

ROSELLE SCHOOL DISTRICT NO. 12
[Roselle, Illinois]

Audited Financial Statements
And
Supplementary Financial Information

June 30, 2014

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Independent Auditors' Report

Board of Education
Roselle School District No. 12
Roselle, IL

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Roselle School District No. 12 (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Members

American Institute of Certified Public Accountants and Illinois CPA Society

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule and schedules of funding progress for post-employment benefits on pages 4 through 9 and 36 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Report of Summarized Comparative Information

We have previously audited Roselle School District No. 12's 2013 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 September 30, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 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 October 3, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Matheson, Morycki, Austin & Co. LLP

Wheaton, Illinois
October 3, 2014

Roselle School District No. 12
Management Discussion and Analysis
For the Year Ended June 30, 2014

This section of Roselle School District No. 12's (the District) annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2014. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's total net position decreased \$568,126 during the year.
- The District's bonded debt is currently scheduled to be repaid by 2022. The District currently has additional bonding capability of \$12,825,934. The District sold Working Cash bonds during the 2011-2012 school year.
- The District began the first year of a three-year employment contract with the professional certified staff. A new three-year (2013 – 2016) employment contract was ratified and will continue to provide stability in programs, delivery of services, and the ability to provide more accurate financial projections.

Overview of the Financial Statements

This financial report consists of three parts – management's discussion and analysis (this section), basic financial statements, and additional supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

The Statement of Net Position and Statement of Activities are government-wide financial statements that provide both short and long-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District. Fund statements generally report operations in more detail than the government-wide financial statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of additional supplementary information that further explains and supports the financial statements.

Roselle School District No. 12
Management Discussion and Analysis (continued)
For the Year Ended June 30, 2014

The major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain is shown in the following table.

Figure A-I. Major Features of the District-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Financial Statements	
		Government Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary such as educational and building maintenance.	Assets held by the District on behalf of someone else such as student activities funds.
Required financial statements	Statement of Net Position and Statement of activities	Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement of Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets and liabilities, both financial and capital: short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow / outflow information	All revenue and expenses during the year	Revenues for which cash is received during or soon after the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year; regardless of when the cash is received or paid

The remainder of this overview section of MD&A highlights the structure and contents of each statement.

Government-Wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when the cash is received or paid.

The two government-wide financial statements report the District's net position and how they have changed. Net position – the difference between the District's assets and deferred outflows of resources less liabilities and deferred inflows of resources– are one way to measure the District's financial health or position.

Roselle School District No. 12
Management Discussion and Analysis (continued)
For the Year Ended June 30, 2014

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the District's activities are presented as follows:

- **Governmental Activities** – All of the District's basic services are included here, such as regular and special education, transportation, support services, community programs, and administration. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements. Some funds are required by State law and by bond covenants. The District can establish other funds to control and manage money for particular purposes (such as repaying its long-term debt) or to show that it is properly using certain revenues (such as working cash).

The District has two kinds of funds:

Governmental funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources than can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is included as a separate statement explaining the relationship (or difference) between them.

Fiduciary funds: The District serves as a trustee, or fiduciary, for assets that belong to others, such as the student activity funds. The District is responsible for ensuring that the assets, reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These activities are excluded from government-wide financial statements because the District cannot use these assets to finance its operations.

Roselle School District No. 12
Management Discussion and Analysis (continued)
For the Year Ended June 30, 2014

Financial Analysis of the District as a Whole

Net Position: The District's combined net position was lower on June 30, 2014, than it was the year before, decreasing by \$568,126 to \$3,813,312

Table A-1

Roselle School District No. 12 Net Position		<u>2014</u>	<u>2013</u>
Assets			
Current and other assets		\$ 10,215,762	\$ 10,442,897
Capital assets		<u>5,749,333</u>	<u>5,881,590</u>
Total Assets		<u>15,965,095</u>	<u>16,324,487</u>
Deferred Outflows of Resources			
Deferred Charges on Refunding		<u>45,295</u>	<u>70,550</u>
Total Deferred Outflows of Resources		45,295	70,550
Liabilities			
Long-term debt outstanding		4,039,266	4,474,954
Other liabilities		<u>822,779</u>	<u>805,661</u>
Total Liabilities		<u>4,862,045</u>	<u>5,280,615</u>
Deferred Inflows of Resources			
Property taxes levied for subsequent years		<u>7,335,159</u>	<u>6,733,110</u>
Total Deferred Inflows of Resources		7,335,159	6,733,110
Net Position			
Invested in capital assets, net of related debt		4,833,231	4,553,270
Restricted		220,031	123,146
Unrestricted		<u>(1,240,076)</u>	<u>(295,104)</u>
Total Net Position		<u>\$ 3,813,186</u>	<u>\$ 4,381,312</u>

Governmental Activities

Table A-2 presents revenues by major categories and expenditures by major function of the District. Despite the fact that local property tax cap legislation has decreased the tax rate from a high of \$3.23 per \$100 of equalized assessed valuation in 1988 to the current \$3.0272 per \$100 of equalized assessed valuation in 2013.

Roselle School District No. 12
Management Discussion and Analysis (continued)
For the Year Ended June 30, 2014

Table A-2

Roselle School District No. 12's Revenues and Expenditures

	<u>2014</u>		<u>2013</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenues:				
Program revenues:				
Charges for services	\$ 197,628	2.0%	\$ 205,394	2.1%
Operating grants and contributions	2,550,369	25.6%	2,295,432	24.1%
General revenues:				
Property taxes	6,724,677	67.3%	6,460,726	67.9%
Federal and state aid not restricted to specific purposes	323,146	3.2%	291,628	3.1%
Earnings on investments	12,465	0.1%	15,003	0.2%
Miscellaneous	178,344	1.8%	244,550	2.6%
Total Revenues	<u>9,986,629</u>	<u>100.0%</u>	<u>9,512,733</u>	<u>100.0%</u>
Expenditures:				
Instruction	7,232,811	68.5%	6,856,095	67.8%
Supporting services	3,130,507	29.7%	3,161,709	31.3%
Interest on long-term liabilities	191,437	1.8%	89,942	0.9%
Total Expenditures	<u>10,554,755</u>	<u>100.0%</u>	<u>10,107,746</u>	<u>100.0%</u>
Change in net position	<u>(568,126)</u>		<u>(595,013)</u>	
Net position, beginning	<u>4,381,312</u>		<u>4,976,325</u>	
Net position, ending	<u>\$ 3,813,186</u>		<u>\$ 4,381,312</u>	

Financial Analysis of the District's Funds

The financial performance of the District is also reflected in its governmental funds throughout the fund financial statements. Revenues for the District's governmental activities are derived predominantly from local revenues. \$7,332,517 or 72.4%, of the total governmental fund revenues received by the District came from local sources, primarily property taxes.

As a result of intentional deficit spending, to avoid eliminating programs or cutting services, District 12 has received a financial profile of "Early Warning" from the Illinois State Board of Education. This year the District had an operating deficit of \$846,302 due to general operating cost increases. Revenues were \$10,120,930 while expenditures were \$10,967,232. The fund balances were sufficient to cover the deficit amount however the deficit spending did result in a decrease in the district's financial profile. For FY15, the district was required to submit a Deficit Reduction Plan along with the budget to the Illinois State Board of Education. The Deficit Reduction Plan demonstrates actions that the Board of Education will take to increase revenue as well as administrative actions to reduce expenditures. District 12 anticipates a balanced budget by FY18.

Roselle School District No. 12
Management Discussion and Analysis (continued)
For the Year Ended June 30, 2014

General Fund Budgetary Highlights

District 12 has been engaged in intentional deficit spending to avoid the need to cut programs or services to students. During FY14, the district incurred unanticipated expenses related to staffing needs and issues as well as severe weather related expenses and repairs.

Capital Assets and Debt Administration

Capital Assets: Detailed information on the changes in capital assets can be found on page 24 of the financial statements. The valuation is based upon cost. There was a \$132,257 net decrease to the District's capital assets in fiscal year 2014 primarily due to depreciation.

Long-Term Debt: At the year end, the District had \$4,010,000 in outstanding bonds. This is approximately 24.0% of the District's total bonding capacity. Pages 25 and 26 of the financial statements illustrate the debt that has been incurred, its date of issuance, purpose, retirements, and the principal and interest still outstanding. During 2012 the District issued \$3,090,000 in General Obligation Limited Tax School Bonds to partial refund the 2004 Bonds and to increase reserves in the Working Cash Fund. The District did not experience any negative changes in its debt credit rating or limitation.

