

COMPREHENSIVE ANNUAL FINANCIAL REPORT

as of and for the year ended June 30, 2018

OFFICIALS ISSUING REPORT

Dr. Ehren Jarrett – Superintendent
Michelle R. Jahr, CPA – Chief Financial Officer

DEPARTMENT ISSUING REPORT

Finance



District No. 205 | 501 7th Street, Rockford, IL 61104 | 815.966.3000 | rps205.com



**ROCKFORD PUBLIC SCHOOLS,
DISTRICT #205
ROCKFORD, ILLINOIS**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended
June 30, 2018

Prepared by:

Dr. Ehren Jarrett, Superintendent
Michelle R. Jahr, CPA, Chief Financial Officer

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ROCKFORD, ILLINOIS
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ROCKFORD, ILLINOIS
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ROCKFORD, ILLINOIS
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INTRODUCTORY SECTION

as of and for the year ended June 30, 2018



District No. 205 | 501 7th Street, Rockford, IL 61104 | 815.966.3000 | rps205.com

Rockford Public Schools, District #205
Principal Officials
June 30, 2018

Board of Education

Kenneth Scrivano
Tim Rollins
Michael Connor
Jude Makulec
Jaime Escobedo
David Seigel
Anthony Dixon

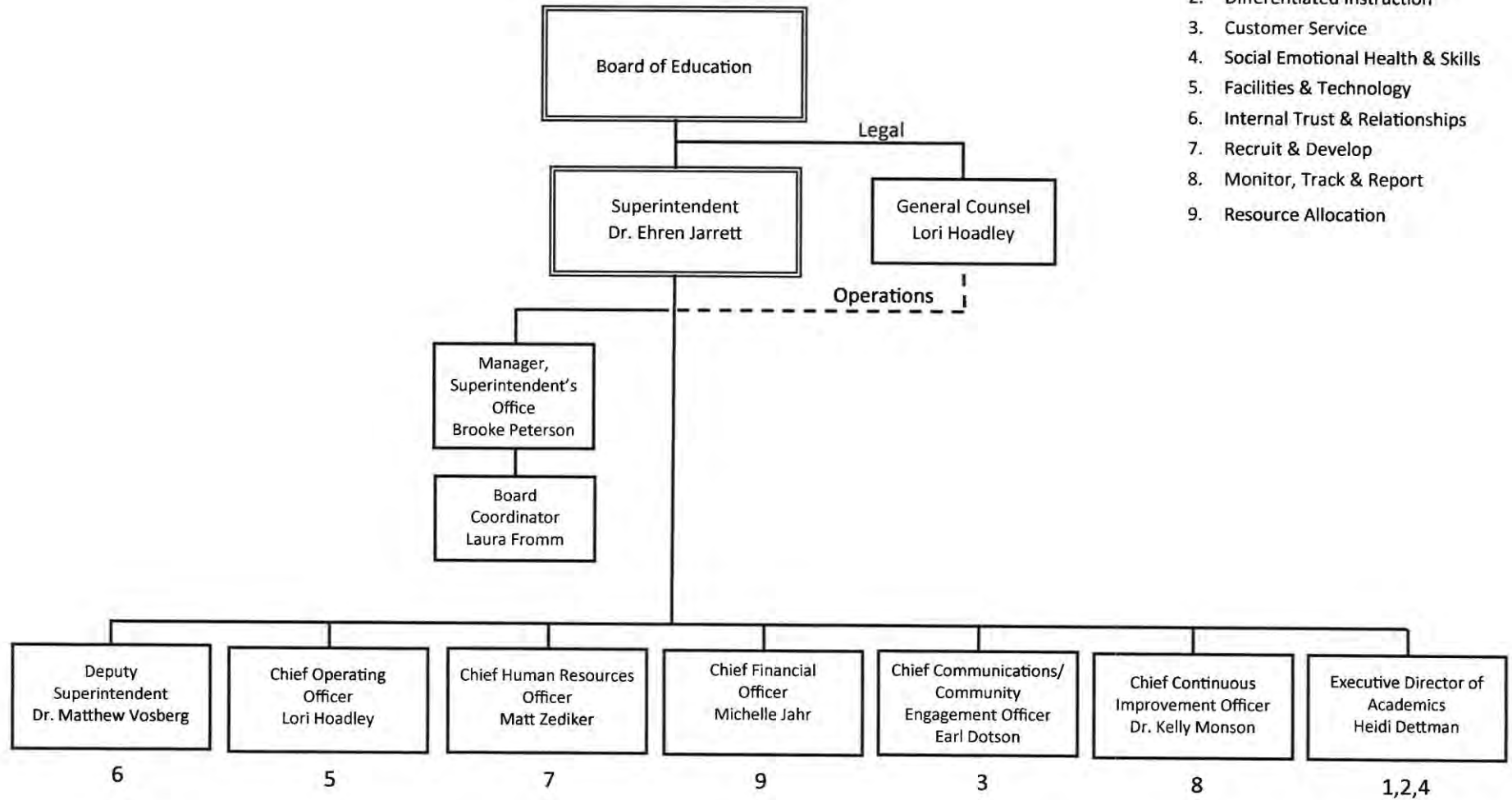
Superintendent and Cabinet

Dr. Ehren Jarrett, Superintendent
Lori Hoadley, General Council
Dr. Matthew Vosberg, Deputy Superintendent
Matthew Zediker, Chief Human Resource Officer
Michelle R. Jahr, CPA, Chief Financial Officer
Earl Dotson, Jr., Chief Communications and Community Engagement Officer
Dr. Kelly Monson, Chief Continuous Improvement Officer
Lori Hoadley, Chief Operating Officer
Heidi Dettman, Executive Director of Academics

Rockford Public Schools District #205

Strategy Legend:

1. Curriculum Alignment
2. Differentiated Instruction
3. Customer Service
4. Social Emotional Health & Skills
5. Facilities & Technology
6. Internal Trust & Relationships
7. Recruit & Develop
8. Monitor, Track & Report
9. Resource Allocation



Reviewed/Revised 6/30/18



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Rockford Public Schools #205
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrell

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Rockford Public Schools, District 205

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.'.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE
Executive Director



Financial Services Department
Rockford, IL 61104

December 06, 2018

President and Members of the Board of Education
and Citizens of Rockford Public School District No. 205
Rockford, Illinois

The Comprehensive Annual Financial Report (CAFR) of Rockford Public Schools District No. 205 (the District), Rockford, Illinois, as of and for the year ended June 30, 2018, is submitted herewith. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as shown by the disclosure of all financial activity of its various funds; and that all disclosures necessary for public understanding of the District's financial status have been incorporated within this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Financial Statements

The CAFR includes all funds and account groups of the District and is presented in three sections: Introductory, Financial, and Statistical. The *Introductory* section includes this transmittal letter, the District's organization chart, and a list of principal officers and elected officials. The *Financial* section includes the independent auditor's report on financial statements and schedules, Management's Discussion and Analysis (MD&A), basic financial statements and required supplemental information such as the combining and individual fund financial statements and schedules. The *Statistical* section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including a schedule of federal financial assistance and the independent auditor's reports on the internal control structure and on compliance with applicable laws and regulations, is included under separate cover.

The financial reporting entity of the District is to include the District, as the primary government organization for which the District is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusions would cause the District's financial statements to be misleading or incomplete. Based on these entities there are no other organizations or agencies whose financial statements should be combined with the general purpose financial statements of the District.

Reporting Entity and Its Services

The Rockford Public School District covers about 155 square miles (401 km²) and serves over 28,500 students. It is among the largest school districts in the state of Illinois, with 23 elementary schools, 6 middle schools, 5 high schools (Roosevelt, Jefferson, Guilford, Rockford East High School, and Auburn), 4 special program schools, 5 early childhood centers (Summerdale, Dennis, Fairview, Beyer and Nashold) and 3 charter schools. The District is primarily in Winnebago County with a small section in Boone County.

The District's 3,405 full-time equivalent employees (1,590 teachers, 348 certified support, 1,299 non-certified staff, and 168 administrators) served 28,492 students for the 2018 school year, with expenditures totaling \$594.8 million. Of the \$594.8 million total expenditures, \$61.2 million of expenses were capital projects and bond and interest payments and were paid from Construction and Life Safety Funds and Debt Service Funds.

The governing body consists of a seven-member Board of Education elected from within seven sub District boundaries for four-year overlapping terms. The Superintendent and staff administer day-to-day operations.

Board of Education

<u>OFFICIAL</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Kenneth Scrivano	President	April 2021
Tim Rollins	Vice President	April 2019
Michael Connor	Secretary	April 2021
Jude Makulec	Member	April 2019
Jaime Escobedo	Member	April 2021
David Seigel	Member	April 2019
Anthony Dixon	Member	April 2021

Based on the legislative authority codified in Illinois School Code, the Board of Education has the following power:

- The corporate power to sue and be sued in all courts.
- The power to levy and collect taxes and to issue bonds.
- The power to contract for appointed administrators, teachers, and other personnel as well as for goods and services.

Mission and Strategic Goals

Rockford Public School District's mission is to "Collaboratively engage all students in a world class education." The RPS205 Strategic Plan was a collaboration of approximately 50 stakeholders, including representation from the school board, the teachers' association, the paraprofessional association, the administrative assistant association, community leaders, administrators, parents, and students. Implementation of this Strategic Plan began in the 2015-2016 school year. The plan identifies five major goal areas for the District and nine key strategies that define and prioritize work for District staff and partners over a five-year period.

- **Goal One – Growth and Achievement**

The focus of Goal 1 is to ensure students are college and career ready. This goal contains measures on student growth, student experiences and skill development, academic benchmarks and social and emotional learning—all related to the goal of college and career readiness.

- **Goal Two – Engaging Partnerships**

The focus of Goal 2 is to engage families and the community as vital partners in the education process. This goal contains measures on family engagement and satisfaction, community contributions, and community satisfaction.

- **Goal Three – Optimal Climate**

The focus of Goal 3 is to ensure a productive and satisfying climate for learning and teaching. This goal contains measures on student behavior and satisfaction, staff engagement and satisfaction, collaborative environment and learning environment.

- **Goal Four – Quality Staff**

The focus of Goal 4 is to attract, develop, and retain a high quality, diverse, and accountable workforce. This goal contains measures on hiring diverse and high quality staff; the commitment, motivation and quality of staff; and continuous improvement throughout the organization.

- **Goal Five – Fiscal & Operational Stewardship**

The focus of Goal 5 is to demonstrate effective and efficient business operations and ensure excellent stewardship of public money. This goal contains measures on financial stewardship, sustainable operating practices, streamlining business practices and eliminating waste, and financial recognition from the state of Illinois.

Strategic Plan – Strategies

To support the achievement of Goals One through Five of the RPS 205 Strategic Plan, the following nine *Strategies* were identified:

Strategy one is to align curriculum, instruction, and interventions with unit and course assessments across grade levels and schools to guarantee a rigorous, consistent set of learning expectations for students. Financial resources have been allocated to bring in content experts that will facilitate the framework for this work. Central office FTEs have been adjusted to focus on curriculum and assessment alignment work. The major theme throughout the strategic plan is collaboration and shared work with teachers. Teachers will be involved with much of the work developing and aligning curriculum. As a result, the District has financially committed through the budget development process for significant dollars for guest teachers. This will ensure full time teachers the necessary release opportunities to be actively engaged and involved in the work of strategies one and two.

Strategy two is to differentiate instruction and provide additional time and support for students who are struggling and students who need to be challenged. The key concepts are to use unit or course assessment data to drive instructional decision-making; use specialists in English Language Learning, reading, math, social work, psychology, nursing and counseling; use flexible grouping of students, co-teaching and research-based collaborations; employ problem-solving teams; and establish entrance and exit learning outcomes for all interventions.

Strategy three is improving customer service between the District, families and the community to foster confidence, respect, and continuous improvement for the system. Resources will continue to be allocated to the Communications and Community Engagement Department to ensure that parents and community members are partners in the education process. We are committed to the education of parents, increasing community involvement and connecting volunteers to our schools. Our goal is to ensure that parents and the Rockford community are a critical part of contributing to the success of each child.

Strategy four is related to curriculum, but deals specifically with social emotional learning and 21st Century skills. While much of the work in strategy four will be aligned with that of one and two, it is important to note the voice of the community to support 21st Century skills through the District's academy model. Resources will continue to be allocated for students in grades 8-12 to research career clusters, choose career academies, and have courses that align with specific career goals and aspirations. The financial commitment of the career academy model is significant, as it allocates continued District and school staff towards supporting the program, relies on the additional seventh period for high school students, and requires specialized professional learning and external coaching for staff.

Strategy five is to maintain facilities and integrate technology into our academic and operating systems to create high-quality and innovative teaching, learning, and working environments. The 2016-2017 Budget allocates significant resources to continued support of the \$250 million capital plan, which the School Board approved in August 2012. The Budget also shows an additional allocation for refreshing technology for students and staff.

Strategy six is to build trust and improve relationships between the District office and its schools to foster a climate conducive to continuous improvement. Key concepts include a customer service focus from the district office to the schools and two-way decision-making structures and processes.

Strategy seven is to recruit, onboard, mentor, develop, evaluate, and retain employees who comprise a high-quality and diverse workforce.

Strategy eight uses key data indicators and measures with all employees that promote a culture of inquiry, reflection and action. That will help individuals, teams, departments, schools and the District set goals and monitor, track, and report performance.

Strategy nine is to proactively forecast and allocate resources that balance the needs of taxpayers and the community with the critical needs of fulfilling our mission and vision. The District's process improvement work to prioritize the exploration and improvement of efficiencies will save the District time and money in subsequent years. The District believes allocating resources to finding efficiencies now will provide for exponential savings in the future.

Rockford Public Schools provides the following services:

- Core Curriculum – Instruction in core curricular areas, such as math, reading, sciences, social sciences and writing, starting in pre-kindergarten through grade 12.
- Alternative Education Programs – Alternative education is a perspective, not a procedure or a program. There are many ways to become educated, and it is our belief that all students can learn. To accomplish this goal, we will provide a variety of structures and environments so that each student can find a learning venue that is sufficiently comfortable to facilitate success.

- Guidance Counseling – We will work in concert with the community to ensure that all students receive the support of a comprehensive counseling program that inspires and empowers them to make decisions, set future goals and then actively pursue them. We will continue to create and build partnerships such as our College Readiness joint venture with Rock Valley College.
- Special Education – We will provide curriculum aligned to the national standards, make decisions based on performance data and focus on the unique needs of students with disabilities to ensure they leave school well prepared for continued learning and successful employment.
- English Language Learner Education – As a District, we will narrow the achievement gap between native English speakers and English language learners by aligning existing curriculum to ensure that what is written, what is taught and what is tested moves students toward proficiency and success. The Two-Way Language Immersion program at Barbour for grades K-8 is a two-way immersion program comprised of half native, or heritage, English speakers and half native, or heritage, Spanish speakers. Students receive 90% of their instruction in Spanish in K-1, with English instructional time increasing by 10% each year. In 5th through 8th grades, daily instruction is 50% Spanish and 50% English to ensure students are bilingual and biliterate. It is the only program that focuses on maintaining Spanish while learning English for native Spanish speakers, while maintaining English while learning Spanish for native English speakers.
- Choice Curriculum – The District offers specialized programs of study for students who are gifted or talented or who have interests and/or abilities in creative and performing arts, environmental science and various branches of career education.

Rockford Public Schools will seek to become the schools of first choice in Rockford and do so through a thorough and consistent communication of this plan with staff, students, parents and the community. We will seek partnerships with all levels of community leaders, governmental officials, higher education and career program administrators and District planners to achieve a high level of excellence in educational services. Rockford Public Schools will serve all children and will create an atmosphere in which all children can reach their highest potential.

Major Initiatives and Accomplishments

The Strategic Plan, with its five goals and nine strategies, drives innovation and improvement in RPS 205. Before the School Board approved the plan in February 2015, a committee of teachers, administrators, community leaders, students and parents collected feedback from more than 3,500 stakeholders. The School Board reviews progress on the plan at 90-day intervals.

The district has received national attention for its fidelity to the high school academy concept, which has a goal of College and Career Readiness. The high school academies are now in their sixth year of full implementation. Students select one of four academy pathways: Business, Arts, Modern World Languages and Information Technology (BAMIT), Engineering, Manufacturing and Industrial Trades Technology (EMITT), Human and Public Services (HPS) and Health Sciences (HS). The coursework in the academy selected prepares students for a career in that field. Rockford is one of few communities in the nation to have earned the title of Ford Next Generation Learning Model Community. The Rockford Public Schools, Alignment Rockford and a wealth of other community partners are committed to collaborate to prepare students for a modern, well-paying workforce.

The district supports diverse and high quality teaching--and growing our own future teachers--through the Education Pathway program. Every year, RPS 205 will award as many as 20 scholarships to assist high school graduates who pursue a teaching degree through Rockford University. These scholarship recipients will receive a four-year degree for as little as \$20,000 (depending on financial need). They will do their student teaching in the district and have the promise of a job in the district when they get their degree. Once hired, they will be able to earn a master's degree in urban education for free from Rockford University.

Preschool for All continues to be a goal for RPS 205. Prekindergarten and comprehensive services are provided to nearly 2,813 students enrolled in Early Childhood education in the district. That represents a 9.1 percent increase from the number of students enrolled in early childhood in 2011. Students are enrolled at five early childhood centers and one child care collaboration site. As part of the year-round Prevention Initiative program, 298 children were enrolled in a home visiting program that completed 2,884 home visits in fiscal year 2018. The early education centers have been recognized with the Award of Excellence for Inclusion of Children with Special Needs from ExceleRate Illinois and the state's Gold Circle of Quality for Early Childhood. All instruction is aligned with the Illinois Early Learning and Development Standards.

The catalyst for all capital improvements in RPS 205 is the 10-Year Facilities Plan. It was developed in 2012 with input from business professionals, administrators, teachers, parents and students. In addition to renovations and upgrades, the plan includes building two schools and 13 additions. Eight schools have been or will be closed to reduce the footprint of the district and make it more efficient. The work is now 88% percent complete. Prior to the capital projects under the facilities plan, district buildings averaged 57 years old.

Given the identified resources available to create 21st century learning environments for students, the capital budget is developed with student safety in mind and, where possible, use of the latest state-of-the-art equipment. With a comprehensive study in hand, the capital budget is developed around the priorities of:

- Safety
- Instructional Environment
- Return on Investment
- Savings

In the fall of each year the Operations department and Design and Construction department submits to the Finance department the proposed list of projects, architect budget estimates for each project, and the proposed funding stream as a part of the capital budget development process. The proposed spending plan is submitted to the Operations Committee of the Board of Education and eventually to the full Board of Education.

Upon approval by the Board of Education, the Finance department appropriates the proposed capital spending plan in the fund, function and object to accurately capture the expenditure during budget development.

A summary of the investments by school, as well as a list of capital projects by school for the next 5 years is presented in the Financial Section of the budget document. The 10 Year Facilities Review is the cornerstone for capital budget planning for RPS205 for the next decade.

District Organization and History

Rockford is a mid-sized city located on both banks of the Rock River in far northern Illinois. The District is located in Winnebago and Boone Counties with over 99% of its equalized assessed valuation being located within Winnebago County. The Rockford School District was formed in 1865 and is a legal body created by the statute of the state of Illinois.

The city is home to approximately 146,109 people making it the fifth largest city in Illinois after Chicago, Aurora, Joliet and Naperville. Rockford is principally an advanced manufacturing, aerospace, and service community. The Rockford Public Schools is the third-largest employer in the Rockford region.

The racial makeup of the student population in FY18 was 30.4% White, 31.2% African American, 27.3% Hispanic, 0.1% Asian/Pacific Islander, 0.2% Native American, and 7.0% multi-racial.

While a high percentage of our students qualify to receive free or reduced-price meals, every student in RPS 205 can receive breakfast and lunch at no cost. The District is enrolled in a federally funded alternative meal program to replace out-of-pocket costs for students and their families. RPS 205 is one of 154 Illinois districts to participate in the program, aimed at having students undistracted by an empty stomach and ready to learn.

Enrollment in the District is projected to decrease, with 25,357 students enrolled K-12 in FY20, and 25,361 through 2021-22.

Accounting Systems and Budgetary Control

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal accounting controls. Such controls are designed to provide reasonable, but not absolute, assurance for the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. We believe that our internal accounting controls adequately safeguard District assets and provide reasonable assurance of the proper recording of financial data.

Budgetary control is maintained at line-item levels and built up into location, department, and program totals before being combined to create fund totals. All actual activity compared to budget is reported to the District's Administrative team and to the Board of Education monthly. The reports compare year-to-date activity versus budget and prior year actual. Full disclosures are made if extraordinary variances appear during the year. The Board of Education has a balanced budget policy and each year strives to reach this goal.

Operational Services Board Fund Balance Policy states the District will target a fund balance percentage of not less than 25%, representing approximately three months of operating expenses.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

Independent Audit

The School Code of Illinois and the District require an annual audit of the financial statements of all funds of the District. The audit for the year ended June 30, 2018 was done by Sikich, LLP, independent certified public accountants, selected by the District's Board of Education. The audit report has been included in the financial section of this report.

Economic Condition and Outlook

Due to its location in the Midwest, the Rockford Region enjoys four clearly defined seasons and has advantages to include a big city lifestyle with a small town feel. Rockford is home to award winning parks and recreational opportunities sponsored by the Rockford Park District. The city also is a leading hub for amateur sports tourism featuring Mercy Sportscore One and UW Health Sports factory, while boasting the BMO Harris Bank Center home of the Rockford Ice Hogs and a minor league baseball team, the Rockford Riverhawks. There are many opportunities for arts and culture through community theatres including the Starlight Theatre on the Rock Valley College campus, the renovated Coronado Performing Arts Center downtown, museums, and multiple gardens including the Klehm Arboretum and Botanic Garden, Anderson Japanese Garden, and the Nicholas Conservatory.

The City of Rockford's economy is diversified with manufacturing, aerospace, and health care as its primary base, while call center/office operations, distribution centers and educational institutions have become more important to the economy in recent years. Rockford is home to the operation of several large companies such as: Fiat Chrysler, Mercy Health System, Swedish American Health System, OSF Healthcare, United Parcel Service, UTC Aerospace Systems, Packaging Coordinators, Inc., and Wal-Mart Stores. Rockford is proud of its quality of life, skilled workforce and low cost of living. The City and private interests are aggressively pursuing the expansion and diversification of the work force. The City has created tax increment districts, an enterprise zone, and small business loan program, administers the Community Development Block Grant Program and the Home Buyers Property Tax Rebate Program to foster economic development, encourage home ownership in the community and to build the tax base.

One of Rockford's assets is the quality of higher education in and around the community. Rockford is home to: Rock Valley College – a two-year community college with a state-of-the-art Technology Center that is used by area manufacturers and businesses; Rockford University – a fully accredited independent institution that awards bachelor degrees in thirty-one majors in arts and science as well as graduate programs in business and education; Northern Illinois University Rockford Campus – offers courses in business, education, engineering and engineering technology, health and human sciences, and liberal arts and sciences, as well as a cooperative effort with Rock Valley College to award bachelor degrees in Nursing, General Studies, Computer Science, Industrial Technology, Community Health and Elementary Education; University of Illinois College of Medicine at Rockford – provides education to second, third and fourth year medical students in the fields of primary care, family practice, internal medicine, pediatrics and other medical specialties; Rasmussen College Rockford – a two-year community college that works in harmony with Rockford's business community and employer demands.

