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***RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
COOK COUNTY, ILLINOIS***

ANNUAL FINANCIAL REPORT

JUNE 30, 2018

eder, casella & co.

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INDEPENDENT AUDITOR'S OPINION

To the Board of Education
Riverside Public School District No. 96
Riverside, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

Riverside Public School District No. 96

as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside Public School District No. 96 as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 18 to the financial statements, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No 85, *Omnibus 2017*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Changes in the Employer's Net Pension/OPEB Liability and Related Ratios, Schedules of Employer Contribution, Schedules of the Employer's Proportionate Share of the Net Pension/OPEB Liability, and budgetary comparison information on pages 6 through 13 and 48 through 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the average daily attendance figure included in the computation of operating expense per pupil and per capita tuition charges, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2019 on our consideration of Riverside Public School District No. 96's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Riverside Public School District No. 96's internal control over financial reporting and compliance.

Eder, Casella & Co.
EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
January 30, 2019

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

To the Board of Education
Riverside Public School District No. 96
Riverside, Illinois

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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

Riverside Public School District No. 96

as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Riverside Public School District No. 96's basic financial statements, and have issued our report thereon dated January 30, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Riverside Public School District No. 96's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Riverside Public School District No. 96's internal control. Accordingly, we do not express an opinion on the effectiveness of Riverside Public School District No. 96'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 and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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.

Our consideration of internal control 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control which we consider to be material weaknesses. These deficiencies are as follows: material journal entries.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Riverside Public School District No. 96's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements,

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 that testing, and not to provide an opinion on the effectiveness of the entity'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.

Eder, Casella & Co.
EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
January 30, 2019

REQUIRED SUPPLEMENTARY INFORMATION

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

The Management's Discussion and Analysis of Riverside Public School District No. 96's (District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2018. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2018 by \$37,833,314 (net position).
- The District's total net position increased by \$405,230 from current-year operations.
- At June 30, 2018, the District reported combined ending fund balances of \$35,701,805, an increase of \$804,296 in comparison with the prior year.
- At June 30, 2018, the unassigned fund balance for the General Fund was \$26,145,132, or 84 percent of total General Fund expenditures.
- The District's total long-term debt decreased by \$1,010,000 during the year ended June 30, 2018 due to regularly scheduled payments made on existing long-term debt.
- The District's financial status continues to reflect a favorable balance of revenues and expenditures in the Operating Funds: the combined Educational, Liability, Operations and Maintenance, Transportation, and Illinois Municipal/Social Security Retirement Funds. The fiscal year 2017-18 balance of revenues minus expenditures for the Operating Funds was \$1,952,964, excluding inter-fund transfers. Operating revenues for FY2017-18 totaled \$28,236,874, while expenditures were \$26,283,910 (excluding On-Behalf Retirement Contributions, which are equal inflows and outflows, and represent the State of Illinois' responsibility to provide funding for the Teachers' Retirement System). Revenues were \$911,299 more than budgeted, and expenditures were \$689,425 less than budgeted. The budget anticipated a favorable balance of revenues minus expenditures of \$352 thousand, while the actual results were a more favorable balance of \$1.953 million.
- Property and replacement taxes totaling \$24,700,888 comprised 87.5% of total revenue for operating funds of \$28,236,874. State and federal sources of revenue, totaling \$2,698,616, comprised 9.6% of operating revenue. The major sources of non-tax operating local revenues were registration/textbook fees, \$260,240, food services, \$122,540, and earnings on investments, \$331,319.
- The District's cumulative fund balance for operating funds increased during FY2017-18, from \$28,634,245 to \$30,587,209, an increase of \$1,952,964.
- Among the most significant cost-control challenges for the District is containing the growth in employee benefits costs despite national trends. In the past, the District provided medical benefits to employees using conventional medical insurance. Near the end of FY2014-15, the District joined the Educational Benefits Cooperative, a cooperative formed in 1984 that currently provides services to 96 school districts. From FY2016-17 to FY2017-18, costs for employee benefits in the Educational and Operations & Maintenance Funds combined, increased by 3.13%, from \$3.107 million to \$3.204 million.
- Over the past seven fiscal years, from FY2011-12 to FY2017-18, total benefit costs have increased at an average growth rate per year of 4.91% \$2.949 million in FY2011-12 to \$3.932 million in FY2017-18. A significant portion of the increase is due to increased numbers of staff members. In

FY2011-12, the District employed 212 staff members. In FY2017-18, the District employed 247 staff members, an increase of 35, or 2.57% per year.

OVERVIEW OF FINANCIAL STATEMENTS

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

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements

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

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

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, less its liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., intergovernmental receivables).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). Governmental activities include instruction, support services, operations and maintenance, student transportation, food services, and certain other activities and expenses such as payments to other districts and governmental units, interest and fees, and unallocated depreciation.

The government-wide financial statements can be found on pages 14 and 15 of this report.

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

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing

so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Operations and Maintenance, Debt Services, Transportation, Illinois Municipal Retirement/Social Security, Capital Projects, Tort, and Fire Prevention and Safety Funds, all of which the District considers to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement, which is required supplementary information, has been provided for the General Fund and each major special revenue fund to demonstrate compliance with this budget.

The basic fund financial statements can be found on pages 16 through 20 and the required supplementary information can be found on pages 48 through 66 of this report.

Fiduciary Funds - Fiduciary funds are used to account for assets held for others, such as student activity funds. Fiduciary funds are not reflected in the government-wide financial statements because the assets of these funds are not available to support the District's operations.

The basic fiduciary fund financial statement can be found on page 21 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 47 of this report.

Other Information - In addition to the basic financial statements, accompanying notes, and required supplementary information, this report also presents certain supplementary information concerning the District's progress in meeting its obligation to provide fully adequate educational services and extracurricular activities to all of its resident's students.

Supplemental financial and statistical information can be found on pages 67 through 88 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$37,833,314 at June 30, 2018.

The following table presents a summary of the District's net position for the years ended June 30, 2018 and 2017:

Riverside Public School District No. 96's Net Position

	Governmental Activities	
	6/30/2018	6/30/2017
Assets		
Current and Other Assets	\$ 48,419,987	\$ 47,002,948
Capital Assets	23,427,718	23,601,193
Total Assets	<u>\$ 71,847,705</u>	<u>\$ 70,604,141</u>
Deferred Outflows of Resources		
Deferred Pension Expense	\$ 811,144	\$ 872,481
Deferred Employer Pension Contributions	256,533	285,809
Deferred OPEB Expense	1,013,821	-
Deferred Employer OPEB Contributions	108,671	-
Total Deferred Outflows of Resources	<u>\$ 2,190,169</u>	<u>\$ 1,158,290</u>
Liabilities		
Long-Term Liabilities Outstanding	\$ 20,231,821	\$ 8,562,834
Other Liabilities	641,481	340,050
Total Liabilities	<u>\$ 20,873,302</u>	<u>\$ 8,902,884</u>
Deferred Inflows of Resources		
Unavailable Revenue - Property Taxes	\$ 12,097,012	\$ 11,789,817
Deferred Pension Revenue	1,235,440	201,706
Deferred OPEB Revenue	1,998,806	-
Total Deferred Inflows of Resources	<u>\$ 15,331,258</u>	<u>\$ 11,991,523</u>
Net Position		
Net Investment In Capital Assets	\$ 19,102,718	\$ 18,266,194
Restricted	7,027,405	4,381,243
Unrestricted	11,703,191	28,220,587
Total Net Position	<u><u>\$ 37,833,314</u></u>	<u><u>\$ 50,868,024</u></u>

A portion of the District's net position (50 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, etc.); less any related debt used to acquire those assets that is still outstanding. The District uses these assets to provide educational services and extracurricular activities for the students of the local community; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summary of changes in net position for the years ended June 30, 2018 and 2017:

Riverside Public School District No. 96's Change in Net Position

	Governmental Activities	
	FY 2018	FY 2017
Revenues		
Program Revenues		
Charges for Services	\$ 458,129	\$ 397,676
Operating Grants and Contributions	10,068,425	10,432,682
General Revenues		
Property Taxes	24,352,367	24,003,705
Other Payments in Lieu of Taxes	348,521	423,383
Grants and Contributions not Restricted to Specific Activities	1,490,424	856,419
Unrestricted Investment Earnings	385,231	207,035
Other	47,922	51,951
Total Revenues	<u>\$ 37,151,019</u>	<u>\$ 36,372,851</u>
Expenses		
Instruction	\$ 16,112,428	\$ 15,319,989
Support Services	9,506,006	8,254,960
Community Services	27,651	24,632
Payments to Other Districts and Governmental Units	1,500,459	1,327,022
Interest and Fees on Long-Term Debt	133,083	156,463
On-Behalf Retirement Contributions	8,860,233	8,785,128
Depreciation - Unallocated	605,929	606,024
Total Expenses	<u>\$ 36,745,789</u>	<u>\$ 34,474,218</u>
Change in Net Position	\$ 405,230	\$ 1,898,633
Net Position - Beginning of Fiscal Year	50,868,024	48,969,391
Net Position Adjustment	50,892	-
Change in Accounting Principle	(13,490,832)	-
Net Position - End of Fiscal Year	<u>\$ 37,833,314</u>	<u>\$ 50,868,024</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of June 30, 2018, the District funds reported combined ending fund balances of \$35,701,805, an increase of \$804,296 in comparison with the prior year.

The General Fund is the chief operating fund of the District. At June 30, 2018, total fund balance was \$26,145,132. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 84 percent of total General Fund expenditures.

Other significant highlights in the governmental funds for the year ended June 30, 2018 are outlined below:

- The General Fund fund balance decreased by \$1,046,824 due to expenditures, which were budgeted for, being in excess of revenues.
- The Debt Services Fund fund balance decreased by \$1,111,575 due to scheduled debt service payments on existing debt certificates.
- The Transportation Fund fund balance increased by \$2,632,070 due to property tax receipts greatly in excess of expenditures.

- The Illinois Municipal Retirement/Social Security Fund fund balance increased by \$301,971 due to property tax receipts greatly in excess of expenditures.

The remaining funds experienced relatively similar net revenues and expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues exceeded budgeted revenues by \$10,407,666. The difference is largely due to \$8,860,233 of On-Behalf Payments that were not budgeted for in the current fiscal year in addition to (\$1,316,756) higher than anticipated property tax revenue.

Actual expenditures exceeded budgeted expenditures by \$8,542,025. The difference is largely due to the On-Behalf Payments that were not budgeted for and higher than anticipated Instruction and Payments to Other Districts and Governmental Units expenditures, offset by lower than expected Capital Outlay expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets – The District’s investment in capital assets as of June 30, 2018 amounts to \$23,427,718 (net of accumulated depreciation). This investment in capital assets includes Land, Buildings, Improvements Other than Buildings, and Equipment.

During the three fiscal years, 2011-12, 2012-13 and 2013-14, the District spent \$23.395 million for a large-scale capital improvement program. Estimated costs for the most-costly improvements were: \$8.0 million for HVAC/heating-ventilation-air-conditioning, \$3.8 million for electrical systems, \$2.9 million for plumbing systems, \$2.5 million for asbestos abatement, \$1.5 million for technology infra-structure, \$1.8 million for fire protection systems and \$1.3 million for remodeling to create classroom spaces. The remaining expenditures were for general remodeling, building security and Americans with Disabilities Act-related improvements.

Working closely with the school architect, the Board of Education is in the process of developing a long-range facilities improvement plan that will dovetail with the District Goals and Strategic Plan.

Major capital asset events during the year ended June 30, 2018 include the following:

- Roof replacement at Blythe School for \$399,271.
- Other building additions/upgrades totaling \$92,886.
- Various equipment purchases totaling \$201,665.
- Various land improvement projects totaling \$55,505.

The following table presents a summary of capital assets for the years ended June 30, 2018 and 2017:

Riverside Public School District No. 96’s Capital Assets (net of depreciation)

	Governmental Activities	
	2018	2017
Land	\$ 534,849	\$ 534,849
Buildings	21,438,420	21,561,254
Improvements Other than Buildings	517,474	515,648
Equipment	936,975	989,441
Total	<u>\$ 23,427,718</u>	<u>\$ 23,601,192</u>

Further detail of the District’s capital assets can be found in Note 3 on page 28 of this report.

Long-term debt – At June 30, 2018, the District had total debt outstanding of \$4,325,000.

The Board of Education has no lawful authority to issue non-referendum debt. Nearly all other school districts subject to the Property Tax Extension Limitation Law, PTELL (mainly Suburban Cook and Chicagoland Collar Counties) have access to a Debt Service Extension Base. Consequently, District 96 faces a challenge of funding any capital improvement program projects out of regular operating sources of revenue. There are currently \$4.325 million of bonds payable from a \$10 million issuance in 2011. The bonds are scheduled to be paid by the end of fiscal year 2021-22. The District has property tax revenues that can fund future facilities improvements from the Operations and Maintenance Fund or the Capital Projects Fund (subsequent to transfer). Planning for large-scale improvements is anticipated to be accomplished, which will utilize the debt service capacity that becomes available FY2022-23.

The bond issue in 2011 was rated by Moody’s at Aa1, one step below the highest possible Aaa rating.

The following table presents a summary of outstanding debt for the years ended June 30, 2018 and 2017:

Riverside Public School District No. 96's Outstanding Debt

	Governmental Activities	
	2018	2017
Debt Certificates	\$ 4,325,000	\$ 5,335,000
Total	<u>\$ 4,325,000</u>	<u>\$ 5,335,000</u>

Major debt transactions during the year ended June 30, 2018 include the following:

- Principal payments on debt certificates were \$1,010,000.

Further detail of the District’s debt obligations can be found in Note 4 on pages 28 and 29 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

Riverside School has historically improved from facing financial difficulty and requiring passage of a referendum, which took place in 2004, to, in recent years and currently, maintaining an excellent financial condition, based on strong accumulated fund balances and balanced budgets. Factors that will have a bearing on the District’s future include:

- Local revenues account for approximately 89% of all direct revenue with the majority of the programs supported by local property taxes.
- District reliance upon local property taxes makes the impact of changes in those revenues critical, including the following factors:
 - The District’s tax base decreased from \$690 million in tax year 2008 to \$463 million in 2016, a decrease of \$227 million, equating to an average decrease of 4.1% per year.
 - In tax year 2013, the District’s tax levy reached legal maximums in the Educational, Special Education and Working Cash Funds. Levies were restructured and some expenditure categories were reallocated so that this problem was avoided with the 2014 tax levy. With the 2015 tax levy, the extent of reduction in the District’s EAV was underestimated – 2% was expected and the actual reduction was 3.25%.
 - The tax cap restricts property tax revenue increases to the National Consumer Price Index (CPI). The most recent five years of CPI increases were 1.5%, 0.8%, 0.7%, 2.1% and 2.1%. These increases are less than increases for salaries and benefits, which are impacted by growing enrollments as well as inflation.
- New property amounts have averaged \$1.9 million per year over the past eight tax years; however, excluding 2014, the average new property has been \$1.4 million. This magnitude of new property provides approximately 0.38% of an additional increase, which combined with the CPI is still less than the anticipated growth in salaries and benefits.

