

Pleasantdale School District 107
Burr Ridge, Illinois
Annual Financial Report
Year Ended June 30, 2018

Pleasantdale School District 107

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2018

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 4
Management's Discussion and Analysis (Unaudited)	5 - 11
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position - Governmental Activities	12
Statement of Activities	13
Fund Financial Statements	
Balance Sheet - Governmental Funds	14 - 15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17 - 18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Fiduciary Assets and Liabilities - Agency Fund	20
Notes to the Financial Statements	21 - 65
Required Supplementary Information (Unaudited)	
Multiyear Schedules of Changes in Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund	66 - 67
Multiyear Schedule of Contributions - Illinois Municipal Retirement Fund	68
Multiyear Schedule of the District's Proportionate Share of the Net Pension Liability - Teachers' Retirement System of the State of Illinois	69 - 70
Multiyear Schedule of District Contributions - Teachers' Retirement System of the State of Illinois	71 - 72
Schedule of the District's Proportionate Share of the Net Other Postemployment Benefit (OPEB) Liability - Teachers' Health Insurance Security Fund	73
Schedule of District Contributions - Teachers' Health Insurance Security Fund	74
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund - Budgetary Basis	75 - 84
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Operations and Maintenance Fund	85 - 86
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Transportation Fund	87 - 88

(Continued)

Pleasantdale School District 107

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2018

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information (Unaudited) (Continued)	
Schedule of Revenues, Expenditures, and Changes in Fund Balances -	
Budget and Actual - Municipal Retirement/Social Security Fund	89 - 91
Notes to the Required Supplementary Information	92 - 95
Supplementary Financial Information	
General Fund	
Combining Balance Sheet	96
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	97
Schedule of Revenues, Expenditures, and Changes in Fund Balances -	
Budget and Actual - Debt Service Fund	98 - 99
Schedule of Revenues, Expenditures, and Changes in Fund Balances -	
Budget and Actual - Fire Prevention and Safety Fund	100
Statement of Changes in Assets and Liabilities -	
Agency Fund	101
Schedule of General Obligation Bonds - General Long-Term Debt	102
Other Supplementary Information (Unaudited)	
Property Tax Rates - Levies and Collections - Last Five Tax Levy Years	103
Operating Costs and Tuition Charge	104

(Concluded)

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, 2018, 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, 2018, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note N to the financial statements, deferred outflows, long-term liabilities, and net position as of July 1, 2017 have been restated as a result of an adjustment due to the implementation of the Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois pension data on pages 66 through 72, the other postemployment benefits data on pages 73 through 74, budgetary comparison schedules and notes to the required supplementary information on pages 75 through 95 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, 2018, 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, 2018 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2018 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial information for the year ended June 30, 2018 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2018.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Pleasantdale School District 107, as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated November 13, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pleasantdale School District 107's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Debt Service Fund and Fire Prevention and Safety Fund with comparative actual amounts for the year ended June 30, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Debt Service Fund and Fire Prevention and Safety Fund have been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Debt Service Fund and Fire Prevention and Safety Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

(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 January 8, 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
January 8, 2019

Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2018

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, 2018. 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 decreased by \$963,418. This represents a 5.7% decrease from 2017.
- > General revenues accounted for \$13.8 in revenue or 67% of all revenues in fiscal year 2018. Program specific revenues in the form of charges for services and fees and grants accounted for \$6.8 or 33% of total revenues of \$20.6.
- > The District incurred \$19.6 in expenses related to government activities in fiscal year 2018. However, only \$6.8 of these expenses were offset by program specific charges and grants.
- > The beginning net position was significantly impacted by the District's implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The implementation of this new financial reporting standard entailed the recognition of postemployment benefit liabilities totaling \$7.45 million and deferred outflows of resources of \$57 thousand, as of June 30, 2017. These items pertain to the District's liability for providing postemployment health care and life insurance (OPEB) benefits for retired employees, including the District's proportional share of the Teachers Health Insurance Security Fund (THIS). For more detailed information, see Note N in the footnotes to the financial statements.

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.

Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2018

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.

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 six 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, 2018

Government-Wide Financial Analysis

The District's combined net position was lower on June 30, 2018, than it was the year before, decreasing 24% to \$18.5.

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

	<u>2017 *</u>	<u>2018</u>
Assets:		
Current and other assets	\$ 20.5	\$ 20.9
Capital Assets	<u>16.3</u>	<u>16.4</u>
Total assets	<u>36.8</u>	<u>37.2</u>
Deferred outflows:		
Related to pensions	0.5	0.5
Related to other post-employment benefits	<u>-</u>	<u>0.6</u>
Total deferred outflows	<u>0.5</u>	<u>1.1</u>
Liabilities:		
Current liabilities	0.3	0.3
Long-term debt outstanding	<u>6.7</u>	<u>12.3</u>
Total liabilities	<u>7.0</u>	<u>12.6</u>
Deferred inflows:		
Property tax levied for a future period	6.0	6.5
Related to pensions	0.1	0.5
Related to other post-employment benefits	<u>-</u>	<u>0.9</u>
Total deferred inflows	<u>6.1</u>	<u>7.9</u>
Net position:		
Net investment in capital assets	11.7	13.2
Restricted	6.5	6.6
Unrestricted	<u>6.0</u>	<u>-2.0</u>
Total net position	<u>\$ 24.2</u>	<u>\$ 17.8</u>

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

Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2018

Revenues in the governmental activities of the District of \$20.6 million exceeded expenditures by \$1.0 million.

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

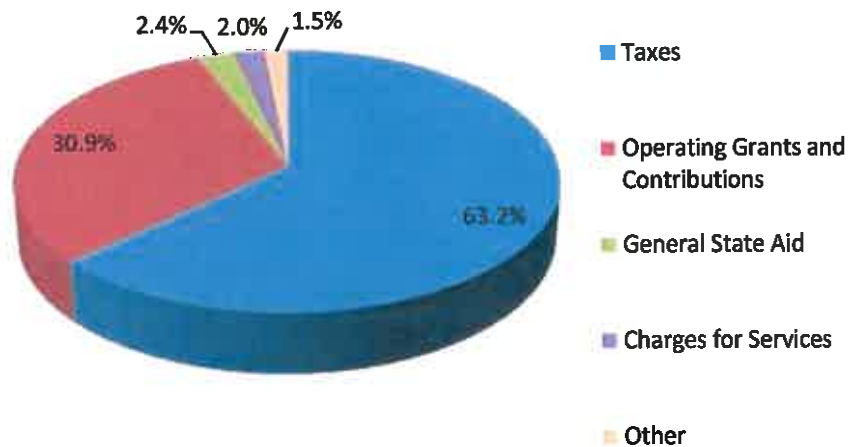
	<u>2017 *</u>	<u>2018</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 0.3	\$ 0.4
Operating grants and contributions	5.4	6.4
<i>General revenues:</i>		
Taxes	14.4	13.0
General state aid	0.2	0.5
Other	0.3	0.3
Total revenues	<u>20.6</u>	<u>20.6</u>
Expenses:		
Instruction	12.8	14.6
Support services	5.0	4.8
Other	0.3	0.2
Total expenses	<u>18.1</u>	<u>19.6</u>
Increase in net position	2.5	1.0
Beginning net position (as restated, see Note N)	<u>21.7</u>	<u>16.8</u>
Ending net position	<u>\$ 24.2</u>	<u>\$ 17.8</u>

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

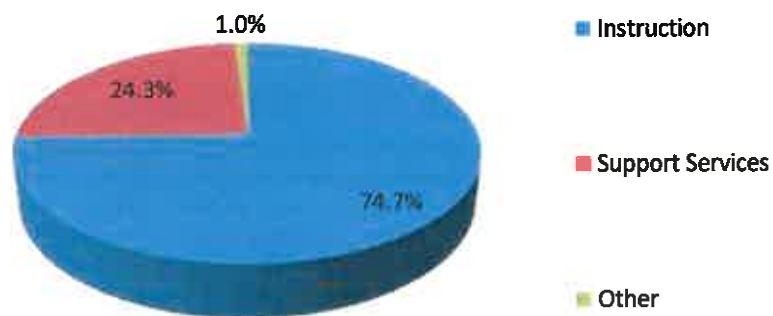
Property taxes accounted for the largest portion of the District's revenues, contributing 60.9%. The remainder of revenues came from personal property replacement taxes, state and federal grants, and other sources. The total cost of all the District's programs was \$19.6, mainly related to instruction and support services.

Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2018

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, 2018

Financial Analysis of the District's Funds

The District's Governmental Funds balance decreased from \$14.2 million at June 30, 2017 to \$14.0 million at June 30, 2018.

General Fund Budgetary Highlights

The District budgeted for the General Fund's fund balance to decrease by \$0.52 million. The General Fund balance actually decreased by \$0.22 million.

