

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**[Wood Dale, Illinois]**

**Audited Financial Statements**  
**And**  
**Supplementary Financial Information**

**June 30, 2018**

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# MATHIESON MOYSKI·AUSTIN & Co., LLP

(630) 653-1616  
FAX (630) 653-1735

MMAadvisors.com

Certified Public Accountants and Advisors

211 South Wheaton Avenue • Suite 300  
Wheaton, Illinois 60187

## **Independent Auditors' Report**

Board of Education  
Wood Dale School District No. 7  
Wood Dale, IL

### ***Report on the Financial Statements***

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wood Dale School District No. 7 (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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

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

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2018, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

### **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, in 2018 the District adopted new accounting guidance, GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund schedules, management's discussion and analysis, and other financial information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Management's discussion and analysis and other financial information have 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 them.

### ***Report of Comparative Other Information***

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2017, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The individual fund financial schedules, for the year ended June 30, 2017, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statements. The information has 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 2017 individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Matheson, Mozpki, Austin & Co. LLP*

Wheaton, Illinois  
December 6, 2018



## **MANAGEMENT DISCUSSION AND ANALYSIS**

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**

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This discussion and analysis is intended to be an easily readable overview of the financial activities of Wood Dale School District No. 7 (The District) for the year ended June 30, 2018, based on currently known facts, decisions and conditions. This analysis focuses on current year activities and operations along with comparisons to the prior year activities and operations. The District's financial statements are being reported in compliance with provisions of the Governmental Accounting Standards Board. *Management's Discussion and Analysis* (MD&A), provides an overview of the District's financial activities for the fiscal year ended June 30, 2018 with comparative data from the fiscal year ended June 30, 2017. This report should be read in conjunction with the basic financial statements that follow.

The District continues to report its financial statements on a modified cash basis. Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

**Financial Highlights**

- The assets of the District exceeded its liabilities at the close of the fiscal year by \$20.9 million (net position). Unrestricted net position was \$9.1 million as of June 30, 2018.
- The District had \$21.7 million of expenses related to governmental activities; \$7.5 million of these expenses were offset by program specific services or grants and contributions. General revenues (primarily property taxes) of \$14.9 million were adequate to pay for the remaining net costs of these programs.
- During the current year the District's financial profile score as calculated by the Illinois State Board of Education was a 4.00 as of June 30, 2018 for the third consecutive year. This is the highest score that a district can receive.

**Using the Report/Report Layout**

This Report consists of government-wide financial statements, fund financial statements, notes to the financial statements, supplementary and other financial information. The statements are organized so the reader can understand the District finances as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

The government-wide statements are highly condensed and present information about the District's finances and operations as a whole, with a longer-term view. Within this view, all District operations are categorized and reported as governmental activities.

The fund financial statements tell how the District financed its governmental activities in the short-term, as well as identifying what remains for future spending. The fund financial statements also report the District's operations in more detail than the government-wide financial statements by providing information about the District's most significant funds.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**

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**Reporting the District as a Whole**

An important question asked about the District's finances at the conclusion of each fiscal year is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question.

These two statements report the District's net position and change in net position. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. However, it is important to consider other non-financial factors such as changes in the District's property tax base or the condition of the District's buildings to accurately assess the overall health of the District.

The Statement of Net Position presents the assets, liabilities and resulting net position of the District's governmental activities. Governmental activities include capital assets and long-term liabilities.

The Statement of Activities presents expenses of major programs (functions) and matches direct program revenues with each. To the extent that direct charges and grants do not recover a program's cost, it is paid from general taxes and other resources. The statement simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

**Reporting the District's Most Significant Funds**

The analysis of the District's major governmental funds begins on page 19. These statements provide more detailed information about the District's major funds. Each of the District's major funds is presented in a separate column in the fund financial statement and the remaining funds (considered nonmajor funds) are combined into a column titled "Nonmajor Governmental Funds." The District's major governmental fund is the General Fund (which includes the Educational Account, Operations and Maintenance Account and Working Cash Account).

The District's non-major governmental funds consist of the Transportation, Illinois Municipal Retirement/Social Security, Debt Service, and Capital Projects Funds.

For each account included in the General Fund and each non-major fund, a budgetary comparison schedule is presented as supplementary financial information. Users who want to obtain information on the general fund accounts or non-major funds can find it in the "Combining and Individual Fund Schedules" section of the Report.

The District's individual funds are established based upon legal requirements and the Illinois State Board of Education's Administrative Code.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**

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Substantially all of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances remaining at year-end available for spending in future periods. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between Governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled in the basic financial statements.

The District uses an agency fund to account for resources held for student activities and groups. This Fiduciary Fund is not reflected in the government-wide financial statement because the resources of this fund are not available to support the District's own programs. The basic fiduciary fund financial statement can be found on page 23 of this report.

**The School District as a Whole**

***Government-Wide Financial Statements***

The following is an analysis of the various statements for the current and prior-year data. A condensed version of the Statement of Net Position at June 30, 2018 follows along with June 30, 2017 for comparison purposes.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**

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**Table 1**  
**Governmental Activities**  
**Statements of Net Position**  
**June 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Assets:</b>		
Cash and investments	\$ 12,233,017	\$ 11,488,772
Capital assets, net of depreciation	<u>11,969,488</u>	<u>12,229,732</u>
Total assets	<u>24,202,505</u>	<u>23,718,504</u>
<b>Liabilities:</b>		
Due to activity fund	-	2,637
Long-term liabilities	<u>3,263,570</u>	<u>3,513,182</u>
Total liabilities	<u>3,263,570</u>	<u>3,515,819</u>
<b>Net position:</b>		
Net investment in capital assets	10,280,918	10,291,550
Restricted	1,596,478	1,536,594
Unrestricted	<u>9,061,539</u>	<u>8,374,541</u>
Total net position	<u>\$ 20,938,935</u>	<u>\$ 20,202,685</u>

As shown in Table I, Wood Dale School District No. 7's overall financial health improved in fiscal year 2018. Cash and Investments increased \$744,245 from the prior year.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**

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**Table 2**  
**Governmental Activities**  
**Changes in Net Position**  
**For the Fiscal Years ended June 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Revenues:</b>		
Program Revenues:		
Charges for services	\$ 131,558	\$ 229,573
Operating grants and contributions	7,394,769	7,007,280
General Revenues:		
Property Taxes	12,340,784	12,159,631
Unrestricted state and federal aid	1,745,715	1,281,654
Earnings and investments	134,370	81,083
Miscellaneous	715,883	726,415
Total Revenues	<u>22,463,079</u>	<u>21,485,636</u>
<b>Expenses:</b>		
Program Expenses:		
Instructional services	14,540,192	14,548,648
Supporting services	7,012,544	6,248,848
Community services	66,558	40,148
Interest on long-term liabilities	107,535	117,874
Total Expenses	<u>21,726,829</u>	<u>20,955,518</u>
Change in Net Position	<u>\$ 736,250</u>	<u>\$ 530,118</u>

The Changes in Net Position reflects an increase in revenues of \$977,443, an increase of 4.5%. The majority of the increase pertains to increases in operating grants and contributions. Property tax revenues were up by 1.5% from the prior year.

Total expenses for Governmental Activities increased \$771,311 from the prior year. Expenses reflected increases in supporting and community services.

***Governmental Activities***

In Table 3, the cost of each of the District's largest functions are presented, as well as, the net cost (total cost less revenues) in the same function areas. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows the reader of the financial statements to consider the cost of each function in comparison to the benefits provided by that function.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**

**Table 3**  
**Governmental Activities**  
**For the Fiscal Years ended June 30, 2018 and 2017**

	Year Ended June 30, 2018		Year Ended June 30, 2017	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instructional services	\$ 14,540,192	\$ 7,547,460	\$ 14,548,648	\$ 7,658,253
Supporting services	7,012,544	6,478,949	6,248,848	5,902,390
Community services	66,558	66,558	40,148	40,148
Interest on long-term liabilities	107,535	107,535	117,874	117,874
Total Expenses	<u>\$ 21,726,829</u>	<u>\$ 14,200,502</u>	<u>\$ 20,955,518</u>	<u>\$ 13,718,665</u>

The above chart reflects an increase in net costs of services by approximately 3.5% when compared to the prior year.

**The School District's Funds**

The following chart provides an analysis of beginning and ending balances, revenues received, expenditures disbursed and other financing sources for the Governmental Funds of the District for the year ended June 30, 2018.

	<u>General Funds</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
July 1, 2017 Fund Balance	\$9,949,541	\$1,536,594	\$11,486,135
Revenues Received	21,092,670	1,370,409	22,463,079
Expenditures Disbursed	19,859,586	1,856,611	21,716,197
Excess (Deficiency) of Revenues Received over Expenditures Disbursed	1,233,084	(486,202)	746,882
Other Financing Sources (Uses)	(546,086)	546,086	-
June 30, 2018 Fund Balance	<u>\$10,636,539</u>	<u>\$1,596,478</u>	<u>\$12,233,017</u>

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**

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For comparison purposes, below is a chart that provides the beginning and ending balances, revenues received, expenditures disbursed and other financing sources (uses) for the Governmental Funds of the District for the year ended June 30, 2017.

	<u>General Funds</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
July 1, 2016 Fund Balance	\$8,955,036	\$1,521,849	\$10,476,885
Revenues Received	20,175,318	1,310,318	21,485,636
Expenditures Disbursed	19,126,347	1,350,039	20,476,386
Excess (Deficiency) of Revenues Received over Expenditures Disbursed	1,048,971	(39,721)	1,009,250
Other Financing Sources (Uses)	(54,466)	54,466	-
June 30, 2017 Fund Balance	\$9,949,541	\$1,536,594	\$11,486,135

***Major Funds – General***

The Educational Account ended with a \$679,596 excess of revenues received over expenditures disbursed and other financing uses. A majority of the Educational Account revenues received, 52.2%, come from local property taxes and other local sources. State funding in FY 2018 represented 42.2% of revenues received. The Educational Account expenditures disbursed increased 2.7%.

The Operations and Maintenance Account ended with a \$52,769 deficit of revenues received over expenditures disbursed and other financing uses compared to an excess in the prior fiscal year of \$737,492. The current year decrease is primarily due to the transfer of \$500,000 to the capital projects fund for construction work.