- Enrollment has increased from 1,565 in 2010-11 to 1720 in 2017-18, averaging 1.7% per year. The District engaged a professional demographer and enrollment projections indicate a low extent of future growth in enrollments, occurring at a rate of less than 0.4% through 2024-25.
- Reallocations of state funding among Illinois school districts that are being considered by legislators, and the proposed shifting of pension obligations to school districts are significant concerns. Without a plan to fill the resulting revenue gaps, such legislative actions would negatively impact the financial condition of District 96.
- Property tax refunds resulting from appeals and court settlements are an ongoing potential disruption to the District's financial condition. Budget management under conditions of revenue uncertainty remains a substantial challenge.
- A collective bargaining agreement was settled that included a reduction to the number of steps on the salary schedule to 10. This will significantly reduce the number of employees eligible for a step increase.
- The District is proactive in its efforts to contain health insurance costs. Employee contributions to PPO insurance will be increased by 2% beginning in FY20. In addition, the District's obligation to contribute to an employee's PPO deductible will be eliminated starting in January 2021.

District 96 remains among the highest quality school districts, which are financially capable of offering students comprehensive educational programs and curriculum. The foreseeable economic prospects indicate a strong capability for District 96 to continue building upon its proud tradition of excellence.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances and to demonstrate its accountability for the money it receives. If there are questions about this report or additional information is needed please contact the District at the following address:

Riverside Public School District No. 96
63 Woodside Road
Riverside, IL 60546

BASIC FINANCIAL STATEMENTS

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 36,317,638
Taxes Receivable, net of allowance of \$375,956	11,781,999
Due from Other Governments, net of allowance of \$0	320,350
Capital Assets (Note 3):	
Land	534,849
Depreciable Buildings, Property, and Equipment, net of depreciation	22,892,869
Total Assets	\$ 71,847,705
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Expense	\$ 811,144
Deferred Employer Pension Contributions	256,533
Deferred OPEB Expense	1,013,821
Deferred Employer OPEB Contributions	108,671
Total Deferred Outflows of Resources	\$ 2,190,169
LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 537,073
Accrued Payroll and Payroll Liabilities	39,378
Unearned Revenue - Early Registration	65,030
Long-Term Liabilities	
Due Within One Year	1,035,000
Due in More Than One Year	19,196,821
Total Liabilities	\$ 20,873,302
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	\$ 12,097,012
Deferred Pension Revenue	1,235,440
Deferred OPEB Revenue	1,998,806
Total Deferred Inflows of Resources	\$ 15,331,258
NET POSITION	
Net Investment in Capital Assets	\$ 19,102,718
Restricted for:	
Operations and Maintenance	2,521,140
Transportation	2,601,015
Retirement	681,546
Future Capital Projects	429,777
Tort	793,927
Unrestricted/(Deficit)	11,703,191
Total Net Position	\$ 37,833,314

The Notes to Financial Statements are an integral part of this statement.

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Functions/Programs				
Governmental Activities				
Instruction				
Regular Programs	\$ 11,067,574	\$ 215,365	\$ 174,236	\$ (10,677,973)
Special Education Programs	3,688,409	13,471	278,387	(3,396,551)
Other Instructional Programs	1,356,445	73,325	22,627	(1,260,493)
Support Services				
Pupils	1,293,284	-	191,333	(1,101,951)
Instructional Staff	1,879,860	-	-	(1,879,860)
General Administration	1,279,623	-	-	(1,279,623)
School Administration	1,489,987	-	-	(1,489,987)
Business	334,950	-	-	(334,950)
Facilities Acquisition and Construction	7,276	-	-	(7,276)
Operations and Maintenance	2,307,173	33,428	-	(2,273,745)
Transportation	678,449	-	390,555	(287,894)
Food Services	234,342	122,540	90,050	(21,752)
Other Support Services	1,062	-	-	(1,062)
Community Services	27,651	-	-	(27,651)
Payments to Other Districts and Governmental Units	1,500,459	-	61,004	(1,439,455)
Interest and Fees on Long-Term Debt	133,083	-	-	(133,083)
On-Behalf Retirement Contributions	8,860,233	-	8,860,233	-
Depreciation - Unallocated	605,929	-	-	(605,929)
Total Governmental Activities	\$ 36,745,789	\$ 458,129	\$ 10,068,425	\$ (26,219,235)
General Revenues				
Taxes				
Property Taxes, Levied for General Purposes				\$ 24,352,367
Other Payments in Lieu of Taxes				348,521
Grants and Contributions not Restricted to Specific Activities				1,490,424
Unrestricted Investment Earnings				385,231
Miscellaneous Income				47,922
Total General Revenues				\$ 26,624,465
Change in Net Position				\$ 405,230
Net Position - July 1, 2017				50,868,024
Net Position Adjustment (Note 16)				50,892
Change in Accounting Principle (Note 18)				(13,490,832)
Net Position - June 30, 2018				\$ 37,833,314

The Notes to Financial Statements are an integral part of this statement.

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2018

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/Social Security Fund	Capital Projects Fund	Tort Fund	Fire Prevention and Safety Fund	Total Governmental Funds
ASSETS									
Cash and Cash Equivalents	\$ 26,316,406	\$ 1,385,922	\$ 3,154,755	\$ 1,287,911	\$ 1,373,417	\$ 1,988,648	\$ 811,556	\$ -	\$ 36,318,615
Taxes Receivable, net of allowance of \$375,956	9,032,920	1,224,820	-	930,028	480,751	-	113,480	-	11,781,999
Due from Other Governments, net of allowance of \$0	222,612	-	-	97,738	-	-	-	-	320,350
Interfund Loans	-	2,400,000	-	-	-	-	-	-	2,400,000
Total Assets	\$ 35,571,938	\$ 5,010,742	\$ 3,154,755	\$ 2,315,677	\$ 1,854,168	\$ 1,988,648	\$ 925,036	\$ -	\$ 50,820,964
LIABILITIES									
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 977	\$ 977
Accounts Payable and Accrued Expenses	36,761	423,178	-	28,993	-	27,830	-	-	516,762
Accrued Payroll and Payroll Liabilities	34,241	5,137	-	-	-	-	-	-	39,378
Interfund Loans	-	-	-	2,400,000	-	-	-	-	2,400,000
Unearned Revenue - Early Registration	65,030	-	-	-	-	-	-	-	65,030
Total Liabilities	\$ 136,032	\$ 428,315	\$ -	\$ 2,428,993	\$ -	\$ 27,830	\$ -	\$ 977	\$ 3,022,147
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Property Taxes	\$ 9,290,774	\$ 1,233,298	\$ -	\$ 959,731	\$ 496,105	\$ -	\$ 117,104	\$ -	\$ 12,097,012
Total Deferred Inflows of Resources	\$ 9,290,774	\$ 1,233,298	\$ -	\$ 959,731	\$ 496,105	\$ -	\$ 117,104	\$ -	\$ 12,097,012
FUND BALANCES									
Restricted									
Operations and Maintenance	\$ -	\$ 2,521,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,521,140
Transportation	-	-	-	2,601,015	-	-	-	-	2,601,015
Illinois Municipal Retirement	-	-	-	-	754,172	-	-	-	754,172
Social Security/Medicare	-	-	-	-	584,693	-	-	-	584,693
Capital Projects	-	-	-	-	-	429,777	-	-	429,777
Tort	-	-	-	-	-	-	793,927	-	793,927
Assigned									
Operations and Maintenance	-	827,989	-	-	-	-	-	-	827,989
Debt Service	-	-	3,154,755	-	-	-	-	-	3,154,755
Illinois Municipal Retirement	-	-	-	-	19,198	-	-	-	19,198
Capital Projects	-	-	-	-	-	1,531,041	-	-	1,531,041
Tort	-	-	-	-	-	-	14,005	-	14,005
Unassigned									
	26,145,132	-	-	(3,674,062)	-	-	-	(977)	22,470,093
Total Fund Balances	\$ 26,145,132	\$ 3,349,129	\$ 3,154,755	\$ (1,073,047)	\$ 1,358,063	\$ 1,960,818	\$ 807,932	\$ (977)	\$ 35,701,805
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 35,571,938	\$ 5,010,742	\$ 3,154,755	\$ 2,315,677	\$ 1,854,168	\$ 1,988,648	\$ 925,036	\$ -	\$ 50,820,964

The Notes to Financial Statements are an integral part of this statement.

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2018

Total Fund Balances - Governmental Funds \$ 35,701,805

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital Assets	\$ 38,804,960	
Accumulated Depreciation on Capital Assets	(15,377,242)	
		23,427,718

Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.

Deferred Pension Costs	\$ (424,296)	
Deferred Employer Contributions to Pension	256,533	
Deferred OPEB Costs	(984,985)	
Deferred Employer Contributions to OPEB	108,671	
		(1,044,077)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds Payable	\$ (4,325,000)	
Accrued Interest on Long-Term Debt	(20,311)	
Compensated Absences	(19,688)	
Net Pension (Liability)/Asset	(2,248,234)	
Net OPEB (Liability)/Asset	(13,638,899)	
		(20,252,132)

Net Position of Governmental Activities \$ 37,833,314

The Notes to Financial Statements are an integral part of this statement.

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2018

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/Social Security Fund	Capital Projects Fund	Tort Fund	Fire Prevention and Safety Fund	Total Governmental Funds
REVENUES									
Property Taxes	\$ 17,894,006	\$ 2,450,311	\$ -	\$ 2,888,909	\$ 996,956	\$ -	\$ 122,185	\$ -	\$ 24,352,367
Payments in Lieu of Taxes	164,039	164,039	-	-	20,443	-	-	-	348,521
Tuition	36,221	-	-	-	-	-	-	-	36,221
Earnings on Investments	269,009	12,166	35,625	31,055	11,991	17,934	7,098	353	385,231
Food Service	122,540	-	-	-	-	-	-	-	122,540
District/School Activity Income	5,700	-	-	-	-	-	-	-	5,700
Textbooks	260,240	-	-	-	-	-	-	-	260,240
Other Local Sources	47,922	33,428	-	-	-	-	-	-	81,350
State Aid	1,824,253	-	-	390,555	-	-	-	-	2,214,808
Federal Aid	483,808	-	-	-	-	-	-	-	483,808
On-Behalf Payments	8,860,233	-	-	-	-	-	-	-	8,860,233
	<u>\$ 29,967,971</u>	<u>\$ 2,659,944</u>	<u>\$ 35,625</u>	<u>\$ 3,310,519</u>	<u>\$ 1,029,390</u>	<u>\$ 17,934</u>	<u>\$ 129,283</u>	<u>\$ 353</u>	<u>\$ 37,151,019</u>
EXPENDITURES									
Current									
Instruction									
Regular Programs	\$ 10,172,599	\$ -	\$ -	\$ -	\$ 150,286	\$ -	\$ -	\$ -	\$ 10,322,885
Special Education Programs	3,211,428	-	-	-	203,230	-	-	-	3,414,658
Other Instructional Programs	1,316,660	-	-	-	14,591	-	-	-	1,331,251
Support Services									
Pupils	1,173,867	-	-	-	50,674	-	-	-	1,224,541
Instructional Staff	1,715,313	-	-	-	14,411	-	-	-	1,729,724
General Administration	1,080,994	-	-	-	41,077	-	99,735	-	1,221,806
School Administration	1,307,513	-	-	-	62,717	-	-	-	1,370,230
Business	302,281	-	-	-	18,721	-	-	-	321,002
Operations and Maintenance	-	2,079,455	-	-	158,008	-	-	-	2,237,463
Transportation	-	-	-	678,449	-	-	-	-	678,449
Food Services	195,326	-	-	-	13,644	-	-	-	208,970
Other Support Services	1,062	-	-	-	-	-	-	-	1,062
Community Services	27,403	-	-	-	60	-	-	-	27,463
Payments to Other Districts and Governmental Units	1,499,129	-	-	-	-	-	-	1,330	1,500,459
Debt Service									
Principal	-	-	1,010,000	-	-	-	-	-	1,010,000
Interest and Fees	-	-	137,200	-	-	-	-	-	137,200
Capital Outlay	150,987	544,290	-	-	-	54,050	-	-	749,327
On-Behalf Payments	8,860,233	-	-	-	-	-	-	-	8,860,233
	<u>\$ 31,014,795</u>	<u>\$ 2,623,745</u>	<u>\$ 1,147,200</u>	<u>\$ 678,449</u>	<u>\$ 727,419</u>	<u>\$ 54,050</u>	<u>\$ 99,735</u>	<u>\$ 1,330</u>	<u>\$ 36,346,723</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,046,824)	\$ 36,199	\$ (1,111,575)	\$ 2,632,070	\$ 301,971	\$ (36,116)	\$ 29,548	\$ (977)	\$ 804,296
OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-

The Notes to Financial Statements are an integral part of this statement.

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2018

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Tort Fund	Fire Prevention and Safety Fund	Total Governmental Funds
NET CHANGE IN FUND BALANCES	\$ (1,046,824)	\$ 36,199	\$ (1,111,575)	\$ 2,632,070	\$ 301,971	\$ (36,116)	\$ 29,548	\$ (977)	\$ 804,296
FUND BALANCES - JULY 1, 2017	27,191,956	3,312,930	4,266,330	(3,705,117)	1,056,092	1,996,934	778,384	-	34,897,509
FUND BALANCES - JUNE 30, 2018	<u>\$ 26,145,132</u>	<u>\$ 3,349,129</u>	<u>\$ 3,154,755</u>	<u>\$ (1,073,047)</u>	<u>\$ 1,358,063</u>	<u>\$ 1,960,818</u>	<u>\$ 807,932</u>	<u>\$ (977)</u>	<u>\$ 35,701,805</u>

The Notes to Financial Statements are an integral part of this statement.

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2018

Net Change in Fund Balances - Total Governmental Funds \$ 804,296

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (922,801)	
Capital Outlays	<u>749,327</u>	(173,474)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest on Long-Term Debt	\$ 4,117	
Compensated Absences	(4,522)	
Pension Expense	(613,340)	
OPEB Expense	<u>(1,144,559)</u>	(1,758,304)

Employer Pension and OPEB Contributions are expensed in the fund financial statements but are treated as a reduction in the Net Pension and OPEB Liability on the government-wide financial statements.

Pension Contributions	\$ 402,535	
OPEB Contributions	<u>120,177</u>	522,712

Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

Repayment of Long-Term Debt		<u>1,010,000</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 405,230</u></u>
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The Notes to Financial Statements are an integral part of this statement.