Capital Assets and Debt Administration

Capital assets

By the end of 2018, the District had compiled a total investment of \$16.4 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>2017</u>	<u>2018</u>
Land	\$ 0.4	\$ 0.5
Land improvements	0.2	0.2
Building improvements	0.4	0.7
Equipment	0.2	0.1
Buildings	<u>15.1</u>	<u>14.9</u>
Total	<u>\$ 16.3</u>	<u>\$ 16.4</u>

Long-term debt

The District retired \$1.66 of bonds in 2018. At the end of fiscal 2018, the District had a debt margin of \$43.7, of which \$40.4 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>2017 *</u>	<u>2018</u>
General obligation bonds	\$ 5.2	\$ 3.4
Other long term liabilities	<u>9.0</u>	<u>8.8</u>
Total	<u>\$ 14.2</u>	<u>\$ 12.2</u>

* Presented as restated due to the implementation of GASB Statement No. 75.

Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2018

Factors Bearing on the District's Future

Consistent with West Cook County, Pleasantdale School District 107's EAV increased by 23.5% in 2017 after an increase of 4.3% in 2016. This large increase is due to it being a triennial year for reassessments. The National Consumer Price Index for tax year 2017 is 2.1% and the CPI for tax year 2018 will again be 2.1%. Any increase in the local property tax revenues will be limited to the CPI, plus "new growth."

The District negotiated and finalized the collective bargaining agreement with certified and educational support staff members in 2015. This five-year contract (2015-2020) has a significant impact on future financial projections as salaries account for the majority of the District's expenditures.

Enrollments increased from 767 students in grades K-8 at the end of 2017-2018 to 778 students at the beginning of the 2018-2019 school year. According to demographic projections, enrollments are expected to remain relatively flat.

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, 2018

ASSETS	
Cash and investments	\$ 14,143,311
Receivables (net of allowance for uncollectibles):	
Property taxes	6,553,110
Replacement taxes	77,122
Intergovernmental	100,202
Capital assets:	
Land	399,498
Construction in progress	129,708
Depreciable buildings, property, and equipment, net	<u>15,841,701</u>
Total assets	<u>37,244,652</u>
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows related to pensions	495,887
Deferred outflows related to other postemployment benefits	<u>613,443</u>
Total deferred outflows	<u>1,109,330</u>
LIABILITIES	
Accounts payable	230,602
Payroll deductions payable	12,474
Unearned revenue	77,176
Interest payable	7,688
Long-term liabilities:	
Due within one year	1,830,000
Due after one year	<u>10,419,553</u>
Total liabilities	<u>12,577,493</u>
DEFERRED INFLOW OF RESOURCES	
Property taxes levied for a future period	6,520,319
Deferred inflows related to pensions	531,907
Deferred inflows related to other post employment benefits	<u>919,188</u>
Total deferred inflows	<u>7,971,414</u>
NET POSITION	
Net investment in capital assets	13,185,684
Restricted For:	
Operations and maintenance	4,270,763
Debt service	953,234
Student transportation	690,901
Retirement benefits	381,720
Fire prevention and safety	288,973
Tort immunity	47,871
Unrestricted	<u>(2,014,071)</u>
Total net position	<u>\$ 17,805,075</u>

The accompanying notes are an integral part of this statement.

Pleasantdale School District 107

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

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	\$ 5,281,916	\$ 364,229	\$ 51,334	\$ (4,866,353)
Special programs	2,469,262	-	60,447	(2,408,815)
Other instructional programs	1,019,424	50,561	72	(968,791)
State retirement contributions	5,878,088	-	5,878,088	-
Support services:				
Pupils	285,409	-	-	(285,409)
Instructional staff	1,210,324	-	33,139	(1,177,185)
General administration	477,148	-	-	(477,148)
School administration	761,349	-	-	(761,349)
Business	442,234	-	43,716	(398,518)
Transportation	683,637	-	281,093	(402,544)
Operations and maintenance	899,481	3,200	-	(896,281)
Nonprogrammed charges - excluding special education	136,852	-	-	(136,852)
Interest and fees	66,276	-	-	(66,276)
Total governmental activities	<u>\$ 19,611,400</u>	<u>\$ 417,990</u>	<u>\$ 6,347,889</u>	<u>(12,845,521)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				8,820,752
Real estate taxes, levied for specific purposes				2,611,568
Real estate taxes, levied for debt service				1,107,175
Personal property replacement taxes				452,633
State aid-formula grants				502,039
Investment earnings				225,456
Miscellaneous				89,316
Total general revenues				<u>13,808,939</u>
Change in net position				963,418
Net position, beginning of year (as restated, see Note N)				<u>16,841,657</u>
Net position, end of year				\$ 17,805,075

The accompanying notes are an integral part of this statement.

Pleasantdale School District 107

Governmental Funds

BALANCE SHEETJune 30, 2018

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 7,505,135	\$ 4,461,286	\$ 626,259	\$ 303,732
Receivables (net of allowance for uncollectibles):				
Property taxes	4,637,214	807,518	336,517	173,038
Replacement taxes	-	-	-	77,122
Intergovernmental	<u>29,027</u>	<u>-</u>	<u>71,175</u>	<u>-</u>
Total assets	<u>\$ 12,171,376</u>	<u>\$ 5,268,804</u>	<u>\$ 1,033,951</u>	<u>\$ 553,892</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 27,821	\$ 194,564	\$ 8,217	\$ -
Payroll deductions payable	12,474	-	-	-
Unearned revenue	<u>77,176</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>117,471</u>	<u>194,564</u>	<u>8,217</u>	<u>-</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>4,614,010</u>	<u>803,477</u>	<u>334,833</u>	<u>172,172</u>
Total deferred inflows	<u>4,614,010</u>	<u>803,477</u>	<u>334,833</u>	<u>172,172</u>
FUND BALANCES				
Restricted	47,871	4,270,763	690,901	381,720
Unassigned	<u>7,392,024</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>7,439,895</u>	<u>4,270,763</u>	<u>690,901</u>	<u>381,720</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 12,171,376</u>	<u>\$ 5,268,804</u>	<u>\$ 1,033,951</u>	<u>\$ 553,892</u>

The accompanying notes are an integral part of this statement.

Debt Service	Fire Prevention and Safety	Total
\$ 957,926	\$ 288,973	\$ 14,143,311
598,823	-	6,553,110
-	-	77,122
-	-	100,202
<u>\$ 1,556,749</u>	<u>\$ 288,973</u>	<u>\$ 20,873,745</u>
\$ -	\$ -	\$ 230,602
-	-	12,474
-	-	77,176
-	-	320,252
595,827	-	6,520,319
595,827	-	6,520,319
960,922	288,973	6,641,150
-	-	7,392,024
960,922	288,973	14,033,174
<u>\$ 1,556,749</u>	<u>\$ 288,973</u>	<u>\$ 20,873,745</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, 2018

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

Total fund balances - governmental funds	\$ 14,033,174	
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.		16,370,907
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:		
Deferred outflows of resources related to pensions	\$ 373,686	
Deferred outflows of 2018 employer contributions related to pensions	122,201	
Deferred outflows of resources related to other postemployment benefits	553,593	
Deferred outflows of 2018 employer contributions related to other postemployment benefits	<u>59,850</u>	
		1,109,330
Deferred inflows of resources related to pensions	(531,907)	
Deferred inflows of resources related to other postemployment benefits	<u>(919,188)</u>	
		(1,451,095)
Interest on long-term liabilities accrued in the statement of net position will not be paid with current financial resources and, accordingly, is not recognized in the governmental funds balance sheet.		(7,688)
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>(12,249,553)</u>
Net position of governmental activities	\$	<u><u>17,805,075</u></u>

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, 2018

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 8,902,196	\$ 1,549,095	\$ 650,855	\$ 330,174
Replacement taxes	374,393	-	-	78,240
State aid	6,415,875	-	281,093	-
Federal aid	152,960	-	-	-
Interest	130,049	61,077	13,264	4,647
Other	484,106	23,200	-	-
Total revenues	16,459,579	1,633,372	945,212	413,061
Expenditures				
Current:				
Instruction:				
Regular programs	4,663,672	-	-	50,727
Special programs	1,787,907	-	-	132,456
Other instructional programs	953,474	-	-	18,297
State retirement contributions	5,878,088	-	-	-
Support services:				
Pupils	263,151	-	-	14,520
Instructional staff	979,058	-	-	28,050
General administration	430,227	-	-	8,747
School administration	674,066	-	-	28,705
Business	365,064	1,085	-	7,888
Transportation	-	-	682,092	3,041
Operations and maintenance	3,360	799,450	-	32,763
Nonprogrammed charges	559,157	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	139,667	459,326	-	-
Total expenditures	16,696,891	1,259,861	682,092	325,194
Excess (deficiency) of revenues over expenditures	(237,312)	373,511	263,120	87,867
Other financing sources (uses)				
Transfers in	13,264	-	-	-
Transfers (out)	-	-	(763,264)	-
Total other financing sources (uses)	13,264	-	(763,264)	-
Net change in fund balance	(224,048)	373,511	(500,144)	87,867
Fund balance, beginning of year	7,663,943	3,897,252	1,191,045	293,853
Fund balance, end of year	\$ 7,439,895	\$ 4,270,763	\$ 690,901	\$ 381,720

The accompanying notes are an integral part of this statement.

