000</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2020	\$ 1,510,000	\$	22,650	\$	1,532,650
	<u>\$ 1,510,000</u>	\$	<u>22,650</u>	\$	<u>1,532,650</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. At June 30, 2019, there is \$453,658 in the Debt Service Fund to service the outstanding bonds payable.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2019, the statutory debt limit for the District was \$41,991,355, of which \$40,481,355 is fully available.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE G - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; 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 pools: the Collective Liability Insurance Cooperative (CLIC) for property damage and injury claims. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Complete financial statements for CLIC can be obtained from its Treasurer, 624 Kenilworth, Grayslake, Illinois, 60030.

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. Premiums have been recorded as expenditures in the appropriate funds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE H - PENSION LIABILITIES

1. **Teachers' Retirement System of the State of Illinois**

Plan Description

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

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

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

Benefits Provided

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

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

Contributions

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

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

On-behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2019, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$4,055,579 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$2,998,162 in the General Fund based on the current financial resources measurement basis.

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2019, were \$40,366, and are deferred because they were paid after the June 30, 2018 measurement date.

Federal and Special Trust Fund Contributions

When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2019.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

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

Contributions (Continued)

Federal and Special Trust Fund Contributions (Continued)

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

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$40,270 were paid from federal and special trust funds that required employer contributions of \$3,967.

Early Retirement Cost Contributions

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2019, the District paid \$867 to TRS for employer contributions due on salary increases in excess of 6 percent, \$2,032 for salary increases in excess of 3 percent, and \$9,962 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, 2019, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - 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)

District's proportionate share of the net pension liability	\$ 630,368
State's proportionate share of the net pension liability associated with the District	<u>43,182,823</u>
Total	<u>\$ 43,813,191</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was 0.0008087355 percent, which was a decrease of 0.0003736578 percent from its proportion measured as of June 30, 2017.

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

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - revenue	\$ 4,055,579	\$ 2,998,162
and expense/expenditure		
District TRS pension expense/expenditure	<u>2,770</u>	<u>40,366</u>
Total TRS expense/expenditure	<u>\$ 4,058,349</u>	<u>\$ 3,038,528</u>

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - 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)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,669	\$ 137
Changes in assumptions	27,648	17,866
Net difference between projected and actual earnings on pension plan investments	-	1,930
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>78,695</u>	<u>226,209</u>
Total deferred amount to be recognized in pension expense in the future period	119,012	246,142
District contributions subsequent to the measurement date	<u>40,366</u>	<u>-</u>
Total	<u>\$ 159,378</u>	<u>\$ 246,142</u>

The District reported \$40,366 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - 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)

<u>Year ending June 30,</u>	<u>Net Deferred Inflows of Resources</u>
2020	\$ 6,049
2021	13,203
2022	37,061
2023	48,306
2024	<u>22,511</u>
Total	<u>\$ 127,130</u>

Actuarial Assumptions

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

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

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - 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>Allocation</u>	<u>Rate of</u>
U.S. equities large cap	15.0 %	6.70 %
U.S. equities small/mid cap	2.0	7.90
International equities developed	13.6	7.00
Emerging market equities	3.4	9.40
U.S. bonds core	8.0	2.20
U.S. bonds high yield	4.2	4.40
International debt developed	2.2	1.30
Emerging international debt	2.6	4.50
Real estate	16.0	5.40
Real Return	4.0	1.80
Absolute Return	14.0	3.90
Private equity	15.0	10.20
Total	<u>100 %</u>	

Discount Rate

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - 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 (Continued)

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

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

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

	1% Lower 6.00%	Current Discount 7.00%	1% Higher 8.00%
District's proportionate share of the net pension liability	\$ <u>773,086</u>	\$ <u>630,368</u>	\$ <u>515,436</u>

TRS Fiduciary Net Position

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund

Plan Description

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

Benefits Provided

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

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

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

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

Employees Covered by Benefit Terms

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

Retirees and beneficiaries currently receiving benefits	26
Inactive plan members entitled to but not yet receiving benefits	83
Active plan members	38
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Total	147
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Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2018 was 10.55%. For the fiscal year ended June 30, 2019 the District contributed \$129,048 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Actuarial Assumptions

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

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

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

Single Discount Rate

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

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

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Liability

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 5,505,469	\$ 5,286,533	\$ 218,936
Changes for the year:			
Service cost	139,963	-	139,963
Interest on the total pension liability	408,804	-	408,804
Difference between expected and actual experience of the total pension liability	(32,338)	-	(32,338)
Changes of assumptions	160,166	-	160,166
Contributions - Employer	-	139,353	(139,353)
Contributions - Employees	-	59,440	(59,440)
Net Investment Income	-	(278,613)	278,613
Benefit payments, including refunds of employee contributions	(249,450)	(249,450)	-
Other (net transfer)	-	26,281	(26,281)
Net changes	<u>427,145</u>	<u>(302,989)</u>	<u>730,134</u>
Balances at December 31, 2018	<u>\$ 5,932,614</u>	<u>\$ 4,983,544</u>	<u>\$ 949,070</u>

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability (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%)
Net pension liability	\$ 1,681,982	\$ 949,070	\$ 348,209

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

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

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

For the year ended June 30, 2019 the District recognized pension expense of \$205,926. At June 30, 2019, the District reported, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 15,723	\$ 17,738
Change of assumptions	87,856	38,825
Net difference between projected and actual earnings on pension plan investments	<u>610,673</u>	<u>267,346</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>714,252</u>	<u>323,909</u>
<i>Pension contributions made subsequent to the measurement date</i>	<u>68,382</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 782,634</u>	<u>\$ 323,909</u>

The District reported \$68,382 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

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

<u>Year ending June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2020	\$ 145,578
2021	64,206
2022	45,722
2023	134,837
2024	-
Thereafter	<u>-</u>
Total	<u>\$ 390,343</u>

3. Summary of Pension Items

Below is a summary of the various pension items:

