

ROSELLE SCHOOL DISTRICT NO. 12
[Roselle, Illinois]

Audited Financial Statements
And
Supplementary Financial Information

June 30, 2016

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Roselle School District No. 12 (the District), as of and for the year ended June 30, 2016, 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.

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, 2016, 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 on pages 4 through 9, and budgetary comparison schedule, schedule of funding progress for post-employment benefits, required pension schedules and related notes on pages 44 through 49 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 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Report of Comparative Other Information

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 20156, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The individual fund financial schedules, for the year ended June 30, 20156, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 20156 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 20156 individual fund financial schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2016 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, Morspki, Austin & Co. LLP

Wheaton, Illinois
November 9, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Roselle School District No. 12
Management Discussion and Analysis
For the Year Ended June 30, 2016

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, 2016. 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 \$439,986 during the year resulting in ending net position of \$2,028,233.
- The District's total fund balance decreased \$485,415 during the year resulting in and ending fund balance of \$4,101,734.
- The District's bonded debt is currently scheduled to be repaid by 2028. The District currently has additional bonding capability of \$10,095,133. The District sold Working Cash bonds during the 2014-2015 school year.
- The District was in year three of a three-year employment contract with the professional certified staff. The employment contract was extended through the 2016-2017 year 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, 2016

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-1. Major Features of the Government-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 revenues 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, 2016

- 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, 2016

Financial Analysis of the District as a Whole

Net Position: The District's combined net position was lower on June 30, 2016, than it was the year before, decreasing by \$439,986 to \$2,028,233

Table A-1

Roselle School District No. 12 Net Position

	<u>2016</u>	<u>2015</u>
Assets		
Current and other assets	\$ 12,560,248	\$ 12,954,099
Capital assets	<u>5,212,789</u>	<u>5,538,558</u>
Total Assets	<u>17,773,037</u>	<u>18,492,657</u>
Deferred Outflows of Resources		
Deferred Charges on Refunding	46,197	63,040
Illinois municipal retirement fund	315,946	165,038
Teachers' retirement system	<u>76,324</u>	<u>41,591</u>
Total Deferred Outflows of Resources	<u>438,467</u>	<u>269,669</u>
Liabilities		
Long-term debt outstanding	7,597,573	7,769,932
Other liabilities	<u>875,033</u>	<u>872,461</u>
Total Liabilities	<u>8,472,606</u>	<u>8,642,393</u>
Deferred Inflows of Resources		
Property taxes levied for subsequent years	7,583,481	7,494,489
Illinois municipal retirement fund	7,078	-
Teachers' retirement system	<u>120,106</u>	<u>157,225</u>
Total Deferred Inflows of Resources	<u>7,710,665</u>	<u>7,651,714</u>
Net Position		
Net invested in capital assets	5,212,789	5,096,823
Restricted	280,913	225,461
Unrestricted	<u>(3,465,469)</u>	<u>(2,854,065)</u>
Total Net Position	<u>\$ 2,028,233</u>	<u>\$ 2,468,219</u>

Roselle School District No. 12
Management Discussion and Analysis (continued)
For the Year Ended June 30, 2016

Governmental Activities

Table A-2 presents revenues by major categories and expenditures by major function of the District.

Table A-2

Roselle School District No. 12's Revenues and Expenditures

	<u>2016</u>		<u>2015</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenues:				
Program revenues:				
Charges for services	\$ 240,107	1.8%	\$ 202,851	1.6%
Operating grants and contributions	666,921	5.1%	792,326	6.3%
State on-behalf payments	4,117,721	31.5%	3,684,812	29.5%
General revenues:				
Property taxes	7,481,843	57.3%	7,339,932	58.7%
Federal and state aid not restricted to specific purposes	339,234	2.6%	332,022	2.7%
Earnings on investments	24,702	0.2%	12,834	0.1%
Miscellaneous	<u>190,708</u>	<u>1.5%</u>	<u>133,181</u>	<u>1.1%</u>
Total Revenues	<u>13,061,236</u>	<u>100.0%</u>	<u>12,497,958</u>	<u>100.0%</u>
Expenditures:				
Instruction	5,734,516	42.4%	5,580,218	43.0%
Supporting services	3,478,612	25.8%	3,574,828	27.6%
Interest on long-term liabilities	170,373	1.3%	128,459	1.0%
State on-behalf payments	<u>4,117,721</u>	<u>30.5%</u>	<u>3,684,812</u>	<u>28.4%</u>
Total Expenditures	<u>13,501,222</u>	<u>100.0%</u>	<u>12,968,317</u>	<u>100.0%</u>
Change in net position	<u>(439,986)</u>		<u>(470,359)</u>	
Net position, beginning, as restated	<u>2,468,219</u>		<u>2,938,578</u>	
Net position, ending	<u>\$ 2,028,233</u>		<u>\$ 2,468,219</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. \$8,153,674 or 61.6%, of the total governmental fund revenues received by the District came from local sources, primarily property taxes.

Roselle School District No. 12
Management Discussion and Analysis (continued)
For the Year Ended June 30, 2016

General Fund Budgetary Highlights

During FY15, the District implemented a process for closely monitoring expenses and budget lines to identify areas for potential reductions. The District implemented an expense reduction plan of approximately \$420,000 for FY17 and was successful at passing a significant Operating Rate Referendum. In addition, the District has recently finalized two retirement agreements that will have a significant positive impact on the budget.

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 \$325,769 net decrease to the District's capital assets in fiscal year 2016 primarily due to depreciation.

Long-Term Debt: At the year end, the District had \$6,225,000 in outstanding bonds. This is approximately 38.4% 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. Long-term liabilities as of June 30, 2016 include:

- \$2,370,000, Series 2012 General Obligation Limited Tax Refunding School Bonds
- \$3,855,000, Series 2015 General Obligation Limited Tax Refunding School Bonds

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 District is anticipating making approximately \$420,000 in expense reduction for FY17.

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, or Mr. Anthony Arbogast at the District 12 Administrative Office, 100 E. Walnut, Roselle, IL 60172.

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BASIC FINANCIAL STATEMENTS

ROSELLE SCHOOL DISTRICT NO. 12
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities
	2016
Assets:	
Cash and investments	\$ 8,164,155
Receivables:	
Property taxes	3,958,742
Intergovernmental	263,651
Interest	8,329
Other	33,773
Prepaid items	131,598
Capital assets:	
Land and construction in progress	105,279
Other capital assets, net of depreciation	5,107,510
	17,773,037
Deferred outflows of resources:	
Deferred charge on refunding	46,197
Illinois municipal retirement fund	315,946
Teachers' retirement system	76,324
	438,467
Liabilities:	
Accounts payable	147,503
Accrued payroll	582,776
Unearned revenue	144,754
Long-term liabilities	
Due within one year	425,000
Due in more than one year	7,172,573
	8,472,606
Deferred inflows of resources:	
Property taxes levied for subsequent year	7,583,481
Illinois municipal retirement fund	7,078
Teachers' retirement system	120,106
	7,710,665
Net Position:	
Net invested in capital assets	5,212,789
Restricted for:	
Debt service	125,143
Transportation	36,720
Retirement	119,050
Unrestricted (Deficit)	(3,465,469)
	\$ 2,028,233

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

ROSELLE SCHOOL DISTRICT NO. 12
STATEMENT OF ACTIVITIES
JUNE 30, 2016

Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities 2016
Governmental activities:				
Instructional services:				
Regular programs	\$ 3,606,546	\$ 144,604	\$ 34,161	\$ (3,427,781)
Special programs	2,033,261	27,143	462,452	(1,543,666)
Other programs	94,709	-	-	(94,709)
State on-behalf payments	4,117,721	-	4,117,721	-
Supporting services:				
Students	356,222	-	10,446	(345,776)
Instructional staff	509,028	-	-	(509,028)
District administration	287,818	-	-	(287,818)
School administration	458,721	-	-	(458,721)
Business	317,932	-	-	(317,932)
Operation and maintenance of facilities	729,533	-	46,310	(683,223)
Transportation	325,911	12,996	52,783	(260,132)
Food service	149,973	55,364	60,769	(33,840)
Staff	295,132	-	-	(295,132)
Community services	48,342	-	-	(48,342)
Interest on long-term liabilities	170,373	-	-	(170,373)
Total school district	<u>\$ 13,501,222</u>	<u>\$ 240,107</u>	<u>\$ 4,784,642</u>	<u>(8,476,473)</u>
General revenues:				
Property taxes levied for:				
General purposes				6,475,162
Transportation				209,581
Retirement				172,112
Debt service				624,988
Federal and state aid not restricted to specific purposes				339,234
Earnings on investments				24,702
Miscellaneous				190,708
Total general revenues				<u>8,036,487</u>
Change in net position				(439,986)
Net position - beginning				<u>2,468,219</u>
Net position - ending				<u>\$ 2,028,233</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, 2016