Debt Service	Fire Prevention and Safety	Total
\$ 1,107,175	\$ -	\$ 12,539,495
-	-	452,633
-	-	6,696,968
-	-	152,960
12,412	4,007	225,456
-	-	507,306
1,119,587	4,007	20,574,818
-	-	4,714,399
-	-	1,920,363
-	-	971,771
-	-	5,878,088
-	-	277,671
-	-	1,007,108
-	-	438,974
-	-	702,771
-	4,973	379,010
-	-	685,133
-	-	835,573
-	-	559,157
1,665,000	-	1,665,000
115,155	-	115,155
-	-	598,993
1,780,155	4,973	20,749,166
(660,568)	(966)	(174,348)
750,000	-	763,264
-	-	(763,264)
750,000	-	-
89,432	(966)	(174,348)
871,490	289,939	14,207,522
\$ 960,922	\$ 288,973	\$ 14,033,174

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, 2018

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

Net change in fund balances - total governmental funds \$ (174,348)

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. 33,598

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

Deferred outflow and inflows of resources related to IMRF pension (478,621)

Deferred outflow and inflows of resources related to TRS pension 26,273

Deferred outflow and inflows of resources related to THIS OPEB (362,847)

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. 3,449

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. 1,852,930

Change in net position of governmental activities \$ 963,418

The accompanying notes are an integral part of this statement.

Pleasantdale School District 107
Agency Fund
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2018

	Student Activity Fund
<hr/>	
ASSETS	
Cash	\$ 41,719
<hr/>	
LIABILITIES	
Due to student groups	\$ 38,539
Due to employees	3,180
	<hr/>
	\$ 41,719
	<hr/>

The accompanying notes are an integral part of this statement.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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. New Accounting Pronouncement

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

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. New Accounting Pronouncement (Continued)

Management has evaluated the effects of this Statement's implementation and determined there is no effect on the District's financial statements for Retiree Health Plan (RHP) as the participation rate of employees taking these benefits is estimated at zero, based on historical experience and current trends.

3. Fund Accounting

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

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

Governmental funds are used to account for the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (debt service 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.

4. Government-Wide and Fund Financial Statements

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

a. General Fund

The *General Fund* includes the Educational Account, the Working Cash Account, and the Tort Immunity and Judgment Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the 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. 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:

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b. Special Revenue Funds (Continued)

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.

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

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, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. 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.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, 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, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. 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, 2018, property taxes levied for a future period were reported as unavailable revenue in the governmental funds. At June 30, 2018, the District had unearned revenue of \$77,176.

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

6. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to future periods. At June 30, 2018, 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, 2018, the District reported deferred inflows related to property taxes levied for a future period, other postemployment benefits, and pension liabilities.

7. 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 (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.

8. Deposits and Investments

The Illinois Compiled Statutes require the District to utilize the investment 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, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Personal Property Replacement Taxes

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

10. 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

11. 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, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. 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.

12. 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.

13. 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.

14. 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, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. 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, 2018, 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, 2018 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, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefits liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and other post employment benefits (OPEB), and pension 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	\$ (3,334,167)
Unamortized bond premiums	(110,223)
Net pension liability - IMRF	(218,936)
Net pension liability - TRS	(903,326)
THIS net other postemployment benefit	<u>(7,682,901)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position of governmental activities	\$ <u>(12,249,553)</u>

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

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

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	\$ 422,072
Depreciation expense	<u>(388,474)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position of governmental activities.	\$ <u><u>33,598</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	\$ 1,665,000
Accretion	(17,554)
Net pension liability - IMRF, net	499,338
Net pension liability - TRS, net	(60,547)
THIS net other postemployment benefit liability	<u>(233,307)</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>1,852,930</u></u>

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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.

As explained in Note A-8, 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, subject to the legal restrictions discussed below.

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

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 monthly based upon the District's percentage participation in the pool. Cash for all funds, including cash applicable to the Debt Service Fund and the Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

The weighted-average maturity of all pooled marketable investments held by the Treasurer was 6.12 years, at June 30, 2018. The Treasurer also holds money market type investments and deposits with financial institutions, including certificates of deposit. As of the same date, the fair value of all investments held by the Treasurer's office was \$185,015,914. The District's proportionate share of all pooled cash and investments is approximately 7.10%. Further information about investments held at the Treasurer's office is available from the Treasurer's financial statements.

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

2. Cash and Investments in the Custody of the District

Deposits of the student activity and imprest funds, which are held in the District's custody, consist of deposits with financial institutions. At June 30, 2018, the carrying value of the District's Agency Funds and imprest funds were \$44,719, 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, 2018, 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 20, 2017. The District's property tax is levied each year on all taxable real property located in the District, and becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE D - PROPERTY TAXES RECEIVABLE (Continued)

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

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

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

The County Clerk adds the equalized assessed valuation of all real property in the county to the valuation of property assessed directly by the state (to which the equalization factor is not applied) to arrive at the base amount (the assessment base) used to calculate the annual tax rates, as described above. The equalized assessed valuation for the extension of the 2017 tax levy was \$634,073,605.

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE E - CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2017</u>	<u>Increases/</u> <u>Transfers</u>	<u>Decreases/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2018</u>
Capital assets, not being depreciated				
Land	\$ 399,498	\$ -	\$ -	\$ 399,498
Construction in progress	<u>48,107</u>	<u>106,875</u>	<u>25,274</u>	<u>129,708</u>
Total capital assets, not being depreciated	<u>447,605</u>	<u>106,875</u>	<u>25,274</u>	<u>529,206</u>
Capital assets, being depreciated				
Buildings	21,256,079	-	-	21,256,079
Building improvements	441,323	319,136	-	760,459
Land improvements	546,311	11,350	-	557,661
Equipment	<u>3,141,999</u>	<u>9,985</u>	<u>1,241</u>	<u>3,150,743</u>
Total capital assets, being depreciated	<u>25,385,712</u>	<u>340,471</u>	<u>1,241</u>	<u>25,724,942</u>
Less accumulated depreciation for:				
Buildings	6,119,541	265,701	-	6,385,242
Building improvements	54,537	38,295	-	92,832
Land improvements	358,686	27,883	-	386,569
Equipment	<u>2,963,244</u>	<u>56,595</u>	<u>1,241</u>	<u>3,018,598</u>
Total accumulated depreciation	<u>9,496,008</u>	<u>388,474</u>	<u>1,241</u>	<u>9,883,241</u>
Total capital assets, being depreciated, net	<u>15,889,704</u>	<u>(48,003)</u>	<u>-</u>	<u>15,841,701</u>
Governmental activities capital assets, net	<u>\$ 16,337,309</u>	<u>\$ 58,872</u>	<u>\$ 25,274</u>	<u>\$ 16,370,907</u>

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE E - CAPITAL ASSETS (Continued)

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

Governmental activities		
General government		
Regular programs	\$	220,119
Education media		10,021
General administration		19,398
School administration		16,628
Facilities acquisition and construction services		51,220
Operations and maintenance		69,975
Food service		<u>1,113</u>
Total depreciation from governmental activities	\$	<u><u>388,474</u></u>

NOTE F - LONG-TERM LIABILITIES

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

	Balance July 1, 2017 (as restated)	Additions/ Accretion	Reductions	Balance June 30, 2018
Bonds payable:				
General obligation bonds	\$ 4,981,613	\$ 17,554	\$ 1,665,000	\$ 3,334,167
Unamortized premium	<u>173,207</u>	<u>—</u>	<u>62,984</u>	<u>110,223</u>
Total bonds payable	<u>5,154,820</u>	<u>17,554</u>	<u>1,727,984</u>	<u>3,444,390</u>
IMRF net pension liability	718,274	896,537	1,395,875	218,936
TRS net pension liability	842,779	170,500	109,953	903,326
THIS net other postemployment benefit liability*	<u>7,449,594</u>	<u>1,165,749</u>	<u>932,442</u>	<u>7,682,901</u>
Total long-term liabilities - governmental activities	<u>\$ 14,165,467</u>	<u>\$ 2,250,340</u>	<u>\$ 4,166,254</u>	<u>\$ 12,249,553</u>

* The beginning balance as of July 1, 2017 is restated due to the implementation of GASB 75 (Note I and Note N).

