

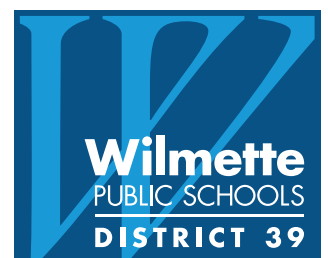


Wilmette

Public School District 39

Wilmette, Illinois

Comprehensive Annual Financial Report
Year ended June 30, 2018



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
WILMETTE PUBLIC SCHOOLS DISTRICT 39
WILMETTE, ILLINOIS**

For the Fiscal Year Ended
June 30, 2018

Official Issuing Report
Ellen Crispino, Interim Business Manager

Department Issuing Report
Business Office

WILMETTE PUBLIC SCHOOLS DISTRICT 39

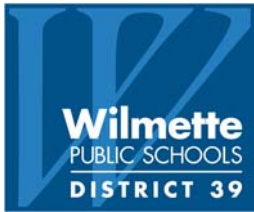
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WILMETTE PUBLIC SCHOOLS DISTRICT 39

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November 27, 2018

President and Members of the
Board of Education
Wilmette Public Schools District 39
615 Locust Road
Wilmette, Illinois 60091

The Comprehensive Annual Financial Report of Elementary School District 39, Wilmette, Illinois, for the fiscal year ended June 30, 2018 is submitted herewith. The audit fieldwork was completed on August 9, 2018 and the report was subsequently issued. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data as presented are: (1) accurate in all material aspects, (2) presented in a manner designed to fairly set forth the financial position and results of operations of the District as shown by the disclosure of all financial activity of its various funds; and (3) that all disclosures necessary for maximum public understanding of the District's financial status have been incorporated in the report.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditors' report.

BASIS OF ACCOUNTING AND REPORTING

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The Introductory Section includes the transmittal letter, the District's organizational chart, and a list of principal officials. The Financial Section includes the management's discussion and analysis, government-wide financial statements, the fund financial statements, required supplementary information, individual fund statements, as well as the independent auditors' report. The Statistical Section includes a number of tables of unaudited data depicting the financial history of the District for the past ten years, demographics, and other miscellaneous information.

School District 39 is required to undergo an annual single audit in conformity with the provisions of the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including the schedule of federal expenditures of federal awards, findings and recommendations and independent auditors' report on the internal control structure and compliance with applicable laws and regulations, are included in a separate report.

This report includes all funds of the District. The District reports on the full accrual basis of accounting for its government-wide financial statements and modified accrual for its fund financial statements. These bases are applied to the District's budget and accounting records. The Notes to Basic Financial Statements expand upon these bases as well as the District's accounting policies and procedures. All District funds are included in this report and have been audited by Klein Hall CPAs.

GENERAL INFORMATION

The District is located approximately 15 miles north of the Chicago Loop, bordering Lake Michigan and comprises most of the Village of Wilmette and a small portion of Glenview. The village is a residential

community with a population of about 26,324. It consists of moderate to high-income residential housing and a prosperous commercial downtown area. There is no heavy industry in Wilmette. Wilmette, as a community, is built out.

District 39 was founded in 1901 and currently includes four elementary schools, one middle school, one junior high school and an administration building and had an enrollment of 3,594 in 2018. An elected 7-member Board of Education and a full-time administrative staff govern the District. The District employs 569 persons. Of these, 19 are administrators, 342 are teachers and 208 are non-certified personnel. Elementary students in the District continue their education at New Trier Township High School, which is recognized as one of the leading high school educational institutions in the United States.

District 39 enjoys a high level of parental participation and involvement because parents make it a priority to be involved in their children's education. Many adults are engaged in professional pursuits. The high academic level characterizing the community contributes to the respect citizens have for quality education. As a result, citizens devote substantial time and effort to ensure that excellence prevails.

Community involvement is of paramount importance to District 39. Integral to the community is the Wilmette Educational Foundation, which provides financial assistance to support individual, school, and community endeavors. Teachers, administrators, the Board of Education, and community members value the Foundation as well. Community members are also involved in the Community Review Committee that helps study and prioritize goals for the school district.

REPORTING ENTITY

The District defines its reporting entity by applying the criteria set forth in GASB Statements 14 and 61 to potential component units. Briefly, a component unit is an organization for which the District is financially accountable or other organizations that, because of the nature or significance of their relationship with the District, would cause the District's financial statements to be misleading or incomplete if they were omitted from the reporting entity. These criteria are discussed in more detail in Note 1 to the general purpose financial statements.

Using these criteria, management has determined that the District has no component units, nor is it a component unit of any other organization.

DISTRICT FUNDS

The District's accounts are organized as separate accounting entities called funds. District resources are allocated to and accounted for in individual funds as required by the State of Illinois. Each fund has specific functions based upon the purposes for which the District's resources are to be expended. This allows for a more controlled process of spending activities. The following describes the fund types implemented in School District 39:

- 1) **General Fund** – accounts for the revenues and expenditures that are used in providing the educational program for the children of the District.
- 2) **Special Revenue Funds** – account for specific revenue sources that are legally restricted to expenditures for specified purposes (e.g., Operations and Maintenance, Transportation, Working Cash and Municipal Retirement/Social Security).
- 3) **Debt Service Fund** – accounts for the accumulation of resource for, and the payment of, general long-term debt principal, interest, and related costs. All bond issues are maintained through the Bond and Interest Fund.
- 4) **Capital Projects Fund** – accounts for financial resources to be used for the acquisition or construction of major capital facilities.
- 5) **Agency Fund** – accounts for the assets held by the District for student organizations.

ACCOUNTING SYSTEMS AND BUDGETARY CONTROL

The financial statements have been prepared in accordance with generally accepted accounting principles that are appropriate to local governmental units of this type. The presentation allows the reader to obtain an overview of the District's financial operations by viewing the basic financial statements in the front section of the report. All of the figures used in the following discussion were obtained or derived from these financial statements, attached herewith.

In developing and evaluating the District's accounting system, consideration is given to the adequacy of the internal accounting controls. Such controls are designed to provide reasonable, but not absolute, assurance for the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. We believe that our internal accounting controls adequately safeguard District assets and provide reasonable assurance of proper recording of financial data. Budgetary control is maintained at line item levels and built up into program and cost centers before being combined to create fund totals. All actual activity compared to budget is reported to the District's administrative team and to the Board of Education on a monthly basis. The monthly report compares each line item account balance to the annual budget with accumulation to the cost center, fund, and total district levels. Full disclosures are made if significant variances appear during the year.

GENERAL GOVERNMENTAL ACCOUNTING FUNCTIONS

The District has three sources of revenue: local, state, and federal. By far the largest source, and the source the District is most dependent on, is the local source.

Revenues for general District functions of all Governmental Fund Types totaled \$76,018,615, an increase of 5.0% when compared to FY 2017.

Revenue Sources	Amount (\$000)	Percent of Total	Increase (Decrease) from 2017 (\$000)	Percentage Increase (Decrease) from 2017
Local Sources				
Property Taxes	\$ 51,521	67.8%	\$ 758	1.5%
Personal Property Replacement Taxes	430	0.6%	(84)	-16.3%
Earnings on Investments	495	0.7%	196	65.6%
Other	4,307	5.7%	116	2.8%
Total Local Sources	56,753	74.7%	986	1.8%
State and Federal Sources	19,266	25.3%	2,609	15.7%
Total Revenue	\$ 76,019	100.0%	\$ 3,595	5.0%

Total Local Revenues posted a net increase of 1.8% in Fiscal Year 2018 when compared to the preceding fiscal year. The on-behalf payments made by the State to the Teachers' Retirement System (TRS) increased by \$2,338,740 or 19.9%. This is due to an increase in the funding rate the State is required to pay from 38.54% of creditable earnings in fiscal year 2017 to 44.61% of creditable earnings in fiscal year 2018.

Allocations of the 2017 property tax levy and the preceding two levy years are as follows (per \$100 of assessed value):

Fund Type	Levy Year		
	2017	2016	2015
General (Educational)	2.1681	2.1757	2.7104
Operations & Maintenance	0.4793	0.4337	0.4908
Transportation	0.0338	0.0388	0.0526
Municipal Retirement	0.0182	0.0154	0.0189
Social Security	0.0660	0.0653	0.0795
Working Cash	0.0045	0.0059	0.0071
Debt Service	0.0781	0.0663	0.0835
Tort Immunity	0.0150	0.0222	0.0387
Life Safety	0.0000	0.0000	0.0000
Special Education	0.0165	0.0163	0.0199
Total Tax Rate	2.8795	2.8396	3.5014
Collection/Lewy	52.3%	99.7%	99.8%

The expenditures of the major functions of all governmental fund types increased by \$9,846,466 from the prior fiscal year. This represents a percentage increase of 14.2%. Variances in levels of expenditures for major functions of the District over the preceding year are shown in the following tabulation:

Expenditures	Amount (\$000)	Percent of Total	Increase (Decrease) from 2017 (\$000)	Percentage Increase (Decrease) from 2017
Function				
Instruction	\$ 46,989	59.4%	\$ 3,883	9.0%
Support Services	20,170	25.5%	474	2.4%
Debt Service	5,930	7.5%	3,563	150.5%
Capital Outlay	4,941	6.2%	2,015	68.9%
Non-programmed Charges	1,142	1.4%	(89)	-7.2%
Total Expenditures	\$ 79,172	100.0%	\$ 9,846	14.2%

Although the overall increase is 14.2%, there is a notable increase of 68.9% in capital outlay expenditures due primarily to the Learning Commons and Large Space HVAC construction projects at McKenzie and Romona Elementary Schools. There was a 150.5% increase in debt service expenditures due to a current bond refunding. These expenditures were offset by \$3.6 million of other financing sources – principal on bonds sold.

Under separate collective bargaining agreements with the teachers' and support staff unions, actual labor costs increased by 3.8% in Fiscal Year 2018. Salaries account for 52.2% of total operating expenditures and 57.7% of General Fund expenditures.

CAPITAL ASSETS

The capital assets of the District are those assets used in the performance of general governmental functions. As of June 30, 2018, the District's capital assets, net of accumulated depreciation, amounted to

\$38.8 million. This amount represents the actual and estimated original cost of the assets and is considerably less than their present replacement value.

Depreciation of capital assets is shown in order to satisfy the compliance with Governmental Accounting Standards Board Statement Number 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments but is generally not recognized in the District’s accounting system. The District utilizes the assistance of an outside appraisal service for the appraisal, control and inventory of fixed assets. The appraisal service conducted a thorough physical inventory of the District’s assets and equipment during the 2017-2018 Fiscal Year. This resulted in a reduction in value of capital assets in the amount of \$1,973,311. Annual updates to the inventory report will continue until the next physical inventory occurs.

Annual appraisals are used for the updating of replacement values for insurance purposes with the District providing historical cost information. The District participates in a property casualty insurance cooperative pool comprised of more than 60 school district members. The cooperative maintains a \$250,000 self-insured retention to insure losses up to \$1,000,000. Beyond that limit, outside third party specific and aggregate coverage is purchased to protect the District from severe financial losses.

ECONOMIC OUTLOOK

The District’s mature tax base is characterized by resident socioeconomic levels that are among the highest in the state and nation. In addition its strong financial operations are supported by ample reserves and manageable debt burden.

The District’s fully developed and affluent tax base will continue to experience steady growth for the foreseeable future based on its desirable location on the North Shore of Lake Michigan. The District continues to maintain a solid tax base and still experience some growth, mostly through residential teardowns and reassessment. Resident socioeconomic indicators greatly exceed state and national levels.

The District maintains strong financial operations by implementing prudent fiscal policies, conservative management and maintaining ample reserves. The District ended FY 2018 with an Educational Fund balance of \$32.3 million, or an adequate 51.7% of Educational Fund revenues. Adding to the district’s financial flexibility is a FY 2018 Working Cash Fund balance of \$1.0 million, contributing to a combined operating fund balance of \$39.4 million. The District receives the majority of its revenues from property taxes (67.8% of FY 2018 revenues) followed by state and federal aid (25.3%). The District’s goal is to sustain an operating fund balance (Educational, O&M, Transportation, IMRF & Social Security, Tort Immunity & Judgment and Working Cash) at a level equivalent to 40% of annual operating expenditures. In FY18, the level was 71%.

Operating Revenue	60,585,539
Operating Expenditures	55,414,111
Operating Fund Balance	39,371,706
Operating Fund Balance as % of Operating Expenditures	71.0%

The Illinois General Assembly has imposed property tax legislation on all Cook County school districts. The legislation is designed to limit increases in property tax extensions. The limitation slows the growth of property tax revenues to school districts when property values and assessments are increasing faster than the rate of inflation. The legislation limits the levy increase to the lesser of five percent or the increase in the consumer price index (CPI) for the year preceding the levy year. This combined with the use of prior year equalized assessed valuation (EAV) generate property tax receipts. The use of the CPI and prior year EAV variables in property tax calculations is intended to “restrict” the amount of increase in a school district’s levy request.

The administration, in collaboration with teachers and the Board of Education, will continue to provide an exemplary educational experience for all students in the District 39 community. With that being said, district administration continues to analyze long-range forecast financial projections, which are used in prudent fiscal planning sessions with members of the Board of Education.

INDEPENDENT AUDIT

The School Code of Illinois and the District’s adopted policy require an annual audit of the books of accounts, financial records and transactions of all funds of the District. The audit is performed by independent certified public accountants selected by the District’s Board of Education. The independent auditors’ opinion has been included in the Financial Section of this report.

ACKNOWLEDGEMENT

It is our belief that this Comprehensive Annual Financial Report will provide the District’s management, outside investors, and interested local citizens with a most meaningful financial condition as of June 30, 2018.

We extend our appreciation to the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible, progressive manner.

Respectfully Submitted,

Dr. Raymond E. Lechner
Superintendent of Schools

Ellen Crispino
Interim Business Manager

WILMETTE PUBLIC SCHOOLS DISTRICT NO. 39

**615 Locust Road
Wilmette, Illinois 60091**

**Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2018**

Board of Education

		<u>Term Expires</u>
Mark Steen	President	2021
Frank Panzica	Vice President	2019
Ellen Sternweiler	Member	2021
Alice D. Schaff	Member	2019
Jon Cesaretti	Member	2021
Lisa Schneider Fabes	Member	2021
Tracy Kearney	Member	2019

District Administration

Dr. Raymond Lechner - Superintendent
Dr. Romy DeCristofaro – Interim Administrator
for Student and Special Services
Dr. Heather Glowacki – Assistant Superintendent/
Administrator for Human Resources
Katie Lee - Administrator for
Curriculum and Instruction
Tony DeMonte - Director of Technology
Ellen Crispino – Interim Business Manager

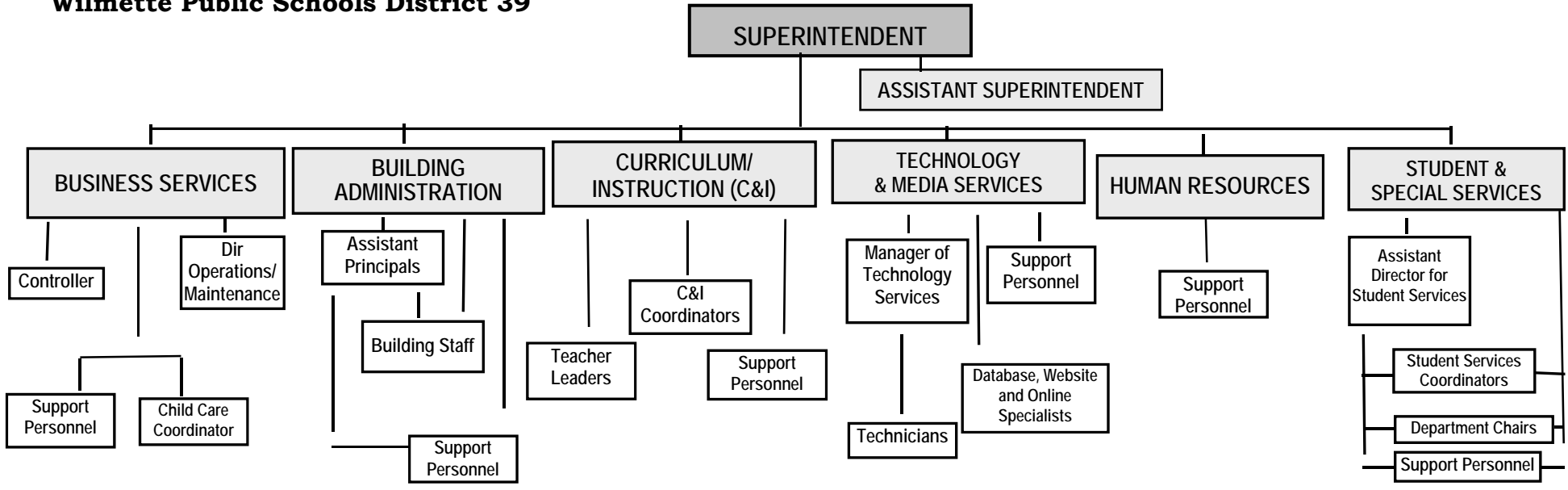
Official Issuing Report

Ellen Crispino
Interim Business Manager

Department Issuing Report

Business Office

Wilmette Public Schools District 39



ADMINISTRATIVE FUNCTIONS Superintendent

The administrative functions of the superintendent can be found in Policy 3:40 *Superintendent*

Business Manager	Principals and Assistant Principals	Administrator for Curriculum/Instruction	Director of Technology and Media Services	Administrator for Human Resources	Administrator for Student & Special Services
<ul style="list-style-type: none"> ◆ Accounting/Auditing ◆ Accounts Receivable/Payable ◆ Before School Child Care ◆ Budget Management ◆ Building and Grounds ◆ Food Services ◆ Investments ◆ Life/Safety Management ◆ Payroll ◆ Purchasing ◆ Rentals ◆ Risk Management/Insurance ◆ Transportation 	<ul style="list-style-type: none"> ◆ Building Level Public Relations ◆ Coordination of Building Special Services ◆ Coordination with PTA/PTO ◆ Home/School Communications ◆ Oversight of Instruction ◆ School-Improvement Planning ◆ Selection of Employees ◆ Site-based Facility Operations ◆ Student Safety ◆ Staff Evaluation 	<ul style="list-style-type: none"> ◆ Assessment Programs <ul style="list-style-type: none"> ▪ State (ISBE-Mandated) ▪ District Curriculum ▪ Students ◆ Curriculum Development and Review ◆ Differentiated Instruction ◆ Grant Coordination ◆ New Staff Orientation and Mentoring ◆ Strategic Planning Facilitation ◆ Staff Development ◆ Assessment and Data Management 	<ul style="list-style-type: none"> ◆ Instructional Technology ◆ Technology Infusion ◆ Library and Learning Commons Services ◆ Mobile Learning Coordination ◆ District Website, Email, and Communication Services ◆ Erate, Library and Technology Grants ◆ Information Systems ◆ Data Management & SIS ◆ Technology Infrastructure and Operations ◆ Hardware/Software Evaluation & Support ◆ District & Building Technical Support ◆ Cyber Security 	<ul style="list-style-type: none"> ◆ Contract Management ◆ Employee Discipline/Due Process ◆ Employee Evaluation ◆ Grievance, Arbitration ◆ Personnel Planning ◆ Policy Revision ◆ Recruitment/Selection ◆ Retirement/Recognition ◆ Substitute Services 	<ul style="list-style-type: none"> ◆ ISBE Special Education Director ◆ Health Services ◆ English Learners ◆ Social Emotional Learning ◆ Home/Hospital Services ◆ Private/Parochial School Services ◆ Student Registration and Records ◆ Student Discipline and Truancy ◆ ADA/504 Compliance Monitor ◆ Safe Schools ◆ Special Education Finance ◆ McKinney Vento and Foster Care Liaison ◆ Staff Evaluation ◆ Assessment and Data Management ◆ New Staff Orientation and Mentoring ◆ Assessment Program <ul style="list-style-type: none"> ▪ State (ISBE-Mandated) ▪ District Curriculum ▪ Students ◆ Coordinate with PASS39



KLEIN HALL

Independent Auditor's Report

Board of Education
Wilmette Public Schools District 39
Wilmette, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wilmette Public Schools District 39 (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Wilmette Public Schools District 39 as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2018. Statement No. 75 expands disclosures related to postemployment benefits other than pensions and requires the District to report the net other postemployment benefit liability in the statement of net position. The adoption of this statement had no effect on any of the District's fund balances but reduced the District's governmental activities net position by \$37,119,971 as of July 1, 2017 as disclosed in note 15. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 introductory section, combining and individual fund financial statements and schedules, and statistical section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and 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 financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2017, which are not presented with the accompanying financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The schedules of revenues, expenditures and changes in fund balances - budget and actual, related to the 2017 financial statements are presented for purposes of additional analysis and are not a required part of the basic

financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 schedules of revenues, expenditures and changes in fund balances - budget and actual are fairly stated in 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 27, 2018, on our consideration of Wilmette Public Schools District 39'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.