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred outflows of resources			
Employer contributions	\$ 40,366	\$ 68,382	\$ 108,748
Experience	12,669	15,723	28,392
Assumptions	27,648	87,856	115,504
Proportionate share	78,695	-	78,695
Investments	<u>-</u>	<u>610,673</u>	<u>610,673</u>
	<u>\$ 159,378</u>	<u>\$ 782,634</u>	<u>\$ 942,012</u>
Net pension liability	<u>\$ 630,368</u>	<u>\$ 949,070</u>	<u>\$ 1,579,438</u>

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

3. Summary of Pension Items (Continued)

	TRS	IMRF	Total
Pension expense	\$ 4,058,349	\$ 205,926	\$ 4,264,275
Deferred inflows of resources			
Investments	\$ 1,930	\$ 267,346	\$ 269,276
Experience	137	17,738	17,875
Assumptions	17,866	38,825	56,691
Proportionate share	226,209	-	226,209
	\$ 246,142	\$ 323,909	\$ 570,051

4. Social Security/Medicare

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

NOTE I - 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.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

General Information about the Other Postemployment Plan (Continued)

Plan Description (Continued)

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.

Contributions

On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. In the fund financial statements, the State contributions are intended to match contributions to the THIS Fund from active members, which were 1.24 percent of pay during the year ended June 30, 2019. In the government-wide financial statements, State of Illinois contributions also include a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate). For the year ended June 30, 2019, the District recognized revenue and expenses of \$567,224 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$86,299 in the General Fund based on the current financial resources measurement basis for State of Illinois contributions on behalf of the District's employees.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

General Information about the Other Postemployment Plan (Continued)

Contributions (Continued)

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the District paid \$64,028 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2018 measurement date.

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

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

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

District's proportionate share of the net OPEB liability	\$ 7,562,192
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>10,154,393</u>
Total	<u><u>\$ 17,716,585</u></u>

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - 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 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 calculated by allocating the State's total NOL for the entire plan (per the actuary) based on the District's proportionate share of the NOL to all the school districts participating in the Plan. Additionally, the amounts included below related to sensitivity of the healthcare rate, discount rate and amortization of deferred inflows and outflows are based on a similar allocation methodology.

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2018, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2018, the District's proportion was 0.028704 percent, which was a decrease of 0.000903 percent from its proportion measured as of June 30, 2017.

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

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - OPEB revenue and expense/expenditure	\$ 567,224	\$ 86,299
District OPEB pension expense/expenditure	<u>456,654</u>	<u>64,028</u>
Total OPEB expense/expenditure	\$ <u><u>1,023,878</u></u>	\$ <u><u>150,327</u></u>

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 27,133
Change of assumptions	-	1,101,182
Net difference between projected and actual earnings on OPEB plan investments	-	232
Changes in proportion and differences between District contributions and proportionate share of contributions	472,309	231,181
Total deferred amounts to be recognized in OPEB expense in future periods	472,309	1,359,728
District contributions subsequent to the measurement date	64,028	-
Total deferred amounts related to OPEB	\$ 536,337	\$ 1,359,728

The District reported \$64,028 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2019. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

<u>Year ending June 30:</u>	<u>Net Deferred Inflows of Resources</u>
2020	\$ 145,023
2021	145,023
2022	145,023
2023	145,002
2024	144,959
Thereafter	<u>162,389</u>
Total	<u>\$ 887,419</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 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, 2018, contribution rates are 1.18% of pay for active members, 0.88% of pay for school districts, and 1.18% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - 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)

Inflation	2.75 percent
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP- 2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.
Healthcare Trend Rate	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Discount Rate

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

Investment Return

During plan year end June 30, 2018, the trust earned \$743,000 in interest, and due to benefit payables, the market value of assets at June 30, 2018, is a negative \$9.23 million. Given the benefit payable, negative 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 1.301% for plan year end June 30, 2018, and 0.678% for plan year end June 30, 2017.

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

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

	1% Decrease (2.62%)	Current Discount (3.62%)	1% Increase (4.62%)
District's proportionate share of the net OPEB liability	\$ 9,092,671	\$ 7,562,192	\$ 6,354,009

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

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

	1% Decrease *	Current Healthcare Trend Rate	1% Increase **
District's proportionate share of the net OPEB liability	\$ 6,131,713	\$ 7,562,192	\$ 9,489,390

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

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - INTERFUND TRANSFERS

The District transferred \$1,895,878 from the Operations and Maintenance Fund to the Capital Projects Fund. The amount transferred is to be used for capital projects.

The District transferred \$17,759 from the Transportation Fund to the General Fund (Educational Fund). The amount transferred represents interest earned on investments.

NOTE K - JOINT AGREEMENTS

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

NOTE L - CONTINGENCIES

1. Litigation

The District at times is a defendant in various lawsuits and other pending matters, such as PTAB appeals. Although the eventual outcome and related liability, if any, is not determinable at this time, in the opinion of the District's management, the resolution of these matters will not have a material adverse effect on the financial condition of the District. No provision has been made in the accompanying financial statements for settlement costs.

2. Grants

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

NOTE M - CONSTRUCTION COMMITMENTS

The District has certain commitments in various funds for constructions projects which have been approved by the Board of Education at June 30, 2019. Commitments approximate \$1,395,000 at June 30, 2019.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE N - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 14, 2019, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Pleasantdale School District 107

MULTIYEAR SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS MOST RECENT CALENDAR YEARS Illinois Municipal Retirement Fund Five Most Recent Fiscal Years