	General	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash and investments	\$ 7,454,835	\$ 709,320	\$ 8,164,155
Receivables (net of allowance for uncollectibles):			
Property taxes	3,376,635	582,107	3,958,742
Intergovernmental	228,154	35,497	263,651
Interest	7,894	435	8,329
Other	31,620	2,153	33,773
Prepaid items	30,824	100,774	131,598
TOTAL ASSETS	11,129,962	1,430,286	12,560,248
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	146,342	1,161	147,503
Accrued payroll	566,809	15,967	582,776
Unearned revenue	127,617	17,137	144,754
Total Liabilities	840,768	34,265	875,033
Deferred inflows of resources:			
Property taxes levies for subsequent year	6,468,373	1,115,108	7,583,481
Total deferred inflows of resources	6,468,373	1,115,108	7,583,481
Fund Balances:			
Restricted	-	280,913	280,913
Unassigned	3,820,821	-	3,820,821
Total Fund Balances	3,820,821	280,913	4,101,734
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 11,129,962	\$ 1,430,286	\$ 12,560,248

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, 2016

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

Total fund balance - governmental funds	\$ 4,101,734
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$13,244,385 and the accumulated depreciation is \$8,031,596.	5,212,789
Long-term liabilities, including bonds payable, capital leases, and pension liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(6,225,000)
Deferred amounts for issuance premium	9,832
Deferred charge on refunding	46,197
Net pension liability - Illinois Municipal Retirement Fund	(611,787)
Net pension liability - Teachers Retirement System	(770,618)
Deferred outflows and deferred inflows, related to pensions, represent a consumption of or increase to net pension that apply to future periods and therefore are not reported in the funds.	
Deferred outflow - Illinois municipal retirement fund	315,946
Deferred outflow - Teachers' retirement system	76,324
Deferred inflow - Illinois municipal retirement fund	(7,078)
Deferred inflow - Teachers' retirement system	(120,106)
Total net position - governmental activities	\$ 2,028,233

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, 2016

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:			
Property taxes	\$ 6,475,162	\$ 1,006,681	\$ 7,481,843
Other local sources	537,322	134,509	671,831
State sources	4,602,252	52,783	4,655,035
Federal sources	422,531	-	422,531
Total Revenues	<u>12,037,267</u>	<u>1,193,973</u>	<u>13,231,240</u>
EXPENDITURES:			
Instruction	8,845,899	91,501	8,937,400
Support services	2,887,230	431,355	3,318,585
Community services	48,342	-	48,342
Payments to other districts and governmental units	796,663	-	796,663
Debt service:			
Payment of principal on long-term debt	-	450,000	450,000
Interest on long-term debt	-	165,665	165,665
Total Expenditures	<u>12,578,134</u>	<u>1,138,521</u>	<u>13,716,655</u>
Deficiency of revenues over expenditures	<u>(540,867)</u>	<u>55,452</u>	<u>(485,415)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	600,000	-	600,000
Transfers out	(600,000)	-	(600,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(540,867)</u>	<u>55,452</u>	<u>(485,415)</u>
Fund balances at beginning of year	<u>4,361,688</u>	<u>225,461</u>	<u>4,587,149</u>
FUND BALANCES AT END OF YEAR	<u>\$ 3,820,821</u>	<u>\$ 280,913</u>	<u>\$ 4,101,734</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, 2016

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

Net change in fund balances-total governmental funds \$ (485,415)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$2,000 for furniture and equipment and \$20,000 for buildings and improvements that 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 current period.

Capital outlays	25,316	
Depreciation expense	<u>(351,085)</u>	(325,769)

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 discounts and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. Changes in net pension liabilities are reported only in the statement of activities. The net effect of these differences in the treatment of long-term obligations and related items is as follows:

Repayment of bond principal	450,000	
Amortization of bond discount	12,135	
Amortization of deferred charge on refunding	(16,843)	
Change in net pension liability - Illinois Municipal Retirement Fund	(222,963)	
Change in net pension liability - Teachers' Retirement System	<u>(66,813)</u>	155,516

Changes in deferred inflows and outflows related to pensions are only reported in the statement of activities.

Change in deferred outflow - Illinois Municipal Retirement Fund	150,908	
Change in deferred outflow - Teachers' Retirement System	34,733	
Change in deferred inflow - Illinois Municipal Retirement Fund	(7,078)	
Change in deferred inflow - Teachers' Retirement System	<u>37,119</u>	<u>215,682</u>

Change in net position of governmental activities \$ (439,986)

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, 2016

	<u>Student Activity Funds</u>
Assets:	
Cash and investments	\$ 28,310
Total assets	<u>28,310</u>
Liabilities:	
Due to student organizations	<u>28,310</u>
Total liabilities	<u>\$ 28,310</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, 2016

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 not classified as program revenues are presented as general revenues of

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

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, 2016

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, 2016

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 2015 tax levy was December 15, 2015. 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 2015 levy, which are collected during 2016, are considered to be budgeted to fund operations of the 2016/2017 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, 2016

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

	Maximum	Actual	
	2015 Levy	2015 Levy	2014 Levy
Educational	3.5000	2.4639	2.5046
Operations and Maintenance	.5500	.2920	.2606
Bond and Interest		.2697	.2669
Transportation		.1273	.0895
Municipal Retirement		.0452	.0441
Social Security		.0329	.0294
Total		3.2310	3.1951

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. Deferred outflows/inflows of resources

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

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

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

m. Investment Valuation

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

n. New Accounting Pronouncement

During the current year, the District implemented *Government Accounting Standard Board (GASB) Statement No. 72, Fair Value Measurement and Application*, which establishes new requirements on how fair value should be measured, which assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to financial statements.

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, 2016, none of the District's bank balances of \$8,360,382 was exposed to custodial credit risk.

Investments and Fair Value Measurements

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

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

Level Two – Inputs to the valuation methodology include:

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

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

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

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

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

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

As of June 30, 2016, the District had no investments.

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

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

Securities issued or guaranteed by the United States.

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

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

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

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

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

Repurchase agreements which meet instrument transaction requirements of Illinois law.

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. The District did not invest more than 5% in any one issuer.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

NOTE 3. CAPITAL ASSETS:

A summary of changes in capital assets follows:

Governmental Activities:	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital assets, not being depreciated:				
Land	\$105,279	\$-	\$-	\$105,279
Construction in progress	-	-	-	-
Total capital assets not being depreciated	\$105,279	\$-	\$-	\$105,279
Capital assets, being depreciated:				
Land improvements	\$112,168	\$-	\$-	\$112,168
Buildings	11,407,379	-	-	11,407,379
Equipment	1,594,243	25,316	-	1,619,559
Total capital assets being depreciated	\$13,113,790	\$25,316	\$-	\$13,139,106
Accumulated depreciation for:				
Land improvements	\$88,791	\$3,372	\$-	\$92,163
Buildings	6,236,854	266,727	-	6,503,581
Equipment	1,354,866	80,986	-	1,435,852
Total accumulated depreciation	\$7,680,511	\$351,085	\$-	\$8,031,596
Total capital assets being depreciated, net	\$5,433,279	(\$325,769)	\$-	\$5,107,510
Total capital assets, net	\$5,538,558	(\$325,769)	\$-	\$5,212,789

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

Instructional services:	
Regular programs	\$238,326
Special programs	35,725
Supporting services:	
Instructional staff	57,845
School administration	10,894
Business	5,988
Operations and maintenance of facilities	2,307
	<u>\$351,085</u>

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

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, 2016:

Governmental Activities:	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Amount Due In One Year
General Obligation School Bonds Series 2004	\$440,000	\$-	(\$440,000)	\$-	\$-
Taxable General Obligation Limited School Bonds Series 2012	2,380,000	-	(10,000)	2,370,000	425,000
Taxable General Obligation Limited School Bonds Series 2015	3,855,000	-	-	3,855,000	-
Deferred Amounts for Issuance Premium	2,303	-	(12,135)	(9,832)	-
Net Pension Liability- Illinois Municipal Retirement Fund	388,824	222,963	-	611,787	-
Net Pension Liability- Teachers' Retirement System	703,805	66,813	-	770,618	-
Total Long-Term Liabilities	\$7,769,932	\$289,776	(\$462,135)	\$7,597,573	\$425,000

Long-term liabilities at June 30, 2016 are comprised of the following:

General Obligation Bonds:

\$3,090,000, Series 2012 General Obligation Limited Tax Refunding School Bonds with principal payments due in January, varying from \$55,000 to \$505,000 through 2022. Interest payments are due in July and January at rates varying from 1.85% to 3.75%.