The local economy has shown signs of improvement albeit slowly over the last few years as the local unemployment rate has improved significantly from its high of 16% during the Great Recession; however, by June 2018 the unemployment rate of 5.2% was still behind both the state average of 4.2% and the national average of 3.9%.

Information from Go Rockford, released August 16, 2018, continues to show signs of economic improvement as tourism spending in Rockford and Winnebago County reached an all-time high of \$383.7 million in 2017, an increase of 8.3% over 2016, adding 196 tourism industry jobs. Hotel occupancy in 2017 was up 7% from 2016 and average room rate increased from \$84.07 in 2016 to \$89.35 in 2017. Additionally, the median home sale price increased approximately \$8,248 or 7% for January 2018 compared to January 2017. According to the US Census Bureau, the median household income was \$40,143.00.

Awards

The District received the Government Finance Officers Association *Certificate of Achievement for Excellence in Financial Reporting* award last fiscal year. In addition, the District was the recipient of Association of School Business Officials (ASBO) *International Certificate of Excellence in Financial Reporting Award* last fiscal year, having been a recipient of this reward for seven of the past eight years. These awards reflect the District's commitment to the highest standards of school system financial reporting.

Acknowledgements

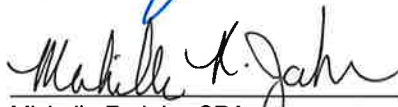
The preparation of this report could not have been accomplished without the support and cooperation of elected members of the Board, other District departments, the external auditors for the Board, and dedicated efforts of the entire staff of the Finance Department. We truly appreciate the efforts of all the contributors to this report.

Respectfully Submitted,



Dr. Ehren Jarrett
Superintendent of Schools

12.6.18



Michelle R. Jahr, CPA
Chief Financial Officer

FINANCIAL SECTION

as of and for the year ended June 30, 2018



District No. 205 | 501 7th Street, Rockford, IL 61104 | 815.966.3000 | rps205.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Rockford Public Schools, District #205
Rockford, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Rockford Public Schools, District #205 (the District) as of and for the year ended June 30, 2018, and the related notes to 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 these 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 of 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 Rockford Public Schools, District #205, as of June 30, 2018, and the respective changes in financial position and where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2018. The implementation of this guidance resulted in changes to the postemployment benefit related liability, revenue, expense, notes to financial statements and the required supplementary information. 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 and other required supplementary information identified in the accompanying table of contents 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 introductory and statistical sections and supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary 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 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also issued a report dated December 6, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Sikich LLP

Rockford, Illinois
December 6, 2018

Rockford Public Schools, District 205

Management's Discussion and Analysis (Unaudited)

As of and For the Year Ended June 30, 2018

The discussion and analysis of Rockford Public Schools, District 205's (the "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 one's understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- > Total net position of the District was restated at the beginning of the fiscal year in the amount of \$231.6M to record a liability for the implementation of GASB Statement No. 75. This statement requires that the District record its proportionate share of the net OPEB liability, thus reducing the amount of State OPEB support provided to the District. The ending net position for 2018 is a negative (\$64.8) million.
- > Total revenues increased \$7.1 million from \$510.6 million in fiscal year 2017 to \$517.7 million in fiscal year 2018.
- > Governmental activities, general revenues accounted for \$317.1 million in revenue or 61% of all governmental revenues. Program-specific revenues in the form of charges for services and fees and grants accounted for \$200.7 million or 39% of total governmental revenues of \$517.7 million.
- > The District had \$524.8 million in expenses related to governmental activities. Only \$193.1 million of these expenses were offset by program-specific charges and grants.
- > Total expenses increased \$16.2 million from \$508.6 million in fiscal year 2017 to \$524.8 million in fiscal year 2018, or 3%. Higher cost for salaries and benefits accounts for most of this increase.
- > Governmental funds ending fund balance decreased from \$195.2 million in fiscal year 2017 to \$174.4 million in fiscal year 2018, a decrease of \$20.8 million due to the spend-down of bond proceeds.
- > In the General Fund, the fund balance increased from \$93.6 million in fiscal year 2017 to \$105.6 million in fiscal year 2018, an increase of \$12 million primarily due to the increased allocation of Evidence Based Funding received late in the fiscal year.
- > Total General Fund net change in fund balance (actual revenues, less expenditures) was greater than budgeted by \$15.7 million, the majority of the increase is due to a higher proration of Evidence Based Funding.

Overview of the Financial Statements

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

- > Government-wide financial statements,
- > Fund financial statements, and
- > Notes to basic financial statements.

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

Rockford Public Schools, District 205

Management's Discussion and Analysis (Unaudited)

As of and For the Year Ended June 30, 2018

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, and are reported using the accrual basis of accounting and economic resources measurement focus.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, 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 government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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.

The government-wide financial statements can be divided into two types of activities: governmental and business-type. Governmental activities represent the functions of the District that are principally supported by taxes and intergovernmental revenues. The District's governmental activities include functions such as instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities, and transportation services. The District no longer has business-type activities because of its participation in the Community Eligibility Provision (CEP) program for food service. Because of the District's participation in this program, the majority of revenues come from Federal funds with only a small portion from business-type activities.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds and fund types of the District can be divided into the following categories: governmental funds, proprietary 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 and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. 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 District'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 government'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.

Rockford Public Schools, District 205

Management's Discussion and Analysis (Unaudited)

As of and For the Year Ended June 30, 2018

The District maintains eight major 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 Fund, Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund, Bond and Interest Fund, Capital Projects Fund, Fire Prevention and Safety Fund and Tort Immunity Fund.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with this budget.

Proprietary funds

Proprietary funds are used to account for the District's ongoing operations and activities, which are similar to those found in the private sector. The measurement focus is based upon the determination of net income. The District does not have enterprise funds. The District has one internal service fund which accounts for the District's self-insured health plan.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support District programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements. These activities are excluded from the government-wide financial statements because the District cannot use these funds to finance operations.

Notes to basic financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's contributions and funding progress of the Illinois Municipal Retirement Fund and the Retiree Health Plan, as well as budget-to-actual comparisons of the funds.

Government-Wide Financial Analysis

Net Position: The District's total net position decreased in 2018 by \$238.7 million from \$173.9 million at the end of 2017 to a negative (\$64.8) million at the end of 2018. Of this decrease \$231.6 million relates to a prior period adjustment for implementation of GASB 75 and \$7.1 million relates to 2018 activity. The following provides a summary of the District's net position (in millions of dollars) at June 30, 2018 and 2017.

Rockford Public Schools, District 205
Management's Discussion and Analysis (Unaudited)
As of and For the Year Ended June 30, 2018

Table 1			
Condensed Statement of Net Position			
(in millions of dollars)			
	<u>Governmental Activities</u>		
	<u>2018</u>	<u>2017</u>	<u>Change</u>
Assets:			
Current and other assets	\$ 318.5	\$ 325.7	-2.2%
Capital assets	282.9	259.4	9.1%
Total assets	<u>601.4</u>	<u>585.1</u>	2.8%
Deferred outflows of resources:			
Deferred charge on refunding	0.0	0.0	0.0%
Pension items	28.3	24.6	15.0%
Total deferred outflows of resources:	<u>28.3</u>	<u>24.6</u>	15.0%
Liabilities:			
Long-term liabilities	516.4	311.5	65.8%
Other liabilities	41.5	39.7	4.5%
Total liabilities	<u>557.9</u>	<u>351.2</u>	58.9%
Deferred inflows of resources:			
Property taxes levied for subsequent years	83.2	83.0	0.2%
Pension Items	53.4	1.6	3237.5%
Total deferred inflows of resources:	<u>136.6</u>	<u>84.6</u>	61.5%
Net position:			
Net investment in capital assets	91.8	91.0	0.9%
Restricted	61.5	46.4	32.5%
Unrestricted	(218.1)	36.5	-697.5%
Total net position	<u>(64.8)</u>	<u>173.9</u>	-137.3%

Changes in Net Position: The District's total revenues were approximately \$517.7 million for governmental activities. Real estate and other taxes comprise approximately 34% of the District's governmental activities revenue. Another 63% of the governmental activities revenue is received from state and federal aid for specific or general programs, and the remainder of 3% of governmental activities revenue is obtained from fees charged for services, interest earnings, and miscellaneous sources.

Rockford Public Schools, District 205
Management's Discussion and Analysis (Unaudited)
As of and For the Year Ended June 30, 2018

The total cost of all governmental programs and services was approximately \$524.8 million for the year ended June 30, 2018, an increase in costs from fiscal year 2017 of approximately \$16.2 million or 3%. The District's expenses are predominantly related to instruction and other pupil services such as transportation (aggregating approximately 74% in total). The District's administrative and business activities account for approximately 16% of total expenses.

The following provides a summary of the District's changes in net position (in millions of dollars) for the years ended June 30, 2018 and June 30, 2017:

Table 2			
Condensed Statement of Activities			
(in millions of dollars)			
	<u>Governmental Activities</u>		
	<u>2018</u>	<u>2017</u>	<u>Change</u>
Revenues:			
<i>Program revenues:</i>			
Charges for services	\$ 7.5	\$ 6.4	17.2%
Operating grants and contributions	193.1	203.6	-5.2%
Capital grants and contributions	0.1	0.1	0.0%
<i>General revenues:</i>			
Taxes	174.9	179.6	-2.6%
General state aid	134.9	120.1	12.3%
Other general revenues	7.2	0.8	800.0%
Total revenues	<u>517.7</u>	<u>510.6</u>	1.4%
Expenses:			
Instruction	305.6	295.6	3.4%
Pupil and Instructional services	58.3	55.1	5.8%
Administration and Business	81.5	75.6	7.8%
Maintenance and Operations	27.4	29.7	-7.7%
Transportation	23.1	23.1	0.0%
Other	28.9	29.5	-2.0%
Total expenses	<u>524.8</u>	<u>508.6</u>	3.2%
Change in net position before transfers	-7.1	2.0	-455.0%
Transfers	0.0	0.0	0.0%
Change in net position	<u>(7.1)</u>	<u>2.0</u>	-455.0%
Net position, beginning of year, as originally stated	173.9	172.2	1.0%
Prior period adjustment	<u>(231.6)</u>	<u>(0.3)</u>	77100.0%
Net position, beginning of year, restated	<u>(57.7)</u>	<u>171.9</u>	-133.6%
Net position, end of year	<u>(\$64.8)</u>	<u>\$173.9</u>	-137.3%

Rockford Public Schools, District 205

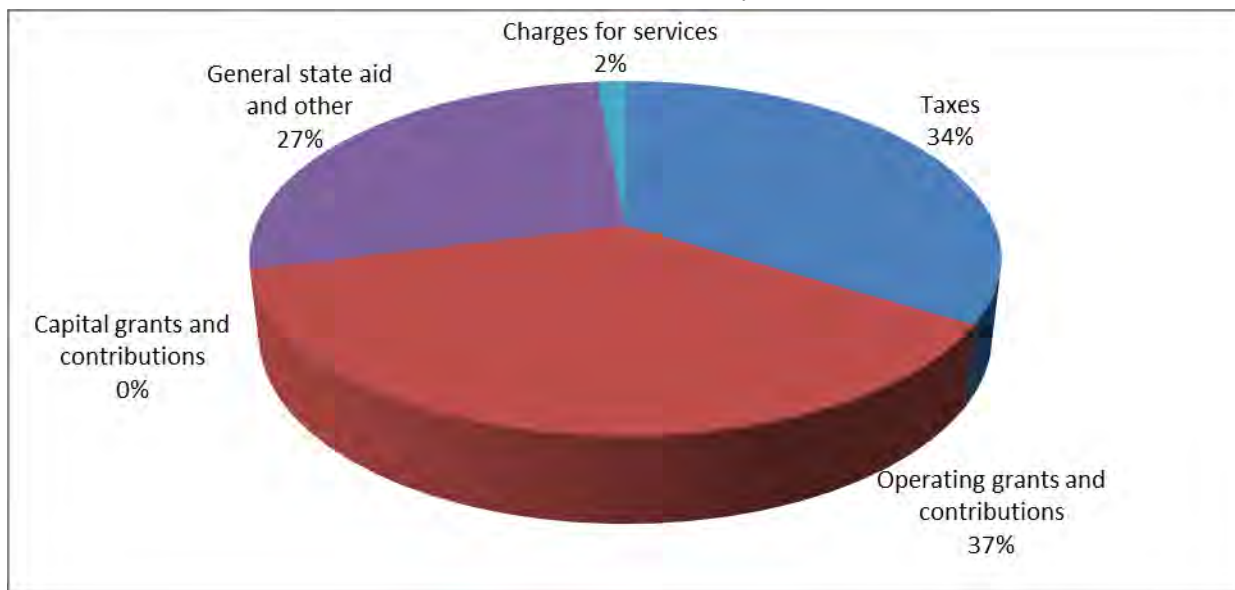
Management's Discussion and Analysis (Unaudited)

As of and For the Year Ended June 30, 2018

Property taxes were approximately the same in 2018 as in 2017 due to the approach of the District not taking its entitled CPI and an inadvertent error on the 2016 tax levy calculation. Corporate personal property replacement taxes were \$4.5 million lower, and General State Aid and other grants were \$8.5 million higher than 2017 due to a higher proration. The District experienced an increase in expenses due to contractual commitments for salaries and benefits.

Operating grants and contributions accounted for the largest portion of the District's revenues contributing 37%. Property taxes accounted for 34% of the revenue. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$517.7 million, mainly related to instructing and caring for students, and student transportation.

Governmental Revenues by Source



Governmental Revenues by Source
(in millions of dollars)

Taxes	\$174.9
Operating grants and contributions	193.1
Capital grants and contributions	0.1
General state aid and other	142.1
Charges for services	7.5
	<hr/>
	\$517.7

Rockford Public Schools, District 205

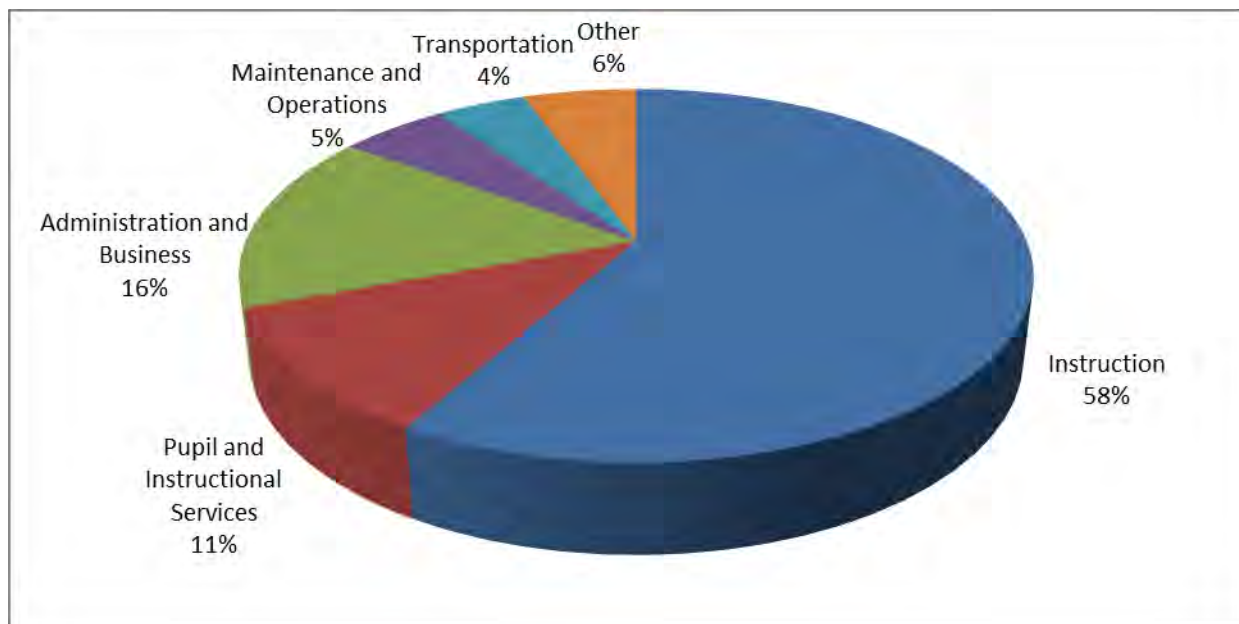
Management's Discussion and Analysis (Unaudited)

As of and For the Year Ended June 30, 2018

Governmental Activities

The table below presents the cost (in millions of dollars) of six major District activities: instruction, pupil and instructional services, administration and business, operations and maintenance, transportation, and other for the governmental activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

Governmental Expenses by Function



Governmental Expenses by Function
(in millions of dollars)

Instruction	\$305.6
Pupil and Instructional Services	58.3
Administration and Business	81.5
Maintenance and Operations	27.4
Transportation	23.1
Other	28.9
	<u>\$524.8</u>

Rockford Public Schools, District 205

Management's Discussion and Analysis (Unaudited)

As of and For the Year Ended June 30, 2018

The cost of all governmental activities this year was \$524.8 million. Individuals who directly participated or benefited from a program offering paid for \$7.5 million of the costs. Federal and state governments subsidized certain programs with grants and contributions of \$193.1 million. The net cost of services was primarily financed by District taxpayers through property taxes and Corporate Personal Property Replacement Taxes totaling approximately \$174.9 million and other state contributions which are not restricted to specific programs of approximately \$134.9 million.

Financial Analysis of the District's Funds

The financial performance of the District is also reflected in its governmental funds throughout the fund financial statements. The District completed the year with a total governmental fund balance of \$174.4 million, a decrease of \$20.8 million from the prior year's total governmental fund balance of \$195.2 million. The decrease is due to the spend-down of capital funds.

The General Fund, which includes the Educational Fund, Special Education Fund, Grants Fund, Food Service Fund, and Working Cash Fund, is the fund that is unrestricted and available for instruction, transportation and meals for our students, had an increase in the fund balance of \$12 million for the year ended June 30, 2018 primarily due to the increase in Evidence Based Funding received late in the fiscal year.

The Special Education Fund, a subset of the Educational Fund, continues to be under funded. Expenditures in this fund exceeded revenue by \$36 million. The District breaks special education expenditures out to show that the State does not adequately fund these expenditures.

The Working Cash Fund balance increased from \$32.6 million at June 30, 2017 to \$33.7 million at June 30, 2018.

The Operations and Maintenance Fund had an increase of \$8.2 million, due to an \$11 million transfer from the Transportation Fund.

The Debt Service Fund balance increased by \$2.5 million to \$6.5 million due to the allocation of Corporate Personal Property Replacement Taxes.

The Transportation Fund balance decreased \$3.8 million from \$18.7 million to \$14.9 million after an \$11 million transfer to the Operations and Maintenance Fund.

Life Safety Fund balance decreased by \$5.3 million due to the spend-down of bond proceeds.

Municipal Retirement/Social Security Funds decreased by \$0.4 million due to lower contribution rates.

The Capital Projects Fund decreased by \$33.8 million to \$31 million due to the spend-down of bond proceeds.

Rockford Public Schools, District 205

Management's Discussion and Analysis (Unaudited)

As of and For the Year Ended June 30, 2018

General Fund Budgetary Highlights

The District approved the 2018 budget in June 2017 with a general fund deficit of \$3.7 million. The actual results show a \$12 million increase for a favorable variance of \$15.7 million. Revenues were more than budgeted by \$125.1 million while expenditures were more than budgeted by \$109.4 million. Many items contributed to the revenue and expenditure variances, including:

- > Teachers' Retirement System, State on behalf payments for revenues and expenditures were greater than budgeted by \$116.6 million, due to the District's inadvertent error when submitting the budget to ISBE. TRS on behalf was included on the summary approved by the Board;
- > Corporate personal property replacement tax revenue is \$0.7 million higher than budgeted due to recognition of debt forgiveness by the State;
- > General State Aid was funded by the State higher than budgeted, creating a favorable variance of \$17.9 million; other State grant revenue was lower than budgeted by \$8.9 million;
- > Instructional salaries and benefits were higher than budgeted by \$2.7 million and purchased services were lower than budgeted by \$1.2 million.

Capital Assets and Debt Administration

Capital assets

By the end of 2018, the District had compiled total investments of \$471 million (\$283 million net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$18.1 million. More detailed information about capital assets can be found in Note 7 of the basic financial statements.

Table 3
Capital Assets (net of depreciation)
(in millions of dollars)

	Governmental Activities		
	2018	2017	Change
Land	\$10.0	\$8.6	16.3%
Construction in progress	17.6	49.1	-64.2%
Land improvements	9.9	9.4	5.3%
Buildings and building improvements	231.8	175.3	32.2%
Transportation equipment	9.1	7.3	24.7%
Food service equipment	1.0	1.0	0.0%
Furniture, fixtures and other equipment	2.6	7.1	-63.4%
Software	1.0	1.6	-37.5%
Total	<u>\$283.0</u>	<u>\$259.4</u>	9.1%

Rockford Public Schools, District 205

Management's Discussion and Analysis (Unaudited)

As of and For the Year Ended June 30, 2018

Debt Administration

At the end of fiscal 2018, the District had total long-term debt of \$506.2 million and a legal debt margin of \$116.9 million. More detailed information about long-term debt can be found in Note 8 of the basic financial statements.