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 139,963	\$ 158,773	\$ 151,769	\$ 149,557	\$ 152,338
Interest on the total pension liability	408,804	394,003	370,646	353,626	311,836
Difference between expected and actual experience of the total pension liability	(32,338)	69,033	3,237	(60,503)	77,228
Assumption changes	160,166	(170,459)	(12,707)	6,157	217,974
Benefit payments and refunds	(249,450)	(239,724)	(196,768)	(235,393)	(153,589)
Net change in total pension liability	427,145	211,626	316,177	213,444	605,787
Total pension liability, beginning	5,505,469	5,293,843	4,977,666	4,764,222	4,158,435
Total pension liability, ending	<u>\$ 5,932,614</u>	<u>\$ 5,505,469</u>	<u>\$ 5,293,843</u>	<u>\$ 4,977,666</u>	<u>\$ 4,764,222</u>
Plan fiduciary net position					
Contributions, employer	\$ 139,353	\$ 141,122	\$ 152,679	\$ 136,130	\$ 136,352
Contributions, employee	59,440	58,638	59,744	57,358	56,761
Net investment income	(278,613)	785,932	289,224	21,075	244,607
Benefit payments, including refunds of employee contribution	(249,450)	(239,724)	(196,768)	(235,393)	(153,589)
Other (net transfer)	26,281	(35,004)	34,191	21,326	(38,323)
Net change in plan fiduciary net position	(302,989)	710,964	339,070	496	245,808
Plan fiduciary net position, beginning	5,286,533	4,575,569	4,236,499	4,236,003	3,990,195
Plan fiduciary net position, ending	<u>\$ 4,983,544</u>	<u>\$ 5,286,533</u>	<u>\$ 4,575,569</u>	<u>\$ 4,236,499</u>	<u>\$ 4,236,003</u>
Net pension liability	<u>\$ 949,070</u>	<u>\$ 218,936</u>	<u>\$ 718,274</u>	<u>\$ 741,167</u>	<u>\$ 528,219</u>
Plan fiduciary net position as a percentage of the total pension liability	84.00 %	96.02 %	86.43 %	85.11 %	88.91 %
Covered Valuation Payroll	\$ 1,320,884	\$ 1,303,068	\$ 1,327,643	\$ 1,274,619	\$ 1,261,348
Net pension liability as a percentage of covered valuation payroll	71.85 %	16.80 %	54.10 %	58.15 %	41.88 %

Note 1: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

Note 2: Actuarial valuations are as of December 31, which is six months prior to the end of the fiscal year.

Pleasantdale School District 107
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
Illinois Municipal Retirement Fund
Five Most Recent Fiscal Years

<u>Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2019	\$ 139,353 *	\$ 139,353	\$ -	\$ 1,320,884	10.55 %
2018	141,122	141,122	-	1,303,068	10.83
2017	152,679	152,679	-	1,327,643	11.50
2016	136,129	136,130	(1)	1,274,619	10.68
2015	136,352	136,352	-	1,261,348	10.81

* Estimated based on contribution rate of 10.55% and covered valuation payroll of \$1,320,884.

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

Pleasantdale School District 107
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.0008087355 %	0.0011823933 %	0.0010676731 %	0.0009862948 %	0.0009248978 %
District's proportionate share of the net pension liability	\$ 630,368	\$ 903,326	\$ 842,779	\$ 646,122	\$ 562,877
State's proportionate share of the net pension liability associated with the District	<u>43,182,823</u>	<u>51,818,700</u>	<u>47,787,873</u>	<u>38,581,979</u>	<u>35,101,562</u>
Total	<u>\$ 43,813,191</u>	<u>\$ 52,722,026</u>	<u>\$ 48,630,652</u>	<u>\$ 39,228,101</u>	<u>\$ 35,664,439</u>
District's covered-employee payroll	<u>\$ 6,801,137</u>	<u>\$ 6,797,802</u>	<u>\$ 6,324,214</u>	<u>\$ 5,954,992</u>	<u>\$ 5,689,636</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	9.27 %	13.29 %	13.33 %	10.85 %	9.89 %
Plan fiduciary net position as a percentage of the total pension liability	40.00 %	39.30 %	36.40 %	41.50 %	43.00 %

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

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

Pleasantdale School District 107
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Retirement System of the State of Illinois
Five Most Recent Fiscal Years

	<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>
Contractually required contribution \$	39,447	\$	42,921	\$	43,109	\$	34,539	\$	33,000
Contributions in relation to the contractually required contribution	<u>33,602</u>		<u>48,714</u>		<u>41,348</u>		<u>15,529</u>		<u>16,450</u>
Contribution deficiency (excess)	<u>\$ 5,845</u>	\$	<u>(5,793)</u>	\$	<u>1,761</u>	\$	<u>19,010</u>	\$	<u>16,550</u>
District's covered-employee payroll \$	6,959,580	\$	6,801,137	\$	6,797,802	\$	6,324,214	\$	5,954,992
Contributions as a percentage of covered-employee payroll	0.48 %		0.72 %		0.61 %		0.25 %		0.28 %

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.

Pleasantdale School District 107
MULTIYEAR SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Teachers' Health Insurance Security Fund
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.028704 %	0.029607 %
District's proportionate share of the net OPEB liability	\$ 7,562,192	\$ 7,682,901
State's proportionate share of the net OPEB liability associated with the District	<u>10,154,393</u>	<u>10,089,558</u>
Total	<u>\$ 17,716,585</u>	<u>\$ 17,772,459</u>
District's covered-employee payroll	\$ 6,801,137	\$ 6,797,802
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	111.19 %	113.02 %
Plan fiduciary net position as a percentage of the total OPEB liability	-0.07 %	-0.17 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal 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.

Pleasantdale School District 107
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Health Insurance Security Fund
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 59,850	\$ 57,102
Contributions in relation to the contractually required contribution	<u>59,879</u>	<u>57,212</u>
Contribution excess	\$ <u>29</u>	\$ <u>110</u>
District's covered-employee payroll	\$ 6,959,580	\$ 6,801,137
Contributions as a percentage of covered-employee payroll	0.86 %	0.84 %