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE F - LONG-TERM LIABILITIES (Continued)

	<u>Due within one year</u>
General obligation bonds	\$ <u>1,830,000</u>

1. General Obligation Bonds

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

	<u>Bonds Payable July 1, 2017</u>		<u>Accretion</u>		<u>Debt Retired</u>		<u>Bonds Payable June 30, 2018</u>
Series 2005 Capital Appreciation Bonds interest at 4.50%, maturing December 1, 2018	\$ 526,613	\$	17,554	\$	285,000	\$	259,167
Series 2016 General Obligation Refunding Bonds interest at 2.00% to 3.00%, maturing December 2, 2019	<u>4,455,000</u>		<u>-</u>		<u>1,380,000</u>		<u>3,075,000</u>
Total	\$ <u>4,981,613</u>	\$	<u>17,554</u>	\$	<u>1,665,000</u>	\$	<u>3,334,167</u>

The amount of bonds payable at June 30, 2018 is as follows:

	<u>Interest Rates</u>		<u>Face Amount</u>		<u>Carrying Amount</u>
Series 2005 Capital Appreciation Bonds	4.50%	\$	265,000	\$	259,167
Series 2016 General Obligation Refunding Bonds	2.00% - 3.00%		<u>3,075,000</u>		<u>3,075,000</u>
		\$	<u>3,340,000</u>	\$	<u>3,334,167</u>

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE F - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds (Continued)

At June 30, 2018, the District's future cash flow requirements for retirement of bond principal and interest were as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,830,000	\$ 68,775	\$ 1,898,775
2020	1,510,000	22,650	1,532,650
	<u>\$ 3,340,000</u>	<u>\$ 91,425</u>	<u>\$ 3,431,425</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$960,922 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, 2018, the statutory debt limit for the District was \$43,751,079, of which \$40,411,079 is fully available.

In prior years, the District defeased certain general obligation bonds and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. At June 30, 2018, \$3,215,000 of bonds principal outstanding are considered defeased.

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.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE G - RISK MANAGEMENT (Continued)

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/fy2017; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - PENSION LIABILITIES (Continued)

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

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

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2017, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2018, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$5,099,748 in pension contributions from the state of Illinois.

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2018, were \$39,447, and are deferred because they were paid after the June 30, 2017 measurement date.

Federal and Special Trust Fund Contributions

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$40,264 were paid from federal and special trust funds that required employer contributions of \$4,067. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

Early Retirement Cost Contributions

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the ERO. The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the District paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2018, the District paid \$16,913 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

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

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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	\$ 903,326
State's proportionate share of the net pension liability associated with the District	<u>51,818,700</u>
Total	<u>\$ 52,722,026</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.0011823933 percent, which was an increase of 0.0001147202 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$5,183,330 and revenue of \$5,099,748 for support provided by the state. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,811	\$ 417
Changes in assumptions	60,291	25,957
Net difference between projected and actual earnings on pension plan investments	620	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>112,394</u>	<u>41,745</u>
Total deferred amount to be recognized in pension expense in the future period	183,116	68,119
District contributions subsequent to the measurement date	<u>43,514</u>	<u>-</u>
Total	<u>\$ 226,630</u>	<u>\$ 68,119</u>

The District reported \$43,514 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2019. Other amounts reported as net deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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 ended June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2019	\$ 9,955
2020	50,982
2021	41,876
2022	10,737
2023	<u>1,447</u>
Total	<u>\$ 114,997</u>

Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014. The same assumptions were used in the June 30, 2016 actuarial valuation.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - PENSION LIABILITIES (Continued)

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

Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Allocation</u>	<u>Rate of</u>
U.S. equities large cap	14.4 %	6.94 %
U.S. equities small/mid cap	3.6	8.09
International equities developed	14.4	7.46
Emerging market equities	3.6	10.15
U.S. bonds core	10.7	2.44
International debt developed	5.3	1.70
Real estate	15.0	5.44
Commodities (real return)	11.0	4.28
Hedge funds (absolute return)	8.0	4.16
Private equity	14.0	10.63
Total	<u>100 %</u>	

Discount Rate

At June 30, 2017, the discount rate used to measure the total pension liability was 7.00 percent, which was a change from the June 30, 2016 rate of 6.83 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - PENSION LIABILITIES (Continued)

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

Discount Rate (Continued)

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

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

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

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

	<u>1% Lower</u> <u>6.00%</u>	<u>Current</u> <u>Discount</u> <u>7.00%</u>	<u>1% Higher</u> <u>8.00%</u>
District's proportionate share of the net pension liability	\$ <u>1,109,855</u>	\$ <u>903,326</u>	\$ <u>734,163</u>

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2017 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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 administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the Benefits Provided section below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at www.imrf.org.

Benefits Provided

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

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

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - PENSION LIABILITIES (Continued)

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

Employees Covered by Benefit Terms

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

Retirees and beneficiaries currently receiving benefits	27
Inactive plan members entitled to but not yet receiving benefits	72
Active plan members	<u>43</u>
Total	<u><u>142</u></u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2017 was 10.83%. For the fiscal year ended June 30, 2018 the District contributed \$140,018 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - PENSION LIABILITIES (Continued)

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

Actuarial Assumptions (Continued)

Long-term Expected Rate of Return

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

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	6.85%
International Equity	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	2.65-7.35%
Cash Equivalents	1%	2.25%
Total	<u>100%</u>	

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - PENSION LIABILITIES (Continued)

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

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31%; and the resulting single discount rate is 7.50%.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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, 2017:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 5,293,843	\$ 4,575,569	\$ 718,274
Changes for the year:			
Service cost	\$ 158,773	\$ -	\$ 158,773
Interest on the total pension liability	394,003	-	394,003
Difference between expected and actual experience of the total pension liability	69,033	-	69,033
Changes of assumptions	(170,459)	-	(170,459)
Contributions - Employer	-	141,122	(141,122)
Contributions - Employees	-	58,638	(58,638)
Net Investment Income	-	785,932	(785,932)
Benefit payments, including refunds of employee contributions	(239,724)	(239,724)	-
Other (net transfer)	-	(35,004)	35,004
Net changes	211,626	710,964	(499,338)
Balances at December 31, 2017	\$ 5,505,469	\$ 5,286,533	\$ 218,936

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

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

	1% Lower (6.50%)	Current Discount Rate (7.50%)	1% Higher (8.50%)
Net pension liability (asset)	\$ 883,843	\$ 218,936	\$ (330,598)

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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, 2018 the District recognized pension expense of \$119,302. At June 30, 2018, the District reported deferred outflows / 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	\$ 43,061	\$ -
Change of assumptions	-	107,327
Net difference between projected and actual earnings on pension plan investments	<u>147,509</u>	<u>356,461</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>190,570</u>	<u>463,788</u>
<i>Pension contributions made subsequent to the measurement date</i>	<u>78,687</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 269,257</u>	<u>\$ 463,788</u>

The District reported \$78,687 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2019.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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)

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 Inflows of Resources</u>
2019	\$ 54,092
2020	46,970
2021	83,040
2022	89,116
2023	-
Thereafter	<u>-</u>
Total	<u>\$ 273,218</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	\$ 43,514	\$ 78,687	\$ 122,201
Experience	9,811	43,061	52,872
Assumptions	60,291	-	60,291
Proportionate share	112,394	-	112,394
Investments	620	147,509	148,129
	<u>\$ 226,630</u>	<u>\$ 269,257</u>	<u>\$ 495,887</u>
Net pension liability	<u>\$ 903,326</u>	<u>\$ 218,936</u>	<u>\$ 1,122,262</u>

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - PENSION LIABILITIES (Continued)

3. Summary of Pension Items (Continued)

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Pension expense	\$ 5,183,330	\$ 119,302	\$ 5,302,632
Deferred inflows of resources			
Investments	\$ -	\$ 356,461	\$ 356,461
Experience	417	-	417
Assumptions	25,957	107,327	133,284
Proportionate share	41,745	-	41,745
	<u>\$ 68,119</u>	<u>\$ 463,788</u>	<u>\$ 531,907</u>

4. Social Security/Medicare

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

NOTE 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, 2018

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. State contributions are intended to match contributions to the THIS Fund from active members which were 1.18 percent of pay during the year ended June 30, 2018. State of Illinois contributions, including a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate), were \$778,340 and the District recognized revenue and expenditures of this amount during the year.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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 0.88 percent during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$59,850 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2017 measurement date.