Table 4			
Long-Term Debt			
(in millions of dollars)			
	<u>Governmental Activities</u>		
	<u>2018</u>	<u>2017*</u>	<u>Change</u>
General obligation and capital appreciation bonds	\$208.7	\$214.5	-2.7%
Net pension liability – IMRF and TRS	47.9	82.9	-42.2%
Total OPEB Liability	236.7	232.7	1.7%
Compensated absences and other	12.9	12.9	0.0%
Total	<u>\$506.2</u>	<u>\$543.0</u>	-6.8%

***As Restated**

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was unaware of any adverse existing circumstances that could significantly affect its financial health in the future.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Business Office:

Michelle R. Jahr, CPA
 Rockford Public Schools, District 205
 501 7th St.
 Rockford, IL 61104

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

STATEMENT OF NET POSITION

June 30, 2018

	Governmental Activities
<hr/>	
ASSETS	
Cash and investments	\$ 219,151,624
Receivables (net of allowance for uncollectibles)	
Property taxes	70,305,017
Other governmental units	16,133,524
Interest	74,710
Other	1,900,326
Prepaid items	751,106
Net pension asset - IMRF	10,147,489
Capital assets	
Land	10,020,669
Construction in progress	17,560,021
Depreciable building, property and equipment, net	255,368,353
	<hr/>
Total assets	601,412,839
	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	1,977,541
Pension items - TRS	13,285,360
OPEB RPS	575,281
OPEB - THIS	12,452,025
	<hr/>
Total deferred outflows of resources	28,290,207
	<hr/>
Total assets and deferred outflows of resources	629,703,046
	<hr/>
LIABILITIES	
Accounts payable	19,242,365
Salaries and wages payable	19,596,236
Other current liabilities	298,959
Interest payable	1,869,066
Unearned revenue	527,973
Long term liabilities	
Due within one year	17,620,205
Due after one year	498,764,809
	<hr/>
Total liabilities	557,919,613
	<hr/>
DEFERRED INFLOWS OF RESOURCES	
Property taxes levied for subsequent years	83,170,139
Pension items - IMRF	17,515,436
Pension items - TRS	14,094,797
OPEB - THIS	21,755,270
	<hr/>
Total deferred inflows of resources	136,535,642
	<hr/>
Total liabilities and deferred inflows of resources	694,455,255
	<hr/>

(This statement is continued on the following page.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

STATEMENT OF NET POSITION (Continued)

June 30, 2018

	<u>Governmental Activities</u>
NET POSITION	
Net investment in capital assets	\$ 91,811,285
Restricted for	
Operations and maintenance	3,733,002
Transportation	14,870,624
Retirement	1,629,117
Debt service	6,489,666
Capital projects	23,979,196
Tort immunity	10,840,629
Unrestricted (deficit)	<u>(218,105,728)</u>
TOTAL NET POSITION (DEFICIT)	<u><u>\$ (64,752,209)</u></u>

See accompanying notes to basic financial statements.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

FUNCTIONS AND PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction				
Regular programs	\$ 157,237,023	\$ 5,240,013	\$ 52,139,116	\$ -
Special programs	88,094,181	1,441,712	58,147,749	-
Other instructional programs	60,282,049	143,522	20,236,721	-
Support services				
Pupils	39,094,511	-	29,213,436	-
Instructional staff	19,166,720	-	6,136,655	-
General administration	20,068,241	-	3,189,109	-
School administration	23,095,477	-	6,478,305	-
Business	23,943,756	-	132,357	-
Transportation	23,056,949	39,628	16,741,298	-
Operations and maintenance	27,391,264	607,892	-	11,505
Central	14,375,801	-	357,469	-
Other	1,304,392	-	19,262	-
Community services	4,717,919	-	312,698	-
Payments to other governments	14,404,875	-	-	-
Interest and fees	8,517,834	-	-	-
TOTAL PRIMARY GOVERNMENT	\$ 524,750,992	\$ 7,472,767	\$ 193,104,175	\$ 11,505

	Net (Expenses) Revenues and Changes in Net Position Primary Government Governmental Activities
	\$ (99,857,894) (28,504,720) (39,901,806) (9,881,075) (13,030,065) (16,879,132) (16,617,172) (23,811,399) (6,276,023) (26,771,867) (14,018,332) (1,285,130) (4,405,221) (14,404,875) (8,517,834) (324,162,545)
General Revenues	
Taxes	
Property taxes levied for general purposes	94,415,168
Property taxes levied for specific purposes	45,848,349
Property taxes levied for debt service	13,088,692
Replacement taxes	21,503,898
State aid-formula grants, grants and contributions not restricted to specific programs	134,872,091
Investment earnings	1,837,628
Other general revenues	5,243,469
Gain on sale of capital assets	294,000
Total general revenues	317,103,295
CHANGE IN NET POSITION	(7,059,250)
NET POSITION, JULY 1	173,869,467
Change in accounting principle	(231,562,426)
NET POSITION (DEFICIT), JULY 1, RESTATED	(57,692,959)
NET POSITION (DEFICIT), JUNE 30	\$ (64,752,209)

See accompanying notes to basic financial statements.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2018

	General	Capital Projects	Bond and Interest	Nonmajor Governmental Fund	Total
ASSETS					
Cash and investments	\$ 122,633,290	\$ 38,951,449	\$ 13,625,067	\$ 37,164,801	\$ 212,374,607
Receivables					
Property taxes, net	43,728,940	-	6,054,259	20,521,818	70,305,017
Other governmental units	12,423,046	-	-	3,710,478	16,133,524
Interest	74,710	-	-	-	74,710
Other	997,843	200,000	-	333,793	1,531,636
Prepaid items	583,799	38,932	-	128,375	751,106
TOTAL ASSETS	\$ 180,441,628	\$ 39,190,381	\$ 19,679,326	\$ 61,859,265	\$ 301,170,600
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 6,548,652	\$ 8,165,295	\$ -	\$ 3,934,853	\$ 18,648,800
Salaries and wages payable	19,101,227	15,214	-	479,795	19,596,236
Unearned revenue	527,973	-	-	-	527,973
Other current liabilities	220,999	-	-	77,960	298,959
Total liabilities	26,398,851	8,180,509	-	4,492,608	39,071,968
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	47,631,331	-	13,189,660	22,349,148	83,170,139
Unavailable revenue - other	780,607	-	-	3,710,478	4,491,085
Total deferred inflows of resources	48,411,938	-	13,189,660	26,059,626	87,661,224
FUND BALANCES					
Nonspendable	583,799	38,932	-	128,375	751,106
Restricted for					
Operations and maintenance	-	-	-	3,733,002	3,733,002
Transportation	-	-	-	14,870,624	14,870,624
Retirement	-	-	-	1,629,117	1,629,117
Debt service	-	-	6,489,666	-	6,489,666
Capital projects	-	30,970,940	-	105,284	31,076,224
Tort immunity	-	-	-	10,840,629	10,840,629
Assigned - working cash	33,743,410	-	-	-	33,743,410
Unassigned	71,303,630	-	-	-	71,303,630
Total fund balances	105,630,839	31,009,872	6,489,666	31,307,031	174,437,408
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 180,441,628	\$ 39,190,381	\$ 19,679,326	\$ 61,859,265	\$ 301,170,600

See accompanying notes to basic financial statements.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

June 30, 2018

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 174,437,408
Amounts reported for governmental activities in the statement of net position are different because:	
Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet	282,949,043
Certain revenues receivable by the District and recognized in the statement of net position do not require certain financial resources and are deferred in the governmental funds balance sheet	4,491,085
Differences between expected and actual experiences, assumptions changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for IMRF are recognized as deferred outflows and inflows of resources on the statement of net position	(15,537,895)
Differences between expected and actual experiences, assumptions changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for Teachers' Retirement System of the State of Illinois are recognized as deferred outflows and inflows of resources on the statement of net position	(809,437)
Assumption changes for the OPEB - RPS plan are recognized as deferred outflows of resources on the statement of net position	575,281
Differences between expected and actual experiences, assumptions changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Teachers' Health Insurance Security Fund are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	(9,303,245)
Interest on long-term liabilities accrued in the statement of net position will not be paid with current financial resources and, therefore, is not recognized in the governmental funds balance sheet	(1,869,066)
Internal service funds are used by management to account for healthcare-related activities. The assets and liabilities are included in the governmental activities on the statement of net position.	3,194,714
Net pension assets are not financial resources and, therefore, are not reported in the fund financial statements	
Net pension asset - IMRF	10,147,489
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position	
General obligation bonds	(138,780,000)
Capital appreciation bonds	(68,305,480)
Unamortized bond premium	(1,613,121)
Worker's compensation claims payable	(3,193,633)
Early retirement incentive payable	(1,711,789)
Compensated absences	(4,648,947)
Net pension liability - TRS	(57,947,057)
Total OPEB liability - RPS	(54,989,049)
Total OPEB liability - THIS	(181,838,510)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (64,752,209)

See accompanying notes to basic financial statements.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2018

	General	Capital Projects	Bond and Interest	Nonmajor Governmental Fund	Total
REVENUES					
Property taxes	\$ 95,388,191	\$ -	\$ 13,088,692	\$ 44,875,326	\$ 153,352,209
Corporate personal property replacement taxes	11,272,869	-	2,500,000	7,731,029	21,503,898
State aid	269,607,712	-	-	16,548,841	286,156,553
Federal aid	48,540,649	-	1,052,017	-	49,592,666
Investment income	635,221	699,340	195,323	307,744	1,837,628
Refund of prior year's expenditures	765,877	45	-	687,238	1,453,160
Payments of surplus monies from TIF districts	-	-	-	15,831	15,831
Other	3,854,781	551,456	-	2,065,546	6,471,783
Total revenues	430,065,300	1,250,841	16,836,032	72,231,555	520,383,728
EXPENDITURES					
Current					
Instruction					
Regular programs	144,176,322	-	-	1,004,262	145,180,584
Special programs	80,987,929	-	-	918,207	81,906,136
Other instructional programs	54,306,878	-	-	537,614	54,844,492
Support services					
Pupils	36,830,093	-	-	480,867	37,310,960
Instructional staff	18,082,960	-	-	192,463	18,275,423
General administration	11,825,425	-	-	7,166,143	18,991,568
School administration	21,184,025	-	-	673,942	21,857,967
Business	18,052,049	-	-	4,340,023	22,392,072
Transportation	-	-	-	22,593,628	22,593,628
Operations and maintenance	-	1,782,856	-	23,491,495	25,274,351
Central	11,186,583	-	-	589,927	11,776,510
Other supporting services	520,428	-	-	613,847	1,134,275
Community services	4,415,660	-	-	50,346	4,466,006
Intergovernmental					
Payments to other districts and government units	14,404,875	-	-	-	14,404,875
Capital outlay	1,900,326	33,315,530	-	11,514,100	46,729,956
Debt service					
Principal	-	-	8,865,000	-	8,865,000
Interest	-	-	5,450,483	-	5,450,483
Total expenditures	417,873,553	35,098,386	14,315,483	74,166,864	541,454,286
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	12,191,747	(33,847,545)	2,520,549	(1,935,309)	(21,070,558)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	11,205,981	11,205,981
Transfers (out)	(174,540)	-	-	(11,031,441)	(11,205,981)
Proceeds from sale of asset	-	-	-	294,000	294,000
Total other financing sources (uses)	(174,540)	-	-	468,540	294,000
NET CHANGE IN FUND BALANCES	12,017,207	(33,847,545)	2,520,549	(1,466,769)	(20,776,558)
FUND BALANCES, JULY 1	93,613,632	64,857,417	3,969,117	32,773,800	195,213,966
FUND BALANCES, JUNE 30	\$ 105,630,839	\$ 31,009,872	\$ 6,489,666	\$ 31,307,031	\$ 174,437,408

See accompanying notes to basic financial statements.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (20,776,558)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	47,278,378
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(18,089,300)
In the statement of activities, only the gain or loss on the sale of capital assets is reported; however, in the governmental funds, the proceeds from the sale increase the financial resources. The change in net position differs from the change in fund balance by the net book value of the assets sold.	(5,652,105)
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows/inflows of resources are not a source or use of financial resources	(2,932,420)
The change in the Teachers' Retirement System of the State of Illinois net pension liability and deferred outflows/inflows of resources are not a source or use of financial resources	(1,397,794)
The change in the Teachers' Health Insurance Security Fund total OPEB liability and deferred outflows/inflows of resources are not a source or use of financial resources	(12,496,810)
The change in the net OPEB liability and deferred outflows of resources are not a source or use of financial resources	(273,914)
Certain revenue included in the statement of activities does not provide current financial resources and, therefore, is deferred in the governmental fund statements	(2,985,986)
The accretion of long-term debt provides current financial resources to the governmental funds, while principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which current year principal payments exceeded accretion on bonds payable.	5,694,766
Governmental funds report the effects of premium, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year, net of these differences.	102,883
In the statement of activities, operating expenses are measured by the amounts incurred during the current year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources.	
Worker's compensation claims payable	305,262
Early retirement payable	291,405
Compensated absences	(812,901)
The addition (reduction) in net position of certain activities of internal service funds is included in governmental funds	<u>4,685,844</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (7,059,250)</u>
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See accompanying notes to basic financial statements.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUND

June 30, 2018

	<u>Internal Service Fund Insurance Fund</u>
CURRENT ASSETS	
Cash and investments	\$ 6,777,017
Receivables	
Other	<u>368,690</u>
Total assets	<u>7,145,707</u>
CURRENT LIABILITIES	
Accounts payable	254,427
Withholding payable	367,566
Claims payable	<u>3,329,000</u>
Total liabilities	<u>3,950,993</u>
NET POSITION	
Unrestricted	<u>3,194,714</u>
TOTAL NET POSITION	<u><u>\$ 3,194,714</u></u>

See accompanying notes to basic financial statements.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND

For the Year Ended June 30, 2018

	Internal Service Fund Insurance Fund
OPERATING REVENUES	
Employer contributions	\$ 47,973,554
Employee contributions	4,349,012
Retiree contributions	1,248,955
Refund of prior year expenses	<u>1,995,557</u>
Total operating revenues	<u>55,567,078</u>
OPERATING EXPENSES	
Insurance premiums	1,772,542
Stop-loss premiums	1,363,367
Administrative fees and other	2,539,783
Health claims incurred	<u>45,214,405</u>
Total operating expenses	<u>50,890,097</u>
OPERATING INCOME	<u>4,676,981</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	<u>8,863</u>
Total non-operating revenues (expenses)	<u>8,863</u>
CHANGE IN NET POSITION	4,685,844
NET POSITION (DEFICIT), JULY 1	<u>(1,491,130)</u>
NET POSITION, JUNE 30	<u><u>\$ 3,194,714</u></u>

See accompanying notes to basic financial statements.

**ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

For the Year Ended June 30, 2018

	Internal Service Fund Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from employer	\$ 47,973,554
Receipts from employees	4,349,012
Receipts from retirees	1,248,955
Receipts from others	1,994,433
Payments to vendors	(50,735,893)
Net cash from operating activities	<u>4,830,061</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	<u>-</u>
Net cash from noncapital financing activities	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
None	<u>-</u>
Net cash from capital and related financing activities	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	<u>8,863</u>
Net cash from investing activities	<u>8,863</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,838,924
CASH AND CASH EQUIVALENTS, JULY 1	<u>1,938,093</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u><u>\$ 6,777,017</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 4,676,981
Adjustments to reconcile operating income to net cash from operating activities	
Changes in assets and liabilities	
Other receivables	(1,124)
Prepaid items	143,547
Accounts payable	254,427
Claims payable	(243,770)
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ 4,830,061</u></u>

See accompanying notes to basic financial statements.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND

June 30, 2018

	<u>Student Activity Fund</u>
ASSETS	
Cash and investments	<u>\$ 1,873,470</u>
TOTAL ASSETS	<u><u>\$ 1,873,470</u></u>
LIABILITIES	
Due to students groups	<u>\$ 1,873,470</u>
TOTAL LIABILITIES	<u><u>\$ 1,873,470</u></u>

See accompanying notes to basic financial statements.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rockford Public Schools, District #205 (the District) operates a public school system governed by a seven-member elected board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to the accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District.

a. Reporting Entity

Accounting principles generally accepted in the United States of America require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary district is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by governmental accounting standards have been considered and there are no agencies or entities which should be presented with the District.

b. Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. The District's operating activities related to education are considered "governmental activities," that is, activities normally supported by taxes and intergovernmental revenues. Business-type activities are financed as a whole or in part by fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) amounts paid by the recipient of goods or services by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation (Continued)

Fund Financial Statements

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds) and the management of funds held in trust where the interest earnings can be used for governmental services (permanent fund). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to other departments or agencies within the District (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. The District's fiduciary funds consist of agency funds which are used to account for assets that the District holds on behalf of others as their agent.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements.

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

The government-wide financial statements are prepared using the economic resources measurement focus, while the fiduciary fund statements do not have a measurement focus. The government-wide financial statements and the fiduciary

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers property taxes available if they are collected within 60 days after year end. Property taxes, allotments of state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time. Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenue until earned. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due.

The District reports unearned and unavailable/deferred revenue on its financial statements. Unavailable revenues arise when potential revenue does not meet the available criteria for recognition in the current period for governmental funds. Unearned revenues also arise when resources are received by the District before it has legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, or when the District has a legal claim to the resources by meeting all eligibility requirements, the liability for unearned revenue is removed from the financial statements and revenue is recognized. Unavailable/deferred revenue results from property taxes being levied and reported as a receivable before the period for which the taxes are levied.

The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Major Governmental Funds

The District reports the following major governmental funds:

General Fund - is the general operating fund of the District. It accounts for all financial resources of the general government except those accounted for in another fund. The fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid.

Capital Projects Fund - accounts for financial resources that are restricted, committed or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

Bond and Interest Fund - accounts for the resources, the use of which is restricted by the Illinois School Code for the payment of principal and interest on long-term general obligation/capital appreciation debt of the governmental funds. The District elected to report this fund as a major fund.

Proprietary Fund Type

The District reports the following internal service fund:

The Insurance Fund accounts for the District's self-insured health plan for employees and other employee benefits, funded by charges to the various departments of the District and by employee and retiree contributions.

Fiduciary Fund - accounts for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Agency Funds - include Student Activity, Convenience Accounts and Other Agency Funds. These funds are custodial in nature and do not present results of operations or have a measurement focus. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes. Convenience Accounts account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

On-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the Teachers' Health Insurance Security) have been recognized in the financial statements.

d. Cash and Cash Equivalents

The District considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

e. Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly rated commercial paper, repurchase agreements and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

f. Property Taxes

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2017 levy resolution was approved during the December 12, 2017 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

The tax rate ceilings are applied at certain levies. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The property tax extension law limitation (PTELL) is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELL limits the increase in total taxes billed to the lessor of 5% of the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2017 and 2016 tax levies were 2.10%.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Property Taxes (Continued)

Property taxes are collected by the County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year became due and payable in two equal installments: the first due on June 1 and the second due on September 1. Property taxes are normally collected by the District within 60 days of the respective installment dates.

The 2017 property tax levy is recognized as a receivable in fiscal year 2018, net of estimated uncollectible amounts approximating 1%. The District considers that the first installment of the 2017 levy is used to finance operations in fiscal year 2018. The District has determined that the second installment of the 2017 levy is used to finance operations in fiscal year 2019 and has deferred the corresponding receivable.

The 2018 tax levy, which attached as an enforceable lien on property as of January 1, 2018, has not been recorded as a receivable as of June 30, 2018 as the tax has not yet been levied by the District and will not be levied until December 2018 and, therefore, the levy is not measurable at June 30, 2018.

g. Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement/Social Security Fund and the balance is allocated to the remaining funds at the discretion of the District.

h. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses and are accounted for using the consumption method.

i. Capital Assets

Capital assets are defined as assets with an initial cost of \$5,000 with an estimated useful life greater than two years. Capital assets are recorded at cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at acquisition value at the date of donation. Land and construction in progress are not depreciated by the District.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	20-30
Buildings and improvements	20-30
Infrastructure	20-30
Recreation equipment and structures	10-30
Vehicles	7-10
Administrative equipment	5-7

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

j. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30 are determined on the basis of current salary rates and include salary related payments.

Certified employees working less than 12 months a year do not earn vacation days; however, noncertified full-time employees earn vacation days which vest as they accrue.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences (Continued)

All full-time employees receive various numbers of sick and personal days per year based on the collective bargaining agreements or policies in place. These days may accumulate to an unlimited number of days. These accumulated sick days may be paid in cash or may be applied to earn additional years of service under the retirement plans. The District has not recognized a fund liability in the governmental funds for the vested amount. However, this liability is recorded in the government-wide financial statements. Sick and personal days are reported as an expense and liability as it accrues in the government-wide financial statements.

k. Long-Term Liabilities

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as deferred amounts on refunding, are deferred and amortized over the life of the bond. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are recognized during the current period.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt 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.

l. Equity Classifications

Equity is classified as net position in the government-wide financial statements and displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets less any unspent bond proceeds.

Restricted net position - Consists of net position with constraints placed on it use either (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Equity Classifications (Continued)

Unrestricted net position - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

None of the restricted net position or restricted fund balance results from enabling legislation.

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

Equity is classified as fund balance in the fund financial statements and displayed in five components.

Nonspendable - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g., inventory, prepaid items and permanent scholarships).

Restricted - includes amounts constrained for a specific purpose by external parties (e.g., Debt Service, Capital Projects, State and Federal Grant Funds).

Committed - includes amounts constrained for a specific purpose by the District using its highest level of decision-making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraint imposed require the same formal action of the Board of Education members that originally created the commitment.

Assigned - includes General Fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. The Board of Education may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted or committed for those specific purposes.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Equity Classifications (Continued)

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

Governmental fund balances reported in the fund financial statements as of June 30, 2018 are as follows:

The restricted and assigned fund balances are for the purpose of the respective funds as described above in the major governmental funds section.

The District has adopted a minimum fund balance policy. For purposes of this policy, fund balance has been defined as the total fund balances of the General, Operations and Maintenance and Transportation Funds. The District targets a fund balance percentage of not less than 25% of operating expenses (in those funds) measured on June 30th each year.

m. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other fund” and are expected to be repaid within one year. These amounts are eliminated in the statement of net position.

n. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results may differ from those estimates.

2. DEPOSITS AND INVESTMENTS

At year end, the District's cash and investments was comprised of the following:

	Governmental	Agency	Total
Cash and investments	\$ 219,151,624	\$ 1,873,470	\$ 221,025,094
TOTAL	\$ 219,151,624	\$ 1,873,470	\$ 221,025,094

For disclosure purposes, this amount is segregated into the following components: (1) cash on hand, (2) deposits with financial institutions, which include amounts, savings accounts and non-negotiable certificates of deposits and (3) other investments, which consist of all investments other than certificates of deposit, as follows:

	Cash and Investments
Deposits with financial institutions	\$ 186,736,754
Other investments	34,288,340
TOTAL	\$ 221,025,094

Deposits

Custodial credit risk for deposits refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. The District's investment policy indicates the preferred method for safekeeping is to have securities registered in the District's name and held by a third party custodian and safekeeping practices should qualify for GASB No. 3 category I, the highest recognized safekeeping procedures. This policy does not specifically address the safekeeping of collateral.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Investments

At year end, the District had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Negotiable CDs	\$ 5,317,682	\$ 3,207,162	\$ 1,870,795	\$ 239,725	\$ -
Municipal bonds	1,981,320	-	1,981,320	-	-
U.S. agencies	25,006,918	-	16,816,908	7,263,500	926,510
U.S. Treasury notes	1,982,420	1,982,420	-	-	-
TOTAL	\$ 34,288,340	\$ 5,189,582	\$ 20,669,023	\$ 7,503,225	\$ 926,510

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable input; and Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2018: U.S. agency securities, U.S. Treasury notes, municipal bonds and negotiable certificates of deposit of are valued using significant other observable outputs and are part of a limited secondary market (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District's investment policy limits the maturities on its investment portfolio as follows:

- a. Repurchase agreements must mature in less than 330 days, and
- b. Short-term obligations of corporations must mature not later than 270 days from the date of purchase.

The District's investment policy does not further limit the District's investment portfolio to specific maturities.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy does not address custodial credit risk for investments. The District is exposed to custodial credit risk as its investments in U.S. agency securities, U.S. Treasury notes and municipal bonds are held by the counterparties, not in the District's name.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limits the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District investment policy limits investment in municipal bonds to those ranked in the four highest general classifications established by a nationally recognized rating service. As of June 30, 2018, the District's investments in money market accounts and negotiable CDs are not rated. The United States Government agency securities are rated AA+ by Standard & Poor's, United States Treasury notes are rated Aaa by Standard & Poor's, and the municipal bonds are rated AA by Standard & Poor's at June 30, 2018.