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

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

Pleasantdale School District 107
General Fund - Budgetary Basis
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Revenues				
Local sources				
General levy	\$ 9,656,313	\$ 9,555,468	\$ (100,845)	\$ 8,773,761
Special education levy	142,168	137,128	(5,040)	128,435
replacement taxes	370,000	492,811	122,811	374,393
Regular tuition from pupils or parents	162,000	166,009	4,009	161,662
Regular tuition from other districts	100,000	4,196	(95,804)	136,004
from pupils or parents	45,000	57,313	12,313	50,561
Special education tuition from other districts	-	117,328	117,328	-
Interest on investments	4,800	197,036	192,236	130,049
Sales to pupils - lunch	-	-	-	-
Fees	-	807	807	-
Rentals - regular textbook	60,000	77,796	17,796	66,563
Impact fees from municipal or county governments	-	18,488	18,488	2,610
Refund of prior years' expenditures	-	22,075	22,075	5,191
Other	-	4,713	4,713	61,515
Total local sources	10,540,281	10,851,168	310,887	9,890,744
State sources				
Evidenced Based Funding	530,901	530,901	-	502,039
Private Facility Tuition	55,000	9,050	(45,950)	33,874
Children Requiring Sp Ed Services	49,500	-	(49,500)	-
Special Education - Personnel	85,000	-	(85,000)	-
- T.P.I. and T.P.E.	-	-	-	72
State Free Lunch and Breakfast	200	420	220	302
Other state sources	1,000	750	(250)	1,500
Total state sources	721,601	541,121	(180,480)	537,787

(Continued)

Pleasantdale School District 107
General Fund - Budgetary Basis
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Federal sources				
National School Lunch Program	\$ 45,000	\$ 32,266	\$ (12,734)	\$ 43,414
Title I - Low Income	48,286	57,342	9,056	51,334
Federal - Special Education - Pre-School Flow Through	-	-	-	812
- I.D.E.A. - Flow Through	5,000	-	(5,000)	4,807
- I.D.E.A. - Room and Board	15,000	2,211	(12,789)	20,954
Title II - Teacher Quality	21,611	21,100	(511)	31,639
Other federal sources	50,000	-	(50,000)	-
Total federal sources	184,897	112,919	(71,978)	152,960
Total revenues	11,446,779	11,505,208	58,429	10,581,491
Expenditures				
Instruction				
Regular programs				
Salaries	3,867,890	3,737,235	130,655	3,695,167
Employee benefits	1,053,985	886,558	167,427	829,488
Purchased services	41,000	35,111	5,889	29,099
Supplies and materials	133,795	102,408	31,387	107,659
Capital outlay	7,500	9,367	(1,867)	5,857
Other objects	1,300	879	421	1,056
Non-capitalized equipment	4,000	-	4,000	1,203
Total	5,109,470	4,771,558	337,912	4,669,529
Pre-K programs				
Salaries	199,314	198,888	426	192,627
Employee benefits	48,205	50,816	(2,611)	49,247
Supplies and materials	5,000	3,991	1,009	4,618
Total	252,519	253,695	(1,176)	246,492

(Continued)

Pleasantdale School District 107
General Fund - Budgetary Basis
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Special education programs				
Salaries	\$ 1,432,462	\$ 1,314,067	\$ 118,395	\$ 1,381,221
Employee benefits	321,655	277,282	44,373	312,208
Purchased services	4,750	6,966	(2,216)	4,718
Supplies and materials	21,715	16,424	5,291	24,106
Other objects	3,500	1,620	1,880	1,557
Termination benefits	-	-	-	5,018
Total	1,784,082	1,616,359	167,723	1,728,828
Interscholastic programs				
Salaries	424,923	438,361	(13,438)	411,548
Employee benefits	44,451	45,200	(749)	43,052
Purchased services	4,100	3,975	125	4,043
Supplies and materials	17,150	18,340	(1,190)	11,339
Other objects	800	400	400	603
Total	491,424	506,276	(14,852)	470,585
Summer school programs				
Salaries	48,500	41,029	7,471	43,082
Employee benefits	5,180	3,356	1,824	3,297
Supplies and materials	2,500	3,427	(927)	2,305
Total	56,180	47,812	8,368	48,684
Gifted programs				
Salaries	161,608	161,608	-	156,521
Employee benefits	29,177	29,177	-	29,447
Supplies and materials	2,160	1,966	194	1,745
Total	192,945	192,751	194	187,713
Special education programs K-12 - private tuition	137,000	34,516	102,484	59,079
Total instruction	8,023,620	7,422,967	600,653	7,410,910

(Continued)

Pleasantdale School District 107
General Fund - Budgetary Basis
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Support services				
Pupils				
Attendance and social work services				
Salaries	\$ 120,211	\$ 131,333	\$ (11,122)	\$ 116,424
Employee benefits	32,337	32,337	-	33,540
Supplies and materials	<u>2,860</u>	<u>2,154</u>	<u>706</u>	<u>1,536</u>
Total	<u>155,408</u>	<u>165,824</u>	<u>(10,416)</u>	<u>151,500</u>
Health services				
Salaries	81,277	81,277	-	77,339
Employee benefits	29,681	26,346	3,335	32,414
Purchased services	50	-	50	-
Supplies and materials	<u>2,000</u>	<u>1,668</u>	<u>332</u>	<u>1,898</u>
Total	<u>113,008</u>	<u>109,291</u>	<u>3,717</u>	<u>111,651</u>
Total pupils	<u>268,416</u>	<u>275,115</u>	<u>(6,699)</u>	<u>263,151</u>
Instructional staff				
Improvement of instruction services				
Salaries	323,927	283,378	40,549	276,590
Employee benefits	81,859	71,887	9,972	71,356
Purchased services	47,111	54,826	(7,715)	48,217
Supplies and materials	<u>101,000</u>	<u>70,792</u>	<u>30,208</u>	<u>80,115</u>
Total	<u>553,897</u>	<u>480,883</u>	<u>73,014</u>	<u>476,278</u>

(Continued)

