

Pleasantdale School District 107
Burr Ridge, Illinois
Annual Financial Report
Year Ended June 30, 2015

Pleasantdale School District 107

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2015

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
Pleasantdale School District 107
Burr Ridge, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pleasantdale School District 107 (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

(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, 2015, 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 M to the audited financial statements, net position, net pension liability, and deferred outflows as of July 1, 2014 has been restated as a result of an adjustment due to the implementation of the Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* (GASB 71). 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 58 through 61, and budgetary comparison schedules and notes to the required supplementary information on pages 62 through 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Other Information

Our 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 other schedules listed in the table of contents in the supplementary financial information and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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, 2015 has been subjected to the auditing procedures applied in the audit of the 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 supplementary financial information for the year ended June 30, 2015 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2015.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, Pleasantdale School District 107's basic financial statements, as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated November 13, 2014, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pleasantdale School District 107's basic financial statements as a whole. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Debt Service Fund and Fire Prevention and Safety Fund for the year ended June 30, 2014 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 2014 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 those 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, 2014.

Other Information (Continued)

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2015 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.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
November 10, 2015

Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2015

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, 2015. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- > In total, net position increased by \$0.8. This represents a 4% increase from 2014.
- > General revenues accounted for \$11.9 in revenue or 74% of all revenues in fiscal year 2015. Program specific revenues in the form of charges for services and fees and grants accounted for \$4.0 or 26% of total revenues of \$15.9.
- > The District incurred \$15.1 in expenses related to government activities in fiscal year 2015. However, only \$4.0 of these expenses were offset by program specific charges and grants.

Overview of the Financial Statements

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

- > Government-wide financial statements,
- > Fund financial statements, and
- > Notes to basic financial statements.

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

Government-wide financial statements

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

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows and outflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services.

Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2015

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 Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Financial Reporting for Pensions (GASB 68)*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68 (GASB 71)*, which were adopted by the District as of the fiscal year ended June 30, 2015. GASB 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pension liabilities. For defined benefits pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute the present value to periods of employee service. GASB 71 established standards for measuring amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

The implementation of GASB 68 and 71 required the District to record the net pension liability for TRS and IMRF. As a result of this implementation, net position as of July 1, 2014 decreased by \$811,688, net pension liability (included in long-term liabilities) increased by \$922,105, and deferred outflows increased by \$110,417.

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.

Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2015

Notes to basic financial statements

The notes to the financial statements provide additional information that is essential to a full 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.

Government-Wide Financial Analysis

The District's combined net position was higher on June 30, 2015, than it was the year before, increasing 4% to \$21.2.

<i>Table 1</i>		
<i>Condensed Statements of Net Position</i>		
<i>(in millions of dollars)</i>		
	<i>(As Originally Reported)</i>	
	<u>2014</u>	<u>2015</u>
Assets:		
Current and other assets	\$ 19.2	\$ 19.6
Capital Assets	<u>16.7</u>	<u>16.4</u>
Total assets	<u>35.9</u>	<u>36.0</u>
Deferred outflows:		
Related to pensions	<u>-</u>	<u>0.3</u>
Total deferred outflows	<u>-</u>	<u>0.3</u>
Liabilities:		
Current liabilities	0.1	0.1
Long-term debt outstanding	<u>9.5</u>	<u>9.3</u>
Total liabilities	<u>9.6</u>	<u>9.4</u>
Deferred inflows:		
Unavailable property tax revenues	5.1	5.5
Related to pensions	<u>-</u>	<u>0.2</u>
Total deferred inflows	<u>5.1</u>	<u>5.7</u>
Net position:		
Net investment in capital assets	8.3	9.2
Restricted	5.2	5.6
Unrestricted	<u>7.7</u>	<u>6.4</u>
Total net position	<u>\$ 21.2*</u>	<u>\$ 21.2</u>

* - This amount is presented as originally reported. The amount was restated at July 1, 2014 due to the implementation of GASB 68 and GASB 71.

Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2015

Revenues in the governmental activities of the District of \$15.9 exceeded expenditures by \$0.8.

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

	<i>(As Originally Reported)</i>	
	<u>2014</u>	<u>2015</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 0.3	\$ 0.4
Operating grants and contributions	2.8	3.6
<i>General revenues:</i>		
Taxes	11.7	11.5
General state aid	0.2	0.2
Other	<u>0.1</u>	<u>0.2</u>
Total revenues	<u>15.1</u>	<u>15.9</u>
Expenses:		
Instruction	8.9	10.0
Support services	4.8	4.6
Other	<u>0.5</u>	<u>0.5</u>
Total expenses	<u>14.2</u>	<u>15.1</u>
Increase in net position	0.9	0.8
Beginning net position	<u>20.3</u>	<u>20.4**</u>
Ending net position	<u>\$ 21.2*</u>	<u>\$ 21.2</u>

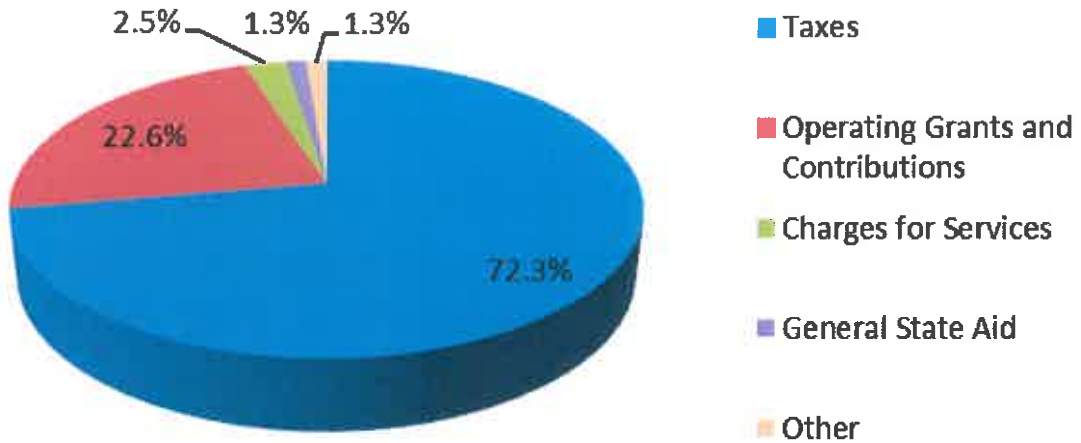
* - This amount is presented as originally reported. The amount was restated at July 1, 2014 due to the implementation of GASB 68 and GASB 71.

** - The beginning net position was restated due to the implementation of GASB 68 and GASB 71.

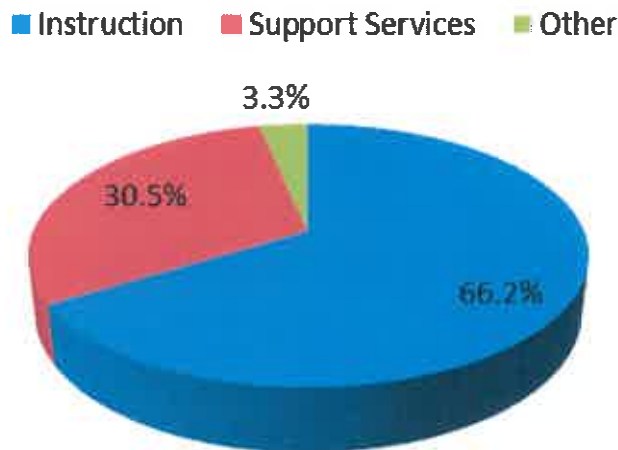
Property taxes accounted for the largest portion of the District's revenues, contributing 72%. The remainder of revenues came from personal property replacement taxes, state and federal grants, and other sources. The total cost of all the District's programs was \$15.1, mainly related to instruction, administration, and business.

Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2015

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, 2015

Financial Analysis of the District's Funds

The District's Governmental Funds balance decreased from \$14.1 at June 30, 2014 to \$14.0 June 30, 2015.

General Fund Budgetary Highlights

The District budgeted for the General Fund's fund balance to increase by \$0.9. The General Fund Balance actually decreased by \$0.4.

Capital Assets and Debt Administration

Capital assets

By the end of 2015, the District had compiled a total investment of \$25.3 (\$16.4 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.

<i>Table 3</i>		
<i>Capital Assets (net of depreciation)</i>		
<i>(in millions of dollars)</i>		
	<u>2014</u>	<u>2015</u>
Land	\$ 0.4	\$ 0.4
Land improvements	0.1	0.1
Building improvements	0.1	0.2
Equipment	0.1	0.0
Buildings	<u>16.0</u>	<u>15.7</u>
Total	<u>\$ 16.7</u>	<u>\$ 16.4</u>

Long-term debt

The District retired \$1.3 of bonds in 2015. At the end of fiscal 2015, the District had a debt margin of \$26.7. More detailed information on long-term debt can be found in Note F of the basic financial statements.