Factors Bearing on the District's Future

The administration and Board of Education analyze the financial condition of the District on a regular basis using various projection models. This allows the District time to plan strategies as it relates to its financial condition. Enrollment and the demographics of the District will probably remain relatively stable. The changing Federal and State economic pictures make funding hard to predict, but factors such as rising utility costs may negatively impact the economy in the future. Other factors having a bearing on the District's financial future include the following.

- Statewide policy changes related to state pension costs could dramatically reduce revenues received from the State of Illinois or dramatically increase the District's expenses related to staff pensions.
- The cost of providing special education services to students requiring these services continue to increase much faster than other costs.
- The impact of Senate Bill 16 would result in a loss of 80.4% or \$470,000 annually of the District's State Funding.

The District is committed to offering our students a quality education while at the same time paying fair wages for the work of our employees. Through the work of the Board of Education, Superintendent, and Director of Financial Support Services, we will continue to monitor and maintain a watchful eye on the district budget and work to establish a strong financial future for the District.

Contacting the District's Financial Management Team

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, 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 any questions about this report or need additional financial information, contact Dr. Melissa Kaczowski, Superintendent, at the District 12 Administrative Office, 100 E. Walnut, Roselle, IL 60172.

ROSELLE SCHOOL DISTRICT NO. 12
STATEMENT OF NET POSITION
JUNE 30, 2014 WITH COMPARATIVE TOTALS FOR 2013

	Governmental Activities	
	2014	2013
Assets:		
Cash and investments	\$ 6,172,062	\$ 6,457,435
Receivables:		
Property taxes	3,792,308	3,604,666
Other governments	150,539	245,084
Other current assets	100,853	135,712
Capital assets:		
Land and construction in progress	114,284	105,279
Other capital assets, net of depreciation	5,635,049	5,776,311
Total assets	15,965,095	16,324,487
Deferred outflows of resources:		
Deferred charge on refunding	45,295	70,550
Total deferred outflows of resources	45,295	70,550
Liabilities:		
Accounts payable	149,580	125,691
Accrued payroll	629,747	576,869
Unearned revenue	43,452	103,101
Long-term liabilities		
Due within one year	480,000	410,000
Due in more than one year	3,559,266	4,064,954
Total liabilities	4,862,045	5,280,615
Deferred inflows of resources:		
Property taxes levies for subsequent year	7,335,159	6,733,110
Total deferred inflows of resources	7,335,159	6,733,110
Net Position:		
Net invested in capital assets	4,833,231	4,553,270
Restricted for:		
Debt service	116,653	116,878
Transportation	61,627	-
Retirement	41,751	6,268
Unrestricted (Deficit)	(1,240,076)	(295,104)
Total net position	\$ 3,813,186	\$ 4,381,312

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

ROSELLE SCHOOL DISTRICT NO. 12
STATEMENT OF ACTIVITIES
JUNE 30, 2014 WITH COMPARATIVE TOTALS FOR 2013

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities	
				2014	2013
Governmental activities:					
Instructional services:					
Regular programs	\$ 5,119,598	\$ 128,871	\$ 1,581,396	\$ (3,409,331)	\$ (3,311,717)
Special programs	2,009,640	-	628,726	(1,380,914)	(1,340,962)
Other programs	103,573	-	-	(103,573)	(97,402)
Supporting services:					
Students	208,167	-	10,947	(197,220)	(200,748)
Instructional staff	360,690	-	-	(360,690)	(352,603)
District administration	272,307	-	-	(272,307)	(283,275)
School administration	405,988	-	-	(405,988)	(351,409)
Business	382,807	-	-	(382,807)	(313,493)
Operation and maintenance					
of facilities	837,045	-	85,102	(751,943)	(685,024)
Transportation	320,838	8,701	168,800	(143,337)	(220,177)
Food service	178,656	60,056	75,398	(43,202)	(94,561)
Staff	122,511	-	-	(122,511)	(206,675)
Community services	41,498	-	-	(41,498)	(58,932)
Interest on long-term liabilities	191,437	-	-	(191,437)	(89,942)
Total school district	<u>\$ 10,554,755</u>	<u>\$ 197,628</u>	<u>\$ 2,550,369</u>	<u>(7,806,758)</u>	<u>(7,606,920)</u>
General revenues:					
Property taxes levied for:					
General purposes				5,775,187	5,622,459
Transportation				191,976	203,649
Retirement				156,234	74,977
Debt service				601,280	559,641
Federal and state aid not restricted to					
specific purposes				323,146	291,628
Earnings on investments				12,465	15,003
Miscellaneous				178,344	244,550
Total general revenues				<u>7,238,632</u>	<u>7,011,907</u>
Change in net position				(568,126)	(595,013)
Net position - beginning, as restated				<u>4,381,312</u>	<u>4,976,325</u>
Net position - ending				<u>\$ 3,813,186</u>	<u>\$ 4,381,312</u>

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

ROSELLE SCHOOL DISTRICT NO. 12
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash and investments	\$ 5,525,072	\$ 646,990	\$ 6,172,062
Receivables (net of allowance for uncollectibles):			
Property taxes	3,287,200	505,108	3,792,308
Intergovernmental	143,127	7,412	150,539
Interest	6,851	149	7,000
Prepaid items	29,534	64,319	93,853
TOTAL ASSETS	8,991,784	1,223,978	10,215,762
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</u>			
Liabilities:			
Accounts payable	138,375	11,205	149,580
Accrued payroll	613,992	15,755	629,747
Unearned revenue	43,452	-	43,452
Total Liabilities	795,819	26,960	822,779
Deferred inflows of resources:			
Property taxes levies for subsequent year	6,358,172	976,987	7,335,159
Total deferred inflows of resources	6,358,172	976,987	7,335,159
Fund Balances:			
Nonspendable	29,534	-	29,534
Restricted	-	220,031	220,031
Unassigned	1,808,259	-	1,808,259
Total Fund Balances	1,837,793	220,031	2,057,824
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,991,784	\$ 1,223,978	\$ 10,215,762

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

ROSELLE SCHOOL DISTRICT NO. 12
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

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

Total fund balance - governmental funds	\$ 2,057,824
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$13,075,131 and the accumulated depreciation is \$7,325,798.	5,749,333
Long-term liabilities, including bonds payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(4,010,000)
Deferred amounts for issuance premium	(27,991)
Deferred charge on refunding	45,295
IMRF net pension obligation	<u>(1,275)</u>
Total net position - governmental activities	<u>\$ 3,813,186</u>

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

ROSELLE SCHOOL DISTRICT NO. 12
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Property taxes	\$ 5,775,187	\$ 949,490	\$ 6,724,677
Other local sources	509,836	98,004	607,840
State sources	2,199,119	168,800	2,367,919
Federal sources	420,494	-	420,494
Total Revenues	<u>8,904,636</u>	<u>1,216,294</u>	<u>10,120,930</u>
EXPENDITURES:			
Instruction	6,259,341	94,080	6,353,421
Support services	2,800,433	418,288	3,218,721
Community services	47,098	-	47,098
Payments to other districts and governmental units	746,122	-	746,122
Debt service:			
Payment of principal on long-term debt	-	410,000	410,000
Interest on long-term debt	-	191,145	191,145
Service charges and bond issuance costs	-	725	725
Total Expenditures	<u>9,852,994</u>	<u>1,114,238</u>	<u>10,967,232</u>
Deficiency of revenues over expenditures	<u>(948,358)</u>	<u>102,056</u>	<u>(846,302)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	750,000	-	750,000
Transfers out	<u>(750,000)</u>	<u>-</u>	<u>(750,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(948,358)</u>	<u>102,056</u>	<u>(846,302)</u>
Fund balances at beginning of year	<u>2,786,151</u>	<u>117,975</u>	<u>2,904,126</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 1,837,793</u></u>	<u><u>\$ 220,031</u></u>	<u><u>\$ 2,057,824</u></u>

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

ROSELLE SCHOOL DISTRICT NO. 12
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

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

Net change in fund balances-total governmental funds (decrease)	\$ (846,302)
--	---------------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$2,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays	210,523	
Depreciation expense	<u>(342,780)</u>	(132,257)

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

Discount on bonds sold	25,688	
Repayment of bond principal	410,000	
Amortization of deferred charge on refunding	<u>(25,255)</u>	<u>410,433</u>

Change in net position of governmental activities	<u>\$ (568,126)</u>
--	----------------------------

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

**ROSELLE SCHOOL DISTRICT NO. 12
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2014**

	<u>Student Activity Funds</u>
Assets:	
Cash and investments	<u>\$ 26,485</u>
Total assets	<u> 26,485</u>
Liabilities:	
Due to student organizations	<u> 26,485</u>
Total liabilities	<u>\$ 26,485</u>

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

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements

June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Roselle School District No. 12 (District) is governed by an elected Board of Education. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements is described below.

a. The Reporting Entity

The District includes all funds of its governmental operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The accompanying financial statements include only those funds of the District as there are no other organizations for which it has financial accountability.