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 FUND FINANCIAL STATEMENTS
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 JUNE 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and Investments	\$ 141,552
Total Assets	\$ 141,552
LIABILITIES	
Due to Activity Fund Organizations	\$ 141,552
Total Liabilities	\$ 141,552

The Notes to Financial Statements are an integral part of this statement.

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Riverside Public School District No. 96's (District) accounting policies conform to generally accepted accounting principles as applicable to local education agencies.

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies used by the District are discussed below.

A. Reporting Entity

The accompanying financial statements comply with the provisions of GASB statements in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units. In addition, the District is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. Basic Financial Statements – Government-Wide Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund (reporting the District's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the District as governmental activities. The District does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis, and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function (regular programs, special education programs, non-programmed services, etc.). Program revenues include charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.).

NOTES TO FINANCIAL STATEMENTS (Continued)

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds are summarized into a single column. GASB Statement No. 34 sets forth the minimum criteria (percentage of the assets, liabilities, revenues or expenditures of all governmental funds) for the determination of major funds. The District electively made all governmental funds major funds.

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District reports these major governmental funds and fund types:

General Fund – The General Fund (Educational 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. Educational, Working Cash, and Special Education levies are included in this fund.

Special Revenue Funds – The Special Revenue Funds (Operations and Maintenance Fund, Transportation Fund, Illinois Municipal Retirement/Social Security Fund, and Tort Fund) are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Services Fund – The Debt Services Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the periodic payment of principal, interest and related fees on general long-term debt.

Capital Projects Funds – The Capital Projects Fund and the Fire Prevention and Safety Fund are used to account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of major capital facilities.

2. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and is reported using generally accepted accounting principles. The following is a description of the fiduciary fund of the District:

Agency Funds – The Agency Funds (Student Activity Funds, Convenience Accounts, and Other Agency Funds) account for assets held by the District as an agent for the student organizations or as a convenience for its staff. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to each fund are equal to the assets.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

NOTES TO FINANCIAL STATEMENTS (Continued)

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met, and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

E. *Cash and Cash Equivalents and Investments*

State statutes require the District to use the treasury services of the Township School Treasurer and authorize the District's treasurer to invest in obligations of the U.S. Treasury, certain highly rated commercial paper, corporate bonds, repurchase agreements, and money market mutual funds registered under the Investment Company Act of 1940, with certain restrictions.

Separate bank accounts are not maintained for all District funds. Instead, the funds maintain their cash balances in common accounts, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans that have not been authorized by District Board action.

The Fire Prevention and Safety Fund had a cash overdraft at June 30, 2018.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents are accounted for at cost, which approximates market.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred. 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. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

NOTES TO FINANCIAL STATEMENTS (Continued)

G. *Inventories*

No inventory accounts are maintained to reflect the values of resale or supply items on hand. Instead, the costs of such items are charged to expense when purchased. The value of the District's inventories is not deemed to be material.

H. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

I. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building	15 - 50 years
Improvements Other than Buildings	15 - 30 years
Equipment	5 - 20 years

J. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheet(s) and Statement(s) of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resource until that time.

K. *Compensated Absences*

Vacation benefits are grant to employees in varying amounts to specified maximums depending on the tenure with the District. The liability for unused compensated absences is reported in the government-wide financial statements. Sick leave is accumulated from year to year without limit but is not paid upon termination. Therefore, no compensated absence accrual is recorded for sick leave.

L. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt services expenditures.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

M. *Government-Wide Net Position*

Government-wide net position is divided into three components:

- Net Investment in Capital Assets – consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position – consists of net position that is restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted Net Position – the remaining net position is reported in this category.

N. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

- Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of a resolution of the Board of Education. Committed amounts cannot be used for any other purpose unless the Board of Education removes those constraints by way of resolution. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- Assigned – Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Education has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. The District has not delegated this authority to an appointed body or official. All assigned fund balances are the residual amounts of the fund.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects or debt services fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District itself.

- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash.

The District permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

NOTES TO FINANCIAL STATEMENTS (Continued)

O. *Property Tax Calendar and Revenues*

Property taxes are levied each calendar year on all taxable real property located in the District on or before the last Tuesday in December. The 2017 tax levy was passed by the Board on December 20, 2017. The 2016 tax levy was passed by the Board on December 21, 2016. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in March and early in September of the following calendar year. The District receives significant distributions of tax receipts within one month after these dates.

P. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

A. *Cash and Investments Under the Custody of the Township Treasurer*

As explained in Note 1, the Illinois Compiled Statutes require the District to utilize the investment services of the Township School Treasurer (the Treasurer). As such, the Treasurer is the lawful custodian of these school funds. The Treasurer is appointed by the Township Treasurer's Board of Trustees, an independently elected body, to serve the school districts in the township. The investment policies are established by the Treasurer, as prescribed by the Illinois School Code and the Illinois Compiled Statutes. The Treasurer is the direct recipient of property taxes, replacement taxes, and most state and federal aid, and disburses school funds upon lawful order to the School Board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below.

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

The Treasurer's office operates as a nonrated, external investment pool. The fair value of the District's investment in the Treasurer's pool is determined by the District's proportionate share of the fair value of the investments held by the Treasurer's office. The weighted-average maturity of all pooled marketable investments held by the Treasurer was 0.91 years at June 30, 2018. The Treasurer also holds money-market type investments and deposits with financial institutions, including certificates of deposit. As of the same date, the fair value of all investments held by the Treasurer's office was \$298,436,412, and the fair value of the District's cash and investments held by the Treasurer's office approximates the carrying amount at June 30, 2018.

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

Interest Rate Risk

The District's investment policy, which is the same as the Treasurer's office, seeks to ensure preservation of capital in the District's overall portfolio. The highest return on investments is sought, consistent with the preservation of principal and prudent investment principles. The investment portfolio is required to

NOTES TO FINANCIAL STATEMENTS (Continued)

provide sufficient liquidity to pay District obligations as they come due, considering maturity and marketability. The investment portfolio is also required to be diversified as to maturities and investments, as appropriate to the nature, purpose, and amount of funds. The District will also consider investments in local financial institutions, recognizing their contribution to the community's economic development.

B. *Cash and Investments in the Custody of the District*

At June 30, 2018, the carrying value of the District's imprest and student activity funds totaled \$163,853, all of which was deposited with financial institutions and was fully insured. Deposits with financial institutions are fully insured or collateralized by securities held in the District's name.

NOTE 3 - CAPITAL ASSETS

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

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 534,849	\$ -	\$ -	\$ 534,849
Total Capital Assets not being depreciated	<u>\$ 534,849</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 534,849</u>
Other Capital Assets				
Buildings	\$ 29,117,876	\$ 492,157	\$ -	\$ 29,610,033
Improvements Other than Buildings	812,312	55,505	-	867,817
Equipment	7,590,596	201,665	-	7,792,261
Total Other Capital Assets at Historical Cost	<u>\$ 37,520,784</u>	<u>\$ 749,327</u>	<u>\$ -</u>	<u>\$ 38,270,111</u>
Less Accumulated Depreciation for:				
Buildings	\$ 7,556,622	\$ 614,991	\$ -	\$ 8,171,613
Improvements Other than Buildings	296,664	53,679	-	350,343
Equipment	6,601,155	254,131	-	6,855,286
Total Accumulated Depreciation	<u>\$ 14,454,441</u>	<u>\$ 922,801</u>	<u>\$ -</u>	<u>\$ 15,377,242</u>
Other Capital Assets, Net	<u>\$ 23,066,343</u>	<u>\$ (173,474)</u>	<u>\$ -</u>	<u>\$ 22,892,869</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,601,192</u>	<u>\$ (173,474)</u>	<u>\$ -</u>	<u>\$ 23,427,718</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
Instruction	
Regular Programs	\$ 101,918
Special Education Programs	3,361
Other Instructional Programs	8,559
Support Services	
Pupils	2,071
Instructional Staff	100,576
General Administration	1,350
School Administration	5,616
Facilities Acquisition and Construction	7,276
Operations and Maintenance	74,958
Food Services	11,187
Unallocated	605,929
Total Governmental Activities Depreciation Expense	<u>\$ 922,801</u>

NOTE 4 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2018 was as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Amounts Due Within One Year
Governmental Activities					
Long-Term Debt					
Debt Certificates	\$ 5,335,000	\$ -	\$ 1,010,000	\$ 4,325,000	\$ 1,035,000
Total Long-Term Debt	<u>\$ 5,335,000</u>	<u>\$ -</u>	<u>\$ 1,010,000</u>	<u>\$ 4,325,000</u>	<u>\$ 1,035,000</u>
Other Long-Term Liabilities					
Compensated Absences	\$ 15,166	\$ 4,522	\$ -	\$ 19,688	\$ -
Net Pension Liability - IMRF	1,257,197	-	1,079,651	177,546	-
Net Pension Liability - TRS	1,904,579	166,109	-	2,070,688	-
Net OPEB Liability - THIS	-	13,517,074	-	13,517,074	-
Net OPEB Liability - IMRF/TRS	-	121,825	-	121,825	-
Total Other Long-Term Liabilities	<u>\$ 3,176,942</u>	<u>\$ 13,809,530</u>	<u>\$ 1,079,651</u>	<u>\$ 15,906,821</u>	<u>\$ -</u>
Total Governmental Activities					
Long-Term Obligations	<u>\$ 8,511,942</u>	<u>\$ 13,809,530</u>	<u>\$ 2,089,651</u>	<u>\$ 20,231,821</u>	<u>\$ 1,035,000</u>

Long-term debt consisted of the following at June 30, 2018:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
2011 Debt Certificates	11/1/2021	2.0%-3.0%	\$ 9,975,000	\$ 4,325,000

At June 30, 2018 the annual debt service requirements to cover all outstanding debt are:

Year Ending June 30	Principal	Interest	Total
2019	\$ 1,035,000	\$ 111,638	\$ 1,146,638
2020	1,065,000	82,725	1,147,725
2021	1,095,000	50,325	1,145,325
2022	1,130,000	16,950	1,146,950
	<u>\$ 4,325,000</u>	<u>\$ 261,638</u>	<u>\$ 4,586,638</u>

NOTE 5 - INTERFUND BALANCES

Interfund balances at June 30, 2018 consisted of the following:

	Due To	Due From
Operations and Maintenance Fund	\$ 2,400,000	\$ -
Transportation Fund	-	2,400,000
	<u>\$ 2,400,000</u>	<u>\$ 2,400,000</u>

The purpose of the interfund loan was to loan funds to other District funds for anticipated future projects. The loan from the Operations and Maintenance Fund is to be repaid no later than three years from the date of the loan.

NOTE 6 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements are from 2017 tax levy. The unavailable revenue is 49% of the 2017 tax levy after establishing an allowance for uncollectible property taxes. These taxes are considered unavailable as only a portion of the taxes (approximately 51%) are received before the end of the fiscal year and the District does not consider the remaining amounts to be available and does not budget for their use until the following fiscal year. The District has determined that a portion of the 2017 tax levy (\$12,590,767) and a portion of the 2016 tax levy, plus back taxes, less uncollectible amounts (\$11,761,600) are allocable for use in fiscal year 2018. Therefore, the percentage of each of these levies listed above are recorded in these financial statements as property taxes revenue. A summary of tax rates, assessed valuations, and extensions for tax years 2017, 2016 and 2015 is as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Tax Year Assessed Valuation	2017		2016		2015	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
	\$539,358,831		\$463,093,472		\$443,397,045	
Educational	3.1813	\$ 17,158,837	3.2814	\$ 15,196,104	3.5000	\$ 15,518,897
Special Education	0.3446	1,858,373	0.3750	1,736,698	0.4000	1,773,588
Operations and Maintenance	0.4738	2,555,264	0.5157	2,387,960	0.5500	2,438,684
Transportation	0.3687	1,988,462	0.8390	3,885,209	0.6208	2,752,785
Municipal Retirement	0.0848	462,516	0.0956	442,766	0.0954	423,184
Social Security	0.1048	565,360	0.1212	561,430	0.1257	557,527
Working Cash	0.0431	232,296	0.0469	217,088	0.0500	221,699
Tort Judgment and Liability Insurance	0.0450	242,627	-	-	0.0581	257,500
Fire Prevention and Safety	-	-	-	-	0.0522	231,308
	<u>4.6461</u>	<u>\$ 25,063,735</u>	<u>5.2748</u>	<u>\$ 24,427,255</u>	<u>5.4522</u>	<u>\$ 24,175,172</u>

NOTE 7 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2018, the following funds had total expenditures that exceeded budget:

Fund	Budget	Actual	Excess of Actual Over Budget
General Fund	\$ 22,472,770	\$ 31,014,795	\$ 8,542,025
Debt Services Fund	1,143,275	1,147,200	3,925
Transportation Fund	656,223	678,449	22,226
Fire Prevention and Safety Fund	-	1,330	1,330

NOTE 8 - DEFICIT FUND BALANCE

For the year ended June 30, 2018, the Transportation Fund had a deficit fund balance of \$1,073,047 and the Fire Prevention and Safety Fund had a deficit fund balance of \$977.

NOTE 9 - OPERATING LEASES

The District, as lessee, leases a color copier and a postage machine. Minimum annual lease payments are as follows:

Year Ending June 30	Amount
2019	\$ 4,429
2020	4,429
2021	4,429
2022	1,107
	<u>\$ 14,396</u>

Lease expense for the year ended June 30, 2018 was \$4,878.

NOTE 10 - RETIREMENT FUND COMMITMENTS

A. *Teachers' Retirement System of the State of Illinois*

General Information About the Pension Plan

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which

NOTES TO FINANCIAL STATEMENTS (Continued)

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 <http://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 ten 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 ten 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% of final average salary up to a maximum of 75% with 34 years of service. Disability and death benefits are also provided.

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

Essentially all Tier I retirees receive an annual 3% increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of 3% of the original benefit or ½% 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 III 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% 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% 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 District. For the year ended June 30, 2018, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$8,728,044 in pension contributions from the State of Illinois.

NOTES TO FINANCIAL STATEMENTS (Continued)

2.2 Formula Contributions. Employers contribute 0.58% 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 \$71,624 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 100-340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2018, the District pension contribution was 10.10% of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$108,348 were paid from federal and special trust funds that required District contributions of \$10,943. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

Employer Retirement Cost Contributions. Under GASB Statement No. 68, contributions that 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 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% and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the District 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% 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 District paid \$0 to TRS for employer contributions due on salary increases in excess of 6% 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 District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 2,070,688
State's proportionate share of the net pension liability associated with the District	88,685,930
Total Net Pension Liability	<u>\$ 90,756,618</u>

The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2017 the District's proportion was 0.0027103910%, which was an increase of 0.0002975779% from its proportion measured as of June 30, 2016.