A handwritten signature in cursive script that reads "Klein Hall CPAs".

Klein Hall CPAs
Aurora, Illinois
November 27, 2018

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Management's Discussion and Analysis

The discussion and analysis of Wilmette Public Schools District 39's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2018. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

All amounts, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights

- For the sixteenth year in a row, the District will retain the ISBE's highest financial rating for FY18, financial recognition, and its overall weighted score remained 4.00 on a 4-point scale.
- General revenues accounted for \$55.4 or 73.3% of total revenue. General revenues consisted of property tax revenues of \$51.5, other local revenues of \$1.1 and State aid not restricted to specific purposes of \$2.8.
- The District had \$81.3 in expenses related to government activities, of which, \$20.2 were offset by program specific charges, grants and contributions.
- The District committed \$4.6 for construction projects in the coming year.
- The District completed a Learning Commons and large space a/c project at McKenzie Elementary School.
- The District completed a Learning Commons and large space a/c project at Romona Elementary School.
- The District completed a partial roof replacement at McKenzie Elementary School.
- The District replaced three boilers at Wilmette Junior High School and 16 unit-vents at Romona Elementary School.
- The District's long-term unutilized debt margin remains a healthy 87.7% for FY18 with an accessible debt capacity of \$112.2
- The District permanently transferred \$1.0 from the General Fund to the Debt Service Fund to cover debt principal and interest payments and \$3.7 from the General Fund to the Capital Projects Fund to fund construction project.

Overview of the Financial Statements

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

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

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

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Management's Discussion and Analysis

Government-wide financial statements

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

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

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

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

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds (the District maintains no proprietary funds).

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a school district's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Management's Discussion and Analysis

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund (Educational, Operations and Maintenance, Working Cash and Tort Immunity Accounts) and Debt Service Fund, which are considered to be major funds. The Transportation, Municipal Retirement, Capital Projects, and Fire Prevention and Safety Fund are considered nonmajor funds.

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

Fiduciary funds are used to account for resources held for the benefit of parties outside the school district. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that of government-wide financial statements.

Notes to the financial statements

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

Other information

In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its non-certified employees and other post-employment benefits.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Management's Discussion and Analysis

Government-Wide Financial Analysis

Net Position: The District's total assets and deferred outflows are \$115.4, total liabilities and deferred inflows are \$101.5, and the total net position for the year ending June 30, 2018 is \$13.9. (See Table 1)

Table 1				
Condensed Statement of Net Position				
(in millions of dollars)				
	2018		2017	
Assets				
Current assets	\$	72.9	\$	71.3
Capital assets		38.8		40.7
		<u>111.7</u>		<u>112.0</u>
Deferred outflows				
Deferred refunding		0.2		0.1
Pension/OPEB deferrals		3.5		2.8
		<u>3.7</u>		<u>2.9</u>
Liabilities				
Current liabilities		6.5		6.0
Long-term debt outstanding		59.3		27.8
		<u>65.8</u>		<u>33.8</u>
Deferred inflows				
Deferred revenues		24.4		24.1
Pension/OPEB deferrals		11.3		0.3
Total deferred inflows		<u>35.7</u>		<u>24.4</u>
Net position				
Net investment in capital assets		22.7		22.9
Restricted		4.5		4.8
Unrestricted		(13.3)		29.0
Total net position	\$	<u>13.9</u>	\$	<u>56.7</u>

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Management's Discussion and Analysis

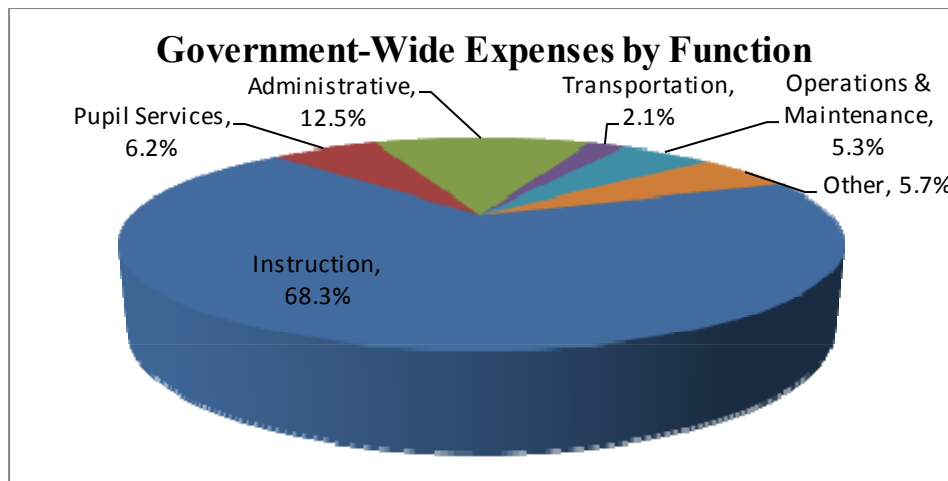
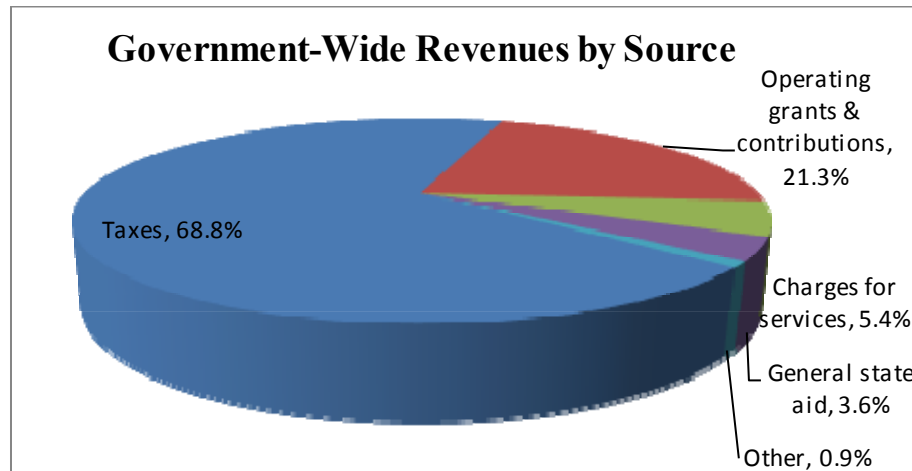
Changes in net position: The District's net position decreased by \$42.8 primarily due to a prior period adjustment related to the implementation of GASB statement No.75. (See Table 2)

Table 2		
Changes in Net Position		
<i>(in millions of dollars)</i>		
	2018	2017
Revenue:		
Program Revenues:		
Charges for services	\$ 4.1	\$ 4.0
Operating grants & contributions	16.1	16.0
General revenues:		
Taxes	52.0	51.3
Evidence based funding	2.7	1.2
Other	0.7	0.5
Total revenues	75.6	73.0
Expenses:		
Instruction	55.5	46.6
Pupil & instructional services	5.0	4.7
Administration & business	10.2	6.3
Transportation	1.7	1.6
Operations & maintenance	4.3	4.2
Other	4.6	5.6
Total expenses	81.3	69.0
Increase in net position	(5.7)	4.0
Net position - beginning, originally reported	56.7	52.7
Prior period adjustment	(37.1)	-
Net position - beginning, as adjusted	19.6	52.7
Net position - end of year	\$ 13.9	\$ 56.7

Property taxes accounted for most of the District's revenue, contributing about 68.8 cents of every dollar raised. The remainder comes from restricted and unrestricted state and federal revenues, fees charged for services and miscellaneous sources. The total cost of all programs and services was \$81.3. The District's expenses are predominantly (76.8%) related to instruction, pupil services and transportation of students.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Management's Discussion and Analysis



Financial Analysis of the District's Funds

The statement of net position includes capital assets and long-term liabilities and therefore presents a financial picture that is different from the traditional modified accrual statements. As the District completed the year, the ending fund balance in all funds was \$41.0, a \$0.4 increase for the year.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Management's Discussion and Analysis

General Fund

FY18 expenses in the Educational Account of the General Fund exceeded revenues by \$1.4. Local revenues increased by \$0.1 or 0.2% compared to last year. State educational aid increased by 18.6% and federal aid decreased 7.0% over 2017. Overall expenditures contributed to the enhancements of the instructional programs, negotiated certified staff salary increases, rising costs in health insurance premiums, and technology improvements. Expenditures of the Educational Account of the General Fund increased 7.1% resulting in a year-end fund balance of \$32.3, after taking into account net other financing uses of (\$2.7).

In FY18, revenues of the Operations and Maintenance Account of the General Fund were \$8.5 and expenditures were \$4.6, resulting to a year-end fund balance of \$3.0, after taking into account other financing sources and uses of (\$2.0).

The Working Cash Account of the General Fund received \$0.1 in tax levy proceeds and interest income. The District uses Working Cash Funds to help support operations through interfund transfers and loans when necessary. The ending fund balance for FY18 was \$1.0.

In FY18, revenues of the Tort Immunity Account of the General Fund were \$0.3 and expenditures were \$0.5 resulting in a year-end fund balance of \$0.8.

Transportation Fund

Overall, the FY18 Transportation Fund revenues exceeded expenditures by \$0.1. Revenue increased by 1.2%. Expenditures increased by 7.3% primarily due to an increase in the number of buses required to support the change in school start and end times.

Municipal Retirement/Social Security Fund

The Municipal Retirement/Social Security Fund expenditures exceeded revenues by \$0.1 resulting in a year end fund balance of \$0.7.

Debt Service Fund

The Debt Service Fund expenditures exceeded revenues and other financing sources by \$0.1, resulting in a year end fund balance of \$1.6.

Fire Prevention and Life Safety Fund

In FY11, the issuance of \$5.1 in long-term debt obligations provided the Fire Prevention and Life Safety Fund the necessary resources to complete designated Life Safety Projects identified through the 10-year Life Safety Survey. The ending fund balance at FY18 was \$0.0.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Management's Discussion and Analysis

Capital Asset and Debt Administration***Capital assets***

The District's capital assets consist of a total investment of \$95.7 (\$38.8 net of accumulated depreciation). Total depreciation expense for the year was \$4.2. More detailed information about capital assets can be found in Note 4 to the basic financial statements.

Table 3				
Capital Assets (net of depreciation)				
(in millions of dollars)				
	2018		2017	
Land	\$	0.6	\$	0.6
Land improvements		1.2		1.5
Buildings		34.8		35.0
Vehicles & Equipment		2.2		2.8
Construction in Progress		-		0.8
Total	\$	38.8	\$	40.7

Long-term debt

In 2018 the District retired \$3.4 in long-term debt. At the end of fiscal year 2018, the District had a debt margin of \$113.8. More detailed information can be found in Note 5 of the basic financial statements.

Table 4				
Outstanding Long-Term Debt				
(in millions of dollars)				
	2018		2017	
General obligation bonds	\$	10.3	\$	11.4
Debt certificates & capital leases		5.9		6.6
Net pension liability		3.0		7.0
OPEB liability		39.2		47.8
Total	\$	58.4	\$	72.8

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Management's Discussion and Analysis

ISBE Financial Profile

The Illinois State Board of Education evaluated the financial integrity of all public school districts based on five standard indicators: operational balance-to-revenue ratio, operational expenditure-to-revenue ratio, operational cash-on-hand, short term debt capacity and long term debt capacity. These scores are weighted and summed to yield a total profile score.

Projected District 39 FY ISBE Financial Profile Calculations					
Indicator	Value	Rating	Weighting	District Score	Max Possible
Fund Balance to revenue	64.6%	4	0.35	1.40	1.40
Expenses to revenue	91.1%	4	0.35	1.40	1.40
Cash on hand	296.85	4	0.10	0.40	0.40
Short term debt remaining	100.0%	4	0.10	0.40	0.40
Long term debt remaining	87.7%	4	0.10	0.40	0.40
Total				4.00	4.00

The District's total profile score last year was 4.00 out of a possible 4.00. The projected score for FY18 is 4.00 out of a possible 4.00. Based on this state formula, the District will continue to be placed in the ISBE's highest category, "Recognition", for financial integrity. In the previous 10 years, the District has scored 4.00 in all but FY09, FY10 and FY11 when it received a 3.55.

Factors Bearing on the District's Future

1. At the time these financial statements were prepared and audited, the District was aware of the following circumstances that may significantly affect its financial health in the future:
2. Since 1995, the District has been subject to tax cap legislation. This legislation severely limits the ability of the District to increase revenues proportionate to the increase in expenditures. The increase in expenditures are due to such factors as the expansion of instructional programming to meet the needs of the students, rising health care costs, contributed implementation of technology and facility needs. Balancing future budgets will continue to be a difficult challenge.
3. The District's certified staff negotiated contract runs through fiscal year 2019.
4. The District's support staff negotiated a contract that took effect in fiscal year 2016. The four-year contract will directly influence expenditure patterns through fiscal year 2020.
5. Refunds from property tax appeals continue to have a negative effect on net local property tax revenue receipts.
6. Pension Issues

Teachers' Retirement System (TRS) is the teacher pension plan in Illinois, covering all teachers and other certified staff employed by school districts outside the City of Chicago. Historically, the state of Illinois has assumed responsibility for school district contributions for all TRS employees on behalf of all school districts including District 39. However, the State of Illinois has a long history of not meeting its funding obligations to TRS. There are many years of non-payments and lost interest to make up; as a result, TRS is underfunded.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Management's Discussion and Analysis

The contributions by the State are recognized by each school district as both revenue and expenditures, as required by the State. They are shown on districts' financial statements as "on behalf" revenue and expenditures.

Looking ahead, if the State of Illinois proceeded with a plan to shift some or all of pension costs to local school districts, D39 would need to cover additional pension costs with no increased revenues.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office:

Wilmette Public Schools District 39
Mikaelian Education Center
615 Locust Road
Wilmette, IL 60091
(847) 512-6000

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Statement of Net Position

June 30, 2018

	Governmental Activities
Assets	
Cash and investments	\$ 47,091,734
Receivables	
Property taxes	24,386,918
Due from other governments	357,299
Other	94,255
Prepaid items	110,349
Net pension asset - IMRF	875,300
Capital assets	
Land and construction in progress	610,765
Other capital assets, net of depreciation	38,143,796
	<hr/>
Total assets	111,670,416
Deferred Outflows	
Deferred amount on refunding	182,138
Deferred outflows related to pensions	1,923,903
Deferred outflows related to other post-employment benefits	1,597,528
	<hr/>
Total deferred outflows	3,703,569
Liabilities	
Accounts payable	213,172
Accrued salaries and related expenses	5,207,161
Unearned grants and fees	1,041,842
Noncurrent liabilities	
Due within one year	1,760,000
Due in more than one year	57,538,964
	<hr/>
Total liabilities	65,761,139
Deferred Inflows	
Property taxes levied for subsequent year	24,386,918
Deferred inflows related to pensions	3,681,139
Deferred inflows related to other post-employment benefits	7,582,707
	<hr/>
Total deferred inflows	35,650,764
Net Position	
Net investment in capital assets	22,744,109
Restricted	
Liability insurance	709,834
Debt service	1,637,997
Transportation	1,482,612
Employee retirement	718,328
Capital projects	159
Unrestricted	(13,330,957)
	<hr/>
Total net position	\$ 13,962,082

See accompanying notes to basic financial statements

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Statement of Activities

Year Ended June 30, 2018

Functions	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental Activities					
Instructional services					
Regular programs	\$ 46,174,967	\$ 1,643,457	\$ 13,887,562	\$ -	\$ (30,643,948)
Special programs	9,284,735	415,430	1,612,754	-	(7,256,551)
Support services					
Pupils	3,565,949	-	-	-	(3,565,949)
Instructional staff	1,391,741	-	57,192	-	(1,334,549)
General administration	2,310,289	-	-	-	(2,310,289)
School administration	2,140,484	-	-	-	(2,140,484)
Business	5,757,034	1,412,204	33,500	-	(4,311,330)
Operation and maintenance of facilities	4,278,136	21,553	-	-	(4,256,583)
Transportation	1,713,891	626,716	509,700	-	(577,475)
Central	2,707,748	-	-	-	(2,707,748)
Other	294,930	-	-	-	(294,930)
Community Services	196,494	-	-	-	(196,494)
Non programmed charges	946,003	-	-	-	(946,003)
Interest on long-term liabilities	513,300	-	-	-	(513,300)
Total Governmental Activities	\$ 81,275,701	\$ 4,119,360	\$ 16,100,708	\$ -	(61,055,633)

General revenues

Property taxes levied for	
General purposes	39,390,624
Specific purposes	10,828,923
Debt service	1,300,958
Personal property replacement taxes	430,217
State aid not restricted to specific purposes	2,796,994
Earnings on investments	494,680
Miscellaneous	188,060
Total general revenues	55,430,456
 Change in net position	 (5,625,177)
 Net position - beginning, as originally stated	 56,707,230
Prior period adjustment	(37,119,971)
 Net position - beginning, as adjusted	 19,587,259
 Net position - ending	 \$ 13,962,082

See accompanying notes to basic financial statements

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Balance Sheet
 Governmental Funds
 June 30, 2018

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Assets				
Cash and investments	\$ 42,744,299	\$ 1,634,725	\$ 2,712,710	\$ 47,091,734
Receivables				
Property taxes	22,723,491	661,843	1,001,584	24,386,918
Due from other governments	229,730	-	127,569	357,299
Other	85,554	3,272	5,429	94,255
Prepaid Items	110,349	-	-	110,349
TOTAL ASSETS	\$ 65,893,423	\$ 2,299,840	\$ 3,847,292	\$ 72,040,555
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 169,643	\$ -	\$ 43,529	\$ 213,172
Accrued salaries and related expenditures	5,150,171	-	56,990	5,207,161
Unearned grants and fees	625,320	-	416,522	1,041,842
Total Liabilities	5,945,134	-	517,041	6,462,175
Deferred Inflows				
Other unavailable revenue	54,033	-	127,568	181,601
Property taxes levied for subsequent year	22,723,491	661,843	1,001,584	24,386,918
Total Deferred Inflows	22,777,524	661,843	1,129,152	24,568,519
Fund Balances				
Nonspendable				
Prepaid items	110,349	-	-	110,349
Restricted				
Liability insurance	709,834	-	-	709,834
Debt service	-	1,637,997	-	1,637,997
Transportation	-	-	1,482,612	1,482,612
Employee retirement	-	-	718,328	718,328
Capital projects	-	-	159	159
Unassigned	36,350,582	-	-	36,350,582
Total Fund Balances	37,170,765	1,637,997	2,201,099	41,009,861
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 65,893,423	\$ 2,299,840	\$ 3,847,292	\$ 72,040,555