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

- North DuPage Special Education Cooperative (See Note 14)

b. Basis of Presentation

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

1. Government-wide Financial Statements (GWFS):

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

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Property taxes and other revenues which are

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2014

not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements (FFS):

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as separate columns in the FFS. The District reports the following major governmental funds:

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

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

The Student Activities Agency Fund (a fiduciary fund) accounts for assets held on behalf of student groups.

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

Government-wide financial statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when measurable and available.

Fund financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2014

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual generally include property taxes, interest on investments, and intergovernmental revenues. The District considers property taxes as available as described in note h. below. Interest on invested funds is recognized when earned. The availability period for all other revenues is deemed to be within sixty days of the end of the year. If funding is received before the eligibility requirements have been met, that revenue is recorded as unearned.

Fiduciary financial statements

Fiduciary fund reporting focuses on net assets and changes in net assets and is reported using the accrual basis of accounting. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

Use of Restricted Funds

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

d. Deposits and Investments

Investments held by the District which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase are reported by the District at amortized cost. All other investments are reported at fair value. Gains or losses on the sale of investments are recognized upon realization. Unrealized gains and losses are realized for those investments valued at fair value.

e. Capital Assets

Capital assets, which include land (which is not depreciated), buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 for furniture and equipment and \$20,000 for buildings and improvements and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2014

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

Assets	Years
Buildings and building improvements	40 years
Land improvements	20 years
Furniture, equipment and vehicles	5-15 years

f. Long-term Obligations

In the GWFS, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when the bonds are issued.

In the FFS, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

g. Fund Equity

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

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

h. Property Taxes

Property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December. The adoption date for the 2013 tax levy was December 17, 2013. Taxes attach as an enforceable lien on property on January 1 and are payable in two installments (on or about June 1 and September 1) subsequent to the year of levy. The District receives significant distributions of tax receipts approximately one month after these due dates. Property taxes for 2013 levy, which are collected during 2014, are considered to be budgeted to fund operations of the 2014/2015 year and are accordingly reported as deferred inflows of resources in the current year.

ROSELLE SCHOOL DISTRICT NO. 12**Notes to Financial Statements (Cont'd)****June 30, 2014**

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

	Maximum	Actual	
	2013 Levy	2013 Levy	2012 Levy
Educational	3.5000	2.3768	2.1634
Operations and Maintenance	.5500	.2472	.2282
Bond and Interest		.2511	.2490
Transportation		.0849	.0795
Municipal Retirement		.0513	.0496
Social Security		.0159	.0151
Total		3.0272	2.7848

i. Personal Property Replacement Taxes

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

j. Vacation Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16 "Accounting for Compensated Absences." No compensated absences liability is reported on the GWFS since accumulated unpaid employee sick leave at the end of the current fiscal year is not significant.

k. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

l. Prior Year Comparative Information

The basic financial statements include certain prior-year partial comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2013 from which the partial information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with current year's presentation.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2014

m. New Accounting Pronouncements

During the year, the District implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASBS No. 65), which amends or supersedes the accounting and financial reporting guidance for certain items previously required to be reported as assets or liabilities.

The objective is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses) or inflows of resources (revenues). Under GASBS No. 65, bond issuance costs will now be expensed when incurred, rather than being amortized over the term of the bond. The implementation of GASBS No. 65 also resulted in the reclassification of the unamortized portion of bond refunding losses and property taxes received prior to the period they were levied to support. These amounts are now reported as Deferred Outflows of Resources rather than a reduction of Bonds Payable and Deferred Inflows of Resources rather than Unearned Revenue, respectively. The effect of these changes on the fiscal year 2013 financial statements is as follows:

	2013, as Previously <u>Presented</u>	GASBS No. 65 <u>Restatement</u>	<u>2013 Restated</u>
Statement of Net Position:			
Assets:			
Bond issuance costs, net	\$ 59,449	\$ (59,449)	\$ -
Deferred outflows of resources:			
Deferred charge on refunding	-	70,550	70,550
Liabilities:			
Unearned revenue	6,836,211	(6,733,110)	103,101
Long-term liabilities, due in more than 1 year	3,994,404	70,550	4,064,954
Deferred inflows of resources:			
Property taxes levied for subsequent year	-	6,733,110	6,733,110
Net position:			
Net position, restricted for debt service	176,327	(59,449)	116,878
Statement of Activities:			
Net Expense (Revenue)			
Interest on long-term liabilities	99,966	(10,024)	89,942
Net position – beginning of the year	5,045,798	(69,473)	4,976,325

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2014

n. **Deferred outflows/inflows of resources**

In addition to assets, the statement of net position and the balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has only one item that qualifies for reporting in this category. It is the deferred charge on refunding of bonds reported in the government-wide statement of net position. A deferred charge on refunding of bonds results from the difference in the outstanding balance of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and the balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an increase of net position or fund balance that applies to a future period(s) and so will not be recognized as a revenue until that time. The District has only one type of item, which arises under both full- and modified-accrual basis of accounting that qualifies for reporting in this category. A deferred inflow of resources results from the District's legal claim to receive property taxes prior to the period that those taxes are intended to fund operations.

NOTE 2. CASH AND INVESTMENTS:

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2014, none of the District's bank balances of \$6,301,237 was exposed to custodial credit risk.

As of June 30, 2014, the District had no investments.

Interest Rate Risk: The District does not have a formal investment policy beyond state guidelines that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

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

Securities issued or guaranteed by the United States.

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

ROSELLE SCHOOL DISTRICT NO. 12**Notes to Financial Statements (Cont'd)**

June 30, 2014

Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the three highest classifications by at least two rating agencies.
Insured accounts of an Illinois credit union chartered under United States or Illinois law.

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

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

Repurchase agreements which meet instrument transaction requirements of Illinois law.

The District has no investment policy that would further limit its investment choices.

NOTE 3. CAPITAL ASSETS:

A summary of changes in capital assets follows:

Governmental Activities:	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	\$105,279	\$-	\$-	\$105,279
Construction in progress	-	9,005	-	9,005
Total capital assets not being depreciated	\$105,279	\$9,005	\$-	\$114,284
Capital assets, being depreciated:				
Land improvements	\$111,220	\$948	\$-	\$112,168
Buildings	11,198,225	112,159	-	11,310,384
Equipment	1,449,884	88,411	-	1,538,295
Total capital assets being depreciated	\$12,759,329	\$201,518	\$-	\$12,960,847
Accumulated depreciation for:				
Land improvements	\$81,803	\$3,517	\$-	\$85,320
Buildings	5,705,117	264,434	-	5,969,551
Equipment	1,196,098	74,829	-	1,270,927
Total accumulated depreciation	\$6,983,018	\$342,780	\$-	\$7,325,798
Total capital assets being depreciated, net	\$5,776,311	(\$141,262)	\$-	\$5,635,049
Total capital assets, net	\$5,881,590	(\$132,257)	\$-	\$5,749,333

ROSELLE SCHOOL DISTRICT NO. 12
Notes to Financial Statements (Cont'd)
June 30, 2014

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

Instructional services:	
Regular programs	\$232,689
Special programs	34,880
Supporting services:	
Instructional staff	56,477
School administration	10,637
Business	5,846
Operations and maintenance of facilities	2,251
	<u>\$342,780</u>

NOTE 4. GENERAL LONG-TERM LIABILITIES:

The following is a summary of the components of long-term liabilities and related transactions of the District for the year ended June 30, 2014:

Governmental Activities:	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Amount Due In One Year
General Obligation School Bonds Series 2004	\$1,330,000	\$-	\$(410,000)	\$920,000	\$480,000
Taxable General Obligation Limited School Bonds Series 2012	3,090,000	-	-	3,090,000	-
Deferred Amounts for Issuance Premium	53,679	-	(25,688)	27,991	-
IMRF Obligation	1,275	-	-	1,275	-
Total Long-Term Liabilities	\$4,474,954	\$	(\$435,688)	\$4,039,266	\$480,000

Long-term liabilities at June 30, 2014 are comprised of the following:

General Obligation Bonds:

\$2,810,000, Series 2004 General Obligation Limited Tax Refunding School Bonds with principal payments due in January varying from \$440,000 to \$480,000 through 2016. Interest payments are due in July and January at a rate of 5.00%.