\$3,855,000, Series 2015 General Obligation Limited Tax Refunding School Bonds with principal payments due in January, starting in 2022, varying from \$270,000 to \$685,000 through 2028. Interest payments are due in July and January at rates varying from 3.00% to 4.10%.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

Bond Refunding

On June 3, 2015, the District issued \$3,855,000 in General Obligation Limited Tax Refunding School Bonds to partially defease Series 2012 General Obligation Limited Tax Refunding School Bonds totaling \$710,000. Proceeds of \$753,254 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 have been removed from the financial statements. As of June 30, 2016, \$645,000 is the outstanding debt considered defeased for the Series 2012 General Obligation Limited Tax Refunding School Bonds.

At June 30, 2016, the annual cash flow requirements of all long-term debt to retirement, including interest of \$1,468,250 were as follows:

Fiscal Year Ending June 30,	General Obligation School Bonds		
	Principal	Interest	Total
2017	\$425,000	\$201,547	\$626,547
2018	440,000	193,047	633,047
2019	460,000	182,487	642,487
2020	485,000	170,067	655,067
2021	505,000	156,002	661,002
2022-2026	2,955,000	515,902	3,470,902
2027-2028	955,000	49,198	1,004,198
Total	\$6,225,000	\$1,468,250	\$7,693,250

The Illinois Compiled Statutes limits the amount of bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2016, the statutory debt limit for the District was \$16,194,990, providing a debt margin of \$9,969,990 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 \$125,143 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 \$280,913 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, 2016

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, 2016

As of June 30, 2016, fund balances are composed of the following:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:			
Transportation	\$-	\$36,720	\$36,720
Debt service	-	125,143	125,143
IMRF/Social Security	-	119,050	119,050
Unassigned	3,820,821	-	3,820,821
Total fund balances	<u>\$3,820,821</u>	<u>\$280,913</u>	<u>\$4,101,734</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:

General Information about the Pension Plan

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

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

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

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

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

Contributions: The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing districts are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

On behalf contributions to TRS: The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2016, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$2,416,196 in pension contributions from the state of Illinois.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

2.2 formula contributions: Districts contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2016, were \$26,579, and are deferred because they were paid after the June 30, 2015 measurement date.

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

For the year ended June 30, 2016, the District pension contribution was 36.06 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$37,219 were paid from federal and special trust funds that required District contributions of \$13,421. These contributions are deferred because they were paid after the June 30, 2015 measurement date.

Employer retirement cost contributions: Under GASB Statement No. 68, contributions that a District is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum District ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2016, the District was not required to pay TRS for employer ERO contributions.

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2016, the District was required to make contributions on salary increases in excess of 6 percent of \$138 and was not required to make contributions to TRS for sick leave days granted in excess of the normal annual allotment.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

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

At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follow:

District's proportionate share of the net pension liability	\$770,618
State's proportionate share of the Net Pension Liability associated with the District	<u>29,491,549</u>
Total	<u>\$30,262,167</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015, the District's proportion was 0.0012%, which was the same as its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$2,416,196 and revenue of \$2,416,196 for support provided by the state. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 286	\$ 845
Net difference between projected and actual earnings on pension plan investments	15,262	26,984
Changes of assumptions	10,657	-
Changes in proportion and differences between District contributions and proportionate share of contributions	10,119	92,277
District contributions subsequent to the measurement date	<u>40,000</u>	<u>-</u>
Total	<u>\$ 76,324</u>	<u>\$120,106</u>

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

\$40,000 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	Deferred (Inflow) Outflow
2017	\$10,408
2018	(29,592)
2019	(29,592)
2020	4,994
Total	<u><u>\$(43,782)</u></u>

Actuarial assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	Varies by amount of service credit
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

The actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered from their 2013 levels.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
U.S. large cap	18.0%	7.53%
Global equity excluding U.S.	18.0	7.88
Aggregate bonds	16.0	1.57
U.S. TIPS	2.0	2.82
NCREIF	11.0	5.11
Opportunistic real estate	4.0	9.09
ARS	8.0	2.57
Risk parity	8.0	4.87
Diversified inflation strategy	1.0	3.26
Private equity	14.0	12.33
Total	<u>100.0%</u>	

Discount rate

At June 30, 2015, the discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was change from the June 30, 2014 rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, District contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2015 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2014, the discount rate used to measure the total pension liability was 7.50 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and subsidy provided by Tier II were sufficient to cover all projected benefit payments.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.47 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.47 percent) or 1-percentage-point higher (8.47 percent) than the current rate.

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
District's proportionate share of the net pension liability	\$952,295	\$770,618	\$621,638

TRS fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2015 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Illinois Municipal Retirement Fund:

Plan Description: The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms: At December 31, 2015, the number of District employees covered by IMRF were:

Active members	22
Retirees and beneficiaries	46
Inactive, non-retired members	<u>46</u>
Total	<u>114</u>

Contributions: As set by statute, the District's regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for 2015 was 13.03% of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute. Required contributions were \$81,863 and actual contributions were \$81,862, or almost 100.00% of required contributions.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

Net Pension Liability: The District's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The following are the methods and assumptions used to determine the Total Pension Liability at December 31, 2015:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation	2.75%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.40%
Projected Retirement Age	Experience-based Table of Rates that are specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, the IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
Disabled Retirees	For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives.
Active Members	For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

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

<u>Asset Class</u>	<u>Approximate Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	38.0%	7.4%
International equity	17.0	7.6
Fixed income	27.0	3.0
Real estate	8.0	6.0
Alternative investments	9.0	2.75-8.15
Cash equivalents	1.0	2.25

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

For the purpose of the most recent valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57%; and the resulting single discount rate is 7.40%.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

Changes in the District's Net Pension Liability: Changes in the District's Net Pension Liability for the year ended December 31, 2015 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balance, December 31, 2014	\$ 4,558,716	\$ 4,169,892	\$ 388,824
Charges for the year:			
Service cost	79,444	-	79,444
Interest	333,466	-	333,466
Difference between expected and actual experience	(23,254)	-	(23,254)
Changes in assumptions	20,276	-	20,276
Net investment income	-	20,544	(20,544)
Contributions – employees	-	28,696	(28,696)
Contributions – employers	-	81,862	(81,862)
Benefit payments including refunds of employee contributions	(232,724)	(232,724)	-
Administrative expenses	-	-	-
Other changes	-	55,867	(55,867)
Net changes	177,208	(45,755)	222,963
Balance, December 31, 2015	\$ 4,735,924	\$ 4,124,137	\$ 611,787

Sensitivity of the Net Pension Liability to Changes in the Single Discount Rate: The following presents the Net Pension Liability calculated using the single discount rate of 7.40%, as well as what the Net Pension Liability would be if it were calculated using a single discount rate that is 1% higher and lower:

	Discount Rate	Net Pension Liability (Asset)
1% decrease	6.40%	\$ 1,163,526
Current discount rate	7.40%	\$ 611,787
1% increase	8.40%	\$ 146,879

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2016, the District recognized pension expense of \$164,560.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows / (Inflows) of Resources</u>
Differences between expected and actual experience	\$ -	\$ 7,078	\$ (7,078)
Changes of assumptions	6,172	-	6,172
Net difference between projected and actual earnings on Plan investments	265,081	-	265,081
Employer contributions to plan after measurement date	<u>44,693</u>	<u>-</u>	<u>44,693</u>
Total	<u>\$ 315,946</u>	<u>\$ 7,078</u>	<u>\$ 308,868</u>

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

Year ending	<u>Amount</u>
<u>April 30,</u>	
2016	\$ 112,833
2017	69,046
2018	69,045
2019	<u>57,944</u>
Total	<u>\$ 308,868</u>

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, 2016.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

NOTE 9. INTERFUND TRANSFERS:

Interfund transfers for the year ended June 30, 2016 consisted of an abatement of the General Fund's Working Cash Account totaling \$600,000. \$450,000 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.

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.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

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.

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. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

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. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.07% of pay during the year ended June 30, 2016. State of Illinois contributions were \$49,034, and the District recognized revenue and expenditures of this amount during the year.

