

Rossville-Alvin Community Unit  
Rossville, Illinois

District No. 7

Annual Report

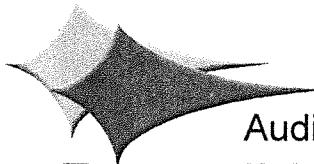
June 30, 2018

Russell Leigh & Associates LLC  
Certified Public Accountants  
228 E. Main Street  
Hoopeston, Illinois 60942

Rossville-Alvin Community Unit  
District No. 7

Table of Contents

<u>Item</u>	<u>Page No.</u>
Independent Auditor's Report	1, 1a
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting based on Audit of Financial Statements in accordance with Government Auditing Standards	2, 2a
Statement of Assets, Liabilities and Fund Balances Arising from Cash Transactions as of June 30, 2018 (All Funds)	3
Statement of Revenue Received, Expenditures Disbursed, Other Financing Sources (Uses) & Changes in Fund Balance for Year Ended June 30, 2018 (All Funds)	4
Budget - Basis Statement of Revenue Received, Expenditures Disbursed, Other Financing Sources (Uses) & Changes in Fund Balance-Budget & Actual for Year Ended June 30, 2018	5, 6
Statement of Revenue Received as of June 30, 2018	7, 8
Comparative Statement of Expenditures Disbursed as of June 30, 2018 & 2017:	
Education Fund	9 - 13
Operations and Maintenance Fund	14
Debt Service Fund	15
Transportation Fund	16
Municipal Retirement/Social Security Fund	17, 18
Capital Projects Fund	19
Tort Immunity Fund	20
Fire Prevention and Safety Fund	21
Notes to the Financial Statements	22 - 44
SUPPLEMENTAL DATA	
Summary of Balances for Activity Fund for Year Ended June 30, 2018	45



Audit / Tax / Consult

**Russell Leigh**

& Associates LLC • Certified Public Accountants

Independent Auditor's Report

Board of Education  
Rossville-Alvin Community Unit District No. 7  
Rossville, Illinois 60963

We have audited the accompanying financial statements of the Rossville-Alvin Community Unit District No. 7 as of and for the years ended June 30, 2018 and June 30, 2017, as listed in the Table of Contents, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

The School District administration is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Administration is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

**Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1C, these financial statements are prepared by Rossville-Alvin Community Unit District No. 7 on the basis of the financial reporting provisions of the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Illinois State Board of Education. They are intended to assure effective legislative and public oversight of school district financing and spending activities of accountable Illinois Public School Districts. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

-1-

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**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Rossville-Alvin Community Unit District No. 7, as of June 30, 2018 and June 30, 2017, or the changes in its financial position for the fiscal years then ended.

**Basis for Qualified Opinion on Regulatory Basis of Accounting**

Management has omitted disclosures required by Governmental Accounting Standards Board Statement 45 *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The amount by which this disclosure would affect the financial statements is not reasonably determinable.

**Qualified Opinion on Regulatory Basis of Accounting**

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets and liabilities arising from cash transactions of the funds and account groups of Rossville-Alvin Community Unit District No. 7 as of June 30, 2018 and June 30, 2017, and its revenues received and expenditures disbursed during the years then ended on the basis of the accounting described in Note 1 to these financial statements.

**Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

**Other Matters - Supplemental Information**

Our audit was conducted for the purpose of forming an opinion of the financial statements taken as a whole. The information provided on page 45 supplementary schedule is presented for the purposes of additional analysis and is not a required part of the financial statements of Rossville-Alvin Community Unit District No. 7. Such information has been subjected to auditing procedures applied in the audit of financial statements and certain additional procedures. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

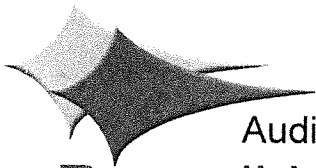
**Other Reporting Required By Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated October 10, 2018 on our consideration of Rossville-Alvin Community Unit District No. 7 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 testing or internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Russell Leigh & Associates LLC

Hoopeston, Illinois  
October 10, 2018



Audit / Tax / Consult

**Russell Leigh**

& Associates LLC • Certified Public Accountants

Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters based on an  
Audit of Financial Statements Performed in Accordance  
with Government Auditing Standards

Board of Education  
Rossville-Alvin Community Unit District No. 7  
Rossville, Illinois 60963

We have audited, 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, the accompanying financial statements of Rossville-Alvin Community Unit District No. 7 as of and for the fiscal years ended June 30, 2018 and 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 and have issued our report thereon dated October 10, 2018. Our opinion was adverse because the financial statements are not prepared in accordance with accounting principles generally accepted in the United States of America. However, the financial statements were found to be fairly stated, except for the effects of the omitted disclosures required by Governmental Accounting Standards Board Statement 45, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, on the modified cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Rossville-Alvin Community Unit District No. 7's internal control over financial reporting (internal control) in order to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of Rossville-Alvin Community Unit District No. 7's internal control. Accordingly, we do not express an opinion on the effectiveness of Rossville-Alvin Community Unit District No. 7's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of significant deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

-2-

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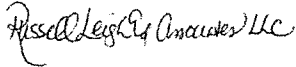
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, as defined above. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Rossville-Alvin Community Unit District No. 7's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Russell Leigh & Associates LLC

Hoopston, Illinois  
October 10, 2018

Rossville-Alvin Community Unit  
District No. 7

Statement of Assets, Liabilities and Fund Balance  
Arising from Cash Transactions (Regulatory Basis)  
As of June 30, 2018

ASSETS	Educa- tion	Oper. & Maint.	Debt Services	Transpor- tation	Municipal Retire.	Capital Projects	Working Cash	Total	Fire Prev & Safety	Trust & Agency	General Fixed Assets	General Long-Term Debt	Total Memorandum Only
Cash in Bank	1849175	390722	38762	171284	61477	7555	215250	65790	19553	33146	-0-	-0-	2852714
Investments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Imprest Fund	4027	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interfund Loan	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4027
Other	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Fixed Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6489627	-0-	-0-
Amount to be Provided for Retirement of General Long-Term Debt	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6489627
TOTAL ASSETS	1853202	390722	38762	171284	61477	7555	215250	65790	19553	33146	6489627	3246555	12592923
LIABILITIES & FUND BALANCE													
Current Liabilities													
Interfund Loan	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Due to Student Groups	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	33146	-0-	-0-	33146
Total Current Liabilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	33146	-0-	-0-	33146
Long-Term Liabilities													
Bonds Payable	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3246555	3246555
Total Long-Term Liabilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3246555	3246555
TOTAL LIABILITIES	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	33146	-0-	3246555	3279701
Fund Balance													
Investment in General													
Fixed Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6489627	-0-	6489627
Reserved	-0-	-0-	-0-	-0-	61477	-0-	-0-	-0-	-0-	-0-	-0-	-0-	61477
Unreserved	1853202	390722	38762	171284	-0-	7555	215250	65790	19553	-0-	-0-	-0-	2762118
TOTAL FUND BALANCE	1853202	390722	38762	171284	61477	7555	215250	65790	19553	-0-	6489627	-0-	9313222
TOTAL LIABILITIES & FUND BALANCE	1853202	390722	38762	171284	61477	7555	215250	65790	19553	33146	6489627	3246555	12592923

The accompanying notes are an integral part of this report.





Rossville-Alvin Community Unit  
District No. 7

Statement of Revenue Received, Expenditures Disbursed  
Other Financing Sources (Uses) & Changes in Fund Balance - Budget and Actual  
For Year Ended June 30, 2018

	Education		Oper. & Maintenance		Debt Services		Transportation		Municipal Retire.	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>REVENUE RECEIVED</b>										
Local Revenue	1389173	1416924	200684	220380	256852	255937	74974	74666	50302	54228
State Revenue	2035558	2005553	-0-	-0-	-0-	-0-	60000	112692	-0-	-0-
Federal Revenue	216861	243304	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
On-Behalf Revenue	500000	502534	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Flow-Through	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL REVENUE RECEIVED</b>	<b>4141592</b>	<b>4168315</b>	<b>200684</b>	<b>220380</b>	<b>256852</b>	<b>255937</b>	<b>134974</b>	<b>187358</b>	<b>50302</b>	<b>54228</b>
<b>EXPENDITURES DISBURSED</b>										
Instruction	1371867	1348178	-0-	-0-	-0-	-0-	-0-	-0-	38727	34719
Support Services	499181	465761	200585	185314	-0-	-0-	146460	283950	38530	44175
Community Services	2000	4426	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Payments to Other Districts & Government Units	1254287	1255989	78000	67367	-0-	-0-	5500	5277	19000	18506
On-Behalf Payments	500000	502534	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Debt Services	-0-	-0-	-0-	-0-	254468	256718	-0-	28710	-0-	-0-
Provision for Contingencies	15000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL EXPENDITURES DISBURSED</b>	<b>3642335</b>	<b>3576888</b>	<b>278585</b>	<b>252681</b>	<b>254468</b>	<b>256718</b>	<b>151960</b>	<b>317937</b>	<b>96257</b>	<b>97400</b>
Excess (Deficiency) of Revenue Received over Expenditures Disbursed	499257	591427	(77901)	(32301)	2384	(781)	(16986)	(130579)	(45955)	(43172)
<b>OTHER FINANCING SOURCES (USES)</b>										
Other Financing Sources	-0-	-0-	-0-	-0-	-0-	-0-	-0-	257980	-0-	-0-
Other Financing (Uses)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Total Other Financing Sources (Uses)</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>257980</b>	<b>-0-</b>	<b>-0-</b>
Excess (Deficiency) of Revenue Received & Other Financing Sources over Expenditures Disbursed & Other Financing Sources (Uses)	499257	591427	(77901)	(32301)	2384	(781)	(16986)	127401	(45955)	(43172)
Beginning Fund Balance	1261775	1261775	423023	423023	39543	39543	43883	43883	104649	104649
Ending Fund Balance	1761032	1853202	345122	390722	41927	38762	26897	171284	58694	61477

The accompanying notes are an integral part of this report.