\$3,090,000, Series 2012 General Obligation Limited Tax Refunding School Bonds with principal payments due in January, starting in 2016, varying from \$75,000 to \$645,000 through 2022. Interest payments are due in July and January at rates varying from 1.85% to 3.75%.

ROSELLE SCHOOL DISTRICT NO. 12**Notes to Financial Statements (Cont'd)****June 30, 2014****Bond Refunding**

On June 26, 2012, the District issued \$3,090,000 in General Obligation Limited Tax Refunding School Bonds to partially defease Series 2004 General Obligation Limited Tax Refunding School Bonds totaling \$105,000. This resulted in an economic gain (difference between the present value of the new debt service payments and the old debt service payments) of \$24,128. Proceeds of \$116,480 were deposited in an irrevocable trust with an escrow agent for all future debt service payments on the refunded debt. As a result, these bonds are considered defeased and the liability has been removed from the financial statements. As of June 30, 2014, the outstanding debt considered defeased is \$30,000.

At June 30, 2014, the annual cash flow requirements of all long-term debt to retirement, including interest of \$507,613 were as follows:

	General Obligation School Bonds		
Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$480,000	\$128,638	\$608,638
2016	515,000	104,637	619,637
2017	545,000	81,250	626,250
2018	565,000	70,350	635,350
2019	590,000	56,790	646,790
2020-2022	1,315,000	65,948	1,380,948
Totals	\$4,010,000	\$507,613	\$4,517,613

The Illinois Compiled Statutes limits the amount of bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2014, the statutory debt limit for the District was \$16,719,281, providing a debt margin of \$12,825,934 after taking into account amounts available to the Debt Service Fund.

Payments to retire bonds payable have been made and will be made from debt service levies in future periods. There is \$116,653 of fund equity available in the Debt Service Fund to service outstanding bonds payable.

NOTE 5. RESTRICTED NET POSITION:

The government-wide statement of net position reports \$220,031 of restricted net position, all of which is restricted by enabling legislation.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2014

NOTE 6. FUND BALANCES – GOVERNMENTAL FUNDS:

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

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

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

Assigned – The assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the School Board itself or the School Board may delegate the authority to assign amounts. Currently the School Board has not delegated the authority.

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

ROSELLE SCHOOL DISTRICT NO. 12
Notes to Financial Statements (Cont'd)
June 30, 2014

As of June 30, 2014, fund balances are composed of the following:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Prepaid items	\$29,534	\$-	\$29,534
Restricted:			
Transportation	-	61,627	61,627
Debt service	-	116,653	116,653
IMRF/Social Security	-	41,751	41,751
Unassigned	1,808,259	-	1,808,259
Total fund balances	<u>\$1,837,793</u>	<u>\$220,031</u>	<u>\$2,057,824</u>

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

NOTE 7. RETIREMENT FUND COMMITMENTS:

Retirement Plans

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

Illinois Teachers' Retirement System:

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.

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 State of Illinois maintains the primary responsibility for funding the plan, but contributions from participating

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2014

employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The active member contribution rate for the year ended June 30, 2014 was 9.4% of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4% for the years ended June 30, 2013 and 2012.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2014, State of Illinois contributions were based on 35.41% of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$1,505,955 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2013 and June 30, 2012, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 28.05% (\$1,154,868) and 24.91% (\$987,706), respectively.

The District makes other types of employer contributions directly to TRS:

2.2 formula contributions. Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2014 were \$24,934. Contributions for the years ending June 30, 2013 and June 30, 2012 were \$24,197 and \$23,196, respectively.

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

For the year ended June 30, 2014, the employer pension contribution was 35.41% of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer contribution was 28.05% and 24.91%, respectively. For the year ended June 30, 2014, salaries totaling \$46,111 were paid from federal and special trust funds that required employer contributions of \$16,328. For the years ended June 30, 2013 and June 30, 2012, required District contributions were \$15,336 and \$8,551, respectively.

ROSELLE SCHOOL DISTRICT NO. 12
Notes to Financial Statements (Cont'd)
June 30, 2014

Early Retirement Option (ERO). The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

The maximum employer ERO contribution under the current program is 146.5% and applies when the member is age 55 at retirement.

For the years ended June 30, 2014, 2013 and 2012, the District was not required to make employer ERO contributions to TRS.

Salary increases over 6% and excess sick leave. If an employer grants salary increases over 6% and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6%.

For the year ended June 30, 2014, the District paid \$82 to TRS for employer contributions due on salary increases in excess of 6%. For the years ended June 30, 2013 and June 30, 2012, the District did not grant salary increases in excess of 6% that were used to calculate retiree final salaries.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29% of salary during the year ended June 30, 2014).

For the year ended June 30, 2014, the District paid \$4,172 to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2013 and June 30, 2012, the District did not grant any sick leave days in excess of the normal annual allotment.

Further information on TRS. TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2013. The report for the year ended June 30, 2014, is expected to be available in late 2014.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS website at <http://trs.illinois.gov>.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2014

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 plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the District's Regular plan members are required to contribute 4.50% 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 employer annual required contribution rate for calendar year 2013 was 13.49%. The employer 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.

Annual Pension Cost. The required contribution for calendar year 2013 was \$82,510.

Three-Year Trend Information for the Regular Plan

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$82,510	100%	\$1,275
12/31/12	78,954	100	1,275
12/31/11	79,474	98	1,275

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2014

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 74.61% funded. The actuarial accrued liability for benefits was \$1,925,016 and the actuarial value of assets was \$1,436,322, resulting in an underfunded actuarial accrued liability (UAAL) of \$488,694. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$611,640 and the ratio of the UAAL to the covered payroll was 80%.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 8. COMMON BANK ACCOUNT:

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their invested cash balances in a common checking account with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund. None of the participating funds reflected a cash overdraft in the common bank account at June 30, 2014.

NOTE 9. INTERFUND TRANSFERS:

Interfund transfers for the year ended June 30, 2014 consisted of an abatement of the General Fund's Working Cash Account totaling \$750,000. \$600,000 was transferred to the General Fund's Educational Account and \$150,000 was transferred to the General Fund's Operations and Maintenance Account.

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

NOTE 10. RISK MANAGEMENT:

The District has purchased insurance coverage through risk pools (See Notes 11, 12 and 13). Risks covered include general liability, workers compensation, health insurance and other. Premiums have been recorded as expenditures in appropriate funds.

No material decreases in insurance coverages have occurred nor have any insurance claims in excess of insurance coverages been paid or reported during the last three fiscal years.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2014

NOTE 11. ILLINOIS COUNTY RISK MANAGEMENT TRUST (ICRMT):

The District is a member of ICRMT, which has been formed to reduce local governments' workers' compensation costs. ICRMT is controlled by a Board of Directors which is composed of representatives designated by each county member of the pool. The day-to-day operations of ICRMT are managed by Insurance Program Managers Group, LLC (IPMG). Each member has a financial responsibility for annual membership contributions, which are calculated to provide for administrative expenses, specific and aggregate excess insurance coverage, and the funding of a portion of anticipated losses and loss adjustment expenses which will be borne directly by the membership. The losses and loss adjustment expenses to be borne by the membership are those which must be incurred prior to the attachment of excess insurance coverage.

Complete financial statements for ICRMT can be obtained from the District.

NOTE 12. SUBURBAN SCHOOL COOPERATIVE INSURANCE POOL (SSCIP):

The District is a member of SSCIP, a voluntary cooperative agency consisting of Illinois public school districts and joint agreements. SSCIP's purpose is to manage and fund first-party property losses and third-party liability claims of its members. SSCIP began operations on December 31, 1982 and currently has 55 members. Each member district has a financial responsibility to make annual contributions based on property values, student enrollment, personnel employed, past loss history and vehicles owned.

Complete financial statements of SSCIP are available from its accountant at Two Pierce Place, Itasca, Illinois 60143.

NOTE 13. RISK POOL - EDUCATIONAL BENEFIT COOPERATIVE (EBC):

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

Complete financial statements for EBC can be obtained from its treasurer at 1105 North Hunt Club Road, Gurnee, Illinois 60031.

ROSELLE SCHOOL DISTRICT NO. 12
Notes to Financial Statements (Cont'd)
June 30, 2014

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

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

Complete financial statements for NDSEC can be obtained from its Treasurer at 132 E. Pine Avenue, Roselle, IL 60172.

NOTE 15. OTHER POST EMPLOYMENT BENEFITS:

Teacher Health Insurance Security:

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

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

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

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2014

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 0.97% of pay during the year ended June 30, 2014. State of Illinois contributions were \$41,700, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2013 and June 30, 2012 were 0.92% and 0.88% of pay, respectively. State contributions on behalf of District employees were \$38,381 and \$35,195, respectively.