Employer contributions to the THIS Fund. The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.80% during the year ended June 30, 2016. For the year ended June 30, 2016, the District paid \$36,661 to the THIS Fund, 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."

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2016

NOTE 16. OPERATING LEASE COMMITMENTS:

The District has entered into an operating lease 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, 2016 are:

<u>Year</u>	<u>Payment</u>
2017	\$61,764
2018	61,764
2019	15,441
Total	<u>\$138,969</u>

The District has entered into an operating lease for chromebooks that expires during the 2018 fiscal year.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2016 are:

<u>Year</u>	<u>Payment</u>
2017	\$52,416
2018	52,416
Total	<u>\$104,832</u>

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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, 2016

	General Fund		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES:			
Local sources	\$ 6,941,448	\$ 7,012,484	\$ 71,036
State sources	2,589,850	4,602,252	2,012,402
Federal sources	399,774	422,531	22,757
Total Revenues	<u>9,931,072</u>	<u>12,037,267</u>	<u>2,106,195</u>
EXPENDITURES:			
Instruction	6,790,201	8,845,899	(2,055,698)
Supporting services	3,144,666	2,887,230	257,436
Community services	32,800	48,342	(15,542)
Payments to other districts and governmental units	732,296	796,663	(64,367)
Provision for contingencies	25,000	-	25,000
Total Expenditures	<u>10,724,963</u>	<u>12,578,134</u>	<u>(1,853,171)</u>
Deficiency of revenues over expenditures	<u>(793,891)</u>	<u>(540,867)</u>	<u>253,024</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	600,000	600,000	-
Transfers out	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (793,891)</u>	<u>(540,867)</u>	<u>\$ 253,024</u>
Fund balances at beginning of year		<u>4,361,688</u>	
FUND BALANCES AT END OF YEAR		<u>\$ 3,820,821</u>	

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

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST TEN CALENDAR YEARS
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014)
JUNE 30, 2016

Calendar year ending December 31,	2015	2014
<u>Total pension liability:</u>		
Service cost	\$ 79,444	\$ 78,952
Interest on the total pension liability	333,466	303,971
Difference between expected and actual experience	(23,254)	16,377
Assumption changes	20,276	247,689
Benefit payments and refunds	(232,724)	(203,497)
Net change in total pension liability	177,208	443,492
Total pension liability, beginning	4,558,716	4,115,224
Total pension liability, ending	4,735,924	4,558,716
<u>Plan fiduciary net position</u>		
Employer contributions	81,862	76,640
Employee contributions	28,696	28,338
Pension plan net investment income	20,544	242,934
Benefit payments and refunds	(232,724)	(203,497)
Other	55,867	(6,307)
Net change in plan fiduciary net position	(45,755)	138,108
Plan fiduciary net position, beginning	4,169,892	4,031,784
Plan fiduciary net position, ending	4,124,137	4,169,892
Net pension liability/(asset), ending	\$ 611,787	\$ 388,824
Plan fiduciary net position as a percentage of total pension liability	87.08%	91.47%
Covered valuation payroll	\$ 628,268	\$ 629,738
Net pension liability as a percentage of covered valuation penalty	97.38%	61.74%

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

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST TEN CALENDAR YEARS
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014)
JUNE 30, 2016

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 81,863	\$ 81,862	\$ 1	\$ 628,268	13.03%
2014	76,639	76,640	(1)	629,738	12.17%

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

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
LAST TEN CALENDAR YEARS
SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014
JUNE 30, 2016*

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	<u>0.0012%</u>	<u>0.0012%</u>
District's proportionate share of the net pension liability	\$ 770,618	\$ 703,805
State's proportionate share of the net pension liability associated with the Dis	<u>29,491,549</u>	<u>26,522,340</u>
Total	<u>\$ 30,262,167</u>	<u>\$ 27,226,145</u>
District's covered-employee payroll	\$ 4,554,621	\$ 4,299,019
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>16.92%</u>	<u>16.37%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>41.50%</u>	<u>43.00%</u>

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

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

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
LAST TEN CALENDAR YEARS
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2015)
JUNE 30, 2016

	2016	2015
Contractually-required contribution	\$ 40,000	\$ 41,219
Contributions in relation to the contractually-required contribution	40,000	41,219
Contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	\$ 4,582,616	\$ 4,554,621
Contribution as a percentage of covered-employee payroll	0.87%	0.90%

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, 2016

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 22, 2015 and was not amended.
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, 2016

NOTE 2. ACTUAL EXPENDITURES OVER BUDGETED EXPENDITURES:

Actual expenditures exceeded budgeted expenditures in the following:

Fund/Account	Budget	Actual	Excess
General Fund's Educational Account	\$9,931,613	\$11,978,972	\$2,047,359
IMRF/Social Security Fund	\$184,760	\$196,945	\$12,185

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

ROSELLE SCHOOL DISTRICT NO. 12
Notes to Required Supplementary Information (Cont'd)
June 30, 2016

NOTE 3. SCHEDULE OF CONTRIBUTIONS – ILLINOIS MUNICIPAL RETIREMENT FUND:

The following describes the summary of actuarial methods and assumptions used in the calculation of the 2015 contribution rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies: 28-year closed period until remaining period reaches 15 years (than 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	4.00%
Price Inflation	3.0% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008-2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

*Based on Valuation Assumptions used in the December 31, 2013, actuarial valuation; note two year lag between valuation and rate setting.

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

ROSELLE SCHOOL DISTRICT NO. 12
Notes to Required Supplementary Information (Cont'd)
June 30, 2016

NOTE 4. SCHEDULE OF CONTRIBUTIONS – TEACHERS RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of assumptions

Amounts reported in 2015 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases that vary by service credit. In 2014 assumptions used were an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases of 5.75 percent.

SUPPLEMENTARY FINANCIAL INFORMATION

ROSELLE SCHOOL DISTRICT NO. 12
COMBINING BALANCE SHEET BY ACCOUNT
GENERAL FUND
JUNE 30, 2016

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
<u>ASSETS</u>				
Cash and investments	\$ 3,438,604	\$ 608,993	\$ 3,407,238	\$ 7,454,835
Receivables (net of allowance for uncollectibles):				
Property taxes	3,018,864	357,771	-	3,376,635
Intergovernmental	220,317	7,837	-	228,154
Interest	3,324	693	3,877	7,894
Other	31,620	-	-	31,620
Prepaid items	30,824	-	-	30,824
TOTAL ASSETS	<u>6,743,553</u>	<u>975,294</u>	<u>3,411,115</u>	<u>11,129,962</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	115,735	30,607	-	146,342
Accrued payroll	566,809	-	-	566,809
Unearned revenue	127,617	-	-	127,617
Total Liabilities	<u>810,161</u>	<u>30,607</u>	<u>-</u>	<u>840,768</u>
Deferred inflows of resources:				
Property taxes levies for subsequent year	5,783,020	685,353	-	6,468,373
Total deferred inflows of resources	<u>5,783,020</u>	<u>685,353</u>	<u>-</u>	<u>6,468,373</u>
Fund Balances:				
Unassigned	150,372	259,334	3,411,115	3,820,821
Total Fund Balances	<u>150,372</u>	<u>259,334</u>	<u>3,411,115</u>	<u>3,820,821</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 6,743,553</u>	<u>\$ 975,294</u>	<u>\$ 3,411,115</u>	<u>\$ 11,129,962</u>

ROSELLE SCHOOL DISTRICT NO. 12
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES BY ACCOUNT
GENERAL FUND
YEAR ENDED JUNE 30, 2016

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
REVENUES:				
Property taxes	\$ 5,864,928	\$ 610,234	\$ -	\$ 6,475,162
Other local sources	447,243	77,618	12,461	537,322
State sources	4,602,252	-	-	4,602,252
Federal sources	422,531	-	-	422,531
Total Revenues	<u>11,336,954</u>	<u>687,852</u>	<u>12,461</u>	<u>12,037,267</u>
EXPENDITURES:				
Instruction	8,845,899	-	-	8,845,899
Supporting services	2,288,068	599,162	-	2,887,230
Community services	48,342	-	-	48,342
Payments to other districts and governmental units	796,663	-	-	796,663
Total Expenditures	<u>11,978,972</u>	<u>599,162</u>	<u>-</u>	<u>12,578,134</u>
Excess (deficiency) of revenues over expenditures	<u>(642,018)</u>	<u>88,690</u>	<u>12,461</u>	<u>(540,867)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	450,000	150,000	-	600,000
Transfers out	-	-	(600,000)	(600,000)
Total other financing sources (uses)	<u>450,000</u>	<u>150,000</u>	<u>(600,000)</u>	<u>-</u>
Net change in fund balances	(192,018)	238,690	(587,539)	(540,867)
Fund balances at beginning of year	<u>342,390</u>	<u>20,644</u>	<u>3,998,654</u>	<u>4,361,688</u>
FUND BALANCES AT END OF YEAR	<u>\$ 150,372</u>	<u>\$ 259,334</u>	<u>\$ 3,411,115</u>	<u>\$ 3,820,821</u>