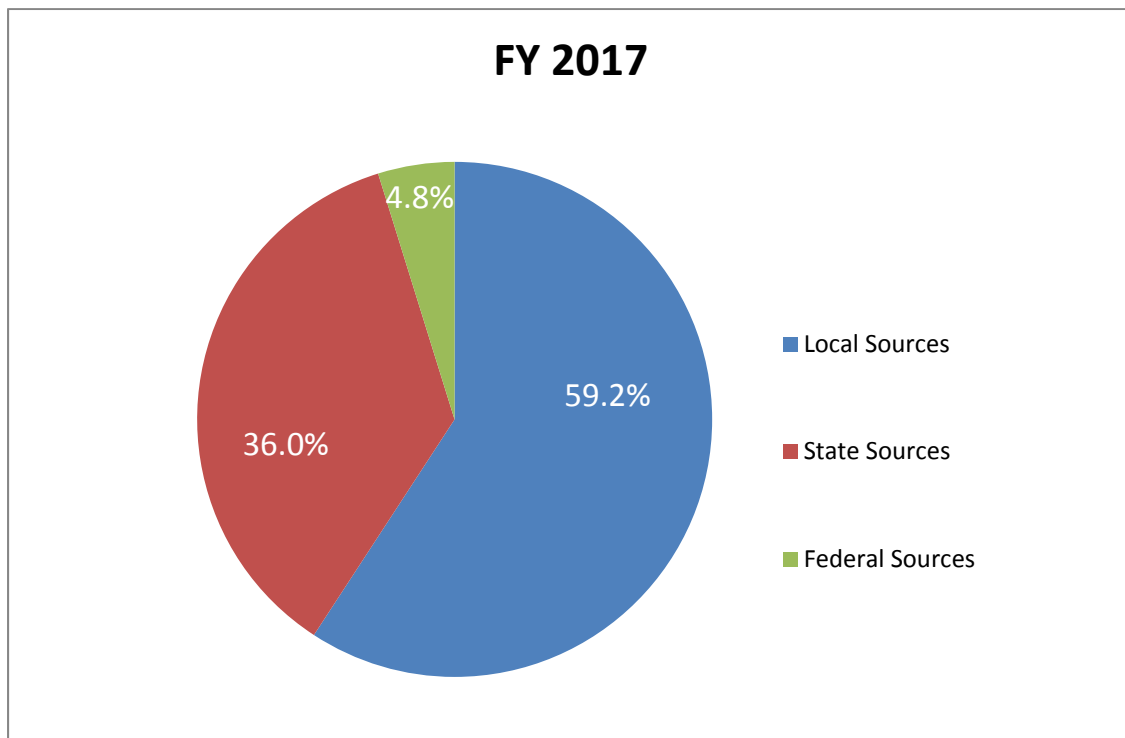
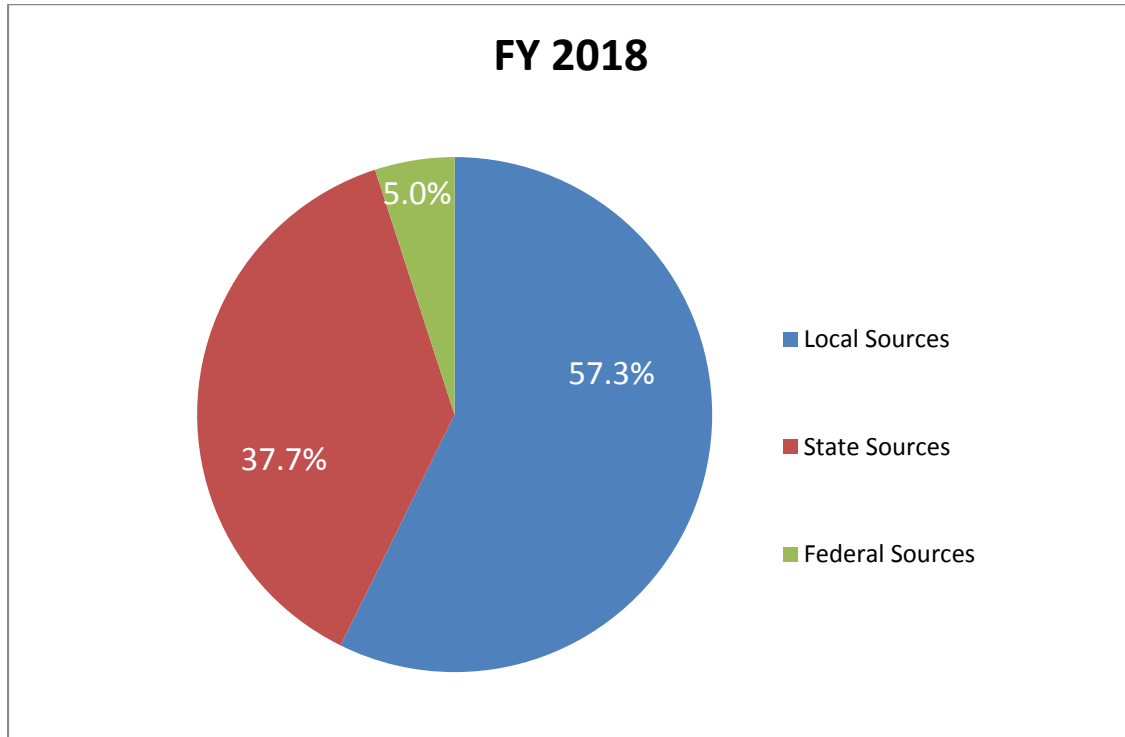
The District's Working Cash Account revenues received from property taxes and interest earnings and is used to provide temporary loans for working capital purposes to other funds for which taxes are levied. The Working Cash Account reported revenues received of \$60,171 during fiscal year 2018 bringing the ending fund balance to \$1,644,656.



**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**

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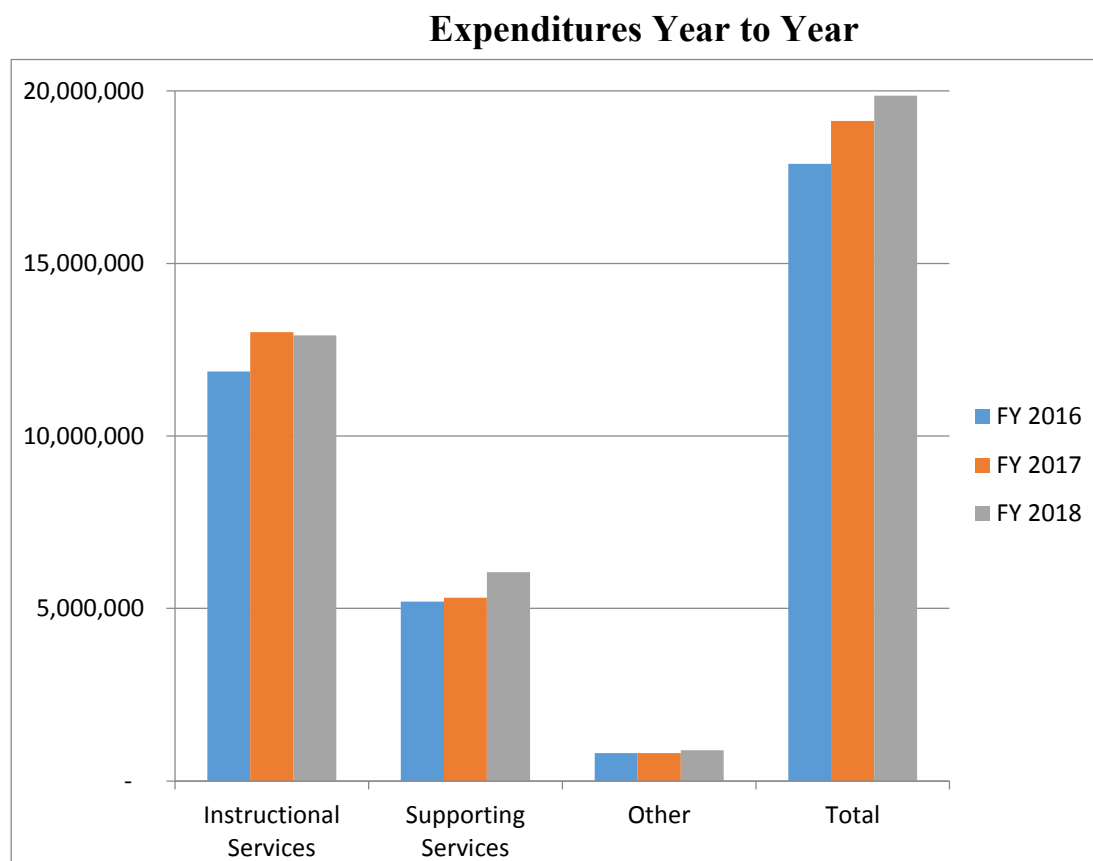
A comparison of revenues received in the General Fund from FY 2018 and FY 2017 is shown below:



**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**

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A comparison of expenditures disbursed in the General Fund for FY 2018, FY 2017, and FY 2016 is shown below:



***Non-major Funds***

The Transportation Fund and Municipal Retirement/Social Security Fund are considered Special Revenue Funds.

Revenues received and expenditures disbursed specifically related to the transportation of pupils for the District are accounted for in the Transportation Fund. Below is a chart comparing Fiscal Year 2018 revenues received, expenditures disbursed and other financing sources for the Transportation Fund to the Fiscal Year 2017 revenues received and expenditures disbursed.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**

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	<u>2018</u>	<u>2017</u>
July 1 Balance	\$ 1,066,230	\$ 952,600
Revenues Received	555,411	624,834
Expenditures Disbursed	535,356	511,204
Excess (Deficiency) of Revenues Received over Expenditures Disbursed	20,055	113,630
Other Financing Sources	-	-
June 30 Balance	\$ 1,086,285	\$ 1,066,230

Revenues received and expenditures disbursed which are specifically related to the District's contributions to the Illinois Municipal Retirement Fund and Social Security/Medicare are accounted for in the Municipal Retirement/Social Security Fund. Below is a chart comparing Fiscal Year 2018 revenues received and expenditures disbursed for the Municipal Retirement/Social Security Fund to the Fiscal Year 2017 revenues received and expenditures disbursed.

	<u>2018</u>	<u>2017</u>
July 1 Balance	\$ 216,322	\$ 303,100
Revenues Received	518,272	393,874
Expenditures Disbursed	504,373	480,652
Excess (Deficiency) of Revenues Received over Expenditures Disbursed	13,899	(86,778)
June 30 Balance	\$ 230,221	\$ 216,322

The District's Debt Service Fund accounts for the accumulation of resources (including property taxes and interest earnings), transfers from other funds and payment of debt principal, interest, and related costs. The following is a chart comparing Fiscal Year 2018 and 2017 revenues received, expenditures disbursed and other financing sources for the Debt Service Fund.

	<u>2018</u>	<u>2017</u>
July 1 Balance	\$ 254,042	\$ 266,149
Revenues Received	295,787	291,610
Expenditures Disbursed	357,147	358,183
Excess (Deficiency) of Revenues Received over Expenditures Disbursed	(61,360)	(66,573)
Other Financing Sources	46,086	54,466
June 30 Balance	\$ 238,768	\$ 254,042

The District's Capital Projects Fund accounts for financial resources to be used for the acquisition, construction and/or additions related to major capital projects. The following is a chart comparing Fiscal Year 2018 and 2017 revenues received, expenditures disbursed and other financing sources for the Capital Projects Fund.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**

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	<u>2018</u>	<u>2017</u>
July 1 Balance	\$ -	\$ -
Revenues Received	939	-
Expenditures Disbursed	459,735	-
Excess (Deficiency) of Revenues Received over Expenditures Disbursed	(458,796)	-
Other Financing Sources	500,000	-
June 30 Balance	\$ 41,204	\$ -

Further analysis of non-major funds begins on Page 68, including Combining Statements and Individual Fund Schedules. The Individual Fund Schedules provide detail information of revenues received and expenditures disbursed, including budget and actual amounts with comparisons to the prior year.

### **General Fund Budget Information**

The District Budget is prepared in accordance with Illinois law and is based on the modified cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The General Fund's Educational Account represents the largest of all budgeted funds for the District. The largest variances in the actual revenues received and expenditures disbursed as compared to the budgeted numbers were as follows:

#### **Revenues Received:**

- State on-behalf payments related to Teachers' Retirement System were approximately \$5.0 million and were budgeted for \$6.2 million.

#### **Expenditures Disbursed:**

- Increases over budget for instruction related to state on-behalf payments to Teachers' Retirement System.
- Support services were consistent with budgeted amounts

In the Educational Account, the District budgeted for an excess of \$337,439 and ended at an excess of \$679,596.

### **Capital Assets and Debt**

#### *Capital Assets*

Capital assets of the District are those used in the performance of general governmental functions. They are recorded at original cost, which is considerably less than their present replacement value. Capital assets include land, buildings and improvements, and equipment. The District's investment in capital assets for its governmental activities at year end totaled \$11,969,488 (net of accumulated depreciation). Additions to capital assets were \$496,941 and there were no deletions during the year.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**

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Depreciation charges of \$757,185 were expensed on the total capital assets during fiscal year 2018. Further detail is included in the notes to the financial statements at Note 4.

*Debt*

As of June 30, 2018, the District had \$3,274,820 in long-term principal outstanding (inclusive of Capital Leases). The District paid \$355,141 in principal and interest during the year ended June 30, 2018. The District's overall Debt Limit is 6.9% of the EAV. Based on the 2017 EAV the Debt Limit is \$37,085,354.

**Next Year's Budget**

The Fiscal Year 2019 budget will reflect a balanced operational budget. This includes the fact that state revenues will be significantly less in FY19 and \$250,000 of capital expenditures approved and started in FY18 will be realized in FY19. Last year, state revenues were up by 67% due to categorical payments from FY17 that were paid in FY18. The \$1.2 M increase in state revenues last year approximately equals the surplus realized in FY18. The Educational Benefit Cooperative move by the district continues to stabilize and reduce healthcare costs. Premiums for FY19 will be approximately 3% lower than FY18. Healthcare comprises about 7.5% of the total budget in FY19.

In the Operations and Maintenance account, the District has scheduled a \$1.75 million transfer of funds to Capital Projects to pay for capital improvements at Oakbrook Elementary and Wood Dale Junior High. The operational surpluses in O/M over the past few years have been accumulating in order to pay for these enhancements without additional borrowing.