<i>Table 4</i>		
<i>Outstanding Long-Term Debt</i>		
<i>(in millions of dollars)</i>		
	<i>(As Originally Reported)</i>	
	<u>2014</u>	<u>2015</u>
General obligation bonds	\$ 9.4	\$ 8.2
Other long term liabilities	<u>0.1</u>	<u>1.1</u>
Total	<u>\$ 9.5*</u>	<u>\$ 9.3</u>

* - This amount is presented as originally reported. The amount was restated at July 1, 2014 due to the implementation of GASB 68 and GASB 71.

Pleasantdale School District 107
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2015

Factors Bearing on the District's Future

After two years of decreasing EAV (equalized assessed value) of 7% and 5% in 2012 and 2013, respectively, Pleasantdale School District 107 is finally experiencing an increase of 1.6% in EAV in 2014. This increase is consistent with West Cook County. The National Consumer Price Index for tax year 2014 is 1.5% and the CPI for tax year 2015 will be 0.8%. Any increase in the local property tax revenues will be limited to the CPI, plus "new growth."

The collective bargaining agreement with certified and educational support staff members was finalized for the five year period (2010-2015). The contract has a significant impact on future financial projections as salaries account for the majority of the District's expenditures. The District historically has negotiated contracts over five year periods which have been conducive to accurate financial projections. As of yet, the District is still conducting negotiations. It would be desirable to continue the practice of negotiating contracts in five year increments.

Enrollments increased slightly from 763 students in grades K-8 at the end of 2014-15 to 787 students at the beginning of the 2015-16 school year. According to demographic projections, the District's enrollments will increase slightly through 2017-18. Enrollments are expected to remain flat or decrease after 2018.

District facilities have been renovated and expanded to accommodate modest enrollment growth for the foreseeable future. Pleasantdale School District enjoys excellent facilities.

The District utilizes a systematic strategic plan to assure a quality education program well into the future. The plan articulates instructional changes that will be implemented and desired achievement levels to be attained. The strategic plan also serves as a means to budget new initiatives within fiscal parameters each year. In addition, the plan sets delimiters that no new program or service will be implemented unless:

1. It is consistent with and contributes to our mission.
2. It is accompanied by the training needed for effectiveness.
3. It is accompanied by a plan to assess its effectiveness.

The Pleasantdale mission statement:

"Ensure that each student is a passionate learner empowered with the academic and social skills to responsibly choose and excel in life's pursuits."

The mission is known by the staff and community and is the guiding force behind all decisions at Pleasantdale. The strategic plan 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:

Catherine Chang
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, 2015

ASSETS	
Cash and investments	\$ 13,716,421
Receivables (net of allowance for uncollectibles):	
Property taxes	5,640,390
Replacement taxes	89,269
Intergovernmental	156,948
Capital assets:	
Land	399,498
Depreciable buildings, property, and equipment, net	<u>16,028,078</u>
Total assets	<u>36,030,604</u>
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows related to pensions	<u>346,335</u>
Total deferred outflows	<u>346,335</u>
LIABILITIES	
Accounts payable	71,691
Unearned revenue	27,200
Interest payable	25,615
Long-term liabilities:	
Due within one year	1,475,000
Due after one year	<u>7,838,741</u>
Total liabilities	<u>9,438,247</u>
DEFERRED INFLOW OF RESOURCES	
Property taxes levied for a future period	5,515,058
Deferred inflows related to pensions	<u>181,849</u>
Total deferred inflows	<u>5,696,907</u>
NET POSITION	
Net investment in capital assets	9,232,021
Restricted For:	
Operations and maintenance	3,687,158
Debt service	124,954
Student transportation	1,270,737
Retirement benefits	209,044
Capital projects	296,238
Tort immunity	11,838
Unrestricted	<u>6,409,795</u>
Total net position	<u>\$ 21,241,785</u>

The accompanying notes are an integral part of this statement.

Pleasantdale School District 107

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

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	\$ 4,215,936	\$ 297,996	\$ 64,761	\$ (3,853,179)
Special programs	2,107,539	-	372,067	(1,735,472)
Other instructional programs	761,354	12,222	1,426	(747,706)
State retirement contributions	2,886,789	-	2,886,789	-
Support services:				
Pupils	223,280	-	-	(223,280)
Instructional staff	1,103,440	-	31,211	(1,072,229)
General administration	444,593	-	-	(444,593)
School administration	623,238	-	-	(623,238)
Business	540,633	86,780	38,067	(409,454)
Transportation	703,076	-	238,592	(464,484)
Operations and maintenance	993,768	46,035	-	(947,733)
Community services	560	-	-	(560)
Nonprogrammed charges - excluding special education	151,586	-	-	(151,586)
Interest and fees	372,702	-	-	(372,702)
Total governmental activities	\$ 15,128,494	\$ 443,033	\$ 3,632,913	\$ (11,046,216)
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				8,421,747
Real estate taxes, levied for specific purposes				2,486,215
Personal property replacement taxes				543,813
State aid-formula grants				184,975
Investment earnings				194,086
Miscellaneous				51,957
Total general revenues				11,882,793
Change in net position				836,577
Net position, beginning of year, as restated (see note M)				20,405,208
Net position, end of year				\$ 21,241,785

The accompanying notes are an integral part of this statement.

Pleasantdale School District 107

Governmental Funds

BALANCE SHEET

June 30, 2015

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 8,229,378	\$ 3,712,747	\$ 1,210,250	\$ 117,239
Receivables (net of allowance for uncollectibles):				
Property taxes	4,393,203	766,527	366,514	114,146
Replacement taxes	-	-	-	89,269
Intergovernmental	99,609	-	57,339	-
Total assets	<u>\$ 12,722,190</u>	<u>\$ 4,479,274</u>	<u>\$ 1,634,103</u>	<u>\$ 320,654</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 24,073	\$ 42,622	\$ 4,996	\$ -
Unearned revenue	27,200	-	-	-
Total liabilities	<u>51,273</u>	<u>42,622</u>	<u>4,996</u>	<u>-</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	4,295,584	749,494	358,370	111,610
Total deferred inflows	<u>4,295,584</u>	<u>749,494</u>	<u>358,370</u>	<u>111,610</u>
FUND BALANCES				
Restricted	11,838	3,687,158	1,270,737	209,044
Unassigned	8,363,495	-	-	-
Total fund balance	<u>8,375,333</u>	<u>3,687,158</u>	<u>1,270,737</u>	<u>209,044</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 12,722,190</u>	<u>\$ 4,479,274</u>	<u>\$ 1,634,103</u>	<u>\$ 320,654</u>

The accompanying notes are an integral part of this statement.

Debt Service	Fire Prevention and Safety	Total
\$ 150,569	\$ 296,238	\$ 13,716,421
-	-	5,640,390
-	-	89,269
<u>-</u>	<u>-</u>	<u>156,948</u>
<u>\$ 150,569</u>	<u>\$ 296,238</u>	<u>\$ 19,603,028</u>
\$ -	\$ -	\$ 71,691
-	-	27,200
<u>-</u>	<u>-</u>	<u>98,891</u>
-	-	5,515,058
<u>-</u>	<u>-</u>	<u>5,515,058</u>
150,569	296,238	5,625,584
<u>-</u>	<u>-</u>	<u>8,363,495</u>
<u>150,569</u>	<u>296,238</u>	<u>13,989,079</u>
<u>\$ 150,569</u>	<u>\$ 296,238</u>	<u>\$ 19,603,028</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, 2015

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

Total fund balances - governmental funds		\$ 13,989,079
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.		16,427,576
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources related to pensions	\$ 234,379	
Deferred outflows of 2015 employer contributions related to pensions	<u>111,956</u>	
		346,335
Deferred inflows of resources related to pensions		(181,849)
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.		(25,615)
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>(9,313,741)</u>
Net position of governmental activities		<u>\$ 21,241,785</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, 2015

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 8,500,320	\$ 1,483,209	\$ 703,953	\$ 220,480
Replacement taxes	451,865	-	-	91,948
State aid	3,443,778	25,740	238,592	-
Federal aid	116,110	-	-	-
Interest	122,910	43,928	18,814	2,315
Other	436,632	58,358	-	-
Total revenues	13,071,615	1,611,235	961,359	314,743
Expenditures				
Current:				
Instruction:				
Regular programs	3,973,523	-	-	42,659
Special programs	1,640,121	-	-	115,101
Other instructional programs	749,386	-	-	14,628
State retirement contributions	2,886,789	-	-	-
Support services:				
Pupils	195,825	-	-	13,052
Instructional staff	949,428	-	-	30,715
General administration	418,657	-	-	7,910
School administration	575,490	-	-	33,633
Business	447,658	8,825	-	8,491
Transportation	-	-	688,994	4,392
Operations and maintenance	540	853,460	-	33,051
Community services	560	-	-	-
Nonprogrammed charges	509,064	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	123,044	83,626	-	-
Total expenditures	12,470,085	945,911	688,994	303,632
Excess (deficiency) of revenues over expenditures	601,530	665,324	272,365	11,111
Other financing sources (uses)				
Transfers in	18,814	-	-	-
Transfers (out)	(1,000,000)	-	(666,942)	-
Total other financing sources (uses)	(981,186)	-	(666,942)	-
Net change in fund balance	(379,656)	665,324	(394,577)	11,111
Fund balance, beginning of year	8,754,989	3,021,834	1,665,314	197,933
Fund balance, end of year	\$ 8,375,333	\$ 3,687,158	\$ 1,270,737	\$ 209,044

The accompanying notes are an integral part of this statement.