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2015

	2016		2015 Actual
	Original and Final Budget	Actual	
REVENUES:			
Local Sources:			
General tax levies	\$ 5,874,839	\$ 5,864,928	\$ 5,743,418
Corporate replacement taxes	20,000	18,054	4,598
Tuition	2,500	29,981	4,043
Earnings on investments	10,000	8,923	6,114
Food services	66,000	55,364	57,916
Pupil activities	82,000	68,897	56,602
Textbooks	72,000	72,869	72,288
Refund of prior years' expenditures - NDSEC	134,541	170,004	168,097
Payments of surplus moneys from tif districts	-	-	21,205
Other	3,400	23,151	8,937
Total Local Sources	6,265,280	6,312,171	6,143,218
State Sources:			
General state aid	320,000	339,234	332,022
Special education	239,500	135,483	269,817
Bilingual education	29,000	7,831	25,776
Free lunch and breakfast	600	483	637
On-behalf payments - State of Illinois	2,000,000	4,117,721	3,684,812
Other	750	1,500	13,212
Total State Sources	2,589,850	4,602,252	4,326,276
Federal Sources:			
Food service	67,000	60,286	74,960
Title I - low income	37,208	56,636	36,169
IDEA - preschool flow-through	10,197	9,085	8,322
IDEA - flow through	232,958	235,014	237,414
Title III - english language acquisition	10,750	10,260	4,970
Title II - teacher quality	32,661	32,661	32,771
Medicaid programs	9,000	18,589	8,957
Total Federal Sources	399,774	422,531	403,563
Total Revenues	\$ 9,254,904	\$ 11,336,954	\$ 10,873,057

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2015

	2016		2015 Actual
	Original and Final Budget	Actual	
EXPENDITURES:			
Instruction:			
Regular programs:			
Salaries	\$ 2,726,135	\$ 2,714,040	\$ 2,715,442
Employee benefits	424,476	421,559	386,186
On-behalf payments - State of Illinois	2,000,000	4,117,721	3,684,812
Purchased services	36,850	36,263	47,974
Supplies and materials	155,897	137,001	70,960
Capital outlay	-	8,398	-
Other	19,000	14,019	17,754
Total	5,362,358	7,449,001	6,923,128
Special programs:			
Salaries	663,131	665,450	634,738
Employee benefits	123,123	132,413	113,871
Purchased services	3,700	7,443	3,446
Supplies and materials	4,350	1,991	2,545
Tuition	75,000	58,909	40,216
Total	869,304	866,206	794,816
Remedial and supplemental programs:			
Salaries	86,062	86,062	116,217
Employee benefits	10,424	16,697	14,005
Supplies and materials	500	507	438
Total	96,986	103,266	130,660
Interscholastic programs:			
Salaries	90,000	82,005	86,531
Purchased services	5,000	3,612	3,300
Supplies and materials	8,400	2,225	8,969
Other	2,700	2,543	2,633
Total	106,100	90,385	101,433
Summer school:			
Salaries	8,200	2,828	20,502
Supplies and materials	400	-	-
Total	\$ 8,600	\$ 2,828	\$ 20,502

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2015

	2016		2015 Actual
	Original and Final Budget	Actual	
EXPENDITURES - Continued:			
Gifted:			
Salaries	\$ 69,230	\$ 69,230	\$ 82,728
Employee benefits	750	2,229	7,773
Purchased services	350	-	-
Supplies and materials	500	29	-
Total	<u>70,830</u>	<u>71,488</u>	<u>90,501</u>
Bilingual:			
Salaries	242,340	235,616	200,550
Employee benefits	27,458	23,725	24,000
Purchased services	1,225	964	810
Supplies and materials	5,000	2,420	14,711
Total	<u>276,023</u>	<u>262,725</u>	<u>240,071</u>
Total Instruction	<u>6,790,201</u>	<u>8,845,899</u>	<u>8,301,111</u>
Support Services:			
Pupils:			
Attendance and social work :			
Salaries	172,460	172,460	169,078
Employee benefits	24,000	23,874	20,511
Purchased services	350	-	26
Supplies and materials	600	365	247
Total	<u>197,410</u>	<u>196,699</u>	<u>189,862</u>
Health services:			
Salaries	99,854	96,373	95,481
Employee benefits	143	143	141
Purchased services	4,000	3,109	3,475
Supplies and materials	2,000	1,565	2,062
Other	156	457	156
Total	<u>\$ 106,153</u>	<u>\$ 101,647</u>	<u>\$ 101,315</u>

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2015

	2016		2015 Actual
	Original and Final Budget	Actual	
REVENUES:			
Local Sources:			
General tax levies	\$ 5,874,839	\$ 5,864,928	\$ 5,743,418
Corporate replacement taxes	20,000	18,054	4,598
Tuition	2,500	29,981	4,043
Earnings on investments	10,000	8,923	6,114
Food services	66,000	55,364	57,916
Pupil activities	82,000	68,897	56,602
Textbooks	72,000	72,869	72,288
Refund of prior years' expenditures - NDSEC	134,541	170,004	168,097
Payments of surplus moneys from tif districts	-	-	21,205
Other	3,400	23,151	8,937
Total Local Sources	6,265,280	6,312,171	6,143,218
State Sources:			
General state aid	320,000	339,234	332,022
Special education	239,500	135,483	269,817
Bilingual education	29,000	7,831	25,776
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Other	750	1,500	13,212
Total State Sources	2,589,850	4,602,252	4,326,276
Federal Sources:			
Food service	67,000	60,286	74,960
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IDEA - preschool flow-through	10,197	9,085	8,322
IDEA - flow through	232,958	235,014	237,414
Title III - english language acquisition	10,750	10,260	4,970
Title II - teacher quality	32,661	32,661	32,771
Medicaid programs	9,000	18,589	8,957
Total Federal Sources	399,774	422,531	403,563
Total Revenues	\$ 9,254,904	\$ 11,336,954	\$ 10,873,057

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2015

	2016		2015 Actual
	Original and Final Budget	Actual	
EXPENDITURES:			
Instruction:			
Regular programs:			
Salaries	\$ 2,726,135	\$ 2,714,040	\$ 2,715,442
Employee benefits	424,476	421,559	386,186
On-behalf payments - State of Illinois	2,000,000	4,117,721	3,684,812
Purchased services	36,850	36,263	47,974
Supplies and materials	155,897	137,001	70,960
Capital outlay	-	8,398	-
Other	19,000	14,019	17,754
Total	5,362,358	7,449,001	6,923,128
Special programs:			
Salaries	663,131	665,450	634,738
Employee benefits	123,123	132,413	113,871
Purchased services	3,700	7,443	3,446
Supplies and materials	4,350	1,991	2,545
Tuition	75,000	58,909	40,216
Total	869,304	866,206	794,816
Remedial and supplemental programs:			
Salaries	86,062	86,062	116,217
Employee benefits	10,424	16,697	14,005
Supplies and materials	500	507	438
Total	96,986	103,266	130,660
Interscholastic programs:			
Salaries	90,000	82,005	86,531
Purchased services	5,000	3,612	3,300
Supplies and materials	8,400	2,225	8,969
Other	2,700	2,543	2,633
Total	106,100	90,385	101,433
Summer school:			
Salaries	8,200	2,828	20,502
Supplies and materials	400	-	-
Total	\$ 8,600	\$ 2,828	\$ 20,502

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2015

	2016		2015 Actual
	Original and Final Budget	Actual	
EXPENDITURES - Continued:			
Gifted:			
Salaries	\$ 69,230	\$ 69,230	\$ 82,728
Employee benefits	750	2,229	7,773
Purchased services	350	-	-
Supplies and materials	500	29	-
Total	<u>70,830</u>	<u>71,488</u>	<u>90,501</u>
Bilingual:			
Salaries	242,340	235,616	200,550
Employee benefits	27,458	23,725	24,000
Purchased services	1,225	964	810
Supplies and materials	5,000	2,420	14,711
Total	<u>276,023</u>	<u>262,725</u>	<u>240,071</u>
Total Instruction	<u>6,790,201</u>	<u>8,845,899</u>	<u>8,301,111</u>
Support Services:			
Pupils:			
Attendance and social work :			
Salaries	172,460	172,460	169,078
Employee benefits	24,000	23,874	20,511
Purchased services	350	-	26
Supplies and materials	600	365	247
Total	<u>197,410</u>	<u>196,699</u>	<u>189,862</u>
Health services:			
Salaries	99,854	96,373	95,481
Employee benefits	143	143	141
Purchased services	4,000	3,109	3,475
Supplies and materials	2,000	1,565	2,062
Other	156	457	156
Total	<u>\$ 106,153</u>	<u>\$ 101,647</u>	<u>\$ 101,315</u>

