

ROSELLE SCHOOL DISTRICT NO. 12
[Roselle, Illinois]

Audited Financial Statements
And
Supplementary Financial Information

June 30, 2017

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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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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, 2017, 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 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Report of 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, 2016, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The combining and individual fund financial schedules, for the year ended June 30, 2016, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 combining and 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, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Matheson, Morpki, Austin & Co. LLP

Wheaton, Illinois
November 9, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Roselle School District No. 12
Management Discussion and Analysis
For the Year Ended June 30, 2017

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, 2017. 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 \$27,607 during the year resulting in ending net position of \$2,000,626.
- The District's total fund balance decreased \$143,554 during the year resulting in and ending fund balance of \$3,958,180.
- The District's bonded debt is currently scheduled to be repaid by 2028. The District currently has additional bonding capability of \$11,737,577.

Overview of the Financial Statements

This financial report consists of five parts – management's discussion and analysis (this section), basic financial statements, required supplementary information, supplementary information, and additional other financial 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 required supplementary information and 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, 2017

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, 2017

- 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, 2017

Financial Analysis of the District as a Whole

Net Position: The District's combined net position was lower on June 30, 2017, than it was the year before, decreasing by \$27,607 to \$2,000,626.

Table A-1

Roselle School District No. 12 Net Position

	<u>2017</u>	<u>2016</u>
Assets		
Current and other assets	\$ 14,322,197	\$ 12,560,248
Capital assets	<u>4,925,728</u>	<u>5,212,789</u>
Total Assets	<u>19,247,925</u>	<u>17,773,037</u>
Deferred Outflows of Resources		
Deferred Charges on Refunding	32,610	46,197
Illinois municipal retirement fund	259,645	315,946
Teachers' retirement system	<u>145,061</u>	<u>76,324</u>
Total Deferred Outflows of Resources	<u>437,316</u>	<u>438,467</u>
Liabilities		
Long-term debt outstanding	7,165,237	7,597,573
Other liabilities	<u>829,885</u>	<u>875,033</u>
Total Liabilities	<u>7,995,122</u>	<u>8,472,606</u>
Deferred Inflows of Resources		
Property taxes levied for subsequent years	9,534,132	7,583,481
Illinois municipal retirement fund	16,000	7,078
Teachers' retirement system	<u>139,361</u>	<u>120,106</u>
Total Deferred Inflows of Resources	<u>9,689,493</u>	<u>7,710,665</u>
Net Position		
Net invested in capital assets	4,925,728	5,212,789
Restricted	372,826	280,913
Unrestricted	<u>(3,297,928)</u>	<u>(3,465,469)</u>
Total Net Position	<u>\$ 2,000,626</u>	<u>\$ 2,028,233</u>

Roselle School District No. 12
Management Discussion and Analysis (continued)
For the Year Ended June 30, 2017

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

	2017		2016	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenues:				
Program revenues:				
Charges for services	\$ 209,061	1.7%	\$ 240,107	1.8%
Operating grants and contributions	739,640	5.8%	666,921	5.1%
State on-behalf payments	3,620,423	28.5%	4,117,721	31.5%
General revenues:				
Property taxes	7,573,294	59.6%	7,481,843	57.3%
Federal and state aid not restricted to specific purposes	355,220	2.8%	339,234	2.6%
Earnings on investments	43,376	0.3%	24,702	0.2%
Miscellaneous	<u>157,419</u>	<u>1.3%</u>	<u>190,708</u>	<u>1.5%</u>
Total Revenues	<u>12,698,433</u>	<u>100.0%</u>	<u>13,061,236</u>	<u>100.0%</u>
Expenditures:				
Instruction	5,400,137	42.4%	5,734,516	42.4%
Supporting services	3,488,561	27.4%	3,478,612	25.8%
Interest on long-term liabilities	216,919	1.7%	170,373	1.3%
State on-behalf payments	<u>3,620,423</u>	<u>28.5%</u>	<u>4,117,721</u>	<u>30.5%</u>
Total Expenditures	<u>12,726,040</u>	<u>100.0%</u>	<u>13,501,222</u>	<u>100.0%</u>
Change in net position	<u>(27,607)</u>		<u>(439,986)</u>	
Net position, beginning	<u>2,028,233</u>		<u>2,468,219</u>	
Net position, ending	<u>\$ 2,000,626</u>		<u>\$ 2,028,233</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. \$8,163,508 or 63.7%, of the total governmental fund revenues received by the District came from local sources, primarily property taxes.

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

Roselle School District No. 12
Management Discussion and Analysis (continued)
For the Year Ended June 30, 2017

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 at Note 3 of the notes to the financial statements. The valuation is based upon cost. There was a \$287,061 net decrease to the District's capital assets in fiscal year 2017 primarily due to depreciation.

Long-Term Debt: At the year end, the District had \$5,800,000 in outstanding bonds. This is approximately 50.0% of the District's total bonding capacity. Note 4 of the notes to 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, 2017 include:

- \$1,945,000, 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 FY18.
- During FY17, the District and the Roselle Education Association agreed to a new 3 year contract that offers the District financial stability in the short and long terms. Both the teachers and administrators contracts now contain provisions protecting the District in the case of a property tax freeze.
- The District has achieved two Moody rating upgrades since the prior fiscal year annual financial report, from an A2 rating with a negative outlook up to an A1 rating.

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 Business 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, 2017

	Governmental Activities
Assets:	
Cash and investments	\$ 9,218,797
Receivables:	
Property taxes	4,710,720
Intergovernmental	269,612
Interest	6,080
Prepaid items	116,988
Capital assets:	
Land and construction in progress	105,279
Other capital assets, net of depreciation	4,820,449
Total assets	<u>19,247,925</u>
Deferred outflows of resources:	
Deferred charge on refunding	32,610
Illinois municipal retirement fund	259,645
Teachers' retirement system	145,061
Total deferred outflows of resources	<u>437,316</u>
Liabilities:	
Accounts payable	152,082
Accrued payroll	581,356
Unearned revenue	96,447
Long-term liabilities	
Due within one year	440,000
Due in more than one year	6,725,237
Total liabilities	<u>7,995,122</u>
Deferred inflows of resources:	
Property taxes levied for subsequent year	9,534,132
Illinois municipal retirement fund	16,000
Teachers' retirement system	139,361
Total deferred inflows of resources	<u>9,689,493</u>
Net Position:	
Net invested in capital assets	4,925,728
Restricted for:	
Debt service	132,604
Transportation	80,148
Retirement	160,074
Unrestricted (Deficit)	<u>(3,297,928)</u>
Total net position	<u><u>\$ 2,000,626</u></u>