The District will continue to deal with uncertainties ranging from State Funding, including pension shifts, and uncertain local revenues due to state legislation. The District's goal is to continue to look for ways to manage costs and maintain a balanced budget beginning in FY 2019 and going forward.

**Factors Expected to Have an Effect on Future Operations**

The District will continue to encounter factors that could affect future operations. Revenues for the District continue to change. Even though State Aid revenues appear stable, the district is not in line to see an increase in state funding under the Evidence Based Funding Model. The idea of local school districts assuming the state's responsibility for TRS payments is a plausible scenario. This would add up to around \$660,000 of new costs annually. Coupled with the ongoing potential for a 2-year property tax freeze, this would likely cause the district to rethink future plans in order to adapt to changing economic conditions.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**

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**Financial Contact**

The District's financial statements are designed to present users (citizens, taxpayers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, please contact the District's Chief School Business Official /District Treasurer, Steve Wilt, 543 N. Wood Dale Road, Wood Dale, Illinois 60191.

## **BASIC FINANCIAL STATEMENTS**

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**JUNE 30, 2018**

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	<u>Governmental Activities</u>
<b>Assets:</b>	
Cash and investments	\$ 12,233,017
Capital assets:	
Land and construction in progress	87,581
Other capital assets, net of depreciation	<u>11,881,907</u>
Total assets	<u>24,202,505</u>
<b>Liabilities:</b>	
Long-term liabilities:	
Due within one year	267,737
Due in more than one year	<u>2,995,833</u>
Total liabilities	<u>3,263,570</u>
<b>Net position:</b>	
Net investment in capital assets	10,280,918
Restricted for:	
Capital improvements	41,204
Debt service	238,768
Retirement	230,221
Transportation	1,086,285
Unrestricted	<u>9,061,539</u>
Total net position	<u><u>\$ 20,938,935</u></u>

The notes to the financial statements are an integral part of this statement.



**WOOD DALE SCHOOL DISTRICT NO. 7**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**YEAR ENDED JUNE 30, 2018**

Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
<b>Governmental activities:</b>				
Instructional services:				
Regular programs	\$ 6,262,490	\$ 59,100	\$ 106,191	\$ (6,097,199)
Special programs	3,245,614	-	1,926,381	(1,319,233)
Other programs	131,228	-	200	(131,028)
On-behalf payments	4,900,860	-	4,900,860	-
Supporting services:				
Students	723,621	-	-	(723,621)
Instructional staff	1,398,764	-	-	(1,398,764)
District administration	632,431	-	-	(632,431)
School administration	1,183,284	-	-	(1,183,284)
Business	268,818	-	-	(268,818)
Operation and maintenance of facilities	1,831,881	-	-	(1,831,881)
Transportation	698,588	6,654	123,910	(568,024)
Food service	274,647	65,804	337,227	128,384
Staff	510	-	-	(510)
Community services	66,558	-	-	(66,558)
Interest on long-term liabilities	107,535	-	-	(107,535)
Total school district	<u>\$ 21,726,829</u>	<u>\$ 131,558</u>	<u>\$ 7,394,769</u>	<u>(14,200,502)</u>
<b>General revenues:</b>				
Property taxes levied for:				
General purposes				11,276,410
Transportation				411,023
Retirement				359,444
Debt service				293,907
Federal and state aid not restricted to specific purposes				1,745,715
Earnings on investments				134,370
Miscellaneous				715,883
Total general revenues				<u>14,936,752</u>
Change in net position				736,250
Net position - beginning				<u>20,202,685</u>
Net position - ending				\$ 20,938,935

The notes to the financial statements are an integral part of this statement.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2018**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 10,636,539	\$ 1,596,478	\$ 12,233,017
TOTAL ASSETS	<u>10,636,539</u>	<u>1,596,478</u>	<u>12,233,017</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>			
<b>Fund Balance:</b>			
Restricted	-	1,596,478	1,596,478
Assigned	29,099	-	29,099
Unassigned	10,607,440	-	10,607,440
Total Fund Balance	<u>10,636,539</u>	<u>1,596,478</u>	<u>12,233,017</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 10,636,539</u>	<u>\$ 1,596,478</u>	<u>\$ 12,233,017</u>

The notes to the financial statements are an integral part of this statement.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**RECONCILIATION OF THE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM**  
**CASH TRANSACTIONS OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

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

<b>Total fund balance - governmental funds</b>	\$ 12,233,017
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$23,892,174 and the accumulated depreciation is \$11,922,686.	11,969,488
Long-term liabilities, including bonds payable, debt certificates and capital leases, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable, debt certificates and capital leases	(3,274,820)
Deferred amount for issuance discount	<u>11,250</u>
<b>Total net position - governmental activities</b>	<u><u>\$ 20,938,935</u></u>

The notes to the financial statements are an integral part of this statement.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES RECEIVED:</b>			
Property taxes	\$ 11,274,789	\$ 1,064,201	\$ 12,338,990
Other local sources	801,307	182,298	983,605
State sources	7,962,302	123,910	8,086,212
Federal sources	1,054,272	-	1,054,272
Total Revenues Received	<u>21,092,670</u>	<u>1,370,409</u>	<u>22,463,079</u>
<b>EXPENDITURES DISBURSED:</b>			
Instruction	12,913,997	168,296	13,082,293
Supporting services	5,996,091	1,326,410	7,322,501
Community services	61,800	4,758	66,558
Payments to other districts and governmental units	887,698	-	887,698
Debt service:			
Payment of principal on long-term debt	-	252,106	252,106
Interest on long-term debt	-	103,435	103,435
Service charges	-	1,606	1,606
Total Expenditures Disbursed	<u>19,859,586</u>	<u>1,856,611</u>	<u>21,716,197</u>
Excess (deficiency) of revenues received over expenditures disbursed	<u>1,233,084</u>	<u>(486,202)</u>	<u>746,882</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	546,086	546,086
Transfers out	(546,086)	-	(546,086)
Total other financing sources	<u>(546,086)</u>	<u>546,086</u>	<u>-</u>
Net change in fund balances	686,998	59,884	746,882
Fund balances at beginning of year	<u>9,949,541</u>	<u>1,536,594</u>	<u>11,486,135</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 10,636,539</u></u>	<u><u>\$ 1,596,478</u></u>	<u><u>\$ 12,233,017</u></u>

The notes to the financial statements are an integral part of this statement.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2018**

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

<b>Net change in fund balances-total governmental funds</b>	\$ 746,882
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and disposal of capital assets exceeded capital outlays in the current period.

Capital outlays	496,941	
Depreciation expense	<u>(757,185)</u>	(260,244)

The governmental funds report bond and other debt issuance proceeds as an other financing source, while repayment of principal is reported as an expenditure. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of bonds, other debt and related items is as follows:

Principal payments on capital lease	42,106	
Repayment of bond principal	210,000	
Amortization of bond issuance discount	<u>(2,494)</u>	<u>249,612</u>

<b>Change in net position of governmental activities</b>	<b>\$ <u><u>736,250</u></u></b>
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The notes to the financial statements are an integral part of this statement.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**JUNE 30, 2018**

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**Assets:**

Cash and investments	<u>\$ 55,746</u>
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**Liabilities:**

Due to organizations	<u>\$ 55,746</u>
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The notes to the financial statements are an integral part of this statement.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements**  
**June 30, 2018**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Wood Dale School District No. 7 (the District) is governed by an elected Board of Education. The accounting policies of the District conform to the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements is described below.

**a. The Reporting Entity**

The District includes all funds of its governmental 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 other organizations for which it has financial accountability.

Joint Venture - The District is also a member of the following organization:

North DuPage Special Education Cooperative (See Note 14)

**b. Basis of Presentation**

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**1. Government-wide Financial Statements (GWFS):**

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the District, except for fiduciary funds. The effects of interfund activity have been eliminated.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Property taxes and other revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**2. Fund Financial Statements (FFS):**

The accounts of the District are organized and operated 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 legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as separate columns in the FFS. The District reports the following major governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. The General Fund consists of the Educational Account, Operations and Maintenance Account and Working Cash Account that are legally mandated by the State of Illinois.

Additionally, the District reports the following fund types (not included in the GWFS):

The Student Activities Agency Fund (a fiduciary fund) accounts for assets held on behalf of student groups and the District's convenience accounts.

**c. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

*Government-wide financial statements*

The government-wide financial statements are reported using the economic resources measurement focus, within the limitations of the modified cash basis of accounting.

*Fund financial statements*

Governmental fund financial statements are reported using the current financial resources measurement focus, within the limitations of the modified cash basis of accounting as described below.



**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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*Fiduciary financial statements*

Fiduciary fund reporting focuses on net position and changes in net position. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

*Basis of accounting*

The financial statements are presented using the modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, interfund receivables and payables, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue from grants not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

**d. Investment Valuation**

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**e. Capital Assets**

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 for furniture and equipment and \$100,000 for buildings and improvements 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 cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	20-40 years
Site improvements	15-20 years
Furniture, equipment and vehicles	5-20 years

**f. Long-term obligations**

In the GWFS, 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 bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In the FFS, governmental fund types recognize bond premiums and discounts, as well as 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 costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**g. Fund Equity**

In the GWFS, net position is reported as restricted when constraints placed on net position are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the District's policy is to use restricted net position first before unrestricted net position.

**h. Property Taxes**

Property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December. The adoption date for the 2017 tax levy was November 16, 2017. Taxes attach as an enforceable lien on property on January 1 and are due and payable in two installments (on or about June 1 and September 1) subsequent to the year of levy. The District receives significant distributions of tax receipts approximately one month after these due dates.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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The following are the actual rates levied per \$100 of assessed valuation:

	Maximum	Actual	
	2017 Levy	2017 Levy	2016 Levy
Educational		1.7367	1.7436
Operations & Maintenance	.5500	.4021	.4097
Bond & Interest		.0554	.0569
Transportation		.0496	.1095
Municipal Retirement		.0282	.0354
Social Security		.0442	.0292
Working Cash	.0500	.0038	.0115
<b>Total</b>		<b>2.3200</b>	<b>2.3958</b>

**i. Personal Property Replacement Taxes**

Personal property replacement tax revenues are first allocated to the extent required by Illinois law in the Municipal Retirement/Social Security Fund with the balance allocated to funds at the discretion of the District.

**j. Use of Estimates**

The preparation of financial statements in conformity with the modified-cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**k. New Accounting Pronouncements**

During the current year, the District implemented *Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions*, pertaining to the District's participation in the Teachers' Health Insurance Security (THIS) Fund and in providing Other Postemployment Benefits, collectively referred to as OPEB as required.

This Statement replaces the requirements of Statement 45. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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**NOTE 2. CASH AND INVESTMENTS:**

**Custodial Credit Risk Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. It is the policy of the District to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. As of June 30, 2018, none of the Districts bank balances of \$10,988,451 was exposed to custodial credit risk.

**Investments and Fair Value Measurements**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level One – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level Two – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level two input must be observable for substantially the full term of the asset or liability.

Level Three – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Net Asset Value (NAV) – Certain investments measured at NAV would be excluded from the fair value hierarchy.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

As of June 30, 2018, the District had the following investments measured at fair value:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Treasury Bills	August 16, 2018	\$649,764
Municipal Bonds:		
Countryside, IL GO Bds	January 1, 2019	205,000
Total Level One		854,764
ISDLAF Liquid Class	Less than 60 days	306
ISDLAF Max Class	Less than 60 days	1,170,106
ISDLAF + Term Series	February 22, 2019	250,000
Total measured at Net Asset Value		1,420,412
Total Investments		<u>\$ 2,275,176</u>

Treasury bills and municipal bonds classified in level one of the fair value hierarchy are valued using prices quoted in active markets for these securities.

The District has funds invested in the amount of \$1,170,412 (valued at \$1.00 per share) in the Illinois School District Liquid Asset Funds as of June 30, 2018. The fair value of the positions in this investment pool is the same as the value of the pooled shares. All investments are SEC registered. The District's proportionate share of investment in these investment pools are collateralized in the same proportion that the total assets of the Funds are collateralized. Although information regarding the level of collateralization of total assets of these Funds was not available, the Illinois School District Liquid Asset Funds represent that all assets are fully collateralized.