Employer contributions to the THIS Fund. The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.72% during the year ended June 30, 2014 and 0.69% and 0.66% during the years ended June 30, 2013 and June 30, 2012 respectively. For the year ended June 30, 2014, the District paid \$30,953 to the THIS Fund. For the years ended June 30, 2013 and June 30, 2012, the District paid \$28,786 and \$26,396 to the THIS Fund, respectively, which was 100% of the required contribution.

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

NOTE 16. OPERATING LEASE COMMITMENTS:

The District has entered into an operating leases for copier equipment that expires during the 2019 fiscal year.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2014 are:

Year	Payment
2015	\$ 61,764
2016	61,764
2017	61,764
2018	61,764
2019	15,441
Total	<u>\$262,497</u>

REQUIRED SUPPLEMENTARY INFORMATION

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2014

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
REVENUES:				
Local sources	\$ 6,364,105	\$ 6,364,105	\$ 6,285,023	\$ (79,082)
State sources	2,103,883	2,103,883	2,199,119	95,236
Federal sources	436,183	436,183	420,494	(15,689)
Total Revenues	<u>8,904,171</u>	<u>8,904,171</u>	<u>8,904,636</u>	<u>465</u>
EXPENDITURES:				
Instruction	6,200,460	6,169,235	6,259,341	(90,106)
Supporting services	2,681,984	2,817,700	2,800,433	17,267
Community services	-	-	47,098	(47,098)
Payments to other districts and governmental units	591,579	591,579	746,122	(154,543)
Provision for contingencies	25,000	-	-	-
Total Expenditures	<u>9,499,023</u>	<u>9,578,514</u>	<u>9,852,994</u>	<u>(274,480)</u>
Deficiency of revenues over expenditures	<u>(594,852)</u>	<u>(674,343)</u>	<u>(948,358)</u>	<u>(274,015)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	105,000	750,000	750,000	-
Transfers out	<u>(130,000)</u>	<u>(775,000)</u>	<u>(750,000)</u>	<u>25,000</u>
Total other financing sources (uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
Net change in fund balances	<u>\$ (619,852)</u>	<u>\$ (699,343)</u>	<u>(948,358)</u>	<u>\$ (249,015)</u>
Fund balances at beginning of year			<u>2,786,151</u>	
FUND BALANCES AT END OF YEAR			<u>\$ 1,837,793</u>	

The notes to the required supplementary information are an integral part of this statement.

ROSELLE SCHOOL DISTRICT NO. 12
Notes to Required Supplementary Information
June 30, 2014

NOTE 1. BUDGETARY DATA:

Budgeted amounts for all Governmental Funds are adopted on the modified accrual basis of accounting, 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 financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30 the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues. The budget was adopted on September 24, 2013 and amended on June 17, 2014.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. The District has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
7. The budget lapses at the end of each fiscal year. (All appropriations lapse at year end.)

ROSELLE SCHOOL DISTRICT NO. 12
Notes to Required Supplementary Information (Cont'd)
June 30, 2014

NOTE 2. ACTUAL EXPENDITURES OVER BUDGETED EXPENDITURES:

Actual expenditures exceeded budgeted expenditures in the following:

Fund/Account	Budget	Actual	Excess
General Fund's Education Account	\$8,739,964	\$8,954,407	\$214,443
General Fund's Operations and Maintenance Account	838,550	898,587	60,037
IMRF/Social Security Fund	181,737	191,530	9,793

ROSELLE SCHOOL DISTRICT NO. 12
Required Supplementary Information
Schedule of Funding Progress
June 30, 2014

Illinois Municipal Retirement Fund:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/13	\$1,436,322	\$1,925,016	\$488,694	74.61%	\$611,640	79.90%
12/31/12	1,324,641	1,772,743	448,102	74.72	561,554	79.80
12/31/11	1,107,537	1,660,671	553,134	66.69	579,255	95.49
12/31/10	1,195,070	1,824,105	629,035	65.52	557,208	112.89
12/31/09	1,046,711	1,505,383	458,672	69.53	491,025	93.41
12/31/08	1,286,629	1,611,512	324,883	79.84	479,225	67.79
12/31/07	1,583,606	1,457,771	(125,835)	108.63	450,723	0.00

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$1,823,420. On a market basis, the funded ratio would be 94.72%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Roselle School District No. 12. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

SUPPLEMENTARY FINANCIAL INFORMATION

ROSELLE SCHOOL DISTRICT NO. 12
COMBINING BALANCE SHEET BY ACCOUNT
GENERAL FUND
JUNE 30, 2014

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
<u>ASSETS</u>				
Cash and investments	\$ 3,625,047	\$ 306,764	\$ 1,593,261	\$ 5,525,072
Receivables (net of allowance for uncollectibles):				
Property taxes	2,977,523	309,677	-	3,287,200
Intergovernmental	117,854	25,273	-	143,127
Interest	1,132	5,351	368	6,851
Prepaid items	29,534	-	-	29,534
TOTAL ASSETS	<u>6,751,090</u>	<u>647,065</u>	<u>1,593,629</u>	<u>8,991,784</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	99,787	38,588	-	138,375
Accrued payroll	613,992	-	-	613,992
Unearned revenue	43,452	-	-	43,452
Total Liabilities	<u>757,231</u>	<u>38,588</u>	<u>-</u>	<u>795,819</u>
Deferred inflows of resources:				
Property taxes levies for subsequent year	5,759,186	598,986	-	6,358,172
Total deferred inflows of resources	<u>5,759,186</u>	<u>598,986</u>	<u>-</u>	<u>6,358,172</u>
Fund Balances:				
Nonspendable	29,534	-	-	29,534
Unassigned	205,139	9,491	1,593,629	1,808,259
Total Fund Balances	<u>234,673</u>	<u>9,491</u>	<u>1,593,629</u>	<u>1,837,793</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 6,751,090</u>	<u>\$ 647,065</u>	<u>\$ 1,593,629</u>	<u>\$ 8,991,784</u>

ROSELLE SCHOOL DISTRICT NO. 12
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES BY ACCOUNT
GENERAL FUND
YEAR ENDED JUNE 30, 2014

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
REVENUES:				
Property taxes	\$ 5,224,133	\$ 551,054	\$ -	\$ 5,775,187
Other local sources	354,823	150,056	4,957	509,836
State sources	2,199,119	-	-	2,199,119
Federal sources	420,494	-	-	420,494
Total Revenues	<u>8,198,569</u>	<u>701,110</u>	<u>4,957</u>	<u>8,904,636</u>
EXPENDITURES:				
Instruction	6,259,341	-	-	6,259,341
Supporting services	1,901,846	898,587	-	2,800,433
Community services	47,098	-	-	47,098
Payments to other districts and governmental units	746,122	-	-	746,122
Total Expenditures	<u>8,954,407</u>	<u>898,587</u>	<u>-</u>	<u>9,852,994</u>
Excess (deficiency) of revenues over expenditures	<u>(755,838)</u>	<u>(197,477)</u>	<u>4,957</u>	<u>(948,358)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	600,000	150,000	-	750,000
Transfers out	-	-	(750,000)	(750,000)
Total other financing sources (uses)	<u>600,000</u>	<u>150,000</u>	<u>(750,000)</u>	<u>-</u>
Net change in fund balances	<u>(155,838)</u>	<u>(47,477)</u>	<u>(745,043)</u>	<u>(948,358)</u>
Fund balances at beginning of year	<u>390,511</u>	<u>56,968</u>	<u>2,338,672</u>	<u>2,786,151</u>
FUND BALANCES AT END OF YEAR	<u>\$ 234,673</u>	<u>\$ 9,491</u>	<u>\$ 1,593,629</u>	<u>\$ 1,837,793</u>

