

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

Audited Financial Statements
And
Supplementary Financial Information

June 30, 2017

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Independent Auditors' Report

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

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, 2017, 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 District'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 District'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, 2017, 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.

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 fund schedules 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 fund schedules 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 modified cash basis financial statements for the year ended June 30, 2016, 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, 2016, 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 2016 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 2016 individual fund financial schedules 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 November 14, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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
November 14, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

WOOD DALE SCHOOL DISTRICT NO. 7
Management's Discussion and Analysis
For the Year Ended June 30, 2017

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, 2017, 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, 2017 with comparative data from the fiscal year ended June 30, 2016. 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 \$20.2 million (net position). Unrestricted net position was \$8.4 million as of June 30, 2017.
- The District had \$21.0 million of expenses related to governmental activities; \$7.2 million of these expenses were offset by program specific services or grants and contributions. General revenues (primarily property taxes) of \$14.2 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, 2017 for the second 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, 2017

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 18. 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, and Debt Service 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, 2017

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 22 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, 2017 follows along with June 30, 2016 for comparison purposes.

WOOD DALE SCHOOL DISTRICT NO. 7
Management's Discussion and Analysis
For the Year Ended June 30, 2017

Table 1
Governmental Activities
Statements of Net Position
June 30, 2017 and 2016

	2017	2016
Assets:		
Cash and investments	\$ 11,488,772	\$ 10,504,998
Capital assets, net of depreciation	12,229,732	12,949,173
Total assets	23,718,504	23,454,171
Liabilities:		
Due to activity fund	2,637	-
Payroll deductions payable	-	28,113
Long-term liabilities	3,513,182	3,753,491
Total liabilities	3,515,819	3,781,604
Net position:		
Net investment in capital assets	10,291,550	10,770,682
Restricted	1,536,594	1,521,849
Unrestricted	8,374,541	7,380,036
Total net position	\$ 20,202,685	\$ 19,672,567

As shown in Table I, Wood Dale School District No. 7's overall financial health improved in fiscal year 2017. Cash and Investments increased \$983,774 from the prior year.

WOOD DALE SCHOOL DISTRICT NO. 7
Management's Discussion and Analysis
For the Year Ended June 30, 2017

Table 2
Governmental Activities
Changes in Net Position
For the Fiscal Years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 229,573	\$ 221,670
Operating grants and contributions	7,007,280	5,436,918
General Revenues:		
Property Taxes	12,159,631	11,896,674
Unrestricted state and federal aid	1,281,654	1,136,328
Earnings and investments	81,083	20,961
Miscellaneous	726,415	707,892
Total Revenues	<u>21,485,636</u>	<u>19,420,443</u>
Expenses:		
Program Expenses:		
Instructional services	14,548,648	13,374,297
Supporting services	6,248,848	6,024,488
Community services	40,148	34,828
Interest on long-term liabilities	117,874	98,270
Total Expenses	<u>20,955,518</u>	<u>19,531,883</u>
Change in Net Position	<u>\$ 530,118</u>	<u>\$ (111,440)</u>

The Changes in Net Position reflects an increase in revenues of \$2,065,193, an increase of 10.6%. The majority of the increase pertains to the on-behalf payments for Teachers' Retirement system. Property tax revenues were up by 2.2% from the prior year.

Total expenses for Governmental Activities increased \$1,423,635 from the prior year. Expenses reflected increases in all categories. The increase in instructional services is the result of the fluctuation increase of on-behalf payments for Teachers' Retirement System.

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, 2017

Table 3
Governmental Activities
For the Fiscal Years ended June 30, 2016 and 2015

	Year Ended June 30, 2017		Year Ended June 30, 2016	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instructional services	\$ 14,548,648	\$ 7,658,253	\$ 13,374,297	\$ 8,238,284
Supporting services	6,248,848	5,902,390	6,024,488	5,501,913
Community services	40,148	40,148	34,828	34,828
Interest on long-term liabilities	117,874	117,874	98,270	98,270
Total Expenses	\$ 20,955,518	\$ 13,718,665	\$ 19,531,883	\$ 13,873,295

The above chart reflects a decrease in net costs of services by approximately 1.1% 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, 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

WOOD DALE SCHOOL DISTRICT NO. 7
Management's Discussion and Analysis
For the Year Ended June 30, 2017

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, 2016.

	<u>General Funds</u>	Non-Major Governmental <u>Funds</u>	<u>Total Governmental Funds</u>
July 1, 2015 Fund Balance	\$9,635,396	\$1,434,491	\$11,069,887
Revenues Received	18,136,470	1,283,973	19,420,443
Expenditures Disbursed	17,882,362	2,131,083	20,013,445
Excess (Deficiency) of Revenues Received over Expenditures Disbursed	254,108	(847,110)	(593,002)
Other Financing Sources	(934,468)	934,468	-
June 30, 2016 Fund Balance	\$8,955,036	\$1,521,849	\$10,476,885

Major Funds – General

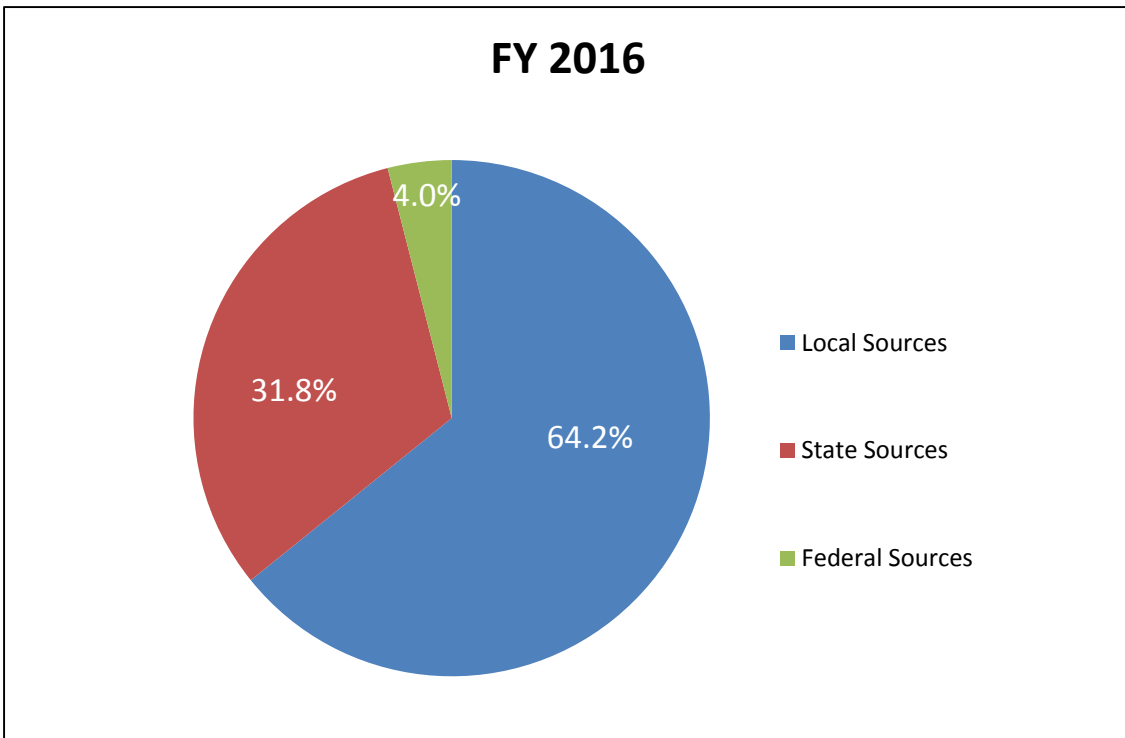
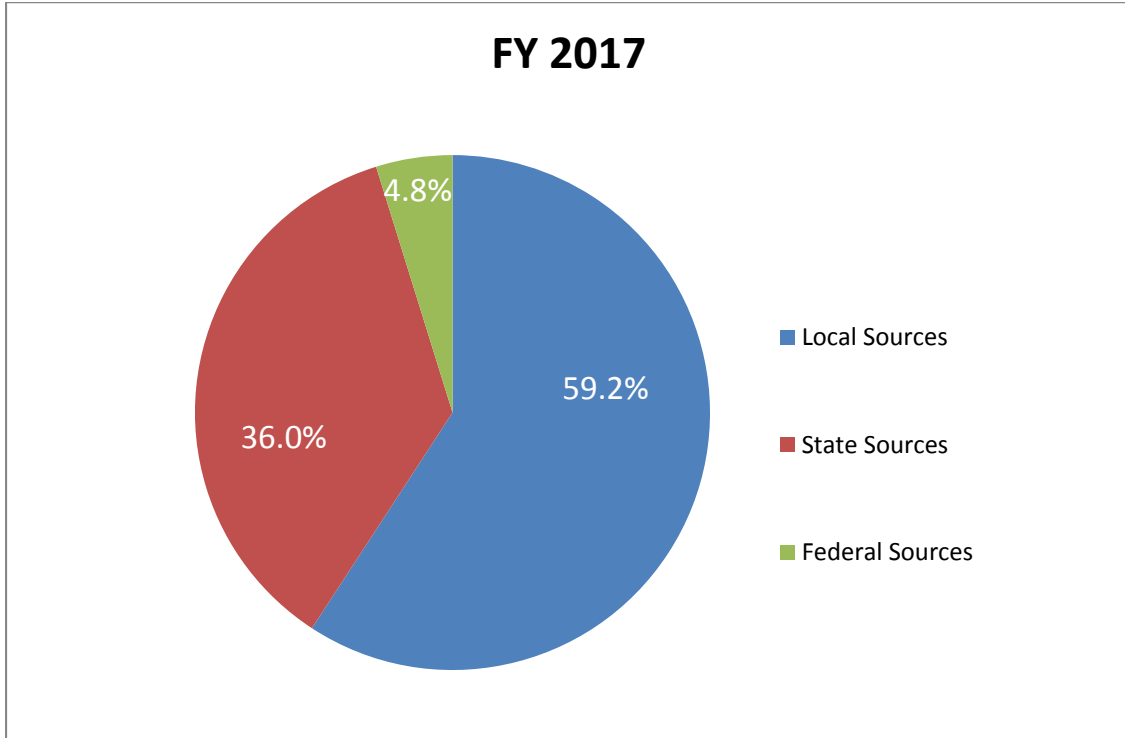
The Educational Account ended with a \$197,194 excess of revenues received over expenditures disbursed and other financing uses. A majority of the Educational Account revenues received, 54.0%, come from local property taxes and other local sources. State funding in FY 2016 represented 40.5% of revenues received. The Educational Account expenditures disbursed increased 9.1%. The increase was primarily due to the increase in on-behalf payments related to the Teachers' Retirement System.