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

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

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

District's proportionate share of the net OPEB liability	\$ 7,682,901
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>10,089,558</u>
Total	<u><u>\$ 17,772,459</u></u>

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2017, the District's proportion was 0.029607 percent, which was an increase of 0.002355 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$1,434,454 and revenue of \$778,340, which represents support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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	\$ -	\$ 4,352
Change of assumptions	-	914,751
Net difference between projected and actual earnings on OPEB plan investments	-	85
Changes in proportion and differences between District contributions and proportionate share of contributions	553,593	-
Total deferred amounts to be recognized in OPEB expense in future periods	553,593	919,188
District contributions subsequent to the measurement date	59,850	-
Total deferred amounts related to OPEB	\$ 613,443	\$ 919,188

The District reported \$59,850 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, 2018

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>
2019	\$ 56,167
2020	56,167
2021	56,167
2022	56,167
2023	56,146
Thereafter	<u>84,781</u>
Total	<u>\$ 365,595</u>

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you basis. Contribution rates are defined by statute. For fiscal year end June 30, 2017, contribution rates are 1.12% of pay for active members, 0.84% of pay for school districts, and 1.12% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

Investment Return

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

Money-Weighted Rate of Return

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

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

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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)

	<u>1% Decrease</u> <u>(2.56%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(3.56%)</u>	<u>1% Increase</u> <u>(4.56%)</u>
District's proportionate share of the net OPEB liability	\$ 9,219,441	\$ 7,682,901	\$ 6,453,426

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

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

	<u>1% Decrease *</u>	<u>Current</u> <u>Healthcare</u> <u>Trend Rate</u>	<u>1% Increase **</u>
District's proportionate share of the net OPEB liability	\$ 6,200,888	\$ 7,682,901	\$ 9,810,080

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

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - INTERFUND TRANSFERS

The District transferred \$750,000 from the Transportation Fund to the Debt Service Fund. The amount transferred is to be used for funding future debt payments.

The District transferred \$13,264 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, 2018. Commitments approximate \$162,000 at June 30, 2018.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE N - PRIOR PERIOD ADJUSTMENT

The implementation of GASB 75 (Note A-2) required the District to report its proportionate share of the net other postemployment benefit liability related to the Teacher Health Insurance Security plan and the total other postemployment benefit liability related to its unfunded retiree health plan. As a result of this implementation as of July 1, 2017, net position decreased by \$7,392,492, OPEB liabilities (included in long-term liabilities) increased by \$7,449,594, and deferred outflows decreased by \$57,102.

NOTE O - SUBSEQUENT EVENTS

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

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Pleasantdale School District 107
SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Illinois Municipal Retirement Fund
June 30, 2018

Calendar Year Ended December 31,

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability			
Service cost	\$ 158,773	\$ 151,769	\$ 149,557
Interest on the total pension liability	394,003	370,646	353,626
Difference between expected and actual experience of the total pension liability	69,033	3,237	(60,503)
Assumption changes	(170,459)	(12,707)	6,157
Benefit payments and refunds	(239,724)	(196,768)	(235,393)
Net change in total pension liability	211,626	316,177	213,444
Total pension liability, beginning	5,293,843	4,977,666	4,764,222
Total pension liability, ending	<u>\$ 5,505,469</u>	<u>\$ 5,293,843</u>	<u>\$ 4,977,666</u>
Plan fiduciary net position			
Contributions, employer	\$ 141,122	\$ 152,679	\$ 136,130
Contributions, employee	58,638	59,744	57,358
Net investment income	785,932	289,224	21,075
Benefit payments, including refunds of employee contribution	(239,724)	(196,768)	(235,393)
Other (net transfer)	(35,004)	34,191	21,326
Net change in plan fiduciary net position	710,964	339,070	496
Plan fiduciary net position, beginning	4,575,569	4,236,499	4,236,003
Plan fiduciary net position, ending	<u>\$ 5,286,533</u>	<u>\$ 4,575,569</u>	<u>\$ 4,236,499</u>
Net pension liability	<u>\$ 218,936</u>	<u>\$ 718,274</u>	<u>\$ 741,167</u>
Plan fiduciary net position as a percentage of the total pension liability	96.02 %	86.43 %	85.11 %
Covered Valuation Payroll	\$ 1,303,068	\$ 1,327,643	\$ 1,274,619
Net pension liability as a percentage of covered valuation payroll	16.80 %	54.10 %	58.15 %

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

2014

\$ 152,338
311,836

77,228
217,974
(153,589)

605,787
4,158,435
\$ 4,764,222

\$ 136,352
56,761
244,607

(153,589)
(38,323)

245,808
3,990,195
\$ 4,236,003

\$ 528,219

88.91 %

\$ 1,261,348

41.88 %

Pleasantdale School District 107
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
Illinois Municipal Retirement Fund
June 30, 2018

<u>Calendar Year</u> <u>Ending</u> <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Valuation</u> <u>Payroll</u>	<u>Actual Contribution</u> <u>as a % of</u> <u>Covered Valuation Payroll</u>
2017	\$ 141,122 *	\$ 141,122	\$ -	\$ 1,303,068	10.83 %
2016	152,679	152,679	-	1,327,643	11.50
2015	136,129	136,130	(1)	1,274,619	10.68
2014	136,352	136,352	-	1,261,348	10.81

* Estimated based on contribution rate of 10.83% and covered valuation payroll of \$1,303,068.

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
June 30, 2018

Fiscal year ended June 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.0011823933 %	0.0010676731 %	0.0009862948 %
District's proportionate share of the net pension liability	\$ 903,326	\$ 842,779	\$ 646,122
State's proportionate share of the net pension liability associated with the District	<u>51,818,700</u>	<u>47,787,873</u>	<u>38,581,979</u>
Total	<u>\$ 52,722,026</u>	<u>\$ 48,630,652</u>	<u>\$ 39,228,101</u>
District's covered-employee payroll	<u>\$ 6,797,802</u>	<u>\$ 6,324,214</u>	<u>\$ 5,954,992</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	13.29 %	13.33 %	10.85 %
Plan fiduciary net position as a percentage of the total pension liability	39.30 %	36.40 %	41.50 %

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

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

2014

0.0009248978 %

\$ 562,877

35,101,562

\$ 35,664,439

\$ 5,689,636

9.89 %

43.00 %

Pleasantdale School District 107
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Retirement System of the State of Illinois
June 30, 2018

Fiscal year ended June 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 42,921	\$ 43,109	\$ 34,539
Contributions in relation to the contractually required contribution	<u>48,714</u>	<u>41,348</u>	<u>15,529</u>
Contribution deficiency (excess)	\$ <u>(5,793)</u>	\$ <u>1,761</u>	\$ <u>19,010</u>
District's covered-employee payroll	\$ 6,801,137	\$ 6,797,802	\$ 6,324,214
Contributions as a percentage of covered-employee payroll	0.72 %	0.61 %	0.25 %

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

2014

\$ 33,000

16,450

\$ 16,550

\$ 5,954,992

0.28 %

Pleasantdale School District 107
MULTIYEAR SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Teachers' Health Insurance Security Fund
June 30, 2018

Fiscal year ended June 30,	<u>2017</u>
District's proportion of the net OPEB liability	0.029607 %
District's proportionate share of the net OPEB liability	\$ 7,682,901
State's proportionate share of the net OPEB liability associated with the District	<u>10,089,558</u>
Total	<u>\$ 17,772,459</u>
District's covered-employee payroll	\$ 6,797,802
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	113.02 %
Plan fiduciary net position as a percentage of the total OPEB liability	-0.17 %

Note 1: The amounts presented were determined as of June 30, 2017.

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
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Health Insurance Security Fund
June 30, 2018

Fiscal year ended June 30,

	<u>2017</u>
Contractually required contribution	\$ 57,102
Contributions in relation to the contractually required contribution	<u>57,212</u>
Contribution excess	\$ <u>110</u>
District's covered-employee payroll	\$ 6,801,137
Contributions as a percentage of covered-employee payroll	0.84 %

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

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

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
General levy	\$ 9,211,386	\$ 8,773,761	\$ (437,625)	\$ 9,529,394
Special education levy	133,730	128,435	(5,295)	138,450
Corporate personal property replacement taxes	332,000	374,393	42,393	527,935
Regular tuition from pupils or parents	162,000	161,662	(338)	214,744
Regular tuition from other districts	80,000	136,004	56,004	81,164
Summer school tuition from pupils or parents	30,000	50,561	20,561	27,475
Interest on investments	104,000	130,049	26,049	114,059
Rentals - regular textbook	50,000	66,563	16,563	12,962
Contributions and donations from private sources	-	10,000	10,000	-
Impact fees from municipal or county governments	-	2,610	2,610	5,756
Refund of prior years' expenditures	-	5,191	5,191	4,914
Other	-	51,515	51,515	19,304
Total local sources	10,103,116	9,890,744	(212,372)	10,676,157

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

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
State sources				
General State Aid	\$ -	\$ -	\$ -	\$ 211,042
Evidence Based Funding	528,000	502,039	(25,961)	-
Special Education -				
Private Facility Tuition	64,000	33,874	(30,126)	64,541
Special Education - Funding for				
Children Requiring Sp Ed Services	49,500	-	(49,500)	99,186
Special Education - Personnel	81,400	-	(81,400)	217,262
Special Education - Summer School	-	-	-	174
Bilingual Ed. - Downstate				
- T.P.I. and T.P.E.	-	72	72	1,361
State Free Lunch and Breakfast	150	302	152	232
Other state sources	750	1,500	750	-
Total state sources	723,800	537,787	(186,013)	593,798
Federal sources				
National School Lunch Program	45,000	43,414	(1,586)	44,813
Title I - Low Income	54,154	51,334	(2,820)	56,191
Federal - Special Education				
- Pre-School Flow Through	-	812	812	-
Federal - Special Education				
- I.D.E.A. - Flow Through	7,700	4,807	(2,893)	1,464
Federal - Special Education				
- I.D.E.A. - Room and Board	-	20,954	20,954	10,557
Title II - Teacher Quality	30,450	31,639	1,189	2,595
Other federal sources	56,000	-	(56,000)	-
Total federal sources	193,304	152,960	(40,344)	115,620
Total revenues	11,020,220	10,581,491	(438,729)	11,385,575