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

ROSELLE SCHOOL DISTRICT NO. 12
STATEMENT OF ACTIVITIES
JUNE 30, 2017

Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental activities:				
Instructional services:				
Regular programs	\$ 3,336,214	\$ 120,245	\$ 32,351	\$ (3,183,618)
Special programs	1,970,282	39,356	506,865	(1,424,061)
Other programs	93,641	-	-	(93,641)
State on-behalf payments	3,620,423	-	3,620,423	-
Supporting services:				
Students	361,464	-	14,546	(346,918)
Instructional staff	492,816	-	-	(492,816)
District administration	301,059	-	-	(301,059)
School administration	472,646	-	-	(472,646)
Business	328,910	-	-	(328,910)
Operation and maintenance				
of facilities	719,316	-	61,650	(657,666)
Transportation	350,442	5,691	71,625	(273,126)
Food service	126,831	43,769	52,603	(30,459)
Staff	315,507	-	-	(315,507)
Community services	19,570	-	-	(19,570)
Interest on long-term liabilities	216,919	-	-	(216,919)
Total school district	<u>\$ 12,726,040</u>	<u>\$ 209,061</u>	<u>\$ 4,360,063</u>	<u>(8,156,916)</u>
General revenues:				
Property taxes levied for:				
General purposes				6,459,677
Transportation				295,454
Retirement				185,997
Debt service				632,166
Federal and state aid not restricted to				
specific purposes				355,220
Earnings on investments				43,376
Miscellaneous				157,419
Total general revenues				<u>8,129,309</u>
Change in net position				(27,607)
Net position - beginning				<u>2,028,233</u>
Net position - ending				<u><u>\$ 2,000,626</u></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, 2017

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 8,328,983	\$ 889,814	\$ 9,218,797
Receivables (net of allowance for uncollectibles):			
Property taxes	4,110,821	599,899	4,710,720
Intergovernmental	234,148	35,464	269,612
Interest	5,509	571	6,080
Prepaid items	<u>20,464</u>	<u>96,524</u>	<u>116,988</u>
TOTAL ASSETS	<u><u>12,699,925</u></u>	<u><u>1,622,272</u></u>	<u><u>14,322,197</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	149,886	2,196	152,082
Accrued payroll	565,984	15,372	581,356
Unearned revenue	<u>78,715</u>	<u>17,732</u>	<u>96,447</u>
Total Liabilities	<u>794,585</u>	<u>35,300</u>	<u>829,885</u>
Deferred inflows of resources:			
Property taxes levies for subsequent year	<u>8,319,986</u>	<u>1,214,146</u>	<u>9,534,132</u>
Total deferred inflows of resources	<u>8,319,986</u>	<u>1,214,146</u>	<u>9,534,132</u>
Fund Balances:			
Restricted	-	372,826	372,826
Unassigned	<u>3,585,354</u>	<u>-</u>	<u>3,585,354</u>
Total Fund Balances	<u>3,585,354</u>	<u>372,826</u>	<u>3,958,180</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 12,699,925</u></u>	<u><u>\$ 1,622,272</u></u>	<u><u>\$ 14,322,197</u></u>

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, 2017

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

Total fund balance - governmental funds	\$ 3,958,180
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$13,295,605 and the accumulated depreciation is \$8,369,877.	4,925,728
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	(5,800,000)
Deferred amounts for issuance premium	8,048
Deferred charge on refunding	32,610
Net pension liability - Illinois Municipal Retirement Fund	(557,980)
Net pension liability - Teachers Retirement System	(815,305)
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	259,645
Deferred outflow - Teachers' retirement system	145,061
Deferred inflow - Illinois municipal retirement fund	(16,000)
Deferred inflow - Teachers' retirement system	(139,361)
Total net position - governmental activities	<u><u>\$ 2,000,626</u></u>

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

ROSELLE SCHOOL DISTRICT NO. 12
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Property taxes	\$ 6,459,677	\$ 1,113,617	\$ 7,573,294
Other local sources	510,447	79,767	590,214
State sources	4,192,076	71,625	4,263,701
Federal sources	389,932	-	389,932
Total Revenues	<u>11,552,132</u>	<u>1,265,009</u>	<u>12,817,141</u>
EXPENDITURES:			
Instruction	8,049,744	86,860	8,136,604
Support services	2,981,110	459,688	3,440,798
Community services	19,793	-	19,793
Payments to other districts and governmental units	736,952	-	736,952
Debt service:			
Payment of principal on long-term debt	-	425,000	425,000
Interest on long-term debt	-	201,548	201,548
Total Expenditures	<u>11,787,599</u>	<u>1,173,096</u>	<u>12,960,695</u>
Excess (deficiency) of revenues over expenditures	<u>(235,467)</u>	<u>91,913</u>	<u>(143,554)</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>(235,467)</u>	<u>91,913</u>	<u>(143,554)</u>
Fund balances at beginning of year	<u>3,820,821</u>	<u>280,913</u>	<u>4,101,734</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 3,585,354</u></u>	<u><u>\$ 372,826</u></u>	<u><u>\$ 3,958,180</u></u>

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

ROSELLE SCHOOL DISTRICT NO. 12
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

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

Net change in fund balances-total governmental funds **\$ (143,554)**

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	51,220	
Depreciation expense	<u>(338,281)</u>	(287,061)

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	425,000	
Amortization of bond discount	(1,784)	
Amortization of deferred charge on refunding	(13,587)	
Change in net pension liability - Illinois Municipal Retirement Fund	53,807	
Change in net pension liability - Teachers' Retirement System	<u>(44,687)</u>	418,749

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	(56,301)	
Change in deferred outflow - Teachers' Retirement System	68,737	
Change in deferred inflow - Illinois Municipal Retirement Fund	(8,922)	
Change in deferred inflow - Teachers' Retirement System	<u>(19,255)</u>	<u>(15,741)</u>

Change in net position of governmental activities **\$ (27,607)**

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, 2017

	<u>Student Activity Funds</u>
Assets:	
Cash and investments	<u>\$ 25,675</u>
Total assets	<u><u>25,675</u></u>
Liabilities:	
Due to student organizations	<u>25,675</u>
Total liabilities	<u><u>\$ 25,675</u></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, 2017

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, 2017

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, 2017

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, 2017

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

Assets	Years
Buildings and building improvements	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 2016 tax levy was December 13, 2016. 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 2016 levy, which are collected during 2017, are considered to be budgeted to fund operations of the 2017/2018 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, 2017

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

	Maximum	Actual	
	2016 Levy	2016 Levy	2015 Levy
Educational	3.5000	2.9452	2.4639
Operations and Maintenance	.5500	.3543	.2920
Bond and Interest		.2528	.2697
Transportation		.1545	.1273
Municipal Retirement		.0408	.0452
Social Security		.0334	.0329
Total		3.7810	3.2310

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, 2017

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.

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, 2017, none of the District's bank balances of \$9,582,843 was exposed to custodial credit risk.