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended June 30, 2018, the District recognized pension expense of \$8,728,044 and revenue of \$8,728,044 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Difference between expected and actual experience	\$ 22,490	\$ (956)	\$ 21,534
Net difference between projected and actual earnings on pension investments	1,421	-	1,421
Changes of assumptions	138,204	(59,502)	78,702
Changes in proportion and differences between employer contributions and proportionate share of contributions	280,597	(152,810)	127,787
Employer contributions subsequent to the measurement date	82,567	-	82,567
	<u>\$ 525,279</u>	<u>\$ (213,268)</u>	<u>\$ 312,011</u>

\$82,567 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 in these reporting years:

<u>Year Ending June 30</u>	
2019	\$ 121,490
2020	60,080
2021	29,554
2022	14,351
2023	3,969
	<u>\$ 229,444</u>

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%
Salary Increases	varies by amount of service credit
Investment Rate of Return	7.0%, net of pension plan investment expenses, 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:

NOTES TO FINANCIAL STATEMENTS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%
	100.0%	

Discount Rate

At June 30, 2017 the discount rate used to measure total pension liability was 7.00%, which was a change from the June 30, 2016 rate of 6.83%. 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 not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I’s liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point-higher (8.00%) 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	\$ 2,544,111	\$ 2,070,688	\$ 1,682,916

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*.

NOTES TO FINANCIAL STATEMENTS (Continued)

B. *Illinois Municipal Retirement Fund*

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section 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. The report is available for download at www.imrf.org.

Benefits Provided

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

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last ten 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 ten years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2017, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	66
Inactive plan members entitled to but not yet receiving benefits	101
Active plan members	87
Total	<u>254</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2017 was 10.16%. For the fiscal year ended June 30, 2018, the District contributed \$319,979 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The components of the net pension liability of the IMRF as of December 31, 2017, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$	11,322,001
IMRF Fiduciary Net Position		11,144,455
District's Net Pension Liability		177,546
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability		98.43%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the Plan.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2017 using the following actuarial methods and assumptions.

Assumptions	
Price Inflation	2.50%
Salary Increases	3.39% - 14.25% including inflation
Interest Rate	7.50%
Asset Valuation Method	Market Value of assets
Projected Retirement Age	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

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same 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.

Long-Term Expected Rate of Return

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

NOTES TO FINANCIAL STATEMENTS (Continued)

ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

Asset Class	Target Allocation	Projected Return
Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Fixed Income	28.00%	3.00%
Real Estate	9.00%	5.75%
Alternatives	7.00%	
Private Equity		7.35%
Hedge Funds		5.05%
Commodities		2.65%
Cash	1.00%	2.25%
	100.00%	

Single Discount Rate

The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this discount rate, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31%; and resulting single discount rate is 7.50%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2016	\$ 10,886,225	\$ 9,629,028	\$ 1,257,197
Changes for the year:			
Service Cost	\$ 354,676	\$ -	\$ 354,676
Interest on the Total Pension Liability	811,966	-	811,966
Differences Between Expected and Actual			
Experience of the Total Pension Liability	97,339	-	97,339
Changes of Assumptions	(353,498)	-	(353,498)
Contributions - Employer	-	320,144	(320,144)
Contributions - Employee	-	141,797	(141,797)
Net Investment Income	-	1,679,497	(1,679,497)
Benefit Payments, including Refunds of Employee Contributions	(474,707)	(474,707)	-
Other (Net Transfer)	-	(151,304)	151,304
Net Changes	\$ 435,776	\$ 1,515,427	\$ (1,079,651)
Balances at December 31, 2017	\$ 11,322,001	\$ 11,144,455	\$ 177,546

NOTES TO FINANCIAL STATEMENTS (Continued)

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:

	1% Lower 6.50%	Current Discount Rate 7.50%	1% Higher 8.50%
Net Pension Liability/(Asset)	\$ 1,459,091	\$ 177,546	\$ (891,124)

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

For the year ended June 30, 2018, the District recognized pension expense of \$323,077. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Expense in Future Periods			
Differences between expected and actual experience	\$ 62,770	\$ 16,260	\$ 46,510
Changes of assumptions	-	235,134	(235,134)
Net difference between projected and actual earnings on pension plan investments	305,663	770,778	(465,115)
Total deferred amounts to be recognized in pension expense in future periods	\$ 368,433	\$ 1,022,172	\$ (653,739)
Pension contributions made subsequent to the measurement date	173,966	-	173,966
Total deferred amounts related to pensions	<u>\$ 542,399</u>	<u>\$ 1,022,172</u>	<u>\$ (479,773)</u>

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

Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ (147,586)
2019	(131,062)
2020	(182,398)
2021	(192,693)
	<u>\$ (653,739)</u>

C. *Social Security*

Employees not qualifying for coverage under the Teachers’ Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered “non-participating employees”. These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid the total required contribution for the current fiscal year.

NOTE 11 - POST EMPLOYMENT BENEFIT COMMITMENTS

A. *Teacher Health Insurance Security Fund (THIS)*

General Information About the OPEB Plan

Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature

NOTES TO FINANCIAL STATEMENTS (Continued)

for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General (<http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>). The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

Benefits Provided

The State of Illinois offers comprehensive health plan options, all of which include prescription drug and behavioral health coverage. The State of Illinois offers TCHP, HMO, and OAP plans.

- Teachers' Choice Health Plan (TCHP) benefit recipients can choose any physician or hospital for medical services; however, benefit recipients receive enhanced benefits, resulting in lower out-of-pocket costs, when receiving services from a TCHP in-network provider. TCHP has a nationwide network and includes CVS/Caremark for prescription drug benefits and Magellan Behavioral Health for behavioral health services.
- Health Maintenance Organizations (HMO) benefit recipients are required to stay within the health plan provider network. No out-of-network services are available. Benefit recipients will need to select a primary care physician (PCP) from a network of participating providers. The PCP will direct all healthcare services and make referrals to specialists and hospitalization.
- Open Access Plan (OAP) benefit recipients will have three tiers of providers from which to choose to obtain services. The benefit level is determined by the tier in which the healthcare provider is contracted.
 - Tier I offers a managed care network which provides enhanced benefits and operates like an HMO.
 - Tier II offers an expanded network of providers and is a hybrid plan operating like an HMO and PPO.
 - Tier III covers all providers which are not in the managed care networks of Tiers I or II (i.e., out-of-network providers). Using Tier III can offer benefit recipients flexibility in selecting healthcare providers but involves higher out-of-pocket costs. Furthermore, benefit recipients who use out-of-network providers will be responsible for any amount that is over and above the charges allowed by the plan for services (i.e., allowable charges), which could result in substantial out-of-pocket costs. Benefit recipients enrolled in an OAP can mix and match providers and tiers.

Contributions

For the fiscal year ended June 30, 2018, the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the THIS make contributions to the plan at a rate of 1.18% of salary and for every employer of a teacher to contribute an amount equal to .88% of each teacher's salary. For the fiscal year ended June 30, 2017, the employee contribution was 1.12% of salary and the employer contribution was .84% of each teacher's salary. The Department of Central Management

NOTES TO FINANCIAL STATEMENTS (Continued)

Services determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers' Health Insurance Security Fund (THISF), an amount equal to the amount certified by the Board of Trustees of THIS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year. The member contribution, which may be paid on behalf of employees by the employer, is submitted to THIS by the employer.

On-Behalf Contributions to THIS. The State of Illinois makes employer benefit contributions on behalf of the District. For the year ended June 30, 2018, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net OPEB liability associated with the District, and the District recognized revenue and expenditures of \$132,189 in benefit contributions from the State of Illinois.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

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

District's proportionate share of the net OPEB liability	\$ 13,517,074
State's proportionate share of the net OPEB liability associated with the District	17,751,351
Total	<u>\$ 31,268,425</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2017, relative to the contributions of all participating THIS employers and the State during that period. At June 30, 2017, the District's proportion was 0.052090%, which was an increase of 0.004307% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized benefit expense of \$1,160,314 and on-behalf revenue/expense of \$132,189 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ -	\$ (7,656)	\$ (7,656)
Net difference between projected and actual earnings on pension investments	-	(149)	(149)
Changes of assumptions	-	(1,609,386)	(1,609,386)
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,012,815	-	1,012,815
Employer contributions subsequent to the measurement date	108,671	-	108,671
	<u>\$ 1,121,486</u>	<u>\$ (1,617,191)</u>	<u>\$ (495,705)</u>

\$108,671 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB

NOTES TO FINANCIAL STATEMENTS (Continued)

liability in the reporting year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

Year Ending June 30	Amount
2019	\$ (320,016)
2020	(158,256)
2021	(77,848)
2022	(37,802)
2023	(10,454)
	<u>\$ (604,376)</u>

Actuarial Assumptions

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

Inflation	2.75%	
		Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Salary Increases		
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation	
		Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-medicare costs and post-Medicare cost, respectively, and gradually decrease to an ultimate trend of 4.5%. Additional trend rate of 0.59% is added to mpm-Medicare costs on and after 2020 to account for the Excise Tax.
Healthcare Cost Trend Costs		

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for THIS experience. For disabled annuitants, mortality rates were based on the RP-Disabled Annuitant Table. All tables reflect future improvements using Projection Scale MP-2014.

The actuarial assumptions that were used in the June 30, 2016 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Illinois Public Treasurers' Investment Pool	100.0%	0.68%
	<u>100.0%</u>	

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of

NOTES TO FINANCIAL STATEMENTS (Continued)

the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since TRIP (Teachers' Retirement Insurance Program) is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017. 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, THIS's fiduciary net position at June 30, 2017 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. 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 THIS investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

At June 30, 2017, the discount rate used to measure the total OPEB liability was 3.56%.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.56%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.56%) or 1 percentage-point higher (4.56%) than the current rate.

	1% Decrease 2.56%	Current Discount Rate 3.56%	1% Increase 4.56%
Employer's proportionate share of the net OPEB liability	\$ 37,522,013	\$ 31,268,425	\$ 26,264,664

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.09% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.5% in 2027 for Medicare coverage.

	1% Decrease 7.00% (a)	Healthcare Cost Valuation Rate 8.00%	1% Increase 9.00% (b)
Employer's proportionate share of the net OPEB liability	\$ 25,236,867	\$ 31,268,425	\$ 39,925,843

(a) One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.09% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

(b) One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

NOTES TO FINANCIAL STATEMENTS (Continued)

B. *Retiree Insurance Plan*

Plan Overview

In addition to the retirement plans described in Note 10, the District provides post-employment benefits other than pensions (“OPEB”) to employees who meet certain criteria. The Plan, a single-employer defined benefit plan, provides the following coverage:

IMRF Employees

Employees may continue coverage into retirement on the District medical plans on a pay-all basis. Dependents may also continue coverage on a pay-all basis. Coverage may continue for as long as required contributions are paid.

Certified Teachers, Psychologists, Social Workers, and Speech Therapists

Employees are offered a choice of one of the following at retirement:

1. A lump sum payment based on completed years of service, calculated as follows:
 - \$500 per year of service for 20 to 25 completed years of service;
 - \$600 per year of service for 26 or more completed years of service.
2. Reimbursement of the postemployment health insurance premium for single coverage for up to five consecutive years, subject to a maximum of \$3,600 per year.

The Plan does not issue a stand-alone financial report.

Eligibility

Employees of the District are eligible for retiree health benefits as listed below:

Full-Time Employees - IMRF

Regular Plan Tier I (Enrolled in IMRF Prior to January 1, 2011)

- At least 55 years old and at least 8 years of credited service (reduced pension)
- At least 60 years old and at least 8 years of credited service (full pension)

Regular Plan Tier II (First Enrolled in IMRF On or After January 1, 2011)

- At least 62 years old and at least 10 years of credited service (reduced pension)
- At least 67 years old and at least 10 years of credited service (full pension)

Certified Teachers, Psychologists, Social Workers, and Speech Therapists

- Employees must have completed 20 or more years of service with the District at retirement.

Membership in the Plan consisted of the following at July 1, 2017, the date of the latest actuarial valuation:

Active employees fully eligible	253
Active employees not yet eligible	-
Retired plan members	<u>3</u>
Total	<u><u>256</u></u>

Contribution

The required contribution is based on projected pay-as-you-go financing requirements. Employees are not required to contribute to the plan.

Total OPEB Liability

The District’s total OPEB liability was measured as of June 29, 2018, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions

The total OPEB liability in the June 29, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

NOTES TO FINANCIAL STATEMENTS (Continued)

Discount rate 2.98%
 Salary Rate Increase 4.00%
 Expected long-term investment rate of return N/A
 Health Care Trend

Period	PPO	HMO
FY18-FY19	-3.10%	-3.00%
FY19-FY20	5.50%	4.50%
FY20-FY21	5.38%	4.50%
FY21-FY22	5.25%	4.50%
FY22-FY23	5.13%	4.50%
FY23-FY24	5.00%	4.50%
FY24-FY25	4.88%	4.50%
FY25-FY26	4.75%	4.50%
FY26-FY27	4.63%	4.50%
FY27-FY28	4.50%	4.50%
Subsequent	4.50%	4.50%
TRIP Plan - 5.00% for all years		

Retiree Contribution Trend
 Mortality

Same as Health Care Trend
 - IMRF Mortality follows the Rates from the December 31, 2017 IMRF Actuarial Valuation Report.
 - TRS Mortality follows the Rates as developed from June 30, 2017 Teachers' Retirement System Actuarial Valuation Report

Starting Per Capita Costs

Age	PPO		HMO	
	Retiree	Spouse	Retiree	Spouse
55	\$ 13,138	\$ 23,109	\$ 9,442	\$ 15,377
57	14,347	25,236	10,311	16,792
60	16,372	28,798	11,767	19,163
62	17,878	31,448	12,850	20,926
64	19,524	34,342	14,032	22,852

Retiree Contributions

	Retiree	Spouse
PPO	\$ 8,460	\$ 14,881
HMO	6,080	9,902

Election at Retirement

0% of IMRF employees will elect continuation of medical coverage at retirement. For Certified employees, 35% will elect the TRIP insurance reimbursement and 65% will elect the lump sum payment at retirement.

There is no long-term expected rate of return on OPEB plan investments because the District does not have a trust dedicated exclusively to the payment of OPEB benefits.

Discount Rate

The District does not have a dedicated trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

A rate of 2.98% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 29, 2018.