Pleasantdale School District 107
General Fund - Budgetary Basis
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Educational media services				
Salaries	\$ 288,927	\$ 297,297	\$ (8,370)	\$ 235,602
Employee benefits	74,417	74,065	352	61,060
Purchased services	5,530	25,315	(19,785)	111,596
Supplies and materials	90,750	68,054	22,696	80,159
Capital outlay	116,000	104,546	11,454	128,860
Other objects	20,000	14,602	5,398	14,152
Non-capitalized equipment	7,500	900	6,600	211
Total	603,124	584,779	18,345	631,640
Total instructional staff	1,157,021	1,065,662	91,359	1,107,918
General administration				
Board of education services				
Purchased services	62,000	45,084	16,916	59,787
Supplies and materials	16,000	10,384	5,616	6,433
Other objects	10,000	7,631	2,369	8,541
Total	88,000	63,099	24,901	74,761
Executive administration services				
Salaries	224,591	227,401	(2,810)	213,206
Employee benefits	51,816	55,083	(3,267)	56,300
Purchased services	15,600	9,083	6,517	12,328
Supplies and materials	5,000	2,868	2,132	2,207
Capital outlay	2,000	-	2,000	-
Other objects	6,500	5,759	741	5,781
Total	305,507	300,194	5,313	289,822

(Continued)

Pleasantdale School District 107
General Fund - Budgetary Basis
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Tort immunity services				
Purchased services	\$ 72,043	\$ 75,045	\$ (3,002)	\$ 65,644
Total	72,043	75,045	(3,002)	65,644
Total general administration	465,550	438,338	27,212	430,227
School administration				
Office of the principal services				
Salaries	488,177	485,113	3,064	467,993
Employee benefits	128,211	122,573	5,638	143,598
Purchased services	15,750	9,925	5,825	10,252
Supplies and materials	16,250	14,901	1,349	11,749
Other objects	1,700	779	921	1,230
Termination benefits	-	-	-	39,244
Total	650,088	633,291	16,797	674,066
Total school administration	650,088	633,291	16,797	674,066
Business				
Fiscal services				
Salaries	135,394	148,211	(12,817)	155,692
Employee benefits	30,930	35,566	(4,636)	35,266
Purchased services	128,650	110,508	18,142	124,024
Supplies and materials	7,000	1,438	5,562	308
Capital outlay	4,800	-	4,800	-
Termination benefits	-	-	-	12,474
Total	306,774	295,723	11,051	327,764

(Continued)

Pleasantdale School District 107
General Fund - Budgetary Basis
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Operation and maintenance of plant services				
Purchased services	\$ 6,200	\$ -	\$ 6,200	\$ 3,360
Total	6,200	-	6,200	3,360
Food services				
Salaries	18,273	10,671	7,602	8,852
Supplies and materials	56,000	25,574	30,426	28,448
Capital outlay	4,000	4,974	(974)	4,950
Total	78,273	41,219	37,054	42,250
Total business	391,247	336,942	54,305	373,374
Central				
Information services				
Purchased services	20,000	-	20,000	-
Total	20,000	-	20,000	-
Total central	20,000	-	20,000	-
Total support services	2,952,322	2,749,348	202,974	2,848,736
Payments for special education programs				
Other objects	442,371	383,538	58,833	422,305
Payments for special education programs - tuition				
Other objects	256,595	270,693	(14,098)	136,852
Total payments to other districts and other government units	698,966	654,231	44,735	559,157
Total expenditures	11,674,908	10,826,546	848,362	10,818,803
Excess (deficiency) of revenues over expenditures	(228,129)	678,662	906,791	(237,312)

(Continued)

Pleasantdale School District 107
General Fund - Budgetary Basis
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Other financing uses				
Permanent transfer of interest - in	\$ -	\$ 17,759	\$ 17,759	\$ 13,264
Total other financing uses	-	17,759	17,759	13,264
Net change to fund balance	\$ (228,129)	696,421	\$ 924,550	(224,048)
Fund balance, beginning of year		7,439,895		7,663,943
Fund balance, end of year		\$ 8,136,316		\$ 7,439,895

(Concluded)

Pleasantdale School District 107
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Revenues				
Local sources				
General levy	\$ 1,706,300	\$ 1,225,185	\$ (481,115)	\$ 1,549,095
Interest on investments	60,000	96,694	36,694	61,077
Rentals	-	67,615	67,615	3,200
Impact fees from municipal or county governments	6,000	-	(6,000)	-
Other	-	-	-	20,000
Total local sources	1,772,300	1,389,494	(382,806)	1,633,372
Total revenues	1,772,300	1,389,494	(382,806)	1,633,372
Expenditures				
Support services				
Business				
Facilities acquisition and construction services				
Purchased services	30,000	22,543	7,457	1,085
Capital outlay	440,000	14,853	425,147	343,717
Total	470,000	37,396	432,604	344,802

(Continued)

Pleasantdale School District 107
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Operation and maintenance of plant services				
Salaries	\$ 198,339	\$ 185,452	\$ 12,887	\$ 183,164
Employee benefits	28,496	25,767	2,729	30,435
Purchased services	428,952	470,031	(41,079)	363,327
Supplies and materials	326,200	221,849	104,351	222,524
Capital outlay	525,000	267,447	257,553	115,609
Non-capitalized equipment	-	1,271	(1,271)	-
Total	1,506,987	1,171,817	335,170	915,059
Total business	1,976,987	1,209,213	767,774	1,259,861
Total support services	1,976,987	1,209,213	767,774	1,259,861
Total expenditures	1,976,987	1,209,213	767,774	1,259,861
Excess (deficiency) of revenues over expenditures	(204,687)	180,281	384,968	373,511
Other financing uses				
Transfer to Capital Projects Fund	-	(1,895,878)	(1,895,878)	-
Total other financing uses	-	(1,895,878)	(1,895,878)	-
Net change in fund balance	\$ (204,687)	(1,715,597)	\$ (1,510,910)	373,511
Fund balance, beginning of year		4,270,763		3,897,252
Fund balance, end of year		\$ 2,555,166		\$ 4,270,763

(Concluded)