Debt Service	Fire Prevention and Safety	Total
\$	\$	\$
-	-	10,907,962
-	-	543,813
-	-	3,708,110
-	-	116,110
2,431	3,688	194,086
-	-	494,990
<u>2,431</u>	<u>3,688</u>	<u>15,965,071</u>
-	-	4,016,182
-	-	1,755,222
-	-	764,014
-	-	2,886,789
-	-	208,877
-	-	980,143
-	-	426,567
-	-	609,123
-	14,597	479,571
-	-	693,386
-	-	887,051
-	-	560
-	-	509,064
1,285,000	-	1,285,000
338,708	-	338,708
-	-	206,670
<u>1,623,708</u>	<u>14,597</u>	<u>16,046,927</u>
<u>(1,621,277)</u>	<u>(10,909)</u>	<u>(81,856)</u>
1,648,128	-	1,666,942
-	-	(1,666,942)
<u>1,648,128</u>	<u>-</u>	<u>-</u>
26,851	(10,909)	(81,856)
<u>123,718</u>	<u>307,147</u>	<u>14,070,935</u>
<u>\$ 150,569</u>	<u>\$ 296,238</u>	<u>\$ 13,989,079</u>

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, 2015

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

Net change in fund balances - total governmental funds	\$ (81,856)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.	(234,059)
Changes in deferred outflows and inflows or resources related to pensions are reported only in the statement of activities:	
Deferred outflow and inflows of resources related to IMRF pension liability	234,082
Deferred outflow and inflows of resources related to TRS pension liability	(180,013)
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.	(10,485)
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.	23,616
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.	<u>1,085,292</u>
Change in net position of governmental activities	<u>\$ 836,577</u>

The accompanying notes are an integral part of this statement.

Pleasantdale School District 107
Agency Fund
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2015

	Student Activity Fund
<hr/>	
ASSETS	
Cash	\$ 23,808
LIABILITIES	
Due to student groups	\$ 22,110
Due to employees	<u>1,698</u>
	<u>\$ 23,808</u>

The accompanying notes are an integral part of this statement.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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 Governmental Accounting Standards Board (GASB) pronouncements.

2. New Accounting Pronouncement

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which was implemented by the District during the fiscal year ended June 30, 2015. This Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pension liabilities on the government-wide financial statements. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute the present value to periods of employee service.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. New Accounting Pronouncement (Continued)

The Governmental Accounting Standards Board (GASB) has issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, which was implemented by the District during the fiscal year ended June 30, 2015. This Statement established standards for measuring amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Specific changes to the District's financial statements relate to the recognition of the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. See Note H and Note M for the effects of this implementation.

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 funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund. The District considers all governmental funds to be major.

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function 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 within one year. 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 .05% of the District's current equalized assessed valuation. The Tort Immunity and Judgment Account is used to account for revenues derived from a specific property levy and state reimbursement grants and expenditures of these monies for risk management activities.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b. Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than those accounted for in the Debt Service, capital projects, or Fiduciary Funds) that are legally restricted to expenditures for specified purposes.

Each of the District's special revenue funds has been established as a separate fund in accordance with the fund structure required by the state of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's special revenue funds is as follows:

Operations and Maintenance Fund - accounts for all revenues and expenditures made for operations, repair, and maintenance of the District's building and land. Revenues consist primarily of local property taxes.

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

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

The *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

The *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.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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. 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 funds are used to account for the District's general governmental activities. Governmental fund types use the flow of 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 property tax revenues and 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 vouchered by year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences, claims, and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The District reports unearned and unavailable revenue on its financial statements. Unearned and unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has 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.

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 a future period(s). At June 30, 2015, the District reported deferred outflows of resources related to pension liabilities (see Note H). In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period(s). At June 30, 2015, the District reported deferred inflows related to property taxes levied for a future period 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.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Deposits and Investments

The Illinois Compiled Statutes require the District to use the investment services of the Township School Treasurer. Due to the nature of the District's investments, fair value approximates cost. No amortization is made to interest income for discounted federal securities. Gains and losses on the sale of investments are recorded as interest income at the date of sale or maturity.

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 estimated fair value at the date of donation.

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

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

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 are deferred and amortized over the life of the applicable bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period in which the bonds are issued.

In the fund financial statements, governmental funds recognize bond premiums and discounts, losses on refunding, and bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance cost and losses on refunding are reported as debt service expenditures.

12. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred inflows and outflows, the disclosure of contingent assets and liabilities 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.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.
- 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 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, 2015, 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, 2015 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, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Balance (Continued)

Governmental fund balances reported on the fund financial statements at June 30, 2015 are as follows:

The restricted fund balance in the General Fund is comprised of \$11,838, representing the remaining unspent portion of the restricted tort immunity levy. The remaining restricted fund balances are for the purpose of the restricted funds as described in Note A-4.

15. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported 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	\$ (8,167,090)
Unamortized bond premiums	(55,555)
Net pension liability - IMRF	(528,219)
Net pension liability - TRS	<u>(562,877)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position of governmental activities	<u>\$ (9,313,741)</u>

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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	\$ 143,485
Depreciation expense	<u>(377,544)</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>(234,059)</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	\$ 1,285,000
Accretion	(47,125)
Net pension liability - IMRF, net	(359,979)
Net pension liability - TRS, net	<u>207,396</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>1,085,292</u></u>

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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 School Code. The Treasurer is the direct recipient of property taxes, replacement taxes, and most state and federal aid, and disburses school funds upon lawful order to the School Board. The Treasurer invests excess funds at his discretion, 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 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, 2015

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 9.35 years, at June 30, 2015. 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 \$172,962,799. The District's proportionate share of all pooled cash and investments is approximately 7.11%. 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, 2015, the carrying value of the District's Agency Funds and imprest funds were \$28,608, all of which were deposited with financial institutions. The District also holds a balance in the Illinois Funds of \$3,192.

Credit Risk - Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The Illinois Funds, a state investment pool, was rated AAAM by Standard & Poor's. The State Treasurer is the regulatory oversight agency for the pool and the State Treasurer is audited by the Illinois Auditor General to ensure that all state statutes are being followed. Each member owns a prorated share of each investment or deposit, which is held in the name of the fund. The fair value of the position in the external investment pool is the same as the value of the pool shares.

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.

Concentration of Credit Risk - The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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 17, 2014. The District's property tax is levied each year on all taxable real property located in the District, and becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

The Cook County Assessor is responsible for the assessment of all taxable real 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.

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 2.7253 for 2014.

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 2014 tax levy was \$507,181,813.

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

The portion of the 2014 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 is reflected as property taxes levied for a future period (deferred inflow).

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2015</u>
Capital assets, not being depreciated				
Land	\$ 399,498	\$ -	\$ -	\$ 399,498
Total capital assets, not being depreciated	<u>399,498</u>	<u>-</u>	<u>-</u>	<u>399,498</u>
Capital assets, being depreciated				
Buildings	21,256,079	-	-	21,256,079
Building improvements	151,181	91,125	-	242,306
Land improvements	396,298	8,545	-	404,843
Equipment	<u>3,021,047</u>	<u>43,815</u>	<u>51,444</u>	<u>3,013,418</u>
Total capital assets, being depreciated	<u>24,824,605</u>	<u>143,485</u>	<u>51,444</u>	<u>24,916,646</u>
Less accumulated depreciation for:				
Buildings	5,322,438	265,701	-	5,588,139
Building improvements	9,255	12,115	-	21,370
Land improvements	290,887	20,242	-	311,129
Equipment	<u>2,939,888</u>	<u>79,486</u>	<u>51,444</u>	<u>2,967,930</u>
Total accumulated depreciation	<u>8,562,468</u>	<u>377,544</u>	<u>51,444</u>	<u>8,888,568</u>
Total capital assets, being depreciated, net	<u>16,262,137</u>	<u>(234,059)</u>	<u>-</u>	<u>16,028,078</u>
Governmental activities capital assets, net	<u>\$ 16,661,635</u>	<u>\$ (234,059)</u>	<u>\$ -</u>	<u>\$ 16,427,576</u>

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - CAPITAL ASSETS (Continued)

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

Governmental activities	
General government	
Regular programs	\$ 213,924
Education media	9,739
General administration	18,853
School administration	16,160
Facilities acquisition and construction services	49,779
Operations and maintenance	68,007
Food service	<u>1,082</u>
 Total depreciation from governmental activities	 \$ <u><u>377,544</u></u>

NOTE F - LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2015:

	Balance July 1, 2014 (as restated)	Additions/ Accretion	Reductions	Balance June 30, 2015
Bonds payable:				
General obligation bonds	\$ 9,404,965	\$ 47,125	\$ 1,285,000	\$ 8,167,090
Unamortized premium	<u>79,171</u>	<u>-</u>	<u>23,616</u>	<u>55,555</u>
 Total bonds payable	 <u>9,484,136</u>	 <u>47,125</u>	 <u>1,308,616</u>	 <u>8,222,645</u>
 IMRF net pension liability *	 168,240	 797,699	 437,720	 528,219
TRS net pension liability *	<u>770,273</u>	<u>297</u>	<u>207,693</u>	<u>562,877</u>
 Total long-term liabilities - governmental activities	 \$ <u><u>10,422,649</u></u>	 \$ <u><u>845,121</u></u>	 \$ <u><u>1,954,029</u></u>	 \$ <u><u>9,313,741</u></u>