The District is authorized to invest in the Illinois School District Liquid Asset Fund Plus and The Illinois Funds, which invest member deposits, on a pooled basis, primarily in short-term certificates of deposit and in high rated short-term obligations of the U.S. Treasury and major United States corporations and banks. The Illinois Funds were created and are regulated by the Illinois General Assembly and the fair value of the positions in the pools is the same as the value of the pool shares. The credit rating provided by Standard & Poor's of the Illinois School District Liquid Asset Fund Plus and The Illinois Funds was AAAm at June 30, 2018.

Cash held in The Illinois Funds Money Market Fund and the Illinois School District Liquid Asset Fund Plus is not subject to custodial credit risk categorization.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy limits the amount that the District may invest in short-term obligations of corporations to no more than one-third of the District's funds. There are no further limits on the amounts that may be invested in one issuer.

Separate cash and investment accounts are not maintained for all district funds; instead, the individual fund maintain their invested and uninvested balances in the common checking and investment accounts, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

Investment income earned is assigned to each of the governmental funds.

Occasionally certain funds participating in the common bank accounts will incur overdrafts (deficits) in the account. The overdrafts result from expenditures that have been approved by the Board of Education.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. GOVERNMENTAL CLAIMS RECEIVABLE AND UNEARNED REVENUE

A summary of governmental grants claims receivable and unavailable revenue by fund as of June 30, 2018 is as follows. All significant balances are expected to be collected within one year of the end of the fiscal period.

	Receivables - Other Governmental Funds			Unearned and Unavailable Revenues - Other
	General	Nonmajor	Total	
General				
IDEA grants	\$ 1,765,347	\$ -	\$ 1,765,347	\$ -
Medicaid fee for service	306,749	-	306,749	-
Title I grants	4,387,089	-	4,387,089	-
Title II grants	308,758	-	308,758	-
Title III grants	214,203	-	214,203	-
Early childhood block grants	1,451,016	-	1,451,016	-
School improvement grant	588,180	-	588,180	-
Preschool expansion grant	403,506	-	403,506	-
Other	2,998,198	-	2,998,198	1,308,580
Total General Fund	12,423,046	-	12,423,046	1,308,580
Transportation Fund	-	3,710,478	3,710,478	3,710,478
TOTAL	\$ 12,423,046	\$ 3,710,478	\$ 16,133,524	\$ 5,019,058

4. OPERATING LEASES

The District leases part of the administrative building to a third party under noncancelable operating leases. Assets included in the District's capital assets as of June 30, 2018 applicable to this lease were carried at a cost and accumulated depreciation of \$579,696 and \$86,954, respectively. For the year ended June 30, 2018, the District received \$460,867 in rentals under these leases which is included in rentals revenue in the Operations and Maintenance Fund.

Minimum future rentals to be received under this lease, excluding unknown escalation amounts and un-negotiated renewals are as follows at June 30, 2018:

Year Ending June 30,	Amount
2019	\$ 195,517
TOTAL	\$ 195,517

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS

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

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
GOVERNMENTAL ACTIVITIES					
Capital assets not being depreciated					
Land	\$ 8,657,520	\$ 1,354,591	\$ -	\$ 8,558	\$ 10,020,669
Construction in progress	49,114,959	31,254,547	-	(62,809,485)	17,560,021
Total capital assets not being depreciated	57,772,479	32,609,138	-	(62,800,927)	27,580,690
Capital assets being depreciated					
Land improvements	12,654,632	2,773,408	-	(1,583,375)	13,844,665
Buildings and building improvements	326,612,953	6,818,022	(5,932,548)	64,179,493	391,677,920
Furniture, fixtures and other equipment	52,305,162	1,857,533	(47,848,402)	115,316	6,429,609
Food service equipment	4,383,954	97,867	-	89,493	4,571,314
Transportation equipment	23,523,939	3,122,410	(2,249,757)	-	24,396,592
Software	2,453,570	-	-	-	2,453,570
Total capital assets being depreciated	421,934,210	14,669,240	(56,030,707)	62,800,927	443,373,670
Less accumulated depreciation for					
Land improvements	3,286,752	632,935	-	-	3,919,687
Buildings and building improvements	151,266,295	14,548,622	(5,932,548)	-	159,882,369
Furniture, fixtures and other equipment	45,218,462	837,107	(42,197,161)	-	3,858,408
Food service equipment	3,401,120	204,125	-	-	3,605,245
Transportation equipment	16,216,003	1,375,797	(2,248,893)	-	15,342,907
Software	905,987	490,714	-	-	1,396,701
Total accumulated depreciation	220,294,619	18,089,300	(50,378,602)	-	188,005,317
Total capital assets being depreciated, net	201,639,591	(3,420,060)	(5,652,105)	62,800,927	255,368,353
GOVERNMENTAL ACTIVITIES					
CAPITAL ASSETS, NET	\$ 259,412,070	\$ 29,189,078	\$ (5,652,105)	\$ -	\$ 282,949,043

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

Depreciation expense was recognized in the operating activities of the District as follows:

Governmental Activities	Depreciation
Regular programs	\$ 5,870,978
Special education programs	2,252,686
Other instructional programs	2,028,605
Pupils	1,396,793
Instructional staff	598,053
General administration	550,407
School administration	972,788
Business	765,730
Transportation	285,623
Operations and maintenance	2,028,284
Central	1,008,212
Other supporting services	140,949
Community services	190,192
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 18,089,300

6. LONG-TERM DEBT

a. Changes in General Long-Term Liabilities

The following is the long-term liability activity for the District for the year ended June 30, 2018:

	Beginning Balances, as restated	Additions	Deletions	Ending Balances	Current Portion
General obligation bonds	\$ 138,780,000	\$ -	\$ -	\$ 138,780,000	\$ -
Capital appreciation bonds*	74,000,246	3,170,234	8,865,000	68,305,480	8,995,000
Premiums	1,716,004	-	102,883	1,613,121	102,883
Total bonds payable	214,496,250	3,170,234	8,967,883	208,698,601	9,097,883
Claims payable	7,071,665	47,766,002	48,286,606	6,551,061	3,611,856
Early retirement payable	2,003,194	-	291,405	1,711,789	261,519
Compensated absences	3,836,046	5,143,186	4,330,285	4,648,947	4,648,947
Total OPEB liability	54,139,854	849,195	-	54,989,049	-
Total OPEB liability - THIS	178,644,945	3,193,565	-	181,838,510	-
Net pension liability - TRS	68,402,854	-	10,455,797	57,947,057	-
Net pension liability (asset) - IMRF	14,435,481	-	24,582,970	(10,147,489)	-
TOTAL LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES	\$ 543,030,289	\$ 60,122,182	\$ 96,914,946	\$ 506,237,525	\$ 17,620,205

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

a. Changes in General Long-Term Liabilities (Continued)

*Includes annual accretion of interest in the amount of \$3,170,234 on capital appreciation bonds.

The obligation for claims payable will be repaid from the Internal Service Fund and Tort Immunity Fund.

The obligations for the compensated absences and early retirement benefits will be repaid from the General, Operations and Maintenance and Transportation Funds.

b. General Obligation/Capital Appreciation Bonds

The District issues general obligation/capital appreciation bonds to finance various capital improvements. General obligation bonds are direct obligations and pledge the full faith and credit of the District. As of June 30, 2018, the District's general obligation/capital appreciation bonds consist of the following:

	Interest Rates	Original Indebtedness	Face Amount	Carrying Amount
Series 2000, Capital Appreciation Life Safety Bonds dated February 1, 2000 are due in annual installments through February 1, 2020.	6.12% to 6.33%	\$ 9,999,934	\$ 29,960,000	\$ 6,985,680
Series 2010, Capital Appreciation Limited School Bonds dated September 1, 2010 are due in annual installments through February 1, 2020.	4.25%	9,992,698	13,640,000	6,319,769
Series 2013, Capital Appreciation Limited School Bonds dated April 2, 2013 are due in annual installments through February 1, 2027.	3.03% to 4.29%	30,999,876	46,355,000	37,615,329
Series 2013, General Obligation Bonds dated April 2, 2013 are due in annual installments through February 1, 2033.	3.50% to 4.00%	69,000,000	69,000,000	66,790,000
Series 2015A Capital Appreciation Limited School Bonds dated March 5, 2015 are due in annual installments through February 1, 2027.	5.25%	6,204,788	9,725,000	7,370,856
Series 2015A, General Obligation Bonds dated March 5, 2015 are due in annual installments through February 1, 2035.	3.50% to 4.00%	13,795,000	12,855,000	13,795,000

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

b. General Obligation/Capital Appreciation Bonds (Continued)

	Interest Rates	Original Indebtedness	Face Amount	Carrying Amount
Series 2015B, Capital Appreciation Limited School Bonds dated March 5, 2015 are due in annual installments through February 1, 2027.	3.05% to 4.99%	\$ 9,886,576	\$ 25,710,000	\$ 10,013,846
Series 2015B, General Obligation Serial Bonds dated March 5, 2015 are due in annual installments through February 1, 2027.	3.25%	935,000	935,000	935,000
Series 2015B, General Obligation Term Bonds dated March 5, 2015 are due in annual installments on through February 1, 2035.	3.75% to 4.00%	28,175,000	28,175,000	28,175,000
Series 2016, Taxable Obligation School Bonds (Alternate Revenue Source - Qualified School Construction Bonds) dated May 12, 2016 are due in annual installments through December 2027.	3.80% to 3.95%	29,085,000	29,085,000	29,085,000
TOTAL		\$ 208,073,872	\$ 265,440,000	\$ 207,085,480

Above balances include \$15,799,147 of accreted interest on Capital Appreciation Bonds. Capital Appreciation Bonds are treated like zero-coupon bonds in that no regular interest payments are associated with these bonds until the bonds mature. Accordingly, the accreted value is added to these bonds. The difference between the carrying amount and the face amount is the total accreted value to date.

A summary of the future debt service requirements to amortize the remaining outstanding general obligation bonds as of June 30, 2018 is as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ -	\$ 5,450,483	\$ 5,450,483
2020	-	5,450,483	5,450,483
2021	-	5,450,483	5,450,483
2022	-	5,450,483	5,450,483
2023	-	5,450,483	5,450,483
2024-2028	47,530,000	25,836,071	73,366,071
2029-2033	62,525,000	13,359,838	75,884,838
2034-2035	28,725,000	1,735,000	30,460,000
TOTAL	\$ 138,780,000	\$ 68,183,324	\$ 206,963,324

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

b. General Obligation/Capital Appreciation Bonds (Continued)

Debt service to maturity on the capital appreciation bonds is as follows:

Year Ending June 30,	Principal Repayment	Accretion	Net Capital Appreciation Bonds
2019	\$ 8,995,000	\$ 2,817,024	\$ 6,177,976
2020	9,130,000	2,395,383	6,734,617
2021	9,265,000	2,095,182	7,169,818
2022	9,535,000	1,810,855	7,724,145
2023	9,815,000	1,530,168	8,284,832
2024-2027	34,760,000	2,545,908	32,214,092
TOTAL	\$ 81,500,000	\$ 13,194,520	\$ 68,305,480

The District has outstanding bonds with remaining pledges of revenue outstanding. The schedule of pledged revenue is detailed below:

Debt Issue	Pledge Source	Pledge Remaining	Commitment End Date	Pledged Revenue	Principal and Interest Paid	Estimated Percent of Pledged Revenue
2016	Corporate personal property replacement tax	\$ 39,215,396	December 1, 2027	\$ 21,503,898	\$ 1,126,358	5.20%

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 13.80% of the most recent available equalized assessed valuation of the District. As of June 30, 2018, the statutory debt limit for the District was \$279,076,915 providing a debt margin of \$87,790,582.

7. RETIREMENT PLAN COMMITMENTS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS or the System) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois (the State) on behalf of the District. IMRF is funded through property taxes, a perpetual lien of the District's corporate personal property replacement tax and through payroll withholdings of qualified staff. Each retirement system is discussed below.

7. RETIREMENT PLAN COMMITMENTS (Continued)

a. Teachers' Retirement System of the State of Illinois

Plan Description

The District participates in TRS. TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration. TRS issues a publicly available financial report that can be obtained at <https://trsil.org/financial/cafrs/fy2017>; by writing to TRS at 2815 W. Washington, P.O. Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

TRS provides retirement, disability and death benefits. Tier 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 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 2.20% of final average salary up to a maximum of 75% with 34 years of service. Disability and death benefits are also provided.

Tier 2 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 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

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

7. RETIREMENT PLAN COMMITMENTS (Continued)

a. Teachers' Retirement System of the State of Illinois (Continued)

Benefits Provided (Continued)

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

Contributions

The State 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, 2018, was 9% 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 makes employer pension contributions on behalf of the District. For the year ended June 30, 2018, the State's contributions recognized by the District were based on the State's proportionate share of the collective net pension liability and pension expense associated with the District and the District recognized revenue and expenses of \$117,807,108 in pension contributions from the State.

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 \$901,596 and are reported as a deferred outflow of resources because they were paid after the June 30, 2017 measurement date.

7. RETIREMENT PLAN COMMITMENTS (Continued)

a. Teachers' Retirement System of the State of Illinois (Continued)

Federal and Special Trust Fund Contributions

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

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 \$4,745,519 were paid from federal and Special Trust Funds that required district contributions of \$479,297. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

Employer Retirement Cost Contributions

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the early retirement option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.50% 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 \$151,646 to TRS for employer contributions due on salary increases in excess of 6% and \$19,825 for sick leave days granted in excess of the normal annual allotment.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT PLAN COMMITMENTS (Continued)

a. Teachers' Retirement System of the State of Illinois (Continued)

*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 follow:

District's proportionate share of the net pension liability	\$ 57,947,057
State's proportionate share of the net pension liability associated with the District	<u>1,178,403,492</u>
TOTAL	<u>\$ 1,236,350,549</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 projected contributions of all participating TRS employers and the State during that period. At June 30, 2017, the District's proportion was 0.0758487778%, which was a decrease of 0.0108072642% from its proportion measured as of June 30, 2016 (0.0866560420%).

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT PLAN COMMITMENTS (Continued)

a. Teachers' Retirement System of the State of Illinois (Continued)

*Pension Liabilities, Pension Expense and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions (Continued)*

For the year ended June 30, 2018, the District recognized pension expense of \$115,972,826 and revenue of \$115,972,826 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 Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ 629,369	\$ 26,748	\$ 602,621
Net difference between projected and actual earnings on pension plan investments	39,752	-	39,752
Changes of assumptions	3,867,550	1,665,129	2,202,421
Changes in proportion and differences between employee contributions and proportionate share of contributions	7,367,795	12,402,920	(5,035,125)
District contributions subsequent to the measurement date	1,380,894	-	1,380,894
TOTAL	\$ 13,285,360	\$ 14,094,797	\$ (809,437)

\$1,380,894 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending 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>	<u>Amount</u>
2019	\$ (2,110,087)
2020	(280,618)
2021	1,871,048
2022	(1,420,057)
2023	(250,617)
TOTAL	\$ (2,190,331)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT PLAN COMMITMENTS (Continued)

a. Teachers' Retirement System of the State of Illinois (Continued)

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	7.00%, 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	14.40%	6.94%
U.S. equities small/mid cap	3.60%	8.09%
International equities developed	14.40%	7.46%
Emerging market equities	3.60%	10.15%
U.S. bonds core	10.70%	2.44%
International debt developed	5.30%	1.70%
Real estate	15.00%	5.44%
Commodities (real return)	11.00%	4.28%
Hedge funds (absolute return)	8.00%	4.16%
Private equity	14.00%	10.63%
TOTAL	100.00%	

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT PLAN COMMITMENTS (Continued)

a. Teachers' Retirement System of the State of Illinois (Continued)

Discount Rate

At June 30, 2017, the discount rate used to measure the total pension liability was a blended rate of 7%, 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 projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7%, 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%) or 1 percentage point higher (8%) than the current rate.

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Employer's proportionate share of the net pension liability	\$ 71,195,527	\$ 57,947,057	\$ 47,095,455

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT PLAN COMMITMENTS (Continued)

a. Teachers' Retirement System of the State of Illinois (Continued)

TRS Fiduciary Net Position

Detailed information about the TRS' fiduciary net position as of June 30, 2017 is available in the separately issued TRS comprehensive annual financial report.

b. Illinois Municipal Retirement Fund

The District's defined benefit pension plan (the Plan), Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the Plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and supplementary information for the Plan as a whole but not by individual employer. That report may be obtained at www.imrf.org. The net pension liability for the governmental activities will be liquidated by the Illinois Municipal Retirement/Social Security Fund.

Plan Administration

All employees (other than those covered by TRS) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The Plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2017, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	1,325
Inactive employees entitled to but not yet receiving benefits	1,264
Active employees	<u>1,315</u>
TOTAL	<u><u>3,904</u></u>

7. RETIREMENT PLAN COMMITMENTS (Continued)

b. Illinois Municipal Retirement Fund (Continued)

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. 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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year 2018 and 2017 was 9.04% and 9.39%, respectively, of annual covered payroll.

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT PLAN COMMITMENTS (Continued)

b. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the IMRF total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the employer's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT PLAN COMMITMENTS (Continued)

b. Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2017	\$ 219,389,261	\$ 204,953,780	\$ 14,435,481
Changes for the period			
Service cost	4,133,103	-	4,133,103
Interest	16,118,993	-	16,118,993
Difference between expected and actual experience	(1,070,132)	-	(1,070,132)
Changes in assumptions	(6,626,310)	-	(6,626,310)
Employer contributions	-	3,752,208	(3,752,208)
Employee contributions	-	1,768,218	(1,768,218)
Net investment income	-	37,145,368	(37,145,368)
Benefit payments and refunds	(13,071,801)	(13,071,801)	-
Other (net transfer)	-	(5,527,170)	5,527,170
Net change for the period	(516,147)	24,066,823	(24,582,970)
BALANCES AT DECEMBER 31, 2017	\$ 218,873,114	\$ 229,020,603	\$ (10,147,489)

There was a change in assumptions with respect to the inflation rates, salary rates, and mortality since the prior measurement date.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT PLAN COMMITMENTS (Continued)

b. Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2018, the District recognized pension expense of \$6,482,966. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
Difference between expected and actual experience	\$ 146,194	\$ 1,724,513	\$ (1,578,319)
Changes in assumption	25,162	4,782,517	(4,757,355)
Net difference between projected and actual earnings on pension plan investments	-	11,008,406	(11,008,406)
Contributions after measurement date	1,806,185	-	1,806,185
TOTAL	\$ 1,977,541	\$ 17,515,436	\$ (15,537,895)

\$1,806,185 reported as deferred outflows of resources related to district contributions subsequent to the measurement date and will be recognized as a reduction to net pension liability in the reporting year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2019	\$ (3,765,862)
2020	(3,949,947)
2021	(5,175,415)
2022	(4,452,856)
2023	-
Thereafter	-
TOTAL	<u>\$ (17,344,080)</u>

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT PLAN COMMITMENTS (Continued)

b. Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the District calculated using the discount rate of 7.50% as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 14,011,056	\$ (10,147,489)	\$ (30,241,306)

8. EARLY RETIREMENT BENEFITS

The District offered two early retirement incentive plans. The first plan began in June 1989 and the District offered an early retirement plan to all employees covered by the collective bargaining agreement with the Rockford Education Association. The plan offered a \$3,000 early retirement bonus and a lifetime retirement supplement, with no right of survivorship, of \$150 per month. The District also offered postretirement health care benefits who elected the above described early retirement plan.

In July 1991, the second retirement plan was offered by the District to all employees covered by the collective bargaining agreement with the Rockford Education Association. The plan offered a lifetime benefit, payable monthly, in the amount of \$60 times credible years of TRS service divided by 12 with the maximum of 30 years of services.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EARLY RETIREMENT BENEFITS (Continued)

Actuarial Methods and Assumptions (Continued)

In the June 30, 2017 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions used a rate to discount liabilities of 2.85%, which was determined by a cash flow matching analysis using plan specific expected benefit payments and spot rates from the Citigroup Pension Discount Curve as of June 30, 2017. The mortality rates used are from the RP-2014 Health Mortality Tables with White Collar Adjustments, projected generationally with Scale MP-2014. The benefits apply to a closed group of retired participants.

9. OTHER POSTEMPLOYMENT BENEFITS

a. Retiree's Health Plan

The District administers a single-employer defined benefit healthcare plan the Retiree's Health Plan. The plan provides medical, dental, vision and life insurance benefits for eligible retirees and their spouses through the District's group insurance plan which covers both active and retired members. The Retiree's Health Plan does not issue a publicly available financial report. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The activity of the plan is reported in the District's General Fund.

Benefits Provided

Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses can participate at established contribution rates. The District subsidizes a portion of the retiree contribution for eligible retirees until reaching age 65.

Membership

At June 30, 2018, membership consisted of:

Retirees and beneficiaries currently receiving benefits	584
Active employees	<u>4,429</u>
TOTAL	<u>5,013</u>
Participating employers	<u>1</u>

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

a. Retirees Health Plan (Continued)

Total Other Postemployment Benefit Liability

The District's total other postemployment benefit (OPEB) liability of \$54,989,049 was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions and Other Inputs

The total OPEB liability at June 30, 2018 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial cost method	Entry-age
Actuarial value of assets	Market value
Inflation	2.50%
Salary increases	3.50%
Discount rate	2.98%
Healthcare cost trend rates	7.00%

The discount rate was based on the 20-year municipal bond yield at June 30, 2018.

Mortality rates were based on the RP-2014 Healthy Mortality Tables with White Collar Adjustments, projected generationally with scale MP-2014.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JULY 1, 2017	<u>\$ 54,139,854</u>
Changes for the period	
Service cost	1,757,424
Interest	1,698,676
Difference between expected and actual experience	-
Changes in benefit terms	-
Changes in assumptions	671,321
Benefit payments	(3,278,226)
Net changes	<u>(849,195)</u>
BALANCES AT JUNE 30, 2018	<u>\$ 54,989,049</u>

There were changes in assumptions related to the discount rate since the prior measurement date. The discount rate was changed from 3.13% to 2.98%.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

a. Retirees Health Plan (Continued)

Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the District calculated using the discount rate of 2.98% as well as what the District total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.98%) or 1 percentage point higher (3.98%) than the current rate:

	1% Decrease (1.98%)	Current Discount Rate (2.98%)	1% Increase (3.98%)
Total OPEB liability	\$ 59,908,039	\$ 54,989,049	\$ 50,630,649

The table below presents the total OPEB liability of the District calculated using the healthcare rate of 7% as well as what the District's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Healthcare Rate (7%)	1% Increase (8%)
Total OPEB liability	\$ 49,685,668	\$ 54,989,049	\$ 61,212,429

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

For the year ended June 30, 2018, the District recognized OPEB expense of \$3,552,140. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Changes in assumptions	\$ -	\$ 575,281
TOTAL	\$ -	\$ 575,281

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

a. Retirees Health Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

Year Ending June 30,	
2019	\$ 96,040
2020	96,040
2021	96,040
2022	96,040
2023	96,040
Thereafter	<u>95,081</u>
TOTAL	<u>\$ 575,281</u>

b. Teacher Health Insurance Security of the State of Illinois

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the City of Chicago. THIS Fund provides medical, prescription and behavioral health benefits, but it does not provide vision, dental or life insurance benefits to annuitants of 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 State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to THIS Fund.