See accompanying notes to basic financial statements

WILMETTE PUBLIC SCHOOLS DISTRICT 39
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 June 30, 2018

Total fund balances - governmental funds	\$ 41,009,861
Amounts reported for governmental activities in the statement of net position are different because	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The cost of the assets is \$95,709,954 and the accumulated depreciation is \$56,955,393.	38,754,561
Some of the School District's governmental revenues will be collected after fiscal year end but are not available soon enough to pay for the current period's expenditures and are therefore not accrued in the governmental funds.	181,601
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Deferred amount on refunding	182,138
Long-term debt	(16,192,590)
Net pension liability	(3,032,194)
Other postemployment benefits obligation	(39,198,880)
Deferred inflows and outflows of resources related to pensions are not reported in governmental funds	
Deferred outflows	3,521,431
Deferred inflows	<u>(11,263,846)</u>
Net position of governmental activities	<u><u>\$ 13,962,082</u></u>

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2018

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Local sources	\$ 52,630,375	\$ 1,315,838	\$ 2,806,609	\$ 56,752,822
State sources	17,553,024	-	500,941	18,053,965
Federal sources	1,211,828	-	-	1,211,828
Total Revenues	71,395,227	1,315,838	3,307,550	76,018,615
EXPENDITURES				
Current operating:				
Instruction	46,297,408	-	731,862	47,029,270
Supporting services	18,797,734	-	6,273,368	25,071,102
Community services	184,552	-	11,942	196,494
Non-programmed charges	946,003	-	-	946,003
Debt service				
Principal	-	5,327,440	-	5,327,440
Interest and other	-	602,175	-	602,175
Total Expenditures	66,225,697	5,929,615	7,017,172	79,172,484
Excess (deficiency) of revenues over expenditures	5,169,530	(4,613,777)	(3,709,622)	(3,153,869)
OTHER FINANCING SOURCES (USES)				
Principal on bonds sold	-	3,605,000	-	3,605,000
Transfers in	2,500,000	958,453	3,711,521	7,169,974
Transfers out	(7,169,974)	-	-	(7,169,974)
Total other financing sources (uses)	(4,669,974)	4,563,453	3,711,521	3,605,000
Net change in fund balances	499,556	(50,324)	1,899	451,131
Fund balances at beginning of year	36,671,209	1,688,321	2,199,200	40,558,730
FUND BALANCES AT END OF YEAR	\$ 37,170,765	\$ 1,637,997	\$ 2,201,099	\$ 41,009,861

See accompanying notes to basic financial statements

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement Of Activities
Year Ended June 30, 2018

Net change in fund balances - total governmental funds \$ 451,131

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$1,500 are capitalized and the cost is allocated over their estimated lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$	3,306,074	
Depreciation expense		(4,061,625)	
Loss on disposal of equipment		<u>(1,217,792)</u>	(1,973,343)

Because some of the governmental revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are not accrued in the governmental funds. (368,091)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Change in net pension liability - TRS	\$	258,996	
Change in net pension liability - IMRF		3,658,834	
Change in other postemployment benefits obligation		794,427	
Change in deferred inflows/outflows related to pensions		(4,273,267)	
Change in deferred inflows/outflows related to OPEB		<u>(5,985,179)</u>	(5,546,189)

The governmental funds record bond and loan proceeds as other financing sources, while repayment of bond and loan principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and 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 and loans and related items is as follows:

Bonds issued		(3,605,000)	
Deferred refunding		78,394	
Repayment of bond and loan principal		5,327,440	
Bond premium/discount amortization		53,512	
Deferred refunding amortization		<u>(43,031)</u>	1,811,315

Change in net position of governmental activities \$ (5,625,177)

WILMETTE PUBLIC SCHOOLS DISTRICT 39
Statement of Fiduciary Assets and Liabilities
Agency Fund - Activity Funds
June 30, 2018

Assets

Cash	<u>\$ 207,552</u>
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Liabilities

Due to organizations	<u>\$ 207,552</u>
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WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Wilmette Public School District 39 (the District) operates as a public school system governed by a seven member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

a. The Reporting Entity

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in reporting entity is made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The definition of a component unit is a legally separate organization for which the District is financially accountable and other organizations for which nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The District is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. The District also may be financially accountable if an organization is fiscally dependent on the District, regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board. There are no component units, as defined by GASB, which are included in the District's reporting entity. Even though there are local government agencies within the geographic area served by the District, such as the municipality, library and park district, these agencies have been excluded from the report because they are legally separate and the District is not financially accountable for them.

The District is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

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

- Wilmette County Special Education Agreement (see Note 12)

b. Fund Accounting

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

Governmental funds include the following fund types:

General Fund – The General Fund, which consists of the legally mandated Educational Account, Operations and Maintenance Account, Tort Immunity Account and Working Cash Account, is used to account for the revenues and expenditures, which are used in providing education in the District. It is used to account for all financial resources except those accounted for in other funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Educational Account – These accounts are used for most of the instructional and administrative aspects of the District’s operations, as well as providing school lunch services to students. The revenue consists primarily of local property taxes, state government aid and student registration fees and lunch receipts from the District food service program.

Operations and Maintenance Account – These accounts are used for expenditures made for operation, repair and maintenance of District property. Revenue consists primarily of local property taxes.

Tort Immunity Account – This fund accounts for revenues and expenditures related to tort immunity. Revenue is primarily derived from local property taxes.

Working Cash Account – This fund accounts for financial resources held by the District to be used as loans for working capital requirements to any other fund for which taxes are levied. The Working Cash Account was established and has been used to respond to fluctuations in cash flow resulting from unpredictable property tax collections. The earnings of the fund are allowed to be transferred to another fund under the Illinois Compiled Statutes. The principal of the fund, accumulated from bond issues, can be used as a source from which the District borrows money to support temporary deficiencies in other funds, or may be partially or fully transferred to the General Fund’s Educational Account, upon Board approval.

Special Revenue Funds – Special Revenue Funds account for the proceeds of specific revenue sources (other than Debt Service and Capital Projects Funds) that are legally restricted to expenditures for specified purposes. The District’s Special Revenue Funds are the Transportation and Municipal Retirement/Social Security Funds.

Transportation Fund – This fund accounts for the revenue and expenditures relating to student transportation, both to and from school. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund – This fund accounts for the District’s portion of the pension contributions to the Illinois Municipal Retirement Fund for noncertified employees and social security contributions for applicable certified and noncertified employees. Revenue to finance the contributions is derived primarily from local property taxes.

Debt Service Funds – Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

Capital Projects Funds – Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Project Fund – The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Fire Prevention and Safety Fund – The Fire Prevention and Safety Fund accounts for financial resources to be used for acquisitions and construction projects, which qualify as Fire Prevention and Safety expenditures.

Fiduciary Fund Type

Agency Funds – The Agency Funds (Activity Funds) account for assets held by the District in trustee capacity or as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide financial statements.

The District reports the following funds as major governmental funds:

General Fund
Debt Service Fund

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The District has adopted a policy to net the interfund receivables and payables for combined totals used to determine the major funds. Consequently, the interfund loan balances, which net to zero, are not utilized to determine major funds.

c. Basis of Presentation – Governmental Funds Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. All of the District's operating activities are considered governmental activities, that is, activities that are normally supported by taxes and intergovernmental revenue. The District has no operating activities that would be considered business-type activities.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Net Position

Government-Wide Statements

Net position is classified and displayed in three components:

1. Net investment in capital assets. Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.
2. Restricted. Consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
3. Unrestricted. Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

e. Basis of Accounting/Measurement Focus

The government-wide financial statements and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary fund reporting focuses on net position and changes in net position. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities in the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as a revenue of the current period. All other revenue items are considered to be measurable and available only when the District receives the cash.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Deposits and Investments

State statues and the District's investment policy authorize the District to invest in obligations of the U.S. Treasury, certain highly rated commercial paper, corporate bonds, repurchase agreements, and State Treasurer's Investment Pool. Investments are stated at fair value, which is the market value as determined by published reports of such values.

g. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

h. Revenues – Exchange and nonexchange transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements that specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest, grants, entitlements and student fees.

i. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Property Tax Revenues

The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's 2017 levy ordinance was originally approved during the December 18, 2017 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year. The District's annual property tax levy is subject to two statutory limitations: Individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELA).

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

Property taxes are collected by the County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments; the first due on March 1 and the second due on August 1 for property located in Cook County. Property taxes are normally collected by the District within 60 days of the respective installments dates. Due to the allocation method used, individual fund rates for Cook County may exceed the statutory limits; however, the combined extension is limited to the statutory rate limits extended on the combined equalized assessed valuation.

The 2017 property tax levy is recognized as a receivable in fiscal year 2018. The District considers that the first installment of the 2017 levy is to be used to finance operations in fiscal 2018. The District has determined that the second installment of the 2017 levy is to be used to finance operations in fiscal year 2019 and has deferred the corresponding receivable.

k. Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement Fund, with the balance allocated to the remaining funds at the discretion of the District.

l. Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid assets under the consumption method.

m. Capital Assets

Capital assets, which include land, buildings, buildings improvements, vehicles, equipment, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,500 and an estimated useful life of one year or more. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	20-75 years
Land improvements	20-75 years
Furniture, equipment and vehicles	5-20 years

n. Compensated Absences

Employees receive fifteen sick days annually. Certified staff can accumulate up to 376 days and the non-certified staff could accumulate up to 300 days. Sick leave is not paid out upon termination.

Non-certified 12-month employees receive two to four weeks of vacation time each fiscal year, depending upon years of service. As of June 30, 2018, any vacation time earned but not yet used has not been accrued, as the amount is immaterial. Certified employees who work less than 12 calendar months per year do not earn vacation days.

o. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the 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 as incurred.

In the governmental fund financial statements, the full amounts of discounts, as well as bond issuance costs, are recognized 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.

p. Reserved Fund Balances

In the governmental funds financial statements, the District reserves those portions of fund balances which are legally segregated for a specific purpose or do not represent amounts available for other appropriations.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF), together "the Plans," and additions to/deductions from the Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

r. Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2017, from which such information was derived.

s. Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

t. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

a. Deposits and Custodial Credit Risk

Investments held by the District which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase are reported by the District at amortized cost. All other investments are reported at fair value. Gains or losses on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

At June 30, 2018 the carrying amount of the District's deposits, which include both cash and certificates of deposit (excluding cash on hand of \$117 and student activity funds of \$207,552), totaled \$23,379,719 and the bank balances totaled \$24,233,132. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's investment policy requires collateral to be pledged and held by a third party custodian in the name of the District. Collateral must meet or exceed the market value of the uninsured deposits. As of June 30, 2018 all of the District's deposits were collateralized.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

2. CASH AND INVESTMENTS (Continued)

Fair Value Measurements. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is an investment pool created and regulated by the Illinois General Assembly. The fair value of the District's investment in ISDLAF+ has been determined using the net asset value (NAV) per share (or its equivalent) of the investments. The NAV of the Liquid Class and MAX Class are determined as of the close of business on each Illinois banking day. The Multi-Class Series invests in high-quality short-term debt instruments (money market instruments), and shares may be redeemed on any Illinois banking day. The Term Series invest in high-quality debt instruments, which are generally money market instruments but may include instruments with a maturity over one year, and shares may be redeemed with seven days' advance notice. There were no known restrictions on redemption of the District's investments as of June 30, 2018.

The fair value of the District's investments as of June 30, 2018 were as follows:

Investment Type	Fair value	Maturities (in years) Less than 1	Percent of Portfolio	Applicable Agency Rating
ISDLAF+ Liquid Series	\$ 6,253,355	\$ 6,253,355	26.4%	AAAm
ISDLAF+ MAX Series	1	1	0.0%	AAAm
US Treasury Notes & Bills	17,458,542	17,458,542	73.6%	AAA
Total Investments	\$ 23,711,898	\$ 23,711,898	100.0%	

Interest Rate Risk. The District's investment policy seeks to ensure the preservation of capital in the District's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However the policy requires the District investment portfolio to be sufficiently liquid to enable the District to meet all operating requirements as they come due. A portion of the portfolio is required to be invested in readily available funds to ensure appropriate liquidity.

Credit Risk. The District's investments are rated, as shown above, by the applicable rating agency.

Concentration of Credit Risk. The District places no limit on the amount of the District may invest any one issuer.

Custodial Credit Risk. With respect to deposits, custodial credit risk is the risk that, in the event of bank failure the District's deposits may not be returned to them. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be insured by collateral.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

2. CASH AND INVESTMENTS (Continued)

With respect to investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the government will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring all investments be secured by private insurance or collateral.

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds maintain their invested and uninvested balances in the common account balance attributable to each participating fund.

Occasionally certain funds participating in the common bank accounts will incur overdrafts (deficits) in the account. The overdrafts results from expenditures that have been approved by the Board of Education.

3. INTERFUND TRANSFERS

The following interfund transfers were made during the year ended June 30, 2018:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund - Educational Account	Debt Service Fund	\$ 195,710
General Fund - Educational Account	General Fund - O&M Account	2,500,000
General Fund - O&M Account	Debt Service Fund	762,743
General Fund - O&M Account	Capital Projects Fund	<u>3,711,521</u>
		<u>\$ 7,169,974</u>

The transfers to the O&M Account and Capital Projects Fund was made to provide funds for building construction. Transfers to the Debt Service Fund were made to provide funds for debt service payments.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

4. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance			Balance
	June 30, 2017	Additions	Deletions	June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 610,765	\$ -	\$ -	\$ 610,765
Construction in progress	807,185	-	807,185	-
Total capital assets not being depreciated	<u>1,417,950</u>	-	807,185	<u>610,765</u>
Capital Assets, being depreciated:				
Land Improvements	3,060,714	13,165	151,894	2,921,985
Buildings	73,684,248	2,404,827	-	76,089,075
Equipment and Vehicles	16,789,997	888,082	1,589,950	16,088,129
Total capital assets being depreciated	<u>93,534,959</u>	<u>3,306,074</u>	<u>1,741,844</u>	<u>95,099,189</u>
Accumulated depreciation for:				
Land Improvements	1,550,988	149,749	-	1,700,737
Buildings	38,656,014	2,637,110	-	41,293,124
Equipment and Vehicles	14,018,003	1,274,766	1,331,237	13,961,532
Total accumulated depreciation	<u>54,225,005</u>	<u>4,061,625</u>	<u>1,331,237</u>	<u>56,955,393</u>
Total capital assets being depreciated, net	39,309,954	(755,551)	410,607	38,143,796
Total capital assets, net	<u>\$ 40,727,904</u>	<u>\$ (755,551)</u>	<u>\$ 1,217,792</u>	<u>\$ 38,754,561</u>

Depreciation expense was recognized in the operating activities of the District as follows:

Instructional /Services:

Regular Programs \$ 2,558,823

Special Programs 365,546

Supporting Services:

General Administration 731,093

Operations and maintenance 406,163

\$ 4,061,625

WILMETTE PUBLIC SCHOOLS DISTRICT 39
Notes To Financial Statements (continued)
June 30, 2018

5. LONG-TERM DEBT

During the year ended June 30, 2018, the following changes occurred in Long-Term Debt:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Amount due in one year
General Obligation Bonds	\$ 10,825,000	\$ 3,605,000	\$ 4,585,000	\$ 9,845,000	\$ 1,150,000
Unamortized Premium	558,896	-	56,373	502,523	-
Unamortized Discount	(7,794)	-	(2,861)	(4,933)	-
Total Bonds Payable	\$ 11,376,102	\$ 3,605,000	\$ 4,638,512	\$ 10,342,590	\$ 1,150,000
Debt Certificates	6,400,000	-	550,000	5,850,000	610,000
Capital Lease	192,440	-	192,440	-	-
Net Pension Liability					
TRS	4,166,490	-	258,996	3,907,494	-
IMRF	2,783,534	-	3,658,834	(875,300)	-
OPEB					
THIS	34,231,656	-	621,047	33,610,609	-
Medical and Dental	2,873,336	2,714,935	-	5,588,271	-
Total Long-Term Debt	\$ 62,023,558	\$ 6,319,935	\$ 9,919,829	\$ 58,423,664	\$ 1,760,000

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Original Indebtedness	Face Amount	Carrying Amount
Series 2010 General Obligation Limited Tax School Bonds dated July 7, 2010 are due in annual installments through January 15, 2026	2.00%-4.13%	8,505,000	8,505,000	6,175,000
Series 2014 General Obligation Limited Tax Refunding Bonds dated December 3, 2014 are due in annual installments through December 1, 2018	0.92%	2,045,000	2,045,000	65,000
Series 2017 General Obligation Limited Refunding Bonds dated November 16, 2017 are due in annual installments through December 1, 2020	1.82%	3,605,000	3,605,000	3,605,000
Total		\$ 14,155,000	\$ 14,155,000	\$ 9,845,000

5. LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for general obligation bonds are as follows for government type activities:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 1,150,000	\$ 297,697	\$ 1,447,697
2020	1,210,000	276,513	1,486,513
2021	1,310,000	253,581	1,563,581
2022	1,015,000	241,660	1,256,660
2023	1,345,000	205,120	1,550,120
2024	1,420,000	155,355	1,575,355
2025	1,500,000	96,780	1,596,780
2026	895,000	34,905	929,905
Total	\$ 9,845,000	\$ 1,561,611	\$ 11,406,611

a. Debt Margin

The District is subject to the Illinois Compiled Statues which limits the amount of bond indebtedness, including the certificate of participation, to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2018, the statutory debt limit for the District was \$127,913,214 providing a debt margin of \$113,856,211 after taking into account amounts available in the Debt Service Fund.

b. Certificates of Participation

In fiscal year 2012, the District issued \$7,515,000 in Debt Certificates with an average interest rate of 3.41%. The net proceeds of \$8,176,559 (after premium and payment of underwriting fees, insurance and other issuance costs) were deposited into the Operations and Maintenance Account to be used for various projects. The debt certificates will be repaid from the Debt Service Fund.

Annual debt service requirements to maturity for debt certificates are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 610,000	\$ 189,542	\$ 799,542
2020	635,000	164,642	799,642
2021	660,000	138,742	798,742
2022	685,000	111,842	796,842
2023	715,000	83,842	798,842
2024	740,000	58,442	798,442
2025	760,000	37,652	797,652
2026	775,000	17,694	792,694
2027	270,000	3,718	273,718
Total	\$ 5,850,000	\$ 806,116	\$ 6,656,116

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

5. LONG-TERM DEBT (Continued)

c. Long-Term Capital Leases

The District has entered into an agreement to lease technology infrastructure. The lease calls for annual payments plus interest at 1.686% payable from the Debt Service Fund through transfers from the Educational Account of the General Fund. The lease was paid off during fiscal year 2018. Total assets received under the lease amounts to \$577,373.