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

	2018			2017
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Expenditures				
Instruction				
Regular programs				
Salaries	\$ 3,752,144	\$ 3,695,167	\$ 56,977	\$ 3,664,905
Employee benefits	928,780	829,488	99,292	719,739
Purchased services	39,400	29,099	10,301	33,730
Supplies and materials	131,965	107,659	24,306	145,458
Capital outlay	9,885	5,857	4,028	7,517
Other objects	2,300	1,056	1,244	864
Non-capitalized equipment	4,000	1,203	2,797	1,056
Total	4,868,474	4,669,529	198,945	4,573,269
Pre-K programs				
Salaries	192,627	192,627	-	185,031
Employee benefits	47,045	49,247	(2,202)	48,641
Supplies and materials	5,000	4,618	382	4,766
Total	244,672	246,492	(1,820)	238,438
Special education programs				
Salaries	1,437,501	1,381,221	56,280	1,382,161
Employee benefits	325,604	312,208	13,396	320,849
Purchased services	4,750	4,718	32	4,836
Supplies and materials	30,700	24,106	6,594	13,872
Other objects	2,500	1,557	943	-
Termination benefits	5,018	5,018	-	-
Total	1,806,073	1,728,828	77,245	1,721,718

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

	2018			2017
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Interscholastic programs				
Salaries	\$ 335,590	\$ 411,548	\$ (75,958)	\$ 319,994
Employee benefits	34,420	43,052	(8,632)	33,316
Purchased services	4,500	4,043	457	3,884
Supplies and materials	13,100	11,339	1,761	4,239
Other objects	1,200	603	597	675
Total	388,810	470,585	(81,775)	362,108
Summer school programs				
Salaries	49,000	43,082	5,918	40,397
Employee benefits	5,180	3,297	1,883	3,548
Supplies and materials	2,000	2,305	(305)	880
Total	56,180	48,684	7,496	44,825
Gifted programs				
Salaries	156,521	156,521	-	149,977
Employee benefits	28,521	29,447	(926)	29,319
Supplies and materials	2,160	1,745	415	1,882
Total	187,202	187,713	(511)	181,178
Special education programs K-12 - private tuition	174,000	59,079	114,921	66,360
Total instruction	7,725,411	7,410,910	314,501	7,187,896

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

	2018			2017
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Support services				
Pupils				
Attendance and social work services				
Salaries	\$ 116,853	\$ 116,424	\$ 429	\$ 113,601
Employee benefits	31,870	33,540	(1,670)	34,375
Supplies and materials	2,860	1,536	1,324	1,247
Total	151,583	151,500	83	149,223
Health services				
Salaries	78,729	77,339	1,390	75,937
Employee benefits	29,681	32,414	(2,733)	33,926
Purchased services	50	-	50	-
Supplies and materials	2,000	1,898	102	1,700
Total	110,460	111,651	(1,191)	111,563
Total pupils	262,043	263,151	(1,108)	260,786
Instructional staff				
Improvement of instruction services				
Salaries	273,160	276,590	(3,430)	226,238
Employee benefits	81,302	71,356	9,946	94,903
Purchased services	53,352	48,217	5,135	26,261
Supplies and materials	103,400	80,115	23,285	66,207
Total	511,214	476,278	34,936	413,609

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

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Educational media services				
Salaries	\$ 240,102	\$ 235,602	\$ 4,500	\$ 307,541
Employee benefits	64,473	61,060	3,413	62,999
Purchased services	121,090	111,596	9,494	6,058
Supplies and materials	90,100	80,159	9,941	69,634
Capital outlay	115,000	128,860	(13,860)	265,632
Other objects	21,100	14,152	6,948	19,585
Non-capitalized equipment	6,000	211	5,789	810
Total	657,865	631,640	26,225	732,259
 Total instructional staff	 1,169,079	 1,107,918	 61,161	 1,145,868
General administration				
Board of education services				
Purchased services	67,000	59,787	7,213	48,572
Supplies and materials	19,000	6,433	12,567	7,837
Other objects	10,000	8,541	1,459	7,866
Total	96,000	74,761	21,239	64,275
Executive administration services				
Salaries	213,207	213,206	1	208,707
Employee benefits	57,462	56,300	1,162	56,122
Purchased services	16,000	12,328	3,672	12,535
Supplies and materials	6,000	2,207	3,793	3,587
Capital outlay	2,000	-	2,000	-
Other objects	8,500	5,781	2,719	7,632
Total	303,169	289,822	13,347	288,583

(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, 2018

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

	2018			2017
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Tort immunity services				
Purchased services	\$ 65,644	\$ 65,644	\$ -	\$ 68,824
Total	65,644	65,644	-	68,824
Total general administration	464,813	430,227	34,586	421,682
School administration				
Office of the principal services				
Salaries	476,343	467,993	8,350	560,390
Employee benefits	140,009	143,598	(3,589)	146,695
Purchased services	15,750	10,252	5,498	15,791
Supplies and materials	16,650	11,749	4,901	14,618
Capital outlay	2,500	-	2,500	-
Other objects	2,500	1,230	1,270	1,173
Termination benefits	39,245	39,244	1	-
Total	692,997	674,066	18,931	738,667
Total school administration	692,997	674,066	18,931	738,667

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

	2018			2017
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Business				
Fiscal services				
Salaries	\$ 155,692	\$ 155,692	\$ -	\$ 152,362
Employee benefits	33,671	35,266	(1,595)	31,124
Purchased services	130,150	124,024	6,126	99,351
Supplies and materials	6,790	308	6,482	550
Capital outlay	4,800	-	4,800	-
Termination benefits	-	12,474	(12,474)	-
Total	331,103	327,764	3,339	283,387
Operation and maintenance of plant services				
Purchased services	6,200	3,360	2,840	1,502
Total	6,200	3,360	2,840	1,502
Food services				
Salaries	87,000	8,852	78,148	77,674
Employee benefits	7,860	-	7,860	7,198
Supplies and materials	56,000	28,448	27,552	31,720
Capital outlay	4,000	4,950	(950)	3,432
Total	154,860	42,250	112,610	120,024
Total business	492,163	373,374	118,789	404,913

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

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Central				
Information services				
Salaries	\$ -	\$ -	\$ -	\$ 23,144
Employee benefits	-	-	-	3,586
Purchased services	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>-</u>
Total	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>26,730</u>
Total central	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>26,730</u>
Total support services	<u>3,111,095</u>	<u>2,848,736</u>	<u>262,359</u>	<u>2,998,646</u>
Community services				
Purchased services	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>
Payments for special education programs				
Other objects	<u>516,023</u>	<u>422,305</u>	<u>93,718</u>	<u>448,171</u>
Payments for special education programs - tuition				
Other objects	<u>208,000</u>	<u>136,852</u>	<u>71,148</u>	<u>148,877</u>
Total payments to other districts and other government units	<u>724,023</u>	<u>559,157</u>	<u>164,866</u>	<u>597,048</u>
Total expenditures	<u>11,560,529</u>	<u>10,818,803</u>	<u>741,726</u>	<u>10,783,890</u>
Excess (deficiency) of revenues over expenditures	<u>(540,309)</u>	<u>(237,312)</u>	<u>302,997</u>	<u>601,685</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Other financing sources				
Permanent transfer of interest	\$ 14,000	\$ 13,264	\$ (736)	\$ 16,779
Total other financing sources	14,000	13,264	(736)	16,779
Net change to fund balance	\$ (526,309)	(224,048)	\$ 302,261	618,464
Fund balance, beginning of year		7,663,943		7,045,479
Fund balance, end of year		\$ 7,439,895		\$ 7,663,943

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

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
General levy	\$ 1,624,570	\$ 1,549,095	\$ (75,475)	\$ 1,683,391
Interest on investments	60,000	61,077	1,077	48,519
Rentals	-	3,200	3,200	1,200
Contributions and donations from private sources	-	-	-	500
Impact fees from municipal or county governments	15,000	-	(15,000)	15,734
Other	-	20,000	20,000	16,050
Total local sources	1,699,570	1,633,372	(66,198)	1,765,394
Total revenues	1,699,570	1,633,372	(66,198)	1,765,394
Expenditures				
Support services				
Business				
Facilities acquisition and construction services				
Purchased services	30,000	1,085	28,915	2,013
Capital outlay	480,187	343,717	136,470	274,427
Total	510,187	344,802	165,385	276,440