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Teacher Health Insurance Security of the State of Illinois (Continued)

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

- On-behalf contributions to THIS Fund - The State makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.18% of pay during the year ended June 30, 2018. State contributions were \$1,834,282 and the District recognized revenue and expenditures of this amount during the year. State contributions intended to match active member contributions during the years ended June 30, 2017 and 2016 were 1.12% and 1.07% of pay, respectively. State contributions on behalf of district employees were \$1,720,564 and \$1,612,335 for the years ended June 30, 2017 and 2016, respectively.
- Employer contributions to THIS Fund - The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.88% during the year ended June 30, 2018 and 0.84% and 0.80% during the years ended June 30, 2017 and 2016, respectively. For the year ended June 30, 2018, the District paid \$1,367,939 to THIS Fund, which was 100% of the required contribution. For the years ended June 30, 2017 and 2016, the District paid \$1,290,423 and \$1,205,484, respectively, to THIS Fund which was 100% of the required contribution.

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

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Teacher Health Insurance Security Fund of the State of Illinois (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at one year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8% and 9% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014. The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values 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 bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Teacher Health Insurance Security Fund of the State of Illinois (Continued)

Single Discount Rate (Continued)

Since the THIS fund is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017.

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

The following presents the District's proportionate share of the collective net OPEB liability, as well as what the District's proportionate share of the collective 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 discount rate:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Employer's proportionate share of the collective net OPEB liability	\$ 218,205,258	\$ 181,838,510	\$ 152,739,347

Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table shows the District's net OPEB liability as of June 30, 2017, using current trend rates and sensitivity trend rates that are either 1 percentage point higher or lower. The key trend rates are 8% in 2018 decreasing to an ultimate trend rate of 5.09% in 2025, for non-Medicare coverage, and 9% in 2018 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	1% Decrease ^a	Current Discount Rate	1% Increase ^b
Employer's proportionate share of the collective net OPEB liability	\$ 146,762,303	\$ 181,838,510	\$ 232,184,474

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Teacher Health Insurance Security Fund of the State of Illinois (Continued)

Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates (Continued)

^a One percentage point decrease in healthcare trend rates are 7% in 2018 decreasing to an ultimate rate of 4.09% in 2025 for non-Medicare coverage, and 8% 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% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

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

At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. The District proportion of the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of the District, actuarially determined. At June 30, 2017, the District's proportion was 0.700738%, which was an increase of 0.047218% from its proportion measured as of June 30, 2016 (0.653520%). 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:

Employer's proportionate share of the net OPEB liability	\$ 181,838,510
State's proportionate share of the net OPEB liability associated with the employer	<u>238,799,064</u>
TOTAL	<u>\$ 420,637,574</u>

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Teacher Health Insurance Security Fund of the State of Illinois (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2018, the District recognized OPEB expense of \$15,218,838 and revenue of \$1,834,282 for support provided by the State. At June 30, 2018, the District disclosed deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 102,994
Changes of assumptions	-	21,650,275
Net difference between projected and actual earnings on OPEB plan investments	-	2,001
Changes in the proportion and differences between employer contributions and proportionate share of contributions	11,084,086	-
Employer contributions subsequent to the measurement date	1,367,939	-
Total	<u>\$ 12,452,025</u>	<u>\$ 21,755,270</u>

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Teacher Health Insurance Security Fund of the State of Illinois (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

\$1,367,939 disclosed as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2019. Other amounts disclosed as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year Ended June 30,	
2019	\$ (1,639,392)
2020	(1,639,392)
2021	(1,639,392)
2022	(1,639,392)
2023	(1,638,891)
Thereafter	<u>(2,474,725)</u>
 TOTAL	 <u>\$ (10,671,184)</u>

10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters. The District is self-insured for medical and dental coverage and workers' compensation.

The District is self-insuring its employee medical and dental benefits up to \$325,000 per plan year for each employee or dependent covered and maintains coverage with an insurance carrier for excess amounts. This plan is administered by outside administrators who process the claims. The District pays the cost of employee coverage, and shares in the cost of their dependents. As of June 30, 2018, a liability has been provided for all known claims plus an estimate for those claims incurred but not reported. The cost related to this plan for the year ended June 30, 2018 were accounted for in the Internal Service Fund.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. RISK MANAGEMENT (Continued)

The District is also self-insured for workers' compensation claims on the first \$625,000 of each occurrence. The District carries excess workers' compensation insurance for statutory amounts not otherwise self-insured.

The District also purchases commercial insurance through a cooperative to provide risks of loss for property, general liability, automotive liability, excess liability, school board legal liability and excess property coverage to which the District is exposed. The cooperative has purchased aggregate excess coverage except for property and casualty losses. The property and casualty loss fund is fully funded by members based on required contributions determined by the cooperative's actuary. The District has not reduced its coverage this past year. The District has not significantly reduced insurance coverage nor had any settlement claims exceeding its insurance coverage the past three years.

An analysis of claims activity consisted of the following:

	2017 to 2018	2016 to 2017
Self-insurance liability, July 1	\$ 7,071,665	\$ 6,794,028
Current year claims and changes in estimate	47,766,002	46,229,143
Claims paid	(48,286,606)	(45,951,506)
SELF-INSURANCE LIABILITY, JUNE 30	<u>\$ 6,551,061</u>	<u>\$ 7,071,665</u>

11. CONTINGENT

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

12. STATE AND FEDERAL AID CONTINGENCIES

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowance, if any, would be immaterial.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. COMMITMENTS

Construction Projects

The District had active outstanding construction project contracts open at year end. Future completion in the next fiscal year with estimated amount of approximately \$18,659,565 is to be paid to contractors.

14. CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year ended June 30, 2018, the District implemented GASB Statement No. 75. With the implementation, the District is required to retroactively record the total postemployment benefit liability and write-off the net other postemployment benefit (OPEB) obligation.

The beginning net position reported in the statement of net position has been restated to reflect the new guidance as follows:

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	<u>\$ 173,869,467</u>
Write-off net OPEB obligation	1,222,373
Total OPEB liability	<u>(232,784,799)</u>
Total restatement	<u>(231,562,426)</u>
BEGINNING NET POSITION, AS RESTATED	<u>\$ (57,692,959)</u>

REQUIRED SUPPLEMENTARY INFORMATION

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Local sources			
Educational and working cash property taxes	\$ 79,878,988	\$ 79,788,020	\$ (90,968)
Special education property taxes	15,779,533	15,600,171	(179,362)
Replacement taxes	10,539,700	11,272,869	733,169
Regular tuition from pupils or parents (in state)	450,000	615,743	165,743
Regular tuition from other LEA's (in state)	332,000	-	(332,000)
Summer school - tuition from pupils and parents (in state)	58,000	115,425	57,425
Special education - tuition from other LEA's (in state)	1,700,000	1,388,402	(311,598)
Adult - tuition from pupils or parents (in state)	28,000	53,310	25,310
Investment income	700,000	635,221	(64,779)
Sales to pupils - lunch	-	1,792	1,792
Sales to pupils - breakfast	-	1,178	1,178
Sales to pupils - Ala Carte	-	481,640	481,640
Sales to pupils - other	90,000	36,786	(53,214)
Other food service	11,000	29,306	18,306
Admissions - athletic	46,895	101,347	54,452
Fees	87,080	3,532	(83,548)
Other activity revenue	-	89,958	89,958
Rentals	-	24,236	24,236
Other local fees	-	104,767	104,767
Contributions and donations from private sources	-	216,721	216,721
Drivers education fees	45,000	38,756	(6,244)
Refund of prior year expenditures	-	765,877	765,877
Other	1,274,000	551,882	(722,118)
Total local sources	111,020,196	111,916,939	896,743
Flow-through revenue from one LEA to another LEA			
Flow-through revenue from state sources	15,974	14,389	(1,585)
Total flow-through revenue from one LEA to another LEA	15,974	14,389	(1,585)
State sources			
Evidence based funding	117,004,185	134,872,091	17,867,906
Special education - private facility tuition	2,700,000	2,799,050	99,050
Special education - extraordinary	3,993,000	998,184	(2,994,816)
Special education - personnel	5,211,382	1,304,054	(3,907,328)
Special education - orphanage - individual	1,800,000	806,930	(993,070)
Special education - orphanage - summer	169,328	37,712	(131,616)
Special education - summer school	169,000	151,704	(17,296)
Bilingual education - downstate - TPI	1,695,602	31,616	(1,663,986)
State free lunch	130,000	224,034	94,034
Driver education	225,000	275,181	50,181
Adult education from Illinois Community College Board	906,732	655,923	(250,809)
Truant alternative/optional education	209,106	210,035	929
Early childhood - block grant	9,824,953	10,025,243	200,290
Advanced placement classes	-	66,715	66,715
Other restricted revenue from state sources	457,954	534,519	76,565
On-behalf payments to TRS from the State	-	116,600,332	116,600,332
Total state sources	144,496,242	269,593,323	125,097,081

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES (Continued)			
Federal sources			
Federal impact aid	\$ 15,000	\$ -	\$ (15,000)
Title IV - other	726,256	94,191	(632,065)
National school lunch program	12,500,000	10,703,426	(1,796,574)
Special breakfast program	3,305,000	2,650,256	(654,744)
Summer food service program	36,000	96,746	60,746
Child care commodity/SFS 13-adult day care	-	5,686	5,686
Fresh fruits and veggies	-	63,945	63,945
Commodity credit	1,400,000	1,005,158	(394,842)
Title I - low income	13,700,000	14,833,636	1,133,636
Title I - other	1,851,000	1,733,351	(117,649)
Title IV - 21st century	1,620,000	1,404,464	(215,536)
Federal - special education - preschool flow-through	215,000	307,907	92,907
Federal - special education - IDEA - flow-through/low incident	7,200,000	6,823,978	(376,022)
Federal - special education - IDEA - room and board	600,000	614,236	14,236
Federal - adult education	237,440	281,715	44,275
Race to the Top - Preschool flow-through	1,348,723	1,344,179	(4,544)
Title II - Immigrant education program	73,066	29,821	(43,245)
Title III - English language acquisition	585,472	528,715	(56,757)
McKinney education for homeless children	31,000	56,963	25,963
Title II - teacher quality	1,100,000	917,505	(182,495)
Medicaid matching funds - administrative outreach	775,000	1,128,396	353,396
Medicaid matching funds - fee-for-service program	2,100,000	3,619,401	1,519,401
Other restricted revenue from federal sources	25,000	296,974	271,974
Total federal sources	49,443,957	48,540,649	(903,308)
Total revenues	304,976,369	430,065,300	125,088,931
EXPENDITURES			
Instruction			
Regular programs			
Salaries	63,268,818	63,606,840	338,022
Employee benefits	23,128,491	23,497,178	368,687
Purchased services	1,316,230	1,279,002	(37,228)
Supplies and materials	3,742,635	3,588,953	(153,682)
Capital outlay	232,581	28,753	(203,828)
Other objects	165,000	149,509	(15,491)
Noncapitalized equipment	1,300,000	482,422	(817,578)
On-behalf payments to TRS from the State	-	51,572,418	51,572,418
Total regular programs	93,153,755	144,205,075	51,051,320
Pre-K programs			
Salaries	4,234,578	5,214,635	980,057
Employee benefits	3,575,962	2,702,701	(873,261)
Purchased services	1,986,838	157,378	(1,829,460)
Supplies and materials	998,016	435,937	(562,079)
Capital outlay	101,213	-	(101,213)

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Instruction (Continued)			
Pre-K programs (Continued)			
Noncapitalized equipment	\$ -	\$ 56,043	\$ 56,043
On-behalf payments to TRS from the State	-	3,372,669	3,372,669
Total Pre-K programs	10,896,607	11,939,363	1,042,756
Special education programs			
Salaries	22,392,437	22,632,931	240,494
Employee benefits	11,078,488	10,522,998	(555,490)
Purchased services	724,740	623,969	(100,771)
Supplies and materials	512,171	96,368	(415,803)
Capital outlay	44,418	90,172	45,754
Other objects	6,800,000	7,554,267	754,267
Noncapitalized equipment	5,000	15,520	10,520
On-behalf payments to TRS from the State	-	14,655,725	14,655,725
Total special education programs	41,557,254	56,191,950	14,634,696
Special education programs Pre-K			
Salaries	1,363,653	1,738,273	374,620
Employee benefits	678,319	755,699	77,380
Purchased services	500	2,943	2,443
Supplies and materials	3,990	115,369	111,379
Noncapitalized equipment	-	26,094	26,094
On-behalf payments to TRS from the State	-	798,894	798,894
Total special education programs Pre-K	2,046,462	3,437,272	1,390,810
Remedial and supplemental programs K-12			
Salaries	2,244,790	2,294,945	50,155
Employee benefits	1,033,429	749,552	(283,877)
Purchased services	1,011,346	1,819,719	808,373
Supplies and materials	506,929	3,457,458	2,950,529
Capital outlay	51,721	-	(51,721)
Noncapitalized equipment	-	46,002	46,002
On-behalf payments to TRS from the State	-	1,141,840	1,141,840
Total remedial and supplemental programs K-12	4,848,215	9,509,516	4,661,301
Adult/continuing education programs			
Salaries	86,776	267,006	180,230
Employee benefits	29,412	119,773	90,361
Purchased services	17,011	-	(17,011)
Supplies and materials	5,662	-	(5,662)
Capital outlay	578	-	(578)
Other objects	-	250	250
On-behalf payments to TRS from the State	-	218,717	218,717
Total adult/continuing education programs	139,439	605,746	466,307

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Instruction (Continued)			
CTE programs			
Salaries	\$ 3,129,906	\$ 3,854,572	\$ 724,666
Employee benefits	1,197,508	1,339,471	141,963
Purchased services	152,750	70,930	(81,820)
Supplies and materials	261,799	440,719	178,920
Capital outlay	486,000	59,977	(426,023)
Other objects	235,000	50,230	(184,770)
Noncapitalized equipment	-	160,710	160,710
On-behalf payments to TRS from the State	-	2,972,547	2,972,547
Total CTE programs	5,462,963	8,949,156	3,486,193
Interscholastic programs			
Salaries	1,247,453	1,596,841	349,388
Employee benefits	186,489	317,208	130,719
Purchased services	115,038	341,622	226,584
Supplies and materials	246,844	168,856	(77,988)
Capital outlay	30,000	8,400	(21,600)
Other objects	7,000	108,228	101,228
Noncapitalized equipment	-	4,463	4,463
On-behalf payments to TRS from the State	-	696,042	696,042
Total interscholastic programs	1,832,824	3,241,660	1,408,836
Summer school programs			
Salaries	203,250	762,264	559,014
Employee benefits	42,126	121,649	79,523
Purchased services	42,021	35,401	(6,620)
Supplies and materials	29,010	125,373	96,363
Capital outlay	2,021	-	(2,021)
Other objects	5,000	-	(5,000)
On-behalf payments to TRS from the State	-	513,994	513,994
Total summer school programs	323,428	1,558,681	1,235,253
Gifted programs			
Salaries	3,966,580	4,227,802	261,222
Employee benefits	1,413,233	1,477,222	63,989
Purchased services	156,000	38,637	(117,363)
Supplies and materials	82,000	43,292	(38,708)
Other objects	-	2,118	2,118
Noncapitalized equipment	-	4,910	4,910
On-behalf payments to TRS from the State	-	3,467,037	3,467,037
Total gifted programs	5,617,813	9,261,018	3,643,205

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Instruction (Continued)			
Driver's education programs			
Salaries	\$ 109,385	\$ 498,482	\$ 389,097
Employee benefits	38,764	161,617	122,853
Purchased services	10,560	16,371	5,811
Supplies and materials	4,000	16,628	12,628
Capital outlay	20,000	-	(20,000)
On-behalf payments to TRS from the State	-	415,729	415,729
Total driver's education programs	182,709	1,108,827	926,118
Bilingual programs			
Salaries	9,346,558	9,586,399	239,841
Employee benefits	3,693,283	3,295,541	(397,742)
Purchased services	219,693	13,460	(206,233)
Supplies and materials	219,913	872,311	652,398
Capital outlay	20,959	-	(20,959)
Noncapitalized equipment	2,500	-	(2,500)
On-behalf payments to TRS from the State	-	7,722,483	7,722,483
Total bilingual programs	13,502,906	21,490,194	7,987,288
Truant's alternative and optional programs			
Salaries	3,676,507	2,891,798	(784,709)
Employee benefits	1,143,498	937,449	(206,049)
Purchased services	672,148	932,833	260,685
Supplies and materials	93,278	12,634	(80,644)
Capital outlay	7,080	-	(7,080)
Other objects	1,371,000	1,371,000	-
On-behalf payments to TRS from the State	-	2,014,259	2,014,259
Total truant's alternative and optional programs	6,963,511	8,159,973	1,196,462
Total instruction	186,527,886	279,658,431	93,130,545
Support services			
Pupils			
Attendance and social work services			
Salaries	2,659,120	2,789,778	130,658
Employee benefits	986,653	919,032	(67,621)
Purchased services	506,278	432,402	(73,876)
Supplies and materials	63,352	12,924	(50,428)
Capital outlay	5,501	-	(5,501)
Noncapitalized equipment	9,500	-	(9,500)
On-behalf payments to TRS from the State	-	2,097,564	2,097,564
Total attendance and social work services	4,230,404	6,251,700	2,021,296

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Support services (Continued)			
Pupils (Continued)			
Guidance services			
Salaries	\$ 4,235,645	\$ 4,998,589	\$ 762,944
Employee benefits	1,537,052	1,669,138	132,086
Purchased services	38,490	18,482	(20,008)
Supplies and materials	123,295	15,191	(108,104)
Capital outlay	1,022	-	(1,022)
Other objects	-	60	60
On-behalf payments to TRS from the State	-	3,753,992	3,753,992
Total guidance services	5,935,504	10,455,452	4,519,948
Health services			
Salaries	3,345,013	3,303,254	(41,759)
Employee benefits	1,231,594	1,106,679	(124,915)
Purchased services	21,000	1,065,826	1,044,826
Supplies and materials	121,246	44,549	(76,697)
Capital outlay	9,800	-	(9,800)
Other objects	3,000	3,000	-
On-behalf payments to TRS from the State	-	1,873,248	1,873,248
Total health services	4,731,653	7,396,556	2,664,903
Psychological services			
Salaries	2,025,042	2,344,478	319,436
Employee benefits	655,178	722,331	67,153
Purchased services	1,000	20,038	19,038
Supplies and materials	22,500	54,073	31,573
Noncapitalized equipment	-	1,881	1,881
On-behalf payments to TRS from the State	-	1,893,825	1,893,825
Total psychological services	2,703,720	5,036,626	2,332,906
Speech pathology and audiology services			
Salaries	3,560,456	3,063,301	(497,155)
Employee benefits	1,212,753	979,824	(232,929)
Purchased services	133,100	1,281,280	1,148,180
Supplies and materials	26,276	48,828	22,552
On-behalf payments to TRS from the State	-	2,166,566	2,166,566
Total speech pathology and audiology services	4,932,585	7,539,799	2,607,214
Other support services - pupils			
Salaries	46,483	98,037	51,554
Employee benefits	28,864	14,721	(14,143)
Purchased services	3,500	30,588	27,088
Supplies and materials	1,500	6,614	5,114
Total other support services - pupils	80,347	149,960	69,613
Total pupils	22,614,213	36,830,093	14,215,880

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Support services (Continued)			
Instructional staff			
Improvement of instructional services			
Salaries	\$ 4,900,034	\$ 4,851,703	\$ (48,331)
Employee benefits	1,672,376	1,613,024	(59,352)
Purchased services	1,553,896	1,608,416	54,520
Supplies and materials	768,582	203,281	(565,301)
Capital outlay	68,280	-	(68,280)
Other objects	50,000	31,799	(18,201)
Noncapitalized equipment	-	46,615	46,615
On-behalf payments to TRS from the State	-	3,786,205	3,786,205
Total improvement of instructional services	9,013,168	12,141,043	3,127,875
Educational media services			
Salaries	1,964,011	2,126,481	162,470
Employee benefits	1,013,262	1,069,513	56,251
Purchased services	275,477	176,036	(99,441)
Supplies and materials	393,265	518,063	124,798
Capital outlay	15,000	-	(15,000)
Noncapitalized equipment	-	63,806	63,806
On-behalf payments to TRS from the State	-	1,160,619	1,160,619
Total educational media services	3,661,015	5,114,518	1,453,503
Assessment and testing			
Salaries	159,581	129,854	(29,727)
Employee benefits	65,013	28,035	(36,978)
Purchased services	47,122	61,575	14,453
Supplies and materials	585,175	335,608	(249,567)
Other objects	2,359	-	(2,359)
On-behalf payments to TRS from the State	-	272,327	272,327
Total assessment and testing	859,250	827,399	(31,851)
Total instructional staff	13,533,433	18,082,960	4,549,527
General administration			
Board of Education services			
Salaries	198,748	217,396	18,648
Employee benefits	39,688	37,077	(2,611)
Purchased services	1,051,050	1,211,195	160,145
Supplies and materials	25,950	17,811	(8,139)
Other objects	137,200	41,344	(95,856)
Noncapitalized equipment	2,000	-	(2,000)
Total Board of Education services	1,454,636	1,524,823	70,187

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Support services (Continued)			
General administration (Continued)			
Executive administration services			
Salaries	\$ 1,887,501	\$ 1,493,475	\$ (394,026)
Employee benefits	459,896	358,246	(101,650)
Purchased services	498,613	204,174	(294,439)
Supplies and materials	102,998	45,535	(57,463)
Capital outlay	5,097	-	(5,097)
Other objects	28,500	16,517	(11,983)
Noncapitalized equipment	2,000	15,411	13,411
On-behalf payments to TRS from the State	-	936,028	936,028
Total executive administration services	2,984,605	3,069,386	84,781
Special area administration services			
Salaries	3,690,823	3,858,269	167,446
Employee benefits	1,597,948	1,158,122	(439,826)
Purchased services	1,047,067	107,151	(939,916)
Supplies and materials	495,224	112,313	(382,911)
Capital outlay	42,055	-	(42,055)
Other objects	9,000	8,445	(555)
Noncapitalized equipment	-	10,138	10,138
On-behalf payments to TRS from the State	-	1,867,145	1,867,145
Total special area administration services	6,882,117	7,121,583	239,466
Tort immunity services			
Salaries	91,780	89,000	(2,780)
Employee benefits	14,432	14,324	(108)
Purchased services	17,742	4,610	(13,132)
Supplies and materials	16,300	872	(15,428)
Capital outlay	2,000	827	(1,173)
Total tort immunity services	142,254	109,633	(32,621)
Total general administration	11,463,612	11,825,425	361,813
School administration			
Office of the principal services			
Salaries	10,937,738	11,364,290	426,552
Employee benefits	3,538,580	2,993,038	(545,542)
Purchased services	300	32,535	32,235
Supplies and materials	207,408	73,182	(134,226)
Other objects	-	385	385
Noncapitalized equipment	-	8,432	8,432
On-behalf payments to TRS from the State	-	6,327,632	6,327,632
Total office of the principal services	14,684,026	20,799,494	6,115,468