Investments and Fair Value Measurements

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

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

Level Two – Inputs to the valuation methodology include:

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

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

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

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

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2017

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, 2017, 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, 2017

NOTE 3. CAPITAL ASSETS:

A summary of changes in capital assets follows:

Governmental Activities:	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
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	1,619,559	51,220	-	1,670,779
Total capital assets being depreciated	\$13,139,106	\$51,220	\$-	\$13,190,326
Accumulated depreciation for:				
Land improvements	\$92,163	\$3,370	\$-	\$95,533
Buildings	6,503,581	263,608	-	6,767,189
Equipment	1,435,852	71,303	-	1,507,155
Total accumulated depreciation	\$8,031,596	\$338,281	\$-	\$8,369,877
Total capital assets being depreciated, net	\$5,107,510	(\$287,061)	\$-	\$4,820,449
Total capital assets, net	\$5,212,789	(\$287,061)	\$-	\$4,925,728

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

Instructional services:	
Regular programs	\$229,634
Special programs	34,422
Supporting services:	
Instructional staff	55,735
School administration	10,497
Business	5,770
Operations and maintenance of facilities	2,223
	<u>\$338,281</u>

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2017

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, 2017:

Governmental Activities:	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Amount Due In One Year
Taxable General Obligation Limited School Bonds Series 2012	\$2,370,000	\$-	\$425,000	\$1,945,000	\$440,000
Taxable General Obligation Limited School Bonds Series 2015	3,855,000	-	-	3,855,000	-
Deferred Amounts for Issuance Premium	(9,832)	-	(1,784)	(8,048)	-
Net Pension Liability- Illinois Municipal Retirement Fund	611,787	-	53,807	557,980	-
Net Pension Liability- Teachers' Retirement System	770,618	44,687	-	815,305	-
Total Long-Term Liabilities	\$7,597,573	\$44,687	\$477,023	\$7,165,237	\$440,000

Long-term liabilities at June 30, 2017 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 2.00% 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, 2017

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, 2017, \$525,000 is the outstanding debt considered defeased for the Series 2012 General Obligation Limited Tax Refunding School Bonds.

At June 30, 2017, the annual cash flow requirements of all long-term debt to retirement, including interest of \$1,266,703 were as follows:

Fiscal Year Ending June 30,	General Obligation School Bonds		
	Principal	Interest	Total
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	535,000	139,590	674,590
2023-2027	3,105,000	414,440	3,519,440
2028	270,000	11,070	281,070
Total	\$5,800,000	\$1,266,703	\$7,066,703

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, 2017, the statutory debt limit for the District was \$17,398,973, providing a debt margin of \$11,737,577 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 \$132,604 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 \$372,826 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, 2017

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, 2017

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

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:			
Transportation	\$-	\$80,148	\$80,148
Debt service	-	132,604	132,604
IMRF/Social Security	-	160,074	160,074
Unassigned	3,585,354	-	3,585,354
Total fund balances	<u>\$3,585,354</u>	<u>\$372,826</u>	<u>\$3,958,180</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, 2017

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr.htm>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

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

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

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

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

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

On behalf contributions to TRS: The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2017, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$3,572,272 in pension contributions from the state of Illinois.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2017

2.2 formula contributions: Districts contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2017, were \$24,935, and are deferred because they were paid after the June 30, 2016 measurement date.

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

For the year ended June 30, 2017, the District pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$35,089 were paid from federal and special trust funds that required District contributions of \$13,523. These contributions are deferred because they were paid after the June 30, 2016 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 (ERO). The payments vary depending on the member's age and salary. The maximum District ERO contribution under the current program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the District was not required to pay TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, the District paid \$2,720 to TRS for district contributions due on salary increases in excess of 6 percent and paid \$2,819 to TRS for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2017, 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

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2017

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	\$ 815,305
State's proportionate share of the net pension liability associated with the District	36,375,253
Total	<u>\$ 37,190,558</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2016, the District's proportion was 0.0010%, which was an decrease of 0.0002% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$3,572,272 and revenue of \$3,572,272 for support provided by the state. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,028	\$ 553
Net difference between projected and actual earnings on pension plan investments	23,034	-
Changes of Assumptions	70,023	-
Changes in proportion and differences between District contributions and proportionate share of contributions	7,544	138,808
District contributions subsequent to the measurement date	38,432	-
Total	<u>\$ 145,061</u>	<u>\$ 139,361</u>

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2017

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year ending June 30,	Deferred (Inflow) Outflow
2018	\$ 14,639
2019	(23,792)
2020	9,728
2021	5,484
2022	(359)
Total	<u>\$ 5,700</u>

Actuarial assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	Varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

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

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.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2017

The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

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

Discount rate

At June 30, 2016, the discount rate used to measure the total pension liability was a blended rate of 6.83 percent, which was changed from the June 30, 2015 rate of 7.47 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, District contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2016 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investment was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2015, the discount rate used to measure the total pension liability was 7.47 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well because TRS's fiduciary net position and subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.83 percent, as well as what the District's proportionate share

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2017

of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.83 percent) or 1-percentage-point higher (7.83 percent) than the current rate.

	1% Decrease (5.83%)	Current Discount Rate (6.83%)	1% Increase (7.83%)
District's proportionate share of the net pension liability	\$997,151	\$815,305	\$666,785

TRS fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2016 is available in the separately issued TRS Comprehensive Annual Financial Report.

Illinois Municipal Retirement Fund:

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

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

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

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

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2017

consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

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

Employees Covered by Benefit Terms: At December 31, 2016, the number of District employees covered by IMRF were:

Active members	21
Retirees and beneficiaries	49
Inactive, non-retired members	<u>37</u>
Total	<u>107</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 2016 was 14.00% of annual covered payroll. For the fiscal year ended June 30, 2017, the District contributed \$87,130 to the plan. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability: The District's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2017

Actuarial Assumptions: The following are the methods and assumptions used to determine the Total Pension Liability at December 31, 2016:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation	2.75%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Projected Retirement Age	Experience-based Table of Rates that are specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
Disabled Retirees	For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives.
Active Members	For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other Information:	There were no benefit changes during the year.