Rossville-Alvin Community Unit  
District No. 7

Statement of Revenue Received, Expenditures Disbursed  
Other Financing Sources (Uses) & Changes in Fund Balance - Budget and Actual  
For Year Ended June 30, 2018

	<u>Capital Projects</u>		<u>Working Cash</u>		<u>Tort</u>		<u>Fire Prevention &amp; Safety</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<u>REVENUE RECEIVED</u>								
Local Revenue	-0-	22	19618	19180	240603	243843	18718	18624
State Revenue	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Federal Revenue	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
On-Behalf Revenue	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Flow-Through	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL REVENUE RECEIVED</u>	<u>-0-</u>	<u>22</u>	<u>19618</u>	<u>19180</u>	<u>240603</u>	<u>243843</u>	<u>18718</u>	<u>18624</u>
<u>EXPENDITURES DISBURSED</u>								
Instruction	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Support Services	-0-	-0-	-0-	-0-	260035	235116	11500	14195
Community Services	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Payments to Other Districts & Government Units	-0-	-0-	-0-	-0-	106000	105166	-0-	-0-
On-Behalf Payments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Debt Service	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Provision for Contingencies	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL EXPENDITURES DISBURSED</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>366035</u>	<u>340282</u>	<u>11500</u>	<u>14195</u>
Excess (Deficiency) of Revenue Received over Expenditures Disbursed	-0-	22	19618	19180	(125432)	(96439)	7218	4429
<u>OTHER FINANCING SOURCES (USES)</u>								
Other Financing Sources	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other Financing Uses	-0-	-0-	-0-	(83000)	-0-	-0-	-0-	-0-
Total Other Financing Sources Uses	-0-	-0-	-0-	(83000)	-0-	-0-	-0-	-0-
Excess (Deficiency) of Revenue Received & Other Financing Sources over Expenditures Disbursed & Other Financing Sources (Uses)	-0-	22	19618	(63820)	(125432)	(96439)	7218	4429
Beginning Fund Balance	7533	7533	279070	279070	162229	162229	15124	15124
Ending Fund Balance	7533	7555	298688	215250	36797	65790	22342	19553

The accompanying notes are an integral part of this report.

Rossville-Alvin Community Unit School  
District No. 7  
Statement of Revenue Received  
For the Fiscal Year Ended June 30, 2018

	<u>Education</u>	<u>Oper. &amp; Maint.</u>	<u>Debt Services</u>	<u>Transportation</u>	<u>Municipal Retirement</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort Immunity</u>	<u>Fire Prev &amp; Safety</u>	<u>Total Memo Only</u>
REVENUE RECEIVED										
From Local Sources:										
Ad Valorem Taxes Levied										
General Levy	1076290	185566	255551	74227	24919	-0-	18556	239206	18556	1892871
Leasing Purposes Levy	18556	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	18556
Special Education Levy	14845	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	14845
Social Security/Medicare Levy	-0-	-0-	-0-	-0-	24919	-0-	-0-	-0-	-0-	24919
Payments in Lieu of Taxes:										
Corporate Personal Property										
Replacement Taxes	87581	-0-	-0-	-0-	4116	-0-	-0-	-0-	-0-	91697
Other Payments in Lieu of Taxes	102350	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	102350
Interest on Investments	5129	1357	386	431	274	22	624	647	68	8938
Food Services:										
Sales to Pupils - Lunch	33705	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	33705
Sales to Pupils - Breakfast	3428	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3428
Sales to Pupils - Other	3716	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3716
Sales to Pupils - Adults	1823	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1823
Pupil Activities:										
Admissions - Athletic	4144	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4144
Fees	12104	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	12104
Other District Revenue	2630	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2630
Textbooks:										
Rentals-Regular Textbooks	6298	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6298
Rentals	-0-	500	-0-	-0-	-0-	-0-	-0-	-0-	-0-	500
Contributions/Donations from										
Private Sources	1450	20500	-0-	-0-	-0-	-0-	-0-	-0-	-0-	21950
Refund of Prior Year Expenditures	2131	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2131
Other Local Revenue	40744	12457	-0-	8	-0-	-0-	-0-	3990	-0-	57199
Total Revenue from Local Sources	1416924	220380	255937	74666	54228	22	19180	243843	18624	2303804

The accompanying notes are an integral part of this report.

Rossville-Alvin Community Unit School  
District No. 7  
Statement of Revenue Received  
For the Fiscal Year Ended June 30, 2018

	<u>Education</u>	<u>Oper. &amp; Maint.</u>	<u>Debt Services</u>	<u>Transportation</u>	<u>Municipal Retirement</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort Immunity</u>	<u>Fire Prev &amp; Safety</u>	<u>Total Memo Only</u>
From State Sources:										
Unrestricted Grants-in-Aid:										
Evidence Based Funding Formula	1750158	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1750158
Hold Harmless/Supplemental	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Restricted Grants-in-Aid:										
Special Education:										
Private Facility Tuition	159819	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	159819
Funding for Children requiring Sp Ed Services	27844	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	27844
Personnel	19673	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	19673
Orphanage - Individual	1242	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1242
State Free Lunch/Breakfast	1542	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1542
Transportation Aid:										
Regular	-0-	-0-	-0-	80670	-0-	-0-	-0-	-0-	-0-	80670
Special Education	-0-	-0-	-0-	32022	-0-	-0-	-0-	-0-	-0-	32022
Early Childhood - Block Grant	45275	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	45275
School Infrastructure - Maintenance Project	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Revenue from State Sources	<u>2005553</u>	<u>-0-</u>	<u>-0-</u>	<u>112692</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2118245</u>
From Federal Sources:										
Restricted Grants-in-Aid Received Directly from the Federal Government through the State:										
National School Lunch Program	76172	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	76172
School Breakfast Program	22444	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	22444
Title I:										
Low Income	76041	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	76041
Title IV - Safe and Drug Free Schools - Formula	9935	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	9935
Title II:										
Teacher Quality	19041	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	19041
Medicaid Matching Fund - Admin Outreach	322	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	322
Other Federal	<u>39349</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>39349</u>
Total Revenue from Federal Sources	<u>243304</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>243304</u>
Total Direct Revenue Received	<u>3665781</u>	<u>220380</u>	<u>255937</u>	<u>187358</u>	<u>54228</u>	<u>22</u>	<u>19180</u>	<u>243843</u>	<u>18624</u>	<u>4665353</u>

The accompanying notes are an integral part of this report.

Rossville-Alvin Community Unit School  
District No. 7  
Comparative Statement of Expenditures Disbursed  
(And Comparison with Budget)  
Education Fund  
For the Fiscal Year Ended June 30, 2018 and 2017

	2018 <u>Budget</u>	2018 <u>Actual</u>	(Over) Under <u>Budget</u>	2017 <u>Actual</u>
Expenditures Disbursed:				
Instruction:				
Regular Programs:				
Salaries	801131	783340	17791	836867
Employee Benefits	138607	159785	(21178)	159059
Purchased Services	18400	16774	1626	29238
Supplies and Materials	74725	60666	14059	45622
Capital Outlay	4000	-0-	4000	4000
Other Objects	<u>550</u>	<u>301</u>	<u>249</u>	<u>200</u>
Total Regular Programs	<u>1037413</u>	<u>1020866</u>	<u>16547</u>	<u>1074986</u>
Pre-K Programs:				
Salaries	54836	58220	(3384)	49409
Employee Benefits	4285	5197	(912)	10222
Purchased Services	300	-0-	300	18
Supplies and Materials	<u>1450</u>	<u>1323</u>	<u>127</u>	<u>712</u>
Total Pre-K Programs	<u>60871</u>	<u>64740</u>	<u>(3869)</u>	<u>60361</u>
Special Education Programs:				
Salaries	143287	149392	(6105)	117532
Employee Benefits	6753	5605	1148	15070
Supplies and Materials	2700	1464	1236	2611
Other Objects	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Special Education Programs	<u>152740</u>	<u>156461</u>	<u>(3721)</u>	<u>135213</u>
Remedial and Supplemental Programs K-12:				
Salaries	52787	52627	160	51752
Employee Benefits	17000	22196	(5196)	29661
Purchased Services	17609	5908	11701	6469
Supplies and Materials	5000	340	4660	3203
Capital Outlay	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Remedial and Supplemental Programs K-12	<u>92396</u>	<u>81071</u>	<u>11325</u>	<u>91085</u>
Interscholastic Programs:				
Salaries	15297	15176	121	16677
Purchased Services	5000	4195	805	2676
Supplies and Materials	2250	2272	(22)	837
Capital Outlay	4000	2015	1985	4000
Other Objects	<u>1900</u>	<u>1382</u>	<u>518</u>	<u>600</u>
Total Interscholastic Programs	<u>28447</u>	<u>25040</u>	<u>3407</u>	<u>24790</u>
TOTAL INSTRUCTION	<u>1371867</u>	<u>1348178</u>	<u>23689</u>	<u>1386435</u>

The accompanying notes are an integral part of this report.