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2013

	2014			2013
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
General tax levies	\$ 5,230,685	\$ 5,230,685	\$ 5,224,133	\$ 5,038,093
Corporate replacement taxes	135,000	135,000	5,740	32,703
Tuition	23,500	23,500	3,775	3,813
Earnings on investments	4,000	4,000	6,221	6,344
Food services	81,000	81,000	60,056	60,272
Pupil activities	60,000	60,000	50,512	54,124
Textbooks	75,000	75,000	74,584	74,664
Contributions/donations from private sources	-	-	7,700	90,377
Services provided other districts	-	-	-	2,234
Refund of prior years' expenditures - NDSEC	133,201	133,201	134,301	137,294
Other	7,400	7,400	11,934	1,724
Total Local Sources	5,749,786	5,749,786	5,578,956	5,501,642
State Sources:				
General state aid	291,590	291,590	323,146	291,628
Special education	303,617	303,617	307,571	356,407
Bilingual education	30,061	30,061	19,067	24,673
Free lunch and breakfast	850	850	944	984
On-behalf payments - State of Illinois	1,477,251	1,477,251	1,547,655	1,193,249
Other	514	514	736	565
Total State Sources	2,103,883	2,103,883	2,199,119	1,867,506
Federal Sources:				
Food service	50,000	50,000	74,454	68,039
Title I - low income	40,789	40,789	48,311	49,421
IDEA - preschool flow-through	12,829	12,829	11,397	9,591
IDEA - flow through	269,884	269,884	235,616	243,331
IDEA - room and board	-	-	-	49,908
STEM grant	-	-	-	1,000
Title III - english language acquisition	9,900	9,900	810	9,750
Title II - teacher quality	32,781	32,781	33,005	33,750
Medicaid programs	20,000	20,000	16,901	8,674
Total Federal Sources	436,183	436,183	420,494	473,464
Total Revenues	\$ 8,289,852	\$ 8,289,852	\$ 8,198,569	\$ 7,842,612

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2013

	2014		2013 Actual
	Original Budget	Final Budget	
EXPENDITURES:			
Instruction:			
Regular programs:			
Salaries	\$ 2,651,464	\$ 2,651,464	\$ 2,702,499
Employee benefits	408,221	408,221	392,927
On-behalf payments - State of Illinois	1,477,251	1,477,251	1,547,655
Purchased services	51,750	51,750	43,907
Supplies and materials	143,325	110,100	113,144
Other	10,600	10,600	15,648
Non-capitalized equipment	-	-	550
Total	4,742,611	4,709,386	4,816,330
Special programs:			
Salaries	664,876	664,876	650,045
Employee benefits	129,646	129,646	103,816
Purchased services	4,240	4,240	1,832
Supplies and materials	3,500	5,500	4,265
Non-capitalized equipment	-	-	945
Tuition	120,000	120,000	135,980
Total	922,262	924,262	896,883
Remedial and supplemental programs:			
Salaries	94,261	94,261	121,526
Employee benefits	14,226	14,226	17,304
Supplies and materials	500	500	472
Total	108,987	108,987	139,302
Interscholastic programs:			
Salaries	81,385	81,385	88,245
Purchased services	7,140	7,140	4,109
Supplies and materials	9,600	9,600	3,546
Other	2,000	2,000	4,046
Total	\$ 100,125	\$ 100,125	\$ 99,946
Total	\$ 100,125	\$ 100,125	\$ 94,200

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2013

	2014			2013
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
Summer school:				
Salaries	\$ 18,394	\$ 18,394	\$ 28,750	\$ 25,370
Purchased services	120	120	-	-
Supplies and materials	675	675	69	328
Total	19,189	19,189	28,819	25,698
Gifted:				
Salaries	94,826	94,826	102,029	92,513
Employee benefits	699	699	717	713
Purchased services	850	850	397	387
Supplies and materials	1,000	1,000	579	655
Other	100	100	-	-
Total	97,475	97,475	103,722	94,268
Bilingual:				
Salaries	184,775	184,775	153,123	139,097
Employee benefits	21,694	21,694	17,846	18,074
Purchased services	1,000	1,000	1,059	774
Supplies and materials	2,342	2,342	2,311	2,301
Total	209,811	209,811	174,339	160,246
Truant Alternative and Optional:				
Other	-	-	-	15,966
Total	-	-	-	15,966
Total Instruction	6,200,460	6,169,235	6,259,341	5,868,826
Support Services:				
Pupils:				
Attendance and social work :				
Salaries	80,746	80,746	80,746	78,777
Employee benefits	14,323	14,323	13,966	14,007
Purchased services	350	350	105	112
Supplies and materials	600	600	407	592
Total	\$ 96,019	\$ 96,019	\$ 95,224	\$ 93,488

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2013

	2014			2013
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
Health services:				
Salaries	\$ 121,530	\$ 121,530	\$ 96,435	\$ 99,557
Employee benefits	129	129	141	164
Purchased services	4,000	4,000	3,889	3,594
Supplies and materials	2,200	2,600	2,843	1,930
Other	-	-	242	206
Total	127,859	128,259	103,550	105,451
Total Pupils	223,878	224,278	198,774	198,939
Instructional Staff:				
Improvement of instructional services:				
Salaries	11,500	11,500	16,361	16,071
Purchased services	2,000	2,000	-	827
Supplies and materials	900	900	557	393
Total	14,400	14,400	16,918	17,291
Educational media services:				
Salaries	208,018	208,018	207,035	197,675
Employee benefits	45,486	45,486	35,027	36,364
Purchased services	10,800	10,800	10,545	10,382
Supplies and materials	24,900	24,900	24,830	26,196
Total	289,204	289,204	277,437	270,617
Assessment and testing:				
Supplies and materials	-	-	-	618
Total	-	-	-	618
Total Instructional Staff	303,604	303,604	294,355	288,526
General Administration:				
Board of education:				
Purchased services	99,800	97,300	105,311	93,038
Supplies and materials	3,500	3,500	2,979	7,652
Other	23,500	8,500	5,887	28,518
Total	\$ 126,800	\$ 109,300	\$ 114,177	\$ 129,208

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2013

	2014			2013
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
Executive administration:				
Salaries	\$ 126,224	\$ 131,125	\$ 127,113	\$ 122,998
Employee benefits	46,070	18,753	18,236	17,591
Purchased services	7,900	8,015	8,893	9,515
Other	2,000	2,000	2,042	2,176
Total	182,194	159,893	156,284	152,280
Total General Administration	308,994	269,193	270,461	281,488
School Administration:				
Office of the principal:				
Salaries	294,058	294,058	296,634	262,352
Employee benefits	71,996	71,996	73,213	56,120
Purchased services	2,150	2,150	3,809	2,441
Supplies and materials	100	100	30	29
Other	1,200	1,200	1,141	1,161
Total School Administration	369,504	369,504	374,827	322,103
Business:				
Fiscal services:				
Salaries	262,489	262,489	262,890	190,268
Employee benefits	51,140	51,140	50,563	50,481
Purchased services	3,400	3,400	3,464	4,308
Supplies and materials	15,000	10,000	5,447	15,727
Other	3,000	3,000	3,119	8,087
Total	335,029	330,029	325,483	268,871
Operation and maintenance of plant services:				
Salaries	51,245	46,343	53,240	87,892
Employee benefits	-	5,969	6,858	6,743
Purchased services	64,950	64,950	57,176	63,874
Supplies and materials	-	-	650	-
Total	\$ 116,195	\$ 117,262	\$ 117,924	\$ 158,509

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2013

	2014			2013
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
Food services				
Salaries	\$ 19,780	\$ 19,780	\$ 27,928	\$ 72,623
Employee benefits	-	-	304	2,619
Supplies and materials	148,000	148,000	147,233	139,896
Other	700	700	958	605
Total	168,480	168,480	176,423	215,743
Total Business	619,704	615,771	619,830	643,123
Central:				
Data processing services:				
Salaries	1,000	1,000	245	323
Purchased services	33,800	33,800	37,079	33,980
Supplies and materials	68,000	68,000	33,884	69,151
Capital outlay	64,000	64,000	21,107	31,875
Non-capitalized equipment	30,000	30,000	51,284	103,199
Total	196,800	196,800	143,599	238,528
Total Central	196,800	196,800	143,599	238,528
Total Support Services	2,022,484	1,979,150	1,901,846	1,972,707
Community Services:				
Salaries	-	-	6,171	10,622
Employee benefits	-	-	6,754	6,231
Purchased services	-	-	-	12,451
Supplies and materials	-	-	7,881	7,226
Capital outlay	-	-	5,600	-
Non-capitalized equipment	-	-	20,692	22,402
Total Community Services	-	-	47,098	58,932
Payments to other districts and governmental units:				
Purchased services	-	-	13,018	-
Tuition	591,579	591,579	733,104	779,220
Total payments to other districts and governmental units	591,579	591,579	746,122	779,220
Provision for contingencies	15,000	-	-	-
Total Expenditures	8,829,523	8,739,964	8,954,407	8,679,685
Deficiency of revenues over expenditures	\$ (539,671)	\$ (450,112)	\$ (755,838)	\$ (837,073)