NOTES TO FINANCIAL STATEMENTS (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability (A)	OPEB Plan Net Position (B)	Net OPEB Liability (A)-(B)
Balances at June 30, 2017	\$ 529,695	\$ -	\$ 529,695
Changes for the year:			
Service Cost	\$ 8,103	\$ -	\$ 8,103
Interest on the Total OPEB Liability	15,613	-	15,613
Changes of Assumptions	(21,720)	-	(21,720)
Benefit Payments	(11,506)	-	(11,506)
Other Changes	(398,360)	-	(398,360)
Net Changes	\$ (407,870)	\$ -	\$ (407,870)
Balances at June 30, 2018	\$ 121,825	\$ -	\$ 121,825

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

	1% Decrease 1.98%	Current Discount Rate 2.98%	1% Increase 3.98%
Employer's proportionate share of the net OPEB liability	\$ 114,625	\$ 121,825	\$ 129,500

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using health care cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current health care cost trend rates:

	1% Decrease Varies	Healthcare Cost Valuation Rate Varies	1% Increase Varies
Employer's proportionate share of the net OPEB liability	\$ 121,968	\$ 121,825	\$ 121,628

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the District recognized OPEB expense of \$(15,755). At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Expense in Future Periods			
Differences between expected and actual experience	\$ -	\$ -	\$ -
Changes of assumptions	1,006	(381,615)	(380,609)
Net difference between projected and actual earnings on OPEB investments	-	-	-
OPEB contributions made subsequent to the measurement date	-	-	-
Total deferred amounts related to OPEB	\$ 1,006	\$ (381,615)	\$ (380,609)

NOTES TO FINANCIAL STATEMENTS (Continued)

Changes in total OPEB liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected remaining service life of all employees (10.64 years, active and retired) in the postretirement plan.

Amounts reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Year Ending June 30	Net Deferred Outflows of Resources
2019	\$ (39,473)
2020	(39,473)
2021	(39,473)
2022	(39,473)
2023	(39,473)
Thereafter	(183,244)
	<u>\$ (380,609)</u>

NOTE 12 - INTERFUND TRANSFERS

There were no interfund transfers executed during the year ended June 30, 2018.

NOTE 13 - JOINT VENTURE – LAGRANGE AREA DEPARTMENT OF SPECIAL EDUCATION (LADSE)

The District and fourteen other districts within Eastern DuPage and Western Cook Counties have entered into a joint agreement to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the management council.

A summary of the Statement of Net Position of LADSE at June 30, 2017 (most recent information available) is as follows:

Assets	\$ 6,113,022
Deferred Outflows of Resources	2,564,318
	<u>\$ 8,677,340</u>
Liabilities	\$ 5,827,420
Deferred Inflows of Resources	1,054,149
Net Position	1,795,771
	<u>\$ 8,677,340</u>
Revenues	\$ 29,219,458
Expenditures	30,492,301
Net Increase/(Decrease) in Net Position	<u>\$ (1,272,843)</u>

Complete financial statements for LADSE can be obtained from the Administrative Offices at LaGrange Area Department of Special Education, 1301 West Cossitt Avenue, LaGrange, Illinois 60525.

NOTE 14 - RISK MANAGEMENT

The District is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Suburban School Cooperative Insurance Pool (SSCIP), a risk management pool of school districts through which property, general liability, automobile liability, crime, school board legal liability, boiler and machinery, and umbrella liability coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

NOTES TO FINANCIAL STATEMENTS (Continued)

The relationship between the District and SSCIP is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The District is contractually obligated to make all annual and supplementary contributions for SSCIP, to report claims on a timely basis, cooperate with SSCIP, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by SSCIP. Members have a contractual obligation to fund any deficit of SSCIP attributable to a membership year during which they were a member. SSCIP is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. SSCIP also provides its members with risk management services, including the defense and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

The District is also a member of the School Employees Loss Fund (SELF), a joint risk management pool of school districts through which workers' compensation coverage is provided. During the year ended June 30, 2018, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage in any of the past three fiscal years.

NOTE 15 - CONTINGENCIES

The District is not aware of any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 16 - NET POSITION ADJUSTMENT

An adjustment was made to increase the District's government-wide net position in the amount of \$50,892. This was due to the implementation of GASB 75 and the subsequent need to remove the old OPEB Net Obligation from the financial statements, as it is superseded by the provisions of GASB 75.

NOTE 17 - LEGAL DEBT LIMITATION

The Illinois School Code limits the amount of indebtedness to 6.9% of the most recent available equalized assessed valuation (EAV) of the District. The District's legal debt limitation is as follows:

2017 EAV	\$	539,358,831
Rate		<u>6.90%</u>
Debt Margin	\$	<u>37,215,759</u>
Current Debt		4,325,000
Remaining Debt Margin	\$	<u><u>32,890,759</u></u>

NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLE

Effective for the year ended June 30, 2018, the District has implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus 2017*. These Statements establish financial reporting standards for postemployment benefits other than pension agreements offered by the District. The Statements also require additional disclosures about the post-employment benefits other than pensions offered by the District (see Note 11). As a result of this change, the beginning government-wide net position was decreased by \$13,490,832.

REQUIRED SUPPLEMENTARY INFORMATION

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
JUNE 30, 2018

	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
TOTAL PENSION LIABILITY				
Service Cost	\$ 354,676	\$ 360,875	\$ 314,076	\$ 348,044
Interest on the Total Pension Liability	811,966	766,837	719,403	661,642
Differences Between Expected and Actual Experience	97,339	(53,432)	38,129	(246,841)
Changes in Assumptions	(353,498)	(23,585)	11,267	474,323
Benefit Payments, Including Refunds of Member Contributions	<u>(474,707)</u>	<u>(471,716)</u>	<u>(446,877)</u>	<u>(427,576)</u>
Net Change in Total Pension Liability	<u>\$ 435,776</u>	<u>\$ 578,979</u>	<u>\$ 635,998</u>	<u>\$ 809,592</u>
Total Pension Liability - Beginning	<u>10,886,225</u>	<u>10,307,246</u>	<u>9,671,248</u>	<u>8,861,656</u>
Total Pension Liability - Ending	<u>\$ 11,322,001</u>	<u>\$ 10,886,225</u>	<u>\$ 10,307,248</u>	<u>\$ 9,671,248</u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 320,144	\$ 323,897	\$ 304,912	\$ 291,452
Contributions - Member	141,797	146,641	127,829	124,472
Net Investment Income	1,679,497	623,339	44,935	518,408
Benefit Payments, Including Refunds of Member Contributions	(474,707)	(471,716)	(446,877)	(427,576)
Other (Net Transfers)	<u>(151,304)</u>	<u>17,349</u>	<u>(35,335)</u>	<u>(17,024)</u>
Net Change in Plan Fiduciary Net Position	<u>\$ 1,515,427</u>	<u>\$ 639,510</u>	<u>\$ (4,536)</u>	<u>\$ 489,732</u>
Plan Net Position - Beginning	<u>9,629,028</u>	<u>8,989,518</u>	<u>8,994,054</u>	<u>8,504,322</u>
Plan Net Position - Ending	<u>\$ 11,144,455</u>	<u>\$ 9,629,028</u>	<u>\$ 8,989,518</u>	<u>\$ 8,994,054</u>
District's Net Pension Liability	<u>\$ 177,546</u>	<u>\$ 1,257,197</u>	<u>\$ 1,317,728</u>	<u>\$ 677,194</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	98.43%	88.45%	87.22%	93.00%
Covered-Employee Payroll	\$ 3,151,024	\$ 3,041,282	\$ 2,825,628	\$ 2,726,396
Employer's Net Pension Liability as a percentage of Covered-Employee Payroll	5.63%	41.34%	46.63%	24.84%

* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

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

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2018

	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
Actuarially-Determined Contribution	\$ 320,144	\$ 323,897	\$ 298,104	\$ 291,452
Contributions in relation to Actuarially-Determined Contribution	320,144	323,897	304,912	291,452
Contribution deficiency/(excess)	\$ -	\$ -	\$ (6,808)	\$ -
Covered-Employee Payroll	\$ 3,182,033	\$ 3,041,282	\$ 2,825,628	\$ 2,726,396
Contributions as a percentage of Covered-Employee Payroll	10.06%	10.65%	10.79%	10.69%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2017 Contribution Rate *

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

Actuarial Cost Method: Aggregate entry age = normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 26-year closed period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 3.5%

Price Inflation: 2.75%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.75% to 14.50%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

Mortality: RP-2014 Blue Collar Healthy Mortality Table, adjusted to match current IMRF experience. For disabled lives, 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 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation; note two year lag between valuation and rate setting.

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

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
 OF THE NET PENSION LIABILITY
 JUNE 30, 2018

	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Employer's proportion of the Net Pension Liability	0.2710391%	0.2412800%	0.0027906%	0.0027467%
Employer's proportionate share of the Net Pension Liability	\$ 2,070,688	\$ 1,904,579	\$ 1,828,133	\$ 1,671,584
State's proportionate share of the Net Pension Liability associated with the employer	<u>88,685,930</u>	<u>88,089,788</u>	<u>69,649,955</u>	<u>61,093,633</u>
Total	<u>\$ 90,756,618</u>	<u>\$ 89,994,367</u>	<u>\$ 71,478,088</u>	<u>\$ 62,765,217</u>
Employer's Covered-Employee Payroll	\$ 11,979,836	\$ 11,188,621	\$ 10,758,560	\$ 9,860,793
Employer's proportionate share of the Net Pension Liability as a percentage of Covered-Employee Payroll	17.28%	17.02%	16.99%	16.95%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	39.30%	36.40%	41.50%	43.00%

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

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

Changes of Assumptions:

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

For the 2015 measurement year, the assumed investment rate of return was 7.5%, including an inflation rate of 3.0% and a real return of 4.5%. 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%, including an inflation rate of 3.0% and a real return of 4.5%. However, salary increases were assumed to vary by age.

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTION
 JUNE 30, 2018

	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Statutorily-Required Contribution	\$ 111,667	\$ 93,441	\$ 97,783	\$ 98,000
Contributions in relation to Statutorily-Required Contribution	<u>111,678</u>	<u>93,967</u>	<u>97,043</u>	<u>98,000</u>
Contribution deficiency/(excess)	<u>\$ (11)</u>	<u>\$ (526)</u>	<u>\$ 740</u>	<u>\$ -</u>
Employer's Covered-Employee Payroll	\$ 12,348,976	\$ 11,188,621	\$ 10,758,560	\$ 9,860,793
Contributions as a percentage of Covered-Employee Payroll	0.90%	0.84%	0.91%	0.99%

* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

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

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
 OF THE NET OPEB LIABILITY
 JUNE 30, 2018

	6/30/2018 *
Employer's proportion of the Net OPEB Liability	0.0520900%
Employer's proportionate share of the Net OPEB Liability	\$ 13,517,074
State's proportionate share of the Net OPEB Liability associated with the employer	17,751,351
Total	\$ 31,268,425
Employer's Covered-Payroll	\$ 11,979,836
Employer's proportionate share of the Net OPEB Liability as a percentage of Covered Payroll	112.83%
OPEB Plan Net Position as a percentage of the Total OPEB Liability	-0.17%

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

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

Changes of Assumptions:

For the 2017 measurement year, the assumed investment rate of return was 0%, including an inflation rate of 2.75%, and the healthcare cost trend rates used the actual trend. Salary increases include a 3.25% wage inflation.

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTION
 JUNE 30, 2018

	6/30/2018 *
Statutorily-Required Contribution	\$ 100,658
Contributions in relation to the Statutorily-Required Contribution	100,631
Contribution deficiency/(excess)	\$ 27
Employer's Covered-Payroll	\$ 12,348,976
Contributions as a percentage of Covered-Payroll	0.81%

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

* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 OTHER POST-EMPLOYMENT BENEFIT
 SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB
 LIABILITY AND RELATED RATIOS
 JUNE 30, 2018

	6/30/2018
TOTAL OPEB LIABILITY	
Service Cost	\$ 8,103
Interest	15,613
Benefit Payments	(11,506)
Changes in Assumptions	(21,720)
Other Changes	(398,360)
Net Change in Total OPEB Liability	\$ (407,870)
Total OPEB Liability - Beginning	529,695
Total OPEB Liability - Ending	\$ 121,825
OPEB Plan Net Position - Beginning	\$ -
OPEB Net Position - Ending	-
District's Net OPEB Plan Liability	\$ 121,825
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%
Covered-Employee Payroll	\$ 14,309,005
Employer's Net OPEB Liability as a Percentage of Covered-Valuation Payroll	0.85%

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

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 OTHER POST-EMPLOYMENT BENEFIT
 SCHEDULE OF EMPLOYER CONTRIBUTION
 JUNE 30, 2018

	6/30/2018
Actuarially-Determined Contribution	N/A
Contributions in relation to Actuarially-Determined Contribution	-
Contribution deficiency/(excess)	N/A
Covered-Employee Payroll	\$ 14,309,005
Contributions as a percentage of Covered-Employee Payroll	0.00%

Notes to Schedule:

There is no ADC or employer contribution in relation to the ADC, as the total OPEB liabilities are currently an unfunded obligation.

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

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 16,577,250	\$ 17,894,006
Payments in Lieu of Taxes	48,693	164,039
Tuition	16,019	36,221
Earnings on Investments	127,417	269,009
Food Service	108,840	122,540
District/School Activity Income	6,402	5,700
Textbooks	191,011	260,240
Other Local Sources	104	47,922
State Aid		
General State Aid	1,532,991	1,490,424
Special Education	484,690	323,410
Bilingual	-	2,621
State Free Lunch and Breakfast	535	729
Other State Aid	4,285	7,069
Federal Aid		
Food Service	81,775	89,321
Title I	148,571	130,765
Title IV	-	4,651
Federal Special Education	91,494	15,981
Title III - English Language Acquisition	13,118	12,937
Title II - Teacher Quality	17,009	38,820
Medicaid Matching Funds - Administrative Outreach	110,101	38,313
Medicaid Matching Funds - Fee-for-Service Program	-	153,020
On-Behalf Payments	-	8,860,233
Total Revenues	<u>\$ 19,560,305</u>	<u>\$ 29,967,971</u>
EXPENDITURES		
Instruction		
Regular Programs		
Salaries	\$ 8,615,766	\$ 8,246,113
Employee Benefits	1,399,739	1,519,107
Purchased Services	39,388	35,234
Supplies and Materials	431,122	354,510
Non-Capitalized Equipment	-	17,635
	<u>\$ 10,486,015</u>	<u>\$ 10,172,599</u>
Special Education Programs		
Salaries	\$ 2,784,154	\$ 2,534,139
Employee Benefits	541,655	649,937
Purchased Services	53,971	5,726
Supplies and Materials	20,163	21,266
Other Objects	505	360
	<u>\$ 3,400,448</u>	<u>\$ 3,211,428</u>
Remedial and Supplemental Programs K-12		
Salaries	\$ 93,821	\$ 86,365
Employee Benefits	71,337	14,889
Supplies and Materials	-	11,679
	<u>\$ 165,158</u>	<u>\$ 112,933</u>
Special Education Programs Pre-K		
Purchased Services	\$ 259,602	\$ -
Supplies and Materials	32,513	-
Non-Capitalized Equipment	9,500	-
	<u>\$ 301,615</u>	<u>\$ -</u>