Rossville-Alvin Community Unit School  
District No. 7  
Comparative Statement of Expenditures Disbursed  
(And Comparison with Budget)  
Education Fund  
For the Fiscal Year Ended June 30, 2018 and 2017

	2018 <u>Budget</u>	2018 <u>Actual</u>	(Over) Under <u>Budget</u>	2017 <u>Actual</u>
Support Services:				
Health Services:				
Purchased Services	-0-	-0-	-0-	-0-
Supplies and Materials	<u>300</u>	<u>84</u>	<u>216</u>	<u>100</u>
Total Health Services	<u>300</u>	<u>84</u>	<u>216</u>	<u>100</u>
Other Support Services - Pupils:				
Salaries	4450	3741	709	2358
Purchased Services	3000	58	2942	2833
Supplies and Materials	500	288	212	500
Other Objects	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Other Support Services - Pupils	<u>7950</u>	<u>4087</u>	<u>3863</u>	<u>5691</u>
TOTAL SUPPORT SERVICES - PUPILS	<u>8250</u>	<u>4171</u>	<u>4079</u>	<u>5791</u>
Improvement of Instruction Services:				
Purchased Services	24569	17197	7372	14740
Capital Outlay	<u>20000</u>	<u>4888</u>	<u>15112</u>	<u>26000</u>
Total Improvement of Instruction Services	<u>44569</u>	<u>22085</u>	<u>22484</u>	<u>40740</u>
Support Services - Instructional Staff:				
Educational Media Services:				
Supplies and Materials	13500	9139	4361	2764
Capital Outlay	<u>4701</u>	<u>-0-</u>	<u>4701</u>	<u>-0-</u>
Total Educational Media Services	<u>18201</u>	<u>9139</u>	<u>9062</u>	<u>2764</u>
Assessment and Testing:				
Supplies and Materials	<u>7000</u>	<u>7768</u>	<u>(768)</u>	<u>3700</u>
Total Assessment and Testing	<u>7000</u>	<u>7768</u>	<u>(768)</u>	<u>3700</u>
TOTAL SUPPORT SERVICES - INSTRUCTIONAL STAFF	<u>69770</u>	<u>38992</u>	<u>30778</u>	<u>47204</u>
Support Services - General Administration:				
Board of Education Services:				
Salaries	3000	2000	1000	1500
Employee Benefits	7000	14642	(7642)	4000
Purchased Services	17600	13434	4166	9965
Supplies and Materials	6700	3782	2918	5787
Other Objects	<u>8000</u>	<u>9817</u>	<u>(1817)</u>	<u>13065</u>
Total Board of Education Services	<u>42300</u>	<u>43675</u>	<u>(1375)</u>	<u>34317</u>

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Rossville-Alvin Community Unit School  
District No. 7  
Comparative Statement of Expenditures Disbursed  
(And Comparison with Budget)  
Education Fund  
For the Fiscal Year Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2018</u>	<u>(Over) Under</u>	<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Executive Administration Services:				
Salaries	39128	36967	2161	26035
Employees Benefits	4631	4117	514	2881
Purchased Services	200	-0-	200	-0-
Supplies and Materials	500	-0-	500	-0-
Capital Outlay	1000	-0-	1000	-0-
Other Objects	<u>3000</u>	<u>2612</u>	<u>388</u>	<u>2975</u>
Total Executive Administration Services	<u>48459</u>	<u>43696</u>	<u>4763</u>	<u>31891</u>
Special Area Administration Services:				
Salaries	33150	34675	(1525)	23750
Employee Benefits	5944	8229	(2285)	5621
Purchased Services	1000	-0-	1000	800
Supplies	-0-	-0-	-0-	1015
Other Objects	<u>1050</u>	<u>1001</u>	<u>49</u>	<u>-0-</u>
Total Special Area Administration Services	<u>41144</u>	<u>43905</u>	<u>(2761)</u>	<u>31186</u>
TOTAL SUPPORT SERVICES - GENERAL ADMINISTRATION	<u>131903</u>	<u>131276</u>	<u>627</u>	<u>97394</u>
Support Services - School Administration:				
Office of the Principal Services:				
Salaries	72392	77469	(5077)	92610
Employee Benefits	8215	8562	(347)	10455
Purchased Services	2100	1863	237	1000
Supplies and Materials	41500	31657	9843	29918
Capital Outlay	1000	1000	-0-	-0-
Other Objects	<u>1300</u>	<u>1094</u>	<u>206</u>	<u>477</u>
Total Office of the Principal Services	<u>126507</u>	<u>121645</u>	<u>4862</u>	<u>134460</u>
TOTAL SUPPORT SERVICES - SCHOOL ADMINISTRATION	<u>126507</u>	<u>121645</u>	<u>4862</u>	<u>134460</u>
Support Services - Business				
Fiscal Services:				
Salaries	38840	38840	-0-	36475
Employee Benefits	40	48	(8)	832
Purchased Services	-0-	-0-	-0-	-0-
Supplies and Materials	4800	14380	(9580)	2200
Capital Outlay	<u>500</u>	<u>500</u>	<u>-0-</u>	<u>-0-</u>
Total Fiscal Services	<u>44180</u>	<u>53768</u>	<u>(9588)</u>	<u>39507</u>

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Rossville-Alvin Community Unit School  
District No. 7  
Comparative Statement of Expenditures Disbursed  
(And Comparison with Budget)  
Education Fund  
For the Fiscal Year Ended June 30, 2018 and 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>(Over) Under</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>
Operations and Maintenance of Plant Services:				
Salaries	-0-	93	(93)	-0-
Employee Benefits	-0-	-0-	-0-	-0-
Purchased Services	<u>-0-</u>	<u>354</u>	<u>(354)</u>	<u>-0-</u>
Total Operations and Maintenance of Plant Services	<u>-0-</u>	<u>447</u>	<u>(447)</u>	<u>-0-</u>
Food Services:				
Salaries	33919	34304	(385)	38457
Employee Benefits	52	65	(13)	60
Purchased Services	2200	2178	22	384
Supplies and Materials	78400	76379	2021	76482
Capital Outlay	2800	1072	1728	2700
Other Objects	<u>1200</u>	<u>1464</u>	<u>(264)</u>	<u>1493</u>
Total Food Services	<u>118571</u>	<u>115462</u>	<u>3109</u>	<u>119516</u>
TOTAL SUPPORT SERVICES - BUSINESS	<u>162751</u>	<u>169677</u>	<u>(6926)</u>	<u>159083</u>
Total Support Services	<u>499181</u>	<u>465761</u>	<u>33420</u>	<u>443932</u>
Community Services:				
Salaries	2000	977	1023	1375
Purchased Services	-0-	3449	(3449)	1375
Capital Outlay	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Community Services	<u>2000</u>	<u>4426</u>	<u>(2426)</u>	<u>2750</u>
Payments to Other Districts and Governmental Units:				
Payments to Other Districts and Governmental Units (In-State):				
Payments to Regular Programs:				
Other Objects	<u>880000</u>	<u>803032</u>	<u>76968</u>	<u>940056</u>
Total Payments to Regular Programs	<u>880000</u>	<u>803032</u>	<u>76968</u>	<u>940056</u>
Payments for Special Education Programs:				
Other Objects	<u>71747</u>	<u>106906</u>	<u>(35159)</u>	<u>147472</u>
Total Payments for Special Education	<u>71747</u>	<u>106906</u>	<u>(35159)</u>	<u>147472</u>
Payments for CTE Programs:				
Other Objects	<u>1300</u>	<u>838</u>	<u>462</u>	<u>859</u>
Total Payments for CTE Programs	<u>1300</u>	<u>838</u>	<u>462</u>	<u>859</u>

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Rossville-Alvin Community Unit School  
District No. 7  
Comparative Statement of Expenditures Disbursed  
(And Comparison with Budget)  
Education Fund  
For the Fiscal Year Ended June 30, 2018 and 2017