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, 2017

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Return 12/31/16</u>	<u>Projected Returns/Risk</u>	
			<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Equities	38.0%	7.77%	8.30%	6.85%
International equities	17.0	3.54	8.45	6.75
Fixed income	27.0	4.85	3.05	3.00
Real estate	8.0	8.97	6.90	5.75
Alternative investments	9.0	N/A	4.25-12.45	2.65-7.35
Cash equivalents	1.0	N/A	2.25	2.25

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

For the purpose of the most recent valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78%; and the resulting single discount rate is 7.50%.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2017

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balance, December 31, 2015	<u>\$ 4,735,924</u>	<u>\$ 4,124,137</u>	<u>\$ 611,787</u>
Charges for the year:			
Service cost	82,351	-	82,351
Interest	344,496	-	344,496
Difference between expected and actual experience	15,610	-	15,610
Changes in assumptions	(51,994)	-	(51,994)
Net investment income	-	279,719	(279,719)
Contributions – employees	-	38,453	(38,453)
Contributions – employers	-	94,321	(94,321)
Benefit payments including refunds of employee contributions	(243,486)	(243,486)	-
Other changes	<u>-</u>	<u>31,777</u>	<u>(31,777)</u>
Net changes	<u>146,977</u>	<u>200,784</u>	<u>(53,807)</u>
Balance, December 31, 2016	<u>\$ 4,882,901</u>	<u>\$ 4,324,921</u>	<u>\$ 557,980</u>

Sensitivity of the Net Pension Liability to Changes in the Single Discount Rate: The following presents the Net Pension Liability calculated using the single discount rate of 7.50%, as well as what the Net Pension Liability would be if it were calculated using a single discount rate that is 1% higher and lower:

	Discount Rate	Net Pension Liability (Asset)
1% decrease	6.50%	\$ 1,113,483
Current discount rate	7.50	557,980
1% increase	8.50	\$ 89,006

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2017, the District recognized pension expense of \$98,546.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2017

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	Net Deferred Outflows / (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ 4,803	\$ -	\$ 4,803
Changes of assumptions	-	16,000	(16,000)
Net difference between projected and actual earnings on Plan investments	217,340	-	217,340
District contributions to plan after measurement date	<u>37,502</u>	<u>-</u>	<u>37,502</u>
Total	<u>\$ 259,645</u>	<u>\$ 16,000</u>	<u>\$ 243,645</u>

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

Year ending June 30,	Net Deferred Outflows (Inflows)
2017	\$ 100,677
2018	74,371
2019	63,270
2020	<u>5,327</u>
Total	<u>\$ 243,645</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, 2017.

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2017

NOTE 9. INTERFUND TRANSFERS:

Interfund transfers for the year ended June 30, 2017 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, 2017

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, 2017

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

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

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12% of pay during the year ended June 30, 2017. State of Illinois contributions were \$48,151 and the District recognized revenue and expenditures of this amount during the year.

Employer contributions to the THIS Fund. The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.84% during the year ended June 30, 2017. For the year ended June 30, 2017, the District paid \$36,113 to the THIS Fund, which was 100 percent of the required contribution.

Further information on THIS Fund. The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General:

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

NOTE 16. OPERATING LEASE COMMITMENTS:

The District entered into operating leases for copier equipment and chromebooks.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2017 are:

Year	Payment
2018	\$138,653
2019	39,914
Total	<u>\$178,567</u>

ROSELLE SCHOOL DISTRICT NO. 12

Notes to Financial Statements (Cont'd)

June 30, 2017

NOTE 17. SUBSEQUENT EVENTS:

In July 2017 the District suffered a fire that caused damage of approximately \$100,000. The replacement costs will be paid for through the District's insurance company.

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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, 2017

	General Fund		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES:			
Local sources	\$ 6,890,973	\$ 6,970,124	\$ 79,151
State sources	3,464,502	4,192,076	727,574
Federal sources	373,763	389,932	16,169
Total Revenues	10,729,238	11,552,132	822,894
EXPENDITURES:			
Instruction	7,593,977	8,049,744	(455,767)
Supporting services	3,241,084	2,981,110	259,974
Community services	25,073	19,793	5,280
Payments to other districts and governmental units	754,068	736,952	17,116
Provision for contingencies	25,000	-	25,000
Total Expenditures	11,639,202	11,787,599	(148,397)
Deficiency of revenues over expenditures	(909,964)	(235,467)	674,497
OTHER FINANCING SOURCES (USES):			
Transfers in	600,000	600,000	-
Transfers out	(600,000)	(600,000)	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	\$ (909,964)	(235,467)	\$ 674,497
Fund balances at beginning of year		3,820,821	
FUND BALANCES AT END OF YEAR		\$ 3,585,354	

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, 2017

Calendar year ending December 31,	2016	2015	2014
<u>Total pension liability:</u>			
Service cost	\$ 82,351	\$ 79,444	\$ 78,952
Interest on the total pension liability	344,496	333,466	303,971
Difference between expected and actual experience	15,610	(23,254)	16,377
Assumption changes	(51,994)	20,276	247,689
Benefit payments and refunds	(243,486)	(232,724)	(203,497)
Net change in total pension liability	146,977	177,208	443,492
Total pension liability, beginning	4,735,924	4,558,716	4,115,224
Total pension liability, ending	4,882,901	4,735,924	4,558,716
<u>Plan fiduciary net position</u>			
Employer contributions	94,321	81,862	76,640
Employee contributions	38,453	28,696	28,338
Pension plan net investment income	279,719	20,544	242,934
Benefit payments and refunds	(243,486)	(232,724)	(203,497)
Other	31,777	55,867	(6,307)
Net change in plan fiduciary net position	200,784	(45,755)	138,108
Plan fiduciary net position, beginning	4,124,137	4,169,892	4,031,784
Plan fiduciary net position, ending	4,324,921	4,124,137	4,169,892
Net pension liability/(asset), ending	\$ 557,980	\$ 611,787	\$ 388,824
Plan fiduciary net position as a percentage of total pension liability	88.57%	87.08%	91.47%
Covered valuation payroll	\$ 673,725	\$ 628,268	\$ 629,738
Net pension liability as a percentage of covered valuation penalty	82.82%	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, 2017

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 94,322	\$ 94,321	\$ 1	\$ 673,725	14.00%
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, 2017*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	<u>0.1000%</u>	<u>0.0012%</u>	<u>0.0012%</u>
District's proportionate share of the net pension liability	\$ 815,305	\$ 770,618	\$ 703,805
State's proportionate share of the net pension liability associated with the District	<u>36,375,253</u>	<u>29,491,549</u>	<u>26,522,340</u>
Total	<u>\$37,190,558</u>	<u>\$30,262,167</u>	<u>\$27,226,145</u>
District's covered-employee payroll	\$ 4,582,616	\$ 4,554,621	\$ 4,299,019
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>17.79%</u>	<u>16.92%</u>	<u>16.37%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>36.40%</u>	<u>41.50%</u>	<u>43.00%</u>

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

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, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually-required contribution	\$ 38,458	\$ 40,000	\$ 41,219
Contributions in relation to the contractually-required contribution	<u>38,432</u>	<u>40,000</u>	<u>41,219</u>
Contribution deficiency (excess)	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,299,185	\$ 4,582,616	\$ 4,554,621
Contribution as a percentage of covered-employee payroll	0.89%	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, 2017

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 27, 2016 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, 2017

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	\$10,913,851	\$11,187,766	\$273,915

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, 2017

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 2016 contribution rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies: 27-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most districts (two districts were financed over 31 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, and IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

ROSELLE SCHOOL DISTRICT NO. 12
Notes to Required Supplementary Information (Cont'd)
June 30, 2017

Valuation Date	Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.
Other Information	There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation; note the two year lag between valuation and rate setting.