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

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Operation and maintenance of plant services				
Salaries	\$ 187,182	\$ 183,164	\$ 4,018	\$ 180,047
Employee benefits	29,978	30,435	(457)	28,011
Purchased services	425,936	363,327	62,609	325,327
Supplies and materials	282,700	222,524	60,176	282,296
Capital outlay	181,000	115,609	65,391	171,437
Total	<u>1,106,796</u>	<u>915,059</u>	<u>191,737</u>	<u>987,118</u>
Total business	<u>1,616,983</u>	<u>1,259,861</u>	<u>357,122</u>	<u>1,263,558</u>
Total support services	<u>1,616,983</u>	<u>1,259,861</u>	<u>357,122</u>	<u>1,263,558</u>
Total expenditures	<u>1,616,983</u>	<u>1,259,861</u>	<u>357,122</u>	<u>1,263,558</u>
Excess of revenues over expenditures	<u>\$ 82,587</u>	<u>373,511</u>	<u>\$ 290,924</u>	<u>501,836</u>
Fund balance, beginning of year		<u>3,897,252</u>		<u>3,395,416</u>
Fund balance, end of year		<u>\$ 4,270,763</u>		<u>\$ 3,897,252</u>

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

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
General levy	\$ 688,940	\$ 650,855	\$ (38,085)	\$ 738,352
Interest on investments	14,000	13,264	(736)	16,779
Total local sources	702,940	664,119	(38,821)	755,131
State sources				
Transportation - Regular/Vocational	120,000	230,632	110,632	121,911
Transportation - Special Education	55,000	50,461	(4,539)	52,443
Total state sources	175,000	281,093	106,093	174,354
Total revenues	877,940	945,212	67,272	929,485
Expenditures				
Support services				
Business				
Pupil transportation services				
Salaries	46,185	45,925	260	46,986
Employee benefits	9,387	9,339	48	9,354
Purchased services	667,350	626,828	40,522	639,361
Total	722,922	682,092	40,830	695,701
Total support services	722,922	682,092	40,830	695,701
Total expenditures	722,922	682,092	40,830	695,701

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

	2018				2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget		
Excess of revenues over expenditures	\$ 155,018	\$ 263,120	\$ 108,102		\$ 233,784
Other financing uses					
Permanent transfer of interest	(14,000)	(13,264)	736		(16,779)
Permanent transfer to Debt Service Fund	(750,000)	(750,000)	-		(500,000)
Total other financing uses	(764,000)	(763,264)	736		(516,779)
Net change in fund balance	\$ (608,982)	(500,144)	\$ 108,838		(282,995)
Fund balance, beginning of year		1,191,045			1,474,040
Fund balance, end of year		\$ 690,901			\$ 1,191,045

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

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
General levy	\$ 156,890	\$ 151,111	\$ (5,779)	\$ 151,459
Social security/Medicare only levy	186,790	179,063	(7,727)	172,078
Corporate personal property replacement taxes	88,000	78,240	(9,760)	85,245
Interest on investments	3,600	4,647	1,047	2,900
Total local sources	435,280	413,061	(22,219)	411,682
Total revenues	435,280	413,061	(22,219)	411,682
Expenditures				
Instruction				
Regular programs	55,152	50,727	4,425	48,878
Pre-K programs	2,794	2,682	112	2,564
Special education programs	138,374	132,456	5,918	131,508
Interscholastic programs	10,310	10,627	(317)	8,333
Summer school programs	2,150	2,778	(628)	1,914
Gifted programs	2,270	2,210	60	2,116
Total instruction	211,050	201,480	9,570	195,313
Support services				
Pupils				
Attendance and social work services	1,620	1,869	(249)	1,511
Health services	14,420	12,651	1,769	12,818
Total pupils	16,040	14,520	1,520	14,329

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

	2018			2017
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Instructional staff				
Improvement of instruction services	\$ 4,686	\$ 4,158	\$ 528	\$ 3,262
Educational media services	25,251	23,892	1,359	28,738
Total instructional staff	29,937	28,050	1,887	32,000
General administration				
Executive administration services	8,889	8,747	142	8,707
Total general administration	8,889	8,747	142	8,707
School administration				
Office of the principal services	29,825	28,705	1,120	36,574
Total school administration	29,825	28,705	1,120	36,574
Business				
Fiscal services	7,178	7,212	(34)	7,164
Operation and maintenance of plant services	33,882	32,763	1,119	32,650
Pupil transportation services	3,127	3,041	86	3,395
Food services	4,448	676	3,772	2,214
Total business	48,635	43,692	4,943	45,423

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

	2018			2017
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Central				
Information services	\$ -	\$ -	\$ -	\$ 4,125
Total central	-	-	-	4,125
Total support services	133,326	123,714	9,612	141,158
Total expenditures	344,376	325,194	19,182	336,471
Excess of revenues over expenditures	\$ 90,904	87,867	\$ (3,037)	75,211
Fund balance, beginning of year		293,853		218,642
Fund balance, end of year		\$ 381,720		\$ 293,853

(Concluded)

Pleasantdale School District 107
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for "on-behalf" payments that are not budgeted for. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

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

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December 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 20, 2017.
- g) There were no funds that had expenditures in excess of budget at June 30, 2018.
- h) All budget appropriations lapse at the end of the fiscal year.

Pleasantdale School District 107
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

2. BUDGET RECONCILIATION

The Statement of Revenues, Expenditures, and Changes in Fund Balances - 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	\$ 10,581,491	\$ 10,818,803
To adjust for on-behalf payments received	5,878,088	-
To adjust for on-behalf payments made	<u>-</u>	<u>5,878,088</u>
	<u>\$ 16,459,579</u>	<u>\$ 16,696,891</u>

3. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

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

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

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

Pleasantdale School District 107
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2017 IMRF CONTRIBUTION RATE*

Valuation Date:

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

Methods and Assumptions Used to Determine the 2017 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 26-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 21 years for most employers (two employers were financed over 30 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 calculation pursuant to an experience study of the period 2011-2013.

Pleasantdale School District 107
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2017 IMRF CONTRIBUTION RATE* (Continued)

Methods and Assumptions Used to Determine the 2017 Contribution Rate: (Continued)

Mortality

For non-disabled retirees, an IMRF mortality table was used with fully generational projections scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes

There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation.

SUPPLEMENTARY FINANCIAL INFORMATION

Pleasantdale School District 107

General Fund

COMBINING BALANCE SHEETJune 30, 2018

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 7,184,404	\$ 47,660	\$ 273,071	\$ 7,505,135
Receivables (net of allowance for uncollectibles):				
Property taxes	4,594,957	42,257	-	4,637,214
Intergovernmental	29,027	-	-	29,027
Total assets	\$ 11,808,388	\$ 89,917	\$ 273,071	\$ 12,171,376
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 27,821	\$ -	\$ -	\$ 27,821
Payroll deductions payable	12,474	-	-	12,474
Unearned revenue	77,176	-	-	77,176
Total liabilities	117,471	-	-	117,471
DEFERRED INFLOWS				
Property taxes levied for a future period	4,571,964	42,046	-	4,614,010
Total deferred inflows	4,571,964	42,046	-	4,614,010
FUND BALANCES				
Restricted	-	47,871	-	47,871
Unassigned	7,118,953	-	273,071	7,392,024
Total fund balance	7,118,953	47,871	273,071	7,439,895
Total liabilities, deferred inflows, and fund balance	\$ 11,808,388	\$ 89,917	\$ 273,071	\$ 12,171,376

Pleasantdale School District 107

General Fund

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

For the Year Ended June 30, 2018

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 8,820,752	\$ 81,444	\$ -	\$ 8,902,196
Replacement taxes	374,393	-	-	374,393
State aid	6,415,875	-	-	6,415,875
Federal aid	152,960	-	-	152,960
Interest	125,990	308	3,751	130,049
Other	484,106	-	-	484,106
Total revenues	16,374,076	81,752	3,751	16,459,579
Expenditures				
Current:				
Instruction:				
Regular programs	4,663,672	-	-	4,663,672
Special programs	1,787,907	-	-	1,787,907
Other instructional programs	953,474	-	-	953,474
State retirement contributions	5,878,088	-	-	5,878,088
Support services:				
Pupils	263,151	-	-	263,151
Instructional staff	979,058	-	-	979,058
General administration	364,583	65,644	-	430,227
School administration	674,066	-	-	674,066
Business	365,064	-	-	365,064
Operations and maintenance	3,360	-	-	3,360
Nonprogrammed charges	559,157	-	-	559,157
Capital outlay	139,667	-	-	139,667
Total expenditures	16,631,247	65,644	-	16,696,891
Excess (deficiency) of revenues over expenditures	(257,171)	16,108	3,751	(237,312)
Other financing sources				
Transfers in	13,264	-	-	13,264
Total other financing sources	13,264	-	-	13,264
Net change in fund balance	(243,907)	16,108	3,751	(224,048)
Fund balance, beginning of year	7,362,860	31,763	269,320	7,663,943
Fund balance, end of year	\$ 7,118,953	\$ 47,871	\$ 273,071	\$ 7,439,895