	2018 <u>Budget</u>	2018 <u>Actual</u>	(Over) Under <u>Budget</u>	2017 <u>Actual</u>
Other Payments to In-State Governmental Units:				
Purchased Services	<u>1240</u>	<u>1096</u>	<u>144</u>	<u>1220</u>
Total Other Payments to In-State Governmental Units	<u>1240</u>	<u>1096</u>	<u>144</u>	<u>1220</u>
Total Payments to Other Governmental Units (In-State)	<u>954287</u>	<u>911872</u>	<u>42415</u>	<u>1089607</u>
Payments for Special Education Programs - Tuition:				
Other Objects	<u>300000</u>	<u>344117</u>	<u>(44117)</u>	<u>295538</u>
Total Payments for Special Education Programs - Tuition	<u>300000</u>	<u>344117</u>	<u>(44117)</u>	<u>295538</u>
TOTAL PAYMENTS TO OTHER DISTRICTS AND GOVERNMENTAL UNITS	1254287	1255989	(1702)	1385145
Provision for Contingencies	<u>15000</u>	<u>-0-</u>	<u>15000</u>	<u>-0-</u>
Total Direct Expenditures Disbursed	<u><u>3142335</u></u>	<u><u>3074354</u></u>	<u><u>67981</u></u>	<u><u>3218262</u></u>

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Rossville-Alvin Community Unit School  
District No. 7  
Comparative Statement of Expenditures Disbursed  
(And Comparison with Budget)  
Operations and Maintenance Fund  
For the Fiscal Year Ended June 30, 2018 and 2017

	2018 <u>Budget</u>	2018 <u>Actual</u>	(Over) Under <u>Budget</u>	2017 <u>Actual</u>
Expenditures Disbursed:				
Support Services:				
Operations and Maintenance of Plant Services:				
Salaries	55532	55166	366	40312
Employee Benefits	1228	2284	(1056)	1415
Purchased Services	86825	82764	4061	64336
Supplies and Materials	47000	35175	11825	35037
Capital Outlay	10000	9925	75	-0-
Other Objects	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL OPERATIONS AND MAINTENANCE OF PLANT SERVICES	<u>200585</u>	<u>185314</u>	<u>15271</u>	<u>141100</u>
Payments to Other Districts and Governmental Units:				
Payments to Other Districts and Governmental Units (In-State):				
Payments for Regular Programs:				
Other Objects	<u>78000</u>	<u>67367</u>	<u>10633</u>	<u>-0-</u>
TOTAL PAYMENTS TO OTHER DISTRICTS AND GOVERNMENTAL UNITS (IN-STATE)	<u>78000</u>	<u>67367</u>	<u>10633</u>	<u>-0-</u>
TOTAL PAYMENTS TO OTHER DISTRICTS AND GOVERNMENTAL UNITS	<u>78000</u>	<u>67367</u>	<u>10633</u>	<u>-0-</u>
Total Expenditures Disbursed	<u>278585</u>	<u>252681</u>	<u>25904</u>	<u>141100</u>

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Rossville-Alvin Community Unit School  
District No. 7  
Comparative Statement of Expenditures Disbursed  
(And Comparison with Budget)  
Debt Services Fund  
For the Fiscal Year Ended June 30, 2018 and 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>(Over) Under</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>
Expenditures Disbursed:				
Debt Service - Interest on				
Long-Term Debt	135000	116400	18600	119150
Debt Service - Bond Principal	119468	140000	(20532)	135000
Debt Service - Other Objects	<u>-0-</u>	<u>318</u>	<u>(318)</u>	<u>318</u>
TOTAL DEBT SERVICE	<u>254468</u>	<u>256718</u>	<u>(2250)</u>	<u>254468</u>
Total Expenditures Disbursed	<u>254468</u>	<u>256718</u>	<u>(2250)</u>	<u>254468</u>

The accompanying notes are an integral part of this report.

Rossville-Alvin Community Unit School  
District No. 7  
Comparative Statement of Expenditures Disbursed  
(And Comparison with Budget)  
Transportation Fund  
For the Fiscal Year Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2018</u>	<u>(Over) Under</u>	<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Expenditures Disbursed:				
Support Services:				
Pupil Transportation Services:				
Salaries	73579	73422	157	75123
Employee Benefits	9571	13469	(3898)	7472
Purchased Services	9300	3658	5642	6850
Supplies and Materials	24000	17745	6255	20270
Capital Outlay	28710	174980	(146270)	123872
Other Objects	<u>1300</u>	<u>676</u>	<u>624</u>	<u>10559</u>
TOTAL PUPIL TRANSPORTATION SERVICES	<u>146460</u>	<u>283950</u>	<u>(137490)</u>	<u>244146</u>
Payments to Other Districts and Governmental Units:				
Payments to Other Districts and Governmental Units (In-State):				
Payments for Regular Programs:				
Other Objects	<u>5500</u>	<u>5277</u>	<u>223</u>	<u>-0-</u>
TOTAL PAYMENTS TO OTHER DISTRICTS AND GOVERNMENTAL UNITS (IN-STATE)	<u>5500</u>	<u>5277</u>	<u>223</u>	<u>-0-</u>
TOTAL PAYMENTS TO OTHER DISTRICTS AND GOVERNMENTAL UNITS	<u>5500</u>	<u>5277</u>	<u>223</u>	<u>-0-</u>
Debt Services:				
Debt Service - Interest on Long-Term Debt	-0-	285	(285)	-0-
Debt Service - Payments on Principal on Long-Term Debt	<u>-0-</u>	<u>28425</u>	<u>(28425)</u>	<u>-0-</u>
TOTAL DEBT SERVICE	<u>-0-</u>	<u>28710</u>	<u>(28710)</u>	<u>-0-</u>
Total Expenditures Disbursed	<u>151960</u>	<u>317937</u>	<u>(165977)</u>	<u>244146</u>

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Rossville-Alvin Community Unit School  
District No. 7  
Comparative Statement of Expenditures Disbursed  
(And Comparison with Budget)  
Municipal Retirement/Social Security Fund  
For the Fiscal Year Ended June 30, 2018 and 2017

	2018 <u>Budget</u>	2018 <u>Actual</u>	(Over) Under <u>Budget</u>	2017 <u>Actual</u>
Expenditures Disbursed:				
Instruction:				
Regular Programs:				
Employee Benefits	21000	20320	680	13103
Pre-K Programs:				
Employee Benefits	3231	3027	204	3117
Special Education Programs:				
Employee Benefits	13488	10452	3036	10503
Remedial and Supplemental Programs - K-12:				
Employee Benefits	766	712	54	706
Interscholastic Programs:				
Employee Benefits	<u>242</u>	<u>208</u>	<u>34</u>	<u>377</u>
TOTAL INSTRUCTION	<u>38727</u>	<u>34719</u>	<u>4008</u>	<u>27806</u>
Support Services:				
Support Services - Pupils				
Other Support Services:				
Employee Benefits	<u>119</u>	<u>14</u>	<u>105</u>	<u>114</u>
TOTAL SUPPORT SERVICES - PUPILS	<u>119</u>	<u>14</u>	<u>105</u>	<u>114</u>
Support Services - Instructional Staff:				
Improvement of Instruction Services:				
Employee Benefits	<u>-0-</u>	<u>3738</u>	<u>(3738)</u>	<u>23</u>
TOTAL SUPPORT SERVICES - INSTRUCTIONAL STAFF	<u>-0-</u>	<u>3738</u>	<u>(3738)</u>	<u>23</u>
Support Services - General Administration				
Board of Education Services:				
Employee Benefits	-0-	-0-	-0-	-0-
Executive Administration Services:				
Employee Benefits	-0-	757	(757)	543
Special Area Administrative Services:				
Employee Benefits	702	498	204	344
Educational Inspectional Supervisory Services Related to Loss Prevention or Reduction:				
Employee Benefits	<u>-0-</u>	<u>4219</u>	<u>(4219)</u>	<u>1418</u>
TOTAL SUPPORT SERVICES - GENERAL ADMINISTRATION	<u>702</u>	<u>5474</u>	<u>(4772)</u>	<u>2305</u>
Support Services - School Administration:				
Office of the Principal Services:				
Employee Benefits	<u>3552</u>	<u>3955</u>	<u>(403)</u>	<u>5248</u>
TOTAL SUPPORT SERVICES - SCHOOL ADMINISTRATION	<u>3552</u>	<u>3955</u>	<u>(403)</u>	<u>5248</u>

The accompanying notes are an integral part of this report.

Rossville-Alvin Community Unit School  
District No. 7  
Comparative Statement of Expenditures Disbursed  
(And Comparison with Budget)  
Municipal Retirement/Social Security Fund  
For the Fiscal Year Ended June 30, 2018 and 2017

	2018 <u>Budget</u>	2018 <u>Actual</u>	(Over) Under <u>Budget</u>	2017 <u>Actual</u>
Support Services - Business:				
Fiscal Services:				
Employee Benefits	5569	5413	156	5480
Operations and Maintenance of				
Plant Services:				
Employee Benefits	8487	10593	(2106)	6672
Pupil Transportation Services:				
Employee Benefits	12875	9761	3114	10892
Food Services:				
Employee Benefits	<u>7226</u>	<u>5227</u>	<u>1999</u>	<u>6891</u>
TOTAL SUPPORT SERVICES - BUSINESS	<u>34157</u>	<u>30994</u>	<u>3163</u>	<u>29936</u>
Total Support Services	<u>38530</u>	<u>44175</u>	<u>(5645)</u>	<u>37626</u>
Payments to Other Districts and Other Governmental Units:				
Payments for Regular Programs:				
Employee Benefits	<u>19000</u>	<u>18506</u>	<u>494</u>	<u>-0-</u>
TOTAL PAYMENTS TO OTHER DISTRICTS AND GOVERNMENTAL UNITS	<u>19000</u>	<u>18506</u>	<u>494</u>	<u>-0-</u>
Total Expenditures Disbursed	<u><u>96257</u></u>	<u><u>97400</u></u>	<u><u>(1143)</u></u>	<u><u>65432</u></u>

The accompanying notes are an integral part of this report.

