

**WILLOW SPRINGS SCHOOL
DISTRICT 108**

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2018
AND
INDEPENDENT AUDITORS' REPORT**

WILLOW SPRINGS SCHOOL DISTRICT 108

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WILLOW SPRINGS SCHOOL DISTRICT 108

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Willow Springs School District 108
Willow Springs, 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 Willow Springs School District 108, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Willow Springs School District 108'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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 over financial reporting relevant to Willow Springs School District 108'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 Willow Springs School District 108'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.

To the Board of Education
Willow Springs School District 108

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 Willow Springs School District 108, as of June 30, 2018 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, Willow Springs School District 108 adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. 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 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.

Supplementary Information

Our audit for the year ended June 30, 2018 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Willow Springs School District 108's basic financial statements. The supplementary information for the year ended June 30, 2018 as listed in the table of contents is presented for purposes of additional analysis and is 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2018, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2018.

To the Board of Education
Willow Springs School District 108

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Willow Springs School District 108 as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated October 23, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The supplementary information for the year ended June 30, 2017 is presented for purposes of additional analysis and is 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

Prior-Year Comparative Information

We have previously audited Willow Springs School District 108's 2017 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated October 23, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2018 on our consideration of Willow Springs School District 108'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 Willow Springs School District 108's internal control over financial reporting and compliance.



Oak Brook, Illinois
December 6, 2018

Willow Springs School District 108

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2018

The discussion and analysis of Willow Springs School District 108's (the "District") financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2018. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- > In total, net position decreased by \$0.4. This represents a 5% decrease from the 2017 restated beginning net position.
- > General revenues accounted for \$5.8 in revenue or 71% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$2.4 or 29% of total revenues of \$8.2.
- > The District had \$8.6 in expenses related to government activities. However, only \$2.4 of these expenses were offset by program specific charges and grants.

Overview of the Financial Statements

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

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

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

Government-wide financial statements

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

The statement of net position presents information on all of the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between them 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.

Willow Springs School District 108

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2018

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

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds (the District 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.

The District maintains seven 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, Operations and Maintenance Fund, Transportation Fund, IMRF/Social Security Fund, Debt Service Fund, Capital Projects Fund, and Fire Prevention and Safety Fund, all of which are considered to be major 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 for the government-wide financial statements.

Notes to basic financial statements

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

Willow Springs School District 108
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2018

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits and postemployment benefits to its employees.

Government-Wide Financial Analysis

The District's combined net position was lower on June 30, 2018, than it was the year before, decreasing 5% to \$7.0.

Table 1		
Condensed Statements of Net Position		
(in millions of dollars)		
	<u>2017*</u>	<u>2018</u>
Assets:		
Current and other assets	\$ 8.7	\$ 8.7
Capital Assets	<u>8.0</u>	<u>7.8</u>
Total assets	<u>16.7</u>	<u>16.5</u>
Total deferred outflows of resources	<u>0.3</u>	<u>0.2</u>
Liabilities:		
Current liabilities	0.1	0.1
Long-term debt outstanding	<u>4.8</u>	<u>6.8</u>
Total liabilities	<u>4.9</u>	<u>6.9</u>
Total deferred inflows of resources	<u>2.2</u>	<u>2.8</u>
Net position:		
Net investment in capital assets	4.2	4.5
Restricted	2.2	2.2
Unassigned	<u>3.5</u>	<u>0.3</u>
Total net position	<u>\$ 9.9</u>	<u>\$ 7.0</u>

*Prior year information not updated for the implementation of GASB 75 in 2018

Expenses in the governmental activities of the District of \$8.6 exceeded revenues by \$0.4. This was attributable primarily to continued efforts to manage expenses.

Willow Springs School District 108
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2018

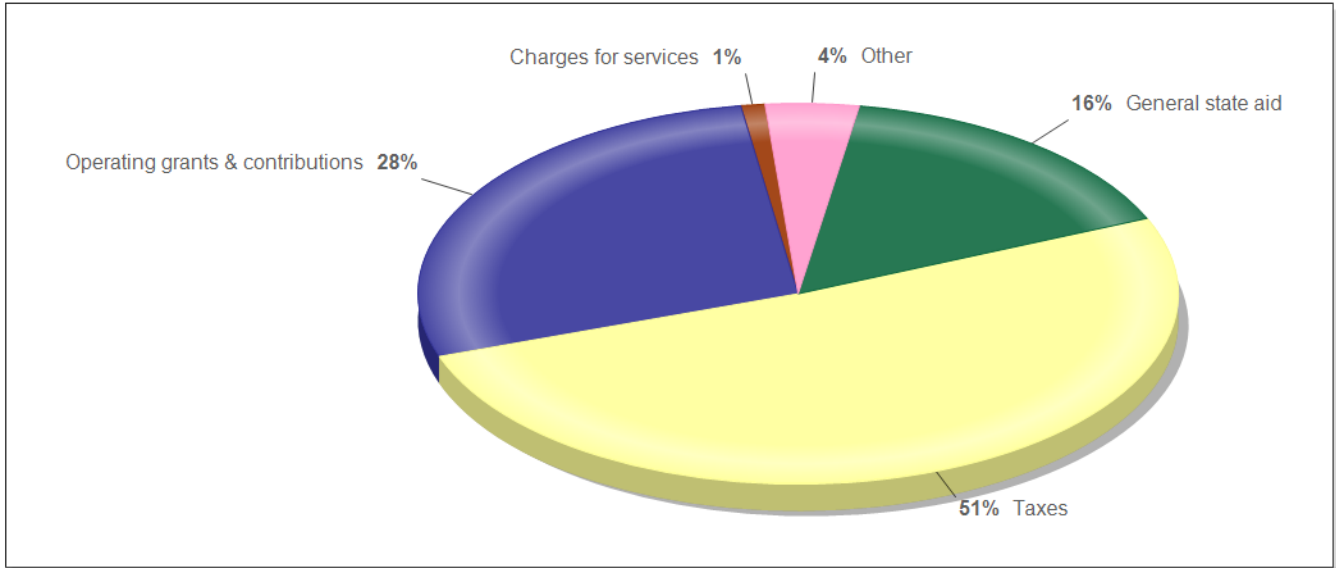
Table 2		
Changes in Net Position		
(in millions of dollars)		
	<u>2017*</u>	<u>2018</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 0.1	\$ 0.1
Operating grants & contributions	2.3	2.3
<i>General revenues:</i>		
Taxes	4.2	4.2
General state aid	1.2	1.3
Other	0.3	0.3
Total revenues	<u>8.1</u>	<u>8.2</u>
Expenses:		
Instruction	5.6	6.2
Pupil & instructional staff services	0.4	0.4
Administration & business	0.8	0.9
Transportation	0.3	0.5
Operations & maintenance	0.5	0.5
Other	0.1	0.1
Total expenses	<u>7.7</u>	<u>8.6</u>
Increase (decrease) in net position	<u>\$ 0.4</u>	<u>\$ (0.4)</u>

*Prior year information not updated for the implementation of GASB 75 in 2018

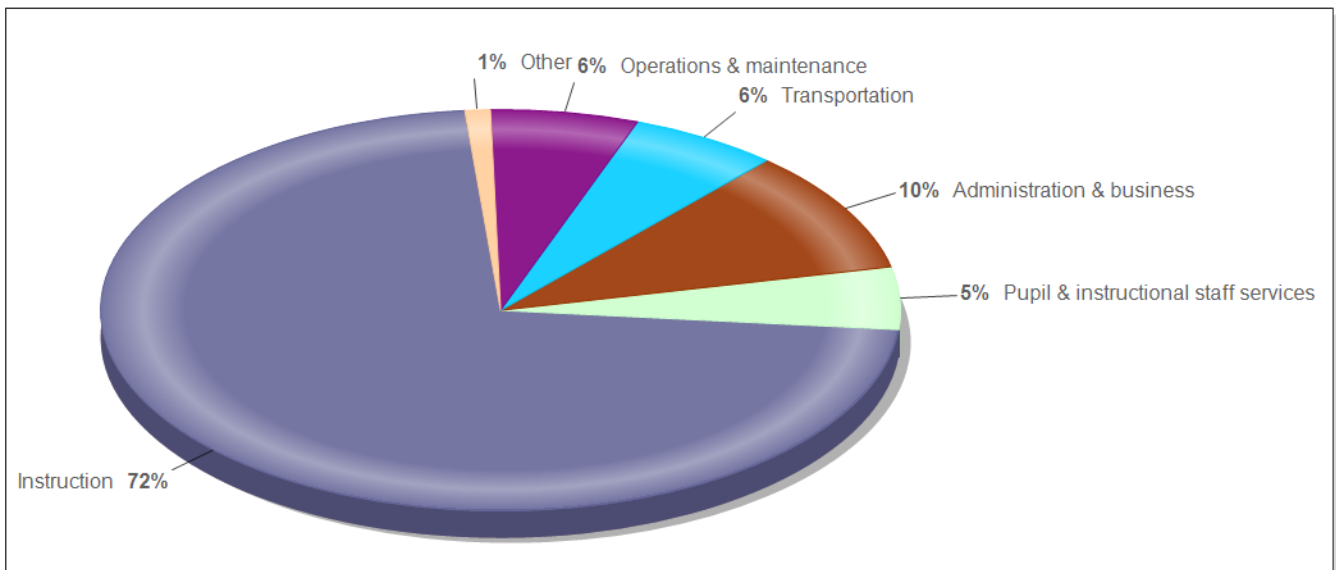
Property taxes accounted for the largest portion of the District's revenues, contributing 51%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$8.6, mainly related to instructing and caring for the students and student transportation at 83%.

Willow Springs School District 108
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2018

District-Wide Revenues by Source



District-Wide Expenses by Function



Financial Analysis of the District's Funds

The District's Governmental Funds balance decreased from the prior year by \$0.3. This was primarily attributable to increased special education costs.

General Fund Budgetary Highlights

The adopted budget was the original budget and was not amended during the year. General Fund revenues were over budget by \$0.2. Expenditures were above budget by \$0.2.

Willow Springs School District 108
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2018

Capital Assets and Debt Administration

Capital assets

By the end of 2018, the District had compiled a total investment of \$12.8 (\$7.8 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$0.2. More detailed information about capital assets can be found in Note 5 of the basic financial statements.

Table 3		
Capital Assets (net of depreciation)		
(in millions of dollars)		
	<u>2017</u>	<u>2018</u>
Land improvements	\$ 0.1	\$ 0.1
Buildings	<u>7.9</u>	<u>7.7</u>
Total	<u>\$ 8.0</u>	<u>\$ 7.8</u>

Long-term debt

The District retired \$0.5 in bonds in 2018. Net pension liability was increased by \$0.2. At the end of fiscal 2018, the District had a debt margin of \$2.2. More detailed information on long-term debt can be found in Note 6 of the basic financial statements.

Table 4		
Outstanding Long-Term Debt		
(in millions of dollars)		
	<u>2017*</u>	<u>2018</u>
General Obligation Bonds	\$ 3.8	\$ 3.3
Net Pension Liability	1.0	0.9
Net OPEB Liability	<u>2.6</u>	<u>2.6</u>
Total	<u>\$ 7.4</u>	<u>\$ 6.8</u>

*Prior year information not updated for the implementation of GASB 75 in 2018

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that will significantly affect financial operations in the future:

Willow Springs School District 108

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2018

Funding continues to be one of the major concerns of the District. The District does its best to offer a quality educational program while maintaining responsibility to the local taxpayer. The District is highly reliant upon local property tax to fund the programs that it offers. As a result, EAV must increase accordingly and tax appeals need to remain to not be a factor. Between a lowered EAV and a modest CPI, we are again not anticipating significant new revenues in FY2019. Added to these concerns is that the community, via foreclosure and the recent economic situation, may not be able to meet its tax obligations to the District. In recent years, Cook County has not been reliable in its issuance of tax bills in recent years creating potential problems related to cash flow for the District. The uncertainty of State dollars is always a consideration when building a budget and planning for the education of our students. While the Evidence Based Funding Formula has been beneficial to the District, the State will need to continue to fund it adequately through all years, not just election years. Any potential for a cost shift of State Pensions from the State to local districts looms heavily as well and will have a major impact on the finances of the District.

Fluctuating enrollment is also a concern of the District. Enrollment has been unstable over the past 7 years due to changing policy at the mobile home park that is within District boundaries. Several years ago, fiscal year 2010, enrollment dropped significantly, about 20%. During fiscal year 2014, enrollment increased significantly. To date, the District has predicted well what staff it will need. However, increases in student enrollment dictate increases in staff sizes. The District has also striven to implement small class sizes as the research overwhelmingly shows the academic benefits to small class sizes. As so little funding comes from the State, and local property taxes are so limited, this is causing an increase in spending without necessarily matching increase in revenues. Unfunded and underfunded mandates need to be kept to a minimum to insure that the District's programming not be reduced.