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2013

	2014			2013 Actual
	Original Budget	Final Budget	Actual	
OTHER FINANCING SOURCES:				
Transfers in	\$ 30,000	\$ 600,000	\$ 600,000	\$ 850,000
Total other financing sources	30,000	600,000	600,000	850,000
Net change in fund balances	<u>\$ (509,671)</u>	<u>\$ 149,888</u>	(155,838)	12,927
Fund balances at beginning of year			390,511	377,584
FUND BALANCES AT END OF YEAR			<u>\$ 234,673</u>	<u>\$ 390,511</u>

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
OPERATIONS AND MAINTENANCE ACCOUNT
YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2013

	2014			2013
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
General tax levies	\$ 551,744	\$ 551,744	\$ 551,054	\$ 584,366
Personal property replacement taxes	-	-	40,273	-
Earnings on investments	400	400	361	631
Rentals	50,000	50,000	48,144	47,519
Contributions	7,175	7,175	36,958	4,008
Other	-	-	24,320	19,546
Total Revenues	<u>609,319</u>	<u>609,319</u>	<u>701,110</u>	<u>656,070</u>
EXPENDITURES:				
Support Services:				
Business:				
Operation and maintenance of plant services:				
Purchased services	411,500	451,650	459,162	387,345
Supplies and materials	185,000	204,000	215,545	180,230
Capital outlay	63,000	177,000	183,816	20,102
Non-capitalized equipment	-	5,900	40,064	-
Total Support Services	<u>659,500</u>	<u>838,550</u>	<u>898,587</u>	<u>587,677</u>
Provision for contingencies	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>669,500</u>	<u>838,550</u>	<u>898,587</u>	<u>587,677</u>
Excess (deficiency) of revenues over expenditures	<u>(60,181)</u>	<u>(229,231)</u>	<u>(197,477)</u>	<u>68,393</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>75,000</u>	<u>150,000</u>	<u>150,000</u>	<u>75,000</u>
Total other financing sources	<u>75,000</u>	<u>150,000</u>	<u>150,000</u>	<u>75,000</u>
Net change in fund balances	<u>\$ 14,819</u>	<u>\$ (79,231)</u>	<u>(47,477)</u>	<u>143,393</u>
Fund balances (deficits) at beginning of year			<u>56,968</u>	<u>(86,425)</u>
FUND BALANCES AT END OF YEAR			<u>\$ 9,491</u>	<u>\$ 56,968</u>

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
WORKING CASH FUND
YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2013

	2014			2013
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
Earnings on investments	\$ 5,000	\$ 5,000	\$ 4,957	\$ 7,628
Total Revenues	5,000	5,000	4,957	7,628
Excess of revenues over expenditures	5,000	5,000	4,957	7,628
OTHER FINANCING USES:				
Transfers out	(130,000)	(775,000)	(750,000)	(950,000)
Total other financing uses	(130,000)	(775,000)	(750,000)	(950,000)
Net change in fund balances	\$ (125,000)	\$ (770,000)	(745,043)	(942,372)
Fund balances at beginning of year			2,338,672	3,281,044
FUND BALANCES AT END OF YEAR			<u>\$ 1,593,629</u>	<u>\$ 2,338,672</u>

ROSELLE SCHOOL DISTRICT NO. 12
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>Special Revenue</u>			<u>Debt Service</u>	Total Nonmajor Governmental Funds
	<u>Transport- ation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Total</u>	<u>Debt Service</u>	
<u>ASSETS</u>					
Cash and investments	\$ 164,745	\$ 136,119	\$300,864	\$ 346,126	\$ 646,990
Receivables (net of allowance for uncollectibles):					
Property taxes	106,357	84,187	190,544	314,564	505,108
Intergovernmental	7,412	-	7,412	-	7,412
Interest	38	31	69	80	149
Prepaid items	-	-	-	64,319	64,319
TOTAL ASSETS	<u>278,552</u>	<u>220,337</u>	<u>498,889</u>	<u>725,089</u>	<u>1,223,978</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	11,205	-	11,205	-	11,205
Accrued payroll	-	15,755	15,755	-	15,755
Total Liabilities	<u>11,205</u>	<u>15,755</u>	<u>26,960</u>	<u>-</u>	<u>26,960</u>
Deferred inflows of resources:					
Property taxes levies for subsequent year	205,720	162,831	368,551	608,436	976,987
Total deferred inflows of resources	<u>205,720</u>	<u>162,831</u>	<u>368,551</u>	<u>608,436</u>	<u>976,987</u>
Fund Balances:					
Restricted	61,627	41,751	103,378	116,653	220,031
Total Fund Balances	<u>61,627</u>	<u>41,751</u>	<u>103,378</u>	<u>116,653</u>	<u>220,031</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 278,552</u>	<u>\$ 220,337</u>	<u>\$498,889</u>	<u>\$ 725,089</u>	<u>\$ 1,223,978</u>

ROSELLE SCHOOL DISTRICT NO. 12
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	Special Revenue			Debt Service	Total Nonmajor Governmental Funds
	Transportation	Municipal Retirement/ Social Security	Total	Debt Service	
REVENUES:					
Property taxes	\$ 191,976	\$ 156,234	\$ 348,210	\$ 601,280	\$ 949,490
Other local sources	26,860	70,779	97,639	365	98,004
State sources	168,800	-	168,800	-	168,800
Total Revenues	387,636	227,013	614,649	601,645	1,216,294
EXPENDITURES:					
Current operating:					
Instruction	-	94,080	94,080	-	94,080
Support services	320,838	97,450	418,288	-	418,288
Debt service:					
Payment of principal on long-term debt	-	-	-	410,000	410,000
Interest on long-term debt	-	-	-	191,145	191,145
Service charges	-	-	-	725	725
Total Expenditures	320,838	191,530	512,368	601,870	1,114,238
Net change in fund balances	66,798	35,483	102,281	(225)	102,056
Fund balances (deficits) at beginning of year	(5,171)	6,268	1,097	116,878	117,975
FUND BALANCES AT END OF YEAR	\$ 61,627	\$ 41,751	\$ 103,378	\$ 116,653	\$ 220,031

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2013

	2014		2013
	Original and Final Budget	Actual	Actual
REVENUES:			
Local Sources:			
General tax levies	\$ 192,216	\$ 191,976	\$ 203,649
Transportation fees	20,330	8,701	12,521
Personal property replacement taxes	-	17,649	-
Earnings on investments	250	310	163
Other	-	200	200
Total Local Sources	212,796	218,836	216,533
State Sources:			
Transportation aid			
Regular	123,500	70,926	79,337
Special education	60,000	97,874	115,226
Total State Sources	183,500	168,800	194,563
Total Revenues	396,296	387,636	411,096
EXPENDITURES:			
Support Services:			
Business - Pupil Transportation Services:			
Salaries	1,367	1,525	1,334
Employee benefits	172	-	-
Purchased services	372,600	319,313	425,927
Other	-	-	-
Total Expenditures	374,139	320,838	427,261
Net change in fund balances	\$ 22,157	66,798	(16,165)
Fund balances (deficits) at beginning of year		(5,171)	10,994
FUND BALANCES (DEFICITS) AT END OF YEAR		\$ 61,627	\$ (5,171)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2013

	2014		2013
	Original Budget	Final Budget	Actual
REVENUES:			
Local Sources:			
Property taxes			
General tax levies	\$ 119,924	\$ 119,924	\$ 119,773
Social security/medicare tax levies	36,509	36,509	36,461
Personal property replacement taxes	-	-	70,528
Earnings on investments	100	100	251
Total Revenues	156,533	156,533	227,013
EXPENDITURES:			
Instruction - employee benefits	81,176	81,176	94,080
Support Services - employee benefits	83,667	100,561	97,450
Total Expenditures	164,843	181,737	191,530
Excess (deficiency) of revenues over expenditures	(8,310)	(25,204)	35,483
OTHER FINANCING SOURCES:			
Transfers in	25,000	25,000	-
Total other financing sources	25,000	25,000	-
Net change in fund balances	\$ 16,690	\$ (204)	35,483
Fund balances (deficits) at beginning of year			6,268
FUND BALANCES AT END OF YEAR			\$ 41,751

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2013

	2014		2013
	Original Budget	Final Budget	Actual
REVENUES:			
Local Sources:			
Property taxes	\$ 605,000	\$ 605,500	\$ 601,280
Earnings on investments	500	500	365
Total Revenues	605,500	606,000	601,645
EXPENDITURES:			
Debt Service:			
Payment of principal on long-term debt	460,000	460,000	410,000
Interest on long-term debt	145,000	145,000	191,145
Service charges	-	-	725
Total Expenditures	605,000	605,000	601,870
Net change in fund balances	\$ 500	\$ 1,000	(225)
Fund balances at beginning of year			116,878
FUND BALANCES AT END OF YEAR			\$ 116,653