Pleasantdale School District 107
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Revenues				
Local sources				
General levy	\$ 711,262	\$ 668,038	\$ (43,224)	\$ 650,855
Interest on investments	<u>13,000</u>	<u>17,759</u>	<u>4,759</u>	<u>13,264</u>
Total local sources	<u>724,262</u>	<u>685,797</u>	<u>(38,465)</u>	<u>664,119</u>
State sources				
Transportation - Regular/Vocational	180,000	176,889	(3,111)	230,632
Transportation - Special Education	<u>55,000</u>	<u>34,782</u>	<u>(20,218)</u>	<u>50,461</u>
Total state sources	<u>235,000</u>	<u>211,671</u>	<u>(23,329)</u>	<u>281,093</u>
Total revenues	<u>959,262</u>	<u>897,468</u>	<u>(61,794)</u>	<u>945,212</u>
Expenditures				
Support services				
Business				
Pupil transportation services				
Salaries	40,014	39,870	144	45,925
Employee benefits	8,616	10,127	(1,511)	9,339
Purchased services	<u>769,373</u>	<u>671,740</u>	<u>97,633</u>	<u>626,828</u>
Total	<u>818,003</u>	<u>721,737</u>	<u>96,266</u>	<u>682,092</u>

(Continued)

Pleasantdale School District 107
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Total support services	\$ 818,003	\$ 721,737	\$ 96,266	\$ 682,092
Total expenditures	818,003	721,737	96,266	682,092
Excess of revenues over expenditures	141,259	175,731	34,472	263,120
Other financing uses				
Permanent transfer of interest - out	-	(17,759)	17,759	(13,264)
Permanent transfer to Debt Service Fund	-	-	-	(750,000)
Total other financing uses	-	(17,759)	17,759	(763,264)
Net change in fund balance	\$ 141,259	157,972	\$ 52,231	(500,144)
Fund balance, beginning of year		690,901		1,191,045
Fund balance, end of year		\$ 848,873		\$ 690,901

(Concluded)

Pleasantdale School District 107
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Revenues				
Local sources				
General levy	\$ 167,284	\$ 138,219	\$ (29,065)	\$ 151,111
Social security/Medicare only levy	198,040	168,337	(29,703)	179,063
replacement taxes	88,000	10,878	(77,122)	78,240
Interest on investments	3,800	9,274	5,474	4,647
Total local sources	<u>457,124</u>	<u>326,708</u>	<u>(130,416)</u>	<u>413,061</u>
Total revenues	<u>457,124</u>	<u>326,708</u>	<u>(130,416)</u>	<u>413,061</u>
Expenditures				
Instruction				
Regular programs	52,182	49,769	2,413	50,727
Pre-K programs	2,733	2,773	(40)	2,682
Special education programs	144,048	112,755	31,293	132,456
Interscholastic programs	9,950	13,170	(3,220)	10,627
Summer school programs	2,900	2,419	481	2,778
Gifted programs	2,343	2,286	57	2,210
Total instruction	<u>214,156</u>	<u>183,172</u>	<u>30,984</u>	<u>201,480</u>
Support services				
Pupils				
Attendance and social work services	1,711	1,546	165	1,869
Health services	12,850	13,246	(396)	12,651
Total pupils	<u>14,561</u>	<u>14,792</u>	<u>(231)</u>	<u>14,520</u>

(Continued)

Pleasantdale School District 107
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Instructional staff				
Improvement of instruction services	\$ 4,215	\$ 4,035	\$ 180	\$ 4,158
Educational media services	29,665	32,478	(2,813)	23,892
Total instructional staff	33,880	36,513	(2,633)	28,050
General administration				
Executive administration services	8,613	8,851	(238)	8,747
Total general administration	8,613	8,851	(238)	8,747
School administration				
Office of the principal services	29,181	27,937	1,244	28,705
Total school administration	29,181	27,937	1,244	28,705
Business				
Fiscal services	6,238	7,091	(853)	7,212
Operation and maintenance of plant services	32,656	31,900	756	32,763
Pupil transportation services	2,777	2,945	(168)	3,041
Food services	4,454	816	3,638	676
Total business	46,125	42,752	3,373	43,692
Total support services	132,360	130,845	1,515	123,714
Total expenditures	346,516	314,017	32,499	325,194

(Continued)

Pleasantdale School District 107
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Excess of revenues over expenditures	<u>\$ 110,608</u>	12,691	<u>\$ (97,917)</u>	87,867
Fund balance, beginning of year		<u>381,720</u>		<u>293,853</u>
Fund balance, end of year		<u>\$ 394,411</u>		<u>\$ 381,720</u>

(Concluded)

Pleasantdale School District 107
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

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

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) 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.
- e) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 19, 2018.
- g) All budgets lapse at the end of the year.

2. EXPENDITURES IN EXCESS OF BUDGETS

The following fund had expenditures in excess of budgets at June 30, 2019:

<u>Fund</u>	<u>Amount</u>
Debt Service	\$ 2,196
Capital Projects	\$ 508,239

The variance in the Capital Projects Fund is the result of the District budgeting for certain capital projects costs in the Operations and Maintenance Fund for the year ended June 30, 2019.

Pleasantdale School District 107
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

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. 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	\$ 11,505,208	\$ 10,826,546
On-behalf payments received	3,084,461	
On-behalf payments made	<u>-</u>	<u>3,084,461</u>
General fund - GAAP basis	<u>\$ 14,589,669</u>	<u>\$ 13,911,007</u>

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

Changes of Assumptions

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

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

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

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

Valuation Date:

Notes

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

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

Pleasantdale School District 107
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

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

Change in Assumptions:

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

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

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

Valuation Date:

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

Methods and Assumptions Used to Determine the 2018 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Single equivalent discount rate	3.62%
Price Inflation	2.75%
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Diasabled Annutant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

Pleasantdale School District 107
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

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

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

Healthcare Cost Trend Rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additonal trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors Expenses	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death" Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Change in Assumptions:

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

SUPPLEMENTARY FINANCIAL INFORMATION

Pleasantdale School District 107**General Fund****COMBINING BALANCE SHEET**June 30, 2019