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

	2018			2017
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Revenues				
Local sources				
General levy	\$ 1,299,070	\$ 1,107,175	\$ (191,895)	\$ 1,312,756
Interest on investments	<u>12,980</u>	<u>12,412</u>	<u>(568)</u>	<u>7,733</u>
Total local sources	<u>1,312,050</u>	<u>1,119,587</u>	<u>(192,463)</u>	<u>1,320,489</u>
Total revenues	<u>1,312,050</u>	<u>1,119,587</u>	<u>(192,463)</u>	<u>1,320,489</u>
Expenditures				
Debt service				
Debt services - interest				
Bonds - interest	<u>230,313</u>	<u>112,950</u>	<u>117,363</u>	<u>184,456</u>
Total debt service - interest	<u>230,313</u>	<u>112,950</u>	<u>117,363</u>	<u>184,456</u>
Principal payments on long-term debt	<u>1,547,637</u>	<u>1,665,000</u>	<u>(117,363)</u>	<u>1,715,000</u>
Other debt service				
Other objects	<u>5,500</u>	<u>2,205</u>	<u>3,295</u>	<u>1,726</u>
Total	<u>5,500</u>	<u>2,205</u>	<u>3,295</u>	<u>1,726</u>
Total debt service	<u>1,783,450</u>	<u>1,780,155</u>	<u>3,295</u>	<u>1,901,182</u>
Total expenditures	<u>1,783,450</u>	<u>1,780,155</u>	<u>3,295</u>	<u>1,901,182</u>
Deficiency of revenues over expenditures	<u>(471,400)</u>	<u>(660,568)</u>	<u>(189,168)</u>	<u>(580,693)</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Other financing sources				
Transfer from other funds	\$ 750,000	\$ 750,000	\$ -	\$ 500,000
Total other financing sources	<u>750,000</u>	<u>750,000</u>	<u>-</u>	<u>500,000</u>
Net change in fund balance	<u>\$ 278,600</u>	89,432	<u>\$ (189,168)</u>	<u>(80,693)</u>
Fund balance, beginning of year		<u>871,490</u>		<u>952,183</u>
Fund balance, end of year		<u>\$ 960,922</u>		<u>\$ 871,490</u>

(Concluded)

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

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
Interest on investments	\$ 4,200	\$ 4,007	\$ (193)	\$ 3,558
Total local sources	4,200	4,007	(193)	3,558
Total revenues	4,200	4,007	(193)	3,558
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	11,000	4,973	6,027	5,422
Total	11,000	4,973	6,027	5,422
Total support services	11,000	4,973	6,027	5,422
Total expenditures	11,000	4,973	6,027	5,422
Deficiency of revenues over expenditures	\$ (6,800)	(966)	\$ 5,834	(1,864)
Fund balance, beginning of year		289,939		291,803
Fund balance, end of year		\$ 288,973		\$ 289,939

Pleasantdale School District 107
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Assets				
Cash	\$ 37,994	\$ 120,726	\$ 117,001	\$ 41,719
Liabilities				
Due to:				
<i>District Office</i>				
Friendship Fund	\$ 1,538	\$ 5,232	\$ 3,590	\$ 3,180
<i>Middle School</i>				
8th Grade Trip	1,952	30,935	31,263	1,624
Calculators	1,828	300	-	2,128
Celebration Books Library	1,432	1,716	2,134	1,014
Coca-Cola	271	76	-	347
Field Trips	(381)	6,884	6,330	173
Locks	2,934	167	-	3,101
Miscellaneous	2,486	5,668	4,521	3,633
Music	4,113	5,377	5,914	3,576
Outdoor Education	232	16,930	15,831	1,331
P.E. Uniforms	5,276	14,263	11,565	7,974
Scholarships	1,477	-	-	1,477
Science Fair/Invention Council	724	1,720	1,105	1,339
Student Council	6,556	3,340	1,773	8,123
Technology Fund	56	-	-	56
Yearbooks	(684)	4,978	8,054	(3,760)
<i>Elementary School</i>				
Butterfly Garden	557	-	-	557
Classroom Activity	38	-	-	38
Field Trips	(130)	6,492	6,818	(456)
General	1,545	7,901	6,554	2,892
Library	1,885	4,780	5,487	1,178
Recycling	90	-	-	90
Revtrak	1,947	1,702	64	3,585
Staff Related Expenses	32	-	-	32
Student Council	5	-	-	5
Yearbooks	2,215	2,265	5,998	(1,518)
Total liabilities	\$ 37,994	\$ 120,726	\$ 117,001	\$ 41,719

Pleasantdale School District 107
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2018

		Maturity as follows		
		for the Year		
		Ended June 30	Principal	Interest
				Total
Series 2005 Capital Appreciation Bonds				
dated December 28, 2005	2019	\$	265,000	\$ -
(Interest at 4.50%,				\$ 265,000
Principal due December 1)	Total		265,000	265,000
Series 2016 General Obligation Refunding				
Bonds dated March 10, 2016	2019		1,565,000	68,775
(Interest at 2.00% to 3.00%,	2020		1,510,000	22,650
Principal due December 1)				1,532,650
	Total		3,075,000	91,425
Total General Obligation Bonds		\$	3,340,000	\$ 91,425
				\$ 3,431,425

OTHER SUPPLEMENTARY INFORMATION
(Unaudited)

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

	2017	2016	2015	2014	2013
Assessed valuation	\$ 634,073,605	\$ 513,384,114	\$ 492,031,994	\$ 507,181,813	\$ 499,090,300
Rates Extended					
Educational	1.4679	1.7640	1.8158	1.7291	1.7151
Special Education	0.0218	0.0259	0.0266	0.0249	0.0247
Tort Immunity	0.0137	0.0166	0.0173	0.0164	0.0162
Operations and Maintenance	0.2618	0.3140	0.3244	0.3089	0.3064
Debt Service	0.1941	0.2145	0.2853	-	-
Transportation	0.1091	0.1332	0.1471	0.1477	0.1468
Municipal Retirement	0.0257	0.0304	0.0269	0.0230	0.0227
Social Security	0.0304	0.0361	0.0289	0.0230	0.0227
Total rates extended	2.1245	2.5347	2.6723	2.2730	2.2546
Levies Extended					
Educational	\$ 9,307,566	\$ 9,056,095	\$ 8,934,075	\$ 8,769,680	\$ 8,559,897
Special Education	138,228	132,966	131,081	126,288	123,275
Tort Immunity	86,868	85,221	84,933	83,177	80,852
Operations and Maintenance	1,660,004	1,612,026	1,596,037	1,566,684	1,529,212
Debt Service	1,230,863	1,101,083	1,403,774	-	-
Transportation	691,774	683,827	723,642	749,107	732,664
Municipal Retirement	162,956	156,068	132,554	116,651	113,293
Social Security	192,758	185,331	142,372	116,651	113,293
Total levies extended	\$ 13,471,017	\$ 13,012,617	\$ 13,148,468	\$ 11,528,238	\$ 11,252,486

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

Pleasantdale School District 107
OPERATING COSTS AND TUITION CHARGE
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>763.88</u>	<u>779.27</u>
Operating costs:		
Educational	\$ 10,753,159	\$ 10,715,066
Operations and Maintenance	1,259,861	1,263,558
Debt Service	1,780,155	1,901,182
Transportation	682,092	695,701
Municipal Retirement/Social Security	325,194	336,471
Tort	<u>65,644</u>	<u>68,824</u>
Subtotal	<u>14,866,105</u>	<u>14,980,802</u>
Less Revenues/Expenditures of Nonregular Programs:		
Summer School	51,462	46,739
Pre-K Programs	249,174	241,002
Special Education	59,079	66,360
Payments to Other Districts and Gov't Units	559,157	597,048
Capital Outlay	598,993	722,445
Debt Principal Retired	1,665,000	1,715,000
Non-capitalized Equipment	1,414	1,866
Community Services	<u>300</u>	<u>300</u>
Subtotal	<u>3,184,279</u>	<u>3,390,760</u>
Operating costs	<u>\$ 11,681,826</u>	<u>\$ 11,590,042</u>
Operating costs per pupil - based on ADA	<u>\$ 15,293</u>	<u>\$ 14,873</u>
Tuition Charge		
Operating costs	\$ 11,681,826	\$ 11,590,042
Less - revenues from specific programs, such as special education or lunch programs	<u>856,859</u>	<u>686,892</u>
Net operating costs	10,824,967	10,903,150
Depreciation allowance	<u>388,615</u>	<u>381,803</u>
Allowance tuition costs	<u>\$ 11,213,582</u>	<u>\$ 11,284,953</u>
Tuition charge per pupil - based on ADA	<u>\$ 14,680</u>	<u>\$ 14,481</u>

Source of information: Annual Financial Reports