As a result, costs must be contained to insure the effective educational program that is offered here at Willow Springs School. The District is cognizant that because of the way the State of Illinois funds schools, it will be necessary to go out for referendum about once every decade in order to maintain its sound financial position. The last referendum was in 2004. It is hoped that with conservative spending, the distance between referenda can be furthered.

Requests for Information

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

Frank C. Patrick, Superintendent
Willow Springs School District 108
8345 Archer Avenue
Willow Springs, Illinois 60480-1499

WILLOW SPRINGS SCHOOL DISTRICT 108

STATEMENT OF NET POSITION

AS OF JUNE 30, 2018

	GOVERNMENTAL ACTIVITIES
Assets	
Cash	\$ 6,113,076
Receivables (net of allowance for uncollectibles):	
Property taxes	2,247,165
Replacement taxes	9,946
Intergovernmental	142,213
Capital assets:	
Land	25,572
Depreciable buildings, property and equipment, net	<u>7,819,832</u>
Total assets	<u>16,357,804</u>
Deferred outflows of resources	
Deferred outflows related to pensions	185,613
Deferred outflows related to OPEB	<u>127,904</u>
Total deferred outflows of resources	<u>313,517</u>
Liabilities	
Payroll withholdings and benefits payable	128,248
Interest payable	9,573
Long-term liabilities:	
Other long-term liabilities - due within one year	460,000
Other long-term liabilities - due after one year	<u>6,350,677</u>
Total liabilities	<u>6,948,498</u>
Deferred inflows of resources	
Property taxes levied for a future period	2,247,165
Deferred inflows related to pensions	172,473
Deferred inflows related to OPEB	<u>309,481</u>
Total deferred inflows of resources	<u>2,729,119</u>
Net position	
Net Investment in capital	4,520,484
Restricted for:	
Tort immunity	696,210
Operations and maintenance	579,824
Student transportation	322,146
Debt service	576,865
Capital projects	487
Unrestricted	<u>297,688</u>
Total net position	<u>\$ 6,993,704</u>

See Notes to Basic Financial Statements

WILLOW SPRINGS SCHOOL DISTRICT 108

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET POSITION
			GOVERNMENTAL ACTIVITIES	
Governmental activities				
Instruction:				
Regular programs	\$ 2,260,669	\$ 12,291	\$ -	\$ (2,248,378)
Special programs	2,251,217	-	290,314	(1,960,903)
Other instructional programs	17,155	-	368	(16,787)
State retirement contributions	1,695,661	-	1,695,661	-
Support Services:				
Pupils	214,809	-	-	(214,809)
Instructional staff	170,901	-	4,827	(166,074)
General administration	438,581	-	-	(438,581)
School administration	178,270	-	-	(178,270)
Business	295,095	12,924	123,612	(158,559)
Transportation	474,145	-	193,613	(280,532)
Operations and maintenance	470,755	210	-	(470,545)
Interest and fees	101,569	-	-	(101,569)
Total governmental activities	\$ 8,568,827	\$ 25,425	\$ 2,308,395	(6,235,007)

General revenues:

Taxes:

Real estate taxes, levied for general purposes	2,154,243
Real estate taxes, levied for specific purposes	1,470,378
Real estate taxes, levied for debt service	579,984
Personal property replacement taxes	58,375
State aid-formula grants	1,330,901
Investment income	94,398
Miscellaneous	160,215
Total general revenues	5,848,494

Change in net position	(386,513)
Net position, beginning of year (as restated)	7,380,217
Net position, end of year	\$ 6,993,704

See Notes to Basic Financial Statements

WILLOW SPRINGS SCHOOL DISTRICT 108
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2018
WITH COMPARATIVE TOTALS AS OF JUNE 30, 2017

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Assets				
Cash and investments	\$ 4,401,947	\$ 579,824	\$ 273,528	\$ 270,852
Receivables (net allowance for uncollectibles):				
Property taxes	1,200,064	165,985	504,762	69,132
Replacement taxes	9,946	-	-	-
Intergovernmental	93,595	-	48,618	-
Due from other government	-	-	-	-
Total assets	<u>\$ 5,705,552</u>	<u>\$ 745,809</u>	<u>\$ 826,908</u>	<u>\$ 339,984</u>
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Payroll withholdings and benefits payable	\$ 128,248	\$ -	\$ -	\$ -
Total liabilities	<u>128,248</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Property taxes levied for a future period	1,200,064	165,985	504,762	69,132
Unavailable state and federal aid receivable	789	-	48,618	-
Unavailable other government receivable	-	-	-	-
Total deferred inflows of resources	<u>1,200,853</u>	<u>165,985</u>	<u>553,380</u>	<u>69,132</u>
Fund balance				
Restricted	696,210	579,824	273,528	270,852
Unassigned	<u>3,680,241</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>4,376,451</u>	<u>579,824</u>	<u>273,528</u>	<u>270,852</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 5,705,552</u>	<u>\$ 745,809</u>	<u>\$ 826,908</u>	<u>\$ 339,984</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2018	2017
\$ 586,438	\$ -	\$ 487	\$ 6,113,076	\$ 6,263,765
307,222	-	-	2,247,165	2,237,963
-	-	-	9,946	11,205
-	-	-	142,213	214,006
-	-	-	-	66,021
<u>\$ 893,660</u>	<u>\$ -</u>	<u>\$ 487</u>	<u>\$ 8,512,400</u>	<u>\$ 8,792,960</u>
\$ -	\$ -	\$ -	\$ 128,248	\$ 104,351
-	-	-	128,248	104,351
307,222	-	-	2,247,165	2,211,144
-	-	-	49,407	68,515
-	-	-	-	66,021
<u>307,222</u>	<u>-</u>	<u>-</u>	<u>2,296,572</u>	<u>2,345,680</u>
586,438	-	487	2,407,339	2,365,559
-	-	-	3,680,241	3,977,370
<u>586,438</u>	<u>-</u>	<u>487</u>	<u>6,087,580</u>	<u>6,342,929</u>
<u>\$ 893,660</u>	<u>\$ -</u>	<u>\$ 487</u>	<u>\$ 8,512,400</u>	<u>\$ 8,792,960</u>

WILLOW SPRINGS SCHOOL DISTRICT 108
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2018

Total fund balances - governmental funds		\$ 6,087,580
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.		7,845,404
Certain revenues receivable by the District and recognized in the Statement of Net Position do not provide current financial resources and are included as deferred inflows of resources in the Governmental Funds Balance Sheet, as follows:		-
State and federal aid	\$ 49,407	49,407
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		185,613
Deferred outflows of resources related to OPEB do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		127,904
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(172,473)
Deferred inflows of resources related to OPEB do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(309,481)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.		
Balances at June 30, 2018 are:		
Bonds payable	\$ (3,265,000)	
Unamortized bond premium	(59,920)	
Net OPEB liability	(2,586,761)	
Net pension liability	<u>(898,996)</u>	(6,810,677)
Interest on long-term liabilities accrued in the Statement of Net Position will not be paid with current financial resources and, therefore, is not recognized in the Governmental Funds Balance Sheet.		<u>(9,573)</u>
Net position of governmental activities		<u>\$ 6,993,704</u>

See Notes to Basic Financial Statements

WILLOW SPRINGS SCHOOL DISTRICT 108
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2018
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Revenues				
Property taxes	\$ 2,228,823	\$ 305,921	\$ 958,553	\$ 131,324
Corporate personal property replacement taxes	38,741	-	-	19,634
State aid	3,057,097	-	184,413	-
Federal aid	416,894	-	-	-
Investment income	67,401	6,463	8,330	3,849
Other	251,661	-	-	-
Total revenues	<u>6,060,617</u>	<u>312,384</u>	<u>1,151,296</u>	<u>154,807</u>
Expenditures				
Current:				
Instruction:				
Regular programs	2,000,973	-	-	30,558
Special programs	784,456	-	-	36,569
Other instructional programs	21,801	-	-	1,021
State retirement contributions	1,695,661	-	-	-
Support Services:				
Pupils	190,766	-	-	10,679
Instructional staff	145,514	-	-	442
General administration	377,913	-	-	10,799
School administration	147,145	-	-	7,435
Business	252,704	-	-	14,827
Transportation	-	-	464,991	319
Operations and maintenance	-	402,217	-	23,609
Payments to other districts and gov't units	1,279,861	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	46,122	6,535	-	-
Total expenditures	<u>6,942,916</u>	<u>408,752</u>	<u>464,991</u>	<u>136,258</u>
Excess (deficiency) of revenues over expenditures	<u>(882,299)</u>	<u>(96,368)</u>	<u>686,305</u>	<u>18,549</u>
Other financing sources (uses)				
Transfers in	573,137	250,000	-	-
Transfers (out)	-	(6,461)	(808,329)	-
Total other financing sources (uses)	<u>573,137</u>	<u>243,539</u>	<u>(808,329)</u>	<u>-</u>
Net change in fund balance	(309,162)	147,171	(122,024)	18,549
Fund balance, beginning of year	4,685,613	432,653	395,552	252,303
Fund balance, end of year	<u>\$ 4,376,451</u>	<u>\$ 579,824</u>	<u>\$ 273,528</u>	<u>\$ 270,852</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2018	2017
\$ 579,984	\$ -	\$ -	\$ 4,204,605	\$ 4,163,612
-	-	-	58,375	70,914
-	-	-	3,241,510	3,196,654
-	-	-	416,894	310,637
8,348	-	7	94,398	82,261
-	-	-	251,661	209,765
<u>588,332</u>	<u>-</u>	<u>7</u>	<u>8,267,443</u>	<u>8,033,843</u>
-	-	-	2,031,531	2,013,108
-	-	-	821,025	645,437
-	-	-	22,822	29,252
-	-	-	1,695,661	1,752,726
-	-	-	201,445	201,249
-	-	-	145,956	134,831
-	-	-	388,712	349,121
-	-	-	154,580	149,843
-	-	-	267,531	256,776
-	-	-	465,310	312,323
-	-	-	425,826	435,665
-	-	-	1,279,861	962,326
450,000	-	-	450,000	440,000
119,875	-	-	119,875	128,775
-	-	-	52,657	247,466
<u>569,875</u>	<u>-</u>	<u>-</u>	<u>8,522,792</u>	<u>8,058,898</u>
<u>18,457</u>	<u>-</u>	<u>7</u>	<u>(255,349)</u>	<u>(25,055)</u>
-	-	-	823,137	689,965
<u>(8,347)</u>	<u>-</u>	<u>-</u>	<u>(823,137)</u>	<u>(689,965)</u>
<u>(8,347)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10,110	-	7	(255,349)	(25,055)
<u>576,328</u>	<u>-</u>	<u>480</u>	<u>6,342,929</u>	<u>6,367,984</u>
<u>\$ 586,438</u>	<u>\$ -</u>	<u>\$ 487</u>	<u>\$ 6,087,580</u>	<u>\$ 6,342,929</u>

WILLOW SPRINGS SCHOOL DISTRICT 108
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds	\$	(255,349)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds current year net capital outlay in the current period.		
		(169,956)
Certain revenues included in the Statement of Activities do not provide current financial resources and, therefore, are included as deferred inflows of resources in the fund statements:		
State and federal aid	\$	(19,108)
Other government revenue		<u>(66,021)</u>
		(85,129)
The issuance of long-term debt (bonds, capital leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which proceeds from current year long-term financing arrangements exceeded current year principal repayments.		
		450,000
In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:		
Interest payable	\$	750
Net OPEB liability		13,437
Premium on bonds		17,556
Deferred inflows related to OPEB		(309,481)
Deferred outflows related to OPEB		108,641
Net pension liability		123,211
Deferred outflows related to pensions		(129,595)
Deferred inflows related to pensions		<u>(150,598)</u>
		<u>(326,079)</u>
Change in net position of governmental activities	\$	<u><u>(386,513)</u></u>

See Notes to Basic Financial Statements

WILLOW SPRINGS SCHOOL DISTRICT 108
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2018

	<u>AGENCY STUDENT ACTIVITY FUND</u>
Assets	
Cash and investments	\$ <u>52,645</u>
Total assets	\$ <u><u>52,645</u></u>
Liabilities	
Due to student groups	\$ <u>52,645</u>
Total liabilities	\$ <u><u>52,645</u></u>

See Notes to Basic Financial Statements

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Willow Springs School District 108 (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:

Reporting Entity

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

Basis of Presentation

Government-wide Financial Statements

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

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

Governmental Funds Financial Statements

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. 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. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for all governmental funds and fiduciary funds; the fiduciary funds are excluded from the government-wide financial statements.