	<u>Educational Account</u>	<u>Tort Immunity and Judgment Account</u>	<u>Working Cash Account</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 7,780,501	\$ 54,396	\$ 278,691	\$ 8,113,588
Receivables (net of allowance for uncollectibles):				
Property taxes	5,187,673	40,635	-	5,228,308
Replacement taxes	80,587	-	-	80,587
Intergovernmental	<u>22,683</u>	<u>-</u>	<u>-</u>	<u>22,683</u>
Total assets	<u>\$ 13,071,444</u>	<u>\$ 95,031</u>	<u>\$ 278,691</u>	<u>\$ 13,445,166</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 8,679	\$ -	\$ -	\$ 8,679
Payroll deductions payable	-	-	-	-
Unearned revenue	<u>71,863</u>	<u>-</u>	<u>-</u>	<u>71,863</u>
Total liabilities	<u>80,542</u>	<u>-</u>	<u>-</u>	<u>80,542</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>5,187,673</u>	<u>40,635</u>	<u>-</u>	<u>5,228,308</u>
Total deferred inflows	<u>5,187,673</u>	<u>40,635</u>	<u>-</u>	<u>5,228,308</u>
FUND BALANCES				
Restricted	-	54,396	-	54,396
Unassigned	<u>7,803,229</u>	<u>-</u>	<u>278,691</u>	<u>8,081,920</u>
Total fund balance	<u>7,803,229</u>	<u>54,396</u>	<u>278,691</u>	<u>8,136,316</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 13,071,444</u>	<u>\$ 95,031</u>	<u>\$ 278,691</u>	<u>\$ 13,445,166</u>

Pleasantdale School District 107

General Fund

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

For the Year Ended June 30, 2019

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 9,611,599	\$ 80,997	\$ -	\$ 9,692,596
Replacement taxes	492,811	-	-	492,811
State aid	3,625,582	-	-	3,625,582
Federal aid	112,919	-	-	112,919
Interest	190,843	573	5,620	197,036
Other	468,725	-	-	468,725
Total revenues	14,502,479	81,570	5,620	14,589,669
Expenditures				
Current:				
Instruction:				
Regular programs	4,762,191	-	-	4,762,191
Special programs	1,650,875	-	-	1,650,875
Other instructional programs	1,000,534	-	-	1,000,534
State retirement contributions	3,084,461	-	-	3,084,461
Support services:				
Pupils	275,115	-	-	275,115
Instructional staff	961,116	-	-	961,116
General administration	363,293	75,045	-	438,338
School administration	633,291	-	-	633,291
Business	331,968	-	-	331,968
Operations and maintenance	-	-	-	-
Nonprogrammed charges	654,231	-	-	654,231
Capital outlay	118,887	-	-	118,887
Total expenditures	13,835,962	75,045	-	13,911,007
Excess of revenues over expenditures	666,517	6,525	5,620	678,662
Other financing sources				
Transfers in	17,759	-	-	17,759
Total other financing sources	17,759	-	-	17,759
Net change in fund balance	684,276	6,525	5,620	696,421
Fund balance, beginning of year	7,118,953	47,871	273,071	7,439,895
Fund balance, end of year	\$ 7,803,229	\$ 54,396	\$ 278,691	\$ 8,136,316

Pleasantdale School District 107
Debt Service Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Revenues				
Local sources				
General levy	\$ 1,302,992	\$ 1,381,158	\$ 78,166	\$ 1,107,175
Interest on investments	<u>12,500</u>	<u>12,460</u>	<u>(40)</u>	<u>12,412</u>
Total local sources	<u>1,315,492</u>	<u>1,393,618</u>	<u>78,126</u>	<u>1,119,587</u>
Total revenues	<u>1,315,492</u>	<u>1,393,618</u>	<u>78,126</u>	<u>1,119,587</u>
Expenditures				
Debt service				
Bonds and other - interest	<u>68,686</u>	<u>68,776</u>	<u>(90)</u>	<u>112,950</u>
Total debt service - interest	<u>68,686</u>	<u>68,776</u>	<u>(90)</u>	<u>112,950</u>
Principal payments on long-term debt	<u>1,830,000</u>	<u>1,830,000</u>	<u>-</u>	<u>1,665,000</u>
Other debt service				
Other objects	<u>-</u>	<u>2,106</u>	<u>(2,106)</u>	<u>2,205</u>
Total	<u>-</u>	<u>2,106</u>	<u>(2,106)</u>	<u>2,205</u>
Total debt service	<u>1,898,686</u>	<u>1,900,882</u>	<u>(2,196)</u>	<u>1,780,155</u>
Total expenditures	<u>1,898,686</u>	<u>1,900,882</u>	<u>(2,196)</u>	<u>1,780,155</u>
Deficiency of revenues over expenditures	<u>(583,194)</u>	<u>(507,264)</u>	<u>75,930</u>	<u>(660,568)</u>

(Continued)

Pleasantdale School District 107**Debt Service Fund****SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL****For the Year Ended June 30, 2019****With Comparative Actual Amounts for the Year Ended June 30, 2018**

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Other financing sources				
Permanent transfer from operations and maintenance fund	\$ -	\$ -	\$ -	\$ 750,000
Total other financing sources	-	-	-	750,000
Net change in fund balance	\$ (583,194)	(507,264)	\$ 75,930	89,432
Fund balance, beginning of year		960,922		871,490
Fund balance, end of year		\$ 453,658		\$ 960,922

(Concluded)

Pleasantdale School District 107
Capital Projects Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Expenditures				
Support services				
Facilities acquisition and construction services				
Capital outlay	\$ -	\$ 508,239	\$ (508,239)	\$ -
Total	-	508,239	(508,239)	-
Total support services	-	508,239	(508,239)	-
Total expenditures	-	508,239	(508,239)	-
Deficiency of revenues over expenditures	-	(508,239)	(508,239)	-
Other financing sources				
Transfer from Operations and Maintenance Fund	-	1,895,878	1,895,878	-
Total other financing sources	-	1,895,878	1,895,878	-
Net change in fund balance	\$ -	1,387,639	\$ 1,387,639	-
Fund balance, beginning of year		-		-
Fund balance, end of year		\$ 1,387,639		\$ -