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the entity risk pools (see Notes 10 and 11). SSCIP for its general liability and property coverage and School Employees Loss Fund (SELF) for workers' compensation claims. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools.

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. Premiums have been recorded as expenditures in the appropriate funds. No significant reductions in insurance coverage have occurred from the prior year, and no settlements have been made in the last three years which exceeded any insurance coverage.

7. RETIREMENT FUND SYSTEMS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

7. RETIREMENT FUND SYSTEMS (Continued)

a. Teachers' Retirement System of the State of Illinois (TRS)

Plan Description

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

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2017>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

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

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

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

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% of the total actuarial liabilities of the System by the end of fiscal year 2045.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

7. RETIREMENT FUND SYSTEMS (Continued)

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

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on-behalf of the District. For the year ended June 30, 2018, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$13,752,180 in pension contributions from the State of Illinois.

2.2 formula contributions. The District contributes 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2018 were \$179,435, and are deferred because they were paid after the June 30, 2017 measurement date.

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

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

For the year ended June 30, 2018, the employer pension contribution was 10.10% of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$109,478 were paid from the federal and special trust funds that required employer contributions of \$11,057. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

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

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2018, the District paid \$694 to TRS for employer contributions due on salary increases in excess of 6% and made no payments for sick leave days granted in excess of the normal annual allotment.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

7. RETIREMENT FUND SYSTEMS (Continued)*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

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

District's proportionate share of the net pension liability	\$	3,907,494
State's proportionate share of the net pension liability associated with the District		220,633,101
Total	\$	<u>224,540,595</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.00511%, which was a decrease of 0.00017% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$13,752,180 and revenue of \$13,752,180 for support provided by the state. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 42,440	\$ 1,804
Changes in assumptions	260,797	112,283
Net difference between projected and actual earnings on pension plan investments	2,681	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	279,770
Total deferred amounts to be recognized in pension expense in future periods	305,918	393,857
District contributions subsequent to the measurement date	191,186	-
Total	<u>\$ 497,104</u>	<u>\$ 393,857</u>

\$191,186 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

7. RETIREMENT FUND SYSTEMS (Continued)

pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows of Resources
2018	\$ (39,552)
2019	19,661
2020	124
2021	(61,954)
2022	(6,218)
Total	<u>\$ (87,939)</u>

Actuarial Assumptions

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

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Amortization method	Level Percent of Payroll
Remaining amortization period	30 year, open
Inflation	2.50%
Salary increases	Varies by amount of service credit
Investment rate of return	7.00%
Mortality	RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

The same assumptions were used in the June 30, 2016 actuarial valuation.

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:

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

7. RETIREMENT FUND SYSTEMS (Continued)

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

Discount rate

At June 30, 2017, the discount rate used to measure the total pension liability was 7.0 percent, which was a change from the June 30, 2016 rate of 6.83 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

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

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

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

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

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

7. RETIREMENT FUND SYSTEMS (Continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 4,800,867	\$ 3,907,494	\$ 3,175,747

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

b. Illinois Municipal Retirement Fund (IMRF)*Plan Description and Benefits*

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 affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

All employees (other than those covered by TRS) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Plan Membership

As of June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	249
Inactive employees entitled to but not yet receiving benefits	653
Active employees	210
Total	<u>1,112</u>

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

7. RETIREMENT FUND SYSTEMS (Continued)

Contributions

As set by statute, Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actual contribution rates for calendar years 2017 and 2018 were 8.91% and 9.15% of covered payroll, respectively. The District contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Price inflation	2.50%
Salary increases	3.39% to 14.25%
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

7. RETIREMENT FUND SYSTEMS (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	37.0%	6.85%
International equities	18.0%	6.75%
Fixed income	28.0%	3.00%
Real estate	9.0%	5.75%
Alternatives	7.0%	2.65-7.35%
Cash equivalents	1.0%	2.25%
	<u>100.0%</u>	

Discount Rate

The Single Discount Rate used to measure the total pension liability for IMRF was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District 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 plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

7. RETIREMENT FUND SYSTEMS (Continued)*Changes in Net Pension Liability*

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2016	\$ 34,058,955	\$ 31,275,421	\$ 2,783,534
Changes for the year:			
Service Cost	723,817	-	723,817
Interest on the Total Pension Liability	2,499,020	-	2,499,020
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	118,069	-	118,069
Changes of Assumptions	(1,101,216)	-	(1,101,216)
Contributions - Employer	-	617,518	(617,518)
Contributions - Employees	-	323,867	(323,867)
Net Investment Income	-	5,729,651	(5,729,651)
Benefit Payments, including Refunds of Employee Contributions	(2,201,204)	(2,201,204)	-
Other (Net Transfer)	-	(772,512)	772,512
Net Changes	38,486	3,697,320	(3,658,834)
Balances at December 31, 2017	\$ 34,097,441	\$ 34,972,741	\$ (875,300)

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

The following presents the net pension liabilities of the District, calculated using the discount rate, as well as what the District's net pension liabilities would be if they were calculated using discount rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 2,743,909	\$ (875,300)	\$ (3,885,859)

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

For the year ended June 30, 2018, the District recognized pension expense of \$897,348. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

7. RETIREMENT FUND SYSTEMS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 55,658	\$ -
Changes in assumptions	-	519,116
Net difference between projected and actual earnings on pension plan investments	<u>1,034,443</u>	<u>2,768,166</u>
Total deferred amounts to be recognized in pension expense in future periods	1,090,101	3,287,282
Contributions subsequent to the measurement date	<u>337,392</u>	-
Total	<u>\$ 1,427,493</u>	<u>\$ 3,287,282</u>

\$337,392 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ (615,123)
2019	(233,110)
2020	(656,905)
2021	(692,043)
2022	<u>-</u>
Total	<u>\$ (2,197,181)</u>

8. OTHER POST EMPLOYMENT BENEFITS**a. District Plan****Plan Description and Benefits**

The District administers a single-employer defined benefit healthcare plan, the "retiree Healthcare Benefit Program: or "the Plan". The plan provides healthcare insurance for eligible retirees and their dependents through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established by state law and through negotiations between the District and the unions representing District employees, which are renegotiated each bargaining period. As of June 30, 2017, all retirees are eligible for benefits pre and post-Medicare. The Plan does not issue a stand-alone financial report.

Retired teachers are eligible for the Teachers' Retirement Insurance Program (TRIP) with the State of Illinois. Retirees are responsible for the portion of premium rates not covered by the

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

8. OTHER POST EMPLOYMENT BENEFITS

District's health plan and are responsible for the full premium rate. Certain retirees are eligible to receive a stipend to reimburse them for the cost of their health insurance.

Eligibility – Teachers must be age 50 or older with a minimum of 10 years of full-time employment in the District and retire under the provisions of the Illinois Teachers' Retirement. Administrators must submit their irrevocable notice of retirement no less than two years before their retirement date and meet the eligibility requirements to retire under TRS or IMRF. IMRF employees must meet the State requirements for eligibility. Non-union employees must meet the IMRF eligibility requirements. Surviving spouses of IMRF and non-union employees are eligible to remain on the District's plan until age 65.

Funding Policy

All plan funding is done on a pay-as-you go basis.

By allowing retirees (who are generally older than the District's other employees) to remain on the District's health coverage, there is an implicit rate subsidy to the retirees as they are paying a lower rate for health insurance than they could get on the open market. Because of this implicit rate subsidy, the actual cost to the District is indeterminable. However, it is estimated that for the fiscal year June 30, 2018, the District's cost for the plan was \$397,946.

Employees Covered by Benefit Terms

As of June 30, 2018, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefits	250
Active employees	538
Total	<u>788</u>

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine the total OPEB liability at June 30, 2018:

Actuarial cost method	Entry Age Normal
Asset valuation method	N/A
Inflation	2.50%
Salary increases	3.50%
Investment rate of return	N/A
Retirement rates	Certified Staff & TRS Administrators – TRS retirement rates reduced by 25% Support Staff – Certified Staff & TRS Administrators rate as above reduced by 50% for ages 59 and younger and 30% for ages 60 and subsequent
Mortality	RP-2000 with Mortality Improvement to 2017 using Scale AA
Healthcare cost trend rates	For fiscal years on and after 2019, trend starts at 6.00% for the District's Plan and 5% for TRIP, and gradually decreasing

to an ultimate trend of 5.00% by 2027.

8. OTHER POST EMPLOYMENT BENEFITS (Continued)

Discount Rate

The District does not have a dedicated Trust to pay the benefits of the Plan. Per GASB 75, this discount rate is a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The discount rate used is 3.61%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2017.

Changes in Net OPEB Liability

	Total/Net OPEB Liability
Balances at June 30, 2017	<u>\$ 5,761,651</u>
Changes for the year:	
Service Cost	182,964
Interest on the Total Pension Liability	207,996
Changes of Assumptions	(166,394)
Benefit Payments, including Refunds of Employee Contributions	<u>(397,946)</u>
Net Changes	<u>(173,380)</u>
Balances at June 30, 2018	<u><u>\$ 5,588,271</u></u>

Sensitivity of the employer's proportionate share of the net OPEB liability to changes in the discount rate and healthcare cost trend rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.58%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Net OPEB liability (asset)	<u>\$ 2,743,909</u>	<u>\$ (875,300)</u>	<u>\$ (3,885,859)</u>

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

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

8. OTHER POST EMPLOYMENT BENEFITS (Continued)

	1% Decrease (5.00%)	Current Healthcare Cost Trend Rate (6.00%)	1% Increase (7.00%)
Net OPEB liability (asset)	\$ 2,743,909	\$ (875,300)	\$ (3,885,859)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized OPEB expense of \$68,856. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 2,833,612
Changes in assumptions	326,565	727,902
Total	\$ 326,565	\$ 3,561,514

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in OPEB expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2019	\$ (308,123)
2020	(308,123)
2021	(308,123)
2022	(308,123)
2023	(308,123)
Thereafter	(1,694,334)
Total	\$ (3,234,949)

b. Teacher Health Insurance Security Fund (THIS)*Plan Description*

The District participates in the THIS. The THIS is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan (OPEB) that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. The THIS members are retirees of public schools who were certified educators or administrators. Eligibility is currently limited to former full-time employees, and others who were not full-time employees that meet certain requirements, and their dependents. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) (SEGIA) establishes the eligibility and benefit provisions of the plan.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

8. OTHER POST EMPLOYMENT BENEFITS (Continued)

The THIS issues a publicly available financial report that can be obtained at the website of the Illinois Auditor General: <https://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services"; prior reports are available under "Healthcare and Family Services".

Benefits Provided

The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state administered participating provider option plan or choose from several managed care options. Annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

Amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS.

Contributions

The SEGIA requires that all active contributors to the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.18% of salary and for every employer of a teacher to contribute an amount equal to 0.88% of each teacher's salary. Additionally, the SEGIA requires the State to match the employees' contribution on-behalf of the employer. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the THIS, an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

The SEGIA requires that the Department's Director determine the rates and premiums of annuitants and dependent beneficiaries and establish the cost-sharing parameters, as well as funding. Member premiums are set by this statute, which provides for a subsidy of either 50% or 75%, depending upon member benefit choices. Dependents are eligible for coverage, at a rate of 100% of the cost of coverage.

On-behalf contributions to THIS. The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.18% of pay during the year ended June 30, 2018. State of Illinois contributions were \$365,057, and the district recognized revenue and expenditures of this amount during the year.

Employer contributions to THIS Fund. The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.88% during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$272,246 to the THIS Fund, which was 100 percent of the required contribution.

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

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

8. OTHER POST EMPLOYMENT BENEFITS (Continued)

At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liability. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$	33,610,609
State's proportionate share of the net OPEB liability associated with the District		44,139,081
Total	<u>\$</u>	<u>77,749,690</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The District's proportion of the net OPEB liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.129523%, which was an increase of 0.004297% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$2,651,718.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 19,037
Changes in assumptions	-	4,001,787
Net difference between projected and actual earnings on OPEB plan investments	-	370
Changes in proportion and differences between District contributions and proportionate share of contributions	998,717	-
Total deferred amounts to be recognized in OPEB expense in future periods	998,717	4,021,194
District contributions subsequent to the measurement date	272,246	-
Total	<u>\$ 1,270,963</u>	<u>\$ 4,021,194</u>

\$272,246 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

8. OTHER POST EMPLOYMENT BENEFITS (Continued)

Year Ending June 30	Net Deferred Inflows of Resources
2018	\$ 464,318
2019	464,318
2020	464,318
2021	464,318
2022	464,225
Thereafter	700,980
Total	<u>\$ 3,022,477</u>

Actuarial Valuation Method

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

Actuarial Assumptions

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

Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption,
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation.
Healthcare cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table, All tables reflect future mortality improvements using Projection Scale MP-2014.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

8. OTHER POST EMPLOYMENT BENEFITS (Continued)

Discount rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since the THIS is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017. The increase in the single discount rate from 2.85% to 3.56% caused the total OPEB liability to decrease by approximately \$3.564 billion from 2016 to 2017.

Sensitivity of the employer's proportionate share of the net OPEB liability to changes in the discount rate and healthcare cost trend rate

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

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
District's proportionate share of the net OPEB liability	\$ 40,332,554	\$ 33,610,609	\$ 28,231,987

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

	1% Decrease (a)	Healthcare Cost Trend Rate Assumptions	1% Increase (b)
District's proportionate share of the net OPEB liability	\$ 27,127,204	\$ 33,610,609	\$ 42,916,440

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.09% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

9. FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

a. Nonspendable Fund Balance

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.

b. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. 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.

c. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

d. Assigned Fund Balance

The assigned fund balance classification refers to the amounts that are constrained by the government’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

e. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds.

f. Expenditures of Fund Balance

Unless specifically identified, expenditures disbursed act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures disbursed for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Notes To Financial Statements (continued)

June 30, 2018

10. 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 5540 Arlington Drive, Hanover Park, IL 60103.

11. 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 and 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 their accountant at Two Pierce Place, Itasca, IL 60143.

12. JOINT VENTURE – WILMETTE COMMUNITY SPECIAL EDUCATION AGREEMENT (WCSEA)

The District and other districts 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 the Agreement can be obtained from the Administrative Offices at 615 Locust Road Wilmette, Illinois 60091.

13. STATE AND FEDERAL AID CONTINGENCIES

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

14. CONTINGENT LIABILITIES

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

15. CHANGE IN ACCOUNTING PRINCIPLE

The District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2018. Statement No. 75 expands disclosures related to postemployment benefits other than pensions and requires the District to report the net other postemployment benefit liability in the statement of net position. The adoption of this statement had no effect on any of the District's fund balances but reduced the District's governmental activities net position by \$37,119,971 as of July 1, 2017.

WILMETTE PUBLIC SCHOOLS DISTRICT 39
Schedule of Changes in the Employer's Net Pension Liability
And Related Ratios
Illinois Municipal Retirement Fund
Last Four Calendar Years

	2017	2016	2015	2014
TOTAL PENSION LIABILITY				
Service Cost	\$ 723,817	\$ 731,347	\$ 726,522	\$ 725,192
Interest	2,499,020	2,395,180	2,306,643	2,125,394
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	118,069	386,452	180,066	159,343
Changes of Assumptions	(1,101,216)	(34,872)	33,912	1,310,231
Benefit Payments, Including Refunds of Member Contributions	(2,201,204)	(2,063,711)	(1,989,115)	(1,819,252)
Net Change in Total Pension Liability	38,486	1,414,396	1,258,028	2,500,908
Total Pension Liability - Beginning	34,058,955	32,644,559	31,386,531	28,885,623
TOTAL PENSION LIABILITY - ENDING	\$ 34,097,441	\$ 34,058,955	\$ 32,644,559	\$ 31,386,531
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 617,518	\$ 664,179	\$ 671,124	\$ 843,545
Contributions - Member	323,867	314,149	301,431	286,853
Net Investment Income	5,729,651	2,052,378	149,745	1,769,032
Benefit Payments, Including Refunds of Member Contributions	(2,201,204)	(2,063,711)	(1,989,115)	(1,819,252)
Administrative Expense	(772,512)	116,596	601,304	32,211
Net Change in Plan Fiduciary Net Position	3,697,320	1,083,591	(265,511)	1,112,389
Plan Net Position - Beginning	31,275,421	30,191,830	30,457,341	29,344,952
PLAN NET POSITION - ENDING	\$ 34,972,741	\$ 31,275,421	\$ 30,191,830	\$ 30,457,341
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ (875,300)	\$ 2,783,534	\$ 2,452,729	\$ 929,190
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.57%	91.83%	92.49%	97.04%
Covered-Employee Payroll	\$ 6,930,609	\$ 6,843,588	\$ 6,628,082	\$ 6,454,190
Employer's Net Pension Liability as a Percentage of Covered - Employee Payroll	-12.63%	40.67%	37.01%	14.40%

The District implemented GASB Statement No. 68 in fiscal year 2015.
Information prior to fiscal year 2015 is not available.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of Employer Contributions

Illinois Municipal Retirement Fund

Last Four Fiscal Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 633,682	\$ 633,682	-	\$ 7,012,709	9.04%
2017	633,461	633,461	-	6,827,475	9.28%
2016	672,889	672,889	-	6,802,520	9.89%
2015	642,192	642,192	-	6,454,190	9.95%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	26 years, closed
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.50%
Price inflation	2.75%
Salary increases	3.75% to 14.50%
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, 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.

Other Information:
Notes

There were no benefit changes during the year.

The District implemented GASB Statement No. 68 in fiscal year 2015.
Information prior to fiscal year 2015 is not available.

WILMETTE PUBLIC SCHOOLS DISTRICT 39
Schedule of the District's Proportionate Share of the
Net Pension Liability
Teachers' Retirement System
Last Four Fiscal Years

	2018 *	2017 *	2016 *	2015 *
District's proportion of the net pension liability	0.00511%	0.00528%	0.00566%	0.00569%
District's proportionate share of the net pension liability	\$ 3,907,494	\$ 4,166,490	\$ 3,705,118	\$ 3,463,973
State's proportionate share of the net pension liability associated with the District	220,633,101	231,518,876	185,731,557	171,634,448
Total	\$ 224,540,595	\$ 235,685,366	\$ 189,436,675	\$ 175,098,421
District's covered payroll	\$ 30,937,051	\$ 29,794,213	\$ 29,265,590	\$ 28,721,251
District's proportionate share of the net pension liability as a percentage of it's covered payroll	12.63%	13.98%	12.66%	12.06%
Plan fiduciary net position as a percentage of the total pension liability	39.30%	36.40%	41.50%	43.00%

Notes to Schedule

Changes of assumptions

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

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a 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 a real return of 4.5 percent. However, salary increases were assumed to vary by age.

* The amounts presented have a measurement date of the previous fiscal year end.