* Beginning balance is shown as restated. See Note H and Note M.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE F - LONG-TERM LIABILITIES (Continued)

	Due within one year
General obligation bonds	\$ 1,475,000

1. General Obligation Bonds

The summary of activity in bonds payable for the year ended June 30, 2015 is as follows:

	Bonds Payable July 1, 2014		Accretion		Debt Retired		Bonds Payable June 30, 2015
Series 2005 Capital Appreciation Bonds interest at 4.50%, maturing December 1, 2018	\$ 1,089,965	\$	47,125	\$	110,000	\$	1,027,090
Series 2006 Building Bonds interest at 4.00% to 5.50%, maturing December 1, 2019	8,165,000		-		1,025,000		7,140,000
Series 2009A GO Limited Refunding Bonds interest at 2.00% to 3.00%, maturing December 1, 2014	150,000		-		150,000		-
Total	\$ 9,404,965	\$	47,125	\$	1,285,000	\$	8,167,090

The bonds payable at June 30, 2015 is as follows:

	Interest Rates		Face Amount		Carrying Amount
Series 2005 Capital Appreciation Bonds	4.50%	\$	1,120,000	\$	1,027,090
Series 2006 Building Bonds	4.00% - 5.50%		7,140,000		7,140,000
		\$	8,260,000	\$	8,167,090

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE F - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds (Continued)

At June 30, 2015, the District's future cash flow requirements for retirement of bond principal and interest were as follows:

Year Ending June 30	Principal	Interest	Total
2016	\$ 1,475,000	\$ 274,653	\$ 1,749,653
2017	1,595,000	215,728	1,810,728
2018	1,710,000	160,672	1,870,672
2019	1,890,000	98,503	1,988,503
2020	1,590,000	32,595	1,622,595
	<u>\$ 8,260,000</u>	<u>\$ 782,151</u>	<u>\$ 9,042,151</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$150,569 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, 2015, the statutory debt limit for the District was \$34,995,545, of which \$26,735,545 is fully available.

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. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years. Complete financial statements for CLIC can be obtained from its treasurer, 624 Kenilworth, Grayslake, Illinois, 60030.

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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 <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, 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, 2015

NOTE H - PENSION LIABILITIES (Continued)

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

Benefits Provided (Continued)

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

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, 2015, was 9.4 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, 2015, 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 \$2,826,048 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, 2015, were \$34,539, and are deferred because they were paid after the June 30, 2014 measurement date.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - PENSION LIABILITIES (Continued)

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

Contributions (Continued)

Federal and Special Trust Fund Contributions

When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2015, the employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$0 were paid from federal and special trust funds that required employer contributions of \$0.

Early Retirement Cost Contributions

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2015, the District paid \$0 to TRS for employer ERO contributions.

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, 2015, the District paid \$2,081 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.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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

At June 30, 2015, 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 follow:

District's proportionate share of the net pension liability	\$	562,877
State's proportionate share of the net pension liability associated with the District		<u>35,101,562</u>
 Total	 \$	 <u><u>35,664,439</u></u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. 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, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the District's proportion was 0.0009248978 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The District's proportion of the net pension liability as of June 30, 2013, was based on the District's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the District's proportion was 0.0012295025 percent.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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)

For the year ended June 30, 2015, the District recognized pension expense of \$2,870,476 and revenue of \$2,826,048 for support provided by the state. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 297	\$ -
Net difference between projected and actual earnings on pension plan investments	-	28,289
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>-</u>	<u>153,560</u>
Total deferred amount to be recognized in pension expense in the future period	297	181,849
District contributions subsequent to the measurement date	<u>34,539</u>	<u>-</u>
Total	<u>\$ 34,836</u>	<u>\$ 181,849</u>

The District reported \$34,539 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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 Inflows of Resources</u>
2016	\$ 44,272
2017	44,272
2018	44,272
2019	44,272
2020	4,464
Thereafter	<u>-</u>
Total	\$ <u>181,552</u>

Actuarial Assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	5.75 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 White Collar Table with projections using scale AA that vary by member group.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - PENSION LIABILITIES (Continued)

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

Actuarial Assumptions (Continued)

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2014 and 2013 were assumed to be the same. However, for funding purposes, the actuarial valuations for those two years were different. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered. The actuarial assumptions used in the June 30, 2013 valuation were based on the 2012 actuarial experience analysis and first adopted in the June 30, 2012 valuation. The investment return assumption was lowered from 8.5 percent to 8.0 percent and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.

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:

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - PENSION LIABILITIES (Continued)

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

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Allocation</u>	<u>Rate of</u>
U.S. large cap	18 %	8.23 %
Global equity (excluding U.S.)	18	8.58
Aggregate bonds	16	2.27
U.S. TIPS	2	3.52
NCREIF	11	5.81
Opportunistic real estate	4	9.79
ARS	8	3.27
Risk parity	8	5.57
Diversified inflation strategy	1	3.96
Private equity	14	13.03
Total	<u>100 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position 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. Therefore, 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.

Pleasantdale School District 107
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - PENSION LIABILITIES (Continued)

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

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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	<u>1% Decrease</u> <u>(6.50%)</u>	<u>Current</u> <u>Discount</u> <u>(7.50%)</u>	<u>1% Increase</u> <u>(8.50%)</u>
District's proportionate share of the net pension liability	\$ <u>695,125</u>	\$ <u>562,877</u>	\$ <u>453,360</u>

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2014 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

2. Illinois Municipal Retirement Fund

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed with the Illinois Municipal Retirement Fund (IMRF), the administer of a 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.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Benefits Provided

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

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

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

Employees Covered by Benefit Terms

As of December 31, 2014, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	19
Inactive plan members entitled to but not yet receiving benefits	57
Active plan members	<u>37</u>
Total	<u><u>113</u></u>

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Contributions

As set by statute, the District's regular plan members are required to contribute 4.5 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. This actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year. The contribution rate for calendar year 2014 used by the District was 10.68%. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2014:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation	3.50%
Price Inflation	2.75%
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 valuation pursuant to an experience study of the period 2011-2013.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Mortality

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

Long-term Expected Rate of Return

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

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.60%
International Equity	17%	7.80%
Fixed Income	27%	3.00%
Real Estate	8%	6.15%
Alternative Investments	9%	5.25-8.50%
Cash Equivalents	1%	2.25%
Total	<u>100%</u>	

Single Discount Rate

A Single Discount Rate of 7.49% 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 3.56%; and the resulting single discount rate is 7.49%.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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, 2014:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2013	\$ 4,158,435	\$ 3,990,195	\$ 168,240
Changes for the year:			
Service cost	152,338	-	152,338
Interest on the total pension liability	311,836	-	311,836
Difference between expected and actual experience of the total pension liability	77,228	-	77,228
Changes of assumptions	217,974	-	217,974
Contributions - Employer	-	136,352	(136,352)
Contributions - Employees	(153,589)	56,761	(210,350)
Net Investment Income	-	244,607	(244,607)
Benefit payments, including refunds of employee contributions	-	(153,589)	153,589
Other (net transfer)	-	(38,323)	38,323
Net changes	605,787	245,808	359,979
Balances at December 31, 2014	\$ 4,764,222	\$ 4,236,003	\$ 528,219

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 7.49%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.49%)	Current Discount Rate	1% Increase (8.49%)
Net pension liability (asset)	\$ 1,187,299	\$ 528,219	\$ (14,638)

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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, 2015, the District recognized pension expense of \$262,249. At June 30, 2015, the District reported deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>	
Differences between expected and actual experience	\$ 49,790
Change of assumptions	140,530
Net difference between projected and actual earnings on pension plan investments	<u>43,762</u>
Total deferred amounts to be recognized in pension expense in future periods	234,082
<i>Pension contributions made subsequent to the measurement date</i>	<u>77,417</u>
Total deferred amounts related to pensions	<u>\$ 311,499</u>

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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 December 31,</u>	<u>Deferred Outflows of Resources</u>
2015	\$ 115,823
2016	96,378
2017	10,941
2018	10,940
2019	-
Thereafter	<u>-</u>
 Total	 \$ <u><u>234,082</u></u>

3. 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.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE I - OTHER POSTEMPLOYMENT BENEFITS

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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

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 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$60,741 and the District recognized revenue and expenditures of this amount during the year.

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.76 percent during the year ended June 30, 2015. For the year ended June 30, 2015, the District paid \$45,258 to the THIS Fund, which was 100 percent of the required contribution.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Further Information on the THIS Fund

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

NOTE J - INTERFUND TRANSFERS

The District transferred \$1,000,000 from the Education Fund to the Debt Service Fund. The amount transferred is to be used for funding future debt payments.