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

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

Changes of assumptions

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

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and real return of 4.5 percent. However, salary increases were assumed to vary by age.

SUPPLEMENTARY FINANCIAL INFORMATION

GENERAL FUND

To account for resources traditionally associated with government operations which are not required to be accounted for in another fund, the District maintains the following legally mandated accounts within the General Fund:

Educational Account - To account for most of the instructional and administrative aspects of the District's operations.

Operations and Maintenance Account - To account for repair and maintenance of the District's property.

Working Cash Account - To account for financial resources held by the District to be used for loans for working capital requirements to any other fund for which taxes are levied.

ROSELLE SCHOOL DISTRICT NO. 12
COMBINING BALANCE SHEET BY ACCOUNT
GENERAL FUND
JUNE 30, 2017

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
<u>ASSETS</u>				
Cash and investments	\$ 4,444,251	\$ 1,054,172	\$ 2,830,560	\$ 8,328,983
Receivables (net of allowance for uncollectibles):				
Property taxes	3,669,402	441,419	-	4,110,821
Intergovernmental	234,148	-	-	234,148
Interest	2,767	416	2,326	5,509
Prepaid items	20,464	-	-	20,464
TOTAL ASSETS	<u>8,371,032</u>	<u>1,496,007</u>	<u>2,832,886</u>	<u>12,699,925</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	129,824	20,062	-	149,886
Accrued payroll	565,984	-	-	565,984
Unearned revenue	78,715	-	-	78,715
Total Liabilities	<u>774,523</u>	<u>20,062</u>	<u>-</u>	<u>794,585</u>
Deferred inflows of resources:				
Property taxes levies for subsequent year	7,426,587	893,399	-	8,319,986
Total deferred inflows of resources	<u>7,426,587</u>	<u>893,399</u>	<u>-</u>	<u>8,319,986</u>
Fund Balances:				
Unassigned	169,922	582,546	2,832,886	3,585,354
Total Fund Balances	<u>169,922</u>	<u>582,546</u>	<u>2,832,886</u>	<u>3,585,354</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 8,371,032</u>	<u>\$ 1,496,007</u>	<u>\$ 2,832,886</u>	<u>\$ 12,699,925</u>

ROSELLE SCHOOL DISTRICT NO. 12
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES BY ACCOUNT
GENERAL FUND
YEAR ENDED JUNE 30, 2017

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
REVENUES:				
Property taxes	\$ 5,775,249	\$ 684,428	\$ -	\$ 6,459,677
Other local sources	400,059	88,617	21,771	510,447
State sources	4,192,076	-	-	4,192,076
Federal sources	389,932	-	-	389,932
Total Revenues	<u>10,757,316</u>	<u>773,045</u>	<u>21,771</u>	<u>11,552,132</u>
EXPENDITURES:				
Instruction	8,049,744	-	-	8,049,744
Supporting services	2,381,277	599,833	-	2,981,110
Community services	19,793	-	-	19,793
Payments to other districts and governmental units	736,952	-	-	736,952
Total Expenditures	<u>11,187,766</u>	<u>599,833</u>	<u>-</u>	<u>11,787,599</u>
Excess (deficiency) of revenues over expenditures	<u>(430,450)</u>	<u>173,212</u>	<u>21,771</u>	<u>(235,467)</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	19,550	323,212	(578,229)	(235,467)
Fund balances at beginning of year	<u>150,372</u>	<u>259,334</u>	<u>3,411,115</u>	<u>3,820,821</u>
FUND BALANCES AT END OF YEAR	<u>\$ 169,922</u>	<u>\$ 582,546</u>	<u>\$ 2,832,886</u>	<u>\$ 3,585,354</u>

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
REVENUES:			
Local Sources:			
General tax levies	\$ 5,783,020	\$ 5,775,249	\$ 5,864,928
Corporate replacement taxes	15,000	53,469	18,054
Tuition	2,500	41,056	29,981
Earnings on investments	6,000	13,656	8,923
Food services	50,000	43,769	55,364
Pupil activities	54,000	51,247	68,897
Textbooks	68,000	67,298	72,869
Refund of prior years' expenditures - NDSEC	135,000	118,708	170,004
Other	2,000	10,856	23,151
Total Local Sources	6,115,520	6,175,308	6,312,171
State Sources:			
General state aid	280,000	355,220	339,234
Special education	150,700	200,662	135,483
Bilingual education	32,552	15,565	7,831
Free lunch and breakfast	500	206	483
On-behalf payments - State of Illinois	3,000,000	3,620,423	4,117,721
Other	750	-	1,500
Total State Sources	3,464,502	4,192,076	4,602,252
Federal Sources:			
Food service	55,805	52,397	60,286
Title I - low income	44,644	47,162	56,636
IDEA - preschool flow-through	10,197	-	9,085
IDEA - flow through	213,215	212,112	235,014
IDEA - room and board	-	12,548	-
Title III - english language acquisition	10,649	16,825	10,260
Title II - teacher quality	32,253	32,351	32,661
Medicaid programs	7,000	16,537	18,589
Total Federal Sources	373,763	389,932	422,531
Total Revenues	\$ 9,953,785	\$ 10,757,316	\$ 11,336,954

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
EXPENDITURES:			
Instruction:			
Regular programs:			
Salaries	\$ 2,529,057	\$ 2,507,311	\$ 2,714,040
Employee benefits	499,047	471,190	421,559
On-behalf payments - State of Illinois	3,000,000	3,620,423	4,117,721
Purchased services	22,575	23,250	36,263
Supplies and materials	52,100	46,662	137,001
Capital outlay	-	-	8,398
Other	10,500	13,171	14,019
Total	6,113,279	6,682,007	7,449,001
Special programs:			
Salaries	732,191	718,646	665,450
Employee benefits	152,998	150,851	132,413
Purchased services	9,950	4,485	7,443
Supplies and materials	3,800	1,738	1,991
Tuition	85,000	31,462	58,909
Total	983,939	907,182	866,206
Remedial and supplemental programs:			
Salaries	147,708	125,524	86,062
Employee benefits	23,146	32,860	16,697
Purchased services	6,466	-	-
Supplies and materials	7,178	7,660	507
Total	184,498	166,044	103,266
Interscholastic programs:			
Salaries	90,000	81,056	82,005
Purchased services	5,300	3,405	3,612
Supplies and materials	6,700	1,779	2,225
Other	2,700	3,410	2,543
Total	104,700	89,650	90,385
Summer school:			
Salaries	3,200	6,479	2,828
Supplies and materials	400	-	-
Total	\$ 3,600	\$ 6,479	\$ 2,828