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Support services (Continued)			
School administration (Continued)			
Other support services - school administration			
Salaries	\$ 2,069,924	\$ 181,760	\$ (1,888,164)
Employee benefits	-	52,097	52,097
On-behalf payments to TRS from the State	-	150,674	150,674
	<hr/>	<hr/>	<hr/>
Total other support services - school administration	2,069,924	384,531	(1,685,393)
	<hr/>	<hr/>	<hr/>
Total school administration	16,753,950	21,184,025	4,430,075
	<hr/>	<hr/>	<hr/>
Business			
Fiscal services			
Salaries	2,739,400	1,212,375	(1,527,025)
Employee benefits	595,109	345,494	(249,615)
Purchased services	1,235,990	175,969	(1,060,021)
Supplies and materials	70,000	52,684	(17,316)
Other objects	23,000	272,667	249,667
Noncapitalized equipment	-	11,089	11,089
On-behalf payments to TRS from the State	-	62,236	62,236
	<hr/>	<hr/>	<hr/>
Total fiscal services	4,663,499	2,132,514	(2,530,985)
	<hr/>	<hr/>	<hr/>
Operation and maintenance of plant services			
Salaries	50,004	53,965	3,961
Employee benefits	8,659	21,316	12,657
Purchased services	519,765	420,168	(99,597)
Supplies and materials	296,000	254,768	(41,232)
Capital outlay	10,000	769,197	759,197
Noncapitalized equipment	-	10,785	10,785
	<hr/>	<hr/>	<hr/>
Total operation and maintenance of plant services	884,428	1,530,199	645,771
	<hr/>	<hr/>	<hr/>
Pupil transportation services			
Purchased services	3,322,182	-	(3,322,182)
Noncapitalized equipment	1,929,899	1,338,056	(591,843)
	<hr/>	<hr/>	<hr/>
Total pupil transportation services	5,252,081	1,338,056	(3,914,025)
	<hr/>	<hr/>	<hr/>
Food service			
Salaries	-	3,351,750	3,351,750
Employee benefits	1,343,979	1,343,586	(393)
Purchased services	347,000	164,788	(182,212)
Supplies and materials	11,189,300	7,768,978	(3,420,322)
Capital outlay	400,500	171,845	(228,655)
Other objects	27,500	22,165	(5,335)
Noncapitalized equipment	-	49,302	49,302
	<hr/>	<hr/>	<hr/>
Total food service	13,308,279	12,872,414	(435,865)
	<hr/>	<hr/>	<hr/>

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Support services (Continued)			
Business (Continued)			
Internal services			
Salaries	\$ 719,925	\$ 628,731	\$ (91,194)
Employee benefits	141,246	139,141	(2,105)
Purchased services	297,120	175,485	(121,635)
Supplies and materials	161,850	163,537	1,687
Capital outlay	177,000	148,250	(28,750)
Other objects	1,000	-	(1,000)
Noncapitalized equipment	-	12,523	12,523
On-behalf payments to TRS from the State	-	491	491
Total internal service	1,498,141	1,268,158	(229,983)
Total business	25,606,428	19,141,341	(6,465,087)
Central			
Direction of central support services			
Salaries	-	19,352	19,352
Employee benefits	-	4,371	4,371
Purchased services	-	473,503	473,503
On-behalf payments to TRS from the State	-	4,403	4,403
Total direction of central support services	-	501,629	501,629
Planning, research, development and evaluation services			
Salaries	498,887	498,810	(77)
Employee benefits	109,309	99,904	(9,405)
Purchased services	110,000	76,803	(33,197)
Supplies and materials	28,000	17,908	(10,092)
Other objects	1,000	159	(841)
On-behalf payments to TRS from the State	-	169,410	169,410
Total planning, research, development and evaluation services	747,196	862,994	115,798
Information services			
Salaries	423,463	414,715	(8,748)
Employee benefits	86,592	87,942	1,350
Purchased services	143,000	84,155	(58,845)
Supplies and materials	40,500	23,950	(16,550)
Capital outlay	4,000	-	(4,000)
Other objects	3,000	5,383	2,383
Total information services	700,555	616,145	(84,410)
Staff services			
Salaries	1,808,624	1,513,497	(295,127)
Employee benefits	625,544	415,544	(210,000)

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Support services (Continued)			
Central (Continued)			
Staff services (Continued)			
Purchased services	\$ 936,846	\$ 617,735	\$ (319,111)
Supplies and materials	216,281	42,844	(173,437)
Capital outlay	11,506	-	(11,506)
Other objects	11,500	7,712	(3,788)
Noncapitalized equipment	5,000	5,734	734
On-behalf payments to TRS from the State	-	172,043	172,043
	<u>3,615,301</u>	<u>2,775,109</u>	<u>(840,192)</u>
Total staff services			
	3,615,301	2,775,109	(840,192)
Data processing services			
Salaries	2,010,236	1,855,463	(154,773)
Employee benefits	699,562	605,952	(93,610)
Purchased services	1,836,828	1,836,413	(415)
Supplies and materials	2,168,759	529,129	(1,639,630)
Capital outlay	188,046	623,732	435,686
Other objects	200	200	-
Noncapitalized equipment	1,350,000	1,591,935	241,935
On-behalf payments to TRS from the State	-	11,614	11,614
	<u>8,253,631</u>	<u>7,054,438</u>	<u>(1,199,193)</u>
Total data processing services			
	8,253,631	7,054,438	(1,199,193)
Total central			
	<u>13,316,683</u>	<u>11,810,315</u>	<u>(1,506,368)</u>
Other supporting services			
Salaries	240,521	255,625	15,104
Employee benefits	165,874	122,579	(43,295)
Purchased services	125,375	114,556	(10,819)
Supplies and materials	62,843	8,206	(54,637)
Capital outlay	6,411	-	(6,411)
Other objects	-	200	200
On-behalf payments to TRS from the State	-	19,262	19,262
	<u>601,024</u>	<u>520,428</u>	<u>(80,596)</u>
Total other supporting services			
	601,024	520,428	(80,596)
Total support services			
	<u>103,889,343</u>	<u>119,394,587</u>	<u>15,505,244</u>
Community services			
Salaries	3,016,729	2,260,486	(756,243)
Employee benefits	1,658,035	1,072,260	(585,775)
Purchased services	1,333,382	268,291	(1,065,091)
Supplies and materials	667,168	498,203	(168,965)
Capital outlay	66,987	-	(66,987)
Noncapitalized equipment	-	3,726	3,726
On-behalf payments to TRS from the State	-	312,694	312,694
	<u>6,742,301</u>	<u>4,415,660</u>	<u>(2,326,641)</u>
Total community services			
	6,742,301	4,415,660	(2,326,641)

(This schedule is continued on the following page.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Intergovernmental			
Payments for regular programs			
Purchased services	\$ -	\$ 3,740,942	\$ 3,740,942
Other objects	11,522,562	10,663,933	(858,629)
Total intergovenmental	11,522,562	14,404,875	2,882,313
Total expenditures	308,682,092	417,873,553	109,191,461
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,705,723)	12,191,747	15,897,470
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	(174,540)	(174,540)
Total other financing sources (uses)	-	(174,540)	(174,540)
NET CHANGE IN FUND BALANCE	<u>\$ (3,705,723)</u>	12,017,207	<u>\$ 15,722,930</u>
FUND BALANCE, JULY 1		<u>93,613,632</u>	
FUND BALANCE, JUNE 30		<u><u>\$ 105,630,839</u></u>	

(See independent auditor's report.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Four Fiscal Years

FISCAL YEAR END JUNE 30,	2015	2016	2017	2018
Actuarially determined contribution	\$ 3,882,559	\$ 3,774,142	\$ 3,522,534	\$ 3,550,546
Contributions in relation to the actuarially determined contribution	3,882,559	3,774,142	3,522,534	3,550,546
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 37,308,435	\$ 38,167,852	\$ 38,695,219	\$ 38,794,044
Contributions as a percentage of covered payroll	10.41%	9.89%	9.10%	9.15%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 26 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' HEALTH INSURANCE SECURITY FUND

Last Two Fiscal Years

FISCAL YEAR ENDED JUNE 30,	2017	2018
Statutorily required contribution	\$ 1,290,423	\$ 1,367,939
Contributions in relation to the statutorily required contribution	1,290,423	1,367,939
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -
Covered payroll	\$ 153,621,756	\$ 155,447,614
Contributions as a percentage of covered payroll	0.84%	0.88%

Notes to Required Supplementary Information

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

**ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

Last Four Fiscal Years

FISCAL YEAR ENDED JUNE 30,	2015	2016	2017	2018
Statutorily required contribution	\$ 2,852,360	\$ 3,066,048	\$ 3,290,680	\$ 1,380,894
Contributions in relation to the statutorily required contribution	2,852,360	3,066,048	3,290,680	1,380,894
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 148,519,026	\$ 150,685,486	\$ 153,621,756	\$ 155,447,614
Contributions as a percentage of covered payroll	1.92%	2.03%	2.14%	0.89%

Notes to Required Supplementary Information

Changes of assumptions: For the 2017 and 2016 measurement years, the assumed investment rate of return was 7.00%, including an inflation rate of 2.50% and a real return of 4.50%. Salary increases were assumed to vary by service credit. For the 2015 measurement year, the assumed investment rate of return was 7.50%, including an inflation rate of 3.00% and a real return of 4.50%. 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 ended June 30, 2014. For the 2014 measurement year, the assumed investment rate of return was also 7.50%, including an inflation rate of 3.00% and a real return of 4.50%. However, salary increases were assumed to vary by age.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014*	2015*	2016*	2017*
TOTAL PENSION LIABILITY				
Service cost	\$ 4,159,957	\$ 4,368,572	\$ 4,112,437	\$ 4,133,103
Interest	13,950,786	15,128,232	15,761,381	16,118,993
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	1,028,834	1,373,353	(2,417,979)	(1,070,132)
Changes of assumptions	7,856,003	236,362	(238,612)	(6,626,310)
Benefit payments, including refunds of member contributions	(11,083,560)	(11,717,657)	(12,408,136)	(13,071,801)
Net change in total pension liability	15,912,020	9,388,862	4,809,091	(516,147)
Total pension liability - beginning	189,279,288	205,191,308	214,580,170	219,389,261
TOTAL PENSION LIABILITY - ENDING	\$ 205,191,308	\$ 214,580,170	\$ 219,389,261	\$ 218,873,114
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 4,099,222	\$ 3,133,412	\$ 3,728,265	\$ 3,752,208
Contributions - member	1,732,766	1,757,018	1,744,700	1,768,218
Net investment income	11,957,473	1,001,565	13,532,519	37,145,368
Benefit payments, including refunds of member contributions	(11,083,560)	(11,717,657)	(12,408,136)	(13,071,801)
Other (net transfer)	(157,801)	104,018	44,872	(5,527,170)
Net change in plan fiduciary net position	6,548,100	(5,721,644)	6,642,220	24,066,823
Plan fiduciary net position - beginning	197,485,104	204,033,204	198,311,560	204,953,780
PLAN FIDUCIARY NET POSITION - ENDING	\$ 204,033,204	\$ 198,311,560	\$ 204,953,780	\$ 229,020,603
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 1,158,104	\$ 16,268,610	\$ 14,435,481	\$ (10,147,489)
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.44%	92.42%	93.42%	104.64%
Covered payroll	\$ 37,308,435	\$ 38,167,852	\$ 37,926,298	\$ 38,136,399
Employer's net pension liability (asset) as a percentage of covered payroll	3.10%	42.62%	38.06%	(26.61%)

Notes to Required Supplementary Information

Changes in assumptions related to the discount rate were made in 2015 and 2016.

Changes in assumptions related to inflation rates, salary rates and mortality were made in 2017.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Last Four Fiscal Years

MEASUREMENT DATE JUNE 30,	2014	2015	2016	2017
District's proportion of the net pension liability	0.0883560716%	0.0684402657%	0.0866560420%	0.0758487778%
District's proportionate share of the net pension liability	\$ 53,771,979	\$ 44,835,269	\$ 68,402,854	\$ 57,947,057
State's proportionate share of the net pension liability associated with the District	937,532,477	932,876,821	1,203,832,477	1,178,403,492
TOTAL	\$ 991,304,456	\$ 977,712,090	\$ 1,272,235,331	\$ 1,236,350,549
District's covered payroll	\$ 148,908,671	\$ 148,519,026	\$ 150,685,486	\$ 153,621,756
District's proportionate share of the net pension liability as a percentage of its covered payroll	36.21%	30.19%	45.39%	37.72%
Plan fiduciary net position as a percentage of the total pension liability	43.00%	41.50%	36.40%	39.30%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Fiscal Year

MEASUREMENT DATE JUNE 30,		2018
TOTAL OPEB LIABILITY		
Service cost	\$	1,757,424
Interest		1,698,676
Changes of benefit terms		-
Differences between expected and actual experience		-
Changes of assumptions		671,321
Benefit payments		<u>(3,278,226)</u>
Net change in total OPEB liability		849,195
Total OPEB liability - beginning		<u>54,139,854</u>
TOTAL OPEB LIABILITY - ENDING	\$	<u>54,989,049</u>
Covered-employee payroll	\$	218,785,619
Employer's total OPEB liability		
as a percentage of covered-employee payroll		25.13%

Notes to Required Supplementary Information

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

There were changes in assumptions related to the discount rate made in 2018.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
COLLECTIVE TOTAL OPEB LIABILITY AND RELATED RATIOS
TEACHERS' HEALTH INSURANCE SECURITY FUND

Last Two Fiscal Years*

MEASUREMENT DATE JUNE 30,	2016	2017
District's proportion of the collective total OPEB liability	0.653520%	0.700738%
District's proportionate share of the collective total OPEB liability	\$ 178,644,945	\$ 181,838,510
State's proportionate share of the collective total OPEB liability associated with the District	247,709,839	238,799,064
TOTAL	\$ 426,354,784	\$ 420,637,574
Plan's fiduciary net position as a percentage of the total OPEB liability	(0.22%)	(0.17%)
District's covered payroll	\$ 150,685,486	\$ 153,621,756
District's proportionate share of the total OPEB liability as a percentage of its covered payroll	118.55%	118.37%

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

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

(See independent auditor's report.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

1. BUDGETS AND BUDGETARY ACCOUNTING

The budgeted amounts for the governmental funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

The Board of Education follows these procedures in establishing the budgetary data reflected in the general purpose financial statements:

- a. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
- c. Prior to September 30, the budget is legally adopted through passage of resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
- d. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
- e. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
- f. All budget appropriations lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

2. EXCESS EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2018, expenditures exceeded budget in the following funds:

General Fund	\$ 109,191,461
Transportation Fund	5,885,859
Municipal Retirement/Social Security Fund	198,715
Tort Immunity Fund	108,804

General Fund expenditure exceed budget due to on-behalf payments recorded in the amount of \$116,600,332. The amounts were not budgeted by the District for the year ended June 30, 2018.

SUPPLEMENTARY INFORMATION

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
OPERATING FUNDS

For the Year Ended June 30, 2018

	General	Operations and Maintenance	Transportation
REVENUES			
Property taxes	\$ 95,388,191	\$ 14,662,694	\$ 16,075,772
Corporate personal property replacement taxes	11,272,869	6,770,729	-
State aid	269,607,712	-	16,162,905
Federal aid	48,540,649	-	-
Investment income	635,221	11,411	117,882
Refund of prior year's expenditures	765,877	208,723	-
Payments of surplus monies from TIF districts	-	15,831	-
Other	3,854,781	1,999,629	140,956
Total revenues	430,065,300	23,669,017	32,497,515
EXPENDITURES			
Current			
Instruction			
Regular programs	144,176,322	-	-
Special programs	80,987,929	-	-
Other instructional programs	54,306,878	-	-
Support services			
Pupils	36,830,093	-	11,115
Instructional staff	18,082,960	-	-
General administration	11,825,425	-	-
School administration	21,184,025	-	-
Business	18,052,049	-	-
Transportation	-	78,270	22,515,358
Operations and maintenance	-	23,491,495	-
Central	11,186,583	-	-
Other supporting services	520,428	524,936	-
Community services	4,415,660	-	-
Intergovernmental			
Payments to other districts and government units	14,404,875	-	-
Capital outlay	1,900,326	2,548,710	3,082,054
Total expenditures	417,873,553	26,643,411	25,608,527
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	12,191,747	(2,974,394)	6,888,988
OTHER FINANCING SOURCES (USES)			
Transfers in	-	11,205,981	-
Transfers (out)	(174,540)	-	(11,031,441)
Proceeds from sale of asset	-	-	294,000
Total other financing sources (uses)	(174,540)	11,205,981	(10,737,441)
NET CHANGES IN FUND BALANCE	12,017,207	8,231,587	(3,848,453)
FUND BALANCES (DEFICIT), JULY 1	93,613,632	(4,498,585)	18,720,418
FUND BALANCES, JUNE 30	\$ 105,630,839	\$ 3,733,002	\$ 14,871,965

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Municipal Retirement/ Social Security	Tort Immunity	Total
<hr/>		
\$ 6,276,692	\$ 5,919,277	\$ 138,322,626
960,300	-	19,003,898
-	385,936	286,156,553
-	-	48,540,649
24,505	59,457	848,476
-	403,415	1,378,015
-	-	15,831
-	23	5,995,389
<hr/>		
7,261,497	6,768,108	500,261,437
<hr/>		
1,004,262	-	145,180,584
918,207	-	81,906,136
537,614	-	54,844,492
469,752	-	37,310,960
192,463	-	18,275,423
272,553	6,893,590	18,991,568
673,942	-	21,857,967
2,846,756	-	20,898,805
-	-	22,593,628
-	-	23,491,495
589,927	-	11,776,510
88,911	-	1,134,275
50,346	-	4,466,006
-	-	14,404,875
-	-	7,531,090
<hr/>		
7,644,733	6,893,590	484,663,814
<hr/>		
(383,236)	(125,482)	15,597,623
<hr/>		
-	-	11,205,981
-	-	(11,205,981)
-	-	294,000
<hr/>		
-	-	294,000
<hr/>		
(383,236)	(125,482)	15,891,623
2,050,506	11,054,992	120,940,963
<hr/>		
\$ 1,667,270	\$ 10,929,510	\$ 136,832,586
<hr/>		

(See independent auditor's report.)

MAJOR DEBT SERVICE AND CAPITAL PROJECTS FUNDS

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BOND AND INTEREST FUND

For the Year Ended June 30, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES			
Local sources			
Debt service property taxes	\$ 13,193,781	\$ 13,088,692	\$ (105,089)
Corporate personal property replacement taxes	2,500,000	2,500,000	-
Investment income	48,000	195,323	147,323
Federal sources			
Build America Bond interest reimbursement	1,126,358	1,052,017	(74,341)
Total revenues	<u>16,868,139</u>	<u>16,836,032</u>	<u>(32,107)</u>
EXPENDITURES			
Debt service			
Debt service - interest on short-term debt			
Other interest on short-term debt	10,134,082	-	(10,134,082)
Payments on long-term debt			
Principal payments on long-term debt	3,621,214	8,865,000	5,243,786
Interest on long-term debt	3,054,445	5,450,483	2,396,038
Total expenditures	<u>16,809,741</u>	<u>14,315,483</u>	<u>(2,494,258)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 58,398</u>	2,520,549	<u>\$ 2,462,151</u>
FUND BALANCE, JULY 1		<u>3,969,117</u>	
FUND BALANCE, JUNE 30		<u>\$ 6,489,666</u>	

(See independent auditor's report.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Local sources			
Replacement taxes	\$ 175,000	\$ -	\$ (175,000)
Investment income	-	699,340	699,340
Contributions and donations	-	105,172	105,172
Refund of prior years' expenditures	-	45	45
Other local revenues	-	446,284	446,284
	<hr/>	<hr/>	<hr/>
Total local sources	175,000	1,250,841	1,075,841
	<hr/>	<hr/>	<hr/>
Total revenues	175,000	1,250,841	1,075,841
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Support services			
Operations and maintenance			
Facilities acquisition and construction services			
Salaries	710,066	378,097	(331,969)
Employee benefits	160,484	82,667	(77,817)
Purchased services	1,000,000	1,224,333	224,333
Supplies and materials	-	76,101	76,101
Capital outlay	38,546,513	33,315,530	(5,230,983)
Other objects	-	13,900	13,900
Noncapitalized equipment	-	7,758	7,758
	<hr/>	<hr/>	<hr/>
Total facilities acquisition and construction services	40,417,063	35,098,386	(5,318,677)
	<hr/>	<hr/>	<hr/>
Total expenditures	40,417,063	35,098,386	(5,318,677)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (40,242,063)</u>	<u>(33,847,545)</u>	<u>\$ 6,394,518</u>
FUND BALANCE, JULY 1		<u>64,857,417</u>	
FUND BALANCE, JUNE 30		<u><u>\$ 31,009,872</u></u>	

(See independent auditor's report.)