Rossville-Alvin Community Unit School  
District No. 7  
Comparative Statement of Expenditures Disbursed  
(And Comparison with Budget)  
Capital Projects Fund  
For the Fiscal Year Ended June 30, 2018 and 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>(Over) Under</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>
Expenditures Disbursed:				
Support Services:				
Support Services - Business:				
Facilities Acquisition and				
Construction Services:				
Purchased Services	-0-	-0-	-0-	-0-
Capital Outlay	-0-	-0-	-0-	-0-
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL FACILITIES ACQUISITION AND				
CONSTRUCTION SERVICES	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Expenditures Disbursed	<u><u>-0-</u></u>	<u><u>-0-</u></u>	<u><u>-0-</u></u>	<u><u>-0-</u></u>

The accompanying notes are an integral part of this report.

Rossville-Alvin Community Unit School  
District No. 7  
Comparative Statement of Expenditures Disbursed  
(And Comparison with Budget)  
Tort Immunity Fund  
For the Fiscal Year Ended June 30, 2018 and 2017

	2018	2018	(Over) Under	2017
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Expenditures Disbursed:				
Support Services - General				
Administration:				
Workers Compensation:				
Purchased Services	17435	17409	26	-0-
Unemployment Insurance Payments:				
Salaries	-0-	-0-	-0-	1354
Employee Benefits	3000	-0-	3000	-0-
Purchased Services	-0-	414	(414)	-0-
Insurance Payments:				
Employee Benefits	21220	-0-	21220	-0-
Purchased Services	-0-	24107	(24107)	-0-
Educational, Inspectional, Supervising Services Related to Loss Prevention or Reduction:				
Salaries	46703	147265	(100562)	151504
Employee Benefits	9177	19631	(10454)	15777
Purchased Services	31500	10029	21471	64896
Other Objects	106000	-0-	106000	-0-
Legal Services:				
Purchased Services	<u>25000</u>	<u>16261</u>	<u>8739</u>	<u>7963</u>
TOTAL SUPPORT SERVICES - GENERAL	<u>260035</u>	<u>235116</u>	<u>24919</u>	<u>241494</u>
Payments to Other Districts and Governmental Units:				
Payments for Regular Programs:				
Other Objects	<u>106000</u>	<u>105166</u>	<u>834</u>	<u>-0-</u>
TOTAL PAYMENTS TO OTHER DISTRICTS AND GOVERNMENTAL UNITS	<u>106000</u>	<u>105166</u>	<u>834</u>	<u>-0-</u>
Total Expenditures Disbursed	<u><u>366035</u></u>	<u><u>340282</u></u>	<u><u>25753</u></u>	<u><u>241494</u></u>

The accompanying notes are an integral part of this report.



Rossville-Alvin Community Unit School  
District No. 7  
Comparative Statement of Expenditures Disbursed  
(And Comparison with Budget)  
Fire Prevention and Safety Fund  
For the Fiscal Year Ended June 30, 2018 and 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>(Over) Under</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>
Expenditures Disbursed:				
Support Services:				
Support Services - Business:				
Facilities Acquisition and				
Construction Services:				
Purchased Services	-0-	-0-	-0-	6504
Supplies and Materials	-0-	-0-	-0-	-0-
Capital Outlay	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Facilities Acquisition &				
Construction Services	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>6504</u>
Operations and Maintenance of				
Plant Services:				
Purchased Services	6500	9195	(2695)	-0-
Capital Outlay	<u>5000</u>	<u>5000</u>	<u>-0-</u>	<u>4120</u>
Total Operations and Maintenance of				
Plant Services	<u>11500</u>	<u>14195</u>	<u>(2695)</u>	<u>4120</u>
TOTAL SUPPORT SERVICES	<u>11500</u>	<u>14195</u>	<u>(2695)</u>	<u>10624</u>
Payments to Other Districts &				
Government Units:				
Other Payments to In-State				
Government Units:				
Other Objects	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>20380</u>
Total Payments to Other Districts &				
Government Units	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>20380</u>
Total Expenditures Disbursed	<u>11500</u>	<u>14195</u>	<u>(2695)</u>	<u>31004</u>

The accompanying notes are an integral part of this report.

Rossville-Alvin Community Unit No. 7  
Notes to the Financial Statements  
Year Ended June 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The district's accounting policies conform to the cash basis of accounting as defined by the Illinois State Board of Education Audit Guide.

In June 1999, the Government Accounting Standards Board (GASB) issued *Statement 34 Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. The Statement establishes new financial reporting requirements for state and local governments throughout the United States. Implementation was required for fiscal year ending June 30, 2004. The district elected not to implement GASB 34. Instead, the district adopted a regulatory basis of accounting as prescribed by the Illinois State Board of Education.

(A) Principles Used to Determine the Scope of the Reporting Entity

The district's reporting entity includes the district's governing board and all related organizations for which the district exercises oversight responsibility.

The district has developed criteria to determine whether outside agencies with activities which benefit the citizens of the district, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the district exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service and special financing relationships.

The joint agreements have been determined not to be part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the district does not control the assets, operations or management of the joint agreements. In addition, the district is not aware of any entity which would exercise such oversight as to result in the district being considered a component unit of the entity.

(B) Basis of Presentation - Fund Accounting

The accounts of the district are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities (arising from cash transactions), fund balance, revenue received and expenditures disbursed.

The district maintains individual funds required by the State of Illinois. The various funds are summarized by type in the financial statements. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types and account groups are used by the district:

**GOVERNMENTAL FUND TYPES**

Governmental Funds are those through which most governmental functions of the district are financed. The acquisition, use and balances of the district's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through governmental funds.

The General Fund, which consists of the Education Fund and the Operations and Maintenance Fund, is the general operating fund of the district. It is used to account for all financial resources except those required to be accounted for in another fund. Special Education is included in the Education Fund.

Special Revenue Funds, which includes the Transportation Fund, the Illinois Municipal Retirement/Social Security Fund and the Tort Fund, are used to account for cash received from specified sources (other than those accounted for in the Debt Service Fund, Capital Project Funds or Fiduciary Funds) that are legally restricted to cash disbursements for specified purposes.

The Expendable Trust Fund (Working Cash Fund) accounts for financial resources held by the district to be used for temporary interfund loans to other funds.

The Debt Service Fund accounts for the accumulation of resources for, and the payment of general long term debt principal, interest and related costs.

The Capital Projects Fund (Fire Prevention and Safety Fund) accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Trust Funds).

**FIDUCIARY FUND TYPES**

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

The Agency Funds include the Student Activity Funds, which account for assets held by the district as an agent for the students, teachers and other entities. These funds are custodial in nature and do not involve the measurement of the results of operations. The amount due to the activity fund organizations are equal to the assets.

**GOVERNMENTAL AND EXPENDABLE TRUST FUNDS - MEASUREMENT FOCUS**

The financial statements of all Governmental Funds and Expendable Trust Funds focus on the measurement of spending or "financial flow" and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

**GENERAL FIXED ASSETS AND GENERAL LONG-TERM DEBT ACCOUNT GROUP**

No depreciation has been provided on fixed assets. Accumulated depreciation totaling \$3,046,005 has been reported on the Illinois Local Education Agency annual financial report. The depreciation methods used are straight-line over the lives that were set by the Illinois State Board of Education are as follows:

Land	N/A
Buildings & Improvements	50
Improvements other than buildings	20
Equipment	3 - 10

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. The district capitalizes all assets over \$5000. The district uses the estimate useful lives that is set up by the Illinois State Board of Education in the annual report.

The district records purchases of property and equipment as expenditures of various funds when paid.

Long-Term Liabilities expected to be financed from Debt Service Funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. Proceeds from sales of bonds are included as receipts in the appropriate fund on the date received. Related principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

(C) Basis of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported in the financial statements. The district maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from sale of bonds are included as Other Financing Sources in the appropriate fund on the date received. Related bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

(D) Budgets and Budgetary Accounting

The budget for all Governmental Fund Types and for the Expendable Trust Fund is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5, Paragraph 17.1 of the Illinois Revised Statutes. The budget was passed on September 14, 2017, and amended on June 14, 2018.

For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The district follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to August 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures disbursed and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.

4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

(E) Investments

Investments are stated at the lower of cost or market. The district has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

(F) Inventory

Inventory consists of expendable supplies held for consumption. The amount of inventory was not considered material and therefore, no value was placed on it.

(G) Total Memorandum Only

The "Total Memorandum Only" column represents the aggregation (by addition) of the line item amounts reported for each fund type and account group. No consolidating or other eliminations were made in arriving at the totals; thus they do not present consolidated information.

These totals are presented only to facilitate financial analysis and are not intended to reflect the financial position or results of operations of the district as a whole.