The District transferred \$648,128 from the Transportation Fund to the Debt Service Fund. The amount transferred is to be used for funding future debt payments.

The District transferred \$18,814 from the Transportation Fund to the 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 is at times 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.

Pleasantdale School District 107
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE L - CONTINGENCIES (Continued)

2. Grants

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

NOTE M - RESTATEMENT

The implementation of GASB 68 and GASB 71 (Note A-2) required the District to record the net pension liability for TRS and IMRF. As a result of this implementation, as of July 1, 2014, net position decreased by \$811,688, net pension liability (included in long term liabilities) increased by \$922,105, and deferred outflows increased by \$110,417.

NOTE N - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 10, 2015, 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, 2015

Calendar Year Ended December 31, 2014

Total pension liability	
Service cost	\$ 152,338
Interest on the total pension liability	311,836
Difference between expected and actual experience of the total pension liability	77,228
Assumption changes	217,974
Benefit payments and refunds	<u>(153,589)</u>
Net change in total pension liability	605,787
Total pension liability, beginning	<u>4,158,435</u>
Total pension liability, ending	<u><u>\$ 4,764,222</u></u>
Plan fiduciary net position	
Contributions, employer	\$ 136,352
Contributions, employee	56,761
Net investment income	244,607
Benefit payments, including refunds of employee contributions	(153,589)
Other (net transfer)	<u>(38,323)</u>
Net change in plan fiduciary net position	245,808
Plan fiduciary net position, beginning	<u>3,990,195</u>
Plan fiduciary net position, ending	<u><u>\$ 4,236,003</u></u>
Net pension liability	<u><u>\$ 528,219</u></u>
Plan fiduciary net position as a percentage of the total pension liability	88.91 %
Covered Valuation Payroll	\$ 1,261,348
Net pension liability as a percentage of covered valuation payroll	41.88 %

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
SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
June 30, 2015

<u>Calendar Year</u> Ending December 31,	<u>Actuarially</u> Determined Contribution	<u>Actual</u> Contribution	<u>Contribution</u> Deficiency (Excess)	<u>Covered</u> Valuation Payroll	<u>Actual Contribution</u> as a % of Covered Valuation Payroll
2014	\$ 136,352	* \$ 136,352	-	\$ 1,261,348	10.81 %

* Estimated based on contribution rate of 10.81% and covered valuation payroll of \$1,261,348.

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
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
June 30, 2015

District's proportion of the net pension liability	0.0009248978 %
District's proportionate share of the net pension liability	\$ 562,877
State's proportionate share of the net pension liability associated with the District	<u>35,101,562</u>
Total	<u>\$ 35,664,439</u>
District's covered-employee payroll	<u>\$ 5,689,636</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	9.89 %
Plan fiduciary net position as a percentage of the total pension liability	43.00 %

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

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

Pleasantdale School District 107
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Retirement System of the State of Illinois
June 30, 2015

Fiscal Year Ended June 30, 2014

Contractually required contribution	\$ 33,000
Contributions in relation to the contractually required contribution	<u>16,450</u>
Contribution deficiency (excess)	<u>\$ 16,550</u>
District's covered-employee payroll	\$ 5,689,636
Contributions as a percentage of covered-employee payroll	0.29 %

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
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 8,597,209	\$ 8,380,773	\$ (216,436)	\$ 8,369,375
Special education levy	122,378	119,547	(2,831)	119,809
Corporate personal property replacement taxes	427,940	451,865	23,925	347,540
Regular tuition from pupils or parents	225,000	297,996	72,996	176,253
Summer school tuition from pupils or parents	10,000	12,222	2,222	11,441
Interest on investments	42,230	122,910	80,680	48,081
Sales to pupils - lunch	97,500	70,129	(27,371)	74,196
Sales to pupils - a la carte	-	16,651	16,651	14,438
Contributions and donations from private sources	-	167	167	332
Refund of prior years' expenditures	-	30,714	30,714	16,779
Other	500	8,753	8,253	9,735
Total local sources	<u>9,522,757</u>	<u>9,511,727</u>	<u>(11,030)</u>	<u>9,187,979</u>
State sources				
General State Aid	186,900	184,975	(1,925)	185,094
Special Education - Private Facility Tuition	150,000	90,507	(59,493)	150,928
Special Education - Extraordinary	100,000	89,108	(10,892)	89,248
Special Education - Personnel	200,000	188,789	(11,211)	178,813
Special Education - Orphanage - Individual	-	-	-	4,919
Special Education - Summer School	300	400	100	363
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	2,128	1,426	(702)	2,082
State Free Lunch and Breakfast	300	284	(16)	312
Other state sources	750	1,500	750	736
Total state sources	<u>640,378</u>	<u>556,989</u>	<u>(83,389)</u>	<u>612,495</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			
	Original and Final Budget	Actual	Variance From Final Budget	2014 Actual
Federal sources				
National School Lunch Program	\$ 28,000	\$ 37,783	\$ 9,783	\$ 28,717
Title I - Low Income	57,225	64,761	7,536	68,786
Federal - Special Education - Pre-School Flow Through	252	-	(252)	-
Federal - Special Education - I.D.E.A. - Flow Through	3,263	3,263	-	6,043
Title II - Teacher Quality	10,545	10,303	(242)	11,082
Other federal sources	3,884	-	(3,884)	-
Total federal sources	<u>103,169</u>	<u>116,110</u>	<u>12,941</u>	<u>114,628</u>
Total revenues	<u>10,266,304</u>	<u>10,184,826</u>	<u>(81,478)</u>	<u>9,915,102</u>
Expenditures				
Instruction				
Regular programs				
Salaries	3,224,878	3,170,074	54,804	3,200,814
Employee benefits	612,825	619,637	(6,812)	616,319
Purchased services	52,650	29,867	22,783	49,834
Supplies and materials	185,278	149,304	35,974	144,512
Capital outlay	8,000	5,934	2,066	3,360
Other objects	1,800	4,641	(2,841)	1,359
Non-capitalized equipment	7,000	-	7,000	-
Total	<u>4,092,431</u>	<u>3,979,457</u>	<u>112,974</u>	<u>4,016,198</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Pre-K programs				
Salaries	\$ 163,911	\$ 191,457	\$ (27,546)	\$ 127,968
Employee benefits	36,477	29,578	6,899	27,735
Supplies and materials	3,500	3,340	160	2,904
Total	<u>203,888</u>	<u>224,375</u>	<u>(20,487)</u>	<u>158,607</u>
Special education programs				
Salaries	1,174,626	1,209,838	(35,212)	1,037,733
Employee benefits	204,818	202,338	2,480	162,802
Purchased services	10,986	7,098	3,888	1,583
Supplies and materials	18,250	11,913	6,337	6,238
Capital outlay	5,500	3,641	1,859	6,716
Other objects	400	-	400	-
Non-capitalized equipment	6,000	800	5,200	-
Total	<u>1,420,580</u>	<u>1,435,628</u>	<u>(15,048)</u>	<u>1,215,072</u>
Interscholastic programs				
Salaries	289,100	296,517	(7,417)	276,522
Employee benefits	29,700	30,938	(1,238)	28,286
Purchased services	7,800	7,148	652	7,683
Supplies and materials	11,250	11,434	(184)	8,000
Capital outlay	500	-	500	-
Other objects	1,100	2,164	(1,064)	2,602
Total	<u>339,450</u>	<u>348,201</u>	<u>(8,751)</u>	<u>323,093</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, 2015

With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Summer school programs				
Salaries	\$ 22,650	\$ 18,578	\$ 4,072	\$ 21,554
Employee benefits	1,260	1,444	(184)	1,200
Purchased services	1,000	-	1,000	-
Supplies and materials	2,800	714	2,086	5,170
Total	<u>27,710</u>	<u>20,736</u>	<u>6,974</u>	<u>27,924</u>
Gifted programs				
Salaries	129,637	129,637	-	122,227
Employee benefits	25,733	25,461	272	22,586
Supplies and materials	1,000	976	24	842
Total	<u>156,370</u>	<u>156,074</u>	<u>296</u>	<u>145,655</u>
Special education programs K-12 - private tuition	<u>83,000</u>	<u>128,989</u>	<u>(45,989)</u>	<u>85,571</u>
Special education programs pre-K - private tuition	<u>137,600</u>	<u>79,145</u>	<u>58,455</u>	<u>98,295</u>
Total instruction	<u>6,461,029</u>	<u>6,372,605</u>	<u>88,424</u>	<u>6,070,415</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	87,967	87,847	120	81,900
Employee benefits	23,810	23,310	500	18,681
Supplies and materials	2,700	960	1,740	1,153
Total	<u>114,477</u>	<u>112,117</u>	<u>2,360</u>	<u>101,734</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, 2015