The Operations and Maintenance Account ended with a \$737,492 excess of revenues received over expenditures disbursed compared to an excess in the prior fiscal year of \$420,056. The Operations and Maintenance Account's total expenditures disbursed decreased by 13.5% from the prior year.

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 \$59,819 during fiscal year 2017 bringing the ending fund balance to \$1,584,485.

WOOD DALE SCHOOL DISTRICT NO. 7
Management's Discussion and Analysis
For the Year Ended June 30, 2017

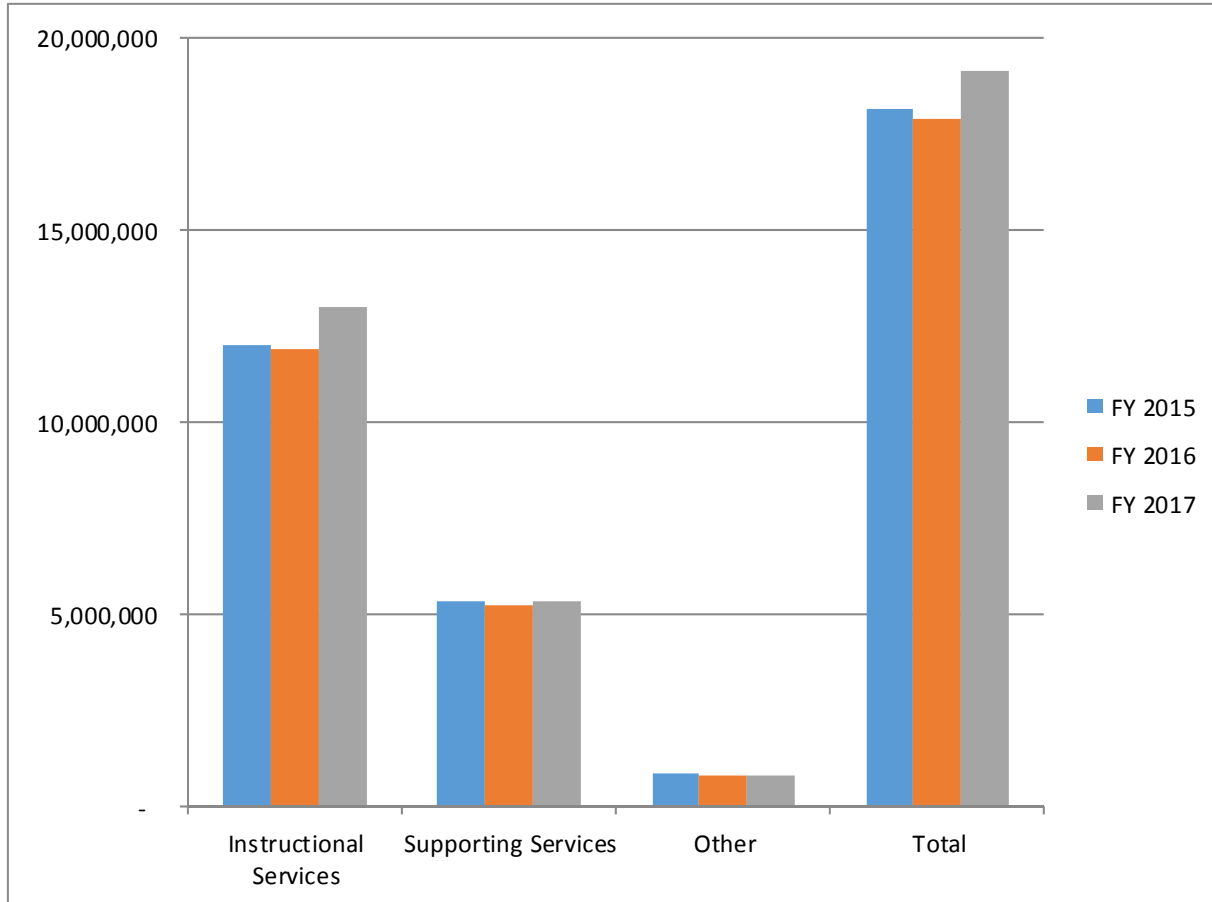
A comparison of revenues received in the General Fund from FY 2017 and FY 2016 is shown below:



WOOD DALE SCHOOL DISTRICT NO. 7
Management's Discussion and Analysis
For the Year Ended June 30, 2017

A comparison of expenditures disbursed in the General Fund for FY 2017, FY 2016, and FY 2015 is shown below:

Expenditures Year to Year



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 2017 revenues received, expenditures disbursed and other financing sources for the Transportation Fund to the Fiscal Year 2016 revenues received and expenditures disbursed.

WOOD DALE SCHOOL DISTRICT NO. 7
Management's Discussion and Analysis
For the Year Ended June 30, 2017

	<u>2017</u>	<u>2016</u>
July 1 Balance	\$ 952,600	\$ 779,307
Revenues Received	624,834	657,792
Expenditures Disbursed	511,204	484,499
Excess (Deficiency) of Revenues Received over Expenditures Disbursed	113,630	173,293
Other Financing Sources	-	-
June 30 Balance	\$ 1,066,230	\$ 952,600

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 2017 revenues received and expenditures disbursed for the Municipal Retirement/Social Security Fund to the Fiscal Year 2016 revenues received and expenditures disbursed.

	<u>2017</u>	<u>2016</u>
July 1 Balance	\$ 303,100	\$ 433,564
Revenues Received	393,874	340,703
Expenditures Disbursed	480,652	471,167
Excess (Deficiency) of Revenues Received over Expenditures Disbursed	(86,778)	(130,464)
June 30 Balance	\$ 216,322	\$ 303,100

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 2017 and 2016 revenues received, expenditures disbursed and other financing sources for the Debt Service Fund.

	<u>2017</u>	<u>2016</u>
July 1 Balance	\$ 266,149	\$ 221,620
Revenues Received	291,610	285,478
Expenditures Disbursed	358,183	291,225
Excess (Deficiency) of Revenues Received over Expenditures Disbursed	(66,573)	(5,747)
Other Financing Sources	54,466	50,276
June 30 Balance	\$ 254,042	\$ 266,149

Further analysis of non-major funds begins on Page 64, 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.