The District implemented GASB Statement No. 68 in fiscal year 2015.
Information prior to fiscal year 2015 is not available.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of Employer Contributions

Teachers' Retirement System

Last Four Fiscal Years

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 191,186	\$ 191,186		\$ 30,937,051	0.62%
2017	210,694	210,694	-	29,794,213	0.71%
2016	204,414	204,414	-	29,167,864	0.70%
2015	201,685	201,685	-	28,721,251	0.70%

The District implemented GASB Statement No. 68 in fiscal year 2015.
Information prior to fiscal year 2015 is not available.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of the District's Proportionate Share of the Net OPEB Liability

Teachers' Health Insurance Security Fund

Year Ended June 30, 2018

	<u>2018*</u>
District's proportion of the net OPEB liability	0.129523%
District's proportionate share of the net OPEB liability	\$ 33,610,609
State's proportionate share of the net OPEB liability associated with the District	<u>44,139,081</u>
	<u>\$ 77,749,690</u>
District's covered-employee payroll	\$ 30,937,051
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	108.64%
Plan fiduciary net position as a percentage of the total pension liability	0.00%

* The amounts presented have a measurement datge of the previous fiscal year end

The District implemented GASB Statement No. 75 in fiscal year 2018.
Information prior to fiscal year 2018 is not available.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of Employer Contributions

Teachers' Health Insurance Security Fund

Year Ended June 30, 2018

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 272,246	\$ 272,246	\$ -	\$ 30,937,051	0.88%

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

WILMETTE PUBLIC SCHOOLS DISTRICT 39
 Schedule of Revenues, Expenditures and Changes in Fund
 Balances - Budget and Actual - General Fund
 Year Ended June 30, 2018

	General Fund		
	Original and Final Budget	Actual	Variance Over/Under
REVENUES			
Local sources	\$ 52,038,818	\$ 52,630,375	\$ 591,557
State sources	16,998,204	17,553,024	554,820
Federal sources	1,160,196	1,211,828	51,632
Total Revenues	70,197,218	71,395,227	1,198,009
EXPENDITURES			
Current operating			
Instruction	47,089,986	46,297,408	792,578
Support services	19,897,502	18,797,734	1,099,768
Community services	193,877	184,552	9,325
Non-programmed charges	1,049,887	946,003	103,884
Total Expenditures	68,231,252	66,225,697	2,005,555
Excess of revenues over expenditures	1,965,966	5,169,530	3,203,564
OTHER FINANCING SOURCES (USES)			
Transfers in	2,500,000	2,500,000	-
Transfers out	(7,608,453)	(7,169,974)	438,479
Total other financing sources (uses)	(5,108,453)	(4,669,974)	438,479
Net change in fund balance	<u>\$ (3,142,487)</u>	499,556	<u>\$ 3,642,043</u>
Fund balances at beginning of year		<u>36,671,209</u>	
FUND BALANCES AT END OF YEAR		<u>\$ 37,170,765</u>	

BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets for all Governmental Funds are adopted on the modified accrual basis, consistent with generally accepted accounting principles (GAAP) for local governments. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Funds. All encumbrances are canceled at year end, and, if necessary, are reinstated at the beginning of the subsequent fiscal year.

Legal spending control for District moneys is at the fund level, but management control is exercised at budgetary line item levels within each fund. The Board of Education, in accordance with Chapter 105, Section 5/17-1 of the *Illinois Compiled Statutes*, 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.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; 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. The budget, which was not amended, was adopted on August 28, 2017.
5. Formal budgetary integration is employed as a management control device during the year for the 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 (all appropriations) lapses at the end of each fiscal year. 1

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Balance Sheet by Account

General Fund

June 30, 2018

	Educational	Operations and Maintenance	Working Cash	Tort Immunity	Total General
ASSETS					
Cash and investments	\$ 37,903,571	\$ 3,106,910	\$ 1,014,867	\$ 718,951	\$ 42,744,299
Receivables					
Property taxes	18,501,145	4,057,977	37,072	127,297	22,723,491
Due from other governments	221,874	7,856	-	-	229,730
Other	75,865	6,218	2,032	1,439	85,554
Prepaid items	-	-	-	110,349	110,349
TOTAL ASSETS	\$ 56,702,455	\$ 7,178,961	\$ 1,053,971	\$ 958,036	\$ 65,893,423
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 58,202	\$ 100,885	\$ -	\$ 10,556	\$ 169,643
Accrued salaries and related expenditures	5,147,749	2,422	-	-	5,150,171
Unearned grants and fees	625,320	-	-	-	625,320
Total Liabilities	5,831,271	103,307	-	10,556	5,945,134
Deferred Inflows					
Other deferred revenue	54,033	-	-	-	54,033
Property taxes levied for subsequent year	18,501,145	4,057,977	37,072	127,297	22,723,491
Total Deferred Inflows	18,555,178	4,057,977	37,072	127,297	22,777,524
Fund balances					
Nonspendable					
Prepaid items	-	-	-	110,349	110,349
Restricted					
Liability insurance	-	-	-	709,834	709,834
Unassigned	32,316,006	3,017,677	1,016,899	-	36,350,582
Total Fund Balances	32,316,006	3,017,677	1,016,899	820,183	37,170,765
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 56,702,455	\$ 7,178,961	\$ 1,053,971	\$ 958,036	\$ 65,893,423

WILMETTE PUBLIC SCHOOLS DISTRICT 39
Schedule of Revenues, Expenditures and Changes
in Fund Balances by Account
General Fund
Year Ended June 30, 2018

	Educational	Operations and Maintenance	Working Cash	Tort Immunity	Total General
REVENUES					
Local sources	\$ 43,711,109	\$ 8,487,021	\$ 103,420	\$ 328,825	\$ 52,630,375
State sources	17,552,149	875	-	-	17,553,024
Federal sources	1,211,828	-	-	-	1,211,828
Total Revenues	62,475,086	8,487,896	103,420	328,825	71,395,227
EXPENDITURES					
Current operating					
Instruction	46,297,408	-	-	-	46,297,408
Support services	13,711,188	4,588,055	-	498,491	18,797,734
Community services	184,552	-	-	-	184,552
Non-programmed charges	946,003	-	-	-	946,003
Total Expenditures	61,139,151	4,588,055	-	498,491	66,225,697
Excess of revenues over (under) expenditures	1,335,935	3,899,841	103,420	(169,666)	5,169,530
OTHER FINANCING SOURCES (USES)					
Transfers in	-	2,500,000	-	-	2,500,000
Transfers out	(2,695,710)	(4,474,264)	-	-	(7,169,974)
Total other financing sources (uses)	(2,695,710)	(1,974,264)	-	-	(4,669,974)
Net change in fund balance	(1,359,775)	1,925,577	103,420	(169,666)	499,556
Fund balances at beginning of year	33,675,781	1,092,100	913,479	989,849	36,671,209
FUND BALANCES AT END OF YEAR	\$ 32,316,006	\$ 3,017,677	\$ 1,016,899	\$ 820,183	\$ 37,170,765

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources				
General levy	\$ 38,422,910	\$ 39,096,988	\$ 674,078	\$ 39,072,728
Special education levy	294,592	293,636	(956)	289,267
Corporate personal property replacement taxes	425,000	412,617	(12,383)	496,557
Tuition	620,000	709,345	89,345	657,678
Investment income	306,000	401,345	95,345	251,093
Food services	1,450,000	1,412,204	(37,796)	1,380,322
Pupil activities	1,193,500	1,164,656	(28,844)	1,214,466
Contributions from private sources	1,000	-	(1,000)	-
Other	207,406	220,318	12,912	240,665
Total local sources	42,920,408	43,711,109	790,701	43,602,776
State sources				
Unrestricted				
Evidence based funding formula	1,225,740	2,796,994	1,571,254	1,225,740
Restricted				
Special education - private facility tuition	240,000	212,257	(27,743)	199,291
Special education - extraordinary	415,000	105,050	(309,950)	420,599
Special education - personnel	1,080,000	279,814	(800,186)	1,120,615
Special education - orphanage individual	10,000	17,298	7,298	39,197
Special education- orphanage summer individual	-	795	795	-
Special education - summer school	1,000	1,027	27	-
Bilingual education - downstate - TPI	20,410	19,323	(1,087)	7,943
Other restricted revenue from state sources	2,354	2,354	-	2,212
On behalf payment to TRS from the state	14,003,700	14,117,237	113,537	11,778,497
Total state sources	16,998,204	17,552,149	553,945	14,794,094
Federal sources				
Restricted				
Special milk program	35,000	33,500	(1,500)	34,582
Title I - low income	102,632	106,683	4,051	113,712
Federal - special education - preschool	34,474	34,629	155	36,622
Federal - special education - IDEA	821,163	817,655	(3,508)	811,478
Federal - special education - IDEA - R&B	-	106,084	106,084	107,656
Title III - English language acquisition	26,908	17,940	(8,968)	29,587
Title II - teacher quality	55,019	57,192	2,173	46,189
Medicaid - administrative outreach	60,000	13,164	(46,836)	82,899
Medicaid - fee for service	25,000	24,981	(19)	40,661
Total federal sources	1,160,196	1,211,828	51,632	1,303,386
Total revenues	\$ 61,078,808	\$ 62,475,086	\$ 1,396,278	\$ 59,700,256

(Continued)

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
EXPENDITURES				
Current operating				
Instruction				
Regular programs				
Salaries	\$ 19,781,883	\$ 19,287,214	\$ 494,669	\$ 18,666,077
Employee benefits	2,407,543	2,383,544	23,999	2,172,546
On-behalf payments to TRS from the state	14,003,700	14,117,237	(113,537)	11,778,497
Purchased services	57,190	53,591	3,599	51,760
Supplies and materials	342,432	329,059	13,373	331,802
Capital outlay	119,167	40,126	79,041	82,535
Total	36,711,915	36,210,771	501,144	33,083,217
Special education programs				
Salaries	5,069,421	5,778,560	(709,139)	5,302,610
Employee benefits	817,018	999,386	(182,368)	846,123
Purchased services	67,160	73,681	(6,521)	51,829
Supplies and materials	63,513	49,392	14,121	43,786
Capital outlay	10,000	-	10,000	4,940
Other objects	350	150	200	300
Total	6,027,462	6,901,169	(873,707)	6,249,588
Special education Pre-K programs				
Salaries	1,685,953	824,570	861,383	788,095
Employee Benefits	319,478	146,839	172,639	136,730
Purchased services	8,480	-	8,480	1,966
Supplies and materials	11,861	2,853	9,008	7,506
Capital outlay	1,500	-	(1,500)	-
Total	2,027,272	974,262	1,053,010	934,297
Remedial and supplemental programs				
Salaries	567,464	555,533	11,931	519,831
Employee benefits	111,734	104,230	7,504	98,917
Supplies and materials	50	18,663	(18,613)	50
Total	679,248	678,426	822	618,798
Interscholastic programs				
Salaries	81,000	80,821	179	77,660
Employee benefits	1,179	1,085	94	1,000
Purchased services	11,000	9,053	1,947	8,129
Supplies and materials	12,000	12,000	-	13,702
Total	\$ 105,179	\$ 102,959	\$ 2,220	\$ 100,491

(Continued)

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
Summer school				
Salaries	\$ 291,550	\$ 210,191	\$ 81,359	\$ 254,608
Employee benefits	4,125	2,285	1,840	2,672
Purchased services	15,750	11,513	4,237	19,489
Supplies and materials	30,000	21,474	8,526	23,629
Other objects	127,000	81,209	45,791	76,590
Total	468,425	326,672	141,753	376,988
Differentiation specialists				
Salaries	650,191	663,714	(13,523)	611,840
Employee benefits	63,525	77,975	(14,450)	57,902
Total	713,716	741,689	(27,973)	669,742
Bilingual				
Salaries	297,537	308,782	(11,245)	383,109
Employee benefits	53,417	45,094	8,323	43,048
Purchased services	500	-	500	326
Supplies and materials	5,315	7,584	(2,269)	13,775
Total	356,769	361,460	(4,691)	440,258
Total instruction	47,089,986	46,297,408	792,578	42,473,379
Support services				
Pupils				
Attendance and social work:				
Salaries	792,052	810,618	(18,566)	780,920
Employee benefits	92,017	80,280	11,737	79,628
Purchased services	1,640	12,578	(10,938)	94
Supplies and materials	1,575	464	1,111	955
Total	\$ 887,284	\$ 903,940	\$ (16,656)	\$ 861,597

(Continued)

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
Health services				
Salaries	\$ 291,871	\$ 282,388	\$ 9,483	\$ 270,676
Employee benefits	36,038	30,740	5,298	32,774
Purchased services	97,400	10,179	87,221	43,427
Supplies and materials	6,450	5,394	1,056	5,724
Other objects	300	469	(169)	-
Total	432,059	329,170	102,889	352,601
Psychological services				
Salaries	609,810	515,845	93,965	583,130
Employee benefits	85,378	73,274	12,104	70,318
Purchased services	2,250	-	2,250	-
Supplies and materials	3,800	1,223	2,577	2,845
Capital outlay	800	-	800	-
Total	702,038	590,342	111,696	656,293
Speech pathology and audiology services				
Salaries	707,885	716,455	(8,570)	669,952
Employee benefits	91,164	89,873	1,291	76,807
Purchased services	3,350	35,654	(32,304)	3
Supplies and materials	3,700	1,334	2,366	860
Total	806,099	843,316	(37,217)	747,622
Other support services				
Salaries	701,254	661,353	39,901	598,354
Employee benefits	63,393	52,150	11,243	45,587
Purchased services	6,150	9,657	(3,507)	235
Supplies and materials	5,300	1,430	3,870	2,243
Other objects	300	164	136	65
Total	776,397	724,754	51,643	646,484
Total pupils	\$ 3,603,877	\$ 3,391,522	\$ 212,355	\$ 3,264,597

(Continued)

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
Instructional staff				
Improvement of instruction services				
Salaries	\$ 272,164	\$ 284,836	\$ (12,672)	\$ 256,975
Employee benefits	49,739	48,257	1,482	44,827
Purchased services	91,745	123,210	(31,465)	94,945
Supplies and materials	800	800	-	733
Total	414,448	457,103	(42,655)	397,480
Educational media services				
Salaries	721,659	714,931	6,728	681,705
Employee benefits	105,654	116,292	(10,638)	100,662
Purchased services	3,700	2,358	1,342	2,963
Supplies and materials	69,035	65,232	3,803	64,489
Total	900,048	898,813	1,235	849,819
Assessment/testing				
Purchased services	4,350	2,197	2,153	3,000
Total	4,350	2,197	2,153	3,000
Total instructional staff	1,318,846	1,358,113	(39,267)	1,250,299
General administration				
Board of education				
Salaries	78,126	78,126	-	73,896
Employee benefits	11,245	8,388	2,857	10,143
Purchased services	139,370	108,259	31,111	150,316
Supplies and materials	10,000	12,979	(2,979)	8,795
Other objects	10,000	11,883	(1,883)	7,665
Total	248,741	219,635	29,106	250,815
Executive administration				
Salaries	322,192	327,874	(5,682)	318,081
Employee benefits	61,154	63,023	(1,869)	62,478
Purchased services	7,985	9,198	(1,213)	8,903
Supplies and materials	1,500	1,470	30	1,565
Capital outlay	1,000	-	1,000	-
Other objects	14,500	14,444	56	11,492
Total	\$ 408,331	\$ 416,009	\$ (7,678)	\$ 402,519

(Continued)

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
Special area administration				
Salaries	\$ 330,250	\$ 330,862	\$ (612)	\$ 309,052
Employee benefits	68,338	63,083	5,255	64,372
Purchased services	6,184	9,702	(3,518)	6,383
Supplies and materials	2,284	2,198	86	1,802
Other objects	1,125	583	542	590
Total	408,181	406,428	1,753	382,199
Total general administration	1,065,253	1,042,072	23,181	1,035,533
School administration				
Salaries	1,591,785	1,592,848	(1,063)	1,560,677
Employee benefits	400,742	368,295	32,447	358,389
Purchased services	21,050	18,883	2,167	12,084
Supplies and materials	90,485	77,441	13,044	79,406
Capital outlay	1,300	3,878	(2,578)	2,808
Other objects	5,125	385	4,740	1,348
Total	2,110,487	2,061,730	48,757	2,014,712
Total school administration	2,110,487	2,061,730	48,757	2,014,712
Business				
Direction of business support services				
Salaries	94,356	100,824	(6,468)	85,615
Employee benefits	7,154	5,902	1,252	6,543
Purchased services	5,200	2,393	2,807	2,311
Supplies and materials	5,600	5,255	345	4,685
Other	2,200	1,991	209	1,430
Total	\$ 114,510	\$ 116,365	\$ (1,855)	\$ 100,584

(Continued)

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
Fiscal services				
Salaries	\$ 233,737	\$ 236,637	\$ (2,900)	\$ 219,740
Employee benefits	36,612	37,957	(1,345)	33,079
Purchased services	22,000	16,247	5,753	8,171
Capital outlay	5,000	3,658	1,342	2,916
Other objects	95,000	76,236	18,764	56,926
Total	392,349	370,735	21,614	320,832
Food services				
Salaries	753,288	757,631	(4,343)	734,370
Employee benefits	120,161	117,134	3,027	108,148
Purchased services	15,725	10,515	5,210	10,860
Supplies and materials	971,250	992,991	(21,741)	981,834
Capital outlay	10,000	8,861	1,139	8,726
Total	1,870,424	1,887,132	(16,708)	1,843,938
Total business	2,377,283	2,374,232	3,051	2,265,354
Central				
Planning, research, development and evaluation services				
Salaries	331,386	340,059	(8,673)	384,947
Employee benefits	26,873	29,655	(2,782)	28,208
Purchased services	127,650	31,928	95,722	77,898
Supplies and materials	361,200	327,707	33,493	352,920
Other objects	3,600	3,555	45	3,200
Total	\$ 850,709	\$ 732,904	\$ 117,805	\$ 847,173

(Continued)

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
Information services				
Purchased services	\$ 224,000	\$ 208,942	\$ 15,058	\$ 221,835
Supplies and materials	8,500	10,513	(2,013)	7,445
Total	232,500	219,455	13,045	229,280
Staff services				
Salaries	310,501	291,810	18,691	283,905
Employee benefits	57,520	51,871	5,649	52,929
Purchased services	67,592	31,490	36,102	36,889
Supplies and materials	4,000	2,419	1,581	2,300
Capital outlay	4,000	-	4,000	3,038
Other objects	3,000	3,418	(418)	2,218
Total	446,613	381,008	65,605	381,279
Data processing services				
Salaries	469,032	450,504	18,528	447,599
Employee benefits	56,592	55,403	1,189	47,941
Purchased services	105,130	102,876	2,254	74,902
Supplies and materials	321,400	317,519	3,881	325,601
Capital outlay	817,800	918,218	(100,418)	712,262
Non-Capitalized equipment	-	-	-	88,608
Total	1,769,954	1,844,520	(74,566)	1,696,913
Total central	3,299,776	3,177,887	121,889	3,154,645
Other support services				
Employee benefits	414,000	294,672	119,328	389,833
Supplies and materials	30,423	258	30,165	17,262
Capital outlay	20,000	10,702	9,298	12,749
Total	464,423	305,632	158,791	419,844
Total support services	14,239,945	13,711,188	528,757	13,404,984
Community services				
Salaries	140,064	153,875	(13,811)	140,736
Employee benefits	10,763	3,472	7,291	8,771
Purchased services	18,293	8,247	10,046	11,336
Supplies and materials	24,757	18,958	5,799	25,805
Total community services	\$ 193,877	\$ 184,552	\$ 9,325	\$ 186,648

(Continued)