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF CHANGES IN CASH BALANCES - ACTIVITY FUNDS
JUNE 30, 2014

<u>FUND</u>	<u>Cash Balance July 1, 2013</u>	<u>Revenues Received</u>	<u>Expenditures Disbursed</u>	<u>Cash Balance June 30, 2014</u>
District:				
PTO funded	\$ 15,623	\$ 3,631	\$ 7,588	\$ 11,666
Library fines and lost books	3,270	2,149	3,339	2,080
Ryba donation	300			300
Activities Committee's fund	3,144			3,144
Kinesmetrics Lab Study	18			18
Middle School:				
General	72	6,724	7,567	(771)
P.T.O. discretionary	2,901	500	938	2,463
Spirit club	468	-	-	468
Student council	1,818	1,130	1,112	1,836
Teachers' lounge	542		360	182
Chorus fundraising	144	-	-	144
Intramurals	1,796	2,795	3,608	983
Outdoor Ed fundraising	750	-	-	750
Artsonia art supplies	97	-	97	-
Spring Hill School:				
General	(416)	5,503	6,529	(1,442)
P.T.O. discretionary	718	788	980	526
Walk-a-thon	723		723	-
Art-My Cards donation	453	609	572	490
Social committee	1,504		1,304	200
Teachers' lounge	2,720	1,230	959	2,991
Northwest DuPage Athletic Conference	1	4,200	3,755	446
Interest earned	11	11	11	11
Total	<u>\$ 36,657</u>	<u>\$ 29,270</u>	<u>\$ 39,442</u>	<u>\$ 26,485</u>
Balance comprised of:				
Cash	14,700			4,517
Savings	<u>21,957</u>			<u>21,968</u>
Total	<u>\$ 36,657</u>			<u>\$ 26,485</u>

OTHER FINANCIAL INFORMATION

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF ASSESSED VALUATIONS, TAX EXTENSIONS AND COLLECTIONS
YEARS ENDED JUNE 30, 2014, 2013 AND 2012

<u>Tax levy year</u>	<u>Assessed Valuation</u>	<u>Rate</u>	<u>Tax Extensions</u>	<u>Collected</u>	<u>Taxes Receivable</u>	<u>Percent of Net Tax Extensions Collected</u>
2013 Levy	<u>\$ 242,308,418</u>					
Educational		2.3768	\$ 5,759,187	\$ 2,781,664	\$ 2,977,523	
Operations and maintenance		0.2472	598,986	289,309	309,677	
Debt service		0.2511	608,436	293,872	314,564	
Transportation		0.0849	205,720	99,363	106,357	
Municipal retirement		0.0513	124,304	60,037	64,267	
Social security		0.0159	38,527	18,607	19,920	
		<u>3.0272</u>	<u>\$ 7,335,160</u>	<u>\$ 3,542,852</u>	<u>\$ 3,792,308</u>	<u>48.30%</u>
2012 Levy	<u>\$ 241,780,759</u>					
Educational		2.1634	\$ 5,230,685	\$ 5,224,133	\$ -	
Operations and maintenance		0.2282	551,744	551,053	-	
Debt service		0.2490	602,034	601,281	-	
Transportation		0.0795	192,216	191,975	-	
Municipal retirement		0.0496	119,923	119,774	-	
Social security		0.0151	36,509	36,462	-	
		<u>2.7848</u>	<u>\$ 6,733,111</u>	<u>\$ 6,724,678</u>	<u>\$ -</u>	<u>99.87%</u>
2011 Levy	<u>\$ 266,188,929</u>					
Educational		1.8950	\$ 5,044,280	\$ 5,038,093	\$ -	
Operations and maintenance		0.2198	585,083	584,366	-	
Debt service		0.2105	560,328	559,641	-	
Transportation		0.0766	203,901	203,649	-	
Municipal retirement		0.0125	33,274	33,234	-	
Social security		0.0157	41,792	41,743	-	
		<u>2.4301</u>	<u>\$ 6,468,658</u>	<u>\$ 6,460,726</u>	<u>\$ -</u>	<u>99.88%</u>

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2014

Due Year Ended June 30,	Refunding Bonds February 1, 2004		Refunding/Working Cash Bonds June 26, 2012		Total
	Principal	Interest	Principal	Interest	
2015	\$ 480,000	\$ 46,000	\$ -	\$ 82,638	\$ 608,638
2016	440,000	22,000	75,000	82,637	619,637
2017	-	-	545,000	81,250	626,250
2018	-	-	565,000	70,350	635,350
2019	-	-	590,000	56,790	646,790
2020	-	-	615,000	40,860	655,860
2021	-	-	645,000	23,025	668,025
2022	-	-	55,000	2,063	57,063
TOTAL	\$ 920,000	\$ 68,000	\$ 3,090,000	\$ 439,613	\$ 4,517,613

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF LEGAL BOND DEBT MARGIN
JUNE 30, 2014

Assessed Valuation of Taxable Properties for the Tax Year 2013	\$ 242,308,418
Statutory Maximum Rate	<u>6.9%</u>
Bond Debt Limit	<u>16,719,281</u>
Bonds Outstanding - June 30, 2014	4,010,000
Less amount available in the Debt Service Fund	<u>(116,653)</u>
Amount of debt applicable to debt limit	<u>3,893,347</u>
Legal Bond Debt Margin - June 30, 2014	<u><u>\$ 12,825,934</u></u>

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF NET OPERATING EXPENDITURES AND PER CAPITA TUITION CHARGE
YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
OPERATING EXPENDITURES:		
Educational Account (excluding "On-behalf" payments)	\$ 7,397,572	\$ 7,478,767
Operations and Maintenance Account	898,587	587,677
Debt Service Fund	601,870	550,375
Transportation Fund	320,838	427,261
Municipal Retirement Fund	191,530	184,621
Total Expenditures	<u>9,410,397</u>	<u>9,228,701</u>
Less Expenditures Not Applicable:		
Transportation fees	5,669	9,109
Summer school	29,134	25,968
Community services	20,806	36,530
Tuition paid	882,102	981,016
Capital Outlay:		
Educational Account	26,707	31,875
Operations and Maintenance Account	183,816	20,102
Non-Capitalized Equipment:		
Educational Account	73,471	127,601
Operations and Maintenance Account	40,064	-
Bond principal retired	410,000	460,000
Total Expenditures Not Applicable	<u>1,671,769</u>	<u>1,692,201</u>
Total Operating Expenditures	<u>7,738,628</u>	<u>7,536,500</u>
LESS OFFSETTING REVENUES:		
Transportation fees	3,032	3,412
Lunch programs	60,056	60,272
Student fees and charges	125,660	128,908
Operations and Maintenance Account - Rentals	48,144	47,519
State transportation aid	168,800	194,563
Bilingual education	19,067	24,673
Special education aid	307,571	356,407
Other grants in aid	1,680	1,549
Payments from other LEA's	-	2,234
Special education IDEA flow through	235,616	243,331
Other federal revenue received	164,301	212,873
Total Offsetting Revenues	<u>1,133,927</u>	<u>1,275,741</u>
Net Operating Expenditures	6,604,701	6,260,759
Net Allowable Depreciation	<u>354,134</u>	<u>342,825</u>
Total Charges Allowable for Tuition Computation	<u>\$ 6,958,835</u>	<u>\$ 6,603,584</u>
Average Daily Attendance *	<u>691.64</u>	<u>671.18</u>
Per Capita Operating Expenditure	<u>\$ 11,188.81</u>	<u>\$ 11,228.73</u>
Per Capita Tuition Charge	<u>\$ 10,061.35</u>	<u>\$ 9,838.77</u>

* Unaudited, obtained from District's records.

Transportation	Municipal Retirement/ Social Security	Debt Service	Total
\$ 218,836	\$ 227,013	\$ 601,645	\$ 7,332,517
168,800	-	-	2,367,919
-	-	-	420,494
<u>387,636</u>	<u>227,013</u>	<u>601,645</u>	<u>10,120,930</u>
-	94,080	-	6,353,421
320,838	97,450	-	3,218,721
-	-	-	47,098
-	-	-	746,122
-	-	601,870	601,870
<u>320,838</u>	<u>191,530</u>	<u>601,870</u>	<u>10,967,232</u>
<u>66,798</u>	<u>35,483</u>	<u>(225)</u>	<u>(846,302)</u>
-	-	-	-
-	-	-	-
66,798	35,483	(225)	(846,302)
(5,171)	6,268	116,878	2,904,126
<u>\$ 61,627</u>	<u>\$ 41,751</u>	<u>\$ 116,653</u>	<u>\$ 2,057,824</u>