WOOD DALE SCHOOL DISTRICT NO. 7
Management's Discussion and Analysis
For the Year Ended June 30, 2017

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 \$5.5 million and were not budgeted for.

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 a deficit of \$360,672 and ended at an excess of \$197,194.

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 \$12,229,732 (net of accumulated depreciation). Additions to capital assets were \$24,057 and there were no deletions during the year. Depreciation charges of \$743,498 were expensed on the total capital assets during fiscal year 2017. Further detail is included in the notes to the financial statements at Note 4.

Debt

As of June 30, 2016, the District had \$3,526,926 in long-term principal outstanding (inclusive of Capital Leases). The District paid \$358,183 in principal and interest during the year ended June 30, 2017. The District's overall Debt Limit is 6.9% of the EAV. Based on the 2016 EAV the Debt Limit is \$35,129,566.

WOOD DALE SCHOOL DISTRICT NO. 7
Management's Discussion and Analysis
For the Year Ended June 30, 2017

Next Year's Budget

The Fiscal Year 2018 budget will reflect a balanced operational budget. Negotiations were finalized in August 2017 and the budget reflects the new compensation and retroactive pay given from FY17. Additionally, the transition to the Educational Benefit Cooperative will be complete by 12/31/17. This will allow a more stable cost structure which will help project more accurately the costs in the future. Healthcare comprises about 7% of the total budget in FY18.

In the Operations and Maintenance account, the District will pay for the project of replacing the Oakbrook Elementary roof which was completed in July 2017. This was budgeted in FY17, which contributed to the surplus seen in the past fiscal year. \$500,000 was transferred from the Operations and Maintenance Fund to the Capital Projects to pay for the project. Additionally, the District will begin reviewing capital improvement projects for FY18 which include repairs to existing buildings, purchase of school busses, and replacement of HVAC and technology hardware.

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 2018 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. Given the struggles with the State of Illinois, the District could encounter some delinquency of the State funding, cuts in funding in the future, or a pension shift. Also, Property Tax Freeze legislation for the Chicago Suburbs was introduced at the end of the 2017 legislative session. Under current CPI conditions, Wood Dale SD7 would have a \$550,000 loss of revenues over the next two tax years. This would likely cause the district to rethink future plans in order to adapt to changing economic conditions.

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.

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BASIC FINANCIAL STATEMENTS

WOOD DALE SCHOOL DISTRICT NO. 7
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2017

	Governmental Activities
Assets:	
Cash and investments	\$ 11,488,772
Receivables:	
Capital assets:	
Land and construction in progress	87,581
Other capital assets, net of depreciation	12,142,151
	23,718,504
Total assets	23,718,504
Liabilities:	
Due to activity fund	2,637
Long-term liabilities:	
Due within one year	252,106
Due in more than one year	3,261,076
	3,515,819
Total liabilities	3,515,819
Net position:	
Net investment in capital assets	10,291,550
Restricted for:	
Debt service	254,042
Retirement	216,322
Transportation	1,066,230
Unrestricted	8,374,541
	20,202,685
Total net position	\$ 20,202,685

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, 2017

Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental activities:				
Instructional services:				
Regular programs	\$ 6,252,456	\$ 53,015	\$ 86,394	\$ (6,113,047)
Special programs	2,806,337	102,371	1,185,340	(1,518,626)
Other programs	26,630	-	50	(26,580)
On-behalf payments	5,463,225	-	5,463,225	-
Supporting services:				
Students	633,017	-	-	(633,017)
Instructional staff	1,239,030	-	-	(1,239,030)
District administration	520,700	-	-	(520,700)
School administration	1,105,579	-	-	(1,105,579)
Business	318,007	-	-	(318,007)
Operation and maintenance of facilities	1,537,029	-	-	(1,537,029)
Transportation	631,029	7,605	56,719	(566,705)
Food service	264,457	66,582	215,552	17,677
Community services	40,148	-	-	(40,148)
Interest on long-term liabilities	117,874	-	-	(117,874)
Total school district	\$ 20,955,518	\$ 229,573	\$ 7,007,280	(13,718,665)
General revenues:				
Property taxes levied for:				
General purposes				10,984,412
Transportation				556,860
Retirement				328,606
Debt service				289,753
Federal and state aid not restricted to specific purposes				1,281,654
Earnings on investments				81,083
Miscellaneous				726,415
Total general revenues				14,248,783
Change in net position				530,118
Net position - beginning				19,672,567
Net position - ending				\$ 20,202,685

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, 2017

	General	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash and investments	\$ 9,952,178	\$ 1,536,594	\$ 11,488,772
TOTAL ASSETS	9,952,178	1,536,594	11,488,772
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Due to activity fund	2,637	-	2,637
Total Liabilities	2,637	-	2,637
Fund Balance:			
Restricted	-	1,536,594	1,536,594
Unassigned	9,949,541	-	9,949,541
Total Fund Balance	9,949,541	1,536,594	11,486,135
TOTAL LIABILITIES AND FUND BALANCE	\$ 9,952,178	\$ 1,536,594	\$ 11,488,772

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, 2017

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

Total fund balance - governmental funds	\$ 11,486,135
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$23,395,233 and the accumulated depreciation is \$11,165,501.	12,229,732
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	(3,526,926)
Deferred amount for issuance discount	13,744
Total net position - governmental activities	\$ 20,202,685

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, 2017

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES RECEIVED:			
Property taxes	\$ 10,982,671	\$ 1,175,033	\$ 12,157,704
Other local sources	960,432	78,566	1,038,998
State sources	7,254,011	56,719	7,310,730
Federal sources	978,204	-	978,204
Total Revenues Received	<u>20,175,318</u>	<u>1,310,318</u>	<u>21,485,636</u>
EXPENDITURES DISBURSED:			
Instruction	13,008,698	156,224	13,164,922
Supporting services	5,271,475	831,633	6,103,108
Community services	36,149	3,999	40,148
Payments to other districts and governmental units	810,025	-	810,025
Debt service:			
Payment of principal on long-term debt	-	242,804	242,804
Interest on long-term debt	-	115,379	115,379
Total Expenditures Disbursed	<u>19,126,347</u>	<u>1,350,039</u>	<u>20,476,386</u>
Excess (deficiency) of revenues received over expenditures disbursed	<u>1,048,971</u>	<u>(39,721)</u>	<u>1,009,250</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	54,466	54,466
Transfers out	(54,466)	-	(54,466)
Total other financing sources	<u>(54,466)</u>	<u>54,466</u>	<u>-</u>
Net change in fund balances	994,505	14,745	1,009,250
Fund balances at beginning of year	<u>8,955,036</u>	<u>1,521,849</u>	<u>10,476,885</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 9,949,541</u></u>	<u><u>\$ 1,536,594</u></u>	<u><u>\$ 11,486,135</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, 2017

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

Net change in fund balances-total governmental funds \$ 1,009,250

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	24,057	
Depreciation expense	<u>(743,498)</u>	(719,441)

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	47,804	
Repayment of bond principal	195,000	
Amortization of bond issuance discount	<u>(2,495)</u>	<u>240,309</u>

Change in net position of governmental activities \$ 530,118

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, 2017

Assets:

Cash and investments	\$ 45,226
Due from district	<u>2,637</u>
Total Assets	<u><u>47,863</u></u>

Liabilities:

Due to organizations	<u><u>\$ 47,863</u></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, 2017

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, 2017

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, 2017

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, 2017

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

Assets	Years
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 2016 tax levy was November 16, 2016. 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, 2017

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

	Maximum	Actual	
	2016 Levy	2016 Levy	2015 Levy
Educational	3.5000	1.7436	1.8298
Operations & Maintenance	.5500	.4097	.4319
Bond & Interest	N/A	.0569	.0602
Transportation	N/A	.1095	.1155
Municipal Retirement	N/A	.0354	.0373
Social Security	N/A	.0292	.0309
Working Cash	.0500	.0115	.0125
Total		2.3958	2.5181

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.