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus, while the fiduciary fund statements do not have a measurement focus. The government-wide financial statements and the fiduciary fund financial statements are reported using 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 when all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Major Governmental Funds

General Fund - the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Funds.

Operations and Maintenance Fund - accounts for expenditures made for repair and maintenance of the District's building and land. Revenue consists primarily of local property taxes.

Transportation Fund - accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement / Social Security Fund - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

Debt Service Fund - accounts for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

Capital Project Funds - accounts for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Capital Projects Fund - accounts for construction projects and renovations financed through serial bond issues.

Fire Prevention and Life Safety Fund - accounts for State-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.

Other Fund Types

Fiduciary Funds - account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Agency Fund - include Student Activity Funds, Convenience Accounts and Other Agency Funds. These funds are custodial in nature and do not present results of operations or have a measurement focus. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes. Convenience Accounts account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

On-behalf payments (payments made by a third party for the benefit of the district, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until earned.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

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.

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2017 levy resolution was approved during the December 20, 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 tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

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 lessor of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2017 and 2016 tax levies were 2.1% and 0.7%, respectively.

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1 and the second due on the later of August 1 or 30 days after the second installment tax bill is mailed. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Property taxes are normally collected by the District within 60 days of the due date.

The 2017 property tax levy is recognized as a receivable in fiscal 2018, net of estimated uncollectible amounts approximating 1% and less amounts already received. 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 2019 and has included the corresponding receivable as a deferred inflow of resources.

Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement / Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Capital Assets

Capital assets, which include land, land improvements, buildings, 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 \$500 and an estimated useful life of more than 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

<i>Assets</i>	<i>Years</i>
Buildings	20-50
Building improvements	20
Vehicles	8
Equipment	5-10

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. 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.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Equity is classified as net position in the government-wide financial statements and displayed in three components:

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

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 improvement of those assets less than any unspent debt proceeds.

Restricted net position - Consists of net position with constraints placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Equity is classified as fund balance in the fund financial statements and displayed in five components:

Nonspendable - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory, pre-paid items, permanent scholarships).

Restricted - includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds).

Committed - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action (a motion) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education board that originally created the commitment.

Assigned - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. The Board of Education has declared that the Superintendent may assign amounts for a specific purpose. The Board of Education may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended in the General Fund is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. In all other funds (Special Revenue, Debt Service, Capital Projects), assigned fund balance will be spent first, followed by committed fund balance, and then restricted fund balance.

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Governmental fund balances reported on the fund financial statements at June 30, 2018 are as follows:

The restricted fund balance in the General Fund is comprised of \$696,210 for tort immunity. The remaining restricted fund balances are for the purpose of the respective funds as described above in the Major Governmental Funds section.

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 summarized information was derived.

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.

NOTE 2 - CHANGES IN ACCOUNTING PRINCIPLES

In June 2015, the GASB issued statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agency Employers and Agent Multiple-Employer Plans*, for OPEB. This standard was implemented July 1, 2017.

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash & Investments under the custody of the Township Treasurer

Under the Illinois Compiled Statutes, the Lyons Township School Treasurer is the lawful custodian of all school funds. The Treasurer is appointed by the Township School Trustees, an independently elected body, to serve the school districts in the township. The Treasurer is the direct recipient of property taxes, replacement taxes and most state and federal aid and disburses school funds upon lawful order of the school board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below. For these purposes, the Treasurer is permitted to combine monies from more than one fund of a single district and to combine monies of more than one district in the township. Monies combined under these circumstances, as well as investment earnings, are accounted for separately for each fund and/or district.

Cash and investments, other than the student activity and convenience accounts, petty cash, and imprest funds, are part of a common pool for all school districts and cooperatives within the township. The Treasurer maintains records that segregate the cash and investment balance by district or cooperative. Income from investments is distributed monthly based upon the District's percentage participation in the pool. All cash for all funds, including cash applicable to the Debt Service Fund and the Illinois Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 3 - DEPOSITS AND INVESTMENTS - (CONTINUED)

The Treasurer's investment policies are established by the Lyons Township School Trustees as prescribed by the Illinois School Code and the Illinois Compiled Statutes. The Treasurer is authorized to invest in obligations of the U.S. Treasury, backed by the full faith and credit of the U.S. Government, certificates of deposit issued by commercial banks and savings and loan associations, and commercial paper rated within the three highest classifications by at least two standard rating services (subject to certain limitations).

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

The weighted average maturity of all marketable pooled investments held by the Treasurer was 8.47 years at June 30, 2018. The other assets included in the Treasurer's pool include money market type investments, certificates of deposits, other deposits with financial institutions, and a receivable from the Lyons Township School Treasurer. As of June 30, 2018, the fair value of all cash and investments held by the Treasurer's office was \$190,425,264 and the receivable from the Lyons School Treasurer was \$3,132,292. The fair value of the District's proportionate share of the pool was \$6,111,076. Further information about pooled assets held at the Treasurer's office and the Treasurer's office operations is available from the Treasurer's financial statements.

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

Cash & Investments in the custody of the District

Deposits of the student activity and imprest funds, which are held in the District's custody, consist of deposits with financial institutions. The following is a summary of such deposits:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits with financial institutions	\$ 54,645	\$ 55,045
Total	<u>\$ 54,645</u>	<u>\$ 55,045</u>

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District's investment policy seeks to ensure 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.

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 3 - DEPOSITS AND INVESTMENTS - (CONTINUED)

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2018, the bank balance of the District's deposit with financial institutions totaled \$55,045; the entire amount was insured.

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds maintained their invested and uninvested balances in the common checking and investment accounts, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

NOTE 4 - INTERFUND TRANSFERS

During the year, the Board transferred \$7,121 in interest earned in the General Fund (Working Cash Accounts) to the General Fund (Educational Accounts). For reporting purposes, the transfer from the General Fund (Working Cash Accounts) to the General Fund (Educational Accounts) is eliminated upon consolidation of the General Fund.

The Board transferred interest earned of \$6,461, \$8,347, and \$8,329 in the Operations and Maintenance, Debt Service and Transportation funds, respectively, to the General Fund (Educational Accounts).

The Board also adopted a resolution for the transfer of \$550,000 from the Transportation Fund to the General Fund (Educational Accounts), \$250,000 from the Transportation Fund to the Operations and Maintenance Fund.

State law allows for the above transfers.

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 5 - CAPITAL ASSETS

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

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<u>Capital assets not being depreciated:</u>				
Land	\$ 25,572	\$ -	\$ -	\$ 25,572
Total capital assets not being depreciated	<u>25,572</u>	<u>-</u>	<u>-</u>	<u>25,572</u>
<u>Capital assets being depreciated:</u>				
Land improvements	160,754	-	-	160,754
Buildings	10,666,236	-	-	10,666,236
Equipment	<u>1,951,434</u>	<u>8,184</u>	<u>-</u>	<u>1,959,618</u>
Total capital assets being depreciated	<u>12,778,424</u>	<u>8,184</u>	<u>-</u>	<u>12,786,608</u>
<u>Less Accumulated Depreciation for:</u>				
Land improvements	92,990	7,920	-	100,910
Buildings	2,725,138	165,453	-	2,890,591
Equipment	<u>1,970,508</u>	<u>4,767</u>	<u>-</u>	<u>1,975,275</u>
Total accumulated depreciation	<u>4,788,636</u>	<u>178,140</u>	<u>-</u>	<u>4,966,776</u>
Net capital assets being depreciated	<u>7,989,788</u>	<u>(169,956)</u>	<u>-</u>	<u>7,819,832</u>
Net governmental activities capital assets	<u>\$ 8,015,360</u>	<u>\$ (169,956)</u>	<u>\$ -</u>	<u>\$ 7,845,404</u>

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

	<i>Governmental Activities</i>	<i>Depreciation</i>
Regular programs		\$ 65,912
Special education instruction		49,879
Pupils		1,781
Instructional staff		8,907
General administration		16,033
School administration		5,344
Business		3,563
Operations and Maintenance		14,251
Transportation		7,126
Food services		<u>5,344</u>
Total depreciation expense - governmental activities		<u>\$ 178,140</u>

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 6 - LONG TERM LIABILITIES

Changes in General Long-term Liabilities. The following is the long-term liability activity for the District for the year ended June 30, 2018:

	Beginning Balance (as restated)	Additions	Deletions	Ending Balance	Due Within One Year
General obligation bonds	\$ 3,715,000	\$ -	\$ 450,000	\$ 3,265,000	\$ 460,000
Unamortized premium	<u>77,476</u>	<u>-</u>	<u>17,556</u>	<u>59,920</u>	<u>-</u>
Total bonds payable	<u>3,792,476</u>	<u>-</u>	<u>467,556</u>	<u>3,324,920</u>	<u>460,000</u>
OPEB Liability	2,600,198	-	13,437	2,586,761	-
Net Pension Liability	<u>1,022,207</u>	<u>64,415</u>	<u>187,626</u>	<u>898,996</u>	<u>-</u>
Total long-term liabilities - governmental activities	<u>\$ 7,414,881</u>	<u>\$ 64,415</u>	<u>\$ 668,619</u>	<u>\$ 6,810,677</u>	<u>\$ 460,000</u>

The obligations for the net pension liability will be repaid from the General Fund and the Municipal Retirement/Social Security Fund. The obligations for the THIS OPEB liability will be repaid from the General Fund.

General Obligation Bonds. 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	Carrying Amount
Series Obligation Bond Series 2013 dated November 14, 2013 are due in annual installments through December 1, 2024	2.00% - 4.00%	\$ 5,085,000	\$ 3,265,000
Total		<u>\$ 5,085,000</u>	<u>\$ 3,265,000</u>

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

	Principal	Interest	Total
2019	\$ 460,000	\$ 107,975	\$ 567,975
2020	470,000	93,144	563,144
2021	490,000	76,943	566,943
2022	505,000	59,838	564,838
2023	520,000	41,900	561,900
2024 - 2025	<u>820,000</u>	<u>27,600</u>	<u>847,600</u>
Total	<u>\$ 3,265,000</u>	<u>\$ 407,400</u>	<u>\$ 3,672,400</u>

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2018, the statutory debt limit for the District was \$5,481,811, providing a debt margin of \$2,216,811.

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 7 - 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. The District participates in Education Benefit Cooperative (EBC), a public entity risk pools for employee health benefits. The District pays annual premiums to the pool for insurance coverage. The arrangement with the pool provides that it will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

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

NOTE 8 - JOINT AGREEMENTS

The District is a member of AERO, a joint agreement that provides certain special education services to residents of many school districts. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

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

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

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

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.18% of pay during the year ended June 30, 2018. State of Illinois contributions were \$28,501, and the District recognized revenues and expenditures of this amount during the year.

Contributions. The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.88% during the year ended June 30, 2018. The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2018, the District paid \$21,255 to the THIS Fund, respectively, which was 100 percent of the required contribution for the year.

THIS Fiduciary Net Position. Detailed information about the THIS Fund's fiduciary net position as of June 30, 2017 is available in the separately issued THIS Annual Financial Report.

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

District's proportionate share of the collection net OPEB liability	\$ 2,586,761
State's proportionate share of the collective net OPEB liability associated with the District	<u>3,397,060</u>
Total	<u>\$ 5,983,821</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2017 and 2016, the District's proportion was 0.009969% and 0.009512%, respectively.

Actuarial Assumptions. The net OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary Increases	3.25% to 9.25%
Investment Rate of Return	0.00%
Healthcare Cost Trend Rates - Initial	Non-Medicare - 8.00%; Post-Medicare - 9.00%
Healthcare Cost Trend Rates - Ultimate	4.50% with additional 0.59% added to non-Medicare costs
Fiscal Year the Ultimate Rate is Reached	2020

Mortality rates 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.