(H) Prior Year Financial Information

Prior year financial information is presented on the Combined and Combining Financial Statements for financial analysis only. Prior year statements were audited by our firm with the opinion dated November 10, 2017.

2. PROPERTY TAXES

The district's property tax is levied each year on all taxable real property located in the district on or before the last Tuesday in December. The levy was passed by the Board on December 14, 2017. Property taxes attach as an enforceable lien on property as of June 1 and are payable in two installments on June 1 and September 1. The district receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded in these financial statements are from 2016 and prior year levies.

The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per \$100.00 of assessed valuation:

	<u>Limit</u>	<u>Actual 2017 Levy</u>	<u>Actual 2016 Levy</u>
Education	2.90	2.90000	2.90000
Tort Immunity	As Needed	.95919	.64453
Special Education	.0400	.04000	.04000
Building	.5000	.50000	.50000
Transportation	.2000	.20000	.20000
Municipal Retirement	As Needed	.02598	.06714
Bond & Interest	As Needed	.67169	.68857
Working Cash	.0500	.05000	.05000
Fire Prevention & Safety	.0500	.05000	.05000
Leasing	.0500	.05000	.05000
Social Security	As Needed	.10392	.06714
		<u>5.55078</u>	<u>5.25738</u>

3. SPECIAL TAX LEVIES AND RESTRICTED EQUITY

- (A) Leasing/Tech Levy  
Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Education Fund. None of this fund's equity represents the excess of cumulative receipts over cumulative disbursements, which is restricted for future leasing/tech levy disbursements in accordance with Chapter 85, Paragraph 9-101 to 9-107 of the Illinois Revised Statutes.
- (B) Special Education  
Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Education Fund.
- (C) Municipal Retirement  
Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. A portion, \$88,515, of this fund's equity represents the excess of cumulative receipts over cumulative disbursements, which is restricted for Municipal Retirement levy disbursements in accordance with Chapter 85, Paragraph 9-101 to 9-107 of the Illinois Revised Statutes.

4. CASH AND INVESTMENTS

As of June 30, 2018, the district had the following cash deposits and investments:

Cash deposits with local financial institutions	<u>\$ 2,868,913</u>
Total Cash and Investments	<u>\$ 2,868,913</u>

Investments Authorized by *Illinois Compiled Statutes* and the District's Investment Policy:

The district is allowed to invest in securities as authorized by Chapter 30 Section ILCS 235/2, 235/5 and 105 ILCS 5/8-7 of the *Illinois Compiled Statutes*. The district's investment policy is consistent with the *Illinois Compiled Statutes*.

Disclosures Relating to Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the investment maturity, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the district manages its exposure to interest rate risk is by limiting its purchases of long term investments. At June 30, 2018, the district's investments were deposits in financial institutions. All deposits are demand or term deposits or government security investments with maturities less than thirteen months.

Disclosures Relating to Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The district's deposits with financial institutions are not subject to credit risk rating.

Concentration of Credit Risk:

The investment policy of the district contains no limitations on the amount that can be invested in any one issuer. Deposits with financial institutions are exempt from the 5% investment in any one issuer disclosure.

**Custodial Credit Risk:**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. *Illinois Compiled Statutes* do not contain requirements that would limit the exposure to custodial credit risk for deposits. However, the district's investment policy requires that all amounts deposited or invested with financial institutions in excess of any insurance limit be collateralized by securities held by the district in the district's name.

The district's deposits with financial institutions were not fully collateralized during the year. The deposits with Iroquois Federal were not collateralized beyond the FDIC limit of \$250,000 by \$1,702,948.

**Foreign Currency Risk:**

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair values of an investment or deposit. None of the district's investments are directly subject to foreign currency risk.

5. CHANGES IN GENERAL FIXED ASSETS

	Balance 7/01/17	Additions	Deletions	Balance 6/30/18	Accum. Depr.	Book Value
Land	\$ 15,000	\$ -0-	\$ -0-	\$ 15,000	\$ -0-	\$ 15,000
Buildings	973,156	-0-	-0-	973,156	737,813	235,343
Other Improvements	3,892,842	-0-	-0-	3,892,842	1,172,643	2,720,199
Other Equipment	769,715	19,400	-0-	789,115	716,804	72,311
Transportation	<u>644,534</u>	<u>174,980</u>	<u>-0-</u>	<u>819,514</u>	<u>418,745</u>	<u>400,769</u>
Total General Fixed Assets	<u>\$ 6,295,247</u>	<u>\$ 194,380</u>	<u>\$ -0-</u>	<u>\$ 6,489,627</u>	<u>\$ 3,046,005</u>	<u>\$ 3,443,622</u>

6. RETIREMENT PLANS

(A) Illinois Teachers Retirement System  
**General Information about the Pension Plan**

**Plan Description**

The employer 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.

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

**Benefits Provided**

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

Tier 2 members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier 2 annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

### **Contributions**

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

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

**On behalf contributions to TRS.** The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2018, state of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$502,534 in pension contributions from the state of Illinois.

**2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2018, were \$7,225, and are deferred because they were paid after the June 30, 2017 measurement date.

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

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$62,257 were paid from federal and special trust funds that required employer contributions of \$6,288. These contributions are deferred because they were paid after the June 30, 2017 measurement date.



**Employer retirement cost contributions.** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the employer paid \$-0- to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6 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, 2018, the employer paid \$-0- to TRS for employer contributions due on salary increases in excess of 6 percent and \$-0- 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, 2018, the employer 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 employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer follows below:

Employer's proportionate share of the net pension liability	\$ 658,856
State's proportionate share of the net pension liability associated with the employer	<u>5,106,263</u>
<b>Total</b>	<b><u>\$ 5,765,119</u></b>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2017, the employer's proportion was 0.0008623978 percent, which was an increase of .00006133 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the employer recognized pension expense of \$502,534 and revenue of \$502,534 for support provided by the state. At June 30, 2018, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,156	\$ 304
Net difference between projected and actual earnings on pension plan investments	452	-0-
Changes of assumptions	43,974	18,932
Changes in proportion and differences between employer contributions and proportionate share of contributions	91,631	35,766
Employer contributions subsequent to the measurement date	<u>-0-</u>	<u>-0-</u>
<b>Total</b>	<b><u>\$ 143,213</u></b>	<b><u>\$ 55,002</u></b>

\$88,211 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2019	\$ 26,195
2020	22,123
2021	33,244
2022	6,016
2023	633

#### **Actuarial Assumptions**

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real 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
<b>Total</b>	<u>100%</u>	

#### **Discount Rate**

At June 30, 2017, the discount rate used to measure the total pension liability was a blended rate of 7.00 percent, which was a change from the June 30, 2016 rate of 6.83 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2017 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier 1's liability is partially-funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier 2 were not sufficient to cover all projected benefit payments.

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$ 809,490	\$ 658,856	\$ 535,474

**TRS Fiduciary Net Position**

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

**Payables to TRS**

If the employer reported payables to TRS, information required by paragraph 122 of Statement No. 68 should be disclosed.

**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
Teachers' Retirement System of the State of Illinois  
(Dollar amounts in thousands)

	FY17*	FY16*	FY15*	FY14*
Employer's proportion of the net pension liability	.0008623978	.0008010663	.0006963317	.0008393386
Employer's proportionate share of the net pension liability	\$ 658,856	\$ 632,330	\$ 456,167	\$ 510,807
State's proportionate share of the net pension liability associated with the Employer	<u>5,106,263</u>	<u>3,991,696</u>	<u>11,074,204</u>	<u>9,490,409</u>
<b>Total</b>	<u>\$ 5,765,119</u>	<u>\$ 4,624,299</u>	<u>\$ 11,530,371</u>	<u>\$ 10,001,216</u>
Employer's covered-employee payroll	\$ 1,245,661	\$ 1,158,307	\$ 1,218,157	\$ 1,240,129
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	52.89%	54.59%	37.44%	41.18%
Plan fiduciary net position as a percentage of the total pension liability	39.3%	36.4%	41.50%	43.0%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 Teachers' Retirement System of the State of Illinois  
 (Dollar amounts in thousands)

	FY17	FY16	FY15	FY14
Statutorily-required contribution	\$ 112,110	\$ 104,248	\$ 114,507	\$ 142,420
Contributions in relation to the statutorily required contribution	<u>100,750</u>	<u>150,802</u>	<u>107,489</u>	<u>134,330</u>
Contribution deficiency (excess)	<u>\$ 11,360</u>	<u>\$ (46,554)</u>	<u>\$ 7,018</u>	<u>\$ 8,090</u>
Employer's covered-employee payroll	<u>\$ 1,245,661</u>	<u>\$ 1,158,307</u>	<u>\$ 1,218,157</u>	<u>\$ 1,240,129</u>
Contributions as a percentage of covered-employee payroll	9.00%	9.00%	9.40%	11.40%

**Notes to Required Supplementary Information**

**Changes of assumptions**

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

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

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

(C) Illinois Municipal Retirement Fund

**IMRF Plan Description**

The employer'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 employer plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multiple-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. 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. That report may be obtained on-line at [www.imrf.org](http://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 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
- ½ of the increase in the Consumer Price Index of the original pension amount.