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

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, 2017, none of the Districts bank balances of \$9,312,501 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, 2017

As of June 30, 2017, the District had the following investments measured at fair value:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Municipal Bonds:		
Rockford, IL SER C	December 15, 2017	\$ 254,123
Countryside, IL GO Bds	January 1, 2019	205,000
Total Level One		<u>459,123</u>
ISDLAF Liquid Class	Less than 60 days	385,987
ISDLAF Max Class	Less than 60 days	903,153
ISDLAF + Term Series	July 26, 2016 – May 25, 2017	1,800,000
Total measured at Net Asset Value		<u>3,089,140</u>
Total Investments		<u>\$ 3,548,263</u>

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 \$1,289,140 (valued at \$1.00 per share) in the Illinois School District Liquid Asset Funds as of June 30, 2017. 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, 2017

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, 2017, the District's investments are rated as follows:

<u>Description</u>	<u>Standard & Poors</u>	<u>Moody's Investors Services</u>	<u>Fitch</u>
Municipal Bonds:			
Rockford, IL SER C	N/A	A1	N/A
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 + Term Series, ISDLAF Max Class, Municipal Bonds, and ISDLAF Liquid Class for 50.7%, 25.5%, 12.9%, and 10.9%, respectively.

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

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:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
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	19,202,077	12,280	-	19,214,357
Other equipment	1,275,140	11,777	-	1,286,917
Transportation equipment	739,482	-	-	739,482
Total capital assets being depreciated	23,283,595	24,057	-	23,307,652
Accumulated depreciation for:				
Site improvements	745,874	74,825	-	820,699
Building and improvements	8,500,799	473,555	-	8,974,354
Other equipment	735,604	122,665	-	858,269
Transportation equipment	439,726	72,453	-	512,179
Total accumulated depreciation	10,422,033	743,498	-	11,165,501
Total capital assets being depreciated, net	12,861,592	(719,441)	-	12,142,151
Total capital assets, net	\$ 12,949,173	\$ (719,441)	\$ -	\$ 12,229,732

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

A summary of changes in capital assets follows:

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

Instructional services:		
Regular programs	\$ 505,699	
Special programs	68,002	
Supporting services:		
Instructional staff	52,292	
District administration	19,114	
School administration	8,225	
Operations and maintenance of facilities	17,713	
Transportation	72,453	
Total depreciation expense	\$ 743,498	

NOTE 5. CHANGES IN LONG-TERM LIABILITIES:

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

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Amount Due in One Year
General Obligation Bonds	\$ 3,595,000	\$ -	\$ 195,000	\$ 3,400,000	\$ 210,000
Capital Lease Obligations	174,730	-	47,804	126,926	42,106
Deferred Amounts for Issuance Discount	(16,239)	-	(2,495)	(13,744)	-
Total Long-Term Liabilities	\$ 3,753,491	\$ -	\$ 240,309	\$ 3,513,182	\$ 252,106

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, 2016, the statutory debt limit for the district was \$35,129,566, providing a debt margin of \$31,983,608.

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

General Obligation Bonds Payable

Bonds payable at June 30, 2017 is comprised of the following individual issues:

2005 Life Safety Bonds, originally issued at \$1,350,000, due in annual installments varying from \$200,000 to \$210,000 through 2019, interest rates of 4.75%.

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 .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, 2017 include:

Educational Account

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

\$126,926

Leased equipment under capital leases in capital assets at June 30, 2017, include the following:

Equipment	\$347,614
Less: Accumulated depreciation	<u>(161,684)</u>
Total	<u>\$185,930</u>

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

The annual requirements to amortize all long-term debt outstanding as of June 30, 2017, including interest payments of \$748,722 are as follows:

<u>Fiscal Year Ending</u>	<u>Capital Leases</u>	<u>Bonds Payable</u>	<u>Total</u>
2018	\$ 46,086	\$ 309,455	\$ 355,541
2019	50,276	309,825	360,101
2020	37,708	314,690	352,398
2021	-	305,663	305,663
2022-2026	-	1,586,776	1,586,776
2027-2031	-	<u>1,315,169</u>	<u>1,315,169</u>
Totals	<u>\$ 134,070</u>	<u>\$ 4,141,578</u>	<u>\$ 4,275,648</u>

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.

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 <http://trs.illinois.gov/pubs/cafr.htm>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

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.

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, 2016, was 9.4 percent of creditable earnings. On July 1, 2016, the rate dropped to 9.0 percent of pay due to the expiration of the Early Retirement Option (ERO). 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, 2017, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$5,463,225 in pension contributions from the state of Illinois.

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

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, 2017, were \$39,131, and are deferred because they were paid after the June 30, 2016 measurement date.

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 a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, District contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2017, the District pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, the district did not pay salaries from federal and special trust funds, and therefore the district was not required to make contributions

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 current program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, 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, 2017, the District was not required to pay TRS for district contributions due on salary increases in excess of 6 percent or for sick leave days granted in excess of the normal annual allotment.

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

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

At June 30, 2017, 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 amount recognized by 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	\$ 1,181,991
State's proportionate share of the net pension liability associated with the District	55,630,208
Total	<u>\$ 56,812,199</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. 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, 2016, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2016, the District's proportion was 0.0015%, which was a decrease of 0.0017% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$5,463,225 and revenue of \$5,463,225 for support provided by the state. At June 30, 2017, the District's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,740	\$ 802
Net difference between projected and actual earnings on pension plan investments	33,393	-
Changes of Assumptions	101,515	-
Changes in proportion and differences between District contributions and proportionate share of contributions	205,284	1,240,401
District contributions subsequent to the measurement date	39,131	-
Total	<u>\$ 388,063</u>	<u>\$ 1,241,203</u>

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

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
2018	\$ (230,861)
2019	(269,990)
2020	(128,551)
2021	(183,097)
2022	(40,641)
Total	<u>\$ (853,140)</u>

Actuarial assumptions

The total pension liability in the June 30, 2016 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.

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.50 percent to 7.00 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

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, 2016, the discount rate used to measure the total pension liability was a blended rate of 6.83 percent, which was changed from the June 30, 2015 rate of 7.47 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, 2016 was not 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. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investment was applied to all periods of projected benefit payments to determine the total pension liability.

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

At June 30, 2015, the discount rate used to measure the total pension liability was 7.47 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well 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 6.83 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 (5.83 percent) or 1-percentage-point higher (7.83 percent) than the current rate.

	1% Decrease (5.83%)	Current Discount Rate (6.83%)	1% Increase (7.83%)
District's proportionate share of the net pension liability	\$1,445,623	\$1,181,991	\$966,674

TRS fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2016 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.

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

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).

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, 2016, the number of District employees covered by IMRF were:

Active members	70
Retirees and beneficiaries	62
Inactive, non-retired members	<u>94</u>
Total	<u>226</u>

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

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 2016 was 9.86% of annual covered payroll. For the fiscal year ended June 30, 2017, the District contributed \$215,485 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.

Net Pension Liability: The District's net pension liability was measured as of December 31, 2016. 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, 2016:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation	2.75%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.49%
Projected 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 2014). 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-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.
Active Members	For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other Information:	There were no benefit changes during the year.

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Return 12/31/16</u>	<u>Projected Returns/Risk</u>	
			<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Equities	38.0%	7.77%	8.30%	6.85%
International equities	17.0	3.54	8.45	6.75
Fixed income	27.0	4.85	3.05	3.00
Real estate	8.0	8.97	6.90	5.75
Alternative investments	9.0	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 3.78%; and the resulting single discount rate is 7.50%.

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

Changes in the District's Net Pension Liability: Changes in the District's Net Pension Liability for the year ended December 31, 2016 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance, December 31, 2015	<u>\$ 8,702,650</u>	<u>\$ 7,684,161</u>	<u>\$ 1,018,489</u>
Charges for the year:			
Service cost	239,950	-	239,950
Interest	644,801	-	644,801
Difference between expected and actual experience	72,323	-	72,323
Changes in assumptions	(10,779)	-	(10,779)
Net investment income	-	524,026	(524,026)
Contributions – employees	-	106,595	(106,595)
Contributions – employers	-	215,732	(215,732)
Benefit payments including refunds of employee contributions	(427,612)	(427,612)	-
Other changes	-	<u>74,473</u>	<u>(74,473)</u>
Net changes	<u>518,683</u>	<u>493,214</u>	<u>25,469</u>
Balance, December 31, 2016	<u>\$ 9,221,333</u>	<u>\$ 8,177,375</u>	<u>\$ 1,043,958</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%	\$ 2,206,001
Current discount rate	7.50	1,043,958
1% increase	8.50%	\$ 93,738

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2017, the District recognized pension expense of \$450,226. At June 30, 2017, 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	\$ 108,965	\$ 1,536	\$ 107,429
Changes of assumptions	22,755	7,304	15,451
Net difference between projected and actual earnings on Plan investments	406,199	-	406,199
District contributions subsequent to the measurement date	<u>113,294</u>	<u>-</u>	<u>113,294</u>
Total	<u>\$ 651,213</u>	<u>\$ 8,840</u>	<u>\$ 642,373</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)
2017	\$ 345,824
2018	166,201
2019	120,121
2020	10,227
Total	<u>\$ 642,373</u>

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

NOTE 7. OTHER POST EMPLOYMENT BENEFITS:

Teacher Health Insurance Security:

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

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 1.12% of pay during the year ended June 30, 2017. State of Illinois contributions were \$75,563, 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 0.84% during the year ended June 30, 2017. For the year ended June 30, 2017, the District paid \$56,672 to the THIS Fund, which was 100 percent of the required contribution.