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

Discount Rate. At June 30, 2017, the discount rate used to measure the total OPEB liability was a blended rate of 3.56%, which was a change from the June 30, 2016 rate of 2.85%. Since THIS is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the District, as well as what the District's 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 discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	<u>\$ 3,104,127</u>	<u>\$ 2,586,761</u>	<u>\$ 2,172,827</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (initial rate of 7.00% decreasing to an ultimate rate of 4.09%) for non-Medicare coverage and initial rate of 8.00% decreasing to an ultimate rate of 3.50% for Medicare coverage) or 1-percentage-point higher (initial rate of 9.00% decreasing to an ultimate rate of 6.09%) for non-Medicare coverage and initial rate of 10.00% decreasing to an ultimate rate of 5.50% for Medicare coverage) than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	<u>\$ 2,087,800</u>	<u>\$ 2,586,761</u>	<u>\$ 3,302,992</u>

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 \$208,658 and on-behalf revenue and expenditures of \$28,501 for support provided by the state. At June 30, 2018, the District's deferred outflows of resources and deferred inflows of resources related to OPEBs were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 1,465
Changes in Assumptions	-	307,988
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	28
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	106,649	-
District Contributions Subsequent to the Measurement Date	<u>21,255</u>	<u>-</u>
Total	<u>\$ 127,904</u>	<u>\$ 309,481</u>

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net OPEB liability for the year ending June 30, 2019. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB (\$(202,832)) will be recognized in OPEB expense as follows in these reporting years:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ (31,600)
2020	(31,600)
2021	(31,600)
2022	(31,600)
2023	(31,153)
Thereafter	<u>(47,039)</u>
Total	<u>\$ (204,592)</u>

NOTE 10 - RETIREMENT 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.

Teachers' Retirement System

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

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/financial-reports>; 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 1* members have TRS or reciprocal system service prior to January 1, 2011. *Tier 1* 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.

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Tier 2 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 2* are identical to those of *Tier 1*. Death benefits are payable under a formula that is different from *Tier 1*.

Essentially all *Tier 1* 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 2* 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 3* 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 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016 was 9.4 percent of creditable earnings. On July 1, 2016 the rate dropped to 9.0 percent of pay due to the expiration of the Early Retirement Option (ERO). The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 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 \$1,667,160 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2018, were \$14,009, and are deferred because they were paid after the June 30, 2017 measurement date.

Federal and 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.

For the year ended June 30, 2018, the District pension contribution was 10.10 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2018, were \$8,663, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

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

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Net Pension Liability. 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 collective net pension liability	\$	622,977
State's proportionate share of the collective net pension liability associated with the District		<u>16,940,065</u>
Total		<u>\$ 17,563,042</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 and 2016, the District's proportion was 0.00081543 percent and 0.00077670 percent, respectively.

Summary of Significant Accounting Policies. For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TRS and additions to/deductions from TRS fiduciary net position have been determined on the same basis as they are reported by TRS. 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.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the June 30, 2017 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit, and (c) inflation of 3.00%.

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

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.40 %	6.94 %
U.S. equities small/mid cap	3.60 %	8.09 %
International equities developed	14.40 %	7.46 %
Emerging market equities	3.60 %	10.15 %
U.S. bonds core	10.70 %	2.44 %
International debt developed	5.30 %	1.70 %
Real estate	15.00 %	5.44 %
Commodities (real return)	11.00 %	4.28 %
Hedge funds (absolute return)	8.00 %	4.16 %
Private equity	14.00 %	10.63 %

Discount Rate. At June 30, 2017, the discount rate used to measure the total pension liability was a blended rate of 7.00 percent, which was 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 1's* liability is partially funded by *Tier 2* members, as the *Tier 2* member contribution is higher than the cost of *Tier 2* 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 as well because TRS's fiduciary net position and the subsidy provided by *Tier 2* were not sufficient to cover all projected benefit payments.

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	\$ <u>765,409</u>	\$ <u>622,977</u>	\$ <u>506,314</u>

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 \$62,241 and on-behalf revenue of \$1,667,160 for support provided by the state. At June 30, 2018, the District's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,766	\$ 288
Net difference between projected and actual earnings on pension plan investments	427	-
Assumption changes	41,579	17,901
Changes in proportion and differences between District contributions and proportionate share of contributions	27,642	12,161
District contributions subsequent to the measurement date	<u>22,672</u>	<u>-</u>
Total	<u>\$ 99,086</u>	<u>\$ 30,350</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2019. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$46,064) will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2019	\$ 11,390
2020	20,590
2021	13,899
2022	(49)
2023	<u>234</u>
Total	<u>\$ 46,064</u>

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Illinois Municipal Retirement Fund

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer pension 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. The report may be obtained on-line at www.imrf.org.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under *Regular Tier 2*, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Plan Membership. At December 31, 2017, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	17
Inactive, non-retired members	20
Active members	<u>18</u>
Total	<u><u>55</u></u>

Contributions. As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2017 was 11.38 percent of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies. For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. 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.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2017 annual actuarial valuation included (a) 7.50% investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) price inflation of 2.75%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	37.00 %	8.30 %	6.85 %
International equities	18.00 %	8.45 %	6.75 %
Fixed income	28.00 %	3.05 %	3.00 %
Real estate	9.00 %	6.90 %	5.75 %
Alternatives	7.00 %		
Private equity		12.45 %	7.35 %
Hedge funds		5.35 %	5.05 %
Commodities		4.25 %	2.65 %
Cash equivalents	1.00 %	2.25 %	2.25 %

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability for IMRF was 7.50%. The discount rate calculated using the December 31, 2016 measurement date was 7.50%. The projection of cash flows used to determine the discount rate assumed that member 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. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.50% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 2,680,512	\$ 2,408,403	\$ 2,179,070
Plan fiduciary net position	<u>2,132,384</u>	<u>2,132,384</u>	<u>2,132,384</u>
Net pension liability/(asset)	<u>\$ 548,128</u>	<u>\$ 276,019</u>	<u>\$ 46,686</u>

Changes in Net Pension Liability/(Asset). The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2017 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at December 31, 2016	\$ 2,325,892	\$ 1,916,783	\$ 409,109
Service cost	54,267	-	54,267
Interest on total pension liability	171,519	-	171,519
Differences between expected and actual experience of the total pension liability	62,400	-	62,400
Change of assumptions	(73,465)	-	(73,465)
Benefit payments, including refunds of employee contributions	(132,210)	(132,210)	-
Contributions - employer	-	57,063	(57,063)
Contributions - employee	-	22,564	(22,564)
Net investment income	-	342,742	(342,742)
Other (net transfer)	-	(74,558)	74,558
Balances at December 31, 2017	<u>\$ 2,408,403</u>	<u>\$ 2,132,384</u>	<u>\$ 276,019</u>

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2018, the District recognized pension expense of \$179,146. The District's deferred outflows and inflows of resources related to pension were from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	\$ 54,663	\$ -
Assumption changes	-	43,518
Net difference between projected and actual earnings on pension plan investments	-	98,605
Contributions subsequent to the measurement date	<u>31,864</u>	<u>-</u>
Total	<u>\$ 86,527</u>	<u>\$ 142,123</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2019. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$87,460) will be recognized in pension expense as follows:

	<i>Year Ending December 31,</i>	<i>Amount</i>
2018		\$ 5,262
2019		(14,307)
2020		(37,664)
2021		<u>(40,751)</u>
Total		<u>\$ (87,460)</u>

NOTE 11 - 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 disallowance, if any, would be immaterial.

NOTE 12 - RESTATEMENT

Net position has been restated due to the implementation of GASB Statement No. 75. The restatement is necessary to record the prior year net OPEB liability.

	<i>Governmental Activities</i>
Net position as previously reported, June 30, 2017	\$ 9,961,152
Adjustment to record deferred outflows of resources related to OPEB as of June 30, 2017 for THIS	19,263
Adjustment to record the net OPEB liability as of June 30, 2017 for the District's plan	<u>(2,600,198)</u>
Net position as restated, June 30, 2017	<u>\$ 7,380,217</u>

WILLOW SPRINGS SCHOOL DISTRICT 108

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 13 - EFFECT OF NEW ACCOUNTING STANDARDS ON
CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 83, *Asset Retirement Obligations*, GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 85, *Omnibus 2017*, GASB Statement No. 86, *Certain Debt Extinguishment Issues*, GASB Statement No. 87, *Leases*, GASB Statement No. 88, *Certain Disclosures Related to Debt Including Direct Borrowings and Direct Placements*, GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, and GASB Statement No. 90, *Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*. Application of these standards may restate portions of these financial statements.

WILLOW SPRINGS SCHOOL DISTRICT 108
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY
AND RELATED RATIOS
Four Most Recent Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability				
Service cost	\$ 54,267	\$ 52,072	\$ 53,991	\$ 51,373
Interest	171,519	156,185	146,811	128,361
Differences between expected and actual experience	62,400	120,593	24,152	39,302
Changes of assumptions	(73,465)	(5,248)	2,419	99,242
Benefit payments, including refunds of member contributions	<u>(132,210)</u>	<u>(119,416)</u>	<u>(77,523)</u>	<u>(64,441)</u>
Net change in total pension liability	82,511	204,186	149,850	253,837
Total pension liability - beginning	<u>2,325,892</u>	<u>2,121,706</u>	<u>1,971,856</u>	<u>1,718,019</u>
Total pension liability - ending (a)	<u>\$ 2,408,403</u>	<u>\$ 2,325,892</u>	<u>\$ 2,121,706</u>	<u>\$ 1,971,856</u>
Plan fiduciary net position				
Employer contributions	\$ 57,063	\$ 53,099	\$ 50,698	\$ 49,587
Employee contributions	22,564	21,071	23,597	20,397
Net investment income	342,742	119,443	9,015	102,813
Benefit payments, including refunds of member contributions	(132,210)	(119,416)	(77,523)	(64,441)
Other (net transfer)	<u>(74,558)</u>	<u>43,302</u>	<u>(11,083)</u>	<u>13,540</u>
Net change in plan fiduciary net position	215,601	117,499	(5,296)	121,896
Plan fiduciary net position - beginning	<u>1,916,783</u>	<u>1,799,284</u>	<u>1,804,580</u>	<u>1,682,684</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,132,384</u>	<u>\$ 1,916,783</u>	<u>\$ 1,799,284</u>	<u>\$ 1,804,580</u>
Employer's net pension liability - ending (a) - (b)	<u>\$ 276,019</u>	<u>\$ 409,109</u>	<u>\$ 322,422</u>	<u>\$ 167,276</u>
Plan fiduciary net position as a percentage of the total pension liability	88.54%	82.41%	84.80%	91.52%
Covered-employee payroll	\$ 501,432	\$ 468,241	\$ 458,802	\$ 453,259
Employer's net pension liability as a percentage of covered-employee payroll	55.05%	87.37%	70.27%	36.91%

Notes to Schedule:

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

Actuary valuations are as of December 31st, which is 6 months prior to the end of the fiscal year.

WILLOW SPRINGS SCHOOL DISTRICT 108

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
 Four Most Recent Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 57,063	\$ 53,099	\$ 50,698	\$ 49,586
Contributions in relation to the actuarially determined contribution	<u>(57,063)</u>	<u>(53,099)</u>	<u>(50,698)</u>	<u>(49,587)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>
Covered-employee payroll	\$ 501,432	\$ 468,241	\$ 458,802	\$ 453,259
Contributions as a percentage of covered-employee payroll	11.38%	11.34%	11.05%	10.94%

Notes to Schedule:

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

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 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 percentage of payroll, closed
Remaining amortization period	26 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Inflation	
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	
Retirement Age	
Mortality	Experience-based table of rates that are specific to the type of eligibility condition RP-2014 Employee Mortality Table, adjusted to match current IMRF experience

Other information:

There were no benefit changes during the year.