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2015

	2016		2015 Actual
	Original and Final Budget	Actual	
EXPENDITURES - Continued:			
Psychological services:			
Salaries	\$ 39,647	\$ 39,647	\$ -
Employee benefits	-	2,553	-
Purchased services	-	166	-
Supplies and materials	1,000	997	-
Total	<u>40,647</u>	<u>43,363</u>	<u>-</u>
Total Pupils	<u>344,210</u>	<u>341,709</u>	<u>291,177</u>
Instructional Staff:			
Improvement of instructional services:			
Salaries	89,005	97,104	98,796
Purchased services	9,000	22,142	11,225
Supplies and materials	40,900	21,776	32,454
Other	1,500	-	1,500
Total	<u>140,405</u>	<u>141,022</u>	<u>143,975</u>
Educational media services:			
Salaries	228,586	227,551	214,197
Employee benefits	38,622	38,532	35,311
Purchased services	13,800	10,720	12,290
Supplies and materials	22,600	15,555	22,483
Total	<u>303,608</u>	<u>292,358</u>	<u>284,281</u>
Assessment and testing:			
Supplies and materials	-	1,174	-
Total	<u>-</u>	<u>1,174</u>	<u>-</u>
Total Instructional Staff	<u>444,013</u>	<u>434,554</u>	<u>428,256</u>
General Administration:			
Board of education:			
Purchased services	121,260	118,663	89,107
Supplies and materials	3,000	3,244	2,882
Other	11,000	9,272	3,780
Total	<u>135,260</u>	<u>131,179</u>	<u>95,769</u>

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2015

	2016		2015 Actual
	Original and Final Budget	Actual	
EXPENDITURES - Continued:			
Executive administration:			
Salaries	\$ 107,100	\$ 110,020	\$ 107,885
Employee benefits	38,275	38,552	36,364
Purchased services	5,300	4,419	4,487
Supplies and materials	50	-	39
Other	2,000	2,049	2,194
	<u>152,725</u>	<u>155,040</u>	<u>150,969</u>
Total			
Total General Administration	<u>287,985</u>	<u>286,219</u>	<u>246,738</u>
School Administration:			
Office of the principal:			
Salaries	321,911	321,663	316,076
Employee benefits	79,605	89,346	76,898
Purchased services	3,613	3,363	5,272
Supplies and materials	-	35	-
Other	600	365	532
	<u>405,729</u>	<u>414,772</u>	<u>398,778</u>
Total School Administration			
Fiscal services:			
Salaries	195,489	196,484	200,977
Employee benefits	38,488	38,489	36,411
Purchased services	4,000	4,033	2,908
Supplies and materials	4,000	4,919	3,059
Other	9,295	3,498	9,139
	<u>251,272</u>	<u>247,423</u>	<u>252,494</u>
Total			
Operation and maintenance of plant services:			
Salaries	45,900	45,900	45,000
Employee benefits	6,300	6,003	5,841
Purchased services	78,298	74,895	80,494
Supplies and materials	-	600	670
	<u>130,498</u>	<u>127,398</u>	<u>132,005</u>
Total			
Pupil transportation services:			
Purchased services	-	-	2,582
	<u>-</u>	<u>-</u>	<u>2,582</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,582</u>

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2015

	2016		2015 Actual
	Original and Final Budget	Actual	
EXPENDITURES - Continued:			
Food services:			
Salaries	\$ 25,818	\$ 24,107	\$ 23,081
Supplies and materials	157,500	123,022	145,252
Other	700	1,000	605
Total	<u>184,018</u>	<u>148,129</u>	<u>168,938</u>
Total Business	<u>565,788</u>	<u>522,950</u>	<u>556,019</u>
Central:			
Data processing services:			
Salaries	77,774	77,774	67,750
Employee benefits	9,251	9,251	7,003
Purchased services	93,166	87,725	35,772
Supplies and materials	77,000	51,321	41,926
Capital outlay	-	16,918	30,320
Non-capitalized equipment	60,000	44,875	54,551
Total Central	<u>317,191</u>	<u>287,864</u>	<u>237,322</u>
Total Support Services	<u>2,364,916</u>	<u>2,288,068</u>	<u>2,158,290</u>
Community Services:			
Salaries	8,000	6,132	7,085
Employee benefits	8,300	6,752	9,012
Supplies and materials	11,000	13,717	19,590
Capital outlay	5,500	-	5,400
Non-capitalized equipment	-	21,741	3,075
Total Community Services	<u>32,800</u>	<u>48,342</u>	<u>44,162</u>
Payments to other districts and governmental units:			
Purchased services	-	10,262	14,659
Tuition	728,696	785,591	697,118
Other	-	810	-
Total payments to other districts and governmental units	<u>728,696</u>	<u>796,663</u>	<u>711,777</u>
Provision for contingencies	<u>15,000</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>9,931,613</u>	<u>11,978,972</u>	<u>11,215,340</u>
Deficiency of revenues over expenditures	<u>\$ (676,709)</u>	<u>\$ (642,018)</u>	<u>\$ (342,283)</u>

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 EDUCATIONAL ACCOUNT
 YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2015

	2016		2015 Actual
	Original and Final Budget	Actual	
OTHER FINANCING SOURCES:			
Transfers in	\$ 450,000	\$ 450,000	\$ 450,000
Total other financing sources	450,000	450,000	450,000
Net change in fund balances	<u>\$ (226,709)</u>	(192,018)	107,717
Fund balances at beginning of year		342,390	234,673
FUND BALANCES AT END OF YEAR		<u>\$ 150,372</u>	<u>\$ 342,390</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, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2015

	2016		2015 Actual
	Original and Final Budget	Actual	
REVENUES:			
Local Sources:			
General tax levies	\$ 611,268	\$ 610,234	\$ 597,349
Personal property replacement taxes	28,000	28,000	28,629
Earnings on investments	400	1,725	369
Rentals	30,000	46,310	16,545
Contributions	1,500	-	2,640
Payments of surplus moneys from tif districts	-	-	2,237
Other	-	1,583	2,464
Total Revenues	<u>671,168</u>	<u>687,852</u>	<u>650,233</u>
EXPENDITURES:			
Support Services:			
Business:			
Operation and maintenance of plant services:			
Purchased services	458,750	406,163	443,377
Supplies and materials	264,000	192,999	231,149
Capital outlay	50,000	-	108,218
Non-capitalized equipment	7,000	-	6,336
Total Support Services	<u>779,750</u>	<u>599,162</u>	<u>789,080</u>
Payments to other districts and governmental units:			
Other	3,600	-	-
Total payments to other districts and governmental units	<u>3,600</u>	<u>-</u>	<u>-</u>
Provision for contingencies	10,000	-	-
Total Expenditures	<u>793,350</u>	<u>599,162</u>	<u>789,080</u>
Excess (deficiency) of revenues over expenditures	<u>(122,182)</u>	<u>88,690</u>	<u>(138,847)</u>
OTHER FINANCING SOURCES:			
Transfers in	150,000	150,000	150,000
Total other financing sources	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Net change in fund balances	<u>\$ 27,818</u>	238,690	11,153
Fund balances at beginning of year		<u>20,644</u>	<u>9,491</u>
FUND BALANCES AT END OF YEAR		<u>\$ 259,334</u>	<u>\$ 20,644</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, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2015

	2016		2015 Actual
	Original and Final Budget	Actual	
REVENUES:			
Local Sources:			
Earnings on investments	\$ 5,000	\$ 12,461	\$ 5,025
Total Revenues	<u>5,000</u>	<u>12,461</u>	<u>5,025</u>
Excess of revenues over expenditures	<u>5,000</u>	<u>12,461</u>	<u>5,025</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(600,000)	(600,000)	(600,000)
Proceeds from the sale of bonds	-	-	3,000,000
Total other financing sources (uses)	<u>(600,000)</u>	<u>(600,000)</u>	<u>2,400,000</u>
Net change in fund balances	<u>\$ (595,000)</u>	(587,539)	2,405,025
Fund balances at beginning of year		<u>3,998,654</u>	<u>1,593,629</u>
FUND BALANCES AT END OF YEAR		<u>\$ 3,411,115</u>	<u>\$ 3,998,654</u>