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: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

NOTE 8. RESTRICTED NET POSITION:

The government-wide statement of net position reports \$1,536,594 of restricted net position, all of which is restricted by enabling legislation.

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. Currently the School Board has not delegated the authority.

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, 2017

As of June 30, 2017, fund balances are composed of the following:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Restricted:			
Debt service	\$ -	\$ 254,042	\$ 254,042
Retirement	-	216,322	216,322
Transportation	-	1,066,230	1,066,230
Unassigned	9,949,541	-	9,949,541
Total fund balances	<u>\$ 9,949,541</u>	<u>\$ 1,536,594</u>	<u>\$ 11,486,135</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, 2017, 2016 and 2015, 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 1105 North Hunt Club Road, Gurnee, Illinois 60031.

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Financial Statements (Continued)
June 30, 2017

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 Two Pierce Place, Itasca, Illinois 60143.

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 Two Pierce Place, Itasca, Illinois 60143.

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, 2017

NOTE 15. INTERFUND TRANSFERS:

During the year ending June 30, 2017, interfund transfers consisted of the following:

Transfer to	Transfer from	Amount
Debt Service Fund	General Fund's Educational Account	\$ 54,466

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.

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, 2017**

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
<u>ASSETS</u>				
Cash and investments	\$ 6,197,791	\$ 2,169,902	\$ 1,584,485	\$ 9,952,178
TOTAL ASSETS	<u>6,197,791</u>	<u>2,169,902</u>	<u>1,584,485</u>	<u>9,952,178</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Due to activity fund	<u>2,637</u>	-	-	<u>2,637</u>
Total Liabilities	<u>2,637</u>	-	-	<u>2,637</u>
Fund Balance:				
Unassigned	<u>6,195,154</u>	<u>2,169,902</u>	<u>1,584,485</u>	<u>9,949,541</u>
Total Fund Balance	<u>6,195,154</u>	<u>2,169,902</u>	<u>1,584,485</u>	<u>9,949,541</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 6,197,791</u>	<u>\$ 2,169,902</u>	<u>\$ 1,584,485</u>	<u>\$ 9,952,178</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, 2017

	Educational	Operations and Maintenance	Working Cash	Total General
REVENUES RECEIVED:				
Property taxes	\$ 8,841,123	\$ 2,082,186	\$ 59,362	\$ 10,982,671
Other local sources	821,713	138,262	457	960,432
State sources	7,254,011	-	-	7,254,011
Federal sources	978,204	-	-	978,204
Total Revenues Received	<u>17,895,051</u>	<u>2,220,448</u>	<u>59,819</u>	<u>20,175,318</u>
EXPENDITURES DISBURSED:				
Instruction	13,008,698	-	-	13,008,698
Supporting services	3,788,519	1,482,956	-	5,271,475
Community services	36,149	-	-	36,149
Payments to other districts and governmental units	<u>810,025</u>	<u>-</u>	<u>-</u>	<u>810,025</u>
Total Expenditures Disbursed	<u>17,643,391</u>	<u>1,482,956</u>	<u>-</u>	<u>19,126,347</u>
Excess of revenues received over expenditures disbursed	<u>251,660</u>	<u>737,492</u>	<u>59,819</u>	<u>1,048,971</u>
OTHER FINANCING USES:				
Transfers out	<u>(54,466)</u>	<u>-</u>	<u>-</u>	<u>(54,466)</u>
Total other financing sources	<u>(54,466)</u>	<u>-</u>	<u>-</u>	<u>(54,466)</u>
Net change in fund balances	197,194	737,492	59,819	994,505
Fund balances at beginning of year	<u>5,997,960</u>	<u>1,432,410</u>	<u>1,524,666</u>	<u>8,955,036</u>
FUND BALANCES AT END OF YEAR	<u>\$ 6,195,154</u>	<u>\$ 2,169,902</u>	<u>\$ 1,584,485</u>	<u>\$ 9,949,541</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, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016 Actual
	Original Budget	Actual	
REVENUES RECEIVED:			
Local Sources:			
Property taxes			
General tax levy	\$ 8,675,000	\$ 8,841,123	\$ 8,616,418
Mobile home taxes	1,339	1,400	1,329
Corporate replacement taxes	290,000	326,149	333,034
Tuition	237,400	102,996	101,962
Earnings on investments	25,000	59,703	9,018
Food services	63,350	66,582	59,925
Pupil activities	52,300	52,390	51,433
Contributions and donations from private sources	10,000	136	18,936
Refund of prior years' expenditures	-	196,399	238,238
Other local revenue	6,000	15,958	12,850
Total Local Sources	9,360,389	9,662,836	9,443,143
State Sources:			
General state aid	1,090,000	1,213,369	1,086,234
Special education	410,500	324,573	417,552
Bilingual education	188,796	65,351	111,556
School lunch aid	3,100	1,507	3,244
Adult education	-	50	600
Early childhood	401,000	110,373	340,331
On-behalf payments - State of Illinois	-	5,538,788	3,818,484
Other	750	-	750
Total State Sources	2,094,146	7,254,011	5,778,751
Federal Sources:			
Food service	353,000	214,045	376,519
Title I - low income	227,328	174,064	186,572
IDEA - preschool flow-through	7,769	10,590	7,953
IDEA - flow through	248,624	449,732	-
IDEA - room and board	-	27,915	-
Emergency immigrant assistance	3,664	2,281	3,015
Title III - english language acquisition	42,136	22,742	46,022
Title II - teacher quality	-	-	41,683
Medicaid matching fund	45,000	68,285	50,094
Other	-	8,550	8,100
Total Federal Sources	927,521	978,204	719,958
Total Revenues Received	\$ 12,382,056	\$ 17,895,051	\$ 15,941,852

(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, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016 Actual
	Original Budget	Actual	
EXPENDITURES DISBURSED:			
Instruction:			
Regular programs:			
Salaries	\$ 4,236,500	\$ 3,893,565	\$ 4,139,411
Employee benefits	1,695,400	1,014,039	1,523,444
On-behalf payments - State of Illinois	-	5,538,788	3,818,484
Purchased services	246,700	108,136	346,732
Supplies and materials	130,400	130,178	96,466
Other	900	45	909
Non-capitalized equipment	-	-	4,430
Total	6,309,900	10,684,751	9,929,876
Pre-K programs:			
Salaries	267,700	327,452	257,793
Employee benefits	27,800	96,839	27,189
Purchased services	12,600	7,566	12,548
Supplies and materials	9,000	3,444	8,953
Other	200	255	215
Non-capitalized equipment	-	684	-
Total	317,300	436,240	306,698
Special programs:			
Salaries	587,100	580,366	569,878
Employee benefits	38,100	193,513	37,362
Purchased services	-	1,451	887
Supplies and materials	2,200	1,943	821
Tuition	-	199,488	168,019
Total	627,400	976,761	776,967
Special programs pre-k:			
Salaries	298,300	222,755	289,629
Employee benefits	23,000	75,464	22,717
Purchased services	-	19	29
Supplies and materials	2,000	-	326
Total	\$ 323,300	\$ 298,238	\$ 312,701

(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, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016 Actual
	Original Budget	Actual	
EXPENDITURES DISBURSED - Continued:			
Instruction - continued:			
Educationally deprived:			
Salaries	\$ 40,000	\$ 31,751	\$ 47,014
Employee benefits	-	2,573	2,094
Purchased services	46,100	16,248	28,828
Supplies and materials	30,000	21,300	37,621
Total	116,100	71,872	115,557
Interscholastic programs:			
Purchased services	1,800	5,203	1,775
Supplies and materials	-	3,626	-
Other	-	650	-
Total	1,800	9,479	1,775
Summer school:			
Salaries	68,200	56,737	66,169
Employee benefits	1,100	2,047	1,110
Supplies and materials	400	-	395
Total	69,700	58,784	67,674
Bilingual:			
Salaries	311,600	363,892	302,379
Employee benefits	34,300	91,583	33,570
Purchased services	200	122	278
Supplies and materials	6,600	-	2,941
Total	352,700	455,597	339,168
Truant alternative and optional:			
Salaries	15,500	12,902	15,003
Employee benefits	1,800	4,074	1,746
Purchased services	-	-	98
Supplies and materials	3,600	-	3,993
Total	20,900	16,976	20,840
Total Instruction	\$ 8,139,100	\$ 13,008,698	\$ 11,871,256