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Instruction (Continued)		
Interscholastic Programs		
Salaries	\$ 161,013	\$ 188,651
Employee Benefits	1,014	870
Purchased Services	12,901	10,174
Supplies and Materials	15,912	4,081
	<u>\$ 190,840</u>	<u>\$ 203,776</u>
Summer School Programs		
Salaries	\$ 38,130	\$ 26,620
Employee Benefits	6,889	3,643
Purchased Services	2,970	-
Supplies and Materials	6,000	166
	<u>\$ 53,989</u>	<u>\$ 30,429</u>
Gifted Programs		
Salaries	\$ 176,487	\$ 209,810
Employee Benefits	1,968	20,719
Supplies and Materials	1,381	-
	<u>\$ 179,836</u>	<u>\$ 230,529</u>
Bilingual Programs		
Salaries	\$ 7,220	\$ -
Employee Benefits	14,450	29
Supplies and Materials	14,000	18,298
	<u>\$ 35,670</u>	<u>\$ 18,327</u>
Private Tuition - Other Objects		
Regular K-12 Programs	\$ -	\$ 1,170
Special Education Programs K-12	533,014	719,496
	<u>\$ 533,014</u>	<u>\$ 720,666</u>
Total Instruction	<u>\$ 15,346,585</u>	<u>\$ 14,700,687</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 308,614	\$ 387,146
Employee Benefits	44,210	48,887
Purchased Services	700	9,656
Supplies and Materials	1,500	961
	<u>\$ 355,024</u>	<u>\$ 446,650</u>
Guidance Services		
Salaries	\$ 78,807	\$ -
Employee Benefits	8,938	9,378
	<u>\$ 87,745</u>	<u>\$ 9,378</u>
Health Services		
Salaries	\$ 188,376	\$ 192,775
Employee Benefits	46,141	47,746
Purchased Services	3,300	13,580
Supplies and Materials	3,066	2,730
Non-Capitalized Equipment	-	1,704
	<u>\$ 240,883</u>	<u>\$ 258,535</u>
Psychological Services		
Purchased Services	\$ 5,000	\$ -
Supplies and Materials	3,000	2,505
	<u>\$ 8,000</u>	<u>\$ 2,505</u>

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Pupils (Continued)		
Speech Pathology and Audiology Services		
Salaries	\$ 338,867	\$ 293,685
Employee Benefits	60,088	54,295
Purchased Services	2,000	31,454
Supplies and Materials	2,094	2,168
	\$ 403,049	\$ 381,602
Other Support Services - Pupils		
Salaries	\$ 110,301	\$ 67,314
Purchased Services	10,920	7,883
Supplies and Materials	1,528	-
	\$ 122,749	\$ 75,197
Total Support Services - Pupils	\$ 1,217,450	\$ 1,173,867
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 25,272	\$ 25,731
Employee Benefits	5,687	7,842
Purchased Services	196,295	214,021
Supplies and Materials	241,125	282,493
	\$ 468,379	\$ 530,087
Educational Media Services		
Salaries	\$ 425,715	\$ 503,250
Employee Benefits	112,189	109,503
Purchased Services	128,770	128,150
Supplies and Materials	351,225	407,560
Non-Capitalized Equipment	-	20,544
	\$ 1,017,899	\$ 1,169,007
Assessment and Testing		
Purchased Services	\$ 8,500	\$ 8,750
Supplies and Materials	12,000	7,469
	\$ 20,500	\$ 16,219
Total Support Services - Instructional Staff	\$ 1,506,778	\$ 1,715,313
General Administration		
Board of Education Services		
Salaries	\$ 169,301	\$ 183,488
Employee Benefits	39,696	24,042
Purchased Services	183,800	155,271
Supplies and Materials	3,932	3,923
Other Objects	15,455	12,715
	\$ 412,184	\$ 379,439
Executive Administration Services		
Salaries	\$ 323,043	\$ 306,133
Employee Benefits	43,268	68,242
Purchased Services	36,200	54,916
Supplies and Materials	2,000	2,494
Other Objects	4,975	8,591
	\$ 409,486	\$ 440,376

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
General Administration (Continued)		
Special Area Administration Services		
Salaries	\$ -	\$ 228,450
Employee Benefits	-	32,729
	<u>\$ -</u>	<u>\$ 261,179</u>
 Total Support Services - General Administration	 <u>\$ 821,670</u>	 <u>\$ 1,080,994</u>
 School Administration		
Office of the Principal Services		
Salaries	\$ 952,353	\$ 982,873
Employee Benefits	319,781	272,563
Purchased Services	37,782	27,135
Supplies and Materials	32,491	21,889
Other Objects	3,600	3,053
	<u>\$ 1,346,007</u>	<u>\$ 1,307,513</u>
 Total Support Services - School Administration	 <u>\$ 1,346,007</u>	 <u>\$ 1,307,513</u>
 Business		
Direction of Business Support Services		
Salaries	\$ 121,880	\$ 63,454
Employee Benefits	-	473
	<u>\$ 121,880</u>	<u>\$ 63,927</u>
Fiscal Services		
Salaries	\$ 99,993	\$ 101,794
Employee Benefits	24,977	33,696
Purchased Services	78,150	79,083
Supplies and Materials	15,700	14,624
	<u>\$ 218,820</u>	<u>\$ 229,197</u>
Internal Services		
Purchased Services	\$ 11,500	\$ 9,157
	<u>\$ 11,500</u>	<u>\$ 9,157</u>
 Total Support Services - Business	 <u>\$ 352,200</u>	 <u>\$ 302,281</u>
 Food Services		
Salaries	\$ 89,681	\$ 91,240
Employee Benefits	31,928	34,331
Purchased Services	2,100	526
Supplies and Materials	72,000	69,176
Other Objects	600	53
	<u>\$ 196,309</u>	<u>\$ 195,326</u>
 Total Support Services - Food Services	 <u>\$ 196,309</u>	 <u>\$ 195,326</u>
 Other Support Services		
Supplies and Materials	\$ 1,800	\$ 1,062
	<u>\$ 1,800</u>	<u>\$ 1,062</u>
 Total Other Support Services	 <u>\$ 1,800</u>	 <u>\$ 1,062</u>
 Total Support Services	 <u>\$ 5,442,214</u>	 <u>\$ 5,776,356</u>

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Community Services		
Salaries	\$ 12,423	\$ 4,139
Employee Benefits	3,245	442
Purchased Services	11,563	22,311
Supplies and Materials	2,761	511
Total Community Services	<u>\$ 29,992</u>	<u>\$ 27,403</u>
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ -	\$ 772,418
Other Objects	1,321,032	-
	<u>\$ 1,321,032</u>	<u>\$ 772,418</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 1,321,032</u>	<u>\$ 772,418</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Special Education Programs		
Other Objects	\$ -	\$ 726,711
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ -</u>	<u>\$ 726,711</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 1,321,032</u>	<u>\$ 1,499,129</u>
Capital Outlay		
Instruction		
Regular Programs	\$ 127,368	\$ 37,118
Special Education Programs	7,324	-
Support Services		
Pupils	1,500	-
Instructional Staff	187,835	110,631
General Administration	2,000	-
School Administration	3,420	-
Food Services	3,500	3,238
Total Capital Outlay	<u>\$ 332,947</u>	<u>\$ 150,987</u>
On-Behalf Payments	<u>\$ -</u>	<u>\$ 8,860,233</u>
Total Expenditures	<u>\$ 22,472,770</u>	<u>\$ 31,014,795</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (2,912,465)	\$ (1,046,824)
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	<u>3,500,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 587,535	(1,046,824)
FUND BALANCE - JULY 1, 2017	<u>23,776,407</u>	<u>27,191,956</u>
FUND BALANCE - JUNE 30, 2018	<u>\$ 24,363,942</u>	<u>\$ 26,145,132</u>

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND
YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 2,453,573	\$ 2,450,311
Other Payments in Lieu of Taxes	200,000	164,039
Earnings on Investments	25,567	12,166
Other Local Sources	10,317	33,428
Total Revenues	<u>\$ 2,689,457</u>	<u>\$ 2,659,944</u>
EXPENDITURES		
Support Services		
Operations and Maintenance		
Salaries	\$ 905,050	\$ 963,176
Employee Benefits	306,313	250,732
Purchased Services	503,018	453,256
Supplies and Materials	441,262	411,716
Non-Capitalized Equipment	-	575
Total Support Services - Operations and Maintenance	<u>\$ 2,155,643</u>	<u>\$ 2,079,455</u>
Total Support Services	<u>\$ 2,155,643</u>	<u>\$ 2,079,455</u>
Capital Outlay		
Support Services		
Operations and Maintenance	\$ 800,000	\$ 544,290
Total Capital Outlay	<u>\$ 800,000</u>	<u>\$ 544,290</u>
Total Expenditures	<u>\$ 2,955,643</u>	<u>\$ 2,623,745</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (266,186)	\$ 36,199
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (266,186)	\$ 36,199
FUND BALANCE - JULY 1, 2017	<u>911,173</u>	<u>3,312,930</u>
FUND BALANCE - JUNE 30, 2018	<u>\$ 644,987</u>	<u>\$ 3,349,129</u>

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 3,389,391	\$ 2,888,909
Earnings on Investments	10,764	31,055
State Aid		
Transportation	397,038	390,555
Total Revenues	\$ 3,797,193	\$ 3,310,519
EXPENDITURES		
Support Services		
Transportation		
Purchased Services	\$ 656,223	\$ 678,449
Total Support Services - Transportation	\$ 656,223	\$ 678,449
Total Support Services	\$ 656,223	\$ 678,449
Total Expenditures	\$ 656,223	\$ 678,449
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 3,140,970	\$ 2,632,070
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	(3,500,000)	-
NET CHANGE IN FUND BALANCE	\$ (359,030)	\$ 2,632,070
FUND BALANCE - JULY 1, 2017	1,751,208	(3,705,117)
FUND BALANCE - JUNE 30, 2018	\$ 1,392,178	\$ (1,073,047)

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 429,924	\$ 443,930
FICA/Medicare Only Purposes Levies	558,408	553,026
Payments in Lieu of Taxes	19,266	20,443
Earnings on Investments	3,963	11,991
Total Revenues	<u>\$ 1,011,561</u>	<u>\$ 1,029,390</u>
EXPENDITURES		
Instruction		
Regular Programs		
Employee Benefits	\$ 151,635	\$ 150,286
Special Education Programs		
Employee Benefits	208,903	203,230
Special Education Programs - Pre-K		
Employee Benefits	20,010	-
Remedial and Supplemental Programs - K-12		
Employee Benefits	5,390	1,248
Interscholastic Programs		
Employee Benefits	8,813	8,886
Summer School Programs		
Employee Benefits	2,332	1,470
Gifted Programs		
Employee Benefits	3,185	2,914
Bilingual Programs		
Employee Benefits	20	73
	<u>\$ 400,288</u>	<u>\$ 368,107</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	\$ 4,316	\$ 5,378
Guidance Services		
Employee Benefits	1,170	-
Health Services		
Employee Benefits	36,560	32,765
Speech Pathology and Audiology Services		
Employee Benefits	4,342	3,990
Other Support Services - Pupils		
Employee Benefits	11,902	8,541
	<u>\$ 58,290</u>	<u>\$ 50,674</u>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ 80	\$ 218
Educational Media Services		
Employee Benefits	14,603	14,193
	<u>\$ 14,683</u>	<u>\$ 14,411</u>

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
General Administration		
Board of Education Services		
Employee Benefits	\$ 6,352	\$ 6,987
Executive Administration Services		
Employee Benefits	21,955	21,525
Special Area Administrative Services		
Employee Benefits	-	12,565
	<u>\$ 28,307</u>	<u>\$ 41,077</u>
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 63,192	\$ 62,717
	<u>\$ 63,192</u>	<u>\$ 62,717</u>
Business		
Direction of Business Support Services		
Employee Benefits	\$ -	\$ 913
Fiscal Services		
Employee Benefits	18,038	17,808
	<u>\$ 18,038</u>	<u>\$ 18,721</u>
Operations and Maintenance		
Employee Benefits	\$ 159,002	\$ 158,008
	<u>\$ 159,002</u>	<u>\$ 158,008</u>
Food Services		
Employee Benefits	\$ 13,857	\$ 13,644
	<u>\$ 13,857</u>	<u>\$ 13,644</u>
Total Support Services	<u>\$ 355,369</u>	<u>\$ 359,252</u>
Community Services		
Employee Benefits	\$ 122	\$ 60
Total Community Services	<u>\$ 122</u>	<u>\$ 60</u>
Total Expenditures	<u>\$ 755,779</u>	<u>\$ 727,419</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 255,782	\$ 301,971
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 255,782	\$ 301,971
FUND BALANCE - JULY 1, 2017	<u>1,049,220</u>	<u>1,056,092</u>
FUND BALANCE - JUNE 30, 2018	<u>\$ 1,305,002</u>	<u>\$ 1,358,063</u>

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
TORT FUND
YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 262,131	\$ 122,185
Earnings on Investments	4,936	7,098
Total Revenues	<u>\$ 267,067</u>	<u>\$ 129,283</u>
EXPENDITURES		
Support Services		
General Administration		
Workers' Compensation or Worker's Occupational Disease Act		
Purchased Services	\$ 88,920	\$ 62,327
	<u>\$ 88,920</u>	<u>\$ 62,327</u>
Insurance Payments		
Purchased Services	\$ 44,000	\$ -
	<u>\$ 44,000</u>	<u>\$ -</u>
Property Insurance		
Purchased Services	\$ -	\$ 37,408
	<u>\$ -</u>	<u>\$ 37,408</u>
Total General Administration	<u>\$ 132,920</u>	<u>\$ 99,735</u>
Total Support Services	<u>\$ 132,920</u>	<u>\$ 99,735</u>
Total Expenditures	<u>\$ 132,920</u>	<u>\$ 99,735</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 134,147</u>	<u>\$ 29,548</u>
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 134,147</u>	<u>\$ 29,548</u>
FUND BALANCE - JULY 1, 2017	<u>908,451</u>	<u>778,384</u>
FUND BALANCE - JUNE 30, 2018	<u><u>\$ 1,042,598</u></u>	<u><u>\$ 807,932</u></u>

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2018

NOTE 1 - BUDGETARY PROCESS

The District follows procedures mandated by Illinois State law and District Board policy to establish the budgetary data reflected in its financial statements. The budget was passed on September 20, 2017 and was not amended. The modified accrual basis budgeted amounts in this report are the result of full compliance with the following procedures:

For each fund, total fund expenditures 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 July 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 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.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2018, the following funds presented as Required Supplementary Information had total expenditures that exceeded budget:

Fund	Budget	Actual	Excess of Actual Over Budget
General Fund	\$ 22,472,770	\$ 31,014,795	\$ 8,542,025
Transportation Fund	656,223	678,449	22,226