MAJOR GENERAL FUND

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

COMBINING BALANCE SHEET
GENERAL FUND - BY ACCOUNT

June 30, 2018

	Educational Accounts	Working Cash Accounts	Total
ASSETS			
Cash and investments	\$ 88,211,967	\$ 34,421,323	\$ 122,633,290
Receivables			
Interest	-	74,710	74,710
Property taxes, net	43,283,199	445,741	43,728,940
Intergovernmental	12,423,046	-	12,423,046
Other	997,843	-	997,843
Prepaid items	583,799	-	583,799
TOTAL ASSETS	\$ 145,499,854	\$ 34,941,774	\$ 180,441,628
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 5,835,791	\$ 712,861	\$ 6,548,652
Salaries and wages payable	19,101,227	-	19,101,227
Unearned revenue	527,973	-	527,973
Other current liabilities	220,999	-	220,999
Total liabilities	25,685,990	712,861	26,398,851
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	47,145,828	485,503	47,631,331
Unavailable revenue	780,607	-	780,607
Total deferred inflows of resources	47,926,435	485,503	48,411,938
FUND BALANCES			
Nonspendable	583,799	-	583,799
Assigned for			
Working cash	-	33,743,410	33,743,410
Unassigned	71,303,630	-	71,303,630
Total fund balances	71,887,429	33,743,410	105,630,839
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 145,499,854	\$ 34,941,774	\$ 180,441,628

(See independent auditor's report.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND - BY ACCOUNT

For the Year Ended June 30, 2018

	Educational Accounts	Working Cash Accounts	Total
REVENUES			
Property taxes	\$ 94,415,168	\$ 973,023	\$ 95,388,191
Corporate personal property replacement taxes	11,272,869	-	11,272,869
State aid	269,607,712	-	269,607,712
Federal aid	48,540,649	-	48,540,649
Investment income	454,544	180,677	635,221
Refund of prior year expenditures	765,877	-	765,877
Other	3,854,781	-	3,854,781
Total revenues	428,911,600	1,153,700	430,065,300
EXPENDITURES			
Current			
Instruction			
Regular programs	144,176,322	-	144,176,322
Special programs	80,987,929	-	80,987,929
Other instructional programs	54,306,878	-	54,306,878
Support services			
Pupils	36,830,093	-	36,830,093
Instructional staff	18,082,960	-	18,082,960
General administration	11,825,425	-	11,825,425
School administration	21,184,025	-	21,184,025
Business	18,052,049	-	18,052,049
Central	11,186,583	-	11,186,583
Other supporting services	520,428	-	520,428
Community services	4,415,660	-	4,415,660
Intergovernmental	14,404,875	-	14,404,875
Capital outlay	1,900,326	-	1,900,326
Total expenditures	417,873,553	-	417,873,553
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,038,047	1,153,700	12,191,747
OTHER FINANCING SOURCES (USES)			
Transfer (out)	(118,805)	(55,735)	(174,540)
NET CHANGE IN FUND BALANCE	10,919,242	1,097,965	12,017,207
FUND BALANCE, JULY 1	60,968,187	32,645,445	93,613,632
FUND BALANCE, JUNE 30	\$ 71,887,429	\$ 33,743,410	\$ 105,630,839

(See independent auditor's report.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Local sources			
Educational property taxes	\$ 78,897,669	\$ 78,814,997	\$ (82,672)
Special education property taxes	15,779,533	15,600,171	(179,362)
Corporate personal property replacement taxes	10,539,700	11,272,869	733,169
Regular tuition from pupils or parents (in state)	450,000	615,743	165,743
Regular tuition from other districts (in state)	332,000	-	(332,000)
Summer school - tuition from pupils and parents (in state)	58,000	115,425	57,425
Special education - tuition from other LEA's (in state)	1,700,000	1,388,402	(311,598)
Adult - tuition from pupils or parents (in state)	28,000	53,310	25,310
Investment income	200,000	454,544	254,544
Sales to pupils - lunch	-	1,792	1,792
Sales to pupils - breakfast	-	1,178	1,178
Sales to pupils - ala carte	-	481,640	481,640
Sales to pupils - other	90,000	36,786	(53,214)
Other food service	11,000	29,306	18,306
Admissions - athletic	46,895	101,347	54,452
Fees	87,080	3,532	(83,548)
Other activity revenue	-	89,958	89,958
Rentals	-	24,236	24,236
Other local fees	-	104,767	104,767
Contributions and donations from private sources	-	216,721	216,721
Drivers education fees	45,000	38,756	(6,244)
Refund of prior year expenditures	-	765,877	765,877
Other	1,274,000	551,882	(722,118)
Total local sources	109,538,877	110,763,239	1,224,362
Flow-through revenue from one LEA to another LEA			
Flow-through revenue from state sources	15,974	14,389	(1,585)
Total flow-through revenue from one LEA to another LEA	15,974	14,389	(1,585)
State sources			
Evidence based funding	117,004,185	134,872,091	17,867,906
Special education - private facility tuition	2,700,000	2,799,050	99,050
Special education - extraordinary	3,993,000	998,184	(2,994,816)
Special education - personnel	5,211,382	1,304,054	(3,907,328)
Special education - orphanage - individual	1,800,000	806,930	(993,070)
Special education - orphanage - summer	169,328	37,712	(131,616)
Special education - summer school	169,000	151,704	(17,296)
Bilingual education - downstate - TPI	1,695,602	31,616	(1,663,986)
State free lunch	130,000	224,034	94,034
Driver education	225,000	275,181	50,181
Adult education from Illinois Community College Board	906,732	655,923	(250,809)
Truant alternative/optional education	209,106	210,035	929
Early childhood - block grant	9,824,953	10,025,243	200,290
Advanced placement classes	-	66,715	66,715

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES (Continued)			
State sources (Continued)			
Other restricted revenue from state sources	\$ 457,954	\$ 534,519	\$ 76,565
On-behalf payments to TRS from the State	-	116,600,332	116,600,332
Total state sources	144,496,242	269,593,323	125,097,081
Federal sources			
Federal impact aid	15,000	-	(15,000)
Title VI - other	726,256	94,191	(632,065)
National school lunch program	12,500,000	10,703,426	(1,796,574)
Special breakfast program	3,305,000	2,650,256	(654,744)
Summer food service program	36,000	96,746	60,746
Child care commodity/SFS 13-adult day care	-	5,686	5,686
Fresh fruits and veggies	-	63,945	63,945
Commodity credit	1,400,000	1,005,158	(394,842)
Title I - low income	13,700,000	14,833,636	1,133,636
Title I - other	1,851,000	1,733,351	(117,649)
Title IV - 21st century	1,620,000	1,404,464	(215,536)
Federal - special education - preschool flow-through	215,000	307,907	92,907
Federal - special education - IDEA - flow-through/low incident	7,200,000	6,823,978	(376,022)
Federal - special education - IDEA - room and board	600,000	614,236	14,236
Federal - adult education	237,440	281,715	44,275
Race to the Top - preschool expansion grant	1,348,723	1,344,179	(4,544)
Title III - immigrant education program	73,066	29,821	(43,245)
Title III - English language acquisition	585,472	528,715	(56,757)
McKinney education for homeless children	31,000	56,963	25,963
Title II - teacher quality	1,100,000	917,505	(182,495)
Medicaid matching funds - administrative outreach	775,000	1,128,396	353,396
Medicaid matching funds - fee-for-service program	2,100,000	3,619,401	1,519,401
Other restricted revenue from federal sources	25,000	296,974	271,974
Total federal sources	49,443,957	48,540,649	(903,308)
Total revenues	303,495,050	428,911,600	125,416,550
EXPENDITURES			
Instruction			
Regular programs			
Salaries	63,268,818	63,606,840	338,022
Employee benefits	23,128,491	23,497,178	368,687
Purchased services	1,316,230	1,279,002	(37,228)
Supplies and materials	3,742,635	3,588,953	(153,682)
Capital outlay	232,581	28,753	(203,828)
Other objects	165,000	149,509	(15,491)
Noncapitalized equipment	1,300,000	482,422	(817,578)
On-behalf payments to TRS from the State	-	51,572,418	51,572,418
Total regular programs	93,153,755	144,205,075	51,051,320

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES			
Instruction			
Pre-K programs			
Salaries	\$ 4,234,578	\$ 5,214,635	\$ 980,057
Employee benefits	3,575,962	2,702,701	(873,261)
Purchased services	1,986,838	157,378	(1,829,460)
Supplies and materials	998,016	435,937	(562,079)
Capital outlay	101,213	-	(101,213)
Noncapitalized equipment	-	56,043	56,043
On-behalf payments to TRS from the State	-	3,372,669	3,372,669
Total Pre-K programs	10,896,607	11,939,363	1,042,756
Special education programs			
Salaries	22,392,437	22,632,931	240,494
Employee benefits	11,078,488	10,522,998	(555,490)
Purchased services	724,740	623,969	(100,771)
Supplies and materials	512,171	96,368	(415,803)
Capital outlay	44,418	90,172	45,754
Other objects	6,800,000	7,554,267	754,267
Noncapitalized equipment	5,000	15,520	10,520
On-behalf payments to TRS from the State	-	14,655,725	14,655,725
Total special education programs	41,557,254	56,191,950	14,634,696
Special education programs Pre-K			
Salaries	1,363,653	1,738,273	374,620
Employee benefits	678,319	755,699	77,380
Purchased services	500	2,943	2,443
Supplies and materials	3,990	115,369	111,379
Noncapitalized equipment	-	26,094	26,094
On-behalf payments to TRS from the State	-	798,894	798,894
Total special education programs Pre-K	2,046,462	3,437,272	1,390,810
Remedial and supplemental programs K-12			
Salaries	2,244,790	2,294,945	50,155
Employee benefits	1,033,429	749,552	(283,877)
Purchased services	1,011,346	1,819,719	808,373
Supplies and materials	506,929	3,457,458	2,950,529
Capital outlay	51,721	-	(51,721)
Noncapitalized equipment	-	46,002	46,002
On-behalf payments to TRS from the State	-	1,141,840	1,141,840
Total remedial and supplemental programs K-12	4,848,215	9,509,516	4,661,301

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Instruction (Continued)			
Adult/continuing education programs			
Salaries	\$ 86,776	\$ 267,006	\$ 180,230
Employee benefits	29,412	119,773	90,361
Purchased services	17,011	-	(17,011)
Supplies and materials	5,662	-	(5,662)
Capital outlay	578	-	(578)
Other objects	-	250	250
On-behalf payments to TRS from the State	-	218,717	218,717
Total adult/continuing education programs	139,439	605,746	466,307
CTE programs			
Salaries	3,129,906	3,854,572	724,666
Employee benefits	1,197,508	1,339,471	141,963
Purchased services	152,750	70,930	(81,820)
Supplies and materials	261,799	440,719	178,920
Capital outlay	486,000	59,977	(426,023)
Other objects	235,000	50,230	(184,770)
Noncapitalized equipment	-	160,710	160,710
On-behalf payments to TRS from the State	-	2,972,547	2,972,547
Total CTE programs	5,462,963	8,949,156	3,486,193
Interscholastic programs			
Salaries	1,247,453	1,596,841	349,388
Employee benefits	186,489	317,208	130,719
Purchased services	115,038	341,622	226,584
Supplies and materials	246,844	168,856	(77,988)
Capital outlay	30,000	8,400	(21,600)
Other objects	7,000	108,228	101,228
Noncapitalized equipment	-	4,463	4,463
On-behalf payments to TRS from the State	-	696,042	696,042
Total interscholastic programs	1,832,824	3,241,660	1,408,836
Summer school programs			
Salaries	203,250	762,264	559,014
Employee benefits	42,126	121,649	79,523
Purchased services	42,021	35,401	(6,620)
Supplies and materials	29,010	125,373	96,363
Capital outlay	2,021	-	(2,021)
Other objects	5,000	-	(5,000)
On-behalf payments to TRS from the State	-	513,994	513,994
Total summer school programs	323,428	1,558,681	1,235,253

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Instruction (Continued)			
Gifted programs			
Salaries	\$ 3,966,580	\$ 4,227,802	\$ 261,222
Employee benefits	1,413,233	1,477,222	63,989
Purchased services	156,000	38,637	(117,363)
Supplies and materials	82,000	43,292	(38,708)
Other objects	-	2,118	2,118
Noncapitalized equipment	-	4,910	4,910
On-behalf payments to TRS from the State	-	3,467,037	3,467,037
Total gifted programs	5,617,813	9,261,018	3,643,205
Driver's education programs			
Salaries	109,385	498,482	389,097
Employee benefits	38,764	161,617	122,853
Purchased services	10,560	16,371	5,811
Supplies and materials	4,000	16,628	12,628
Capital outlay	20,000	-	(20,000)
On-behalf payments to TRS from the State	-	415,729	415,729
Total driver's education program	182,709	1,108,827	926,118
Bilingual programs			
Salaries	9,346,558	9,586,399	239,841
Employee benefits	3,693,283	3,295,541	(397,742)
Purchased services	219,693	13,460	(206,233)
Supplies and materials	219,913	872,311	652,398
Capital outlay	20,959	-	(20,959)
Noncapitalized equipment	2,500	-	(2,500)
On-behalf payments to TRS from the State	-	7,722,483	7,722,483
Total bilingual programs	13,502,906	21,490,194	7,987,288
Truant's alternative and optional programs			
Salaries	3,676,507	2,891,798	(784,709)
Employee benefits	1,143,498	937,449	(206,049)
Purchased services	672,148	932,833	260,685
Supplies and materials	93,278	12,634	(80,644)
Capital outlay	7,080	-	(7,080)
Other objects	1,371,000	1,371,000	-
On-behalf payments to TRS from the State	-	2,014,259	2,014,259
Total truant's alternative and optional programs	6,963,511	8,159,973	1,196,462
Total instruction	186,527,886	279,658,431	93,130,545

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Support services			
Pupils			
Attendance and social work services			
Salaries	\$ 2,659,120	\$ 2,789,778	\$ 130,658
Employee benefits	986,653	919,032	(67,621)
Purchased services	506,278	432,402	(73,876)
Supplies and materials	63,352	12,924	(50,428)
Capital outlay	5,501	-	(5,501)
Noncapitalized equipment	9,500	-	(9,500)
On-behalf payments to TRS from the State	-	2,097,564	2,097,564
Total attendance and social work services	4,230,404	6,251,700	2,021,296
Guidance services			
Salaries	4,235,645	4,998,589	762,944
Employee benefits	1,537,052	1,669,138	132,086
Purchased services	38,490	18,482	(20,008)
Supplies and materials	123,295	15,191	(108,104)
Capital outlay	1,022	-	(1,022)
Other objects	-	60	60
On-behalf payments to TRS from the State	-	3,753,992	3,753,992
Total guidance services	5,935,504	10,455,452	4,519,948
Health services			
Salaries	3,345,013	3,303,254	(41,759)
Employee benefits	1,231,594	1,106,679	(124,915)
Purchased services	21,000	1,065,826	1,044,826
Supplies and materials	121,246	44,549	(76,697)
Capital outlay	9,800	-	(9,800)
Other objects	3,000	3,000	-
On-behalf payments to TRS from the State	-	1,873,248	1,873,248
Total health services	4,731,653	7,396,556	2,664,903
Psychological services			
Salaries	2,025,042	2,344,478	319,436
Employee benefits	655,178	722,331	67,153
Purchased services	1,000	20,038	19,038
Supplies and materials	22,500	54,073	31,573
Noncapitalized equipment	-	1,881	1,881
On-behalf payments to TRS from the State	-	1,893,825	1,893,825
Total psychological services	2,703,720	5,036,626	2,332,906

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Support services (Continued)			
Pupils (Continued)			
Speech pathology and audiology services			
Salaries	\$ 3,560,456	\$ 3,063,301	\$ (497,155)
Employee benefits	1,212,753	979,824	(232,929)
Purchased services	133,100	1,281,280	1,148,180
Supplies and materials	26,276	48,828	22,552
On-behalf payments to TRS from the State	-	2,166,566	2,166,566
	<hr/>	<hr/>	<hr/>
Total speech pathology and audiology services	4,932,585	7,539,799	2,607,214
	<hr/>	<hr/>	<hr/>
Other support services - pupils			
Salaries	46,483	98,037	51,554
Employee benefits	28,864	14,721	(14,143)
Purchased services	3,500	30,588	27,088
Supplies and materials	1,500	6,614	5,114
	<hr/>	<hr/>	<hr/>
Total other support services - pupils	80,347	149,960	69,613
	<hr/>	<hr/>	<hr/>
Total pupils	22,614,213	36,830,093	14,215,880
	<hr/>	<hr/>	<hr/>
Instructional staff			
Improvement of instructional services			
Salaries	4,900,034	4,851,703	(48,331)
Employee benefits	1,672,376	1,613,024	(59,352)
Purchased services	1,553,896	1,608,416	54,520
Supplies and materials	768,582	203,281	(565,301)
Capital outlay	68,280	-	(68,280)
Other objects	50,000	31,799	(18,201)
Noncapitalized equipment	-	46,615	46,615
On-behalf payments to TRS from the State	-	3,786,205	3,786,205
	<hr/>	<hr/>	<hr/>
Total improvement of instructional services	9,013,168	12,141,043	3,127,875
	<hr/>	<hr/>	<hr/>
Educational media services			
Salaries	1,964,011	2,126,481	162,470
Employee benefits	1,013,262	1,069,513	56,251
Purchased services	275,477	176,036	(99,441)
Supplies and materials	393,265	518,063	124,798
Capital outlay	15,000	-	(15,000)
Noncapitalized equipment	-	63,806	63,806
On-behalf payments to TRS from the State	-	1,160,619	1,160,619
	<hr/>	<hr/>	<hr/>
Total educational media services	3,661,015	5,114,518	1,453,503
	<hr/>	<hr/>	<hr/>

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Support services (Continued)			
Instructional staff (Continued)			
Assessment and testing			
Salaries	\$ 159,581	\$ 129,854	\$ (29,727)
Employee benefits	65,013	28,035	(36,978)
Purchased services	47,122	61,575	14,453
Supplies and materials	585,175	335,608	(249,567)
Capital outlay	2,359	-	(2,359)
On-behalf payments to TRS from the State	-	272,327	272,327
Total assessment and testing	859,250	827,399	(31,851)
Total instructional staff	13,533,433	18,082,960	4,549,527
General administration			
Board of Education services			
Salaries	198,748	217,396	18,648
Employee benefits	39,688	37,077	(2,611)
Purchased services	1,051,050	1,211,195	160,145
Supplies and materials	25,950	17,811	(8,139)
Other objects	137,200	41,344	(95,856)
Noncapitalized equipment	2,000	-	(2,000)
Total Board of Education services	1,454,636	1,524,823	70,187
Executive administration services			
Salaries	1,887,501	1,493,475	(394,026)
Employee benefits	459,896	358,246	(101,650)
Purchased services	498,613	204,174	(294,439)
Supplies and materials	102,998	45,535	(57,463)
Capital outlay	5,097	-	(5,097)
Other objects	28,500	16,517	(11,983)
Noncapitalized equipment	2,000	15,411	13,411
On-behalf payments to TRS from the State	-	936,028	936,028
Total executive administration services	2,984,605	3,069,386	84,781
Special area administration services			
Salaries	3,690,823	3,858,269	167,446
Employee benefits	1,597,948	1,158,122	(439,826)
Purchased services	1,047,067	107,151	(939,916)
Supplies and materials	495,224	112,313	(382,911)
Capital outlay	42,055	-	(42,055)
Other objects	9,000	8,445	(555)
Noncapitalized equipment	-	10,138	10,138
On-behalf payments to TRS from the State	-	1,867,145	1,867,145
Total special area administration services	6,882,117	7,121,583	239,466

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Support services (Continued)			
General administration (Continued)			
Tort immunity services			
Salaries	\$ 91,780	\$ 89,000	\$ (2,780)
Employee benefits	14,432	14,324	(108)
Purchased services	17,742	4,610	(13,132)
Supplies and materials	16,300	872	(15,428)
Other objects	2,000	827	(1,173)
Total tort immunity services	142,254	109,633	(32,621)
Total general administration	11,463,612	11,825,425	361,813
School administration			
Office of the principal services			
Salaries	10,937,738	11,364,290	426,552
Employee benefits	3,538,580	2,993,038	(545,542)
Purchased services	300	32,535	32,235
Supplies and materials	207,408	73,182	(134,226)
Other objects	-	385	385
Noncapitalized equipment	-	8,432	8,432
On-behalf payments to TRS from the State	-	6,327,632	6,327,632
Total office of the principal services	14,684,026	20,799,494	6,115,468
Other support services - school administration			
Salaries	2,069,924	181,760	(1,888,164)
Employee benefits	-	52,097	52,097
On-behalf payments to TRS from the State	-	150,674	150,674
Total other support services - school administration	2,069,924	384,531	(1,685,393)
Total school administration	16,753,950	21,184,025	4,430,075
Business			
Fiscal services			
Salaries	2,739,400	1,212,375	(1,527,025)
Employee benefits	595,109	345,494	(249,615)
Purchased services	1,235,990	175,969	(1,060,021)
Supplies and materials	70,000	52,684	(17,316)
Other objects	23,000	272,667	249,667
Noncapitalized equipment	-	11,089	11,089
On-behalf payments to TRS from the State	-	62,236	62,236
Total fiscal services	4,663,499	2,132,514	(2,530,985)

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Support services (Continued)			
Business (Continued)			
Operation and maintenance of plant services			
Salaries	\$ 50,004	\$ 53,965	\$ 3,961
Employee benefits	8,659	21,316	12,657
Purchased services	519,765	420,168	(99,597)
Supplies and materials	296,000	254,768	(41,232)
Capital outlay	10,000	769,197	759,197
Noncapitalized equipment	-	10,785	10,785
	<hr/>	<hr/>	<hr/>
Total operation and maintenance of plant services	884,428	1,530,199	645,771
	<hr/>	<hr/>	<hr/>
Pupil transportation services			
Salaries	3,322,182	-	(3,322,182)
Purchased services	1,929,899	1,338,056	(591,843)
	<hr/>	<hr/>	<hr/>
Total pupil transportation services	5,252,081	1,338,056	(3,914,025)
	<hr/>	<hr/>	<hr/>
Food service			
Salaries	-	3,351,750	3,351,750
Employee benefits	1,343,979	1,343,586	(393)
Purchased services	347,000	164,788	(182,212)
Supplies and materials	11,189,300	7,768,978	(3,420,322)
Capital outlay	400,500	171,845	(228,655)
Other objects	27,500	22,165	(5,335)
Noncapitalized equipment	-	49,302	49,302
	<hr/>	<hr/>	<hr/>
Total food service	13,308,279	12,872,414	(435,865)
	<hr/>	<hr/>	<hr/>
Internal service			
Salaries	719,925	628,731	(91,194)
Employee benefits	141,246	139,141	(2,105)
Purchased services	297,120	175,485	(121,635)
Supplies and materials	161,850	163,537	1,687
Capital outlay	177,000	148,250	(28,750)
Other objects	1,000	-	(1,000)
Noncapitalized equipment	-	12,523	12,523
On-behalf payments to TRS from the State	-	491	491
	<hr/>	<hr/>	<hr/>
Total internal service	1,498,141	1,268,158	(229,983)
	<hr/>	<hr/>	<hr/>
Total business	25,606,428	19,141,341	(6,465,087)
	<hr/>	<hr/>	<hr/>

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Support services (Continued)			
Central			
Direction of central support services			
Salaries	\$ -	\$ 19,352	\$ 19,352
Employee benefits	-	4,371	4,371
Purchased services	-	473,503	473,503
On-behalf payments to TRS from the State	-	4,403	4,403
	-	501,629	501,629
Total direction of central support services	-	501,629	501,629
Planning, research, development and evaluation services			
Salaries	498,887	498,810	(77)
Employee benefits	109,309	99,904	(9,405)
Purchased services	110,000	76,803	(33,197)
Supplies and materials	28,000	17,908	(10,092)
Other objects	1,000	159	(841)
On-behalf payments to TRS from the State	-	169,410	169,410
	747,196	862,994	115,798
Total planning, research, development and evaluation services	747,196	862,994	115,798
Information services			
Salaries	423,463	414,715	(8,748)
Employee benefits	86,592	87,942	1,350
Purchased services	143,000	84,155	(58,845)
Supplies and materials	40,500	23,950	(16,550)
Capital outlay	4,000	-	(4,000)
Other objects	3,000	5,383	2,383
	700,555	616,145	(84,410)
Total information services	700,555	616,145	(84,410)
Staff services			
Salaries	1,808,624	1,513,497	(295,127)
Employee benefits	625,544	415,544	(210,000)
Purchased services	936,846	617,735	(319,111)
Supplies and materials	216,281	42,844	(173,437)
Capital outlay	11,506	-	(11,506)
Other objects	11,500	7,712	(3,788)
Noncapitalized equipment	5,000	5,734	734
On-behalf payments to TRS from the State	-	172,043	172,043
	3,615,301	2,775,109	(840,192)
Total staff services	3,615,301	2,775,109	(840,192)
Data processing services			
Salaries	2,010,236	1,855,463	(154,773)
Employee benefits	699,562	605,952	(93,610)
Purchased services	1,836,828	1,836,413	(415)
Supplies and materials	2,168,759	529,129	(1,639,630)
Capital outlay	188,046	623,732	435,686
Other objects	200	200	-