Pleasantdale School District 107
Fire Prevention and Safety Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Revenues				
Local sources				
Interest on investments	\$ 3,943	\$ 5,906	\$ 1,963	\$ 4,007
Total local sources	3,943	5,906	1,963	4,007
Total revenues	3,943	5,906	1,963	4,007
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	6,500	5,009	1,491	4,973
Total	6,500	5,009	1,491	4,973
Total support services	6,500	5,009	1,491	4,973
Total expenditures	6,500	5,009	1,491	4,973
Excess (deficiency) of revenues over expenditures	\$ (2,557)	897	\$ 3,454	(966)
Fund balance, beginning of year		288,973		289,939
Fund balance, end of year		\$ 289,870		\$ 288,973

Pleasantdale School District 107
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Assets				
Cash	\$ 41,719	\$ 118,238	\$ 116,970	\$ 42,987
Liabilities				
Due to:				
<i>District Office</i>				
Friendship Fund	\$ 3,180	\$ 4,455	\$ 3,467	\$ 4,168
<i>Middle School</i>				
8th Grade Trip	1,624	25,730	23,971	3,383
Calculators	2,128	-	-	2,128
Celebration Books Library	1,014	1,756	1,733	1,037
Coca-Cola	347	98	-	445
Field Trips	173	6,140	5,339	974
Locks	3,101	362	-	3,463
Miscellaneous	3,633	4,281	5,292	2,622
Music	3,576	3,976	4,233	3,319
Outdoor Education	1,331	15,757	15,605	1,483
P.E. Uniforms	7,974	8,911	10,190	6,695
Scholarships	1,477	-	-	1,477
Inspired Learners Scholarship	-	555	3	552
Science Fair/Invention Council	1,339	60	309	1,090
Student Council	8,123	2,796	2,313	8,606
Technology Fund	56	-	-	56
Yearbooks	(3,760)	7,561	7,506	(3,705)
<i>Elementary School</i>				
Butterfly Garden	557	-	-	557
Classroom Activity	38	175	-	213
Field Trips	(456)	5,499	5,477	(434)
General	2,892	13,580	13,159	3,313
Library	1,178	5,840	3,971	3,047
Recycling	90	-	-	90
Revtrak	3,585	2,182	5,767	-
Staff Related Expenses	32	-	-	32
Student Council	5	-	-	5
Yearbooks	(1,518)	8,524	8,635	(1,629)
Total liabilities	\$ 41,719	\$ 118,238	\$ 116,970	\$ 42,987

OTHER SUPPLEMENTARY INFORMATION
(Unaudited)

Pleasantdale School District 107
PROPERTY TAX RATES - LEVIES AND COLLECTIONS
LAST FIVE TAX LEVY YEARS

	2018	2017	2016	2015	2014
Assessed valuation	\$ 608,570,368	\$ 634,073,605	\$ 513,384,114	\$ 492,031,994	\$ 507,181,813
Rates Extended					
Educational	1.7095	1.4679	1.7640	1.8158	1.7291
Special Education	0.0242	0.0218	0.0259	0.0266	0.0249
Tort Immunity	0.0135	0.0137	0.0166	0.0173	0.0164
Operations and Maintenance	0.1516	0.2618	0.3140	0.3244	0.3089
Debt Service	0.2683	0.1941	0.2145	0.2853	-
Transportation	0.1151	0.1091	0.1332	0.1471	0.1477
Municipal Retirement	0.0208	0.0257	0.0304	0.0269	0.0230
Social Security	0.0262	0.0304	0.0361	0.0289	0.0230
Total rates extended	2.3292	2.1245	2.5347	2.6723	2.2730
Levies Extended					
Educational	\$ 10,403,592	\$ 9,307,566	\$ 9,056,095	\$ 8,934,075	\$ 8,769,680
Special Education	147,290	138,228	132,966	131,081	126,288
Tort Immunity	82,400	86,868	85,221	84,933	83,177
Operations and Maintenance	922,738	1,660,004	1,612,026	1,596,037	1,566,684
Debt Service	1,633,065	1,230,863	1,101,083	1,403,774	-
Transportation	700,400	691,774	683,827	723,642	749,107
Municipal Retirement	126,690	162,956	156,068	132,554	116,651
Social Security	159,650	192,758	185,331	142,372	116,651
Total levies extended	\$ 14,175,825	\$ 13,471,017	\$ 13,012,617	\$ 13,148,468	\$ 11,528,238

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

Pleasantdale School District 107
OPERATING COSTS AND TUITION CHARGE
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>787.30</u>	<u>763.88</u>
Operating costs:		
Educational	\$ 10,881,234	\$ 10,753,159
Operations and Maintenance	1,209,213	1,259,861
Debt Service	1,900,882	1,780,155
Transportation	721,737	682,092
Municipal Retirement/Social Security	314,017	325,194
Tort	<u>75,045</u>	<u>65,644</u>
Subtotal	<u>15,102,128</u>	<u>14,866,105</u>
Less Revenues/Expenditures of Nonregular Programs:		
Summer School	50,231	51,462
Pre-K Programs	256,468	249,174
Special Education	34,516	59,079
Payments to Other Districts and Gov't Units	654,231	559,157
Capital Outlay	401,187	598,993
Debt Principal Retired	1,830,000	1,665,000
Non-capitalized Equipment	<u>2,171</u>	<u>1,414</u>
Subtotal	<u>3,228,804</u>	<u>3,184,279</u>
Operating costs	<u>\$ 11,873,324</u>	<u>\$ 11,681,826</u>
Operating costs per pupil - based on ADA	<u>\$ 15,081</u>	<u>\$ 15,293</u>
Tuition Charge		
Operating costs	\$ 11,873,324	\$ 11,681,826
Less - revenues from specific programs, such as special education or lunch programs	<u>928,968</u>	<u>856,859</u>
Net operating costs	10,944,356	10,824,967
Depreciation allowance	<u>416,937</u>	<u>388,615</u>
Allowance tuition costs	<u>\$ 11,361,293</u>	<u>\$ 11,213,582</u>
Tuition charge per pupil - based on ADA	<u>\$ 14,431</u>	<u>\$ 14,680</u>

Source of information: Annual Financial Reports