With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Health services				
Salaries	\$ 70,117	\$ 69,219	\$ 898	\$ 68,952
Employee benefits	17,087	12,711	4,376	14,848
Purchased services	100	-	100	-
Supplies and materials	1,800	1,778	22	1,533
Capital outlay	1,300	-	1,300	-
Total	<u>90,404</u>	<u>83,708</u>	<u>6,696</u>	<u>85,333</u>
Total pupils	<u>204,881</u>	<u>195,825</u>	<u>9,056</u>	<u>187,067</u>
Instructional staff				
Improvement of instruction services				
Salaries	343,306	281,429	61,877	274,422
Employee benefits	189,410	168,018	21,392	131,979
Purchased services	109,700	72,567	37,133	81,964
Supplies and materials	112,450	34,860	77,590	226,769
Total	<u>754,866</u>	<u>556,874</u>	<u>197,992</u>	<u>715,134</u>
Educational media services				
Salaries	245,956	245,551	405	349,151
Employee benefits	50,410	49,935	475	65,757
Purchased services	28,100	10,937	17,163	11,917
Supplies and materials	58,030	53,404	4,626	43,982
Capital outlay	106,000	113,469	(7,469)	20,165
Other objects	31,430	22,074	9,356	20,492
Non-capitalized equipment	6,000	10,653	(4,653)	1,820
Total	<u>525,926</u>	<u>506,023</u>	<u>19,903</u>	<u>513,284</u>
Total instructional staff	<u>1,280,792</u>	<u>1,062,897</u>	<u>217,895</u>	<u>1,228,418</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
General administration				
Board of education services				
Purchased services	\$ 71,000	\$ 63,813	\$ 7,187	\$ 90,457
Supplies and materials	20,000	13,711	6,289	13,421
Other objects	6,500	3,020	3,480	6,386
Total	<u>97,500</u>	<u>80,544</u>	<u>16,956</u>	<u>110,264</u>
Executive administration services				
Salaries	188,121	187,169	952	180,098
Employee benefits	49,363	49,363	-	49,136
Purchased services	12,000	17,081	(5,081)	17,775
Supplies and materials	3,500	1,510	1,990	1,393
Other objects	5,000	2,857	2,143	3,086
Total	<u>257,984</u>	<u>257,980</u>	<u>4</u>	<u>251,488</u>
Tort immunity services				
Purchased services	80,133	80,133	-	76,582
Total	<u>80,133</u>	<u>80,133</u>	<u>-</u>	<u>76,582</u>
Total general administration	<u>435,617</u>	<u>418,657</u>	<u>16,960</u>	<u>438,334</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, 2015

With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
School administration				
Office of the principal services				
Salaries	\$ 465,456	\$ 459,379	\$ 6,077	\$ 427,722
Employee benefits	95,710	95,696	14	90,915
Purchased services	27,500	10,205	17,295	7,531
Supplies and materials	14,690	9,221	5,469	9,656
Capital outlay	1,100	-	1,100	636
Other objects	1,565	989	576	1,328
Total	<u>606,021</u>	<u>575,490</u>	<u>30,531</u>	<u>537,788</u>
Total school administration	<u>606,021</u>	<u>575,490</u>	<u>30,531</u>	<u>537,788</u>
Fiscal services				
Salaries	142,201	142,201	-	136,074
Employee benefits	29,748	29,917	(169)	28,998
Purchased services	94,720	91,480	3,240	77,479
Supplies and materials	6,500	(204)	6,704	410
Capital outlay	2,000	-	2,000	-
Total	<u>275,169</u>	<u>263,394</u>	<u>11,775</u>	<u>242,961</u>
Operation and maintenance of plant services				
Purchased services	9,844	540	9,304	12,887
Total	<u>9,844</u>	<u>540</u>	<u>9,304</u>	<u>12,887</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Food services				
Salaries	\$ 51,325	\$ 56,929	\$ (5,604)	\$ 51,751
Employee benefits	4,300	5,519	(1,219)	4,110
Purchased services	35	-	35	-
Supplies and materials	<u>131,700</u>	<u>121,816</u>	<u>9,884</u>	<u>119,606</u>
Total	<u>187,360</u>	<u>184,264</u>	<u>3,096</u>	<u>175,467</u>
Total business	<u>472,373</u>	<u>448,198</u>	<u>24,175</u>	<u>431,315</u>
Total support services	<u>2,999,684</u>	<u>2,701,067</u>	<u>298,617</u>	<u>2,822,922</u>
Community services				
Purchased services	<u>845</u>	<u>560</u>	<u>285</u>	<u>1,265</u>
Total	<u>845</u>	<u>560</u>	<u>285</u>	<u>1,265</u>
Payments for special education programs				
Other objects	<u>493,029</u>	<u>357,478</u>	<u>135,551</u>	<u>307,339</u>
Payments for special education programs - tuition				
Other objects	<u>246,002</u>	<u>151,586</u>	<u>94,416</u>	<u>128,968</u>
Total payments to other districts and other government units	<u>739,031</u>	<u>509,064</u>	<u>229,967</u>	<u>436,307</u>
Provision for contingencies	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Total expenditures	<u>10,215,589</u>	<u>9,583,296</u>	<u>632,293</u>	<u>9,330,909</u>
Excess of revenues over expenditures	<u>50,715</u>	<u>601,530</u>	<u>550,815</u>	<u>584,193</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Other financing sources (uses)				
Permanent transfer of interest	\$ 7,100	\$ 18,814	\$ 11,714	\$ 7,853
Other uses - transfer to Debt Services Fund	<u>(1,000,000)</u>	<u>(1,000,000)</u>	-	-
Total other financing sources (uses)	<u>(992,900)</u>	<u>(981,186)</u>	<u>11,714</u>	<u>7,853</u>
Net change to fund balance	<u>\$ (942,185)</u>	<u>(379,656)</u>	<u>\$ 562,529</u>	592,046
Fund balance, beginning of year		<u>8,754,989</u>		<u>8,162,943</u>
Fund balance, end of year		<u>\$ 8,375,333</u>		<u>\$ 8,754,989</u>

(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, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 1,521,403	\$ 1,483,209	\$ (38,194)	\$ 1,480,794
Interest on investments	16,000	43,928	27,928	15,152
Rentals	40,000	46,035	6,035	43
Impact fees from municipal or county governments	5,000	12,323	7,323	11,816
Total local sources	<u>1,582,403</u>	<u>1,585,495</u>	<u>3,092</u>	<u>1,507,805</u>
State sources				
School infrastructure - maintenance projects	7,500	6,332	(1,168)	-
Other	20,050	19,408	(642)	-
Total state sources	<u>27,550</u>	<u>25,740</u>	<u>(1,810)</u>	<u>-</u>
Total revenues	<u>1,609,953</u>	<u>1,611,235</u>	<u>1,282</u>	<u>1,507,805</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction services				
Purchased services	15,000	8,825	6,175	6,955
Capital outlay	55,315	53,991	1,324	638,613
Total	<u>70,315</u>	<u>62,816</u>	<u>7,499</u>	<u>645,568</u>

(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, 2015

With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Operation and maintenance of plant services				
Salaries	\$ 183,517	\$ 181,164	\$ 2,353	\$ 174,465
Employee benefits	20,869	20,034	835	18,936
Purchased services	360,432	434,157	(73,725)	345,354
Supplies and materials	278,000	217,110	60,890	215,349
Capital outlay	140,000	29,635	110,365	32,196
Other objects	-	995	(995)	-
Non-capitalized equipment	3,000	-	3,000	-
Total	<u>985,818</u>	<u>883,095</u>	<u>102,723</u>	<u>786,300</u>
Total business	<u>1,056,133</u>	<u>945,911</u>	<u>110,222</u>	<u>1,431,868</u>
Total support services	<u>1,056,133</u>	<u>945,911</u>	<u>110,222</u>	<u>1,431,868</u>
Provision for contingencies	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Total expenditures	<u>1,071,133</u>	<u>945,911</u>	<u>125,222</u>	<u>1,431,868</u>
Excess of revenues over expenditures	<u>538,820</u>	<u>665,324</u>	<u>126,504</u>	<u>75,937</u>
Other financing uses				
Transfer to Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>
Net change in fund balance	<u>\$ 538,820</u>	<u>665,324</u>	<u>\$ 126,504</u>	<u>(924,063)</u>
Fund balance, beginning of year		<u>3,021,834</u>		<u>3,945,897</u>
Fund balance, end of year		<u>\$ 3,687,158</u>		<u>\$ 3,021,834</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, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 728,991	\$ 703,953	\$ (25,038)	\$ 706,385
Interest on investments	7,100	18,814	11,714	7,853
Total local sources	<u>736,091</u>	<u>722,767</u>	<u>(13,324)</u>	<u>714,238</u>
State sources				
Transportation - Regular/Vocational	123,300	130,229	6,929	123,853
Transportation - Special Education	112,000	108,363	(3,637)	127,822
Other State Sources	20,050	-	(20,050)	-
Total state sources	<u>255,350</u>	<u>238,592</u>	<u>(16,758)</u>	<u>251,675</u>
Total revenues	<u>991,441</u>	<u>961,359</u>	<u>(30,082)</u>	<u>965,913</u>
Expenditures				
Support services				
Business				
Pupil transportation services				
Salaries	45,938	45,937	1	43,963
Employee benefits	8,921	8,476	445	9,847
Purchased services	751,300	634,581	116,719	718,135
Non-capitalized equipment	1,000	-	1,000	-
Total support services	<u>807,159</u>	<u>688,994</u>	<u>118,165</u>	<u>771,945</u>
Total expenditures	<u>807,159</u>	<u>688,994</u>	<u>118,165</u>	<u>771,945</u>
Excess of revenues over expenditures	<u>184,282</u>	<u>272,365</u>	<u>88,083</u>	<u>193,968</u>