WILLOW SPRINGS SCHOOL DISTRICT 108
TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY AND DISTRICT CONTRIBUTIONS
Four Most Recent Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.00081543%	0.00077670%	0.00079620%	0.00077224%
District's proportionate share of the net pension liability	\$ 622,977	\$ 613,098	\$ 521,590	\$ 469,970
State's proportionate share of the net pension liability	<u>16,940,065</u>	<u>17,585,912</u>	<u>14,151,522</u>	<u>12,341,910</u>
Total net pension liability	<u>\$ 17,563,042</u>	<u>\$ 18,199,010</u>	<u>\$ 14,673,112</u>	<u>\$ 12,811,880</u>
Covered-employee payroll	\$ 2,415,307	\$ 2,293,041	\$ 2,215,558	\$ 2,185,588
District's proportionate share of the net pension liability as a percentage of covered payroll	25.79%	26.74%	23.54%	21.50%
Plan fiduciary net position as a percentage of the total pension liability	39.30%	36.40%	41.50%	43.00%
Contractually required contribution	\$ 22,671	\$ 33,625	\$ 30,050	\$ 27,899
Contributions in relation to the contractually required contribution	<u>(22,671)</u>	<u>(33,625)</u>	<u>(30,050)</u>	<u>(27,899)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered employee payroll	0.94%	1.47%	1.36%	1.28%

Notes to Schedule:

The District implemented GASB 68 in 2015. Information for fiscal years prior to 2015 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Key Assumptions:

Long-term expected rate of return	7.00%	7.00%	7.50%	7.50%
Municipal bond index	3.85%	2.85%	3.73%	N/A
Single equivalent discount rate	7.00%	6.83%	7.47%	7.50%
Inflation rate	3.00%	2.50%	3.00%	3.00%
Projected salary increases	3.75% to 9.75%	3.25% to 9.25%	3.75% to 9.75%	5.75%
	varying by service	varying by service	varying by service	

See Auditors' Report and Notes to Required Supplementary Information

WILLOW SPRINGS SCHOOL DISTRICT 108
TEACHERS' HEALTH INSURANCE SECURITY FUND
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY AND DISTRICT CONTRIBUTIONS
Most Recent Fiscal Year

	2018
District's proportion of the net OPEB liability	0.009968505%
District's proportionate share of the net OPEB liability	2,586,761
State's proportionate share of the net OPEB liability	3,397,060
Total net OPEB liability	\$ 5,983,821
Covered-employee payroll	2,293,041
District's proportionate share of the net OPEB liability as a percentage of covered payroll	112.81%
Plan fiduciary net position as a percentage of the total pension liability	0.00%
Contractually required contribution	\$ 21,255
Contributions in relation to the contractually required contribution	(21,255)
Contribution deficiency (excess)	\$ -
Contributions as a percentage of covered employee payroll	0.9269%

Notes to Schedule:

The District implemented GASB 68 in fiscal year 2018. Information for fiscal years prior to 2018 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Key Assumptions:

Long-term expected rate of return	0.00%
Municipal bond index	3.56%
Single equivalent discount rate	3.56%
Inflation rate	2.75%
Healthcare cost trend rates - initial	Medicare - 8.00%
	Non-Medicare - 9.00%

Healthcare cost trend rates - ultimate	4.50%
Mortality	RP-2014 Tables

See Auditors' Report and Notes to Required Supplementary Information

WILLOW SPRINGS SCHOOL DISTRICT 108

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Revenues				
Local sources				
General levy	\$ 1,992,176	\$ 1,959,292	\$ (32,884)	\$ 1,987,514
Tort immunity levy	47,692	47,025	(667)	169,680
Special education levy	226,097	222,506	(3,591)	223,946
Corporate personal property replacement taxes	40,000	38,741	(1,259)	60,914
Investment income	44,500	67,401	22,901	57,780
Sales to pupils - lunch	19,000	11,234	(7,766)	18,923
Sales to pupils - breakfast	400	162	(238)	299
Sales to adults	-	1,528	1,528	-
Other pupil activity revenue	500	430	(70)	380
Rentals - regular textbook	10,000	9,421	(579)	11,666
Rentals	-	210	210	10,180
Payments of surplus monies from TIF districts	220,000	226,236	6,236	166,887
Other	<u>2,000</u>	<u>2,440</u>	<u>440</u>	<u>1,430</u>
Total local sources	<u>2,602,365</u>	<u>2,586,626</u>	<u>(15,739)</u>	<u>2,709,599</u>
State sources				
Evidence Based Funding Formula	1,173,794	1,330,901	157,107	1,173,794
Special education - private facility tuition	-	854	854	-
Special education - extraordinary	42,313	13,912	(28,401)	56,224
Special education - personnel	46,476	14,109	(32,367)	60,584
Special education - summer school	50	-	(50)	-
CTE - WECEP	400	368	(32)	371
State free lunch & breakfast	<u>1,000</u>	<u>1,292</u>	<u>292</u>	<u>699</u>
Total state sources	<u>1,264,033</u>	<u>1,361,436</u>	<u>97,403</u>	<u>1,291,672</u>
Federal sources				
National school lunch program	86,000	90,534	4,534	95,279
School breakfast program	26,000	29,824	3,824	29,612
Fresh Fruit and Vegetable	-	2,249	2,249	-
Title I - Low income	169,234	229,794	60,560	116,322
Federal - special education - IDEA - flow-through/low incident	57,138	57,115	(23)	56,601
Title II - Teacher quality	1,000	4,827	3,827	1,500
Medicaid matching funds - administrative outreach	<u>8,000</u>	<u>2,551</u>	<u>(5,449)</u>	<u>11,323</u>
Total federal sources	<u>347,372</u>	<u>416,894</u>	<u>69,522</u>	<u>310,637</u>
Total revenues	<u>4,213,770</u>	<u>4,364,956</u>	<u>151,186</u>	<u>4,311,908</u>

See Auditors' Report and Notes to Required Supplementary Information

WILLOW SPRINGS SCHOOL DISTRICT 108**GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Expenditures				
Instruction				
Regular programs				
Salaries	\$ 1,552,882	\$ 1,565,099	\$ (12,217)	\$ 1,536,445
Employee benefits	360,479	362,203	(1,724)	383,132
Purchased services	500	-	500	-
Supplies and materials	65,000	73,500	(8,500)	64,000
Capital outlay	1,500	2,633	(1,133)	1,834
Other objects	500	171	329	-
Total	<u>1,980,861</u>	<u>2,003,606</u>	<u>(22,745)</u>	<u>1,985,411</u>
Special education programs				
Salaries	455,431	478,707	(23,276)	416,281
Employee benefits	95,808	93,395	2,413	76,269
Purchased services	8,500	327	8,173	-
Supplies and materials	-	-	-	456
Total	<u>559,739</u>	<u>572,429</u>	<u>(12,690)</u>	<u>493,006</u>
Remedial and supplemental programs K-12				
Salaries	190,803	135,113	55,690	76,732
Employee benefits	74,931	53,454	21,477	40,831
Purchased services	12,375	10,241	2,134	6,151
Supplies and materials	270	13,219	(12,949)	2,338
Capital outlay	-	20,733	(20,733)	-
Total	<u>278,379</u>	<u>232,760</u>	<u>45,619</u>	<u>126,052</u>
Interscholastic programs				
Salaries	25,500	12,617	12,883	19,811
Employee benefits	1,500	438	1,062	778
Purchased services	5,250	3,898	1,352	3,720
Supplies and materials	2,500	4,848	(2,348)	2,966
Total	<u>34,750</u>	<u>21,801</u>	<u>12,949</u>	<u>27,275</u>
Total instruction	<u>2,853,729</u>	<u>2,830,596</u>	<u>23,133</u>	<u>2,631,744</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	49,889	43,972	5,917	47,900
Employee benefits	<u>6,324</u>	<u>5,068</u>	<u>1,256</u>	<u>6,022</u>
Total	<u>56,213</u>	<u>49,040</u>	<u>7,173</u>	<u>53,922</u>

See Auditors' Report and Notes to Required Supplementary Information

WILLOW SPRINGS SCHOOL DISTRICT 108

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Health services				
Salaries	\$ 46,750	\$ 47,714	\$ (964)	\$ 48,618
Employee benefits	5,566	5,553	13	207
Supplies and materials	2,000	2,449	(449)	1,668
Capital outlay	<u>1,500</u>	<u>2,612</u>	<u>(1,112)</u>	<u>-</u>
Total	<u>55,816</u>	<u>58,328</u>	<u>(2,512)</u>	<u>50,493</u>
Psychological services				
Purchased services	<u>24,000</u>	<u>20,655</u>	<u>3,345</u>	<u>23,230</u>
Total	<u>24,000</u>	<u>20,655</u>	<u>3,345</u>	<u>23,230</u>
Speech pathology and audiology services				
Salaries	58,432	58,432	-	56,249
Employee benefits	6,974	6,923	51	6,648
Supplies and materials	<u>1,250</u>	<u>-</u>	<u>1,250</u>	<u>-</u>
Total	<u>66,656</u>	<u>65,355</u>	<u>1,301</u>	<u>62,897</u>
Total pupils	<u>202,685</u>	<u>193,378</u>	<u>9,307</u>	<u>190,542</u>
Instructional staff				
Improvement of instructional services				
Salaries	-	58	(58)	128
Employee benefits	-	7	(7)	15
Purchased services	<u>16,857</u>	<u>17,691</u>	<u>(834)</u>	<u>7,142</u>
Total	<u>16,857</u>	<u>17,756</u>	<u>(899)</u>	<u>7,285</u>
Educational media services				
Salaries	30,400	30,400	-	29,500
Purchased services	70,500	72,725	(2,225)	62,696
Supplies and materials	34,450	24,633	9,817	34,920
Capital outlay	42,000	20,144	21,856	37,645
Other objects	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total	<u>177,850</u>	<u>147,902</u>	<u>29,948</u>	<u>164,761</u>
Total instructional staff	<u>194,707</u>	<u>165,658</u>	<u>29,049</u>	<u>172,046</u>
General administration				
Board of education services				
Salaries	1,025	1,005	20	1,175
Employee benefits	-	-	-	5
Purchased services	98,500	87,266	11,234	81,983
Supplies and materials	5,500	4,563	937	2,316
Other objects	<u>3,750</u>	<u>4,432</u>	<u>(682)</u>	<u>2,164</u>
Total	<u>108,775</u>	<u>97,266</u>	<u>11,509</u>	<u>87,643</u>

See Auditors' Report and Notes to Required Supplementary Information

WILLOW SPRINGS SCHOOL DISTRICT 108

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Executive administration services				
Salaries	\$ 163,200	\$ 165,615	\$ (2,415)	\$ 155,186
Employee benefits	36,312	43,126	(6,814)	40,451
Purchased services	1,250	799	451	404
Supplies and materials	100	-	100	-
Other objects	<u>1,300</u>	<u>1,206</u>	<u>94</u>	<u>1,236</u>
Total	<u>202,162</u>	<u>210,746</u>	<u>(8,584)</u>	<u>197,277</u>
Tort immunity services				
Purchased services	71,500	69,901	1,599	54,452
Capital outlay	<u>18,000</u>	<u>-</u>	<u>18,000</u>	<u>13,555</u>
Total	<u>89,500</u>	<u>69,901</u>	<u>19,599</u>	<u>68,007</u>
Total general administration	<u>400,437</u>	<u>377,913</u>	<u>22,524</u>	<u>352,927</u>
School administration				
Office of the principal services				
Salaries	110,875	109,537	1,338	106,294
Employee benefits	33,536	33,930	(394)	31,971
Purchased services	1,500	664	836	480
Supplies and materials	250	-	250	100
Other objects	<u>3,500</u>	<u>3,014</u>	<u>486</u>	<u>3,953</u>
Total	<u>149,661</u>	<u>147,145</u>	<u>2,516</u>	<u>142,798</u>
Total school administration	<u>149,661</u>	<u>147,145</u>	<u>2,516</u>	<u>142,798</u>
Business				
Fiscal services				
Salaries	47,895	47,895	-	46,787
Employee benefits	12,076	6,135	5,941	198
Purchased services	33,000	29,621	3,379	26,983
Other objects	<u>400</u>	<u>30</u>	<u>370</u>	<u>30</u>
Total	<u>93,371</u>	<u>83,681</u>	<u>9,690</u>	<u>73,998</u>
Food services				
Salaries	43,349	51,681	(8,332)	46,620
Employee benefits	6,191	15,847	(9,656)	14,445
Supplies and materials	<u>121,000</u>	<u>101,495</u>	<u>19,505</u>	<u>108,222</u>
Total	<u>170,540</u>	<u>169,023</u>	<u>1,517</u>	<u>169,287</u>
Total business	<u>263,911</u>	<u>252,704</u>	<u>11,207</u>	<u>243,285</u>
Total support services	<u>1,211,401</u>	<u>1,136,798</u>	<u>74,603</u>	<u>1,101,598</u>