(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, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016 Actual
	Original Budget	Actual	
EXPENDITURES DISBURSED - Continued:			
Support Services:			
Pupils:			
Attendance and social work :			
Salaries	\$ 149,000	\$ 146,104	\$ 144,620
Employee benefits	16,500	44,926	16,231
Supplies and materials	100	-	147
Total	<u>165,600</u>	<u>191,030</u>	<u>160,998</u>
Guidance services:			
Supplies and materials	100	-	88
Total	<u>100</u>	<u>-</u>	<u>88</u>
Health services:			
Salaries	129,000	132,586	125,237
Employee benefits	300	36,278	268
Purchased services	1,400	1,210	1,402
Supplies and materials	1,800	1,484	1,808
Non-capitalized equipment	-	2,800	-
Total	<u>132,500</u>	<u>174,358</u>	<u>128,715</u>
Psychological services:			
Purchased services	2,400	5,921	2,400
Total	<u>2,400</u>	<u>5,921</u>	<u>2,400</u>
Speech pathology:			
Salaries	106,800	103,714	103,713
Employee benefits	21,400	33,300	20,919
Purchased services	2,500	2,800	2,586
Supplies and materials	600	-	545
Total	<u>131,300</u>	<u>139,814</u>	<u>127,763</u>
Other support - pupil:			
Salaries	63,900	60,753	61,969
Employee benefits	700	534	710
Purchased services	26,000	30,929	25,974
Total	<u>90,600</u>	<u>92,216</u>	<u>88,653</u>
Total Pupils	<u>\$ 522,500</u>	<u>\$ 603,339</u>	<u>\$ 508,617</u>

(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, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016 Actual
	Original Budget	Actual	
EXPENDITURES DISBURSED - Continued:			
Support Services - continued:			
Instructional Staff:			
Improvement of instructional services:			
Salaries	\$ 325,000	\$ 320,921	\$ 293,246
Employee benefits	18,000	50,209	17,476
Purchased services	201,020	101,075	98,600
Supplies and materials	285,908	323,639	273,387
Capital outlay	-	11,777	-
Other	-	349	65
Non-capitalized equipment	-	2,800	4,176
Total	829,928	810,770	686,950
Educational media services:			
Salaries	270,700	222,099	262,803
Employee benefits	22,600	54,041	22,198
Supplies and materials	30,800	36,617	19,437
Total	324,100	312,757	304,438
Assessment and testing:			
Purchased services	11,500	11,100	11,250
Total	11,500	11,100	11,250
Total Instructional Staff	1,165,528	1,134,627	1,002,638
General Administration:			
Board of education:			
Employee benefits	41,500	7,393	36,480
Purchased services	42,600	60,656	42,641
Supplies and materials	31,500	17,687	31,540
Other	154,600	87,163	154,564
Total	270,200	172,899	265,225
General Administration - continued:			
Executive administration:			
Salaries	248,700	243,223	241,377
Employee benefits	21,800	58,050	21,325
Purchased services	14,800	3,812	14,826
Supplies and materials	1,500	1,391	1,492
Other	2,900	1,167	2,946
Total	\$ 289,700	\$ 307,643	\$ 281,966

(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, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016 Actual
	Original Budget	Actual	
EXPENDITURES DISBURSED - Continued:			
Support Services - continued:			
Special area administration:			
Salaries	\$ 6,900	\$ 6,698	\$ 6,698
Employee benefits	800	1,736	738
Total	<u>7,700</u>	<u>8,434</u>	<u>7,436</u>
Total General Administration	<u>567,600</u>	<u>488,976</u>	<u>554,627</u>
School Administration:			
Office of the principal:			
Salaries	715,200	694,657	694,432
Employee benefits	58,400	193,153	57,327
Purchased services	9,800	6,807	9,777
Supplies and materials	2,900	-	2,931
Other	2,400	138	2,353
Total	<u>788,700</u>	<u>894,755</u>	<u>766,820</u>
Other support - school administration:			
Salaries	131,100	127,264	127,264
Employee benefits	14,300	32,098	14,018
Total	<u>145,400</u>	<u>159,362</u>	<u>141,282</u>
Total School Administration	<u>934,100</u>	<u>1,054,117</u>	<u>908,102</u>
Business:			
Direction of business support services:			
Salaries	58,700	50,181	56,996
Employee benefits	600	8,116	612
Purchased services	50,900	45,420	50,895
Supplies and materials	8,400	3,925	8,356
Other	400	-	364
Total	<u>119,000</u>	<u>107,642</u>	<u>117,223</u>
Fiscal services:			
Salaries	90,300	117,328	87,712
Employee benefits	-	14,360	-
Purchased services	200	1,315	220
Total	<u>\$ 90,500</u>	<u>\$ 133,003</u>	<u>\$ 87,932</u>

(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, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016 Actual
	Original Budget	Actual	
EXPENDITURES DISBURSED - Continued:			
Support Services - continued:			
Business:			
Operation and maintenance of plant services:			
Employee benefits	\$ -	\$ 1,936	\$ -
Total	-	1,936	-
Pupil transportation services:			
Employee benefits	-	422	-
Supplies and materials	100	-	-
Total	100	422	-
Food services:			
Purchased services	269,200	259,963	269,147
Supplies and materials	6,300	4,494	6,239
Total	275,500	264,457	275,386
Total Business	485,100	507,460	480,541
Total Support Services	3,674,828	3,788,519	3,454,525
Community Services:			
Salaries	34,300	24,141	24,611
Employee benefits	200	66	214
Purchased services	1,800	2,659	1,830
Supplies and materials	6,700	9,283	6,732
Total Community Services	43,000	36,149	33,387
Payments to other districts and governmental units:			
Purchased services	-	400	-
Tuition	885,800	809,625	808,213
Total payments to other districts and governmental units	885,800	810,025	808,213
Total Expenditures Disbursed	12,742,728	17,643,391	16,167,381
Excess (deficiency) of revenues received over expenditures disbursed	\$ (360,672)	\$ 251,660	\$ (225,529)

(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, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	<u>2017</u>		<u>2016</u> Actual
	<u>Original Budget</u>	<u>Actual</u>	
OTHER FINANCING USES:			
Transfers out	\$ -	\$ (54,466)	\$ (50,276)
Total other financing uses	<u>-</u>	<u>(54,466)</u>	<u>(50,276)</u>
Net change in fund balances	<u>\$ (360,672)</u>	197,194	(275,805)
Fund balances at beginning of year		<u>5,997,960</u>	<u>6,273,765</u>
FUND BALANCES AT END OF YEAR		<u>\$ 6,195,154</u>	<u>\$ 5,997,960</u>

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, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016 Actual
	Final Budget	Actual	
REVENUES RECEIVED:			
Local Sources:			
Property taxes	\$ 2,055,000	\$ 2,082,186	\$ 2,040,123
Mobile home taxes	-	331	316
Earnings on investments	7,000	13,303	7,182
Rentals	-	1,130	-
Services provided other districts	-	-	660
Refund of prior years' expenditures	-	30,775	-
Other	-	92,723	86,756
Total Revenues Received	2,062,000	2,220,448	2,135,037
EXPENDITURES DISBURSED:			
Support Services:			
Business:			
Directions of business support:			
Salaries	26,300	26,246	25,825
Benefits	-	2,240	-
Purchased services	16,400	17,405	16,439
Total	42,700	45,891	42,264
Facilities acquisition and construction:			
Purchased services	1,600	19,275	1,600
Supplies and materials	-	-	5,060
Capital outlay	-	12,280	17,499
Non-capitalized equipment	-	854	4,240
Total	1,600	32,409	28,399
Operation and maintenance of plant services:			
Salaries	555,000	555,934	544,200
Benefits	96,400	91,696	95,463
Purchased services	710,800	666,800	696,118
Supplies and materials	173,800	86,562	201,856
Capital outlay	150,000	-	98,208
Non-capitalized equipment	-	3,664	8,473
Total	1,686,000	1,404,656	1,644,318
Total Expenditures Disbursed	1,730,300	1,482,956	1,714,981
Excess of revenues received over expenditures disbursed	\$ 331,700	\$ 737,492	\$ 420,056