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
EXPENDITURES - Continued:			
Gifted:			
Salaries	\$ -	\$ -	\$ 69,230
Employee benefits	-	46	2,229
Supplies and materials	-	-	29
Total	-	46	71,488
Bilingual:			
Salaries	167,249	166,791	235,616
Employee benefits	32,637	30,149	23,725
Purchased services	1,075	413	964
Supplies and materials	3,000	953	2,420
Other	-	30	-
Total	203,961	198,336	262,725
Total Instruction	7,593,977	8,049,744	8,845,899
Support Services:			
Pupils:			
Attendance and social work :			
Salaries	174,882	174,882	172,460
Employee benefits	26,577	26,570	23,874
Supplies and materials	600	141	365
Total	202,059	201,593	196,699
Health services:			
Salaries	96,813	99,161	96,373
Employee benefits	144	144	143
Purchased services	4,000	3,169	3,109
Supplies and materials	2,000	1,494	1,565
Other	450	161	457
Total	\$ 103,407	\$ 104,129	\$ 101,647

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
EXPENDITURES - Continued:			
Psychological services:			
Salaries	\$ 39,647	\$ 39,647	\$ 39,647
Employee benefits	2,500	5,000	2,553
Purchased services	-	417	166
Supplies and materials	1,000	776	997
Total	43,147	45,840	43,363
Total Pupils	348,613	351,562	341,709
Instructional Staff:			
Improvement of instructional services:			
Salaries	210,908	200,861	97,104
Employee benefits	17,253	749	-
Purchased services	19,453	13,340	22,142
Supplies and materials	40,550	26,015	21,776
Other	1,000	-	-
Total	289,164	240,965	141,022
Educational media services:			
Salaries	130,396	132,152	227,551
Employee benefits	26,516	26,512	38,532
Purchased services	13,800	10,942	10,720
Supplies and materials	18,550	13,734	15,555
Total	189,262	183,340	292,358
Assessment and testing:			
Supplies and materials	-	-	1,174
Total	-	-	1,174
Total Instructional Staff	478,426	424,305	434,554
General Administration:			
Board of education:			
Purchased services	118,015	109,256	118,663
Supplies and materials	3,000	4,447	3,244
Other	10,500	12,069	9,272
Total	\$ 131,515	\$ 125,772	\$ 131,179

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
EXPENDITURES - Continued:			
Executive administration:			
Salaries	\$ 109,242	\$ 117,243	\$ 110,020
Employee benefits	40,473	40,944	38,552
Purchased services	6,800	13,443	4,419
Other	2,000	2,668	2,049
Total	158,515	174,298	155,040
Total General Administration	290,030	300,070	286,219
School Administration:			
Office of the principal:			
Salaries	326,032	327,557	321,663
Employee benefits	102,044	109,276	89,346
Purchased services	3,113	3,046	3,363
Supplies and materials	50	-	35
Other	600	720	365
Total School Administration	431,839	440,599	414,772
Business:			
Fiscal services:			
Salaries	234,376	222,147	196,484
Employee benefits	43,112	38,331	38,489
Purchased services	4,000	3,576	4,033
Supplies and materials	4,000	6,694	4,919
Other	5,300	3,057	3,498
Total	290,788	273,805	247,423
Operation and maintenance of plant services:			
Salaries	46,818	46,818	45,900
Employee benefits	6,171	5,937	6,003
Purchased services	78,298	83,176	74,895
Supplies and materials	-	600	600
Total	\$ 131,287	\$ 136,531	\$ 127,398

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
EXPENDITURES - Continued:			
Food services:			
Salaries	\$ 29,442	\$ 27,168	\$ 24,107
Supplies and materials	157,000	96,569	123,022
Other	1,000	1,016	1,000
Total	187,442	124,753	148,129
Total Business	609,517	535,089	522,950
Central:			
Data processing services:			
Salaries	77,774	77,774	77,774
Employee benefits	10,868	16,655	9,251
Purchased services	122,666	142,993	87,725
Supplies and materials	43,000	46,816	51,321
Capital outlay	53,000	31,270	16,918
Non-capitalized equipment	60,000	14,144	44,875
Total Central	367,308	329,652	287,864
Total Support Services	2,525,733	2,381,277	2,288,068
Community Services:			
Salaries	10,249	7,556	6,132
Employee benefits	11,459	3,611	6,752
Supplies and materials	969	8,626	13,717
Non-capitalized equipment	2,396	-	21,741
Total Community Services	25,073	19,793	48,342
Payments to other districts and governmental units:			
Purchased services	-	8,339	10,262
Tuition	754,068	728,613	785,591
Other	-	-	810
Total payments to other districts and governmental units	754,068	736,952	796,663
Provision for contingencies	15,000	-	-
Total Expenditures	10,913,851	11,187,766	11,978,972
Deficiency of revenues over expenditures	\$ (960,066)	\$ (430,450)	\$ (642,018)

(Continued)

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016
	Original and Final Budget	Actual	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>\$ (510,066)</u>	19,550	(192,018)
Fund balances at beginning of year		<u>150,372</u>	<u>342,390</u>
FUND BALANCES AT END OF YEAR		<u>\$ 169,922</u>	<u>\$ 150,372</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, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
REVENUES:			
Local Sources:			
General tax levies	\$ 685,353	\$ 684,428	\$ 610,234
Personal property replacement taxes	23,000	23,000	28,000
Earnings on investments	350	3,929	1,725
Rentals	61,000	61,650	46,310
Other	750	38	1,583
Total Revenues	<u>770,453</u>	<u>773,045</u>	<u>687,852</u>
EXPENDITURES:			
Support Services:			
Operation and maintenance of plant services:			
Purchased services	436,851	381,173	406,163
Supplies and materials	221,500	194,023	192,999
Capital outlay	50,000	19,950	-
Non-capitalized equipment	7,000	4,687	-
Total Support Services	<u>715,351</u>	<u>599,833</u>	<u>599,162</u>
Provision for contingencies	<u>10,000</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>725,351</u>	<u>599,833</u>	<u>599,162</u>
Excess of revenues over expenditures	<u>45,102</u>	<u>173,212</u>	<u>88,690</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Total other financing sources	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Net change in fund balances	<u>\$ 195,102</u>	323,212	238,690
Fund balances at beginning of year		<u>259,334</u>	<u>20,644</u>
FUND BALANCES AT END OF YEAR		<u>\$ 582,546</u>	<u>\$ 259,334</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, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
REVENUES:			
Local Sources:			
Earnings on investments	\$ 5,000	\$ 21,771	\$ 12,461
Total Revenues	5,000	21,771	12,461
Excess of revenues over expenditures	5,000	21,771	12,461
OTHER FINANCING USES:			
Transfers out	(600,000)	(600,000)	(600,000)
Total other financing uses	(600,000)	(600,000)	(600,000)
Net change in fund balances	<u>\$ (595,000)</u>	(578,229)	(587,539)
Fund balances at beginning of year		3,411,115	3,998,654
FUND BALANCES AT END OF YEAR		<u>\$ 2,832,886</u>	<u>\$ 3,411,115</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

To account for proceeds from specific revenue sources which are designated to finance expenditures for specific purposes, the District maintains the following Nonmajor Special Revenue Funds:

Transportation Fund – To account for activity relating to student transportation to and from school.