WILMETTE PUBLIC SCHOOLS DISTRICT 39
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Educational Account
 Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
Payments to other districts and governmental units				
Payments for special education programs				
Purchased services	\$ 182,406	\$ 182,406	\$ -	\$ 178,829
Other objects	12,481	3,339	9,142	9,225
Total	194,887	185,745	9,142	188,054
Payments for regular programs-tuition				
Other objects	85,000	74,982	10,018	109,183
Total	85,000	74,982	10,018	109,183
Payments for special education programs-tuition				
Other objects	770,000	685,276	84,724	735,520
Total	770,000	685,276	84,724	735,520
Total payments to other districts and governmental units	1,049,887	946,003	103,884	1,032,757
Total expenditures	62,573,695	61,139,151	1,434,544	57,097,768
Excess of revenues over expenditures	(1,494,887)	1,335,935	2,830,822	2,602,488
OTHER FINANCING SOURCES (USES)				
Transfer out	(2,695,710)	(2,695,710)	-	(195,710)
Total other financing sources (uses)	(2,695,710)	(2,695,710)	-	(195,710)
Net change in fund balance	<u>\$ (4,190,597)</u>	<u>(1,359,775)</u>	<u>\$ 2,830,822</u>	2,406,778
Fund balance at beginning of year		<u>33,675,781</u>		<u>31,269,003</u>
FUND BALANCE AT END OF YEAR		<u>\$ 32,316,006</u>		<u>\$ 33,675,781</u>

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Operations and Maintenance Account

Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources				
General levy	\$ 8,587,641	\$ 8,282,398	\$ (305,243)	\$ 7,478,673
Investment income	8,200	33,063	24,863	9,369
Rentals	20,000	6,553	(13,447)	7,409
Other	50,000	165,007	115,007	145,121
Total local sources	8,665,841	8,487,021	(178,820)	7,640,572
State sources				
Unrestricted				
Other restricted revenue from state sources	-	875	875	67,364
Total state sources	-	875	875	67,364
Total revenues	8,665,841	8,487,896	(177,945)	7,707,936
EXPENDITURES				
Current operating				
Support services				
Business				
Facilities acquisition and construction service				
Purchased services	480,000	751,358	(271,358)	524,921
Capital outlay	400,000	234,009	165,991	552,946
Non-capitalized equipment	-	-	-	5,121
Total	880,000	985,367	(105,367)	1,082,988
Operation and maintenance of plant services				
Salaries	1,701,760	1,639,733	62,027	1,601,247
Employee benefits	310,217	301,020	9,197	270,884
Purchased services	1,071,560	781,989	289,571	818,788
Supplies and materials	1,126,100	870,221	255,879	866,080
Capital outlay	40,000	9,725	30,275	45,399
Non-capitalized equipment	-	-	-	6,096
Total	4,249,637	3,602,688	646,949	3,608,494
Total support services	5,129,637	4,588,055	541,582	4,691,482
Total expenditures	5,129,637	4,588,055	541,582	4,691,482
Excess of revenues over expenditures	\$ 3,536,204	\$ 3,899,841	\$ 363,637	\$ 3,016,454

(Continued)

WILMETTE PUBLIC SCHOOLS DISTRICT 39
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Operations and Maintenance Account
 Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -
Transfers out	(4,912,743)	(4,474,264)	438,479	(2,299,040)
Total other financing sources (uses)	(2,412,743)	(1,974,264)	438,479	(2,299,040)
Net change in fund balance	<u>\$ 1,123,461</u>	1,925,577	<u>\$ 802,116</u>	717,414
Fund balance at beginning of year		<u>1,092,100</u>		<u>374,686</u>
FUND BALANCE AT END OF YEAR		<u>\$ 3,017,677</u>		<u>\$ 1,092,100</u>

(Concluded)

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Working Cash Account

Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017
	Final Budget	Actual	Variance Over/Under	Actual
REVENUES				
Local sources				
General levy	\$ 105,638	\$ 93,987	\$ (11,651)	\$ 103,695
Investment income	6,900	9,433	2,533	5,607
Total local sources	112,538	103,420	(9,118)	109,302
Total revenues	112,538	103,420	(9,118)	109,302
Net change in fund balance	<u>\$ 112,538</u>	103,420	<u>\$ (9,118)</u>	109,302
Fund balance at beginning of year		<u>913,479</u>		<u>804,177</u>
FUND BALANCE AT END OF YEAR		<u>\$ 1,016,899</u>		<u>\$ 913,479</u>

WILMETTE PUBLIC SCHOOLS DISTRICT 39
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Tort Immunity Account
 Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources				
Tort immunity levy	\$ 332,631	\$ 321,232	\$ (11,399)	\$ 469,054
Investment income	7,400	7,593	193	5,650
Total local sources	<u>340,031</u>	<u>328,825</u>	<u>(11,206)</u>	<u>474,704</u>
Total revenues	<u>340,031</u>	<u>328,825</u>	<u>(11,206)</u>	<u>474,704</u>
EXPENDITURES				
Current operating				
Support services				
Insurance payments				
Purchased services	300,000	267,559	32,441	286,628
Total	<u>300,000</u>	<u>267,559</u>	<u>32,441</u>	<u>286,628</u>
Educational, inspectional, supervisory services related to loss prevention or reduction:				
Salaries	187,896	187,874	22	184,842
Employee benefits	35,024	32,502	2,522	32,154
Total	<u>222,920</u>	<u>220,376</u>	<u>2,544</u>	<u>216,996</u>
Legal services				
Purchased services	5,000	10,556	(5,556)	-
Total	<u>5,000</u>	<u>10,556</u>	<u>(5,556)</u>	<u>-</u>
Total support services	<u>527,920</u>	<u>498,491</u>	<u>29,429</u>	<u>503,624</u>
Total expenditures	<u>527,920</u>	<u>498,491</u>	<u>29,429</u>	<u>503,624</u>
Net change in fund balance	<u>\$ (187,889)</u>	<u>(169,666)</u>	<u>\$ 18,223</u>	<u>(28,920)</u>
Fund balance at beginning of year		<u>989,849</u>		<u>1,018,769</u>
FUND BALANCE AT END OF YEAR		<u>\$ 820,183</u>		<u>\$ 989,849</u>

WILMETTE PUBLIC SCHOOLS DISTRICT 39
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Debt Service Fund
 Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources				
General levy	\$ 1,219,691	\$ 1,300,958	\$ 81,267	\$ 1,190,472
Investment income	11,200	14,880	3,680	9,898
Total local sources	<u>1,230,891</u>	<u>1,315,838</u>	<u>84,947</u>	<u>1,200,370</u>
Total revenues	<u>1,230,891</u>	<u>1,315,838</u>	<u>84,947</u>	<u>1,200,370</u>
EXPENDITURES				
Debt service				
Interest on long term debt	605,643	576,849	28,794	639,453
Principal payments on long term debt	1,752,440	5,327,440	(3,575,000)	1,724,223
Other expenses	6,000	25,326	(19,326)	2,925
Total	<u>2,364,083</u>	<u>5,929,615</u>	<u>(3,565,532)</u>	<u>2,366,601</u>
Total expenditures	<u>2,364,083</u>	<u>5,929,615</u>	<u>(3,565,532)</u>	<u>2,366,601</u>
Excess (deficiency) of revenues over expenditures	<u>(1,133,192)</u>	<u>(4,613,777)</u>	<u>(3,480,585)</u>	<u>(1,166,231)</u>
OTHER FINANCING SOURCES (USES)				
Principal on bonds sold	-	3,605,000	3,605,000	-
Transfers in	958,453	958,453	-	992,928
Total other financing sources (uses)	<u>958,453</u>	<u>4,563,453</u>	<u>3,605,000</u>	<u>992,928</u>
Net change in fund balance	<u>\$ (174,739)</u>	<u>(50,324)</u>	<u>\$ 124,415</u>	<u>(173,303)</u>
Fund balance at beginning of year		<u>1,688,321</u>		<u>1,861,624</u>
FUND BALANCE AT END OF YEAR		<u>\$ 1,637,997</u>		<u>\$ 1,688,321</u>

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2018

	Transportation	Municipal Retirement/ Social Security	Capital Projects	Fire Prevention and Safety	Total Nonmajor Governmental Funds
ASSETS					
Assets					
Cash and investments	\$ 1,938,781	\$ 773,770	\$ -	\$ 159	\$ 2,712,710
Receivables					
Property taxes	287,325	714,259	-	-	1,001,584
Due from other governments	127,569	-	-	-	127,569
Other	3,881	1,548	-	-	5,429
TOTAL ASSETS	\$ 2,357,556	\$ 1,489,577	\$ -	\$ 159	\$ 3,847,292
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 43,529	\$ -	\$ -	\$ -	\$ 43,529
Accrued salaries and related expenditures	-	56,990	-	-	56,990
Unearned grants and fees	416,522	-	-	-	416,522
Total Liabilities	460,051	56,990	-	-	517,041
Deferred Inflows					
Other deferred revenue	127,568	-	-	-	127,568
Property taxes levied for subsequent year	287,325	714,259	-	-	1,001,584
Total Deferred Inflows	414,893	714,259	-	-	1,129,152
Fund Balances					
Restricted					
Transportation	1,482,612	-	-	-	1,482,612
Employee retirement	-	718,328	-	-	718,328
Capital projects	-	-	-	159	159
Total Fund Balances	1,482,612	718,328	-	159	2,201,099
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 2,357,556	\$ 1,489,577	\$ -	\$ 159	\$ 3,847,292

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2018

	Transportation	Municipal Retirement/ Social Security	Capital Projects	Fire Prevention and Safety	Total Nonmajor Governmental Funds
REVENUES					
Local sources	\$ 1,298,520	\$ 1,508,088	\$ -	\$ 1	\$ 2,806,609
State sources	500,941	-	-	-	500,941
Total Revenues	1,799,461	1,508,088	-	1	3,307,550
EXPENDITURES					
Current operating					
Instruction	-	731,862	-	-	731,862
Support services	1,706,207	855,640	3,711,521	-	6,273,368
Community services	-	11,942	-	-	11,942
Total Expenditures	1,706,207	1,599,444	3,711,521	-	7,017,172
Excess (deficiency) of revenues over expenditures	93,254	(91,356)	(3,711,521)	1	(3,709,622)
OTHER FINANCING SOURCES					
Transfers in	-	-	3,711,521	-	3,711,521
Total other financing sources	-	-	3,711,521	-	3,711,521
Net changes in fund balances	93,254	(91,356)	-	1	1,899
Fund balances at beginning of year	1,389,358	809,684	-	158	2,199,200
FUND BALANCES AT END OF YEAR	\$ 1,482,612	\$ 718,328	\$ -	\$ 159	\$ 2,201,099

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Transportation Fund

Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources				
General levy	\$ 697,681	\$ 650,334	\$ (47,347)	\$ 729,466
Transportation fees	664,000	626,716	(37,284)	545,605
Investment income	9,500	18,849	9,349	10,683
Other	-	2,621	2,621	-
Total local sources	<u>1,371,181</u>	<u>1,298,520</u>	<u>(72,661)</u>	<u>1,285,754</u>
State sources				
Transportation - regular/vocational	11,000	9,251	(1,749)	8,458
Transportation - special education	500,000	491,690	(8,310)	483,411
Total state sources	<u>511,000</u>	<u>500,941</u>	<u>(10,059)</u>	<u>491,869</u>
Total revenues	<u>1,882,181</u>	<u>1,799,461</u>	<u>(82,720)</u>	<u>1,777,623</u>
EXPENDITURES				
Support Services				
Business				
Pupil transportation services				
Salaries	52,546	50,614	1,932	51,029
Employee benefits	2,904	2,662	242	3,424
Purchased services	1,886,900	1,632,604	254,296	1,532,431
Supplies and materials	4,095	3,415	680	3,894
Other objects	20,500	16,912	3,588	65
Total	<u>1,966,945</u>	<u>1,706,207</u>	<u>260,738</u>	<u>1,590,843</u>
Total support services	<u>1,966,945</u>	<u>1,706,207</u>	<u>260,738</u>	<u>1,590,843</u>
Total expenditures	<u>1,966,945</u>	<u>1,706,207</u>	<u>260,738</u>	<u>1,590,843</u>
Net change in fund balance	<u>\$ (84,764)</u>	93,254	<u>\$ 178,018</u>	186,780
Fund balance at beginning of year		<u>1,389,358</u>		<u>1,202,578</u>
FUND BALANCE AT END OF YEAR		<u>\$ 1,482,612</u>		<u>\$ 1,389,358</u>

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Municipal Retirement/Social Security Fund

Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources				
General levy	\$ 319,529	\$ 296,451	\$ (23,078)	\$ 266,918
Social security/medicare levy	1,175,727	1,184,521	8,794	1,162,479
Corporate personal property replacement taxes	17,600	17,600	-	17,600
Investment income	6,100	9,516	3,416	6,416
Total local sources	1,518,956	1,508,088	(10,868)	1,453,413
Total revenues	1,518,956	1,508,088	(10,868)	1,453,413
EXPENDITURES				
Current operating				
Instruction				
Regular programs	370,543	341,744	28,799	328,498
Special education programs	376,155	343,676	32,479	340,502
Remedial and supplemental programs	24,306	21,656	2,650	21,400
Interscholastic programs	2,128	1,867	261	1,944
Summer school programs	13,050	8,615	4,435	11,263
Gifted programs	9,428	9,269	159	8,609
Bilingual programs	9,420	5,035	4,385	7,861
Total instruction	805,030	731,862	73,168	720,077
Support services				
Pupils				
Attendance and social work services	12,344	12,153	191	11,710
Health services	37,811	36,568	1,243	35,416
Psychological services	8,842	7,065	1,777	8,128
Speech pathology and audiology services	10,726	9,616	1,110	9,186
Other support services - pupils	119,063	109,025	10,038	98,964
Total pupils	188,786	174,427	14,359	163,404
Instructional staff				
Improvement of instruction staff	4,254	4,241	13	3,864
Educational media services	32,487	29,387	3,100	28,453
Total instructional staff	36,741	33,628	3,113	32,317
General administration				
Board of education services	11,958	12,360	(402)	11,617
Executive administration services	13,764	13,703	61	13,430
Special area administration services	12,931	12,570	361	12,446
Total general administration	\$ 38,653	\$ 38,633	\$ 20	\$ 37,493

(Continued)

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Municipal Retirement/Social Security Fund

Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
School administration				
Office of the principal services	\$ 86,413	\$ 82,632	\$ 3,781	\$ 81,647
Total school administration	86,413	82,632	3,781	81,647
Business				
Direction of business support services	31,511	26,032	5,479	25,675
Fiscal services	41,990	43,545	(1,555)	41,378
Operation and maintenance of plant services	274,252	269,285	4,967	269,336
Pupil transportation services	7,389	7,684	(295)	8,170
Food services	72,624	72,790	(166)	71,489
Total business	427,766	419,336	8,430	416,048
Central				
Planning, research, development, and evaluation services	9,448	14,951	(5,503)	16,661
Staff services	33,156	28,909	4,247	29,849
Data processing services	67,152	63,124	4,028	64,260
Total central	109,756	106,984	2,772	110,770
Total support services	888,115	855,640	32,475	841,679
Community services	13,321	11,942	1,379	12,122
Total expenditures	1,706,466	1,599,444	107,022	1,573,878
Net change in fund balance	<u>\$ (187,510)</u>	(91,356)	<u>\$ 96,154</u>	(120,465)
Fund balance at beginning of year		<u>809,684</u>		<u>930,149</u>
FUND BALANCE AT END OF YEAR		<u>\$ 718,328</u>		<u>\$ 809,684</u>

(Concluded)

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Capital Projects Fund

Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Support services				
Facilities acquisition and construction				
Capital outlay	4,150,000	3,711,521	438,479	1,501,822
Total	4,150,000	3,711,521	438,479	1,501,822
Total support services	4,150,000	3,711,521	438,479	1,501,822
Total expenditures	4,150,000	3,711,521	438,479	1,501,822
Excess (deficiency) of revenues over expenditures	(4,150,000)	(3,711,521)	(438,479)	(1,501,822)
OTHER FINANCING SOURCES (USES)				
Transfers in	4,150,000	3,711,521	(438,479)	1,501,822
Total other financing sources (uses)	4,150,000	3,711,521	(438,479)	1,501,822
Net change in fund balance	\$ -	-	\$ -	-
Fund balance at beginning of year		-		-
FUND BALANCE AT END OF YEAR		\$ -		\$ -

WILMETTE PUBLIC SCHOOLS DISTRICT 39
 Schedule of Revenues, Expenditures And Changes In Fund Balance
 Budget And Actual
 Fire Prevention And Safety Fund
 Year Ended June 30, 2018 With Comparative Actual Totals for 2017

	2018			2017 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources				
Investment income	\$ 1	\$ 1	\$ -	\$ 1
Total local sources	1	1	-	1
Total revenues	1	1	-	1
EXPENDITURES				
Support services				
Facilities acquisition and construction				
Capital outlay	-	-	-	-
Total	-	-	-	-
Total support services	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	<u>\$ 1</u>	<u>1</u>	<u>\$ -</u>	<u>1</u>
Fund balance at beginning of year		<u>158</u>		<u>157</u>
FUND BALANCE AT END OF YEAR		<u>\$ 159</u>		<u>\$ 158</u>

WILMETTE PUBLIC SCHOOLS DISTRICT 39
 Statement of Changes in Assets and Liabilities
 Fiduciary Fund - Agency Fund - Activity Funds
 Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash	\$ 331,674	\$ 571,768	\$ 695,890	\$ 207,552
Liabilities				
Due to organizations	\$ 331,674	\$ 571,768	\$ 695,890	\$ 207,552

STATISTICAL SECTION (UNAUDITED)

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Net Position By Component

Last Ten Fiscal Years

	2018	2017	2016	2015
Governmental activities				
Net investment in capital assets	\$ 22,744,109	\$ 22,906,137	\$ 21,484,353	\$ 17,020,783
Restricted	4,548,930	4,780,242	4,917,852	3,847,298
Unrestricted	(13,330,957)	29,020,851	26,336,222	28,417,300
Total governmental activities net position	<u>\$ 13,962,082</u>	<u>\$ 56,707,230</u>	<u>\$ 52,738,427</u>	<u>\$ 49,285,381</u>

Source of information: District records.