(Continued)

Pleasantdale School District 107
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Other financing uses				
Permanent transfer of interest - out	\$ (7,100)	\$ (18,814)	\$ 11,714	\$ (7,853)
Other uses - Transfer to Debt Service Fund	<u>(648,128)</u>	<u>(648,128)</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>(655,228)</u>	<u>(666,942)</u>	<u>11,714</u>	<u>(7,853)</u>
Net change in fund balance	<u>\$ (470,946)</u>	<u>(394,577)</u>	<u>\$ 99,797</u>	186,115
Fund balance, beginning of year		<u>1,665,314</u>		<u>1,479,199</u>
Fund balance, end of year		<u>\$ 1,270,737</u>		<u>\$ 1,665,314</u>

(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, 2015

With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 112,525	\$ 110,240	\$ (2,285)	\$ 109,791
Social security/medicare only levy	112,525	110,240	(2,285)	109,791
Corporate personal property replacement taxes	88,550	91,948	3,398	158,323
Interest on investments	500	2,315	1,815	833
Total local sources	<u>314,100</u>	<u>314,743</u>	<u>643</u>	<u>378,738</u>
Total revenues	<u>314,100</u>	<u>314,743</u>	<u>643</u>	<u>378,738</u>
Expenditures				
Instruction				
Regular programs	45,650	42,659	2,991	42,376
Pre-K programs	2,380	2,636	(256)	1,795
Special education programs	115,545	115,101	444	104,366
Interscholastic programs	10,100	9,159	941	9,582
Summer school programs	1,380	1,041	339	1,356
Gifted programs	1,880	1,792	88	1,689
Total instruction	<u>176,935</u>	<u>172,388</u>	<u>4,547</u>	<u>161,164</u>

(Continued)

Pleasantdale School District 107
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Support services				
Pupils				
Attendance and social work services	\$ 1,276	\$ 1,116	\$ 160	\$ 1,053
Health services	<u>13,120</u>	<u>11,936</u>	<u>1,184</u>	<u>11,871</u>
Total pupils	<u>14,396</u>	<u>13,052</u>	<u>1,344</u>	<u>12,924</u>
Instructional staff				
Improvement of instruction services	4,935	4,088	847	4,009
Educational media services	<u>27,761</u>	<u>26,627</u>	<u>1,134</u>	<u>38,612</u>
Total instructional staff	<u>32,696</u>	<u>30,715</u>	<u>1,981</u>	<u>42,621</u>
General administration				
Executive administration services	<u>7,830</u>	<u>7,910</u>	<u>(80)</u>	<u>7,775</u>
Total general administration	<u>7,830</u>	<u>7,910</u>	<u>(80)</u>	<u>7,775</u>
School administration				
Office of the principal services	<u>35,758</u>	<u>33,633</u>	<u>2,125</u>	<u>34,300</u>
Total school administration	<u>35,758</u>	<u>33,633</u>	<u>2,125</u>	<u>34,300</u>

(Continued)

Pleasantdale School District 107
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Business				
Fiscal services	\$ 6,515	\$ 6,547	\$ (32)	\$ 6,427
Operation and maintenance of plant services	33,308	33,051	257	32,857
Pupil transportation services	3,572	4,392	(820)	3,509
Food services	3,090	1,944	1,146	2,790
Total business	<u>46,485</u>	<u>45,934</u>	<u>551</u>	<u>45,583</u>
Total support services	<u>137,165</u>	<u>131,244</u>	<u>5,921</u>	<u>143,203</u>
Total expenditures	<u>314,100</u>	<u>303,632</u>	<u>10,468</u>	<u>304,367</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>11,111</u>	<u>\$ 11,111</u>	<u>74,371</u>
Fund balance, beginning of year		<u>197,933</u>		<u>123,562</u>
Fund balance, end of year		<u>\$ 209,044</u>		<u>\$ 197,933</u>

(Concluded)

Pleasantdale School District 107
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015

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.

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 17, 2014.
- g) All annual budgets appropriations lapse at the end of the fiscal year.

Pleasantdale School District 107
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015

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:

	Revenues	Expenditures
General fund - budgetary basis	\$ 10,184,826	\$ 9,583,296
To adjust for on-behalf payments received	2,886,789	-
To adjust for on-behalf payments made	-	2,886,789
	\$ 13,071,615	\$ 12,470,085

3. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

Amounts reported in 2014 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.0 percent, an inflation rate of 3.25 percent and real return of 4.75 percent, and salary increases of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

Pleasantdale School District 107
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015

4. SUMMARY OF ACUTARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2014 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 2014 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 members): 29-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 24 years for most employers (two employers were financed over 33 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	4.00%
Price Inflation	3.0% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00%, 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 2011 calculation pursuant to an experience study of the period 2008-2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2012 actuarial valuation.

SUPPLEMENTARY FINANCIAL INFORMATION

Pleasantdale School District 107

General Fund

COMBINING BALANCE SHEET

June 30, 2015

	<u>Educational Account</u>	<u>Tort Immunity and Judgment Account</u>	<u>Working Cash Account</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 7,955,221	\$ 10,934	\$ 263,223	\$ 8,229,378
Receivables (net of allowance for uncollectibles):				
Property taxes	4,352,508	40,695	-	4,393,203
Intergovernmental	<u>99,609</u>	<u>-</u>	<u>-</u>	<u>99,609</u>
Total assets	<u>\$ 12,407,338</u>	<u>\$ 51,629</u>	<u>\$ 263,223</u>	<u>\$ 12,722,190</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 24,073	\$ -	\$ -	\$ 24,073
Unearned revenue	<u>27,200</u>	<u>-</u>	<u>-</u>	<u>27,200</u>
Total liabilities	<u>51,273</u>	<u>-</u>	<u>-</u>	<u>51,273</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>4,255,793</u>	<u>39,791</u>	<u>-</u>	<u>4,295,584</u>
Total deferred inflows	<u>4,255,793</u>	<u>39,791</u>	<u>-</u>	<u>4,295,584</u>
FUND BALANCES				
Restricted	-	11,838	-	11,838
Unassigned	<u>8,100,272</u>	<u>-</u>	<u>263,223</u>	<u>8,363,495</u>
Total fund balance	<u>8,100,272</u>	<u>11,838</u>	<u>263,223</u>	<u>8,375,333</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 12,407,338</u>	<u>\$ 51,629</u>	<u>\$ 263,223</u>	<u>\$ 12,722,190</u>

Pleasantdale School District 107

General Fund

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

For the Year Ended June 30, 2015

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 8,421,747	\$ 78,573	\$ -	\$ 8,500,320
Replacement taxes	451,865	-	-	451,865
State aid	3,443,778	-	-	3,443,778
Federal aid	116,110	-	-	116,110
Interest	119,561	102	3,247	122,910
Other	436,632	-	-	436,632
Total revenues	<u>12,989,693</u>	<u>78,675</u>	<u>3,247</u>	<u>13,071,615</u>
Expenditures				
Current:				
Instruction:				
Regular programs	3,973,523	-	-	3,973,523
Special programs	1,640,121	-	-	1,640,121
Other instructional programs	749,386	-	-	749,386
State retirement contributions	2,886,789	-	-	2,886,789
Support services:				
Pupils	195,825	-	-	195,825
Instructional staff	949,428	-	-	949,428
General administration	338,524	80,133	-	418,657
School administration	575,490	-	-	575,490
Business	447,658	-	-	447,658
Operations and maintenance	540	-	-	540
Community services	560	-	-	560
Nonprogrammed charges	509,064	-	-	509,064
Capital outlay	123,044	-	-	123,044
Total expenditures	<u>12,389,952</u>	<u>80,133</u>	<u>-</u>	<u>12,470,085</u>
Excess of revenues over expenditures	<u>599,741</u>	<u>(1,458)</u>	<u>3,247</u>	<u>601,530</u>
Other financing sources (uses)				
Transfers in	18,814	-	-	18,814
Transfers (out)	(1,000,000)	-	-	(1,000,000)
Total other financing sources	<u>(981,186)</u>	<u>-</u>	<u>-</u>	<u>(981,186)</u>
Net change in fund balance	<u>(381,445)</u>	<u>(1,458)</u>	<u>3,247</u>	<u>(379,656)</u>
Fund balance, beginning of year	<u>8,481,717</u>	<u>13,296</u>	<u>259,976</u>	<u>8,754,989</u>
Fund balance, end of year	<u>\$ 8,100,272</u>	<u>\$ 11,838</u>	<u>\$ 263,223</u>	<u>\$ 8,375,333</u>