Municipal Retirement/Social Security Fund – To account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund and Social Security for noncertified employees.

DEBT SERVICE FUND

Debt Service Fund – To account for the accumulation of, resources for, and the payment of, general long-term debt principal, interest and related costs.

ROSELLE SCHOOL DISTRICT NO. 12
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue			Debt Service	
	Transport- ation	Municipal Retirement/ Social Security	Total	Debt Service	Total Nonmajor Governmental Funds
<u>ASSETS</u>					
Cash and investments	\$ 261,589	\$ 269,994	\$ 531,583	\$ 358,231	\$ 889,814
Receivables (net of allowance for uncollectibles):					
Property taxes	192,491	92,446	284,937	314,962	599,899
Intergovernmental	35,464	-	35,464	-	35,464
Interest	118	108	226	345	571
Prepaid items	-	-	-	96,524	96,524
TOTAL ASSETS	<u>489,662</u>	<u>362,548</u>	<u>852,210</u>	<u>770,062</u>	<u>1,622,272</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	2,196	-	2,196	-	2,196
Accrued payroll	-	15,372	15,372	-	15,372
Unearned revenue	17,732	-	17,732	-	17,732
Total Liabilities	<u>19,928</u>	<u>15,372</u>	<u>35,300</u>	<u>-</u>	<u>35,300</u>
Deferred inflows of resources:					
Property taxes levies for subsequent year	<u>389,586</u>	<u>187,102</u>	<u>576,688</u>	<u>637,458</u>	<u>1,214,146</u>
Total deferred inflows of resources	<u>389,586</u>	<u>187,102</u>	<u>576,688</u>	<u>637,458</u>	<u>1,214,146</u>
Fund Balances:					
Restricted	<u>80,148</u>	<u>160,074</u>	<u>240,222</u>	<u>132,604</u>	<u>372,826</u>
Total Fund Balances	<u>80,148</u>	<u>160,074</u>	<u>240,222</u>	<u>132,604</u>	<u>372,826</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
	<u>\$ 489,662</u>	<u>\$ 362,548</u>	<u>\$ 852,210</u>	<u>\$ 770,062</u>	<u>\$ 1,622,272</u>

ROSELLE SCHOOL DISTRICT NO. 12
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue			Debt Service	Total Nonmajor Governmental Funds
	Transport- ation	Municipal Retirement/ Social Security	Total	Debt Service	
REVENUES:					
Property taxes	\$ 295,454	\$ 185,997	\$ 481,451	\$ 632,166	\$ 1,113,617
Other local sources	26,791	51,133	77,924	1,843	79,767
State sources	71,625	-	71,625	-	71,625
Total Revenues	393,870	237,130	631,000	634,009	1,265,009
EXPENDITURES:					
Current operating:					
Instruction	-	86,860	86,860	-	86,860
Support services	350,442	109,246	459,688	-	459,688
Debt service:					
Payment of principal on long-term debt	-	-	-	425,000	425,000
Interest on long-term debt	-	-	-	201,548	201,548
Total Expenditures	350,442	196,106	546,548	626,548	1,173,096
Net change in fund balances	43,428	41,024	84,452	7,461	91,913
Fund balances at beginning of year	36,720	119,050	155,770	125,143	280,913
FUND BALANCES AT END OF YEAR	<u>\$ 80,148</u>	<u>\$ 160,074</u>	<u>\$ 240,222</u>	<u>\$ 132,604</u>	<u>\$ 372,826</u>

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
REVENUES:			
Local Sources:			
General tax levies	\$ 298,786	\$ 295,454	\$ 209,581
Transportation fees	9,000	5,691	12,996
Personal property replacement taxes	18,000	18,000	44,604
Earnings on investments	200	1,044	515
Other	2,000	2,056	10,316
Total Local Sources	327,986	322,245	278,012
State Sources:			
Transportation aid			
Regular	9,000	9,382	3,948
Special education	20,000	62,243	48,835
Total State Sources	29,000	71,625	52,783
Total Revenues	356,986	393,870	330,795
EXPENDITURES:			
Support Services:			
Business - Pupil Transportation Services:			
Salaries	1,525	1,525	1,525
Purchased services	358,200	348,917	324,386
Total Expenditures	359,725	350,442	325,911
Net change in fund balances	\$ (2,739)	43,428	4,884
Fund balances at beginning of year		36,720	31,836
FUND BALANCES AT END OF YEAR		\$ 80,148	\$ 36,720

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, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
REVENUES:			
Local Sources:			
Property taxes			
General tax levies	\$ 106,089	\$ 107,645	\$ 103,264
Social security/medicare tax levies	77,220	78,352	68,848
Personal property replacement taxes	50,000	50,000	65,000
Earnings on investments	250	1,133	655
Total Revenues	233,559	237,130	237,767
EXPENDITURES:			
Instruction - employee benefits	93,920	86,860	91,501
Support Services - employee benefits	124,094	109,246	105,444
Total Expenditures	218,014	196,106	196,945
Net change in fund balances	\$ 15,545	41,024	40,822
Fund balances at beginning of year		119,050	78,228
FUND BALANCES AT END OF YEAR		\$ 160,074	\$ 119,050

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
REVENUES:			
Local Sources:			
Property taxes	\$ 633,013	\$ 632,166	\$ 624,988
Earnings on investments	250	1,843	423
Total Revenues	633,263	634,009	625,411
EXPENDITURES:			
Debt Service:			
Payment of principal on long-term debt	425,000	425,000	450,000
Interest on long-term debt	201,548	201,548	165,665
Total Expenditures	626,548	626,548	615,665
Net change in fund balances	\$ 6,715	7,461	9,746
Fund balances at beginning of year		125,143	115,397
FUND BALANCES AT END OF YEAR		\$ 132,604	\$ 125,143

**FIDUCIARY FUNDS -
AGENCY FUNDS**

Activity Funds - To account for assets held by the District in a trustee capacity as an agent for student organizations.