SUPPLEMENTAL FINANCIAL INFORMATION

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 COMBINING BALANCE SHEET
 GENERAL FUND
 JUNE 30, 2018

	Educational Fund	Working Cash Fund	General Fund Total
ASSETS			
Cash and Cash Equivalents	\$ 22,039,094	\$ 4,277,312	\$ 26,316,406
Taxes Receivable, net of allowance of \$288,743	8,924,272	108,648	9,032,920
Due from Other Governments, net of allowance of \$0	222,612	-	222,612
	<u>\$ 31,185,978</u>	<u>\$ 4,385,960</u>	<u>\$ 35,571,938</u>
Total Assets	\$ 31,185,978	\$ 4,385,960	\$ 35,571,938
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 36,761	\$ -	\$ 36,761
Accrued Payroll and Payroll Liabilities	34,241	-	34,241
Deferred Revenue	65,030	-	65,030
	<u>\$ 136,032</u>	<u>\$ -</u>	<u>\$ 136,032</u>
Total Liabilities	\$ 136,032	\$ -	\$ 136,032
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	\$ 9,178,656	\$ 112,118	\$ 9,290,774
	<u>\$ 9,178,656</u>	<u>\$ 112,118</u>	<u>\$ 9,290,774</u>
Total Deferred Inflows of Resources	\$ 9,178,656	\$ 112,118	\$ 9,290,774
FUND BALANCES			
Unassigned	\$ 21,871,290	\$ 4,273,842	\$ 26,145,132
	<u>\$ 21,871,290</u>	<u>\$ 4,273,842</u>	<u>\$ 26,145,132</u>
Total Fund Balances	\$ 21,871,290	\$ 4,273,842	\$ 26,145,132
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 31,185,978	\$ 4,385,960	\$ 35,571,938

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 GENERAL FUND
 YEAR ENDED JUNE 30, 2018

	Educational Fund	Working Cash Fund	General Fund Total
REVENUES			
Property Taxes	\$ 17,673,152	\$ 220,854	\$ 17,894,006
Payments in Lieu of Taxes	164,039	-	164,039
Tuition	36,221	-	36,221
Earnings on Investments	263,224	5,785	269,009
Food Service	122,540	-	122,540
District/School Activity Income	5,700	-	5,700
Textbooks	260,240	-	260,240
Other Local Sources	47,922	-	47,922
State Aid	1,824,253	-	1,824,253
Federal Aid	483,808	-	483,808
On-Behalf Payments	8,860,233	-	8,860,233
	<u>\$ 29,741,332</u>	<u>\$ 226,639</u>	<u>\$ 29,967,971</u>
EXPENDITURES			
Current			
Instruction			
Regular Programs	\$ 10,172,599	\$ -	\$ 10,172,599
Special Education Programs	3,211,428	-	3,211,428
Other Instructional Programs	1,316,660	-	1,316,660
Support Services			
Pupils	1,173,867	-	1,173,867
Instructional Staff	1,715,313	-	1,715,313
General Administration	1,080,994	-	1,080,994
School Administration	1,307,513	-	1,307,513
Business	302,281	-	302,281
Food Services	195,326	-	195,326
Other Support Services	1,062	-	1,062
Community Services	27,403	-	27,403
Payments to Other Districts and Governmental Units	1,499,129	-	1,499,129
Capital Outlay	150,987	-	150,987
On-Behalf Payments	8,860,233	-	8,860,233
	<u>\$ 31,014,795</u>	<u>\$ -</u>	<u>\$ 31,014,795</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,273,463)	\$ 226,639	\$ (1,046,824)
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	\$ (1,273,463)	\$ 226,639	\$ (1,046,824)
FUND BALANCE - JULY 1, 2017	<u>23,144,753</u>	<u>4,047,203</u>	<u>27,191,956</u>
FUND BALANCE - JUNE 30, 2018	<u>\$ 21,871,290</u>	<u>\$ 4,273,842</u>	<u>\$ 26,145,132</u>

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 16,354,345	\$ 17,673,152
Payments in Lieu of Taxes	48,693	164,039
Tuition	16,019	36,221
Earnings on Investments	124,384	263,224
Food Service	108,840	122,540
District/School Activity Income	6,402	5,700
Textbooks	191,011	260,240
Other Local Sources	104	47,922
State Aid		
General State Aid	1,532,991	1,490,424
Special Education	484,690	323,410
Bilingual	-	2,621
State Free Lunch and Breakfast	535	729
Other State Aid	4,285	7,069
Federal Aid		
Food Service	81,775	89,321
Title I	148,571	130,765
Title IV	-	4,651
Federal Special Education	91,494	15,981
Title III - English Language Acquisition	13,118	12,937
Title II - Teacher Quality	17,009	38,820
Medicaid Matching Funds - Administrative Outreach	110,101	38,313
Medicaid Matching Funds - Fee-for-Service Program	-	153,020
On-Behalf Payments	-	8,860,233
Total Revenues	<u>\$ 19,334,367</u>	<u>\$ 29,741,332</u>
EXPENDITURES		
Instruction		
Regular Programs		
Salaries	\$ 8,615,766	\$ 8,246,113
Employee Benefits	1,399,739	1,519,107
Purchased Services	39,388	35,234
Supplies and Materials	431,122	354,510
Non-Capitalized Equipment	-	17,635
	<u>\$ 10,486,015</u>	<u>\$ 10,172,599</u>
Special Education Programs		
Salaries	\$ 2,784,154	\$ 2,534,139
Employee Benefits	541,655	649,937
Purchased Services	53,971	5,726
Supplies and Materials	20,163	21,266
Other Objects	505	360
	<u>\$ 3,400,448</u>	<u>\$ 3,211,428</u>
Remedial and Supplemental Programs K-12		
Salaries	\$ 93,821	\$ 86,365
Employee Benefits	71,337	14,889
Supplies and Materials	-	11,679
	<u>\$ 165,158</u>	<u>\$ 112,933</u>
Special Education Programs Pre-K		
Salaries	\$ 259,602	\$ -
Employee Benefits	32,513	-
Supplies and Materials	9,500	-
	<u>\$ 301,615</u>	<u>\$ -</u>

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Instruction (Continued)		
Interscholastic Programs		
Salaries	\$ 161,013	\$ 188,651
Employee Benefits	1,014	870
Purchased Services	12,901	10,174
Supplies and Materials	15,912	4,081
	<u>\$ 190,840</u>	<u>\$ 203,776</u>
Summer School Programs		
Salaries	\$ 38,130	\$ 26,620
Employee Benefits	6,889	3,643
Purchased Services	2,970	-
Supplies and Materials	6,000	166
	<u>\$ 53,989</u>	<u>\$ 30,429</u>
Gifted Programs		
Salaries	\$ 176,487	\$ 209,810
Employee Benefits	1,968	20,719
Supplies and Materials	1,381	-
	<u>\$ 179,836</u>	<u>\$ 230,529</u>
Bilingual Programs		
Salaries	\$ 7,220	\$ -
Employee Benefits	14,450	29
Supplies and Materials	14,000	18,298
	<u>\$ 35,670</u>	<u>\$ 18,327</u>
Private Tuition - Other Objects		
Regular K-12 Programs	\$ -	\$ 1,170
Special Education Programs K-12	533,014	719,496
	<u>\$ 533,014</u>	<u>\$ 720,666</u>
Total Instruction	<u>\$ 15,346,585</u>	<u>\$ 14,700,687</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 308,614	\$ 387,146
Employee Benefits	44,210	48,887
Purchased Services	700	9,656
Supplies and Materials	1,500	961
	<u>\$ 355,024</u>	<u>\$ 446,650</u>
Guidance Services		
Salaries	\$ 78,807	\$ -
Employee Benefits	8,938	9,378
	<u>\$ 87,745</u>	<u>\$ 9,378</u>
Health Services		
Salaries	\$ 188,376	\$ 192,775
Employee Benefits	46,141	47,746
Purchased Services	3,300	13,580
Supplies and Materials	3,066	2,730
Non-Capitalized Equipment	-	1,704
	<u>\$ 240,883</u>	<u>\$ 258,535</u>
Psychological Services		
Purchased Services	\$ 5,000	\$ -
Supplies and Materials	3,000	2,505
	<u>\$ 8,000</u>	<u>\$ 2,505</u>

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Pupils (Continued)		
Speech Pathology and Audiology Services		
Salaries	\$ 338,867	\$ 293,685
Employee Benefits	60,088	54,295
Purchased Services	2,000	31,454
Supplies and Materials	2,094	2,168
	\$ 403,049	\$ 381,602
Other Support Services - Pupils		
Salaries	\$ 110,301	\$ 67,314
Purchased Services	10,920	7,883
Supplies and Materials	1,528	-
	\$ 122,749	\$ 75,197
Total Support Services - Pupils	\$ 1,217,450	\$ 1,173,867
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 25,272	\$ 25,731
Employee Benefits	5,687	7,842
Purchased Services	196,295	214,021
Supplies and Materials	241,125	282,493
	\$ 468,379	\$ 530,087
Educational Media Services		
Salaries	\$ 425,715	\$ 503,250
Employee Benefits	112,189	109,503
Purchased Services	128,770	128,150
Supplies and Materials	351,225	407,560
Non-Capitalized Equipment	-	20,544
	\$ 1,017,899	\$ 1,169,007
Assessment and Testing		
Purchased Services	\$ 8,500	\$ 8,750
Supplies and Materials	12,000	7,469
	\$ 20,500	\$ 16,219
Total Support Services - Instructional Staff	\$ 1,506,778	\$ 1,715,313
General Administration		
Board of Education Services		
Salaries	\$ 169,301	\$ 183,488
Employee Benefits	39,696	24,042
Purchased Services	183,800	155,271
Supplies and Materials	3,932	3,923
Other Objects	15,455	12,715
	\$ 412,184	\$ 379,439
Executive Administration Services		
Salaries	\$ 323,043	\$ 306,133
Employee Benefits	43,268	68,242
Purchased Services	36,200	54,916
Supplies and Materials	2,000	2,494
Other Objects	4,975	8,591
	\$ 409,486	\$ 440,376

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
General Administration (Continued)		
Special Area Administration Services		
Salaries	\$ -	\$ 228,450
Employee Benefits	-	32,729
	<u>\$ -</u>	<u>\$ 261,179</u>
 Total Support Services - General Administration	 <u>\$ 821,670</u>	 <u>\$ 1,080,994</u>
 School Administration		
Office of the Principal Services		
Salaries	\$ 952,353	\$ 982,873
Employee Benefits	319,781	272,563
Purchased Services	37,782	27,135
Supplies and Materials	32,491	21,889
Other Objects	3,600	3,053
	<u>\$ 1,346,007</u>	<u>\$ 1,307,513</u>
 Total Support Services - School Administration	 <u>\$ 1,346,007</u>	 <u>\$ 1,307,513</u>
 Business		
Direction of Business Support Services		
Salaries	\$ 121,880	\$ 63,454
Employee Benefits	-	473
	<u>\$ 121,880</u>	<u>\$ 63,927</u>
Fiscal Services		
Salaries	\$ 99,993	\$ 101,794
Employee Benefits	24,977	33,696
Purchased Services	78,150	79,083
Supplies and Materials	15,700	14,624
	<u>\$ 218,820</u>	<u>\$ 229,197</u>
Internal Services		
Purchased Services	\$ 11,500	\$ 9,157
	<u>\$ 11,500</u>	<u>\$ 9,157</u>
 Total Support Services - Business	 <u>\$ 352,200</u>	 <u>\$ 302,281</u>
 Food Services		
Salaries	\$ 89,681	\$ 91,240
Employee Benefits	31,928	34,331
Purchased Services	2,100	526
Supplies and Materials	72,000	69,176
Other Objects	600	53
	<u>\$ 196,309</u>	<u>\$ 195,326</u>
 Total Support Services - Food Services	 <u>\$ 196,309</u>	 <u>\$ 195,326</u>
 Other Support Services		
Supplies and Materials	\$ 1,800	\$ 1,062
	<u>\$ 1,800</u>	<u>\$ 1,062</u>
 Total Other Support Services	 <u>\$ 1,800</u>	 <u>\$ 1,062</u>
 Total Support Services	 <u>\$ 5,442,214</u>	 <u>\$ 5,776,356</u>

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>	<u>Actual</u>
	<u>Original and Final</u>	<u>Amounts</u>
EXPENDITURES (Continued)		
Community Services		
Salaries	\$ 12,423	\$ 4,139
Employee Benefits	3,245	442
Purchased Services	11,563	22,311
Supplies and Materials	2,761	511
Total Community Services	\$ 29,992	\$ 27,403
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ -	\$ 772,418
Other Objects	1,321,032	-
	\$ 1,321,032	\$ 772,418
Total Payments to Other Districts and Governmental Units (In-State)	\$ 1,321,032	\$ 772,418
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Special Education Programs		
Other Objects	\$ -	\$ 726,711
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	\$ -	\$ 726,711
Total Payments to Other Districts and Governmental Units	\$ 1,321,032	\$ 1,499,129
EXPENDITURES (Continued)		
Capital Outlay		
Instruction		
Regular Programs	\$ 127,368	\$ 37,118
Special Education Programs	7,324	-
Support Services		
Pupils	1,500	-
Instructional Staff	187,835	110,631
General Administration	2,000	-
School Administration	3,420	-
Food Services	3,500	3,238
Total Capital Outlay	\$ 332,947	\$ 150,987
On-Behalf Payments	\$ -	\$ 8,860,233
Total Expenditures	\$ 22,472,770	\$ 31,014,795
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (3,138,403)	\$ (1,273,463)
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (3,138,403)	\$ (1,273,463)
FUND BALANCE - JULY 1, 2017	23,219,813	23,144,753
FUND BALANCE - JUNE 30, 2018	\$ 20,081,410	\$ 21,871,290

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND - WORKING CASH FUND
 YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 222,905	\$ 220,854
Earnings on Investments	3,033	5,785
Total Revenues	<u>\$ 225,938</u>	<u>\$ 226,639</u>
 EXPENDITURES	 <u>\$ -</u>	 <u>\$ -</u>
 EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 \$ 225,938	 \$ 226,639
 OTHER FINANCING SOURCES (USES)		
Interfund Transfers	<u>3,500,000</u>	<u>-</u>
 NET CHANGE IN FUND BALANCE	 \$ 3,725,938	 \$ 226,639
 FUND BALANCE - JULY 1, 2017	 <u>556,594</u>	 <u>4,047,203</u>
 FUND BALANCE - JUNE 30, 2018	 <u>\$ 4,282,532</u>	 <u>\$ 4,273,842</u>

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICES FUND
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Earnings on Investments	\$ 31,000	\$ 35,625
Total Revenues	\$ 31,000	\$ 35,625
EXPENDITURES		
Debt Services		
Interest		
Other Objects	\$ 198,275	\$ 137,200
Total Debt Services - Interest	\$ 198,275	\$ 137,200
Debt Services - Payment of Principal on Long-Term Debt		
Other Objects	\$ 945,000	\$ 1,010,000
Total Debt Services - Payment of Principal on Long-Term Debt	\$ 945,000	\$ 1,010,000
Total Debt Services	\$ 1,143,275	\$ 1,147,200
Total Expenditures	\$ 1,143,275	\$ 1,147,200
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,112,275)	\$ (1,111,575)
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (1,112,275)	\$ (1,111,575)
FUND BALANCE - JULY 1, 2017	4,271,399	4,266,330
FUND BALANCE - JUNE 30, 2018	\$ 3,159,124	\$ 3,154,755