(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, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016 Actual
	Final Budget	Actual	
OTHER FINANCING USES:			
Transfers out	-	-	(884,192)
Total other financing uses	-	-	(884,192)
Net change in fund balances	<u>\$ 331,700</u>	737,492	(464,136)
Fund balances at beginning of year		<u>1,432,410</u>	<u>1,896,546</u>
FUND BALANCES AT END OF YEAR		<u><u>\$ 2,169,902</u></u>	<u><u>\$ 1,432,410</u></u>

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, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016 Actual
	Original Budget	Actual	
REVENUES RECEIVED:			
Local Sources:			
Property taxes	\$ 59,000	\$ 59,362	\$ 59,113
Earnings on investments	500	447	459
Mobile home taxes	-	10	9
Total Revenues Received	<u>59,500</u>	<u>59,819</u>	<u>59,581</u>
Excess of revenues received over expenditures disbursed	<u>59,500</u>	<u>59,819</u>	<u>59,581</u>
Net change in fund balances	<u>\$ 59,500</u>	59,819	59,581
Fund balances at beginning of year		<u>1,524,666</u>	<u>1,465,085</u>
FUND BALANCES AT END OF YEAR		<u>\$ 1,584,485</u>	<u>\$ 1,524,666</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, 2017**

	<u>Special Revenue</u>		
	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,066,230	\$ 216,322	\$ 1,282,552
TOTAL ASSETS	<u>1,066,230</u>	<u>216,322</u>	<u>1,282,552</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
TOTAL LIABILITIES	-	-	-
Fund Balance:			
Restricted	1,066,230	216,322	1,282,552
Total Fund Balance	<u>1,066,230</u>	<u>216,322</u>	<u>1,282,552</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,066,230</u>	<u>\$ 216,322</u>	<u>\$ 1,282,552</u>

<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
<u>\$ 254,042</u>	<u>\$ 1,536,594</u>
<u>254,042</u>	<u>1,536,594</u>
<u>-</u>	<u>-</u>
<u>254,042</u>	<u>1,536,594</u>
<u>254,042</u>	<u>1,536,594</u>
<u>\$ 254,042</u>	<u>\$ 1,536,594</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, 2017

	Special Revenue		
	Transportation	Municipal Retirement/ Social Security	Total
REVENUES RECEIVED:			
Property taxes	\$ 556,772	\$ 328,554	\$ 885,326
Other local sources	11,343	65,320	76,663
State sources	56,719	-	56,719
Total Revenues Received	<u>624,834</u>	<u>393,874</u>	<u>1,018,708</u>
EXPENDITURES DISBURSED:			
Instruction	-	156,224	156,224
Support services	511,204	320,429	831,633
Community services	-	3,999	3,999
Payment of principal on long-term debt	-	-	-
Interest on long-term debt	-	-	-
Total Expenditures Disbursed	<u>511,204</u>	<u>480,652</u>	<u>991,856</u>
Excess (deficiency) of revenues received over expenditures disbursed	<u>113,630</u>	<u>(86,778)</u>	<u>26,852</u>
OTHER FINANCING SOURCES:			
Transfers in	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	113,630	(86,778)	26,852
Fund balances at beginning of year	<u>952,600</u>	<u>303,100</u>	<u>1,255,700</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 1,066,230</u></u>	<u><u>\$ 216,322</u></u>	<u><u>\$ 1,282,552</u></u>

Debt Service	Total Nonmajor Governmental Funds
\$ 289,707	\$ 1,175,033
1,903	78,566
<u>-</u>	<u>56,719</u>
<u>291,610</u>	<u>1,310,318</u>
-	156,224
-	831,633
-	3,999
242,804	242,804
<u>115,379</u>	<u>115,379</u>
<u>358,183</u>	<u>1,350,039</u>
<u>(66,573)</u>	<u>(39,721)</u>
<u>54,466</u>	<u>54,466</u>
<u>54,466</u>	<u>54,466</u>
(12,107)	14,745
<u>266,149</u>	<u>1,521,849</u>
<u>\$ 254,042</u>	<u>\$ 1,536,594</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, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016 Actual
	Original Budget	Actual	
REVENUES RECEIVED:			
Local Sources:			
Property taxes	\$ 577,000	\$ 556,772	\$ 572,673
Mobile home taxes	-	88	93
Transportation fees	8,000	7,605	8,350
Earnings on investments	2,000	3,650	2,139
Total Local Sources	<u>587,000</u>	<u>568,115</u>	<u>583,255</u>
State Sources:			
Transportation aid			
Regular	8,500	5,914	8,753
Special education	60,000	50,805	65,784
Total State Sources	<u>68,500</u>	<u>56,719</u>	<u>74,537</u>
Total Revenues Received	<u>655,500</u>	<u>624,834</u>	<u>657,792</u>
EXPENDITURES DISBURSED:			
Business - Pupil Transportation Services:			
Salaries	260,600	271,057	255,375
Employee benefits	5,200	7,288	5,193
Purchased services	192,500	200,423	195,217
Supplies and materials	28,700	32,436	28,714
Total Expenditures Disbursed	<u>487,000</u>	<u>511,204</u>	<u>484,499</u>
Net change in fund balances	<u>\$ 168,500</u>	113,630	173,293
Fund balances at beginning of year		<u>952,600</u>	<u>779,307</u>
FUND BALANCES AT END OF YEAR		<u>\$ 1,066,230</u>	<u>\$ 952,600</u>

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, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016 Actual
	Original Budget	Actual	
REVENUES RECEIVED:			
Local Sources:			
Property taxes			
General tax levy	\$ 249,000	\$ 179,868	\$ 176,162
Social security/medicare tax levy	75,000	148,686	145,889
Mobile home taxes	-	52	50
Corporate replacement taxes	-	63,145	17,418
Earnings on investments	600	2,123	1,184
	<u>324,600</u>	<u>393,874</u>	<u>340,703</u>
Total Revenues Received			
	<u>324,600</u>	<u>393,874</u>	<u>340,703</u>
EXPENDITURES DISBURSED:			
Instruction - employee benefits	159,000	156,224	157,458
Support Services - employee benefits	315,100	320,429	312,268
Community services	1,400	3,999	1,441
	<u>475,500</u>	<u>480,652</u>	<u>471,167</u>
Total Expenditures Disbursed			
	<u>475,500</u>	<u>480,652</u>	<u>471,167</u>
Net change in fund balances	<u>\$ (150,900)</u>	(86,778)	(130,464)
Fund balances at beginning of year		<u>303,100</u>	<u>433,564</u>
FUND BALANCES AT END OF YEAR		<u>\$ 216,322</u>	<u>\$ 303,100</u>

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, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016 Actual
	Original Budget	Actual	
REVENUES RECEIVED:			
Local Sources:			
Property taxes	\$ 286,000	\$ 289,707	\$ 284,455
Earnings on investments	1,000	1,857	979
Mobile home taxes	-	46	44
Total Revenues Received	<u>287,000</u>	<u>291,610</u>	<u>285,478</u>
EXPENDITURES DISBURSED:			
Debt Service:			
Payment of principal on long-term debt	195,000	242,804	202,318
Interest on long-term debt	108,800	115,379	88,104
Service charges	-	-	803
Total Expenditures Disbursed	<u>303,800</u>	<u>358,183</u>	<u>291,225</u>
Deficiency of revenues received over expenditures disbursed	<u>(16,800)</u>	<u>(66,573)</u>	<u>(5,747)</u>
OTHER FINANCING SOURCES:			
Transfers in	-	54,466	50,276
Total other financing sources	<u>-</u>	<u>54,466</u>	<u>50,276</u>
Net change in fund balances	<u>\$ (16,800)</u>	(12,107)	44,529
Fund balances at beginning of year		<u>266,149</u>	<u>221,620</u>
FUND BALANCES AT END OF YEAR		<u>\$ 254,042</u>	<u>\$ 266,149</u>

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, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016 Actual
	Original and Final Budget	Actual	
EXPENDITURES DISBURSED:			
Support Services:			
Business - Facilities Acquisition and Construction:			
Capital outlay	\$ -	\$ -	\$ 884,192
Total Expenditures Disbursed	-	-	884,192
Deficiency of revenues received over expenditures disbursed	-	-	(884,192)
OTHER FINANCING SOURCES:			
Transfers in	-	-	884,192
Total other financing sources	-	-	884,192
Net change in fund balances	<u>\$ -</u>	-	-
Fund balances at beginning of year		-	-
FUND BALANCES AT END OF YEAR		<u>\$ -</u>	<u>\$ -</u>