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, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ -	\$ -	\$ -	\$ 263,040
Interest on investments	<u>600</u>	<u>2,431</u>	<u>-</u>	<u>2,700</u>
Total local sources	<u>600</u>	<u>2,431</u>	<u>-</u>	<u>265,740</u>
Total revenues	<u>600</u>	<u>2,431</u>	<u>-</u>	<u>265,740</u>
Expenditures				
Debt service				
Bonds - interest	<u>371,310</u>	<u>335,253</u>	<u>36,057</u>	<u>390,203</u>
Total debt service - interest	<u>371,310</u>	<u>335,253</u>	<u>36,057</u>	<u>390,203</u>
Principal payments on long-term debt	<u>1,248,943</u>	<u>1,285,000</u>	<u>(36,057)</u>	<u>1,185,000</u>
Other debt service				
Other objects	<u>5,500</u>	<u>3,455</u>	<u>2,045</u>	<u>3,872</u>
Total	<u>5,500</u>	<u>3,455</u>	<u>2,045</u>	<u>3,872</u>
Total debt service	<u>1,625,753</u>	<u>1,623,708</u>	<u>2,045</u>	<u>1,579,075</u>
Total expenditures	<u>1,625,753</u>	<u>1,623,708</u>	<u>2,045</u>	<u>1,579,075</u>
Deficiency of revenues over expenditures	<u>(1,625,153)</u>	<u>(1,621,277)</u>	<u>2,045</u>	<u>(1,313,335)</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, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Other financing sources				
Transfer from other funds	<u>\$ 1,648,128</u>	<u>\$ 1,648,128</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>
Total other financing sources	<u>1,648,128</u>	<u>1,648,128</u>	<u>-</u>	<u>1,000,000</u>
Net change in fund balance	<u>\$ 22,975</u>	<u>26,851</u>	<u>\$ 2,045</u>	<u>(313,335)</u>
Fund balance, beginning of year		<u>123,718</u>		<u>437,053</u>
Fund balance, end of year		<u>\$ 150,569</u>		<u>\$ 123,718</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
Interest on investments	\$ 1,400	\$ 3,688	\$ 2,288	\$ 1,406
Total local sources	<u>1,400</u>	<u>3,688</u>	<u>2,288</u>	<u>1,406</u>
Total revenues	<u>1,400</u>	<u>3,688</u>	<u>2,288</u>	<u>1,406</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	<u>17,650</u>	<u>14,597</u>	<u>3,053</u>	<u>7,828</u>
Total support services	<u>17,650</u>	<u>14,597</u>	<u>3,053</u>	<u>7,828</u>
Total expenditures	<u>17,650</u>	<u>14,597</u>	<u>3,053</u>	<u>7,828</u>
Deficiency of revenues over expenditures	<u>\$ (16,250)</u>	<u>(10,909)</u>	<u>\$ 5,341</u>	<u>(6,422)</u>
Fund balance, beginning of year		<u>307,147</u>		<u>313,569</u>
Fund balance, end of year		<u>\$ 296,238</u>		<u>\$ 307,147</u>

Pleasantdale School District 107
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Assets				
Cash	\$ 29,953	\$ 97,938	\$ 104,083	\$ 23,808
Liabilities				
Due to:				
<i>District Office</i>				
Friendship Fund	\$ 1,997	\$ 6,145	\$ 6,444	\$ 1,698
<i>Middle School</i>				
8th Grade Trip	(847)	21,910	22,485	(1,422)
Calculators	1,681	85	43	1,723
Celebration Books Library	2,184	646	668	2,162
Coca-Cola	144	153	-	297
Field Trips	(608)	4,306	4,322	(624)
Locks	3,183	145	-	3,328
Miscellaneous	4,311	6,088	6,883	3,516
Music	(88)	6,015	5,811	116
Outdoor Education	73	14,710	14,366	417
P.E. Uniforms	6,844	10,749	12,024	5,569
Peer Leadership	(429)	-	-	(429)
Scholarships	200	-	-	200
Science Fair/Invention Council	587	196	358	425
Student Council	6,094	470	1,148	5,416
Technology Fund	56	-	-	56
Yearbooks	(2,102)	6,420	6,417	(2,099)
<i>Elementary School</i>				
Field Trips	1,131	6,189	6,879	441
General	3,371	8,592	10,880	1,083
Library	1,257	5,119	5,355	1,021
Staff Related Expenses	272	-	-	272
Recycling	90	-	-	90
Butterfly Garden	547	-	-	547
Student Council	5	-	-	5
Total liabilities	\$ 29,953	\$ 97,938	\$ 104,083	\$ 23,808

Pleasantdale School District 107
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2015

Maturity as follows				
for the Year				
Ended June 30				
		Principal	Interest	Total
Series 2005 Capital Appreciation Bonds				
dated December 28, 2005	2016	\$ 285,000	\$ -	\$ 285,000
(Interest at 4.5%,	2017	285,000	-	285,000
Principal due December 1)	2018	285,000	-	285,000
	2019	265,000	-	265,000
	Total	<u>1,120,000</u>	<u>-</u>	<u>1,120,000</u>
Series 2006 Building Bonds				
dated May 15, 2006	2016	1,190,000	274,653	1,464,653
(Interest at 4.00% to 5.50%,	2017	1,310,000	215,728	1,525,728
Principal due December 1)	2018	1,425,000	160,672	1,585,672
	2019	1,625,000	98,503	1,723,503
	2020	1,590,000	32,595	1,622,595
	Total	<u>7,140,000</u>	<u>782,151</u>	<u>7,922,151</u>
Total General Obligation Bonds		<u>\$ 8,260,000</u>	<u>\$ 782,151</u>	<u>\$ 9,042,151</u>

OTHER SUPPLEMENTAL INFORMATION
(Unaudited)

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

	2014	2013	2012	2011	2010
Assessed valuation	\$507,181,813	\$499,090,300	\$527,661,324	\$568,131,370	\$702,766,912
Rates Extended					
Educational	1.7291	1.7151	1.5798	1.4217	1.0759
Special Education	0.0249	0.0247	0.0228	0.0203	0.0163
Tort Immunity	0.0164	0.0162	0.0149	0.0134	0.0083
Operations and Maintenance	0.3089	0.3064	0.2822	0.2539	0.1887
Debt Service	-	-	0.1199	0.1459	0.1364
Transportation	0.1477	0.1468	0.1352	0.1219	0.0854
Municipal Retirement	0.0230	0.0227	0.0209	0.0188	0.0142
Social Security	0.0230	0.0227	0.0209	0.0188	0.0142
Working Cash	-	-	-	-	-
Deficiency in tax levy	-	-	-	0.0623	-
Total rates extended	2.2730	2.2546	2.1966	2.0770	1.5394
Levies Extended					
Educational	\$ 8,769,680	\$ 8,559,897	\$ 8,335,993	\$ 8,077,123	\$ 7,561,419
Special Education	126,288	123,275	120,306	115,330	114,807
Tort Immunity	83,177	80,852	78,621	76,129	58,511
Operations and Maintenance	1,566,684	1,529,212	1,489,060	1,442,485	1,326,438
Debt Service	-	-	632,392	828,480	958,365
Transportation	749,107	732,664	713,398	692,552	600,053
Municipal Retirement	116,651	113,293	110,281	106,808	99,511
Social Security	116,651	113,293	110,281	106,808	99,511
Working Cash	-	-	-	-	53
Deficiency in tax levy	-	-	-	354,189	-
Total levies extended	\$ 11,528,238	\$ 11,252,486	\$ 11,590,332	\$ 11,799,904	\$ 10,818,668

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

N/A - not available

Pleasantdale School District 107
OPERATING COSTS AND TUITION CHARGE
June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>723.42</u>	<u>707.17</u>
Operating costs:		
Educational	\$ 9,503,163	\$ 9,254,327
Operations and Maintenance	945,911	1,431,868
Debt Service	1,623,708	1,579,075
Transportation	688,994	771,945
Municipal Retirement/Social Security	303,632	304,367
Tort	<u>80,133</u>	<u>76,582</u>
Subtotal	<u>13,145,541</u>	<u>13,418,164</u>
Less Revenues/Expenditures of Nonregular Programs:		
Summer School	21,777	29,280
Pre-K Programs	227,011	160,402
Special Education	208,134	183,866
Payments to Other Districts and Gov't Units	509,064	436,307
Capital Outlay	206,670	701,686
Debt Principal Retired	1,285,000	1,185,000
Non-capitalized Equipment	11,453	1,820
Community Services	<u>560</u>	<u>1,265</u>
Subtotal	<u>2,469,669</u>	<u>2,699,626</u>
Operating costs	<u>\$ 10,675,872</u>	<u>\$ 10,718,538</u>
Operating costs per pupil - based on ADA	<u>\$ 14,758</u>	<u>\$ 15,157</u>
Tuition Charge		
Operating costs	\$ 10,675,872	\$ 10,718,538
Less - revenues from specific programs, such as special education or lunch programs	<u>885,271</u>	<u>882,381</u>
Net operating costs	9,790,601	9,836,157
Depreciation allowance	<u>376,141</u>	<u>496,980</u>
Allowance tuition costs	<u>\$ 10,166,742</u>	<u>\$ 10,333,137</u>
Tuition charge per pupil - based on ADA	<u>\$ 14,054</u>	<u>\$ 14,612</u>

Source of information: Annual Financial Reports