Each Term Series is a separate series of shares of beneficial interest of the Fund with a fixed term and a maturity of no less than 30 days and no more than three years. Although investors have redemption rights, Term Series are intended to be held by investors until maturity. A Term Series' portfolio may consist of one or more CDs, obligations of the U.S. government or its agencies or instrumentalities, municipal obligations and other investments. Each Term Series seeks to maintain a NAV of \$1.00 per share. The Term Series assets are generally valued using the amortized cost method, except at maturity, upon a redemption and at the Fund's fiscal year-end. The amortized cost method of valuation is designed to enable each Term Series to price its shares at \$1.00 per share, although the Term Series share price may deviate from \$1.00 per share. Although an investment in each Term Series is intended to be held until maturity, shares of a Term Series may be redeemed upon seven days' advance notice to the Administrator subject to a redemption cost, as described in the agreement.

*Interest Rate Risk:* In the District's formal investment policy, there are no specific limitations on investment maturities in order to manage exposure to fair market losses from increasing interest rates.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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*Credit Risk:* Under Illinois law, the District is restricted to investing funds in specific types of investment instruments. The following generally represents the types of instruments allowable by State laws.

Securities issued or guaranteed by the United States.

Interest-bearing accounts of banks and Savings and Loan Associations insured up to \$250,000 by the Federal Deposit Insurance Corporation.

Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the three highest classifications by at least two rating agencies.

Insured accounts of an Illinois credit union chartered under United States or Illinois law.

Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.

The Illinois Funds or Illinois School District Liquid Asset Fund Plus.

Repurchase agreements which meet instrument transaction requirements of Illinois law.

The District has no investment policy that would further limit its investment choices. As of June 30, 2018, the District's investments are rated as follows:

<u>Description</u>	<u>Standard &amp; Poors</u>	<u>Moody's Investors Services</u>	<u>Fitch</u>
Treasury Bills	AA+	Aaa	AAA
Municipal Bonds:			
Countryside, IL Go Bds	N/A	Aa2	N/A
ISDLAF Liquid Class	AAAm	N/A	N/A
ISDLAF Max Class	AAAm	N/A	N/A
ISDLAF + Term Series	N/A	N/A	N/A

*Concentration of Credit Risk:* The District places no limit on the amount the District may invest in any one issuer. More than 5% of the District's investments are in ISDLAF Max Class, Treasury Bills, ISDLAF + Term Series, and Municipal Bonds for 51.4%, 28.6%, 11.0%, and 9.0%, respectively.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 3. COMMON BANK ACCOUNT:**

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their unvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

**NOTE 4. CAPITAL ASSETS:**

A summary of changes in capital assets follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 87,581	\$ -	\$ -	\$ 87,581
Construction in progress	-	-	-	-
Total capital assets, not being depreciated:	87,581	-	-	87,581
Capital assets, being depreciated:				
Site improvements	2,066,896	-	-	2,066,896
Building and improvements	19,214,357	429,450	-	19,643,807
Other equipment	1,286,917	67,491	-	1,354,408
Transportation equipment	739,482	-	-	739,482
Total capital assets being depreciated	23,307,652	496,941	-	23,804,593
Accumulated depreciation for:				
Site improvements	820,699	74,825	-	895,524
Building and improvements	8,974,354	490,886	-	9,465,240
Other equipment	858,269	124,104	-	982,373
Transportation equipment	512,179	67,370	-	579,549
Total accumulated depreciation	11,165,501	757,185	-	11,922,686
Total capital assets being depreciated, net	12,142,151	(260,244)	-	11,881,907
Total capital assets, net	\$ 12,229,732	(\$260,244)	\$-	\$11,969,488

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

Depreciation expense was charged to functions of the District as follows:

Instructional services:	
Regular programs	\$ 501,000
Special programs	69,201
Supporting services:	
Instructional staff	35,680
District administration	16,972
School administration	8,485
Operations and maintenance of facilities	11,381
Transportation	111,141
Food service	3,325
Total depreciation expense	\$ 757,185

**NOTE 5. CHANGES IN LONG-TERM LIABILITIES:**

Changes in general long-term liabilities are summarized as follows:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Amount Due in One Year
General Obligation Bonds	\$ 3,400,000	\$ -	\$ 210,000	\$ 3,190,000	\$ 220,000
Capital Lease Obligations	126,926	-	42,106	84,820	47,737
Deferred Amounts for Issuance Discount	(13,744)	-	(2,494)	(11,250)	-
<b>Total Long-Term Liabilities</b>	<b>\$ 3,513,182</b>	<b>\$ -</b>	<b>\$ 249,612</b>	<b>\$ 3,263,570</b>	<b>\$ 267,737</b>

The Illinois Compiled Statutes limits the amount of bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2017, the statutory debt limit for the district was \$37,085,354, providing a debt margin of \$34,134,224.

**General Obligation Bonds Payable**

Bonds payable at June 30, 2018 is comprised of the following individual issues:

2005 Life Safety Bonds, originally issued at \$1,350,000, due in annual installments of \$210,000 through 2019, interest rates of 4.75%.



**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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2013 General Obligation Limited School Refunding Bonds issued at \$800,000, due in annual installments varying from \$5,000 to \$110,000 through 2022, interest rates varying from 0.45% to 2.25%.

2014 General Obligation Limited School Refunding Bonds issued at \$1,575,000, due in annual installments varying from \$100,000 to \$250,000 through 2027, interest rates varying from 1.710% to 2.990%. The purpose of these bonds were to refund \$450,000 of the 2005 Life Safety Bonds and \$905,000 of the remaining balance of the 2005 Debt Certificates.

2015 General Obligation Limited School Bonds issued at \$1,270,000, due in annual installments varying from \$25,000 to \$330,000 through 2031, interest rates varying from 2.39% to 3.37%. The purpose of these bonds are to fund future capital projects.

Capital Lease Obligations Payable

The District has entered into capital lease obligations for the purchase of equipment. Capital lease obligations outstanding as of June 30, 2018 include:

Educational Account

Capital lease obligations for the acquisition of 17 copiers, due in monthly installments of \$6,696 including interest, through April 2020.

\$ 84,820

Leased equipment under capital leases in capital assets at June 30, 2018, include the following:

Equipment	\$347,614
Less: Accumulated depreciation	<u>(211,343)</u>
Total	<u>\$136,271</u>

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

The annual requirements to amortize all long-term debt outstanding as of June 30, 2018, including interest payments of \$645,286 are as follows:

<u>Fiscal Year Ending</u>	<u>Capital Leases</u>	<u>Bonds Payable</u>	<u>Total</u>
2019	\$ 50,276	\$ 309,825	\$ 360,101
2020	37,707	314,690	352,397
2021	-	305,663	305,663
2022	-	306,130	306,130
2023	-	310,817	310,817
2024-2028	-	1,651,966	1,651,966
2029-2031	-	633,032	633,032
<b>Totals</b>	<b><u>\$ 87,983</u></b>	<b><u>\$ 3,832,123</u></b>	<b><u>\$ 3,920,106</u></b>

**NOTE 6. RETIREMENT FUND COMMITMENTS:**

**Retirement Plans**

The District participates in two retirement systems: The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Members of TRS consist of all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Employees, other than teachers, who meet prescribed annual hourly standards are members of IMRF.

The following is a summary of deferred outflows and deferred inflows of resources for The Teacher's Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Teachers' Retirement System of the State of Illinois (TRS)	\$ 234,434	\$ 1,198,349
Illinois Municipal Retirement Fund (IMRF)	<u>461,336</u>	<u>878,317</u>
Total	<u>\$ 695,770</u>	<u>\$ 2,076,666</u>

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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Illinois Teachers' Retirement System:

**General Information about the Pension Plan**

*Plan Description:* The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants 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 <https://trs.il.org/financial/cafrs/fy2017>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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

*On behalf contributions to TRS:* The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2018, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$4,900,860 in pension contributions from the state of Illinois.

*2.2 formula contributions:* Districts contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2018, were \$42,581.

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

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

For the year ended June 30, 2018, the District pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, the district paid \$3,975 in salaries from federal and special trust funds that required contributions of \$401. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

*Employer retirement cost contributions:* Under GASB Statement No. 68, contributions that a district is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the (ERO). The payments vary depending on the member's age and salary. The maximum District ERO contribution under the program that ended on June 30, 2016 is 146.5 percent and

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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applies when the member is age 55 at retirement. For the year ended June 30, 2018, the District was not required to pay 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, 2018, the District was not required to pay TRS for district contributions due on salary increases in excess of 6 percent. The District paid \$821 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2018, the District's 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 District's 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	\$ 723,363
State's proportionate share of the net pension liability associated with the District	49,797,794
Total	<u>\$ 50,521,157</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.0009%, which was a decrease of 0.0006% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$4,900,860 and revenue of \$4,900,860 for support provided by the state. At June 30, 2018, the District's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,857	\$ 334
Net difference between projected and actual earnings on pension plan investments	496	-
Changes of Assumptions	48,279	20,786
Changes in proportion and differences between District contributions and proportionate share of contributions	135,221	1,177,229
District contributions subsequent to the measurement date	42,581	-
Total	<u>\$ 234,434</u>	<u>\$ 1,198,349</u>

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

Year ending June 30,	Deferred (Inflow) Outflow
2019	\$ (364,351)
2020	(227,002)
2021	(278,670)
2022	(125,487)
2023	(10,986)
Total	<u>\$ (1,006,496)</u>

**Actuarial assumptions**

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

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

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

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6	8.09
International equities developed	14.4	7.46
Emerging market equities	3.6	10.15
U.S. bonds core	10.7	2.44
International debt developed	5.3	1.70
Real estate	15.0	5.44
Commodities (real return)	11.0	4.28
Hedge funds (absolute return)	8.0	4.16
Private equity	14.0	10.63
Total	<u>100.0%</u>	

**Discount rate**

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

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

At June 30, 2017, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

because TRS's fiduciary net position and subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

**Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate**

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$888,746	\$723,363	\$587,901

**TRS fiduciary net position**

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

Illinois Municipal Retirement Fund:

*Plan Description:* The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator 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. The report is available for download at [www.imrf.org](http://www.imrf.org).

*Benefits Provided:* IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).



**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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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:* At December 31, 2017, the number of District employees covered by IMRF were:

Active members	70
Retirees and beneficiaries	68
Inactive, non-retired members	<u>98</u>
Total	<u>236</u>

*Contributions:* As set by statute, the District's regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for 2017 was 10.02% of annual covered payroll. For the year ended December 31, 2017, the District contributed \$225,827 to the plan. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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

*Actuarial Assumptions:* The following are the methods and assumptions used to determine the Total Pension Liability at December 31, 2017:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.50%
Retirement Age	Experience-based Table of Rates that are specific to the type of eligibility condition, last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
Disabled Retirees	For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives.
Active Members	For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other Information:	There were no benefit changes during the year.

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.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Return 12/31/17</u>	<u>Projected Returns/Risk</u>	
			<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Equities	37.0%	19.60%	8.30%	6.85%
International equities	18.0	27.53	8.45	6.75
Fixed income	28.0	4.67	3.05	3.00
Real estate	9.0	9.10	6.90	5.75
Alternative investments	7.0	N/A	4.25-12.45	2.65-7.35
Cash equivalents	1.0	N/A	2.25	2.25

*Single Discount Rate:* A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects: (1) 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 (2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

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

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

*Changes in the District's Net Pension Liability:* Changes in the District's Net Pension Liability for the year ended December 31, 2017 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balance, December 31, 2016	<u>\$ 9,221,333</u>	<u>\$ 8,177,375</u>	<u>\$ 1,043,958</u>
Charges for the year:			
Service cost	243,819	-	243,819
Interest	683,163	-	683,163
Difference between expected and actual experience	59,633	-	59,633
Changes in assumptions	(306,765)	-	(306,765)
Net investment income	-	1,440,952	(1,440,952)
Contributions – employees	-	102,386	(102,386)
Contributions – employers	-	225,827	(225,827)
Benefit payments including refunds of employee contributions	(468,805)	(468,805)	-
Other changes	<u>-</u>	<u>(223,414)</u>	<u>223,414</u>
Net changes	<u>211,045</u>	<u>1,076,946</u>	<u>(865,901)</u>
Balance, December 31, 2017	<u>\$ 9,432,378</u>	<u>\$ 9,254,321</u>	<u>\$ 178,057</u>

*Sensitivity of the Net Pension Liability to Changes in the Single Discount Rate:* The following presents the Net Pension Liability calculated using the single discount rate of 7.50%, as well as what the Net Pension Liability would be if it were calculated using a single discount rate that is 1% higher and lower:

	Discount Rate	Net Pension Liability (Asset)
1% decrease	6.50%	\$ 1,306,634
Current discount rate	7.50	178,057
1% increase	8.50%	\$ (752,327)

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

*Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* For the year ended June 30, 2018, the District recognized pension expense of \$427,783. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	Net Deferred Outflows / (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ 71,836	\$ -	\$ 71,836
Changes of assumptions	435	205,278	(204,843)
Net difference between projected and actual earnings on Plan investments	267,267	673,039	(405,772)
District contributions subsequent to the measurement date	<u>121,798</u>	<u>-</u>	<u>121,798</u>
Total	<u>\$ 461,336</u>	<u>\$ 878,317</u>	<u>\$ (416,981)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30,	Net Deferred Outflows (Inflows)
2018	\$ (86,902)
2019	(125,585)
2020	(158,033)
2021	<u>(168,259)</u>
Total	<u>\$ (538,779)</u>

**NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB):**

Teachers Health Insurance Security (THIS):

**General Information about the Other Post Employment Benefit Plan**

*Plan Description:* The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating school districts throughout the State of 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

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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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 Medicare Advantage plans.