**Employees Covered by Benefit Terms**

As of December 31, 2017, the following employees were covered by the benefit terms:

	<b>IMRF</b>
Retirees and Beneficiaries currently receiving benefits	22
Inactive Plan Members entitled to but not yet receiving benefits	20
Active Plan Members	<u>14</u>
<b>Total</b>	<b>56</b>

**Contributions**

As set by statute, the Employer’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to financial the retirement coverage of its own employees. The Employer’s annual contribution rate for calendar year 2017 was 6.67%. For the fiscal year ended June 30, 2018, the Employer contributed \$22,839 to the plan. The Employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability**

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

### Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- 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 weighing the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	6.85%
International Equity	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	7.35%
Cash Equivalents	<u>1%</u>	2.25%
Total	100%	

### 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 member's 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 plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

#### Changes in the Net Pension Liability

	Total Pension Liability <u>(A)</u>	Plan Fiduciary Net Position <u>(B)</u>	Net Pension Liability <u>(A) - (B)</u>
<b>Balances at December 31, 2016</b>	<u>\$ 2,366,793</u>	<u>\$ 2,412,923</u>	<u>\$ (46,130)</u>
<b>Changes for the year:</b>			
Service Cost	35,818	0	35,818
Interest on the Total Pension Liability	174,872	0	174,872
Changes of Benefit Terms	0	0	0
Differences Between Expected and Actual Experience of the Total Pension Liability	(68,206)	0	(68,206)
Changes of Assumptions	(59,804)	0	(59,804)
Contributions - Employer	0	19,839	(19,839)
Contributions - Employees	0	13,385	(13,385)
Net Investment Income	0	420,997	(420,997)
Benefit Payments, including Refunds of Employee Contributions	(106,147)	(106,147)	0
Other (Net Transfer)	0	(18,931)	18,931
Net Changes	<u>(23,467)</u>	<u>329,143</u>	<u>(352,610)</u>
<b>Balances at December 31, 2017</b>	<u>\$ 2,343,326</u>	<u>\$ 2,742,066</u>	<u>\$ (398,740)</u>

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher.

	Current Discount		
	1% Lower	Rate	1% Higher
	<u>(6.50%)</u>	<u>(7.50%)</u>	<u>(8.50%)</u>
<b>Net Pension Liability/(Asset)</b>	<b>\$ (144,356)</b>	<b>\$ (398,740)</b>	<b>\$ (606,869)</b>

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

For the year ended June 30, 2018, the Employer recognized pension expense of \$(45,190). At June 30, 2018, the Employer reported deferred outflows or resources and deferred inflows or resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
<b>Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>		
Differences between expected and actual experience	\$ -0-	\$ 35,271
Changes of assumptions	-0-	28,315
Net Difference between projected and actual earnings on pension plan investments	<u>77,513</u>	<u>194,778</u>
Total Deferred Amounts to be recognized in pension expense in future periods.	-0-	-0-
<b>Pension Contributions made subsequent to the Measurement Date</b>	<u>-0-</u>	<u>-0-</u>
<b>Total Deferred Amounts Related to Pensions</b>	<u>\$ 77,513</u>	<u>\$ 258,364</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2018	\$ (71,382)
2019	(14,168)
2020	(46,605)
2021	(48,696)
2022	-0-
Thereafter	-0-
Total	<u>\$ (180,851)</u>

#### Multiyear Schedule of Contributions

##### Last 10 Calendar Years

<u>Calendar Year Ending December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2014	\$ 22,892	\$ 23,158	\$ (266)	\$ 331,762	6.98%
2015	21,143	21,143	0	336,131	6.29%
2016	22,971	22,971	0	342,851	6.70%
2017	19,840 *	19,839	1	297,448	6.67%

\* Estimated based on contribution rate of 6.67% and covered valuation payroll of \$297,448.

#### Note to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, information is presented for those years for which information is available.



**Schedules of Required Supplementary Information**  
**Multyear Schedule of Changes in Net Pension Liability and Related Ratios**

**Last 10 Calendar Years**

(Schedule to be built prospectively from 2014)

Calendar Year Ending December 31,	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Total Pension Liability</b>										
Service Cost	\$ 35,818	\$ 39,364	\$ 37,926	\$ 38,040						
Interest on the Total Pension Liability	174,872	168,630	159,890	141,721						
Benefit Changes	0	0	0	0						
Differences between Expected and Actual Experience	(68,206)	(22,828)	10,878	68,004						
Assumption Changes	(59,804)	0	0	77,143						
Benefit Payments and Refunds	<u>(106,147)</u>	<u>(94,191)</u>	<u>(91,572)</u>	<u>(73,621)</u>						
<b>Net Change in Total Pension Liability</b>	<b>(23,467)</b>	<b>90,975</b>	<b>117,122</b>	<b>251,287</b>						
<b>Total Pension Liability - Beginning</b>	<b>2,366,793</b>	<b>2,275,818</b>	<b>2,158,696</b>	<b>1,907,409</b>						
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 2,343,326</b>	<b>\$ 2,366,793</b>	<b>\$ 2,275,818</b>	<b>\$ 2,158,696</b>						
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ 19,839	\$ 22,971	\$ 21,143	\$ 23,158						
Employee Contributions	13,385	15,428	15,126	15,103						
Pension Plan Net Investment Income	420,997	159,905	11,649	135,292						
Benefit Payments and Refunds	(106,147)	(94,191)	(91,572)	(73,621)						
Other	<u>(18,931)</u>	<u>19,169</u>	<u>(24,084)</u>	<u>21,872</u>						
<b>Net Change in Plan Fiduciary Net Position</b>	<b>329,143</b>	<b>123,282</b>	<b>(67,738)</b>	<b>121,804</b>						
<b>Plan Fiduciary Net Position - Beginning</b>	<b>2,412,923</b>	<b>2,289,641</b>	<b>2,357,379</b>	<b>2,235,575</b>						
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 2,742,066</b>	<b>\$ 2,412,923</b>	<b>\$ 2,289,641</b>	<b>\$ 2,357,379</b>						
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>(398,740)</b>	<b>(46,130)</b>	<b>(13,823)</b>	<b>(198,683)</b>						
<b>Plan Fiduciary Net Position as a Percentage of Covered Valuation Payroll</b>	<b>117.02%</b>	<b>101.95%</b>	<b>100.61%</b>	<b>109.20%</b>						
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	<b>\$ 297,448</b>	<b>\$ 342,851</b>	<b>\$ 336,131</b>	<b>\$ 331,762</b>						
	<b>(134.05)%</b>	<b>(13.45)%</b>	<b>(4.11)%</b>	<b>(59.89)%</b>						

**Note to Schedule:**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, information is presented for those years for which information is available.

**Employer**  
Required Supplementary Information  
Notes to Schedule of Contributions

**Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 Contribution Rate\***  
**Valuation Date:**

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

**Methods and Assumptions Used to Determine 2017 Contribution Rates:**

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	Non-Taxing bodies: 10 year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 26 year closed 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 21 years for most employers (two employers were financed over 30 years).
<i>Asset Valuation Method:</i>	5 year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.5%
<i>Price Inflation:</i>	2.75%, approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	3.75% to 14.50%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	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 to 2013.
<i>Mortality:</i>	For non-disabled retirees, and IMRF specific mortality table was used with fully generations projection scale MP-2014 (based year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (based year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

*Notes:* There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2015, actuarial valuation.

(C) Social Security

Employees not qualifying for coverage under the Illinois Downstate Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those not qualifying for coverage under the Illinois Municipal Retirement Fund are covered under social security.

7. CHANGES IN GENERAL LONG TERM DEBT

At June 30, 2018, the district's general long-term debt consisted of a bond issue and a capital lease. Changes in long-term debt for the year ended June 30, 2018 are as follows:

	Balance <u>7/10/17</u>	Additional <u>Obligations</u>	<u>Retirements</u>	Balance <u>6/30/18</u>
A) 2013 Health Life Safety Bond	\$ 3,240,000	\$ -0-	\$ 140,000	\$ 3,100,000
B) Capital Lease - Buses	<u>-0-</u>	<u>174,980</u>	<u>28,425</u>	<u>146,555</u>
Total	<u>\$ 3,240,000</u>	<u>\$ 174,980</u>	<u>\$ 168,425</u>	<u>\$ 3,246,555</u>

The total payments to maturity for all long-term debt are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 167,450	\$ 119,810	\$ 287,260
2020	173,409	115,901	289,310
2021	255,696	111,851	367,547
2022	160,000	102,800	262,800
2023	955,000	406,900	1,361,900
2024 - 2032	1,245,000	187,500	1,432,500
2033	<u>290,000</u>	<u>5,800</u>	<u>295,800</u>
	<u>\$ 3,246,555</u>	<u>\$ 1,050,562</u>	<u>\$ 4,197,117</u>

A. Health Life Safety Fund  
2013 Issue

	Balance <u>7/01/17</u>	<u>Proceeds</u>	<u>Decreases</u>	Balance <u>6/30/18</u>
Health Life Safety	<u>\$ 3,240,000</u>	<u>\$ -0-</u>	<u>\$ 140,000</u>	<u>\$ 3,100,000</u>

Original issue \$3,620,000 made during May 2013 provides for serial retirement of principal on December 1 and interest payable June 1 and December 1 of each year at interest ranging from 2.0-4.0%.