**WOOD DALE SCHOOL DISTRICT NO. 7
SCHEDULE OF CHANGES IN CASH BALANCES
ACTIVITY FUNDS AND CONVENIENCE ACCOUNT
YEAR ENDED JUNE 30, 2017**

	Cash Balance July 1, 2016	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2017
Choir	\$ 3,009	\$ -	\$ -	\$ 3,009
Cheerleading	7	-	-	7
Library	221	-	-	221
Junior High: General	(7,261)	9,952	13,736	(11,045)
Year Book	(1,606)	-	872	(2,478)
Builders	1,738	-	-	1,738
Miscellaneous	3,239	-	3,239	-
Pancake Breakfast Award	261	-	-	261
Pop	2,827	-	-	2,827
Pencils	1,166	93	73	1,186
Ed Camp	-	-	-	-
Dance	1,342	614	-	1,956
Girls Track	(38)	70	-	32
E.C.E.C.	2,074	766	226	2,614
Oak Brook	1,179	1,911	293	2,797
Westview	1,459	5,331	5,026	1,764
Westview - Green	2,376	202	-	2,578
Total - All Schools	11,993	18,939	23,465	7,467
Flexible Benefit Account	37,781	44,342	41,727	40,396
TOTAL ACTIVITY FUNDS AND CONVENIENCE ACCOUNT	\$ 49,774	\$ 63,281	\$ 65,192	\$ 47,863

OTHER FINANCIAL INFORMATION

WOOD DALE SCHOOL DISTRICT NO. 7
SCHEDULE OF ASSESSED VALUATIONS, TAX EXTENSIONS
AND COLLECTIONS
YEARS ENDED JUNE 30, 2017, 2016 AND 2015

	TAX LEVY YEAR		
	2016	2015	2014
ASSESSED VALUATION	\$ 509,124,151	\$ 480,833,999	\$ 477,913,615
TAX EXTENSIONS BY LEVY:			
Educational	\$ 8,877,089	\$ 8,798,301	\$ 8,671,265
Operations and maintenance	2,085,882	2,076,722	2,059,329
Debt services	289,692	289,462	287,228
Transportation	557,490	555,363	604,561
Municipal retirement	180,230	179,351	177,783
Social security	148,664	148,578	147,197
Working cash	58,549	60,104	59,739
TOTAL	\$ 12,197,596	\$ 12,107,881	\$ 12,007,102
TAX COLLECTIONS:			
Year Ended June 30:			
2017	\$ 6,032,173	\$ 6,101,915	\$ 23,616
2016	-	5,852,712	6,042,121
2015	-	-	5,749,286
TOTAL	\$ 6,032,173	\$ 11,954,627	\$ 11,815,023
Percent of Total Levy Collected To June 30, 2016	49.45%	98.73%	98.40%

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WOOD DALE SCHOOL DISTRICT NO. 7
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2017

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,						
2018	\$ 200,000	\$ 19,475	\$ 10,000	\$ 3,045	\$ -	\$ 38,227
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	\$ 410,000	\$ 29,450	\$ 145,000	\$ 13,765	\$ 1,575,000	\$ 259,078

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	\$ 210,000	\$ 99,455	\$ 309,455
-	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>\$ 439,285</u>	<u>\$ 3,400,000</u>	<u>\$ 741,578</u>	<u>\$ 4,141,578</u>

**WOOD DALE SCHOOL DISTRICT NO. 7
 SCHEDULE OF PER CAPITA TUITION CHARGE
 AND AVERAGE DAILY ATTENDANCE
 JUNE 30, 2017**

	Year Ended June 30,		
	2017	2016	2015
Allowable Expenses	<u>\$ 11,234,024</u>	<u>\$ 12,505,787</u>	<u>\$ 11,950,225</u>
Average Daily Attendance	<u>1,019.11</u>	<u>1,026.72</u>	<u>1,078.50</u>
Per Capita Tuition Charge	<u>\$ 11,023</u>	<u>\$ 12,180</u>	<u>\$ 11,080</u>

WOOD DALE SCHOOL DISTRICT NO. 7
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST 10 CALENDAR YEARS
SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014
JUNE 30, 2017

Calendar year ending December 31,	2016	2015	2014
<u>Total pension liability:</u>			
Service cost	\$ 239,950	\$ 211,912	\$ 227,215
Interest on the total pension liability	644,801	600,898	546,426
Difference between expected and actual experience	72,323	165,901	(29,634)
Assumption changes	(10,779)	10,305	367,120
Benefit payments and refunds	(427,612)	(384,760)	(369,612)
Net change in total pension liability	518,683	604,256	741,515
Total pension liability, beginning	8,702,650	8,098,394	7,356,879
Total pension liability, ending	<u>9,221,333</u>	<u>8,702,650</u>	<u>8,098,394</u>
<u>Plan fiduciary net position</u>			
Employer contributions	215,732	205,511	208,614
Employee contributions	106,595	94,367	89,576
Pension plan net investment income	524,026	38,632	446,003
Benefit payments and refunds	(427,612)	(387,760)	(369,612)
Other	74,473	(38,424)	47,026
Net change in plan fiduciary net position	493,214	(87,674)	421,607
Plan fiduciary net position, beginning	7,684,161	7,768,835	7,347,228
Plan fiduciary net position, ending	<u>8,177,375</u>	<u>7,684,161</u>	<u>7,768,835</u>
Net pension liability/(asset), ending	<u>\$ 1,043,958</u>	<u>\$ 1,018,489</u>	<u>\$ 329,559</u>
Plan fiduciary net position as a percentage of total pension liability	<u>88.68%</u>	<u>88.30%</u>	<u>95.93%</u>
Covered valuation payroll	<u>\$ 2,187,962</u>	<u>\$ 2,097,043</u>	<u>\$ 1,990,589</u>
Net pension liability as a percentage of covered valuation payroll	<u>47.71%</u>	<u>48.57%</u>	<u>16.56%</u>

**WOOD DALE SCHOOL DISTRICT NO. 7
SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
JUNE 30, 2017**

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
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
JUNE 30, 2017

	<u>2016*</u>	<u>2015 *</u>	<u>2014 *</u>
District's proportion of the net pension liability	<u>0.0015%</u>	<u>0.0032%</u>	<u>0.2700%</u>
District's proportionate share of the net pension liability	1,181,991	2,110,470	1,631,561
State's proportionate share of the net pension liability associated with the District	<u>55,630,208</u>	<u>45,691,751</u>	<u>44,489,613</u>
Total	<u>\$ 56,812,199</u>	<u>\$ 47,802,221</u>	<u>\$ 46,121,174</u>
District's covered-employee payroll	7,012,194	7,056,603	7,216,293
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>16.86%</u>	<u>29.91%</u>	<u>22.61%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>36.40%</u>	<u>41.50%</u>	<u>43.00%</u>

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

WOOD DALE SCHOOL DISTRICT NO. 7
SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
JUNE 30, 2017

	2017	2016	2015
Contractually-required contribution	\$ 39,131	\$ 58,011	\$ 112,884
Contributions in relation to the contractually- required contribution	35,485	60,855	117,133
Contribution deficiency (excess)	\$ 3,646	\$ (2,844)	\$ (4,249)
 District's covered-employee payroll	 \$ 6,746,657	 \$ 7,012,194	 \$ 7,056,603
 Contribution as a percentage of covered-employee payroll	 0.58%	 0.83%	 1.60%

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Other Financial Information
June 30, 2017

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 21, 2016.
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, 2017

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
General Fund's Educational Account	\$12,742,728	\$17,643,391	\$4,900,663
Debt Service Fund	303,800	358,183	54,383
Transportation Fund	487,000	511,204	24,204
Illinois Municipal Retirement/ Social Security Fund	475,500	480,652	5,152

The above budget and actual comparison for the Educational Account includes on-behalf budget and related expenditures. If on-behalf amounts were not included, the Educational Account expenditures disbursed would not have exceeded the budgeted amount.

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: 27-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most districts (two districts were financed over 31 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%

WOOD DALE SCHOOL DISTRICT NO. 7
Notes to Other Financial Information (Cont'd)
June 30, 2017

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, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same 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, 2014 actuarial valuation; note the two year lag between valuation and rate setting.

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 2016 measurement year, 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.