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

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

**On behalf contributions to THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.18% of pay during the year ended June 30, 2018. State of Illinois contributions were \$86,631, and the District recognized revenue and expenditures of this amount during the year.

**Employer contributions to the THIS Fund.** The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.88% during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$64,606 to the THIS Fund.

**Further information on THIS Fund.** The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <https://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp#sectc>. The current reports are listed under "Central Management Services" <https://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

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

District's proportionate share of the net OPEB liability	\$ 7,610,850
State's estimated proportionate share of the net OPEB liability associated with the District*	9,994,937
Total	<u>\$ 17,605,787</u>

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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

*Net OPEB Liability:* The District's net OPEB Liability was measured as of June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. The actuarial valuation was determined using the following actuarial assumptions.

Changes Since Last Valuation	Actuarial gains and losses are being amortized as required by GASB 75.
Inflation	2.75%
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Discount Rate	The discount rates 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017.
Discount Rate Determination Method	Under GASB 75, the discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Rates are consistent with the 20-year general obligation bond index.
Health Care Trend Rate	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.5%. Additional trend rate of .59% is added to non-Medicare costs on and after 2020 to account for Excise Tax.
Mortality	Mortality rates for retirement and beneficiary annuitants were based upon the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table, All tables reflect future mortality improvements using Projection Sale MP-2014.
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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The District's proportion of the net OPEB liability was 0.02933% as of June 30, 2017, a decrease of 0.00077% over the District's share of the net OPEB liability as of June 30, 2016. The basis for the proportion was fiscal year 2017 contribution to the plan.

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate:* The following presents the net OPEB liability calculated using the discount rate of 3.56%, as well as what the net OPEB liability would be if it were calculated using a single discount rate that is 1% higher and lower:

	Discount Rate	Net OPEB Liability
1% decrease	2.56%	\$ 9,133,170
Current discount rate	3.56%	7,610,850
1% increase	4.56%	\$ 6,393,038

*Sensitivity of the Net OPEB Liability to Changes in the Trend Rate:* The following presents the net OPEB liability calculated using the health care trend rate of 8.00%, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% higher and lower:

	Trend Rate	Net OPEB Liability
1% decrease	7.00%	\$ 6,142,863
Current trend rate	8.00%	7,610,850
1% increase	9.00%	\$ 9,718,282

*OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:* For the year ended June 30, 2017, the District recognized OPEB expense of \$536,800. At June 30, 2017, the District reported the following Deferred Outflows of Resources and Deferred Inflows of Resources.



**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	Net Deferred Outflows / (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ -	\$ 4,311	\$ (4,311)
Changes of assumptions	-	906,172	(906,172)
Difference between Projected and actual Interest	-	84	(84)
Changes in proportion and differences between Employer Contribution and Share of Contributions	-	188,278	(188,278)
District contributions to plan after measurement date	<u>64,606</u>	<u>-</u>	<u>64,606</u>
Total	<u>\$ 64,606</u>	<u>\$ 1,098,845</u>	<u>\$ (1,034,239)</u>

The District reported \$64,606 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2019. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending June 30:</u>	<u>Net Deferred (Inflows) of Resources</u>
2019	\$(146,318)
2020	(146,318)
2021	(146,318)
2022	(146,318)
2023	(146,318)
Thereafter	<u>(367,255)</u>
Total	<u>\$ (1,098,845)</u>

**NOTE 8. RESTRICTED NET POSITION:**

The government-wide statement of net position reports \$1,596,478 of restricted net position, all of which is restricted by enabling legislation.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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**NOTE 9. FUND BALANCES – GOVERNMENTAL FUNDS:**

The District's fund balances for Governmental Funds are classified as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the cash basis nature of the district all such items are expensed at the time of purchase, so there is nothing to report for this classification.

Restricted Fund Balance – The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the District. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes.

Committed – The committed fund balance classification refers to amounts that can only be used for specific purposes as determined by a formal action of the District's highest level of decision making authority (the School Board). Commitments may be established, modified, or rescinded only through resolutions approved by the School Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – The assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the School Board itself or the School Board may delegate the authority to assign amounts. The District has assigned \$29,099 of the Operations and Maintenance account for the purchase of a truck.

Unassigned – The unassigned fund balance classification is the residual classification for amounts in the General Fund that have not been restricted, committed, or assigned to specific purposes and any deficit fund balances in other funds. Unassigned Fund Balance amounts are shown in the financial statements as Unreserved Fund Balances in the Educational, Operations and Maintenance, and Working Cash Accounts.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

As of June 30, 2018, fund balances are composed of the following:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:			
Debt service	\$ -	\$ 238,768	\$ 238,768
Retirement	-	230,221	230,221
Transportation	-	1,086,285	1,086,285
Capital Projects	-	41,204	41,204
Assigned	29,099	-	29,099
Unassigned	10,607,440	-	10,607,440
Total fund balances	<u>\$ 10,636,539</u>	<u>\$ 1,596,478</u>	<u>\$ 12,233,017</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board or the finance committee has provided otherwise in its commitment or assignment actions.

**NOTE 10. RISK MANAGEMENT:**

The District has purchased insurance through risk pools (See Notes 11 through 13) and from private insurance companies. Risks covered include health benefits, general liability, property damage, workers compensation and other coverages. Premiums have been recorded as expenditures disbursed in appropriate funds. During each of the three years ended June 30, 2018, 2017 and 2016, settlements have not exceeded insurance coverage.

**NOTE 11. RISK POOL – EDUCATIONAL BENEFIT COOPERATIVE (EBC):**

The District is a member of EBC, which was formed in 1984 as a voluntary cooperative agency of Illinois Public School Districts and Joint Agreements. The purpose of EBC is to administer some or all of the employee benefit programs offered by the member districts to their employees and employees' dependents. EBC administers the payment of claims that arise under the benefit programs offered by each member district. Additionally, EBC offers to its members, group life insurance coverage obtained through an outside insurance company. Monthly medical and dental contributions are estimated by the Plan's administrator in advance of each membership year based upon each district's plan of coverage, estimated enrollment, estimated claim costs and service fees.

Complete financial statements for EBC can be obtained from its treasurer at 6020 W. 151<sup>st</sup> Street Oak Forest, Illinois 60452.

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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**NOTE 12. RISK POOL - SCHOOL EMPLOYEES LOSS FUND (SELF):**

The District is a member of SELF, which has been formed to reduce local school districts' workers' compensation costs. SELF is controlled by a Board of Directors which is composed of representatives designated by each school district. The day-to-day operations of SELF are managed through an Executive Board elected by the Board of Directors. Each member district has a financial responsibility for annual membership contributions, which are calculated to provide for administrative expenses, specific and aggregate excess insurance coverage, and the funding of a portion of anticipated losses and loss adjustment expenses which will be borne directly by the membership. The losses and loss adjustment expenses to be borne by the membership are those which must be incurred prior to the attachment of excess insurance coverage.

Complete financial statements for SELF can be obtained from its treasurer at 2850 Golf Rd, Rolling Meadows, Illinois 60008.

**NOTE 13. RISK POOL - SUBURBAN SCHOOL COOPERATIVE INSURANCE POOL (SSCIP):**

The District is a member of SSCIP, a voluntary cooperative agency consisting of Illinois public school districts and joint agreements. SSCIP's purpose is to manage and fund first-party property losses and third-party liability claims of its members. Each member district has a financial responsibility to make annual contributions based on property values, student enrollment, personnel employed, past loss history and vehicles owned.

Complete financial statements of SSCIP are available from its treasurer at 2850 Golf Rd, Rolling Meadows, Illinois 60008.

**NOTE 14. JOINT VENTURE - NORTH DUPAGE SPECIAL EDUCATION COOPERATIVE (NDSEC):**

The District and seven other districts within DuPage County have entered into a joint agreement to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the policy board.

Complete financial statements for NDSEC can be obtained from its Treasurer at 132 E. Pine Avenue, Roselle, IL 60187

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**Notes to Financial Statements (Continued)**  
**June 30, 2018**

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**NOTE 15. INTERFUND TRANSFERS:**

During the year ending June 30, 2018, interfund transfers consisted of the following:

Transfer to	Transfer from	Amount
Debt Service Fund	General Fund's Educational Account	\$ 46,086
Capital Projects Fund	General Fund's Operations & Maintenance Account	\$ 500,000

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgeting authorizations.

The Illinois State Board of Education (ISBE) Administrative Code was modified to require that all debt service payments be reported in the Debt Service Fund. However, certain debt service payments are funded by sources other than a debt service levy. Accordingly, interfund transfers are required to transfer the proceeds of these other funding sources from the fund in which they are required to be deposited, to the Debt Service Fund from which the debt service payments will be made.

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## **SUPPLEMENTARY FINANCIAL INFORMATION**

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**COMBINING SCHEDULE OF ASSETS AND LIABILITIES**  
**ARISING FROM CASH TRANSACTIONS BY ACCOUNT**  
**GENERAL FUND**  
**JUNE 30, 2018**

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 6,874,750	\$ 2,117,133	\$ 1,644,656	\$ 10,636,539
TOTAL ASSETS	<u>6,874,750</u>	<u>2,117,133</u>	<u>1,644,656</u>	<u>10,636,539</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
<b>Liabilities:</b>				
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>				
Assigned	-	29,099	-	29,099.00
Unassigned	<u>6,874,750</u>	<u>2,088,034</u>	<u>1,644,656</u>	<u>10,607,440</u>
Total Fund Balance	<u>6,874,750</u>	<u>2,117,133</u>	<u>1,644,656</u>	<u>10,636,539</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 6,874,750</u>	<u>\$ 2,117,133</u>	<u>\$ 1,644,656</u>	<u>\$ 10,636,539</u>



**WOOD DALE SCHOOL DISTRICT NO. 7**  
**COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED**  
**AND CHANGES IN FUND BALANCES BY ACCOUNT**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2018**

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
<b>REVENUES RECEIVED:</b>				
Property taxes	\$ 9,110,851	\$ 2,124,600	\$ 39,338	\$ 11,274,789
Other local sources	716,890	63,584	20,833	801,307
State sources	7,962,302	-	-	7,962,302
Federal sources	1,054,272	-	-	1,054,272
Total Revenues Received	<u>18,844,315</u>	<u>2,188,184</u>	<u>60,171</u>	<u>21,092,670</u>
<b>EXPENDITURES DISBURSED:</b>				
Instruction	12,913,997	-	-	12,913,997
Supporting services	4,255,138	1,740,953	-	5,996,091
Community services	61,800	-	-	61,800
Payments to other districts and governmental units	<u>887,698</u>	<u>-</u>	<u>-</u>	<u>887,698</u>
Total Expenditures Disbursed	<u>18,118,633</u>	<u>1,740,953</u>	<u>-</u>	<u>19,859,586</u>
Excess of revenues received over expenditures disbursed	<u>725,682</u>	<u>447,231</u>	<u>60,171</u>	<u>1,233,084</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>(46,086)</u>	<u>(500,000)</u>	<u>-</u>	<u>(546,086)</u>
Total other financing sources	<u>(46,086)</u>	<u>(500,000)</u>	<u>-</u>	<u>(546,086)</u>
Net change in fund balances	679,596	(52,769)	60,171	686,998
Fund balances at beginning of year	<u>6,195,154</u>	<u>2,169,902</u>	<u>1,584,485</u>	<u>9,949,541</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 6,874,750</u></u>	<u><u>\$ 2,117,133</u></u>	<u><u>\$ 1,644,656</u></u>	<u><u>\$ 10,636,539</u></u>