See Auditors' Report and Notes to Required Supplementary Information

WILLOW SPRINGS SCHOOL DISTRICT 108**GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Payments to other districts and governmental units				
Payments for special education programs				
Purchased services	\$ 175,000	\$ 201,532	\$ (26,532)	\$ 122,164
Total	<u>175,000</u>	<u>201,532</u>	<u>(26,532)</u>	<u>122,164</u>
Payments for special education programs - tuition				
Other objects	<u>850,000</u>	<u>1,078,329</u>	<u>(228,329)</u>	<u>840,162</u>
Total	<u>850,000</u>	<u>1,078,329</u>	<u>(228,329)</u>	<u>840,162</u>
Total payments to other districts and governmental units	<u>1,025,000</u>	<u>1,279,861</u>	<u>(254,861)</u>	<u>962,326</u>
Total expenditures	<u>5,090,130</u>	<u>5,247,255</u>	<u>(157,125)</u>	<u>4,695,668</u>
Excess (deficiency) of revenues over expenditures	<u>(876,360)</u>	<u>(882,299)</u>	<u>(5,939)</u>	<u>(383,760)</u>
Other financing sources (uses)				
Permanent transfer from working cash fund - interest	-	7,121	7,121	-
Transfer among funds	550,000	550,000	-	350,000
Permanent transfer of interest	<u>12,000</u>	<u>16,016</u>	<u>4,016</u>	<u>21,413</u>
Total other financing sources (uses)	<u>562,000</u>	<u>573,137</u>	<u>11,137</u>	<u>371,413</u>
Net change in fund balance	<u>\$ (314,360)</u>	<u>(309,162)</u>	<u>\$ 5,198</u>	<u>(12,347)</u>
Fund balance, beginning of year		<u>4,685,613</u>		<u>4,697,960</u>
Fund balance, end of year		<u>\$ 4,376,451</u>		<u>\$ 4,685,613</u>

See Auditors' Report and Notes to Required Supplementary Information

**WILLOW SPRINGS SCHOOL DISTRICT 108
OPERATIONS AND MAINTENANCE FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 310,859	\$ 305,921	\$ (4,938)	\$ 307,906
Investment income	<u>6,000</u>	<u>6,463</u>	<u>463</u>	<u>6,523</u>
Total local sources	<u>316,859</u>	<u>312,384</u>	<u>(4,475)</u>	<u>314,429</u>
Total revenues	<u>316,859</u>	<u>312,384</u>	<u>(4,475)</u>	<u>314,429</u>
Expenditures				
Support services				
Business				
Operation and maintenance of plant services				
Salaries	170,129	163,941	6,188	158,759
Employee benefits	19,948	16,738	3,210	16,045
Purchased services	161,500	102,253	59,247	108,934
Supplies and materials	131,500	119,094	12,406	129,475
Capital outlay	20,000	6,535	13,465	2,804
Other objects	<u>250</u>	<u>191</u>	<u>59</u>	<u>-</u>
Total	<u>503,327</u>	<u>408,752</u>	<u>94,575</u>	<u>416,017</u>
Total business	<u>503,327</u>	<u>408,752</u>	<u>94,575</u>	<u>416,017</u>
Total support services	<u>503,327</u>	<u>408,752</u>	<u>94,575</u>	<u>416,017</u>
Total expenditures	<u>503,327</u>	<u>408,752</u>	<u>94,575</u>	<u>416,017</u>
Excess (deficiency) of revenues over expenditures	<u>(186,468)</u>	<u>(96,368)</u>	<u>90,100</u>	<u>(101,588)</u>
Other financing sources (uses)				
Transfer among funds	250,000	250,000	-	150,000
Permanent transfer of interest	(6,000)	(6,461)	(461)	(6,522)
Transfer to Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>(168,552)</u>
Total other financing sources (uses)	<u>244,000</u>	<u>243,539</u>	<u>(461)</u>	<u>(25,074)</u>
Net change in fund balance	<u>\$ 57,532</u>	147,171	<u>\$ 89,639</u>	(126,662)
Fund balance, beginning of year		<u>432,653</u>		<u>559,315</u>
Fund balance, end of year		<u>\$ 579,824</u>		<u>\$ 432,653</u>

See Auditors' Report and Notes to Required Supplementary Information

WILLOW SPRINGS SCHOOL DISTRICT 108
TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 975,504	\$ 958,553	\$ (16,951)	\$ 757,654
Investment income	<u>1,000</u>	<u>8,330</u>	<u>7,330</u>	<u>7,452</u>
Total local sources	<u>976,504</u>	<u>966,883</u>	<u>(9,621)</u>	<u>765,106</u>
State sources				
Transportation - regular/vocational	39,124	67,319	28,195	52,406
Transportation - special education	<u>73,713</u>	<u>117,094</u>	<u>43,381</u>	<u>99,850</u>
Total state sources	<u>112,837</u>	<u>184,413</u>	<u>71,576</u>	<u>152,256</u>
Total revenues	<u>1,089,341</u>	<u>1,151,296</u>	<u>61,955</u>	<u>917,362</u>
Expenditures				
Support Services				
Business				
Pupil transportation services				
Salaries	7,417	9,757	(2,340)	6,997
Employee benefits	2,259	2,504	(245)	2,191
Purchased services	<u>317,000</u>	<u>452,730</u>	<u>(135,730)</u>	<u>303,035</u>
Total	<u>326,676</u>	<u>464,991</u>	<u>(138,315)</u>	<u>312,223</u>
Total business	<u>326,676</u>	<u>464,991</u>	<u>(138,315)</u>	<u>312,223</u>
Total support services	<u>326,676</u>	<u>464,991</u>	<u>(138,315)</u>	<u>312,223</u>
Total expenditures	<u>326,676</u>	<u>464,991</u>	<u>(138,315)</u>	<u>312,223</u>
Excess (deficiency) of revenues over expenditures	<u>762,665</u>	<u>686,305</u>	<u>(76,360)</u>	<u>605,139</u>
Other financing sources (uses)				
Transfer among funds	(800,000)	(800,000)	-	(500,000)
Permanent transfer of interest	<u>(1,000)</u>	<u>(8,329)</u>	<u>(7,329)</u>	<u>(7,454)</u>
Total other financing sources (uses)	<u>(801,000)</u>	<u>(808,329)</u>	<u>(7,329)</u>	<u>(507,454)</u>
Net change in fund balance	<u>\$ (38,335)</u>	<u>(122,024)</u>	<u>\$ (83,689)</u>	<u>97,685</u>
Fund balance, beginning of year		<u>395,552</u>		<u>297,867</u>
Fund balance, end of year		<u>\$ 273,528</u>		<u>\$ 395,552</u>

See Auditors' Report and Notes to Required Supplementary Information

**WILLOW SPRINGS SCHOOL DISTRICT 108
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2017 ACTUAL
Revenues				
Local sources				
General levy	\$ 66,802	\$ 65,662	\$ (1,140)	\$ 68,175
Social security/medicare only levy	66,802	65,662	(1,140)	68,175
Corporate personal property replacement taxes	10,000	19,634	9,634	10,000
Investment income	<u>1,700</u>	<u>3,849</u>	<u>2,149</u>	<u>3,064</u>
Total local sources	<u>145,304</u>	<u>154,807</u>	<u>9,503</u>	<u>149,414</u>
Total revenues	<u>145,304</u>	<u>154,807</u>	<u>9,503</u>	<u>149,414</u>
Expenditures				
Instruction				
Regular programs	30,170	30,558	(388)	29,531
Special education programs	26,723	28,532	(1,809)	21,603
Remedial and supplemental programs K-12	5,879	8,037	(2,158)	4,776
Interscholastic programs	<u>2,700</u>	<u>1,021</u>	<u>1,679</u>	<u>1,977</u>
Total instruction	<u>65,472</u>	<u>68,148</u>	<u>(2,676)</u>	<u>57,887</u>
Support services				
Pupils				
Attendance and social work services	723	569	154	693
Health services	9,117	9,262	(145)	9,198
Speech pathology and audiology services	<u>847</u>	<u>848</u>	<u>(1)</u>	<u>816</u>
Total pupils	<u>10,687</u>	<u>10,679</u>	<u>8</u>	<u>10,707</u>
Instructional staff				
Improvement of instructional staff	-	1	(1)	2
Educational media services	<u>2,326</u>	<u>441</u>	<u>1,885</u>	<u>428</u>
Total instructional staff	<u>2,326</u>	<u>442</u>	<u>1,884</u>	<u>430</u>
General administration				
Board of education services	100	161	(61)	153
Executive administration services	<u>10,458</u>	<u>10,638</u>	<u>(180)</u>	<u>9,596</u>
Total general administration	<u>10,558</u>	<u>10,799</u>	<u>(241)</u>	<u>9,749</u>
School administration				
Office of the principal services	<u>7,477</u>	<u>7,435</u>	<u>42</u>	<u>7,045</u>
Total school administration	<u>7,477</u>	<u>7,435</u>	<u>42</u>	<u>7,045</u>

WILLOW SPRINGS SCHOOL DISTRICT 108
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Business				
Fiscal services	\$ 9,339	\$ 9,196	\$ 143	\$ 8,866
Operations and maintenance of plant services	22,483	23,609	(1,126)	22,452
Pupil transportation services	108	319	(211)	100
Food services	<u>5,746</u>	<u>5,631</u>	<u>115</u>	<u>4,625</u>
Total business	<u>37,676</u>	<u>38,755</u>	<u>(1,079)</u>	<u>36,043</u>
Total support services	<u>68,724</u>	<u>68,110</u>	<u>614</u>	<u>63,974</u>
Total expenditures	<u>134,196</u>	<u>136,258</u>	<u>(2,062)</u>	<u>121,861</u>
Net change in fund balance	<u>\$ 11,108</u>	18,549	<u>\$ 7,441</u>	27,553
Fund balance, beginning of year		<u>252,303</u>		<u>224,750</u>
Fund balance, end of year		<u>\$ 270,852</u>		<u>\$ 252,303</u>

WILLOW SPRINGS SCHOOL DISTRICT 108
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Except for the exclusion of on-behalf payments from other governments, discussed below, the budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

The Board of Education follows these procedures in establishing the budgetary data reflected in the general purpose 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. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

Budget Reconciliations

The Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the State of Illinois for the employer's share of the Teachers Retirement System pension. The District does not budget for these amounts in the Educational Accounts of the General Fund. The differences between the budget and GAAP basis are as follows:

	<i>Revenues</i>	<i>Expenditures</i>
General Fund Budgetary Basis	\$ 4,364,956	\$ 5,247,255
To adjust for on-behalf payments received	1,695,661	-
To adjust for on-behalf payments made	-	1,695,661
General Fund GAAP Basis	\$ 6,060,617	\$ 6,942,916

See Auditors' Report

**WILLOW SPRINGS SCHOOL DISTRICT 108
DEBT SERVICE FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 589,915	\$ 579,984	\$ (9,931)	\$ 580,562
Investment income	<u>5,000</u>	<u>8,348</u>	<u>3,348</u>	<u>7,436</u>
Total local sources	<u>594,915</u>	<u>588,332</u>	<u>(6,583)</u>	<u>587,998</u>
Total revenues	<u>594,915</u>	<u>588,332</u>	<u>(6,583)</u>	<u>587,998</u>
Expenditures				
Debt services				
Payments on long term debt				
Interest on long term debt	119,375	119,375	-	128,275
Principal payments on long term debt	<u>450,000</u>	<u>450,000</u>	<u>-</u>	<u>440,000</u>
Total	<u>569,375</u>	<u>569,375</u>	<u>-</u>	<u>568,275</u>
Other debt service				
Purchased services	<u>750</u>	<u>500</u>	<u>250</u>	<u>500</u>
Total	<u>750</u>	<u>500</u>	<u>250</u>	<u>500</u>
Total debt services	<u>570,125</u>	<u>569,875</u>	<u>250</u>	<u>568,775</u>
Total expenditures	<u>570,125</u>	<u>569,875</u>	<u>250</u>	<u>568,775</u>
Excess (deficiency) of revenues over expenditures	<u>24,790</u>	<u>18,457</u>	<u>(6,333)</u>	<u>19,223</u>
Other financing sources (uses)				
Transfer of interest to general fund	<u>(5,000)</u>	<u>(8,347)</u>	<u>(3,347)</u>	<u>(7,437)</u>
Total other financing sources (uses)	<u>(5,000)</u>	<u>(8,347)</u>	<u>(3,347)</u>	<u>(7,437)</u>
Net change in fund balance	<u>\$ 19,790</u>	10,110	<u>\$ (9,680)</u>	11,786
Fund balance, beginning of year		<u>576,328</u>		<u>564,542</u>
Fund balance, end of year		<u>\$ 586,438</u>		<u>\$ 576,328</u>

**WILLOW SPRINGS SCHOOL DISTRICT 108
CAPITAL PROJECTS FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Revenues				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Support services				
Business				
Facilities acquisition and construction service				
Capital outlay	-	-	-	191,628
Total	-	-	-	191,628
Total business	-	-	-	191,628
Total support services	-	-	-	191,628
Total expenditures	-	-	-	191,628
Excess (deficiency) of revenues over expenditures	-	-	-	(191,628)
Other financing sources (uses)				
Transfer to capital projects fund	-	-	-	168,552
Total other financing sources (uses)	-	-	-	168,552
Net change in fund balance	\$ -	-	\$ -	(23,076)
Fund balance, beginning of year		-		23,076
Fund balance, end of year		\$ -		\$ -