2014	2013	2012	2011	2010	2009
\$ 16,212,367	\$ 17,538,397	\$ 17,836,863	\$ 18,079,503	\$ 21,309,413	\$ 24,990,652
3,673,749	3,442,974	3,960,967	4,133,990	2,257,903	1,376,371
28,962,970	25,448,371	21,874,664	14,512,880	16,243,899	16,964,324
<u>\$ 48,849,086</u>	<u>\$ 46,429,742</u>	<u>\$ 43,672,494</u>	<u>\$ 36,726,373</u>	<u>\$ 39,811,215</u>	<u>\$ 43,331,347</u>

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Changes In Net Position
Last Ten Fiscal Years

	2018	2017	2016	2015
Expenses				
Governmental activities				
Instruction				
Regular programs	\$ 30,500,164	\$ 24,242,835	\$ 24,997,778	\$ 23,568,486
Special programs	9,284,735	8,453,395	7,238,849	8,142,045
Other instructional programs	1,557,566	2,081,518	1,552,819	1,472,952
State retirement contributions	14,117,237	11,778,497	10,794,788	9,738,971
Support services				
Pupils	3,565,949	3,428,001	3,461,436	3,078,355
Instructional staff	1,391,741	1,282,616	1,073,663	1,378,089
General administration	2,310,289	2,164,151	2,160,793	2,086,825
School administration	2,140,484	2,093,551	2,035,802	2,043,304
Business	5,757,034	3,479,079	2,810,438	2,578,588
Operations and maintenance	4,278,136	3,605,874	3,700,819	4,488,911
Transportation	1,713,891	1,599,013	1,477,448	1,513,199
Central	2,707,748	2,550,115	2,577,624	2,446,428
Other supporting services	294,930	407,095	478,763	379,649
Community services	196,494	198,770	192,853	183,391
Nonprogrammed charges-excluding special education	946,003	1,032,757	970,155	1,033,281
Interest and fees	513,300	607,227	650,406	768,490
Total governmental activities expenses	81,275,701	69,004,494	66,174,434	64,900,964
Program revenues				
Governmental activities				
Charges for services				
Instruction				
Regular programs	1,643,457	1,807,853	1,735,482	1,549,514
Special programs	415,430	276,120	226,832	312,208
Other instructional programs	-	-	-	-
Support services				
Business	1,412,204	1,380,322	1,369,361	1,293,582
Transportation	626,716	545,605	546,419	535,977
Operations and maintenance	21,553	7,409	27,779	120,252
Operating grants and contributions	16,100,708	15,980,665	13,685,269	13,455,402
Total governmental activities program revenues	20,220,068	19,997,974	17,591,142	17,266,935
Net revenue (expense)	(61,055,633)	(49,006,520)	(48,583,292)	(47,634,029)
Governmental activities				
General revenues				
Taxes				
Real estate taxes, levied for general purposes	39,390,624	39,361,995	38,910,582	37,922,316
Real estate taxes, levied for specific purposes	10,828,923	10,210,285	10,025,399	9,537,734
Real estate taxes, levied for debt service	1,300,958	1,190,472	1,304,927	1,405,511
Personal property replacement taxes	430,217	514,157	462,864	502,810
State aid-formula grants	2,796,994	1,225,740	1,160,103	1,098,169
Investment earnings	494,680	298,717	88,735	72,304
Miscellaneous	188,060	173,957	65,728	9,533
Total governmental activities general revenues	55,430,456	52,975,323	52,018,338	50,548,377
Change in net position	\$ (5,625,177)	\$ 3,968,803	\$ 3,435,046	\$ 2,914,348

Source of information: District records.

2014	2013	2012	2011	2010	2009
\$ 22,676,311	\$ 21,921,115	\$ 20,920,295	\$ 20,723,936	\$ 21,087,451	\$ 19,841,772
7,504,554	7,486,733	7,537,015	8,080,170	7,600,115	7,742,514
1,478,527	1,494,985	1,466,473	795,127	759,869	742,221
10,075,229	7,824,824	6,613,685	6,117,663	6,157,944	4,432,743
3,012,830	3,071,419	2,766,716	2,838,294	2,770,540	2,570,214
1,299,633	1,285,528	1,247,151	1,393,769	1,236,682	1,341,041
2,244,780	2,149,505	2,281,876	1,748,014	1,556,024	1,724,366
1,869,734	1,802,832	1,722,007	1,824,531	1,752,180	1,729,293
2,312,702	2,277,739	2,495,021	2,440,281	2,618,117	2,580,919
5,199,668	4,746,517	4,151,168	4,107,954	1,062,364	5,083,886
1,442,327	1,384,496	1,062,885	1,158,593	3,436,890	969,637
2,564,801	2,299,090	2,528,137	1,888,436	2,084,898	2,488,280
372,647	414,176	427,948	438,369	766,797	775,748
176,676	108,810	97,760	86,275	87,955	84,932
1,184,326	1,375,734	1,225,694	1,047,285	923,504	75,570
1,036,702	869,273	721,290	636,574	644,916	745,417
64,451,447	60,512,776	57,265,121	55,325,271	54,546,246	52,928,553
1,517,240	1,448,234	1,390,709	1,223,443	1,617,246	816,733
401,043	336,805	423,245	347,505	366,466	157,953
-	-	-	-	-	162,468
1,314,550	1,277,669	1,277,092	1,260,435	1,195,981	1,086,217
562,623	561,038	546,040	535,481	506,143	567,488
183,707	33,836	70,655	42,697	16,130	33,354
13,517,007	11,895,628	10,111,158	9,726,041	9,699,032	8,499,709
17,496,170	15,553,210	13,818,899	13,135,602	13,400,998	11,323,922
(46,955,277)	(44,959,566)	(43,446,222)	(42,189,669)	(41,145,248)	(41,604,631)
37,706,829	36,733,471	39,665,909	28,992,861	30,175,028	27,109,681
8,575,328	7,811,155	7,626,065	7,008,351	7,651,920	6,952,071
1,396,534	1,371,918	1,399,298	1,283,480	1,408,484	1,306,394
480,550	458,536	433,232	434,068	374,135	479,385
1,152,308	1,142,407	1,251,909	1,309,898	1,318,443	1,005,990
51,267	55,883	13,378	29,251	157,013	707,453
11,805	143,444	2,552	46,918	75,423	321,669
49,374,621	47,716,814	50,392,343	39,104,827	41,160,446	37,882,643
\$ 2,419,344	\$ 2,757,248	\$ 6,946,121	\$ (3,084,842)	\$ 15,198	\$ (3,721,988)

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Fund Balances, Governmental Funds

Last Ten Fiscal Years

	2018	2017	2016	2015
General Fund				
Nonspendable	\$ 110,349	\$ 97,128	\$ 95,425	\$ 92,194
Restricted	709,834	892,721	923,344	938,262
Unassigned	36,350,582	35,681,360	32,447,866	32,730,867
Total general fund	<u>\$ 37,170,765</u>	<u>\$ 36,671,209</u>	<u>\$ 33,466,635</u>	<u>\$ 33,761,323</u>
All Other Governmental Funds				
Restricted				
Debt service	\$ 1,637,997	\$ 1,688,321	\$ 1,861,624	\$ 1,908,110
Transportation	1,482,612	1,389,358	1,202,578	914,393
Employee retirement	718,328	809,684	930,149	1,005,195
Capital projects	159	158	157	19,600
Total all other governmental funds	<u>\$ 3,839,096</u>	<u>\$ 3,887,521</u>	<u>\$ 3,994,508</u>	<u>\$ 3,847,298</u>
General Fund				
Nonspendable/Reserved				
Unassigned/Unreserved				
Total general fund				
All Other Governmental Funds				
Reserved				
Restricted, reported in:				
Special revenue funds				
Debt service funds				
Capital project funds				
Total all other governmental funds				

Note: Starting in fiscal year 2011 the Working Cash and Tort Immunity Accounts are reported in the General Fund. In 2011 the District implemented GASB #54. Amounts prior to fiscal year 2011 have not been restated for GASB Statement #54.

Source of information: District records.

2014	2013	2012	2011	2010	2009
\$ 88,546	\$ 91,444	\$ 108,151	\$ 109,755		
734,032	416,731	11,685	-		
31,805,211	31,370,399	30,531,413	14,813,397		
<u>\$ 32,627,789</u>	<u>\$ 31,878,574</u>	<u>\$ 30,651,249</u>	<u>\$ 14,923,152</u>		

\$ 1,992,289	\$ 2,195,715	\$ 2,390,491	\$ 1,616,069
553,610	341,036	159,967	249,040
947,239	720,111	430,920	170,504
180,611	186,112	979,589	2,523,409
<u>\$ 3,673,749</u>	<u>\$ 3,442,974</u>	<u>\$ 3,960,967</u>	<u>\$ 4,559,022</u>

\$ -	\$ -
15,791,548	13,901,162
<u>\$ 15,791,548</u>	<u>\$ 13,901,162</u>

\$ 98,928	\$ 826,327
1,292,400	3,463,363
1,506,688	601,577
360,639	2,603,946
<u>\$ 3,258,655</u>	<u>\$ 7,495,213</u>

WILMETTE PUBLIC SCHOOLS DISTRICT 39
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years

	2018	2017	2016	2015
Revenues				
Local sources				
Property taxes	\$ 51,520,505	\$ 50,762,752	\$ 50,240,908	\$ 48,865,561
Replacement taxes	430,217	514,157	462,864	502,810
Tuition	709,435	657,678	605,738	492,970
Earnings on investments	494,680	298,717	88,735	57,635
Other local sources	3,597,985	3,533,588	3,383,863	3,338,265
Total local sources	<u>56,752,822</u>	<u>55,766,892</u>	<u>54,782,108</u>	<u>53,257,241</u>
State sources				
Evidence based funding	2,796,994	1,225,740	1,160,103	1,098,169
Other state aid	15,256,971	14,127,587	12,557,940	12,265,558
Total state sources	<u>18,053,965</u>	<u>15,353,327</u>	<u>13,718,043</u>	<u>13,363,727</u>
Federal sources	1,211,828	1,303,386	1,127,329	1,189,844
Total revenues	<u>\$ 76,018,615</u>	<u>\$ 72,423,605</u>	<u>\$ 69,627,480</u>	<u>\$ 67,810,812</u>
Expenditures				
Current				
Instruction				
Regular programs	\$ 22,395,152	\$ 21,942,262	\$ 22,108,030	\$ 20,883,513
Special programs	8,919,189	7,303,704	6,949,320	7,853,710
Other instructional programs	1,557,566	2,081,518	1,552,819	1,472,952
State retirement contributions	14,117,237	11,778,497	10,794,788	9,738,971
Total instruction	<u>46,989,144</u>	<u>43,105,981</u>	<u>41,404,957</u>	<u>39,949,146</u>
Supporting services				
Pupils	3,565,949	3,428,001	3,461,436	3,078,355
Instructional staff	1,391,741	1,282,616	1,073,663	1,378,089
General administration	1,579,196	1,073,026	1,581,735	1,510,154
School administration	2,140,484	2,093,551	2,035,802	2,043,304
Business	2,504,080	2,669,760	2,810,438	2,578,588
Operations and maintenance	4,613,606	4,600,599	3,379,120	3,067,881
Transportation	1,713,891	1,590,843	1,477,448	1,513,199
Central	2,366,653	2,550,115	2,577,624	3,520,354
Other supporting services	294,930	407,095	478,763	406,380
Total supporting services	<u>20,170,530</u>	<u>19,695,606</u>	<u>18,876,029</u>	<u>19,096,304</u>
Community services	196,494	198,770	192,853	183,391
Nonprogrammed charges	946,003	1,032,757	970,155	1,033,281
Total current	<u>68,302,171</u>	<u>64,033,114</u>	<u>61,443,994</u>	<u>60,262,122</u>
Other				
Debt Service				
Principal	5,327,440	1,724,223	1,665,710	3,645,000
Interest and other	602,175	642,378	683,736	777,634
Capital outlay	4,940,698	2,926,303	6,558,891	3,868,473
Total other	<u>10,870,313</u>	<u>5,292,904</u>	<u>8,908,337</u>	<u>8,291,107</u>
Total expenditures	<u>\$ 79,172,484</u>	<u>\$ 69,326,018</u>	<u>\$ 70,352,331</u>	<u>\$ 68,553,229</u>
Debt service as a percentage of noncapital expenditures	<u>8.0%</u>	<u>3.6%</u>	<u>3.7%</u>	<u>6.8%</u>

Source of information: District records.

2014	2013	2012	2011	2010	2009
\$ 47,678,691	\$ 45,916,544	\$ 48,691,272	\$ 37,284,692	\$ 39,235,432	\$ 35,368,146
480,550	458,536	433,232	434,068	374,135	479,385
613,586	556,632	622,900	534,891	511,664	389,555
51,267	55,883	13,378	29,251	379,369	562,238
3,365,577	3,100,950	3,087,393	2,921,588	3,265,725	2,754,127
52,189,671	50,088,545	52,848,175	41,204,490	43,766,325	39,553,451
1,152,308	1,142,407	1,251,909	1,309,898	1,077,939	1,005,990
12,338,821	10,554,853	8,814,034	8,475,500	7,690,272	6,900,558
13,491,129	11,697,260	10,065,943	9,785,398	8,768,211	7,906,548
1,178,187	1,340,775	1,297,124	1,250,541	2,249,264	1,672,316
\$ 66,858,987	\$ 63,126,580	\$ 64,211,242	\$ 52,240,429	\$ 54,783,800	\$ 49,132,315
\$ 20,214,729	\$ 19,654,850	\$ 18,467,063	\$ 18,488,295	\$ 18,750,516	\$ 18,160,883
7,217,129	7,207,353	7,269,197	8,008,476	7,958,723	6,879,012
1,478,527	1,494,985	1,466,473	795,127	759,869	723,170
10,075,229	7,824,824	6,613,685	6,117,663	6,157,944	4,432,743
38,985,614	36,182,012	33,816,418	33,409,561	33,627,052	30,195,808
3,012,830	3,071,419	2,766,716	2,738,600	2,684,162	2,482,183
1,299,633	1,285,528	1,247,151	1,055,882	1,007,502	1,122,126
1,669,931	1,591,001	1,723,602	1,699,677	1,511,291	1,681,670
1,869,734	1,802,832	1,724,752	1,709,732	1,647,689	1,629,084
2,312,702	2,293,058	2,395,872	2,660,967	2,644,823	2,416,165
4,399,628	7,182,362	4,361,816	3,915,399	4,235,551	4,303,239
1,442,327	1,384,496	1,138,067	1,025,667	1,080,032	853,567
2,564,801	2,916,697	2,929,309	2,691,017	2,817,788	2,488,280
372,647	438,273	434,238	406,981	742,744	615,532
18,944,233	21,965,666	18,721,523	17,903,922	18,371,582	17,591,846
176,676	108,810	97,760	86,275	87,955	84,932
1,184,326	1,375,734	1,225,694	1,047,285	923,504	870,966
59,290,849	59,632,222	53,861,395	52,447,043	53,010,093	48,743,552
1,580,000	1,505,000	1,405,000	1,370,000	1,385,000	1,405,131
823,490	865,499	825,490	679,550	683,859	743,826
4,221,657	773,727	1,295,148	2,518,797	2,051,020	3,607,079
6,625,147	3,144,226	3,525,638	4,568,347	4,119,879	5,756,036
\$ 65,915,996	\$ 62,776,448	\$ 57,387,033	\$ 57,015,390	\$ 57,129,972	\$ 54,499,588
3.9%	3.8%	4.0%	3.8%	3.8%	4.2%

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Equalized Assessed Valuation And
Estimated Actual Value of Taxable Property
Last Ten Tax Levy Years

Tax Levy Year	Equalized Assessed Valuation	Amount of Increase Over Previous Year	Percentage Increase Over Previous Year	Actual Estimated Value *
2017	\$ 1,853,814,693	\$ 36,291,535	2.00%	\$ 5,561,444,079
2016	1,817,523,158	367,008,430	25.30%	5,452,569,474
2015	1,450,514,728	(39,382,603)	-2.64%	4,351,544,184
2014	1,489,897,331	21,561,536	1.47%	4,469,691,993
2013	1,468,335,795	(167,395,826)	-10.23%	4,405,007,385
2012	1,635,731,621	(126,033,841)	-7.15%	4,907,194,863
2011	1,761,765,462	(195,117,005)	-9.97%	5,285,296,386
2010	1,956,882,467	(236,060,475)	-10.76%	5,870,647,401
2009	2,192,942,942	136,215,129	6.62%	6,578,828,826
2008	2,056,727,813	132,170,859	6.87%	6,170,183,439

* Actual value is estimated to be 3 times the equalized assessed valuation

Source of information: Cook County Clerk's Office, Department of Tax Extension

WILMETTE PUBLIC SCHOOLS DISTRICT 39
Property Tax Rates - All Direct And Overlapping
Governments
Last Ten Tax Levy Years

Taxing District:	2017	2016	2015	2014
Cook County	0.4960	0.5330	0.5520	0.5680
Cook County Forest Preserve	0.0620	0.0630	0.0690	0.0690
Consolidated Elections	0.0310	0.0000	0.0340	0.0000
New Trier Township	0.0500	0.0490	0.0580	0.0550
New Trier General Assistance	0.0070	0.0070	0.0080	0.0070
Metro Water Reclamation District	0.4020	0.4060	0.4260	0.4300
North Shore Mosquito Abatement District	0.0100	0.0100	0.0120	0.0110
New Trier High School District #203	1.9930	1.9740	2.3800	2.2680
Oakton Community College #535	0.2320	0.2310	0.2710	0.2580
Wilmette Park District	0.4190	0.4180	0.5180	0.5460
Village of Wilmette	0.9240	0.9070	1.0780	1.0150
Wilmette Public Library District	0.3020	0.3160	0.3950	0.3810
Total overlapping rate	4.9280	4.9140	5.8010	5.6080
Wilmette Public School District 39	2.8800	2.8400	3.5014	3.3556
Total direct and overlapping rate	7.8080	7.7540	9.3024	8.9636
Total Wilmette Public School District 39 tax rate to total direct and overlapping tax rates	36.9%	36.6%	37.6%	37.4%

Source: Office of the County Clerk, Cook County, IL

2013	2012	2011	2010	2009	2008
0.5600	0.5310	0.4620	0.4230	0.3940	0.4150
0.0690	0.0630	0.0580	0.0510	0.0490	0.0510
0.0310	0.0000	0.0250	0.0000	0.0210	0.0000
0.0540	0.0470	0.0420	0.0370	0.0300	0.0310
0.0070	0.0060	0.0050	0.0040	0.0030	0.0030
0.4170	0.3700	0.3200	0.2740	0.2610	0.2520
0.0070	0.0100	0.0100	0.0090	0.0080	0.0080
2.1110	1.8640	1.6740	1.4740	1.2370	1.2900
0.2560	0.2190	0.1960	0.1600	0.1400	0.1400
0.5480	0.4930	0.4510	0.3900	0.3320	0.3480
0.9970	0.8670	0.7780	0.6740	0.5810	0.5930
0.3810	0.3350	0.3020	0.2660	0.2300	0.2410
5.4380	4.8050	4.3230	3.7620	3.2860	3.3720
3.3251	2.9219	2.6194	2.3131	1.7158	1.8114
8.7631	7.7269	6.9424	6.0751	5.0018	5.1834
37.9%	37.8%	37.7%	38.1%	34.3%	34.9%

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Principal Property Taxpayers

Current Year And Nine Years Ago

Taxpayer	2017 Equalized Assessed Valuation	Percentage of total 2017 Equalized Assessed Valuation
Peggy F. Gordon	\$ 10,201,083	0.55%
3503 RP Wilmette Plaza	9,118,501	0.49%
WILRI LLC	7,125,294	0.38%
New Albertsons LLC	5,358,785	0.29%
JP Morgan Chase Bank	4,648,461	0.25%
Next Wilmette LLC	4,191,462	0.23%
Ger Wilmette LLC	3,744,681	0.20%
Michigan Shores Club	3,565,559	0.19%
Westmoreland Cty Club	3,385,608	0.18%
432 Poplar Drive LLC	2,991,145	0.16%
	<u>\$ 54,330,579</u>	<u>2.92%</u>
Total District assessed valuation	<u>\$ 1,853,814,693</u>	

(1) Source of information: Cook County Clerk and Assessor's Offices

Taxpayer	2008 Equalized Assessed Valuation	Percentage of total 2008 Equalized Assessed Valuation
1630 Sheridan Corporation	\$ 17,573,731	0.85%
Joseph Moss	16,276,122	0.79%
Albertson Prop Tax	7,190,888	0.35%
Mallinckrodt LLC	5,570,962	0.27%
Next Wilmette LLC	5,113,711	0.25%
Ger Wilmette LLC	4,255,487	0.21%
Wolin Levin	4,159,421	0.20%
Westmoreland Country Club	3,581,043	0.17%
MNR CR HLTH SERV	3,486,150	0.17%
Michigan Shores Club	3,116,411	0.15%
	\$ 70,323,926	3.41%
Total District assessed valuation	\$ 2,056,727,813	

WILMETTE PUBLIC SCHOOLS DISTRICT 39
 Schedule Of Property Tax Rates, Extensions And Collections
 Last Ten Tax Levy Years

	2017	2016	2015	2014
Rates extended				
Educational	\$ 2.1681	\$ 2.1757	\$ 2.7104	\$ 2.5625
Building (O&M)	0.4793	0.4337	0.4908	0.4681
Transportation	0.0338	0.0388	0.0526	0.0535
Retirement (IMRF)	0.0182	0.0154	0.0189	0.0311
Social Security	0.0660	0.0653	0.0795	0.0759
Liability Insurance	0.0150	0.0222	0.0387	0.0434
Special Education	0.0165	0.0163	0.0199	0.0189
Working Cash Fund	0.0045	0.0059	0.0071	0.0068
Life Safety	-	-	-	-
Debt Service	0.0781	0.0663	0.0835	0.0954
Total rates extended	2.8795	2.8396	3.5014	3.3556
Property tax extensions				
Educational	\$ 40,192,556	\$ 39,543,851	\$ 39,314,751	\$ 38,178,619
Building (O&M)	8,885,333	7,882,598	7,119,126	6,974,209
Transportation	626,589	705,199	762,971	797,095
Retirement (IMRF)	337,394	279,899	274,147	463,358
Social Security	1,223,517	1,186,843	1,153,159	1,130,832
Liability Insurance	278,072	403,490	561,349	646,615
Special Education	305,879	296,256	288,652	281,591
Working Cash Fund	83,421	107,233	102,986	101,313
Life Safety	-	-	-	-
Debt service	1,447,585	1,204,829	1,211,493	1,421,362
Total levies extended	\$ 53,380,346	\$ 51,610,198	\$ 50,788,635	\$ 49,994,995
Current year collections	\$ 27,925,821	\$ 26,964,231	\$ 26,267,156	\$ 25,437,542
Subsequent collections		24,478,178	24,416,701	24,348,810
Total collections	\$ 27,925,821	\$ 51,442,409	\$ 50,683,857	\$ 49,786,352
Percentage of extensions collected -				
current year	52.3%	52.2%	51.7%	50.9%
subsequent collections	0.0%	47.4%	48.1%	48.7%
Total percentage of extensions collected	52.3%	99.7%	99.8%	99.6%

Tax rates are expressed in dollars per one hundred of assessed valuation.