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017**

	2018			2017
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES RECEIVED:</b>				
Local Sources:				
Property taxes				
General tax levy	\$ 8,954,217	\$ 9,069,253	\$ 9,110,851	\$ 8,841,123
Mobile home taxes	1,400	1,400	1,305	1,400
Corporate replacement taxes	220,000	210,000	168,707	326,149
Tuition	150,500	255,000	-	102,996
Earnings on investments	50,000	46,000	75,291	59,703
Food services	43,500	65,992	65,804	66,582
Pupil activities	46,500	44,460	58,924	52,390
Contributions and donations from private sources	-	3,500	607	136
Refund of prior years' expenditures	115,000	185,000	236,135	196,399
Other local revenue	5,000	110,105	110,117	15,958
Total Local Sources	9,586,117	9,990,710	9,827,741	9,662,836
State Sources:				
Evidence-based funding/general state aid	1,689,257	1,689,257	1,690,799	1,213,369
Special education	-	241,200	274,059	324,573
Bilingual education	-	114,000	114,067	65,351
School lunch aid	-	2,900	4,381	1,507
Adult education	-	200	200	50
Early childhood	500,000	720,000	875,305	110,373
On-behalf payments - State of Illinois	6,200,000	6,200,000	4,987,491	5,538,788
Other	-	32,000	16,000	-
Total State Sources	8,389,257	8,999,557	7,962,302	7,254,011
Federal Sources:				
Food service	219,000	321,530	332,846	214,045
Title I - low income	194,000	250,000	239,315	174,064
IDEA - preschool flow-through	7,500	7,500	13,590	10,590
IDEA - flow through	246,000	246,000	291,022	449,732
IDEA - room and board	-	9,000	8,314	27,915
Emergency immigrant assistance	-	3,500	3,560	2,281
Title III - english language acquisition	42,000	65,000	71,274	22,742
Title II - teacher quality	38,000	38,000	39,435	-
Medicaid matching fund	30,000	35,000	54,916	68,285
Other	-	-	-	8,550
Total Federal Sources	776,500	975,530	1,054,272	978,204
Total Revenues Received	\$ 18,751,874	\$ 19,965,797	\$ 18,844,315	\$ 17,895,051

(continued)

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017**

	2018			2017
	Original Budget	Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED:</b>				
Instruction:				
Regular programs:				
Salaries	\$ 3,923,522	\$ 3,910,903	\$ 3,846,164	\$ 3,893,565
Employee benefits	972,971	962,243	1,004,209	1,014,039
On-behalf payments - State of Illinois	6,200,000	6,200,000	4,987,491	5,538,788
Purchased services	115,500	122,060	98,775	108,136
Supplies and materials	140,000	174,750	168,995	130,178
Other	-	50	45	45
Non-capitalized equipment	-	-	1,400	-
Termination benefits	-	-	519	-
Total	11,351,993	11,370,006	10,107,598	10,684,751
Pre-K programs:				
Salaries	264,762	407,656	343,147	327,452
Employee benefits	100,000	112,619	108,012	96,839
Purchased services	7,700	6,500	6,384	7,566
Supplies and materials	3,500	1,600	65	3,444
Other	-	-	-	255
Non-capitalized equipment	-	-	5,195	684
Total	375,962	528,375	462,803	436,240
Special programs:				
Salaries	603,970	586,879	572,982	580,366
Employee benefits	194,968	174,900	185,606	193,513
Purchased services	-	-	861	1,451
Supplies and materials	2,000	17,400	9,223	1,943
Non-capitalized equipment	-	-	3,998	-
Tuition	-	-	194,061	199,488
Termination benefits	-	11,825	11,825	-
Total	800,938	791,004	978,556	976,761
Special programs pre-k:				
Salaries	208,358	162,498	145,626	222,755
Employee benefits	52,960	45,010	48,693	75,464
Purchased services	50	50	3	19
Supplies and materials	2,000	1,500	365	-
Non-capitalized equipment	-	-	2,365	-
Total	\$ 263,368	\$ 209,058	\$ 197,052	\$ 298,238

(continued)

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017**

	2018			2017
	Original Budget	Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED - Continued:</b>				
Instruction - continued:				
Educationally deprived:				
Salaries	\$ 33,650	\$ 21,896	\$ 13,862	\$ 31,751
Employee benefits	3,506	2,495	1,558	2,573
Purchased services	16,500	23	284	16,248
Supplies and materials	21,300	1,350	619	21,300
Total	74,956	25,764	16,323	71,872
Interscholastic programs:				
Salaries	66,000	80,801	81,229	-
Employee benefits	6,308	8,749	9,139	-
Purchased services	5,300	8,000	10,035	5,203
Supplies and materials	-	14,000	15,544	3,626
Other	-	800	820	650
Non-capitalized equipment	-	-	4,013	-
Total	77,608	112,350	120,780	9,479
Summer school:				
Salaries	49,500	54,100	51,712	56,737
Employee benefits	100	1,330	1,320	2,047
Total	49,600	55,430	53,032	58,784
Bilingual:				
Salaries	725,000	762,619	766,811	363,892
Employee benefits	207,000	198,579	210,745	91,583
Purchased services	200	-	297	122
Total	932,200	961,198	977,853	455,597
Truant alternative and optional:				
Salaries	-	-	-	12,902
Employee benefits	-	-	-	4,074
Total	-	-	-	16,976
Total Instruction	\$ 13,926,625	\$ 14,053,185	\$ 12,913,997	\$ 13,008,698

(continued)

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017**

	2018			2017
	Original Budget	Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED - Continued:</b>				
Support Services:				
Pupils:				
Attendance and social work :				
Salaries	\$ 156,850	\$ 184,816	\$ 193,727	\$ 146,104
Employee benefits	43,817	44,676	50,493	44,926
Supplies and materials	-	100	291	-
Total	200,667	229,592	244,511	191,030
Guidance services:				
Purchased services	-	-	1,201	-
Total	-	-	1,201	-
Health services:				
Salaries	149,225	128,228	129,521	132,586
Employee benefits	35,934	32,583	35,048	36,278
Purchased services	1,300	1,300	129	1,210
Supplies and materials	1,300	2,600	1,493	1,484
Non-capitalized equipment	-	6,250	6,213	2,800
Total	187,759	170,961	172,404	174,358
Psychological services:				
Purchased services	7,000	3,600	1,200	5,921
Total	7,000	3,600	1,200	5,921
Speech pathology:				
Salaries	125,082	146,012	148,675	103,714
Employee benefits	33,000	43,464	46,343	33,300
Purchased services	3,000	7,532	12,173	2,800
Total	161,082	197,008	207,191	139,814
Other support - pupil:				
Salaries	66,500	61,045	62,598	60,753
Employee benefits	-	483	477	534
Purchased services	30,000	7,000	2,506	30,929
Total	96,500	68,528	65,581	92,216
Total Pupils	\$ 653,008	\$ 669,689	\$ 692,088	\$ 603,339

(continued)

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017**

	2018			2017
	Original Budget	Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED - Continued:</b>				
Support Services - continued:				
Instructional Staff:				
Improvement of instructional services:				
Salaries	\$ 477,759	\$ 506,607	\$ 444,797	\$ 320,921
Employee benefits	74,020	75,205	81,636	50,209
Purchased services	80,000	149,600	182,627	101,075
Supplies and materials	330,000	217,500	111,128	323,639
Capital outlay	-	43,000	42,731	11,777
Other	-	250	245	349
Non-capitalized equipment	24,000	30,000	18,428	2,800
Total	985,779	1,022,162	881,592	810,770
Educational media services:				
Salaries	232,000	299,042	298,092	222,099
Employee benefits	62,200	72,349	76,048	54,041
Purchased services	2,000	1,000	-	-
Supplies and materials	31,500	77,000	72,432	36,617
Non-capitalized equipment	5,000	650	(220)	-
Total	332,700	450,041	446,352	312,757
Assessment and testing:				
Purchased services	12,000	12,000	11,554	11,100
Total	12,000	12,000	11,554	11,100
Total Instructional Staff	1,330,479	1,484,203	1,339,498	1,134,627
General Administration:				
Board of education:				
Salaries	-	23,601	-	-
Employee benefits	-	7,503	2,399	7,393
Purchased services	62,000	131,100	96,775	60,656
Supplies and materials	17,300	18,179	11,562	17,687
Other	100,000	28,500	22,722	87,163
Total	\$ 179,300	\$ 208,883	\$ 133,458	\$ 172,899

(continued)

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017**

	2018			2017
	Original Budget	Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED - Continued:</b>				
Support Services - continued:				
General Administration - continued:				
Executive administration:				
Salaries	\$ 261,496	\$ 266,470	\$ 264,496	\$ 243,223
Employee benefits	58,485	52,991	53,303	58,050
Purchased services	-	3,150	3,897	3,812
Supplies and materials	1,400	1,600	806	1,391
Other	-	4,094	6,305	1,167
Total	321,381	328,305	328,807	307,643
Special area administration:				
Salaries	-	7,131	31,558	6,698
Employee benefits	-	1,716	6,717	1,736
Supplies and materials	-	-	74	-
Total	-	8,847	38,349	8,434
Tort immunity:				
Employee benefits	-	-	920	-
Purchased services	-	42,700	96,384	-
Total	-	42,700	97,304	-
Total General Administration	500,681	588,735	597,918	488,976
School Administration:				
Office of the principal:				
Salaries	751,025	747,882	742,447	694,657
Employee benefits	212,320	197,467	205,014	193,153
Purchased services	7,200	7,200	6,790	6,807
Supplies and materials	-	200	693	-
Other	-	2,000	1,772	138
Total	970,545	954,749	956,716	894,755
Other support - school administration:				
Salaries	139,000	140,739	139,688	127,264
Employee benefits	34,600	37,747	34,495	32,098
Total	173,600	178,486	174,183	159,362
Total School Administration	\$ 1,144,145	\$ 1,133,235	\$ 1,130,899	\$ 1,054,117

(continued)

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017**

	2018			2017
	Original Budget	Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED - Continued:</b>				
Support Services - continued:				
Business:				
Direction of business support services:				
Salaries	\$ 47,625	\$ 51,468	\$ 50,363	\$ 50,181
Employee benefits	17,983	17,753	18,306	8,116
Purchased services	-	-	19,886	45,420
Supplies and materials	4,000	10	189	3,925
Other	-	340	394	-
Total	69,608	69,571	89,138	107,642
Fiscal services:				
Salaries	91,857	105,884	102,401	117,328
Employee benefits	20,749	16,792	17,437	14,360
Purchased services	53,500	29,071	3,822	1,315
Supplies and materials	2,000	3,500	2,414	-
Total	168,106	155,247	126,074	133,003
Operation and maintenance of plant services:				
Employee benefits	-	-	-	1,936
Total	-	-	-	1,936
Pupil transportation services:				
Employee benefits	-	-	-	422
Total	-	-	-	422
Food services:				
Purchased services	267,000	300,000	253,563	259,963
Supplies and materials	4,600	10,485	6,091	4,494
Capital outlay	-	-	7,691	-
Non-capitalized equipment	-	-	11,668	-
Total	271,600	310,485	279,013	264,457
Total Business	\$ 509,314	\$ 535,303	\$ 494,225	\$ 507,460

(continued)