ROSELLE SCHOOL DISTRICT NO. 12
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>Special Revenue</u>			<u>Debt Service</u>	Total
	Transport- ation	Municipal Retirement/ Social Security	Total	Service	Nonmajor Governmental Funds
<u>ASSETS</u>					
Cash and investments	\$ 170,702	\$ 211,681	\$ 382,383	\$ 326,937	\$ 709,320
Receivables (net of allowance for uncollectibles):					
Property taxes	155,971	95,691	251,662	330,445	582,107
Intergovernmental	24,784	10,713	35,497	-	35,497
Interest	194	241	435	-	435
Other	2,153	-	2,153	-	2,153
Prepaid items	-	-	-	100,774	100,774
TOTAL ASSETS	<u>353,804</u>	<u>318,326</u>	<u>672,130</u>	<u>758,156</u>	<u>1,430,286</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

Liabilities:					
Accounts payable	1,161	-	1,161	-	1,161
Accrued payroll	-	15,967	15,967	-	15,967
Unearned revenue	17,137	-	17,137	-	17,137
Total Liabilities	<u>18,298</u>	<u>15,967</u>	<u>34,265</u>	<u>-</u>	<u>34,265</u>
Deferred inflows of resources:					
Property taxes levies for subsequent year	298,786	183,309	482,095	633,013	1,115,108
Total deferred inflows of resources	<u>298,786</u>	<u>183,309</u>	<u>482,095</u>	<u>633,013</u>	<u>1,115,108</u>
Fund Balances:					
Restricted	36,720	119,050	155,770	125,143	280,913
Total Fund Balances	<u>36,720</u>	<u>119,050</u>	<u>155,770</u>	<u>125,143</u>	<u>280,913</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 353,804</u>	<u>\$ 318,326</u>	<u>\$ 672,130</u>	<u>\$ 758,156</u>	<u>\$ 1,430,286</u>

ROSELLE SCHOOL DISTRICT NO. 12
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2016

	<u>Special Revenue</u>			<u>Debt Service</u>	Total Nonmajor Governmental Funds
	Transport- ation	Municipal Retirement/ Social Security	Total	Debt Service	
REVENUES:					
Property taxes	\$ 209,581	\$ 172,112	\$ 381,693	\$ 624,988	\$ 1,006,681
Other local sources	68,431	65,655	134,086	423	134,509
State sources	52,783	-	52,783	-	52,783
Total Revenues	<u>330,795</u>	<u>237,767</u>	<u>568,562</u>	<u>625,411</u>	<u>1,193,973</u>
EXPENDITURES:					
Current operating:					
Instruction	-	91,501	91,501	-	91,501
Support services	325,911	105,444	431,355	-	431,355
Payment of principal on long-term debt	-	-	-	450,000	450,000
Interest on long-term debt	-	-	-	165,665	165,665
Total Expenditures	<u>325,911</u>	<u>196,945</u>	<u>522,856</u>	<u>615,665</u>	<u>1,138,521</u>
Net change in fund balances	4,884	40,822	45,706	9,746	55,452
Fund balances at beginning of year	<u>31,836</u>	<u>78,228</u>	<u>110,064</u>	<u>115,397</u>	<u>225,461</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 36,720</u></u>	<u><u>\$ 119,050</u></u>	<u><u>\$ 155,770</u></u>	<u><u>\$ 125,143</u></u>	<u><u>\$ 280,913</u></u>

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2015

	2016		2015 Actual
	Original and Final Budget	Actual	
REVENUES:			
Local Sources:			
General tax levies	\$ 209,933	\$ 209,581	\$ 205,159
Transportation fees	11,000	12,996	12,002
Personal property replacement taxes	10,000	44,604	27,827
Earnings on investments	250	515	332
Other	-	10,316	979
Total Local Sources	<u>231,183</u>	<u>278,012</u>	<u>246,299</u>
State Sources:			
Transportation aid			
Regular	10,000	3,948	8,990
Special education	20,000	48,835	49,324
Total State Sources	<u>30,000</u>	<u>52,783</u>	<u>58,314</u>
Federal Sources:			
Title I - low income	-	-	1,822
Total Federal Sources	<u>-</u>	<u>-</u>	<u>1,822</u>
Total Revenues	<u>261,183</u>	<u>330,795</u>	<u>306,435</u>
EXPENDITURES:			
Support Services:			
Business - Pupil Transportation Services:			
Salaries	1,525	1,525	1,525
Purchased services	373,500	324,386	334,701
Total Expenditures	<u>375,025</u>	<u>325,911</u>	<u>336,226</u>
Net change in fund balances	<u>\$ (113,842)</u>	4,884	(29,791)
Fund balances at beginning of year		<u>31,836</u>	<u>61,627</u>
FUND BALANCES AT END OF YEAR		<u>\$ 36,720</u>	<u>\$ 31,836</u>

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, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2015

	2016		2015 Actual
	Original and Final Budget	Actual	
REVENUES:			
Local Sources:			
Property taxes			
General tax levies	\$ 103,442	\$ 103,264	\$ 123,961
Social security/medicare tax levies	68,961	68,848	38,419
Personal property replacement taxes	65,000	65,000	60,526
Earnings on investments	300	655	383
Other	-	-	634
Total Revenues	<u>237,703</u>	<u>237,767</u>	<u>223,923</u>
EXPENDITURES:			
Instruction - employee benefits	82,535	91,501	86,799
Support Services - employee benefits	<u>102,225</u>	<u>105,444</u>	<u>100,647</u>
Total Expenditures	<u>184,760</u>	<u>196,945</u>	<u>187,446</u>
Net change in fund balances	<u>\$ 52,943</u>	40,822	36,477
Fund balances at beginning of year		<u>78,228</u>	<u>41,751</u>
FUND BALANCES AT END OF YEAR		<u>\$ 119,050</u>	<u>\$ 78,228</u>

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2015

	2016		2015 Actual
	Original and Final Budget	Actual	
REVENUES:			
Local Sources:			
Property taxes	\$ 626,046	\$ 624,988	\$ 606,771
Earnings on investments	500	423	611
Total Revenues	<u>626,546</u>	<u>625,411</u>	<u>607,382</u>
EXPENDITURES:			
Debt Service:			
Payment of principal on long-term debt	450,000	450,000	480,000
Interest on long-term debt	166,000	165,665	128,638
Bond issuance cost	-	-	101,746
Total Expenditures	<u>616,000</u>	<u>615,665</u>	<u>710,384</u>
Excess (deficiency) of revenues over expenditures	<u>10,546</u>	<u>9,746</u>	<u>(103,002)</u>
OTHER FINANCING SOURCES (USES):			
Principal on bonds sold	-	-	855,000
Payment to refunded bond escrow agent	-	-	(753,254)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>101,746</u>
Net change in fund balances	<u>\$ 10,546</u>	9,746	(1,256)
Fund balances at beginning of year		<u>115,397</u>	<u>116,653</u>
FUND BALANCES AT END OF YEAR		<u>\$ 125,143</u>	<u>\$ 115,397</u>

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF CHANGES IN CASH BALANCES - ACTIVITY FUNDS
JUNE 30, 2016

<u>FUND</u>	Cash Balance July 1, 2015	Revenues Received	Expenditures Disbursed	Cash Balance June 30, 2016
District:				
PTO funded	\$ 8,781	\$ 15,899	\$ 16,149	\$ 8,531
Library fines and lost books	2,789	1,778	2,386	2,181
Ryba donation	300	-	300	-
Activities Committee's fund	3,022	105	1,366	1,761
Kinesmetrics Lab Study	18	-	-	18
Middle School:				
General	(1,859)	7,954	6,059	36
P.T.O. discretionary	2,663	1,100	529	3,234
Spirit club	(83)	346	263	0
Student council	1,540	1,185	831	1,894
Teachers' lounge	837	191	580	448
Chorus fundraising	144	-	-	144
Intramurals	1,078	1,456	1,354	1,180
Outdoor Ed fundraising	770	-	770	-
STEM Club	259	445	153	551
Spring Hill School:				
General	(2,877)	8,273	5,179	217
P.T.O. discretionary	795	2,100	-	2,895
Art-My Cards donation	622	561	-	1,183
Teachers' lounge	3,517	891	1,200	3,208
Northwest DuPage Athletic				
Conference	356	3,600	3,129	827
Interest earned	22	2	22	2
Total	<u>\$ 22,694</u>	<u>\$ 45,886</u>	<u>\$ 40,270</u>	<u>\$ 28,310</u>
Balance comprised of:				
Cash	2,715			28,310
Savings	19,979			-
Total	<u>\$ 22,694</u>			<u>\$ 28,310</u>