The annual debt service requirements are as follows:

<u>Year Ending June 30</u>	<u>Int. Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2019	2.0	\$ 145,000	\$ 113,550	\$ 258,550
2020	2.0	150,000	110,600	260,600
2021	2.0	155,000	107,550	262,550
2022	4.0	160,000	102,800	262,800
2023	4.0	170,000	96,200	266,200
2024	4.0	180,000	89,200	269,200
2025	4.0	190,000	81,800	271,800
2026	4.0	200,000	74,000	274,000
2027	4.0	215,000	65,700	280,700
2028	4.0	225,000	56,900	281,900
2029	4.0	235,000	47,700	282,700
2030	4.0	250,000	38,000	288,000
2031	4.0	260,000	27,800	287,800
2032	4.0	275,000	17,100	292,100
2033	4.0	<u>290,000</u>	<u>5,800</u>	<u>295,800</u>
		<u>\$ 3,100,000</u>	<u>\$ 1,034,700</u>	<u>\$ 4,134,700</u>

B) Capital Lease

The district has entered into a lease agreement as lessee for financing the acquisition of buses. The lease agreement qualifies as a capital lease and, therefore the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. The cost of the buses acquired under these leases are \$174,980. The future minimum lease obligations as of June 30, 2018 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 22,450	\$ 6,260	\$ 28,710
2020	23,409	5,301	28,710
2021	<u>100,696</u>	<u>4,301</u>	<u>104,997</u>
	<u>\$ 146,555</u>	<u>\$ 15,862</u>	<u>\$ 162,417</u>

8. OVER-EXPENDITURE OF BUDGET

The district operated within the legal confines of the budget during fiscal year 2018 except for the Debt Service Fund, which was over-expended by \$2,250, the Transportation Fund which was over-expended by \$165,977, the Municipal Retirement Fund which was over-expended by \$1,143, and the Fire Prevention and Safety Fund which was over-expended by \$2,695.

9. ACCUMULATED UNPAID VACATION AND SICK PAY

The liability of the district for accumulated vacation has not been recorded in the General Long-Term Account Group.

No liability is recorded in governmental funds since the current portion of the liability is not considered significant.

10. INTERFUND LOAN

As of June 30, 2018, the district had no interfund loans

11. CONTINGENCIES

The district receives federal and state grant funds which are subject to audit by the granting agencies. The district receives these funds based on expenditure reports submitted by the district. The School Board believes any adjustments that may arise from these audits will be insignificant to the district.

12. RISK MANAGEMENT

The district's risk management are recorded in the Tort Fund and the automobile coverage in the Transportation Fund. Significant losses are covered by commercial insurance (i.e., property, liability, workmen's comp.) for all major programs. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

13. BENEFITS

A. Employee Benefits

The district maintains a health insurance policy for the district's employees. The district maintains insurance with Health Alliance. The district pays the premium for all full-time employees. The district is obligated for monthly premiums and can withdraw with proper notice. Coverages are provided for all medical issues.

- B. Post-Employment Benefits  
Retired employees can receive insurance benefits through the system they receive retirement from. The district also offers Cobra Insurance coverage to employees that need health insurance after retirement. The retiree pays the full cost of the insurance.

14. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

15. RENTALS UNDER OPERATING LEASES

- A. Copier Lease  
The district leases copiers from Leaf Capital Funding, LLC for \$495.33 a month. This lease is classified as an operating lease. The term is for 60 months and began on November 26, 2014.

Future Minimum Requirements:  
FY19 \$ 2,477

16. LEGAL DEBT MARGIN

The Illinois School Code limits the amount of indebtedness to 13.8% of \$38,492,893, the most recent available equalized assessed valuation of the district. The district has not exceeded it's legal debt margin.

Assessed Valuation	\$ 38,492,893
Legal Debt Limitation	
13.8% of Assessed Valuation	<u>      x 13.8%</u>
Legal Debt Limit	5,312,019
Bonded Debt 6/30/18	<u>3,246,555</u>
Legal Debt Margin	<u>\$ 2,065,464</u>

17. INTERFUND TRANSFERS

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

<u>Transfer To</u>	<u>Transfer From</u>	<u>Reason</u>
Transportation	Working Cash	Transfer interest and funds to Transportation to assist with Transportation needs

18. RELATED PARTY/JOINT AGREEMENTS

The district participates in the Vermilion Area Special Education Cooperative. The district participates in the Cooperative with other districts for special education services. The district pays fees to the Cooperative for services rendered. The Cooperative is governed by member district superintendents. The Cooperative has it's own director, who oversees all operations. A separate financial report is available from the Vermilion Area Special Education Cooperative.

19. FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Non-spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. The Regulatory Mode, followed by the District, only reports Reserved and Unreserved Fund Balances. Below are definitions of the differences and a reconciliation of how these balances are reported.

- A. Non-spendable Fund Balance - the non-spendable 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. Due to the cash basis nature of the district, all such items are expensed at the time of purchase, so there is nothing to report for this classification.
  
- B. Restricted Fund Balance - the restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The district has several revenue sources received within different funds that also fall into these categories:
  - 1. Special Education - cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Education Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.
  - 2. Leasing Levy - cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Education Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.
  - 3. Municipal Retirement - cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$88,515.
  - 4. State Grants - proceeds from state grants and the related expenditures have been included in the Education Fund. At June 30, 2018, expenditures disbursed exceeded revenue received from state grants, resulting in no restricted balances.
  - 5. Federal Grants - proceeds from federal grants and the related expenditures have been included in the Education Fund. At June 30, 2018, expenditures disbursed from federal grants exceeded the expenditures disbursed for those specific purposes in the Education Fund, resulting in no restricted balances.
  - 6. Social Security - cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

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

The School Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. 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. The School Board made no commitments.

- D. Assigned Fund Balance - the assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose but are neither restricted or committed. Intent may be expressed by (a) the School Board itself, or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes.
- E. Unassigned Fund Balance - the unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes with the General Funds. Unassigned Fund Balance amounts are shown in the financial statements are Unreserved Fund Balances in the Education, Operations and Maintenance, and Working Cash Funds.
- F. Regulatory - Fund Balance Definitions - Reserved Fund Balances are those balances that are reserved for a specified purpose, other than the regular purpose of any given fund. Unreserved Fund Balances are all balances that are not reserved for a specific purpose other than the specified purpose of a fund.
- G. Reconciliation of Fund Balance Reporting - the first five columns of the first table represent Fund Balance Reporting according to generally accepted accounting principles. The two columns of the second table represent Fund Balance Reporting under the regulatory basis of accounting utilized in preparations of the financial statements.

Generally Accepted Accounting Principles

Fund	Non-spendable	Restricted	Committed	Assigned	Unassigned
Education	0	0	0	0	1,853,202
Operations & Maintenance	0	0	0	0	390,722
Debt Service	0	38,762	0	0	0
Transportation	0	0	0	0	171,284
Municipal Retirement	0	61,477	0	0	0
Capital Projects	0	7,555	0	0	0
Working Cash	0	0	0	0	215,250
Tort Liability	0	65,790	0	0	0
Fire Prevention and Safety	0	19,553	0	0	0

Regulatory Basis

Fund	Financial Statements-Reserved	Financial Statements-Unreserved
Education	0	1,853,202
Operations & Maintenance	0	390,722
Debt Service	0	38,762
Transportation	0	171,284
Municipal Retirement	61,477	0
Capital Projects	0	7,555
Working Cash	0	215,250
Tort Liability	0	65,790
Fire Prevention and Safety	0	19,553

- H. Expenditures of Fund Balance - unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for s specifically identified purpose will act to reduce the specific classification of fund balance that is identified.



SUPPLEMENTAL INFORMATION

Rossville-Alvin Community Unit No. 7  
Summary of Balances for Activity Fund  
As of June 30, 2018

	<u>Balance</u> <u>7/01/17</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>6/30/18</u>
<u>Grade School</u>				
PBIS	7330.75	9287.83	4714.77	11903.81
Athletic Fund	1509.43	-0-	-0-	1509.43
Boys Baseball	679.83	360.00	-0-	1039.83
Cheerleaders	1315.42	9723.09	7946.00	3092.51
GS Fund	8307.95	1248.56	4664.60	4891.91
Track	457.13	1343.00	1551.38	248.75
National Honor Society	5686.67	4382.50	8823.96	1245.21
Music	418.12	1043.68	727.48	734.32
Scholastic Bowl	81.55	-0-	-0-	81.55
Volleyball	18.78	-0-	-0-	18.78
Yearbook	741.47	804.50	863.50	682.47
Drama	1772.80	-0-	-0-	1772.80
Cross Country	278.49	-0-	-0-	278.49
GS BB	86.04	-0-	-0-	86.04
Class of 2019	-0-	2950.00	-0-	2950.00
8 <sup>th</sup> Grade	<u>4283.06</u>	<u>10637.45</u>	<u>12310.07</u>	<u>2610.44</u>
	<u>32967.49</u>	<u>41780.61</u>	<u>41601.76</u>	<u>33146.34</u>