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Earnings on Investments	\$ 5,000	\$ 17,934
Total Revenues	\$ 5,000	\$ 17,934
EXPENDITURES		
Capital Outlay		
Support Services		
Facilities Acquisition and Construction	\$ 600,000	\$ 54,050
Total Capital Outlay	\$ 600,000	\$ 54,050
Total Expenditures	\$ 600,000	\$ 54,050
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (595,000)	\$ (36,116)
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (595,000)	\$ (36,116)
FUND BALANCE - JULY 1, 2017	2,009,809	1,996,934
FUND BALANCE - JUNE 30, 2018	\$ 1,414,809	\$ 1,960,818

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - FIRE PREVENTION AND SAFETY FUND
YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Earnings on Investments	\$ -	\$ 353
Total Revenues	\$ -	\$ 353
EXPENDITURES		
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Other Payments to In-State Government Units		
Other Objects	\$ -	\$ 1,330
Total Payments to Other Districts and Governmental Units	\$ -	\$ 1,330
Total Expenditures	\$ -	\$ 1,330
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ (977)
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (977)
FUND BALANCE - JULY 1, 2017	-	-
FUND BALANCE - JUNE 30, 2018	\$ -	\$ (977)

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>JULY 1, 2017</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2018</u>
A S S E T S				
Cash and Investments	\$ 136,922	\$ 127,481	\$ 122,851	141,552
Total Assets	<u>\$ 136,922</u>	<u>\$ 127,481</u>	<u>\$ 122,851</u>	<u>\$ 141,552</u>
L I A B I L I T I E S				
Amount Due to Activity Fund Organizations				
Ames	\$ 5,372	\$ 2,330	\$ 2,157	\$ 5,545
Blythe	(942)	6,591	5,610	39
Central	6,195	4,014	3,585	6,624
Hauser	123,046	110,939	108,725	125,260
Hollywood	2,847	1,072	985	2,934
Young Authors Fund	4	2,535	1,789	750
Designated Donations	400	-	-	400
Total Activity Fund Organizations	<u>\$ 136,922</u>	<u>\$ 127,481</u>	<u>\$ 122,851</u>	<u>\$ 141,552</u>
Total Liabilities	<u>\$ 136,922</u>	<u>\$ 127,481</u>	<u>\$ 122,851</u>	<u>\$ 141,552</u>

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 COMPUTATION OF OPERATING EXPENSE PER PUPIL
 AND PER CAPITA TUITION CHARGE
 FOR YEAR ENDED JUNE 30, 2018

OPERATING EXPENSE PER PUPIL		
EXPENDITURES:		
ED	Total Expenditures	\$ 22,154,562
O&M	Total Expenditures	2,623,745
DS	Total Expenditures	1,147,200
TR	Total Expenditures	678,449
MR/SS	Total Expenditures	727,419
TORT	Total Expenditures	99,735
	Total Expenditures	\$ 27,431,110

LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:

ED	Summer School Programs	\$ 30,429
ED	Regular K-12 Programs - Private Tuition	1,170
ED	Special Education Programs K-12 - Private Tuition	719,496
ED	Community Services	27,403
ED	Total Payments to Other District & Govt Units	1,499,129
ED	Capital Outlay	150,987
ED	Non-Capitalized Equipment	39,883
O&M	Capital Outlay	544,290
O&M	Non-Capitalized Equipment	575
DS	Debt Service - Payments of Principal on Long-Term Debt	1,010,000
MR/SS	Summer School Programs	1,470
MR/SS	Community Services	60
	Total Deductions	\$ 4,024,892
	Total Operating Expenses (Regular K-12)	23,406,218
	9 Mo ADA (See the General State Aid Claim for 2013-2014 (ISBE 54-33, L12))	1,629.35
	Estimated OEPP *	\$ 14,365.37

PER CAPITA TUITION CHARGE		
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LESS OFFSETTING RECEIPTS/REVENUES:		
ED	Total Food Service	\$ 122,540
ED-O&M	Total District/School Activity Income	5,700
ED	Rentals - Regular Textbooks	215,365
ED-O&M	Rentals	33,428
ED-O&M-TR	Total Special Education	323,410
ED-MR/SS	Total Bilingual Ed	2,621
ED	State Free Lunch & Breakfast	729
ED-O&M-TR-MR/SS	Total Transportation	390,555
ED-O&M-DS-TR-MR/SS-Tort	Other Restricted Revenue from State Sources	7,069
ED-MR/SS	Total Food Service	89,321
ED-O&M-TR-MR/SS	Total Title I	130,765
ED-O&M-TR-MR/SS	Total Title IV	4,651
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Flow Through/Low Incidence	11,725
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Room & Board	4,034
ED-TR-MR/SS	Title III - English Language Acquisition	12,937
ED-O&M-TR-MR/SS	Title II - Teacher Quality	38,820
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Administrative Outreach	38,313
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Fee-for-Service Program	153,020
ED-TR-MR/SS	Special Education Contributions from EBF Funds	616,415
ED-TR-MR/SS	English Learning (Bilingual) Contributions from EBF Funds	15,794
	Total Allowance for PCTC Computation	\$ 2,217,212
	Net Operating Expense for PCTC Computation	21,189,006
	Total Depreciation Allowance (from page 27, Col I)	926,847
	Total Allowance for PCTC Computation	22,115,853
	9 Mo ADA	1,629.35
	Total Estimated PCTC *	\$ 13,573.42

Unaudited

STATISTICAL SECTION

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
DEMOGRAPHIC AND MISCELLANEOUS STATISTICS

Location:	Approximately 10 miles west of Chicago loop
Year of Organization:	1871
Population Served:	8,875 (2010 estimate)
Median Household Income:	\$97,727 (2015 dollars, 2011-2015)
Median Home Value:	\$379,200 (2011-2015)
Area Served:	4 square miles
Number of Schools:	5 schools, 4 sites
Student Population:	1,720
Certified Staff:	160

SOURCE OF INFORMATION: U.S. Census Bureau and official school district records

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 EQUALIZED ASSESSED VALUATION AND ESTIMATED
 ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Tax Levy Year	Equalized Assessed Valuation	Amount of Increase (Decrease) Over Previous Year	Percentage Increase (Decrease) Over Previous Year	Actual Estimated Value
2017	\$ 539,358,831	\$ 76,265,359	16.47%	\$ 1,618,076,493
2016	463,093,472	19,696,427	4.44%	1,389,280,416
2015	443,397,045	(14,911,667)	-3.25%	1,330,191,135
2014 (1)	458,308,712	(14,619,942)	-3.09%	1,374,926,136
2013	472,928,654	(34,539,139)	-6.81%	1,418,785,962
2012	507,467,793	(48,231,525)	-8.68%	1,522,403,379
2011 (1)	555,699,318	(102,757,714)	-15.61%	1,667,097,954
2010	658,457,032	5,710,601	0.87%	1,975,371,096
2009	652,746,431	(37,506,809)	-5.43%	1,958,239,293
2008 (1)	690,253,240	690,253,240	#DIV/0!	2,070,759,720

(1) Triennial reassessment year for Riverside Township.

SOURCE OF INFORMATION: Cook County Levy, Rate and Extension Reports
 Cook County Clerk's Office, Department of Tax Extension.

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 NEW CONSTRUCTION VALUES
 LAST TEN CALENDAR YEARS

Tax Year	New Construction Value	Equalized Assessed Valuation	Percent New Construction of EAV
2017	\$ 2,597,874	\$ 539,358,831	0.482%
2016	1,490,860	463,093,472	0.322%
2015	1,733,288	443,397,045	0.391%
2014 (1)	5,620,362	458,308,712	1.226%
2013	184,097	472,928,654	0.039%
2012	205,435	507,467,793	0.040%
2011 (1)	1,788,258	555,699,318	0.322%
2010	2,199,810	658,457,032	0.334%
2009	2,312,401	652,746,431	0.354%
2008 (1)	4,673,158	690,253,240	0.677%
		Average:	0.419%

(1) Triennial reassessment year for Riverside Township.

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 CALCULATION OF EQUALIZED ASSESSED VALUATION
 LAST TEN CALENDAR YEARS

Year	Raw Assessment	State Multiplier	Equalized Assessed Valuation
2017	\$ 182,049,762	2.9627	\$ 539,358,831
2016	165,201,724	2.8032	463,093,472
2015	166,159,657	2.6685	443,397,045
2014 (1)	168,168,169	2.7253	458,308,712
2013	177,652,475	2.6621	472,928,654
2012	180,876,744	2.8056	507,467,793
2011 (1)	187,066,356	2.9706	555,699,318
2010	199,532,434	3.3000	658,457,032
2009	193,687,556	3.3701	652,746,431
2008 (1)	231,737,474	2.9786	690,253,240

(1) Triennial reassessment year for Riverside Township.

SOURCE OF INFORMATION: Cook County Assessor's Office

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
RATIO OF GENERAL BONDED DEBT
TO ASSESSED VALUATION
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Tax Levy Year	General Bonded Debt (2)	Equalized Assessed Valuation (2)	Percentage of Net General Bonded Debt to Assessed Valuation
2018	2016	\$ 4,325,000	\$ 463,093,472	0.93%
2017	2015	5,335,000	443,397,045	1.20%
2016	2014 (1)	6,320,000	458,308,712	1.38%
2015	2013	7,285,000	472,928,654	1.54%
2014	2012	8,230,000	507,467,793	1.62%
2013	2011 (1)	9,160,000	555,699,318	1.65%
2012	2010	9,975,000	658,457,032	1.51%
2011	2009	-	652,746,431	0.00%
2010	2008 (1)	-	690,253,240	0.00%
2009	2007	-	607,802,092	0.00%

(1) Triennial reassessment year for Riverside Township.

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE YEAR ENDED JUNE 30, 2018

Equalized assessed valuation - Tax Year 2017	\$ 539,358,831
<hr/>	
Debt limit - 6.9% of equalized assessed valuation	\$ 37,215,759
Amount of debt applicable to debt limit (1)	<u>4,325,000</u>
Legal debt margin	<u>\$ 32,890,759</u>

NOTE: (1) Bonds, debt certificates and capital leases outstanding at June 30, 2018.

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 DEMOGRAPHIC AND MISCELLANEOUS STATISTICS
 ENROLLMENT DATA
 LAST TEN FISCAL YEARS

	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Kindergarten	150	150	134	149	160	130	135	163	163	168
Grade 1	160	154	165	177	157	146	176	179	177	142
Grade 2	176	174	176	160	152	180	181	185	152	172
Grade 3	193	186	194	169	192	181	190	151	175	163
Grade 4	192	172	147	205	182	198	155	183	172	168
Grade 5	182	173	212	184	203	155	178	174	171	131
Grade 6	183	212	191	224	168	186	185	172	136	168
Grade 7	216	199	227	166	196	200	184	134	172	157
Grade 8	204	225	167	202	202	182	139	173	155	162
Special	<u>64</u>	<u>82</u>	<u>64</u>	<u>59</u>	<u>49</u>	<u>48</u>	<u>50</u>	<u>51</u>	<u>51</u>	<u>27</u>
Total	<u>1,720</u>	<u>1,727</u>	<u>1,677</u>	<u>1,695</u>	<u>1,661</u>	<u>1,606</u>	<u>1,573</u>	<u>1,565</u>	<u>1,524</u>	<u>1,458</u>

SOURCE OF INFORMATION: District enrollment records

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 DEMOGRAPHIC AND MISCELLANEOUS STATISTICS
 NUMBER OF FULL-TIME EMPLOYEES
 LAST FIVE FISCAL YEARS

	2017-18	2016-17	2015-16	2014-15	2013-14
Administration:					
Superintendent	1.00	1.00	1.00	1.00	1.00
Directors - District Office	2.00	2.00	1.40	1.40	2.00
Principals	5.00	5.00	5.00	5.00	5.00
Assistant Principals	1.00	1.00	1.00	1.00	1.00
Other Administrators	3.00	3.00	2.00	2.00	2.00
Total Administration	<u>12.00</u>	<u>12.00</u>	<u>10.40</u>	<u>10.40</u>	<u>11.00</u>
Teachers:					
Regular Education	118.74	116.65	111.53	108.56	103.89
Special Education	17.00	17.00	16.50	15.00	15.00
Other	12.00	12.50	12.50	12.00	6.00
Total Teachers	<u>147.74</u>	<u>146.15</u>	<u>140.53</u>	<u>135.56</u>	<u>124.89</u>
Total Certified Staff	<u>159.74</u>	<u>158.15</u>	<u>150.93</u>	<u>145.96</u>	<u>135.89</u>
Support Staff:					
Paraprofessionals	38.42	42.42	41.42	30.76	44.91
Library Aides	2.00	2.00	2.00	2.00	3.00
Secretaries	9.00	9.00	8.00	8.00	8.79
Mid-Day Assistants	3.23	3.23	4.67	3.79	3.79
Nurses	5.00	4.82	3.82	3.82	3.00
Cafeteria Workers	2.65	2.65	2.69	2.61	2.52
Custodians	14.00	14.00	14.00	14.00	14.00
Total Support Staff	<u>74.30</u>	<u>78.12</u>	<u>76.60</u>	<u>64.98</u>	<u>80.01</u>
District/Supervisory:					
Office Support	5.00	5.00	6.00	6.00	5.00
Maintenance/Custodial	3.00	3.00	3.00	3.00	3.00
Cafeteria Manger	0.79	0.79	0.79	0.79	0.79
Technology	4.00	4.00	5.00	2.00	1.00
Total District/Supervisory	<u>12.79</u>	<u>12.79</u>	<u>14.79</u>	<u>11.79</u>	<u>9.79</u>
Total Staff	<u>246.83</u>	<u>249.06</u>	<u>242.32</u>	<u>222.73</u>	<u>225.69</u>

SOURCE OF INFORMATION: School District 96 Personnel Records
 Authorized positions as of approximately October 1

See Accompanying Independent Auditor's Opinion

RIVERSIDE PUBLIC SCHOOL DISTRICT NO. 96
 DEMOGRAPHIC AND MISCELLANEOUS STATISTICS
 INSTRUCTIONAL STATISTICS
 LAST TEN FISCAL YEARS

Year	Total Enrollment	Average Class Size	Number of Classroom Teachers
2017-18	1,720	21.0	82
2016-17	1,734	22.0	79
2015-16	1,681	21.5	78
2014-15	1,687	22.6	75
2013-14	1,668	20.9	80
2012-13	1,618	20.7	78
2011-12	1,579	18.3	86
2010-11	1,574	20.2	78
2009-10	1,504	19.5	77
2008-09	1,458	18.1	81

SOURCE OF INFORMATION: Annual Report Card compiled by the Illinois State Board of Education.