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OTHER FINANCIAL INFORMATION

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF ASSESSED VALUATIONS, TAX EXTENSIONS AND COLLECTIONS
YEARS ENDED JUNE 30, 2016, 2015 AND 2014

Tax levy year	Assessed Valuation	Rate	Tax Extensions	Collected	Taxes Receivable	Percent of Net Tax Extensions Collected
2015 Levy	<u>\$ 234,709,993</u>					
Educational		2.4639	\$ 5,783,020	\$ 2,764,156	\$ 3,018,864	
Operations and maintenance		0.2920	685,353	327,584	305,429	
Debt service		0.2697	633,013	302,556	382,797	
Transportation		0.1273	298,786	142,813	155,973	
Municipal retirement		0.0452	106,089	50,708	55,381	
Social security		0.0329	77,220	36,909	40,311	
		<u>3.2310</u>	<u>\$ 7,583,480</u>	<u>\$ 3,624,726</u>	<u>\$ 3,958,754</u>	<u>47.80%</u>
2014 Levy	<u>\$ 234,561,963</u>					
Educational		2.5046	\$ 5,874,839	\$ 5,864,927	\$ -	
Operations and maintenance		0.2606	611,268	610,236	-	
Debt service		0.2669	626,046	624,990	-	
Transportation		0.0895	209,933	209,579	-	
Municipal retirement		0.0441	103,442	103,267	-	
Social security		0.0294	68,961	66,977	-	
		<u>3.1951</u>	<u>\$ 7,494,489</u>	<u>\$ 7,479,976</u>	<u>\$ -</u>	<u>99.81%</u>
2013 Levy	<u>\$ 242,308,418</u>					
Educational		2.3768	\$ 5,759,187	\$ 5,743,418	\$ -	
Operations and maintenance		0.2472	598,986	597,349	-	
Debt service		0.2511	608,436	606,771	-	
Transportation		0.0849	205,720	205,159	-	
Municipal retirement		0.0513	124,304	123,961	-	
Social security		0.0159	38,527	38,419	-	
		<u>3.0272</u>	<u>\$ 7,335,160</u>	<u>\$ 7,315,077</u>	<u>\$ -</u>	<u>99.73%</u>

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2016

<u>Due Year</u> <u>Ended June 30,</u>	<u>Refunding/Working Cash Bonds</u> <u>June 26, 2012</u>		<u>Refunding/Working Cash Bonds</u> <u>June 3, 2015</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2017	425,000	64,020	-	137,527	626,547
2018	440,000	55,520	-	137,527	633,047
2019	460,000	44,960	-	137,527	642,487
2020	485,000	32,540	-	137,527	655,067
2021	505,000	18,475	-	137,527	661,002
2022	55,000	2,062	480,000	137,528	674,590
2023	-	-	560,000	123,128	683,128
2024	-	-	590,000	105,208	695,208
2025	-	-	620,000	85,148	705,148
2026	-	-	650,000	62,828	712,828
2027	-	-	685,000	38,128	723,128
2028	-	-	270,000	11,070	281,070
TOTAL	\$ 2,370,000	\$ 217,577	\$ 3,855,000	\$ 1,250,673	\$ 7,693,250

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF LEGAL BOND DEBT MARGIN
JUNE 30, 2016

Assessed Valuation of Taxable Properties for the Tax Year 2015	\$ 234,709,993
Statutory Maximum Rate	<u>6.9%</u>
Bond Debt Limit	<u>16,194,990</u>
Bonds Outstanding - June 30, 2016	6,225,000
Less amount available in the Debt Service Fund	<u>(125,143)</u>
Amount of debt applicable to debt limit	<u>6,099,857</u>
Legal Bond Debt Margin - June 30, 2016	<u><u>\$ 10,095,133</u></u>

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF NET OPERATING EXPENDITURES AND PER CAPITA TUITION CHARGE
YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
OPERATING EXPENDITURES:		
Educational Account (excluding "On-behalf" payments)	\$ 7,861,251	\$ 7,530,528
Operations and Maintenance Account	599,162	789,080
Debt Service Fund	615,665	710,384
Transportation Fund	325,911	336,226
Municipal Retirement Fund	196,945	187,446
Total Expenditures	<u>9,598,934</u>	<u>9,553,664</u>
Less Expenditures Not Applicable:		
Transportation fees	7,647	8,223
Summer school	2,869	20,736
Payments to other districts and governmental units		
Educational Account		
Community services	26,601	35,687
Tuition paid	855,572	751,993
Capital Outlay:		
Educational Account	25,316	35,720
Operations and Maintenance Account	-	108,218
Non-Capitalized Equipment:		
Educational Account	66,616	57,626
Operations and Maintenance Account	-	6,336
Bond principal retired	450,000	480,000
Total Expenditures Not Applicable	<u>1,434,621</u>	<u>1,504,539</u>
Total Operating Expenditures	<u>8,164,313</u>	<u>8,049,125</u>
LESS OFFSETTING REVENUES:		
Transportation fees	5,349	3,779
Lunch programs	55,364	57,916
Student fees and charges	141,766	128,890
Operations and Maintenance Account - Rentals	46,310	16,545
State transportation aid	52,783	58,314
Bilingual education	7,831	25,776
Special education aid	135,483	269,817
Other grants in aid	1,983	13,849
Special education IDEA flow through	235,014	237,414
Other federal revenue received	178,432	159,649
Total Offsetting Revenues	<u>860,315</u>	<u>971,949</u>
Net Operating Expenditures	7,303,998	7,077,176
Net Allowable Depreciation	<u>357,747</u>	<u>361,109</u>
Total Charges Allowable for Tuition Computation	<u>\$ 7,661,745</u>	<u>\$ 7,438,285</u>
Average Daily Attendance *	<u>654.09</u>	<u>658.08</u>
Per Capita Operating Expenditure	<u>\$ 12,481.94</u>	<u>\$ 12,231.23</u>
Per Capita Tuition Charge	<u>\$ 11,713.59</u>	<u>\$ 11,303.01</u>

* Unaudited, obtained from District's records.

ROSELLE SCHOOL DISTRICT NO. 12
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL FUND TYPES
YEAR ENDED JUNE 30, 2016

	Educational	Operations and Maintenance	Working Cash
REVENUES			
Local sources	\$ 6,312,171	\$ 687,852	\$ 12,461
State sources	4,602,252	-	-
Federal sources	422,531	-	-
Total Revenues	11,336,954	687,852	12,461
EXPENDITURES			
Instruction	8,845,899	-	-
Supporting services	2,288,068	599,162	-
Community services	48,342	-	-
Payments to other districts and governmental units	796,663	-	-
Debt service	-	-	-
Total Expenditures	11,978,972	599,162	-
Excess (deficiency) of revenues over expenditures	(642,018)	88,690	12,461
Other financing sources (uses):			
Transfers	450,000	150,000	(600,000)
Total other financing sources (uses)	450,000	150,000	(600,000)
Net changes in fund balances	(192,018)	238,690	(587,539)
Fund Balances, July 1, 2015	342,390	20,644	3,998,654
FUND BALANCES, JUNE 30, 2016	\$ 150,372	\$ 259,334	\$ 3,411,115

Transportation	Municipal Retirement/ Social Security	Debt Service	Total
\$ 278,012	\$ 237,767	\$ 625,411	\$ 8,153,674
52,783	-	-	4,655,035
-	-	-	422,531
<u>330,795</u>	<u>237,767</u>	<u>625,411</u>	<u>13,231,240</u>
-	91,501	-	8,937,400
325,911	105,444	-	3,318,585
-	-	-	48,342
-	-	-	796,663
-	-	615,665	615,665
<u>325,911</u>	<u>196,945</u>	<u>615,665</u>	<u>13,716,655</u>
<u>4,884</u>	<u>40,822</u>	<u>9,746</u>	<u>(485,415)</u>
-	-	-	-
-	-	-	-
4,884	40,822	9,746	(485,415)
<u>31,836</u>	<u>78,228</u>	<u>115,397</u>	<u>4,587,149</u>
<u>\$ 36,720</u>	<u>\$ 119,050</u>	<u>\$ 125,143</u>	<u>\$ 4,101,734</u>