**WILLOW SPRINGS SCHOOL DISTRICT 108
FIRE PREVENTION AND LIFE SAFETY FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
Investment income	\$ -	\$ 7	\$ 7	\$ 6
Total local sources	<u>-</u>	<u>7</u>	<u>7</u>	<u>6</u>
Total revenues	<u>-</u>	<u>7</u>	<u>7</u>	<u>6</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	7	<u>\$ 7</u>	6
Fund balance, beginning of year		<u>480</u>		<u>474</u>
Fund balance, end of year		<u>\$ 487</u>		<u>\$ 480</u>

WILLOW SPRINGS SCHOOL DISTRICT 108

GENERAL FUND

COMBINING BALANCE SHEET

AS OF JUNE 30, 2018

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Assets				
Cash	\$ 3,187,617	\$ 696,210	\$ 518,120	\$ 4,401,947
Receivables (net allowance for uncollectibles):				
Property taxes	1,064,601	120,683	14,780	1,200,064
Replacement taxes	9,946	-	-	9,946
Intergovernmental	<u>93,595</u>	<u>-</u>	<u>-</u>	<u>93,595</u>
Total assets	<u>\$ 4,355,759</u>	<u>\$ 816,893</u>	<u>\$ 532,900</u>	<u>\$ 5,705,552</u>
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Payroll withholdings and benefits payable	\$ 128,248	\$ -	\$ -	\$ 128,248
Total liabilities	<u>128,248</u>	<u>-</u>	<u>-</u>	<u>128,248</u>
Deferred inflows of resources				
Property taxes levied for a future period	1,064,601	120,683	14,780	1,200,064
Unavailable state and federal aid receivable	<u>789</u>	<u>-</u>	<u>-</u>	<u>789</u>
Total deferred inflows of resources	<u>1,065,390</u>	<u>120,683</u>	<u>14,780</u>	<u>1,200,853</u>
Fund balance				
Restricted	-	696,210	-	696,210
Unassigned	<u>3,162,121</u>	<u>-</u>	<u>518,120</u>	<u>3,680,241</u>
Total fund balance	<u>3,162,121</u>	<u>696,210</u>	<u>518,120</u>	<u>4,376,451</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 4,355,759</u>	<u>\$ 816,893</u>	<u>\$ 532,900</u>	<u>\$ 5,705,552</u>

WILLOW SPRINGS SCHOOL DISTRICT 108

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	ELIMINATIONS
Revenues				
Property taxes	\$ 2,154,243	\$ 47,025	\$ 27,555	\$ -
Corporate personal property replacement taxes	38,741	-	-	-
State aid	3,057,097	-	-	-
Federal aid	416,894	-	-	-
Investment income	49,437	10,843	7,121	-
Other	251,661	-	-	-
Total revenues	5,968,073	57,868	34,676	-
Expenditures				
Current:				
Instruction:				
Regular programs	2,000,973	-	-	-
Special programs	784,456	-	-	-
Other instructional programs	21,801	-	-	-
State retirement contributions	1,695,661	-	-	-
Support Services:				
Pupils	190,766	-	-	-
Instructional staff	145,514	-	-	-
General administration	308,012	69,901	-	-
School administration	147,145	-	-	-
Business	252,704	-	-	-
Payments to other districts and gov't units	1,279,861	-	-	-
Capital outlay	46,122	-	-	-
Total expenditures	6,873,015	69,901	-	-
Excess (deficiency) of revenues over expenditures	<u>(904,942)</u>	<u>(12,033)</u>	<u>34,676</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	580,258	-	-	(7,121)
Transfers (out)	-	-	(7,121)	7,121
Total other financing sources (uses)	580,258	-	(7,121)	-
Net change in fund balance	(324,684)	(12,033)	27,555	-
Fund balance, beginning of year	3,486,805	708,243	490,565	-
Fund balance, end of year	<u>\$ 3,162,121</u>	<u>\$ 696,210</u>	<u>\$ 518,120</u>	<u>\$ -</u>

TOTAL

\$ 2,228,823

38,741

3,057,097

416,894

67,401

251,661

6,060,617

2,000,973

784,456

21,801

1,695,661

190,766

145,514

377,913

147,145

252,704

1,279,861

46,122

6,942,916

(882,299)

573,137

-

573,137

(309,162)

4,685,613

\$ 4,376,451

WILLOW SPRINGS SCHOOL DISTRICT 108
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 1,964,167	\$ 1,931,737	\$ (32,430)	\$ 1,959,518
Special education levy	226,097	222,506	(3,591)	223,946
Corporate personal property replacement taxes	40,000	38,741	(1,259)	60,914
Investment income	35,000	49,437	14,437	43,457
Sales to pupils - lunch	19,000	11,234	(7,766)	18,923
Sales to pupils - breakfast	400	162	(238)	299
Sales to adults	-	1,528	1,528	-
Other pupil activity revenue	500	430	(70)	380
Rentals - regular textbook	10,000	9,421	(579)	11,666
Rentals	-	210	210	10,180
Payments of surplus monies from TIF districts	220,000	226,236	6,236	166,887
Other	<u>2,000</u>	<u>2,440</u>	<u>440</u>	<u>1,430</u>
Total local sources	<u>2,517,164</u>	<u>2,494,082</u>	<u>(23,082)</u>	<u>2,497,600</u>
State sources				
Evidence Based Funding Formula	1,173,794	1,330,901	157,107	1,173,794
Special education - private facility tuition	-	854	854	-
Special education - extraordinary	42,313	13,912	(28,401)	56,224
Special education - personnel	46,476	14,109	(32,367)	60,584
Special education - summer school	50	-	(50)	-
CTE - WECEP	400	368	(32)	371
State free lunch & breakfast	<u>1,000</u>	<u>1,292</u>	<u>292</u>	<u>699</u>
Total state sources	<u>1,264,033</u>	<u>1,361,436</u>	<u>97,403</u>	<u>1,291,672</u>
Federal sources				
National school lunch program	86,000	90,534	4,534	95,279
School breakfast program	26,000	29,824	3,824	29,612
Fresh Fruit and Vegetable	-	2,249	2,249	-
Title I - Low income	169,234	229,794	60,560	116,322
Federal - special education - IDEA - flow-through/low incident	57,138	57,115	(23)	56,601
Title II - Teacher quality	1,000	4,827	3,827	1,500
Medicaid matching funds - administrative outreach	<u>8,000</u>	<u>2,551</u>	<u>(5,449)</u>	<u>11,323</u>
Total federal sources	<u>347,372</u>	<u>416,894</u>	<u>69,522</u>	<u>310,637</u>
Total revenues	<u>4,128,569</u>	<u>4,272,412</u>	<u>143,843</u>	<u>4,099,909</u>

WILLOW SPRINGS SCHOOL DISTRICT 108
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Expenditures				
Instruction				
Regular programs				
Salaries	\$ 1,552,882	\$ 1,565,099	\$ (12,217)	\$ 1,536,445
Employee benefits	360,479	362,203	(1,724)	383,132
Purchased services	500	-	500	-
Supplies and materials	65,000	73,500	(8,500)	64,000
Capital outlay	1,500	2,633	(1,133)	1,834
Other objects	500	171	329	-
Total	<u>1,980,861</u>	<u>2,003,606</u>	<u>(22,745)</u>	<u>1,985,411</u>
Special education programs				
Salaries	455,431	478,707	(23,276)	416,281
Employee benefits	95,808	93,395	2,413	76,269
Purchased services	8,500	327	8,173	-
Supplies and materials	-	-	-	456
Total	<u>559,739</u>	<u>572,429</u>	<u>(12,690)</u>	<u>493,006</u>
Remedial and supplemental programs K - 12				
Salaries	190,803	135,113	55,690	76,732
Employee benefits	74,931	53,454	21,477	40,831
Purchased services	12,375	10,241	2,134	6,151
Supplies and materials	270	13,219	(12,949)	2,338
Capital outlay	-	20,733	(20,733)	-
Total	<u>278,379</u>	<u>232,760</u>	<u>45,619</u>	<u>126,052</u>
Interscholastic programs				
Salaries	25,500	12,617	12,883	19,811
Employee benefits	1,500	438	1,062	778
Purchased services	5,250	3,898	1,352	3,720
Supplies and materials	2,500	4,848	(2,348)	2,966
Total	<u>34,750</u>	<u>21,801</u>	<u>12,949</u>	<u>27,275</u>
Total instruction	<u>2,853,729</u>	<u>2,830,596</u>	<u>23,133</u>	<u>2,631,744</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	49,889	43,972	5,917	47,900
Employee benefits	6,324	5,068	1,256	6,022
Total	<u>56,213</u>	<u>49,040</u>	<u>7,173</u>	<u>53,922</u>

**WILLOW SPRINGS SCHOOL DISTRICT 108
EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Health services				
Salaries	\$ 46,750	\$ 47,714	\$ (964)	\$ 48,618
Employee benefits	5,566	5,553	13	207
Supplies and materials	2,000	2,449	(449)	1,668
Capital outlay	<u>1,500</u>	<u>2,612</u>	<u>(1,112)</u>	<u>-</u>
Total	<u>55,816</u>	<u>58,328</u>	<u>(2,512)</u>	<u>50,493</u>
Psychological services				
Purchased services	<u>24,000</u>	<u>20,655</u>	<u>3,345</u>	<u>23,230</u>
Total	<u>24,000</u>	<u>20,655</u>	<u>3,345</u>	<u>23,230</u>
Speech pathology and audiology services				
Salaries	58,432	58,432	-	56,249
Employee benefits	6,974	6,923	51	6,648
Supplies and materials	<u>1,250</u>	<u>-</u>	<u>1,250</u>	<u>-</u>
Total	<u>66,656</u>	<u>65,355</u>	<u>1,301</u>	<u>62,897</u>
Total pupils	<u>202,685</u>	<u>193,378</u>	<u>9,307</u>	<u>190,542</u>
Instructional staff				
Improvement of instructional services				
Salaries	-	58	(58)	128
Employee benefits	-	7	(7)	15
Purchased services	<u>16,857</u>	<u>17,691</u>	<u>(834)</u>	<u>7,142</u>
Total	<u>16,857</u>	<u>17,756</u>	<u>(899)</u>	<u>7,285</u>
Educational media services				
Salaries	30,400	30,400	-	29,500
Purchased services	70,500	72,725	(2,225)	62,696
Supplies and materials	34,450	24,633	9,817	34,920
Capital outlay	42,000	20,144	21,856	37,645
Other objects	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total	<u>177,850</u>	<u>147,902</u>	<u>29,948</u>	<u>164,761</u>
Total instructional staff	<u>194,707</u>	<u>165,658</u>	<u>29,049</u>	<u>172,046</u>
General administration				
Board of education services				
Salaries	1,025	1,005	20	1,175
Employee benefits	-	-	-	5
Purchased services	98,500	87,266	11,234	81,983
Supplies and materials	5,500	4,563	937	2,316
Other objects	<u>3,750</u>	<u>4,432</u>	<u>(682)</u>	<u>2,164</u>
Total	<u>108,775</u>	<u>97,266</u>	<u>11,509</u>	<u>87,643</u>

WILLOW SPRINGS SCHOOL DISTRICT 108
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Executive administration services				
Salaries	\$ 163,200	\$ 165,615	\$ (2,415)	\$ 155,186
Employee benefits	36,312	43,126	(6,814)	40,451
Purchased services	1,250	799	451	404
Supplies and materials	100	-	100	-
Other objects	<u>1,300</u>	<u>1,206</u>	<u>94</u>	<u>1,236</u>
Total	<u>202,162</u>	<u>210,746</u>	<u>(8,584)</u>	<u>197,277</u>
Total general administration	<u>310,937</u>	<u>308,012</u>	<u>2,925</u>	<u>284,920</u>
School administration				
Office of the principal services				
Salaries	110,875	109,537	1,338	106,294
Employee benefits	33,536	33,930	(394)	31,971
Purchased services	1,500	664	836	480
Supplies and materials	250	-	250	100
Other objects	<u>3,500</u>	<u>3,014</u>	<u>486</u>	<u>3,953</u>
Total	<u>149,661</u>	<u>147,145</u>	<u>2,516</u>	<u>142,798</u>
Total school administration	<u>149,661</u>	<u>147,145</u>	<u>2,516</u>	<u>142,798</u>
Business				
Fiscal services				
Salaries	47,895	47,895	-	46,787
Employee benefits	12,076	6,135	5,941	198
Purchased services	33,000	29,621	3,379	26,983
Other objects	<u>400</u>	<u>30</u>	<u>370</u>	<u>30</u>
Total	<u>93,371</u>	<u>83,681</u>	<u>9,690</u>	<u>73,998</u>
Food services				
Salaries	43,349	51,681	(8,332)	46,620
Employee benefits	6,191	15,847	(9,656)	14,445
Supplies and materials	<u>121,000</u>	<u>101,495</u>	<u>19,505</u>	<u>108,222</u>
Total	<u>170,540</u>	<u>169,023</u>	<u>1,517</u>	<u>169,287</u>
Total business	<u>263,911</u>	<u>252,704</u>	<u>11,207</u>	<u>243,285</u>
Total support services	<u>1,121,901</u>	<u>1,066,897</u>	<u>55,004</u>	<u>1,033,591</u>
Payments to other districts and governmental units				
Payments for special education programs				
Purchased services	<u>175,000</u>	<u>201,532</u>	<u>(26,532)</u>	<u>122,164</u>
Total	<u>175,000</u>	<u>201,532</u>	<u>(26,532)</u>	<u>122,164</u>