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF CHANGES IN CASH BALANCES - ACTIVITY FUNDS
JUNE 30, 2017

	Cash Balance July 1, 2016	Revenues Received	Expenditures Disbursed	Cash Balance June 30, 2017
District:				
PTO funded	\$ 8,531	\$ 2,800	\$ 4,437	\$ 6,894
Library fines and lost books	2,181	764	398	2,547
Activities Committee's fund	1,761	990	816	1,935
Kinesmetrics Lab Study	18	-	-	18
Middle School:				
General	36	6,610	5,843	803
ChromeBook Covers	-	2,398	2,398	-
P.T.O. discretionary	3,234	55	2,415	874
Student council	1,894	1,267	1,134	2,027
Teachers' lounge	448	310	470	288
Chorus fundraising	144	-	-	144
Intramurals	1,180	2,589	3,262	507
STEM Club	551	627	558	620
Spring Hill School:				
General	217	5,305	4,861	661
P.T.O. discretionary	2,895	-	-	2,895
Art-My Cards donation	1,183	-	-	1,183
Teachers' lounge	3,208	537	764	2,981
Northwest DuPage Athletic Conference	827	3,600	3,131	1,296
Interest earned	2	-	-	2
Total	<u>\$ 28,310</u>	<u>\$ 27,852</u>	<u>\$ 30,487</u>	<u>\$ 25,675</u>
Balance comprised of:				
Cash	<u>28,310</u>			<u>25,675</u>
Total	<u>\$ 28,310</u>			<u>\$ 25,675</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, 2017, 2016 AND 2015

Tax levy year	Assessed Valuation	Rate	Tax Extensions	Collected	Taxes Receivable	Percent of Net Tax Extensions Collected
2016 Levy	<u>\$ 252,159,027</u>					
Educational		2.9452	\$ 7,426,588	\$ 3,757,186	\$ 3,669,402	
Operations and maintenance		0.3543	893,399	451,980	441,419	
Debt service		0.2528	637,458	322,496	314,962	
Transportation		0.1545	389,586	197,095	192,491	
Municipal retirement		0.0408	102,881	52,048	50,833	
Social security		0.0334	84,221	42,608	41,613	
		<u>3.7810</u>	<u>\$ 9,534,133</u>	<u>\$ 4,823,413</u>	<u>\$ 4,710,720</u>	<u>50.59%</u>
2015 Levy	<u>\$ 234,709,993</u>					
Educational		2.4639	\$ 5,783,020	\$ 5,775,251	\$ -	
Operations and maintenance		0.2920	685,353	684,433	-	
Debt service		0.2697	633,013	632,162	-	
Transportation		0.1273	298,786	298,384	-	
Municipal retirement		0.0452	106,089	105,946	-	
Social security		0.0329	77,220	77,116	-	
		<u>3.2310</u>	<u>\$ 7,583,480</u>	<u>\$ 7,573,292</u>	<u>\$ -</u>	<u>99.87%</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>

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2017

<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>	
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	\$ 1,945,000	\$ 153,557	\$ 3,855,000	\$ 1,113,146	\$ 7,066,703

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF LEGAL BOND DEBT MARGIN
JUNE 30, 2017

Assessed Valuation of Taxable Properties for the Tax Year 2016	\$ 252,159,027
Statutory Maximum Rate	<u>6.9%</u>
Bond Debt Limit	<u>17,398,973</u>
Bonds Outstanding - June 30, 2017	5,800,000
Less amount available in the Debt Service Fund	<u>(132,604)</u>
Amount of debt applicable to debt limit	<u>5,667,396</u>
Legal Bond Debt Margin - June 30, 2017	<u><u>\$ 11,731,577</u></u>

ROSELLE SCHOOL DISTRICT NO. 12
SCHEDULE OF NET OPERATING EXPENDITURES AND PER CAPITA TUITION CHARGE
YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
OPERATING EXPENDITURES:		
Educational Account (excluding "On-behalf" payments)	\$ 7,567,343	\$ 7,861,251
Operations and Maintenance Account	599,833	599,162
Debt Service Fund	626,548	615,665
Transportation Fund	350,442	325,911
Municipal Retirement Fund	196,106	196,945
Total Expenditures	9,340,272	9,598,934
Less Expenditures Not Applicable:		
Transportation fees	-	7,647
Summer school	6,573	2,869
Community services	19,793	26,601
Tuition paid	768,414	855,572
Capital Outlay:		
Educational Account	31,270	25,316
Operations and Maintenance Account	19,950	-
Non-Capitalized Equipment:		
Educational Account	14,144	66,616
Operations and Maintenance Account	4,687	-
Bond principal retired	425,000	450,000
Total Expenditures Not Applicable	1,289,831	1,434,621
Total Operating Expenditures	8,050,441	8,164,313
LESS OFFSETTING REVENUES:		
Transportation fees	5,691	5,349
Lunch programs	43,769	55,364
Student fees and charges	118,545	141,766
Operations and Maintenance Account - Rentals	61,650	46,310
State transportation aid	71,625	52,783
Bilingual education	15,565	7,831
Special education aid	200,662	135,483
Other grants in aid	206	1,983
Special education IDEA flow through	212,112	235,014
Other federal revenue received	177,820	178,432
Total Offsetting Revenues	907,645	860,315
Net Operating Expenditures	7,142,796	7,303,998
Net Allowable Depreciation	340,164	357,747
Total Charges Allowable for Tuition Computation	\$ 7,482,960	\$ 7,661,745
Average Daily Attendance *	604.58	654.09
Per Capita Operating Expenditure	\$ 13,315.76	\$ 12,481.94
Per Capita Tuition Charge	\$ 12,377.12	\$ 11,713.59

* 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, 2017

	Educational	Operations and Maintenance	Working Cash
REVENUES			
Local sources	\$ 6,175,308	\$ 773,045	\$ 21,771
State sources	4,192,076	-	-
Federal sources	389,932	-	-
Total Revenues	<u>10,757,316</u>	<u>773,045</u>	<u>21,771</u>
EXPENDITURES			
Instruction	8,049,744	-	-
Supporting services	2,381,277	599,833	-
Community services	19,793	-	-
Payments to other districts and governmental units	736,952	-	-
Debt service	-	-	-
Total Expenditures	<u>11,187,766</u>	<u>599,833</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(430,450)</u>	<u>173,212</u>	<u>21,771</u>
Other financing sources (uses):			
Transfers	<u>450,000</u>	<u>150,000</u>	<u>(600,000)</u>
Total other financing sources (uses)	<u>450,000</u>	<u>150,000</u>	<u>(600,000)</u>
Net changes in fund balances	19,550	323,212	(578,229)
Fund Balances, July 1, 2015	<u>150,372</u>	<u>259,334</u>	<u>3,411,115</u>
FUND BALANCES, JUNE 30, 2016	<u><u>\$ 169,922</u></u>	<u><u>\$ 582,546</u></u>	<u><u>\$ 2,832,886</u></u>

Transportation	Municipal Retirement/ Social Security	Debt Service	Total
\$ 322,245	\$ 237,130	\$ 634,009	\$ 8,163,508
71,625	-	-	4,263,701
-	-	-	389,932
393,870	237,130	634,009	12,817,141
-	86,860	-	8,136,604
350,442	109,246	-	3,440,798
-	-	-	19,793
-	-	-	736,952
-	-	626,548	626,548
350,442	196,106	626,548	12,960,695
43,428	41,024	7,461	(143,554)
-	-	-	-
-	-	-	-
43,428	41,024	7,461	(143,554)
36,720	119,050	125,143	4,101,734
\$ 80,148	\$ 160,074	\$ 132,604	\$ 3,958,180