Source of information: Cook County Clerk

	2013	2012	2011	2010	2009	2008
\$	2.5868	\$ 2.3164	\$ 2.0841	\$ 1.8402	\$ 1.3386	\$ 1.3838
	0.3758	0.2894	0.2600	0.2062	0.1783	0.1895
	0.0640	0.0265	0.0129	0.0114	-	0.0056
	0.0508	0.0567	0.0509	0.0449	0.0208	0.0316
	0.0621	0.0567	0.0509	0.0449	0.0303	0.0474
	0.0625	0.0671	0.0603	0.0383	0.0280	0.0365
	0.0187	0.0165	0.0148	0.0131	0.0097	0.0151
	0.0067	0.0065	0.0058	0.0051	0.0137	-
	0.0007	-	-	0.0383	0.0352	0.0365
	0.0970	0.0861	0.0797	0.0707	0.0612	0.0654
	3.3251	2.9219	2.6194	2.3131	1.7158	1.8114
\$	37,982,910	\$ 37,890,087	\$ 36,716,954	\$ 36,010,551	\$ 29,354,734	\$ 28,460,999
	5,518,006	4,733,807	4,580,590	4,035,092	3,910,017	3,897,499
	939,735	433,469	227,268	223,085	-	115,177
	745,915	927,460	896,739	878,640	456,132	649,926
	911,837	927,460	896,739	878,640	664,462	974,889
	917,710	1,097,576	1,062,345	749,486	614,024	750,706
	274,579	269,896	260,741	256,352	212,715	310,566
	98,378	106,323	102,182	99,801	300,433	-
	10,278	-	-	749,486	771,916	750,706
	1,424,286	1,408,365	1,404,127	1,383,516	1,342,081	1,345,100
\$	48,823,634	\$ 47,794,442	\$ 46,147,685	\$ 45,264,648	\$ 37,626,515	\$ 37,255,568
\$	24,828,183	\$ 24,295,144	\$ 23,877,906	\$ 19,759,995	\$ 19,647,976	\$ 17,057,169
	23,689,276	23,014,966	21,884,250	24,681,617	17,166,943	19,676,027
\$	48,517,459	\$ 47,310,110	\$ 45,762,156	\$ 44,441,612	\$ 36,814,919	\$ 36,733,196
	50.9%	50.8%	51.7%	43.7%	52.2%	45.8%
	48.5%	48.2%	47.4%	54.5%	45.6%	52.8%
	99.4%	99.0%	99.2%	98.2%	97.8%	98.6%

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Obligation Bonds	Debt Certificates	Capital Leases	Total	Percentage of Personal Income
2018	\$ 9,845,000	\$ 5,850,000	\$ -	\$ 15,695,000	0.79%
2017	10,825,000	6,400,000	192,440	17,417,440	0.93%
2016	11,795,000	6,965,000	381,663	19,141,663	1.04%
2015	12,715,000	7,515,000	-	20,230,000	1.10%
2014	13,540,000	8,290,000	-	21,830,000	1.16%
2013	14,365,000	9,045,000	-	23,410,000	1.20%
2012	15,145,000	9,770,000	-	24,915,000	1.32%
2011	15,830,000	2,950,000	-	18,780,000	1.06%
2010	11,155,000	3,620,000	-	14,775,000	0.83%
2009	11,895,000	4,265,000	-	16,160,000	0.86%

Source of information: Annual Financial Statements 2009 to 2018.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Ratio of General Bonded Debt to Equalized Assessed Valuation

And Net Bonded Debt Per Capita

Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt	Less: Amounts Available to Repay Principal	Net General Bonded Debt	Percentage of Net General Bonded Debt to Assessed Valuation	Net General Bonded Debt Per Capita
2018	\$ 15,695,000	\$ 1,637,997	\$ 14,057,003	0.85%	534
2017	17,225,000	1,688,321	15,536,679	0.95%	571
2016	18,760,000	1,861,624	16,898,376	1.29%	616
2015	20,230,000	1,908,110	18,321,890	1.36%	668
2014	21,830,000	1,992,289	19,837,711	1.49%	724
2013	23,410,000	2,195,715	21,214,285	1.43%	777
2012	24,915,000	2,390,491	22,524,509	1.41%	828
2011	18,780,000	1,616,069	17,163,931	0.96%	653
2010	14,775,000	1,506,688	13,268,312	0.67%	504
2009	16,160,000	1,331,877	14,828,123	0.79%	561

Source of information: Annual Financial Statements.

WILMETTE PUBLIC SCHOOLS DISTRICT 39
 Computation of Direct And Overlapping Bonded Debt
 June 30, 2018

Jurisdiction overlapping	Bonded indebtedness	Portion applicable to School District	
		Percent	Amount
County			
Cook County	\$ 3,085,186,750 (2)	1.232%	\$ 38,009,501
Cook County Forest Preserve	150,960,000	1.232%	1,859,827
Metropolitan Water Reclamation District	2,480,560,091 (1)	1.256%	31,155,835
School Districts			
High School District 203	91,890,000 (2)	33.128%	30,441,319
Community College District 535	34,150,000 (4)	8.125%	2,774,688
Park Districts			
Wilmette Park District	11,745,000	90.189%	10,592,698
Glenview Park District	9,651,000 (2)	2.952%	284,898
Municipalities			
Village of Wilmette	77,780,000	90.017%	70,015,223
Village of Glenview	<u>36,530,000 (3)</u>	3.454%	<u>1,261,746</u>
Total overlapping debt	5,978,452,841		186,395,735
Wilmette Public School District No. 39	<u>9,845,000 (4)</u>	100.000%	<u>9,845,000</u>
Total overlapping and direct bonded debt	<u><u>5,988,297,841</u></u>		<u><u>196,240,735</u></u>

(1) Includes IEPA Revolving Loan Fund Bonds.

(2) Excludes outstanding principal amounts of General Obligation Alternative Revenue Source Bonds which are expected to be paid from sources other than general taxation.

(3) Excludes self-supporting bonds for which an abatement is filed annually.

(4) Excludes outstanding debt certificates.

Source: Offices of the Cook County Clerk, Comptroller and Treasurer of the Metropolitan Water Reclamation District of Greater Chicago

Note: Percent applicable to School District calculated using assessed valuation of the School District area value contained within the noted governmental unit divided by assessed valuation of the governmental unit. Overlapping governments with no outstanding debt are not reflected.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Legal Debt Margin Information

Last Ten Fiscal Years

	2018	2017	2016	2015
Debt limit	\$ 127,913,214	\$ 125,409,098	\$ 100,085,516	\$ 102,802,916
Total net debt applicable to limit	14,057,003	15,536,679	16,898,376	18,321,890
Legal debt margin	\$ 113,856,211	\$ 109,872,419	\$ 83,187,140	\$ 84,481,026
Total net debt applicable to the limit as a percentage of debt limit	10.99%	12.39%	16.88%	17.82%

Legal Debt Margin calculation for fiscal year June 30, 2018

Assessed valuation of taxable properties for the tax year 2017	\$ 1,853,814,693
Rate	6.9%
Debt Limit	127,913,214
Debt subject to limitation:	
Total debt subject to limitation	15,695,000
Less Debt Service Fund balance	(1,637,997)
Net debt outstanding subject to limitation	14,057,003
Legal bonded debt margin at June 30, 2018	\$ 113,856,211

Source of information: District records.

Assessed valuation obtained from Cook County tax reports.

2014	2013	2012	2011	2010	2009
\$ 101,315,170	\$ 112,865,482	\$ 121,561,817	\$ 135,024,890	\$ 151,313,063	\$ 141,911,586
19,837,711	21,214,285	22,524,509	17,163,931	13,268,312	16,160,000
\$ 81,477,459	\$ 91,651,197	\$ 99,037,308	\$ 117,860,959	\$ 138,044,751	\$ 125,751,586
19.58%	18.80%	18.53%	12.71%	8.77%	11.39%

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Demographic And Miscellaneous Statistics

Last Ten Calendar Years

Calendar Year	Estimated Population (1)	Personal Income (<i>thousands of dollars</i>)	Per Capita Personal Income	Median Household Income (<i>thousands of dollars</i>) (3)	Unemployment Rate (2)
2017	26,324	\$ 1,987,778	\$ 75,712	\$ 138,651	3.5%
2016	27,219	1,876,832	68,953	132,110	4.4%
2015	27,413	1,839,851	67,116	126,471	4.2%
2014	27,446	1,841,325	67,089	129,551	5.2%
2013	27,383	1,878,802	68,612	130,088	6.1%
2012	27,294	1,950,975	71,480	130,260	5.8%
2011	27,206	1,887,090	69,363	128,028	6.5%
2010	26,300	1,772,804	67,407	127,319	6.4%
2009	26,300	1,784,797	67,863	N/A	6.2%
2008	26,418	1,886,958	71,427	N/A	3.8%

Sources

- (1) National Center for Educational Statistics:
5 Year Average Estimates reported by US Census Bureau's
American Community Survey's 2012-2016 Profile
(Income in 2016 dollars)
- (2) Illinois Department of Employment Security
- (3) American Fact Finder - Income in the past 12 months (i.e. 2017 is 5-yr average
(2012-2016) in 2016 dollars etc. for calendar years 2010-2017.
2008 and 2009 - Only Median Family Income available

NA - data not available

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Principal Employers

Current Year Available And Nine Years Ago

Employer	2018	
	Employees	Percentage of Total City Employment
New Trier High School District 203	680	5.6%
Wilmette School District Number 39	550	4.5%
Carson Pirie Scott & Co.	350	2.9%
Loyola Academy	275	2.2%
Jewel / Osco	255	2.1%
Village of Wilmette	250	2.0%
Fresh Market	150	1.2%
Wilmette Park District	112	0.9%
Chalet Nursery & Garden Shop	80	0.7%
North Shore Community Bank	65	0.5%
Panera	50	0.4%
Total	2,817	23.0%

	2009	
	Employees	Percentage of Total City Employment
Wilmette School District Number 39	621	N/A
Carson Pirie Scott & Co.	390	N/A
Wilmette Park District	300	N/A
Village of Wilmette	250	N/A
Koenig & Strey GMAC Real Estate	135	N/A
F.J. Kerrigan Plumbing Co.	65	N/A
North Suburban Patrol Inc.	60	N/A
Chase Bank, Div of JP Morgan & Chase Co.	50	N/A
Bierdeman Paper Box, Inc.	45	N/A
Edens Bank	34	N/A
	1,950	N/A

Sources: Phone canvass of employers, Illinois Services and Manufacturers Directories, Harris Illinois Industrial Directory, Illinois Department of Commerce and Economic Opportunity, ReferenceUSA.com, individual company/organization websites

Note: Total city employment for 2018 is 12,249. Total city employment for 2009 is not available.

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Number Of Employees By Type

Last Ten Fiscal Years

	2017- 2018	2016- 2017	2015- 2016	2014- 2015
Administration				
Superintendent	1	1	1	1
District Administrators	6	6	6	6
Principals and assistants	12	11	11	11
Total administration	19	18	18	18
Instruction				
Teachers				
Elementary (K-4)	84	85	91	90
Middle (5-6)	36	35	33	33
Jr. High (7-8)	36	34	35	36
Art	8	9	8	8
Music	11	11	11	11
Drama	3	3	3	3
Foreign language	21	20	20	19
Library media specialist	6	6	6	6
Physical education	20	19	19	19
Special education and bilingual	79	74	70	69
Curriculum differentiation/gifted	8	8	8	8
Curriculum Coordinators	3	3	2	2
Psychologists	8	8	6	6
Certified school nurse	1	1	1	1
School workers and counselors	9	9	10	10
Technology	9	8	8	8
Total instruction	342	333	331	329
Other supporting staff				
Clerical 10 month	12	12	12	11
Clerical 12 month	10	10	11	9
Classroom assistants	19	21	26	27
Reading assistants	5	5	5	4
Special education assistants	83	81	78	78
Technology	11	11	7	7
Maintenance custodians & warehouse	36	34	34	34
Food Service	18	18	20	20
Transportation	1	1	1	1
Nurses	5	5	5	5
Occupation and physical therapists	8	7	6	6
Total support staff	208	205	205	202
Total staff	569	556	554	549

Source: Obtained from the District's Human Resources department.

2013- 2014	2012- 2013	2011- 2012	2010 - 2011	2009 - 2010	2008 - 2009
1	1	1	1	1	1
6	6	6	6	6	6
10	10	10	9	9	9
17	17	17	16	16	16
89	88	85	87	91	93
35	35	33	34	35	34
35	34	32	33	35	35
8	8	8	9	9	9
11	11	11	11	13	13
3	3	3	3	3	3
20	19	18	19	20	20
6	6	6	6	6	6
19	19	19	19	19	19
69	67	68	78	78	78
8	8	8	8	8	8
2	2	2	2	2	1
6	6	6	6	6	7
1	1	1	1	1	1
10	10	10	10	10	10
8	8	8	8	8	9
330	325	318	334	344	346
10	10	11	11	11	11
9	9	9	9	11	11
26	28	29	31	29	24
6	5	5	4	4	4
77	76	72	81	87	92
5	5	5	4	5	5
34	34	30	32	36	37
20	20	20	20	20	18
1	2	13	12	13	12
5	5	5	7	7	9
6	6	6	6	5	7
199	200	205	217	228	230
546	542	540	567	588	592

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Operating Indicators By Function

Last Ten Fiscal Years

Fiscal year ended June 30,	Average Daily Attendance	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses
2018	3,285	\$ 52,292,722	\$ 15,919	5.61%	\$ 79,632,701
2017	3,330	50,191,227	15,072	3.30%	69,004,494
2016	3,367	49,128,752	14,591	-1.43%	66,174,434
2015	3,343	49,483,852	14,802	3.69%	64,900,964
2014	3,370	48,114,916	14,276	2.56%	64,451,447
2013	3,367	46,868,947	13,920	2.34%	60,512,776
2012	3,299	44,872,597	13,602	2.89%	57,265,121
2011	3,303	43,663,704	13,219	0.74%	55,325,271
2010	3,341	43,841,587	13,122	0.48%	54,546,246
2009	3,332	43,512,656	13,059	2.97%	52,958,533

Source of information: District records.

	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free or Reduced Meals
\$	24,241	16.98%	342	9.6	2.56%
	20,722	5.44%	333	10.0	2.63%
	19,654	1.24%	331	10.2	2.76%
	19,414	1.52%	329	10.2	2.96%
	19,123	6.40%	330	10.2	3.50%
	17,972	3.54%	325	10.4	2.90%
	17,358	3.63%	318	10.4	2.90%
	16,750	2.60%	334	9.9	2.50%
	16,326	2.72%	344	9.7	2.20%
	15,894	7.49%	346	9.6	0.30%

WILMETTE PUBLIC SCHOOLS DISTRICT 39

School Building Information

Last Ten Fiscal Years

	2018	2017	2016	2015
Harper School				
Square feet	47,000	47,000	47,000	47,000
Capacity (students)	456	456	456	456
Enrollment	410	419	432	427
Romona School				
Square feet	81,300	81,300	81,300	77,500
Capacity (students)	620	620	620	528
Enrollment	543	549	534	519
Central School				
Square feet	76,000	76,000	76,000	76,000
Capacity (students)	696	696	696	696
Enrollment	458	481	517	507
McKenzie School				
Square feet	69,000	69,000	69,000	69,000
Capacity (students)	624	624	624	624
Enrollment	445	468	502	509
Wilmette Junior High				
Square feet	119,850	119,850	119,850	119,850
Capacity (students)	917	917	917	917
Enrollment	886	856	887	884
Highcrest Middle School				
Square feet	123,425	123,425	123,425	123,425
Capacity (students)	850	850	850	850
Enrollment	852	875	860	842
Mikaelian Education Center				
Square feet	23,560	23,560	23,560	23,560

Source of information: District records.

2014	2013	2012	2011	2010	2009
47,000	47,000	47,000	47,000	47,000	47,000
456	456	456	456	456	456
399	390	421	410	432	419
77,500	77,500	77,500	77,500	77,500	77,500
528	528	528	528	528	528
531	546	501	531	535	495
76,000	76,000	76,000	76,000	76,000	76,000
696	696	696	696	696	696
502	502	544	534	551	551
69,000	69,000	69,000	69,000	69,000	69,000
624	624	624	624	624	624
522	560	564	545	535	508
119,850	119,850	113,000	113,000	113,000	113,000
917	917	917	917	917	917
843	827	824	822	861	880
123,425	123,425	123,425	123,425	123,425	123,425
850	850	850	850	850	850
884	877	806	802	801	812
23,560	23,560	23,560	23,560	23,560	23,560

WILMETTE PUBLIC SCHOOLS DISTRICT 39

Operating Statistics

June 30, 2018

Location	Approximately 15 miles north of Chicago's "Loop" bordering Lake Michigan and comprising most of the Village of Wilmette and a small portion of Glenview
Date of organization	1901
Number of schools	6
Area served	4.4 sq. miles
Median home value	\$ 613,900
Student enrollment	3,594
Certified teaching staff	342
Pupil/Teacher ratio	11:1
Faculty holding masters degree	84%