**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017**

	2018			2017
	Original Budget	Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED - Continued:</b>				
Support Services - continued:				
Central:				
Staff services:				
Purchased services	\$ -	\$ -	\$ 510	\$ -
Total Central	-	-	510	-
Total Support Services	4,137,627	4,411,165	4,255,138	3,788,519
Community Services:				
Salaries	-	32,346	31,470	24,141
Employee benefits	-	610	439	66
Purchased services	2,800	19,060	16,773	2,659
Supplies and materials	10,000	17,192	13,118	9,283
Total Community Services	12,800	69,208	61,800	36,149
Payments to other districts and governmental units:				
Purchased services	500	-	-	400
Tuition	1,050,000	1,050,000	887,698	809,625
Total payments to other districts and governmental units	1,050,500	1,050,000	887,698	810,025
Total Expenditures Disbursed	19,127,552	19,583,558	18,118,633	17,643,391
Excess (deficiency) of revenues received over expenditures disbursed	(375,678)	382,239	725,682	251,660
<b>OTHER FINANCING USES:</b>				
Transfers out	(50,200)	(44,800)	(46,086)	(54,466)
Total other financing uses	(50,200)	(44,800)	(46,086)	(54,466)
Net change in fund balances	\$ (425,878)	\$ 337,439	679,596	197,194
Fund balances at beginning of year			6,195,154	5,997,960
FUND BALANCES AT END OF YEAR			\$ 6,874,750	\$ 6,195,154

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017**

	2018			2017
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES RECEIVED:</b>				
Local Sources:				
Property taxes	\$ 2,140,566	\$ 2,114,887	\$ 2,124,600	\$ 2,082,186
Mobile home taxes	330	350	307	331
Earnings on investments	13,000	13,000	19,819	13,303
Rentals	-	6,700	9,587	1,130
Refund of prior years' expenditures	-	-	-	30,775
Other	900	32,000	33,871	92,723
Total Revenues Received	2,154,796	2,166,937	2,188,184	2,220,448
<b>EXPENDITURES DISBURSED:</b>				
Support Services:				
Business:				
Directions of business support:				
Salaries	23,813	28,111	27,099	26,246
Benefits	8,568	8,875	7,876	2,240
Purchased services	18,000	-	-	17,405
Total	50,381	36,986	34,975	45,891
Facilities acquisition and construction:				
Purchased services	20,000	20,000	9,462	19,275
Capital outlay	-	-	-	12,280
Non-capitalized equipment	-	-	-	854
Total	20,000	20,000	9,462	32,409
Operation and maintenance of plant services:				
Salaries	553,217	631,578	598,369	555,934
Benefits	96,200	109,868	104,899	91,696
Purchased services	680,000	738,246	435,753	666,800
Supplies and materials	88,000	574,435	524,927	86,562
Capital outlay	50,000	50,000	-	-
Non-capitalized equipment	3,000	30,000	13,416	3,664
Termination benefits	-	2,000	2,083	-
Total	1,470,417	2,136,127	1,679,447	1,404,656
Total business	\$ 1,540,798	\$ 2,193,113	\$ 1,723,884	\$ 1,482,956

(continued)

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017**

	2018			2017
	Original Budget	Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED - Continued:</b>				
Support Services - continued:				
Food Service:				
Capital outlay	\$ 15,000	\$ 10,000	\$ 17,069	\$ -
Non-capitalized equipment	-	10,000	-	-
Total	15,000	20,000	17,069	-
Total Expenditures Disbursed	1,555,798	2,213,113	1,740,953	1,482,956
Excess (deficiency) of revenues received over expenditures disbursed	598,998	(46,176)	447,231	737,492
<b>OTHER FINANCING USES:</b>				
Transfers out	(500,000)	(500,000)	(500,000)	-
Total other financing uses	(500,000)	(500,000)	(500,000)	-
Net change in fund balances	\$ 98,998	\$ (546,176)	(52,769)	737,492
Fund balances at beginning of year			2,169,902	1,432,410
FUND BALANCES AT END OF YEAR			\$ 2,117,133	\$ 2,169,902

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**WORKING CASH ACCOUNT**  
**YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017**

	2018			2017
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES RECEIVED:</b>				
Local Sources:				
Property taxes	\$ 20,000	\$ 39,100	\$ 39,338	\$ 59,362
Earnings on investments	9,500	9,500	20,824	447
Mobile home taxes	10	10	9	10
Total Revenues Received	29,510	48,610	60,171	59,819
Net change in fund balances	<u>\$ 29,510</u>	<u>\$ 48,610</u>	60,171	59,819
Fund balances at beginning of year			1,584,485	1,524,666
FUND BALANCES AT END OF YEAR			<u>\$ 1,644,656</u>	<u>\$ 1,584,485</u>

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**WOOD DALE SCHOOL DISTRICT NO. 7**  
**COMBINING SCHEDULE OF ASSETS AND LIABILITIES**  
**ARISING FROM CASH TRANSACTIONS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2018**

	<u>Special Revenue</u>		
		Municipal Retirement/ Social Security	
	<u>Transportation</u>		<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,086,285	\$ 230,221	\$ 1,316,506
TOTAL ASSETS	<u>1,086,285</u>	<u>230,221</u>	<u>1,316,506</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>			
<b>Liabilities:</b>			
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>			
Restricted	<u>1,086,285</u>	<u>230,221</u>	<u>1,316,506</u>
Total Fund Balance	<u>1,086,285</u>	<u>230,221</u>	<u>1,316,506</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,086,285</u>	<u>\$ 230,221</u>	<u>\$ 1,316,506</u>

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Debt Service	Capital Projects Fund	Total Nonmajor Governmental Funds
<u>\$ 238,768</u>	<u>\$ 41,204</u>	<u>\$ 1,596,478</u>
<u>238,768</u>	<u>41,204</u>	<u>1,596,478</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>238,768</u>	<u>41,204</u>	<u>1,596,478</u>
<u>238,768</u>	<u>41,204</u>	<u>1,596,478</u>
<u>\$ 238,768</u>	<u>\$ 41,204</u>	<u>\$ 1,596,478</u>

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	Special Revenue		
	Transportation	Municipal Retirement/ Social Security	Total
<b>REVENUES RECEIVED:</b>			
Property taxes	\$ 410,941	\$ 359,396	\$ 770,337
Other local sources	20,560	158,876	179,436
State sources	123,910	-	123,910
Total Revenues Received	555,411	518,272	1,073,683
<b>EXPENDITURES DISBURSED:</b>			
Instruction	-	168,296	168,296
Support services	535,356	331,319	866,675
Community services	-	4,758	4,758
Payment of principal on long-term debt	-	-	-
Interest on long-term debt	-	-	-
Service charges	-	-	-
Total Expenditures Disbursed	535,356	504,373	1,039,729
Excess (deficiency) of revenues received over expenditures disbursed	20,055	13,899	33,954
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	20,055	13,899	33,954
Fund balances at beginning of year	1,066,230	216,322	1,282,552
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 1,086,285</b>	<b>\$ 230,221</b>	<b>\$ 1,316,506</b>



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Debt Service	Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 293,864	\$ -	\$ 1,064,201
1,923	939	182,298
-	-	123,910
<u>295,787</u>	<u>939</u>	<u>1,370,409</u>
-	-	168,296
-	459,735	1,326,410
-	-	4,758
252,106	-	252,106
103,435	-	103,435
1,606	-	1,606
<u>357,147</u>	<u>459,735</u>	<u>1,856,611</u>
<u>(61,360)</u>	<u>(458,796)</u>	<u>(486,202)</u>
<u>46,086</u>	<u>500,000</u>	<u>546,086</u>
<u>46,086</u>	<u>500,000</u>	<u>546,086</u>
(15,274)	41,204	59,884
<u>254,042</u>	<u>-</u>	<u>1,536,594</u>
<u>\$ 238,768</u>	<u>\$ 41,204</u>	<u>\$ 1,596,478</u>

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**TRANSPORTATION FUND**  
**YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017**

	2018			2017
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES RECEIVED:</b>				
Local Sources:				
Property taxes	\$ 562,335	\$ 409,762	\$ 410,941	\$ 556,772
Mobile home taxes	88	88	82	88
Transportation fees	7,700	5,350	6,654	7,605
Earnings on investments	3,600	5,700	13,824	3,650
Other local revenue	-	200	-	-
Total Local Sources	573,723	421,100	431,501	568,115
State Sources:				
Transportation aid				
Regular	5,000	14,000	33,131	5,914
Special education	50,000	54,000	90,779	50,805
Total State Sources	55,000	68,000	123,910	56,719
Total Revenues Received	628,723	489,100	555,411	624,834
<b>EXPENDITURES DISBURSED:</b>				
Support Services:				
Business - Pupil Transportation Services:				
Salaries	290,519	295,352	300,432	271,057
Employee benefits	7,365	7,328	7,407	7,288
Purchased services	204,000	161,300	186,903	200,423
Supplies and materials	33,500	39,500	40,074	32,436
Capital outlay	200,000	230,000	-	-
Non-capitalized equipment	-	550	540	-
Total Expenditures Disbursed	735,384	734,030	535,356	511,204
Net change in fund balances	\$ (106,661)	\$ (244,930)	20,055	113,630
Fund balances at beginning of year			1,066,230	952,600
FUND BALANCES AT END OF YEAR			\$ 1,086,285	\$ 1,066,230

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**  
**YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017**

	2018			2017
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES RECEIVED:</b>				
Local Sources:				
Property taxes				
General tax levy	\$ 152,000	\$ 357,675	\$ 165,834	\$ 179,868
Social security/medicare tax levy	239,000	-	193,562	148,686
Mobile home taxes	50	55	48	52
Corporate replacement taxes	61,206	85,000	157,035	63,145
Earnings on investments	2,000	1,500	1,793	2,123
Total Revenues Received	454,256	444,230	518,272	393,874
<b>EXPENDITURES DISBURSED:</b>				
Instruction - employee benefits	167,027	177,055	168,296	156,224
Support Services - employee benefits	320,344	328,434	331,319	320,429
Community services	-	4,679	4,758	3,999
Total Expenditures Disbursed	487,371	510,168	504,373	480,652
Net change in fund balances	\$ (33,115)	\$ (65,938)	13,899	(86,778)
Fund balances at beginning of year			216,322	303,100
FUND BALANCES AT END OF YEAR			\$ 230,221	\$ 216,322

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017**

	2018			2017
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES RECEIVED:</b>				
Local Sources:				
Property taxes	\$ 299,759	\$ 292,267	\$ 293,864	\$ 289,707
Earnings on investments	1,800	1,800	1,880	1,857
Mobile home taxes	46	50	43	46
Total Revenues Received	301,605	294,117	295,787	291,610
<b>EXPENDITURES DISBURSED:</b>				
Debt Service:				
Payment of principal on long-term debt	250,000	250,489	252,106	242,804
Interest on long-term debt	49,728	104,463	103,435	115,379
Service charges	-	-	1,606	-
Total Expenditures Disbursed	299,728	354,952	357,147	358,183
Excess (deficiency) of revenues received over expenditures disbursed	1,877	(60,835)	(61,360)	(66,573)
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	50,200	44,800	46,086	54,466
Total other financing sources	50,200	44,800	46,086	54,466
Net change in fund balances	\$ 52,077	\$ (16,035)	(15,274)	(12,107)
Fund balances at beginning of year			254,042	266,149
FUND BALANCES AT END OF YEAR			\$ 238,768	\$ 254,042

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017**

	2018			2017
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES RECEIVED:</b>				
Local Sources:				
Earnings on investments	\$ -	\$ 702	\$ 939	\$ -
Total Revenues Received	-	702	939	-
<b>EXPENDITURES DISBURSED:</b>				
Support Services:				
Business - Facilities Acquisition and				
Construction:				
Capital outlay	450,000	430,000	429,450	-
Non-capitalized equipment	-	-	30,285	-
Total Expenditures Disbursed	450,000	430,000	459,735	-
Deficiency of revenues received over expenditures disbursed	(450,000)	(429,298)	(458,796)	-
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	500,000	500,000	500,000	-
Total other financing sources	500,000	500,000	500,000	-
Net change in fund balances	<u>\$ 50,000</u>	<u>\$ 70,702</u>	41,204	-
Fund balances at beginning of year			-	-
FUND BALANCES AT END OF YEAR			<u>\$ 41,204</u>	<u>\$ -</u>

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF CHANGES IN CASH BALANCES**  
**ACTIVITY FUNDS AND CONVENIENCE ACCOUNT**  
**YEAR ENDED JUNE 30, 2018**