**WILLOW SPRINGS SCHOOL DISTRICT 108
EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Payments for special education programs - tuition				
Other objects	\$ 850,000	\$ 1,078,329	\$ (228,329)	\$ 840,162
Total	<u>850,000</u>	<u>1,078,329</u>	<u>(228,329)</u>	<u>840,162</u>
Total payments to other districts and governmental units	<u>1,025,000</u>	<u>1,279,861</u>	<u>(254,861)</u>	<u>962,326</u>
Total expenditures	<u>5,000,630</u>	<u>5,177,354</u>	<u>(176,724)</u>	<u>4,627,661</u>
Excess (deficiency) of revenues over expenditures	<u>(872,061)</u>	<u>(904,942)</u>	<u>(32,881)</u>	<u>(527,752)</u>
Other financing sources (uses)				
Permanent transfer from working cash accounts - interest	4,500	7,121	2,621	5,879
Transfer among funds	550,000	550,000	-	350,000
Transfer of interest from debt service fund	<u>12,000</u>	<u>23,137</u>	<u>11,137</u>	<u>21,413</u>
Total other financing sources (uses)	<u>566,500</u>	<u>580,258</u>	<u>13,758</u>	<u>377,292</u>
Net change in fund balance	<u><u>\$ (305,561)</u></u>	<u>(324,684)</u>	<u><u>\$ (19,123)</u></u>	<u>(150,460)</u>
Fund balance, beginning of year		<u>3,486,805</u>		<u>3,637,265</u>
Fund balance, end of year		<u><u>\$ 3,162,121</u></u>		<u><u>\$ 3,486,805</u></u>

WILLOW SPRINGS SCHOOL DISTRICT 108

TORT IMMUNITY AND JUDGMENT ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Revenues				
Local sources				
Tort immunity levy	\$ 47,692	\$ 47,025	\$ (667)	\$ 169,680
Investment income	<u>5,000</u>	<u>10,843</u>	<u>5,843</u>	<u>8,444</u>
Total local sources	<u>52,692</u>	<u>57,868</u>	<u>5,176</u>	<u>178,124</u>
Total revenues	<u>52,692</u>	<u>57,868</u>	<u>5,176</u>	<u>178,124</u>
Expenditures				
Support Services				
General administration				
Workers' compensation or workers' occupational disease act payments				
Purchased services	<u>55,000</u>	<u>51,386</u>	<u>3,614</u>	<u>54,137</u>
Total	<u>55,000</u>	<u>51,386</u>	<u>3,614</u>	<u>54,137</u>
Unemployment insurance payments				
Purchased services	<u>5,500</u>	<u>8,044</u>	<u>(2,544)</u>	<u>-</u>
Total	<u>5,500</u>	<u>8,044</u>	<u>(2,544)</u>	<u>-</u>
Educational, inspectional, supervisory services related to loss prevention or reduction				
Purchased services	6,000	10,471	(4,471)	315
Capital outlay	<u>18,000</u>	<u>-</u>	<u>18,000</u>	<u>13,555</u>
Total	<u>24,000</u>	<u>10,471</u>	<u>13,529</u>	<u>13,870</u>
Legal services				
Purchased services	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Total	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Total general administration	<u>89,500</u>	<u>69,901</u>	<u>19,599</u>	<u>68,007</u>
Total expenditures	<u>89,500</u>	<u>69,901</u>	<u>19,599</u>	<u>68,007</u>
Net change in fund balance	<u>\$ (36,808)</u>	<u>(12,033)</u>	<u>\$ 24,775</u>	<u>110,117</u>
Fund balance, beginning of year		<u>708,243</u>		<u>598,126</u>
Fund balance, end of year		<u>\$ 696,210</u>		<u>\$ 708,243</u>

WILLOW SPRINGS SCHOOL DISTRICT 108
WORKING CASH ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 28,009	\$ 27,555	\$ (454)	\$ 27,996
Investment income	<u>4,500</u>	<u>7,121</u>	<u>2,621</u>	<u>5,879</u>
Total local sources	<u>32,509</u>	<u>34,676</u>	<u>2,167</u>	<u>33,875</u>
Total revenues	<u>32,509</u>	<u>34,676</u>	<u>2,167</u>	<u>33,875</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>32,509</u>	<u>34,676</u>	<u>2,167</u>	<u>33,875</u>
Other financing sources (uses)				
Permanent transfer to educational accounts - interest	<u>(4,500)</u>	<u>(7,121)</u>	<u>(2,621)</u>	<u>(5,879)</u>
Total other financing sources (uses)	<u>(4,500)</u>	<u>(7,121)</u>	<u>(2,621)</u>	<u>(5,879)</u>
Net change in fund balance	<u>\$ 28,009</u>	27,555	<u>\$ (454)</u>	27,996
Fund balance, beginning of year		<u>490,565</u>		<u>462,569</u>
Fund balance, end of year		<u>\$ 518,120</u>		<u>\$ 490,565</u>

WILLOW SPRINGS SCHOOL DISTRICT 108

AGENCY FUNDS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018

	BALANCE JUNE 30, 2017	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2018
Assets				
Cash and Investments	\$ 45,932	\$ 78,959	\$ 72,246	\$ 52,645
Liabilities				
3rd Grade Scholastic	\$ -	\$ 500	\$ 500	\$ -
8th Grade Field Trips	287	2,858	3,034	111
8th Grade Scholarship	-	11,600	1,000	10,600
Art	40	-	-	40
Athletic Booster Fund	1,198	1,304	2,314	188
Band Fund	-	208	132	76
Boots and Mittens	74	-	40	34
Brightstar Yoga	-	180	180	-
Calendars	-	1,725	-	1,725
Cheerleading Fund	664	1,335	1,297	702
Class of 2018	-	3,408	3,378	30
Coke Fund	648	763	1,457	(46)
Cross Country	-	831	827	4
Field Trips	-	5,253	5,253	-
Fifth Grade Outdoor Education	7,430	3,355	2,781	8,004
Gym Suits	1,473	1,766	3,239	-
Jr. High Incentive	301	2,925	3,085	141
Library Fund	14,325	3,111	5,082	12,354
Miscellaneous	-	1,129	1,129	-
Parent Support	14,079	22,350	23,226	13,203
Pencil Machine	727	2,005	2,231	501
Snowflake	41	-	-	41
Social Committee	716	1,555	1,399	872
Social Events Fund	6	-	-	6
Spiritwear	1	425	178	248
Student Council	902	4,583	4,429	1,056
Suzy Q's Helping Hand	1,284	1,999	2,136	1,147
Technology	1,143	220	-	1,363
Uncategorized	-	-	-	-
Water Cooler	-	851	851	-
Yearbook	593	2,720	3,068	245

WILLOW SPRINGS SCHOOL DISTRICT 108FIVE YEAR SUMMARY OF ASSESSED VALUATIONS,
TAX RATES AND EXTENSIONS
AS OF JUNE 30, 2018

	2017	2016	2015	2014	2013
Assessed valuation	<u>\$ 79,446,529</u>	<u>\$ 64,718,678</u>	<u>\$ 60,912,396</u>	<u>\$ 62,515,501</u>	<u>\$ 67,080,214</u>
Tax rates					
Educational	2.5963	3.0815	3.4627	3.4362	3.4667
Tort immunity	0.0616	0.0765	0.5079	0.4911	0.4618
Special education	0.3013	0.3522	0.3957	0.3927	0.3962
Operations and maintenance	0.4144	0.4842	0.5441	0.5400	0.5448
Bond and interest	0.7670	0.9399	0.9966	0.9686	0.9049
Transportation	1.2602	1.5650	0.9315	0.7774	0.3396
Municipal retirement	0.0863	0.1072	0.1205	0.1165	0.0782
Social security	0.0863	0.1072	0.1205	0.1165	0.0782
Working cash	<u>0.0369</u>	<u>0.0440</u>	<u>0.0495</u>	<u>0.0491</u>	<u>0.0469</u>
Total	<u>5.6103</u>	<u>6.7577</u>	<u>7.1290</u>	<u>6.8881</u>	<u>6.3173</u>
Tax extensions					
Educational	\$ 2,062,670	\$ 1,994,306	\$ 2,109,213	\$ 2,148,157	\$ 2,325,469
Tort immunity	239,372	49,509	309,374	307,013	309,776
Special education	48,939	227,939	241,030	245,498	265,771
Operations and maintenance	329,226	313,367	331,424	337,583	365,453
Bond and interest	609,368	608,308	607,036	605,552	607,020
Transportation	1,001,185	1,012,847	567,398	485,995	227,804
Municipal retirement	68,562	69,378	73,399	72,830	52,456
Social security	68,562	69,378	73,399	72,830	52,456
Working cash	<u>29,315</u>	<u>28,476</u>	<u>30,151</u>	<u>30,695</u>	<u>31,460</u>
Total	<u>\$ 4,457,199</u>	<u>\$ 4,373,508</u>	<u>\$ 4,342,424</u>	<u>\$ 4,306,153</u>	<u>\$ 4,237,665</u>

WILLOW SPRINGS SCHOOL DISTRICT 108

OPERATING COST AND TUITION CHARGE FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
Operating Cost Per Pupil		
Average Daily Attendance (ADA):	<u>378</u>	<u>353</u>
Operating Costs:		
Educational	\$ 5,177,354	\$ 4,627,661
Operations and maintenance	408,752	416,017
Debt service	569,875	568,775
Transportation	464,991	312,223
Municipal retirement/social security	136,258	121,861
Tort	<u>69,901</u>	<u>68,007</u>
Subtotal	<u>6,827,131</u>	<u>6,114,544</u>
Less Revenues/Expenditures of Nonregular Programs:		
Capital outlay	52,657	42,283
Debt principal retired	450,000	440,000
Payments to other districts & governmental units	<u>1,279,861</u>	<u>962,326</u>
Subtotal	<u>1,782,518</u>	<u>1,444,609</u>
Operating costs	<u>\$ 5,044,613</u>	<u>\$ 4,669,935</u>
Operating Cost Per Pupil - Based on ADA	<u>\$ 13,344</u>	<u>\$ 13,244</u>
Tuition Charge		
Operating Costs	\$ 5,044,613	\$ 4,669,935
Less - revenues from specific programs, such as special education or lunch programs	<u>771,348</u>	<u>622,219</u>
Net operating costs	4,273,265	4,047,716
Depreciation allowance	<u>229,547</u>	<u>260,855</u>
Allowable Tuition Costs	<u>\$ 4,502,812</u>	<u>\$ 4,308,571</u>
Tuition Charge Per Pupil - based on ADA	<u>\$ 11,911</u>	<u>\$ 12,219</u>

WILLOW SPRINGS SCHOOL DISTRICT 108
 SCHEDULE OF BONDS OUTSTANDING - G.O. LIMITED TAX SCHOOL BONDS SERIES 2013
 AS OF JUNE 30, 2018

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2019	\$ 460,000	\$ 107,975	\$ 567,975
2020	470,000	93,144	563,144
2021	490,000	76,943	566,943
2022	505,000	59,838	564,838
2023	520,000	41,900	561,900
2024	540,000	22,000	562,000
2025	<u>280,000</u>	<u>5,600</u>	<u>285,600</u>
Total	<u>\$ 3,265,000</u>	<u>\$ 407,400</u>	<u>\$ 3,672,400</u>

Paying Agent:

Wells Fargo Bank, N.A.

Principal payment date:

December 1st

Interest payment dates:

June 1st and December 1st

Interest rates:

2.00 - 4.00%