	Cash Balance July 1, 2017	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2018
Scholastic	\$ -	\$ 1,830	\$ 1,892	\$ (62)
Choir	3,009	-	3,009	-
Library	221	-	221	-
Junior High: General	(11,045)	26,973	13,921	2,007
Cheerleading	7	-	7	-
Year Book	(2,478)	9,967	5,473	2,016
Builders	1,738	-	238	1,500
Pancake Breakfast Award	261	-	261	-
Pop	2,827	-	2,827	-
Pencils	1,186	-	1,186	-
Dance	1,956	476	1,302	1,130
Girls Track	32	850	801	81
PTO	-	274	274	-
Graduation Gowns	-	1,740	1,696	44
E.C.E.C.: General	2,614	527	2,848	293
Life Touch	-	110	-	110
Spiritwear	-	475	475	-
Oak Brook	2,797	3,244	5,539	502
Westview:				
General	1,764	6,037	7,109	692
Green	2,578	200	278	2,500
Recorder	-	703	378	325
Total - All Schools	7,467	53,406	49,735	11,138
Flexible Benefit Account	40,396	66,895	62,683	44,608
TOTAL ACTIVITY FUNDS AND CONVENIENCE ACCOUNT	\$ 47,863	\$ 120,301	\$ 112,418	\$ 55,746

## **OTHER FINANCIAL INFORMATION**

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF ASSESSED VALUATIONS, TAX EXTENSIONS**  
**AND COLLECTIONS**  
**YEARS ENDED JUNE 30, 2018, 2017 AND 2016**

	TAX LEVY YEAR		
	2017	2016	2015
ASSESSED VALUATION	<u>\$ 537,468,901</u>	<u>\$ 509,124,151</u>	<u>\$ 480,833,999</u>
TAX EXTENSIONS BY LEVY:			
Educational	\$ 9,334,222	\$ 8,877,089	\$ 8,798,301
Operations and maintenance	2,161,162	2,085,882	2,076,722
Debt services	297,758	289,692	289,462
Transportation	266,585	557,490	555,363
Municipal retirement	151,566	180,230	179,351
Social security	237,561	148,664	148,578
Working cash	20,424	58,549	60,104
TOTAL	<u>\$ 12,469,278</u>	<u>\$ 12,197,596</u>	<u>\$ 12,107,881</u>
TAX COLLECTIONS:			
Year Ended June 30:			
2018	\$ 6,288,895	\$ 6,050,095	\$ -
2017	-	6,032,173	6,101,915
2016	-	-	5,852,712
TOTAL	<u>\$ 6,288,895</u>	<u>\$ 12,082,268</u>	<u>\$ 11,954,627</u>
Percent of Total Levy Collected To June 30, 2016	<u>50.44%</u>	<u>99.05%</u>	<u>98.73%</u>



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**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST**  
**JUNE 30, 2018**

Due Year Ended	General Obligation Bond Dated July 15, 2005 1,350,000 Interest of 4.75%		General Obligation Limited School Refunding Bond Dated November 26, 2013 800,000 Interest Varying From .45 to 2.25%		General Obligation Limited School Refunding Bond Dated August 7, 2014 1,575,000 Interest Varying From 1.71 to 2.99%	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30,						
2019	\$ 210,000	\$ 9,975	\$ 10,000	\$ 2,915	\$ -	\$ 38,227
2020	-	-	10,000	2,755	225,000	38,227
2021	-	-	5,000	2,575	225,000	34,380
2022	-	-	110,000	2,475	100,000	29,947
2023	-	-	-	-	215,000	27,707
2024	-	-	-	-	225,000	22,504
2025	-	-	-	-	235,000	16,654
2026	-	-	-	-	250,000	10,215
2027	-	-	-	-	100,000	2,990
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
TOTAL	<u>\$ 210,000</u>	<u>\$ 9,975</u>	<u>\$ 135,000</u>	<u>\$ 10,720</u>	<u>\$ 1,575,000</u>	<u>\$ 220,851</u>

General Obligation Limited  
School Bond  
Dated June 3, 2015  
1,270,000  
Interest Varying  
From 2.39 to 3.37%

		Total		
Principal	Interest	Principal	Interest	Total
\$ -	\$ 38,708	\$ 220,000	\$ 89,825	\$ 309,825
-	38,708	235,000	79,690	314,690
-	38,708	230,000	75,663	305,663
25,000	38,708	235,000	71,130	306,130
30,000	38,111	245,000	65,818	310,818
30,000	37,940	255,000	60,444	315,444
35,000	36,677	270,000	53,331	323,331
35,000	35,840	285,000	46,055	331,055
200,000	35,004	300,000	37,994	337,994
315,000	29,144	315,000	29,144	344,144
330,000	19,505	330,000	19,505	349,505
135,000	8,978	135,000	8,978	143,978
135,000	4,550	135,000	4,550	139,550
<u>\$ 1,270,000</u>	<u>\$ 400,577</u>	<u>\$ 3,190,000</u>	<u>\$ 642,123</u>	<u>\$ 3,832,123</u>

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**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF PER CAPITA TUITION CHARGE**  
**AND AVERAGE DAILY ATTENDANCE**  
**JUNE 30, 2018**

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	Year Ended June 30,		
	2018	2017	2016
Allowable Expenses	<u>\$ 13,048,283</u>	<u>\$ 11,234,024</u>	<u>\$ 12,505,787</u>
Average Daily Attendance	<u>963.19</u>	<u>1,019.11</u>	<u>1,026.72</u>
Per Capita Tuition Charge	<u>\$ 13,547</u>	<u>\$ 11,023</u>	<u>\$ 12,180</u>

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014**  
**JUNE 30, 2018**

Calendar year ending December 31,	2017	2016	2015
<u>Total pension liability:</u>			
Service cost	\$ 243,819	\$ 239,950	\$ 211,912
Interest on the total pension liability	683,163	644,801	600,898
Difference between expected and actual experience	59,633	72,323	165,901
Assumption changes	(306,765)	(10,779)	10,305
Benefit payments and refunds	(468,805)	(427,612)	(384,760)
Net change in total pension liability	211,045	518,683	604,256
Total pension liability, beginning	9,221,333	8,702,650	8,098,394
Total pension liability, ending	<u>9,432,378</u>	<u>9,221,333</u>	<u>8,702,650</u>
<u>Plan fiduciary net position</u>			
Employer contributions	225,827	215,732	205,511
Employee contributions	102,386	106,595	94,367
Pension plan net investment income	1,440,952	524,026	38,632
Benefit payments and refunds	(468,805)	(427,612)	(387,760)
Other	(223,414)	74,473	(38,424)
Net change in plan fiduciary net position	1,076,946	493,214	(87,674)
Plan fiduciary net position, beginning	8,177,375	7,684,161	7,768,835
Plan fiduciary net position, ending	<u>9,254,321</u>	<u>8,177,375</u>	<u>7,684,161</u>
Net pension liability/(asset), ending	<u>\$ 178,057</u>	<u>\$ 1,043,958</u>	<u>\$ 1,018,489</u>
Plan fiduciary net position as a percentage of total pension liability	<u>98.11%</u>	<u>88.68%</u>	<u>88.30%</u>
Covered valuation payroll	<u>\$ 2,253,955</u>	<u>\$ 2,187,962</u>	<u>\$ 2,097,043</u>
Net pension liability as a percentage of covered valuation payroll	<u>7.90%</u>	<u>47.71%</u>	<u>48.57%</u>

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2014

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\$ 227,215  
546,426  
(29,634)  
367,120  
(369,612)  
741,515  
7,356,879  
8,098,394

208,614  
89,576  
446,003  
(369,612)  
47,026

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421,607  
7,347,228  
7,768,835

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\$ 329,559

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95.93%

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\$ 1,990,589

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16.56%

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**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF CONTRIBUTIONS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014**  
**JUNE 30, 2018**

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Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2017	\$ 224,719	\$ 225,827	\$ (1,108)	\$ 2,253,955	10.02%
2016	215,733	215,732	1	2,187,962	9.86%
2015	205,510	205,511	(1)	2,097,043	11.10%
2014	\$ 208,614	\$ 208,614	\$ -	\$ 1,990,589	10.48%

**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF DISTRICTS' PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**  
**SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014**  
**JUNE 30, 2018**

	2017*	2016*	2015 *
District's proportion of the net pension liability	0.0009%	0.0015%	0.0032%
District's proportionate share of the net pension liability	723,363	1,181,991	2,110,470
State's proportionate share of the net pension liability associated with the District	49,797,794	55,630,208	45,691,751
Total	\$ 50,521,157	\$ 56,812,199	\$ 47,802,221
District's covered-employee payroll	6,746,657	7,012,194	7,056,603
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.72%	16.86%	29.91%
Plan fiduciary net position as a percentage of the total pension liability	39.30%	36.40%	41.50%

\* The amounts presented were determined as of the prior fiscal-year end.

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2014 \*

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0.2700%

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1,631,561

44,489,613

\$ 46,121,174

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7,216,293

22.61%

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43.00%

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**WOOD DALE SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF CONTRIBUTIONS**  
**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**  
**SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014**  
**JUNE 30, 2018**

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	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually-required contribution	\$ 42,983	\$ 39,131	\$ 58,011
Contributions in relation to the contractually- required contribution	42,711	35,485	60,855
Contribution deficiency (excess)	<u>\$ 272</u>	<u>\$ 3,646</u>	<u>\$ (2,844)</u>
District's covered-employee payroll	\$ 7,341,634	\$ 6,746,657	\$ 7,012,194
Contribution as a percentage of covered-employee payroll	0.59%	0.58%	0.83%

<u>2015</u>	
\$	112,884
	117,133
\$	<u>(4,249)</u>
\$	7,056,603
	1.60%

**Wood Dale S.D. No. 7**  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OTHER POST EMPLOYMENT  
BENEFIT (OPEB) LIABILITY AND DISTRICT CONTRIBUTIONS  
TEACHERS' HEALTH INSURANCE SECURITY FUND  
SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2017  
JUNE 30, 2018

Fiscal year ending June 30,	<u>2017</u>
<b>District's Proportionate Share of the OPEB Liability:</b>	
District's proportion of net OPEB Liability	0.02933%
District's proportionate share of the net OPEB Liability	\$ 7,610,850
State's proportionate share of the net OPEB liability associated with the District	<u>9,994,937</u>
Total	<u><u>\$ 17,605,787</u></u>
District's covered-employee payroll	\$ 6,746,657
District's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	112.81%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.17%
<b>District Contributions:</b>	
Contractually required contribution	\$ 56,671
Contributions in relation to the contractually required contribution	<u>56,676</u>
Contribution deficiency (excess)	<u><u>\$ (5)</u></u>
Contributions as a percentage of covered-employee payroll	0.84%

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

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

**WOOD DALE SCHOOL DISTRICT NO. 7**  
Notes to Other Financial Information  
June 30, 2018

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**NOTE 1. BUDGETARY DATA**

Annual budgets for all Governmental Funds are adopted on the modified cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5/17.1 of the Illinois Compiled Statutes.

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

1. 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.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30 the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues. The budget was adopted on September 28, 2017 and was amended on June 21, 2018.
4. 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 any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. The District has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
7. The budget lapses at the end of each fiscal year. (All appropriations lapse at year end.)

**WOOD DALE SCHOOL DISTRICT NO. 7**  
Notes to Other Financial Information (Cont'd)  
June 30, 2018

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**Excess of Expenditures Disbursed Over Budget in Individual Accounts and Funds**

Expenditures disbursed exceeded the budgeted amount in the following accounts and funds:

Fund/Account	Budget	Actual	Excess
Debt Service Fund	\$ 354,952	\$ 357,147	\$ 2,915
Capital Projects Fund	\$ 430,000	\$ 459,735	\$ 29,735



**WOOD DALE SCHOOL DISTRICT NO. 7**  
Notes to Other Financial Information (Cont'd)  
June 30, 2018

**NOTE 2. SCHEDULE OF CONTRIBUTIONS – ILLINOIS MUNICIPAL RETIREMENT FUND:**

The following describes the summary of actuarial methods and assumptions used in the calculation of the 2017 contribution rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies: 26-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 21 years for most districts (two districts were financed over 30 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, and IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Valuation Date	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.
Other Information	There were no benefit changes during the year.

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

**WOOD DALE SCHOOL DISTRICT NO. 7**  
Notes to Other Financial Information (Cont'd)  
June 30, 2018

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This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

**NOTE 3. SCHEDULE OF CONTRIBUTIONS – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

**Changes of assumptions**

For the 2017 and 2016 measurement years, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and real return of 4.5 percent. However, salary increases were assumed to vary by age.