(This schedule is continued on the following pages.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Support services (Continued)			
Central (Continued)			
Data processing services (Continued)			
Noncapitalized equipment	\$ 1,350,000	\$ 1,591,935	\$ 241,935
On-behalf payments to TRS from the State	-	11,614	11,614
Total data processing services	8,253,631	7,054,438	(1,199,193)
Total central	13,316,683	11,810,315	(1,506,368)
Other supporting services			
Salaries	240,521	255,625	15,104
Employee benefits	165,874	122,579	(43,295)
Purchased services	125,375	114,556	(10,819)
Supplies and materials	62,843	8,206	(54,637)
Capital outlay	6,411	-	(6,411)
Other objects	-	200	200
On-behalf payments to TRS from the State	-	19,262	19,262
Total other supporting services	601,024	520,428	(80,596)
Total support services	103,889,343	119,394,587	15,505,244
Community services			
Salaries	3,016,729	2,260,486	(756,243)
Employee benefits	1,658,035	1,072,260	(585,775)
Purchased services	1,333,382	268,291	(1,065,091)
Supplies and materials	667,168	498,203	(168,965)
Capital outlay	66,987	-	(66,987)
Noncapitalized equipment	-	3,726	3,726
On-behalf payments to TRS from the State	-	312,694	312,694
Total community services	6,742,301	4,415,660	(2,326,641)
Intergovernmental			
Payments for regular programs			
Purchased services	-	3,740,942	3,740,942
Other objects	11,522,562	10,663,933	(858,629)
Total intergovernmental	11,522,562	14,404,875	2,882,313
Total expenditures	308,682,092	417,873,553	109,191,461

(This schedule is continued on the following page.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (5,187,042)</u>	<u>\$ 11,038,047</u>	<u>\$ 16,225,089</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>-</u>	<u>(118,805)</u>	<u>(118,805)</u>
Total other financing sources (uses)	<u>-</u>	<u>(118,805)</u>	<u>(118,805)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (5,187,042)</u></u>	<u>10,919,242</u>	<u><u>\$ 16,106,284</u></u>
FUND BALANCE, JULY 1		<u>60,968,187</u>	
FUND BALANCE, JUNE 30		<u><u>\$ 71,887,429</u></u>	

(See independent auditor's report.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKING CASH ACCOUNTS

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Local sources			
Working cash property taxes	\$ 981,319	\$ 973,023	\$ (8,296)
Investment income	500,000	180,677	(319,323)
Total revenues	1,481,319	1,153,700	(327,619)
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,481,319	1,153,700	(327,619)
OTHER FINANCING SOURCES (USES)			
Permanent transfer from working cash fund - interest	-	(55,735)	(55,735)
NET CHANGE IN FUND BALANCE	<u>\$ 1,481,319</u>	1,097,965	<u>\$ (383,354)</u>
FUND BALANCE, JULY 1		<u>32,645,445</u>	
FUND BALANCE, JUNE 30		<u>\$ 33,743,410</u>	

(See independent auditor's report.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

COMBINING BALANCE SHEET
EDUCATIONAL ACCOUNTS - BY SUBACCOUNT

June 30, 2018

	General Account	Special Education Account	Grants Account
ASSETS			
Cash and investments	\$ 84,067,240	\$ -	\$ -
Receivables			
Property taxes, net	36,193,464	7,089,735	-
Intergovernmental	104,255	1,448,938	10,668,813
Other	96,260	901,583	-
Prepaid items	525,604	43,713	14,257
Due from other funds	90,336,120	-	-
TOTAL ASSETS	\$ 211,322,943	\$ 9,483,969	\$ 10,683,070
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 3,033,444	\$ 1,140,999	\$ 1,616,704
Salaries and wages payable	13,254,224	4,398,375	1,350,799
Unearned revenue	130,389	-	397,584
Other current liabilities	106,016	-	88,391
Due to other funds	-	89,840,499	495,621
Total liabilities	16,524,073	95,379,873	3,949,099
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	39,423,831	7,721,997	-
Unavailable revenue	-	689,967	-
Total deferred inflows of resources	39,423,831	8,411,964	-
FUND BALANCES			
Nonspendable	525,604	43,713	14,257
Unassigned (deficit)	154,849,435	(94,351,581)	6,719,714
Total fund balances (deficit)	155,375,039	(94,307,868)	6,733,971
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 211,322,943	\$ 9,483,969	\$ 10,683,070

Food Service		
Account	Eliminations	Total
<hr/>		
\$ 4,144,727	\$ -	\$ 88,211,967
-	-	43,283,199
201,040	-	12,423,046
-	-	997,843
225	-	583,799
-	(90,336,120)	-
<hr/>		
\$ 4,345,992	\$ (90,336,120)	\$ 145,499,854
<hr/>		

\$ 44,644	\$ -	\$ 5,835,791
97,829	-	19,101,227
-	-	527,973
26,592	-	220,999
-	(90,336,120)	-
<hr/>		
169,065	(90,336,120)	25,685,990
<hr/>		
-	-	47,145,828
90,640	-	780,607
<hr/>		
90,640	-	47,926,435
<hr/>		
225	-	583,799
4,086,062	-	71,303,630
<hr/>		
4,086,287	-	71,887,429
<hr/>		
\$ 4,345,992	\$ (90,336,120)	\$ 145,499,854
<hr/>		

(See independent auditor's report.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
EDUCATIONAL ACCOUNTS - BY SUBACCOUNT

For the Year Ended June 30, 2018

	General Accounts	Special Education Accounts	Grant Accounts
REVENUES			
Property taxes	\$ 78,814,997	\$ 15,600,171	\$ -
Corporate personal property replacement taxes	11,272,869	-	-
State aid	224,427,839	33,291,242	11,526,945
Federal aid	88,632	5,362,033	28,628,712
Investment income	454,544	-	-
Refund of prior year expenditures	460,691	272,491	4,245
Other local sources	1,822,856	1,396,390	94,732
Total revenues	317,342,428	55,922,327	40,254,634
EXPENDITURES			
Current			
Instruction			
Regular programs	142,995,933	-	1,180,389
Special programs	4,679,060	57,820,390	18,488,479
Other instructional programs	48,095,030	3,476,062	2,735,786
Support services			
Pupils	11,030,540	25,349,630	449,923
Instructional staff	13,434,546	8,115	4,640,299
General administration	4,858,054	4,825,071	2,142,300
School administration	20,469,599	56,664	50,850
Business	2,767,889	32,953	1,936,183
Central	10,124,268	-	1,062,315
Other supporting services	26,148	-	494,280
Community services	600,974	80,635	3,734,051
Intergovernmental	10,663,942	307,619	3,433,314
Capital outlay	1,638,677	-	89,804
Total expenditures	271,384,660	91,957,139	40,437,973
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	45,957,768	(36,034,812)	(183,339)
OTHER FINANCING SOURCES (USES)			
Transfer (out)	(118,805)	-	-
NET CHANGE IN FUND BALANCE	45,838,963	(36,034,812)	(183,339)
FUND BALANCE (DEFICIT), JULY 1	109,536,076	(58,273,056)	6,917,310
FUND BALANCE (DEFICIT), JUNE 30	\$ 155,375,039	\$ (94,307,868)	\$ 6,733,971

Food Service	
Accounts	Total
\$ -	\$ 94,415,168
-	11,272,869
361,686	269,607,712
14,461,272	48,540,649
-	454,544
28,450	765,877
540,803	3,854,781
15,392,211	428,911,600
-	144,176,322
-	80,987,929
-	54,306,878
-	36,830,093
-	18,082,960
-	11,825,425
606,912	21,184,025
13,315,024	18,052,049
-	11,186,583
-	520,428
-	4,415,660
-	14,404,875
171,845	1,900,326
14,093,781	417,873,553
1,298,430	11,038,047
-	(118,805)
1,298,430	10,919,242
2,787,857	60,968,187
\$ 4,086,287	\$ 71,887,429

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

**ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2018

	Operations and Maintenance	Transportation	Municipal Retirement/ Social Security
ASSETS			
Cash and investments	\$ 6,772,949	\$ 16,058,997	\$ 2,003,425
Receivables			
Property taxes, net	6,680,640	7,366,328	2,875,764
Other governmental units	-	3,710,478	-
Other	186,366	147,427	-
Prepaid items	-	1,341	38,153
TOTAL ASSETS	\$ 13,639,955	\$ 27,284,571	\$ 4,917,342
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 2,549,813	\$ 332,731	\$ 117,827
Salaries and wages payable	80,603	349,091	-
Other current liabilities	-	-	-
Total liabilities	2,630,416	681,822	117,827
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	7,276,537	8,020,306	3,132,245
Unavailable revenue - other	-	3,710,478	-
Total deferred inflows of resources	7,276,537	11,730,784	3,132,245
FUND BALANCES			
Nonspendable	-	1,341	38,153
Restricted for			
Operations and maintenance	3,733,002	-	-
Transportation	-	14,870,624	-
Retirement	-	-	1,629,117
Capital projects	-	-	-
Tort immunity	-	-	-
Total fund balances	3,733,002	14,871,965	1,667,270
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 13,639,955	\$ 27,284,571	\$ 4,917,342

Fire Prevention and Life Safety	Tort Immunity	Total
\$ 924,288	\$ 11,405,142	\$ 37,164,801
886,871	2,712,215	20,521,818
-	-	3,710,478
-	-	333,793
-	88,881	128,375
<u>\$ 1,811,159</u>	<u>\$ 14,206,238</u>	<u>\$ 61,859,265</u>
\$ 725,159	\$ 209,323	\$ 3,934,853
14,716	35,385	479,795
-	77,960	77,960
<u>739,875</u>	<u>322,668</u>	<u>4,492,608</u>
966,000	2,954,060	22,349,148
-	-	3,710,478
<u>966,000</u>	<u>2,954,060</u>	<u>26,059,626</u>
-	88,881	128,375
-	-	3,733,002
-	-	14,870,624
-	-	1,629,117
105,284	-	105,284
-	10,840,629	10,840,629
<u>105,284</u>	<u>10,929,510</u>	<u>31,307,031</u>
<u>\$ 1,811,159</u>	<u>\$ 14,206,238</u>	<u>\$ 61,859,265</u>

(See independent auditor's report.)

**ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2018

	Operations and Maintenance	Transportation	Municipal Retirement/ Social Security
REVENUES			
Property taxes	\$ 14,662,694	\$ 16,075,772	\$ 6,276,692
Corporate personal property replacement taxes	6,770,729	-	960,300
State aid	-	16,162,905	-
Investment income	11,411	117,882	24,505
Refund of prior year's expenditures	208,723	75,062	-
Payments of surplus monies from TIF districts	15,831	-	-
Other	1,999,629	65,894	-
Total revenues	23,669,017	32,497,515	7,261,497
EXPENDITURES			
Current			
Instruction			
Regular programs	-	-	1,004,262
Special programs	-	-	918,207
Other instructional programs	-	-	537,614
Support services			
Pupils	-	11,115	469,752
Instructional staff	-	-	192,463
General administration	-	-	272,553
School administration	-	-	673,942
Business	-	-	2,846,756
Transportation	78,270	22,515,358	-
Operations and maintenance	23,491,495	-	-
Central	-	-	589,927
Other supporting services	524,936	-	88,911
Community services	-	-	50,346
Capital outlay	2,548,710	3,082,054	-
Total expenditures	26,643,411	25,608,527	7,644,733
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,974,394)	6,888,988	(383,236)
OTHER FINANCING SOURCES (USES)			
Transfers in	11,205,981	-	-
Transfers (out)	-	(11,031,441)	-
Proceeds from sale of asset	-	294,000	-
Total other financing sources (uses)	11,205,981	(10,737,441)	-
NET CHANGE IN FUND BALANCES	8,231,587	(3,848,453)	(383,236)
FUND BALANCES (DEFICIT), JULY 1	(4,498,585)	18,720,418	2,050,506
FUND BALANCES, JUNE 30	\$ 3,733,002	\$ 14,871,965	\$ 1,667,270

Fire Prevention and Life Safety	Tort Immunity	Total	
\$ 1,940,891	\$ 5,919,277	\$ 44,875,326	
-	-	7,731,029	
-	385,936	16,548,841	
94,489	59,457	307,744	
38	403,415	687,238	
-	-	15,831	
-	23	2,065,546	
2,035,418	6,768,108	72,231,555	
-	-	1,004,262	
-	-	918,207	
-	-	537,614	
-	-	480,867	
-	-	192,463	
-	6,893,590	7,166,143	
-	-	673,942	
1,493,267	-	4,340,023	
-	-	22,593,628	
-	-	23,491,495	
-	-	589,927	
-	-	613,847	
-	-	50,346	
5,883,336	-	11,514,100	
7,376,603	6,893,590	74,166,864	
(5,341,185)	(125,482)	(1,935,309)	
-	-	11,205,981	
-	-	(11,031,441)	
-	-	294,000	
-	-	468,540	
(5,341,185)	(125,482)	(1,466,769)	
5,446,469	11,054,992	32,773,800	
\$ 105,284	\$ 10,929,510	\$ 31,307,031	

(See independent auditor's report.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OPERATIONS AND MAINTENANCE FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Local sources			
Operations and maintenance property taxes	\$ 14,783,324	\$ 14,662,694	\$ (120,630)
Corporate personal property replacement taxes	5,600,000	6,770,729	1,170,729
Investment income	-	11,411	11,411
Rentals	385,629	583,656	198,027
Other school activity revenue	-	33,835	33,835
Contributions and donations from private sources	-	18,000	18,000
Refund of prior years' expenditures	-	208,723	208,723
Payments of surplus monies from TIF districts	-	15,831	15,831
Other	1,550,000	1,364,138	(185,862)
	<hr/>	<hr/>	<hr/>
Total revenues	22,318,953	23,669,017	1,350,064
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Operations and maintenance			
Operation and maintenance of plant services			
Salaries	2,993,090	2,930,576	(62,514)
Employee benefits	643,955	615,669	(28,286)
Purchased services	13,147,507	13,060,832	(86,675)
Supplies and materials	7,588,022	6,496,140	(1,091,882)
Capital outlay	3,008,697	2,548,710	(459,987)
Other objects	-	55,414	55,414
Noncapitalized equipment	-	332,864	332,864
	<hr/>	<hr/>	<hr/>
Total operation and maintenance of plant services	27,381,271	26,040,205	(1,341,066)
	<hr/>	<hr/>	<hr/>
Total operations and maintenance	27,381,271	26,040,205	(1,341,066)
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(This schedule is continued on the following page.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
OPERATIONS AND MAINTENANCE FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Support services			
Transportation			
Pupil transportation services			
Salaries	\$ -	\$ 63,089	\$ 63,089
Employee benefits	-	15,181	15,181
Total transportation	-	78,270	78,270
Other support services			
Salaries	345,964	416,756	70,792
Employee benefits	104,632	108,180	3,548
Total other support services	450,596	524,936	74,340
Total expenditures	27,831,867	26,643,411	(1,188,456)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,512,914)	(2,974,394)	2,538,520
OTHER FINANCING SOURCES (USES)			
Transfers in	-	11,205,981	11,205,981
Total other financing sources (uses)	-	11,205,981	11,205,981
NET CHANGE IN FUND BALANCE	<u>\$ (5,512,914)</u>	8,231,587	<u>\$ 13,744,501</u>
FUND BALANCE (DEFICIT), JULY 1		<u>(4,498,585)</u>	
FUND BALANCE, JUNE 30		<u>\$ 3,733,002</u>	

(See independent auditor's report.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Local sources			
Transportation property taxes	\$ 17,327,913	\$ 16,075,772	\$ (1,252,141)
Regular transportation fees from other sources (in state)	35,000	39,628	4,628
Investment income	55,000	117,882	62,882
Refunds of prior years' expenditures	-	75,062	75,062
Other	10,000	26,266	16,266
Total local sources	17,427,913	16,334,610	(1,093,303)
State sources			
Transportation - regular/vocational	9,748,377	12,128,050	2,379,673
Transportation - special education	2,736,008	3,214,013	478,005
On-behalf payments to TRS from the State	-	820,842	820,842
Total state sources	12,484,385	16,162,905	3,678,520
Total revenues	29,912,298	32,497,515	2,585,217
EXPENDITURES			
Support services			
Pupils			
Other support services - pupils			
Salaries	149,875	11,115	(138,760)
Employee benefits	2,716	-	(2,716)
Total other support services - pupils	152,591	11,115	(141,476)
Total pupils	152,591	11,115	(141,476)
Business			
Pupil transportation services			
Salaries	6,725,171	7,701,976	976,805
Employee benefits	3,631,390	3,668,817	37,427
Purchased services	4,823,000	6,021,524	1,198,524
Supplies and materials	3,009,000	2,994,965	(14,035)
Capital outlay	95,000	3,082,054	2,987,054
Other objects	-	1,311	1,311
Noncapitalized equipment	-	1,191	1,191
On-behalf payments to TRS from the State	-	8,344	8,344
Total pupil transportation services	18,283,561	23,480,182	5,196,621

(This schedule is continued on the following page.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION FUND (Continued)

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Business (continued)			
Other support services			
Salaries	\$ 1,004,601	\$ 1,025,229	\$ 20,628
Employee benefits	281,915	278,733	(3,182)
Purchased services	-	770	770
On-behalf payments to TRS from the State	-	812,498	812,498
Total other support services	1,286,516	2,117,230	830,714
Total business	19,570,077	25,597,412	6,027,335
Total support services	19,722,668	25,608,527	5,885,859
Total expenditures	19,722,668	25,608,527	5,885,859
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10,189,630	6,888,988	(3,300,642)
OTHER FINANCING SOURCES (USES)			
Transfer in (out)	-	(11,031,441)	(11,031,441)
Proceeds from sale of asset	-	294,000	294,000
Total other financing sources (uses)	-	(10,737,441)	(10,737,441)
NET CHANGE IN FUND BALANCE	<u>\$ 10,189,630</u>	<u>(3,848,453)</u>	<u>\$ (14,038,083)</u>
FUND BALANCE, JULY 1		<u>18,720,418</u>	
FUND BALANCE, JUNE 30		<u><u>\$ 14,871,965</u></u>	

(See independent auditor's report.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Local sources			
IMRF property taxes	\$ 2,868,012	\$ 2,844,455	\$ (23,557)
Social Security/Medicare only property taxes	3,460,746	3,432,237	(28,509)
Corporate personal property replacement taxes	960,300	960,300	-
Investment income	-	24,505	24,505
Total revenues	7,289,058	7,261,497	(27,561)
EXPENDITURES			
Instruction			
Regular programs	1,062,372	1,004,262	(58,110)
Pre-K programs	39,300	32,138	(7,162)
Special education programs	1,020,097	886,069	(134,028)
Special education programs Pre-K	86,226	71,824	(14,402)
Remedial and supplemental programs K-12	-	5	5
Adult/continuing education programs	945	3,353	2,408
CTE programs	67,737	73,610	5,873
Interscholastic programs	28,730	79,920	51,190
Summer school programs	1,523	21,943	20,420
Gifted programs	57,516	59,518	2,002
Driver's education programs	1,586	7,772	6,186
Bilingual programs	131,609	125,385	(6,224)
Truant alternative and optional programs	121,950	94,284	(27,666)
Total instruction	2,619,591	2,460,083	(159,508)
Support services			
Pupils			
Attendance and social work services	40,597	43,725	3,128
Guidance services	130,229	126,850	(3,379)
Health services	176,865	196,865	20,000
Psychological services	29,363	33,146	3,783
Speech pathology and audiology services	51,627	56,954	5,327
Other support services - pupils	21,639	12,212	(9,427)
Total pupils	450,320	469,752	19,432
Instructional staff			
Improvement of instructional services	44,785	62,381	17,596
Educational media services	140,771	130,082	(10,689)
Assessment and testing	59,768	-	(59,768)
Total instructional staff	245,324	192,463	(52,861)
General administration			
Board of education services	73,643	67,463	(6,180)
Executive administration services	89,721	77,648	(12,073)
Special area administration services	119,054	72,794	(46,260)
Tort immunity services	-	14,730	14,730

(This schedule is continued on the following page.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Support services (Continued)			
General administration (Continued)			
Educational, inspectional, supervisory services related to loss prevention or reduction	\$ 41,991	\$ 39,918	\$ (2,073)
Legal service	4,361	-	(4,361)
Total general administration	328,770	272,553	(56,217)
School administration			
Office of the principal services	643,325	671,356	28,031
Other support services - school administration	2,978	2,586	(392)
Total school administration	646,303	673,942	27,639
Business			
Fiscal services	171,218	192,010	20,792
Facilities acquisition and construction service	110,209	60,558	(49,651)
Operation and maintenance of plant services	603,512	625,124	21,612
Pupil transportation services	1,095,885	1,321,795	225,910
Food service	476,622	542,677	66,055
Internal service	86,297	104,592	18,295
Total business	2,543,743	2,846,756	303,013
Central			
Planning, research, development and evaluation services	56,286	51,673	(4,613)
Information services	93,148	69,342	(23,806)
Staff services	142,394	214,357	71,963
Data processing services	204,108	254,555	50,447
Total central	495,936	589,927	93,991
Other support services	79,529	88,911	9,382
Total support services	4,789,925	5,134,304	344,379
Community services	36,502	50,346	13,844
Total expenditures	7,446,018	7,644,733	198,715
NET CHANGE IN FUND BALANCE	<u>\$ (156,960)</u>	(383,236)	<u>\$ (226,276)</u>
FUND BALANCE, JULY 1		<u>2,050,506</u>	
FUND BALANCE, JUNE 30		<u>\$ 1,667,270</u>	

(See independent auditor's report.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TORT IMMUNITY FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Local sources			
Tort immunity property taxes	\$ 5,970,753	\$ 5,919,277	\$ (51,476)
Investment income	-	59,457	59,457
Refund of prior years expenditures	-	403,415	403,415
Other	-	23	23
Total local sources	5,970,753	6,382,172	411,419
State sources			
On-behalf payments to TRS from the State	-	385,936	385,936
Total revenues	5,970,753	6,768,108	797,355
EXPENDITURES			
Support services			
General administration			
Claims paid from from self-insurance fund			
Purchased services	100,000	93,236	(6,764)
Total claims paid from from self-insurance fund	100,000	93,236	(6,764)
Workers' compensation			
Purchased services	1,800,000	2,088,496	288,496
Total workers' compensation	1,800,000	2,088,496	288,496
Unemployment insurance payments			
Purchased services	350,000	72,607	(277,393)
Total unemployment insurance payments	350,000	72,607	(277,393)
Risk management and claims services payments			
Purchased services	2,365,045	2,102,406	(262,639)
Total risk management and claims services payments	2,365,045	2,102,406	(262,639)
Judgment and settlements			
Other objects	-	13,843	13,843
Total judgment and settlements	-	13,843	13,843

(This schedule is continued on the following page.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
TORT IMMUNITY FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
EXPENDITURES (Continued)			
Support services (Continued)			
General administration (Continued)			
Educational, inspectional and supervisory services related to loss prevention or reduction			
Salaries	\$ 919,235	\$ 889,699	\$ (29,536)
Employee benefits	200,506	188,349	(12,157)
Supplies and materials	-	23,094	23,094
On-behalf payments to TRS from the State	-	385,936	385,936
Total educational, inspectional and supervisory services related to loss prevention or reduction	1,119,741	1,487,078	367,337
Legal service			
Purchased services	50,000	-	(50,000)
Total legal service	50,000	-	(50,000)
Property insurance			
Purchased services	1,000,000	1,035,924	35,924
Total property insurance	1,000,000	1,035,924	35,924
Total support services - general administration	6,784,786	6,893,590	108,804
Total expenditures	6,784,786	6,893,590	108,804
NET CHANGE IN FUND BALANCE	<u>\$ (814,033)</u>	<u>(125,482)</u>	<u>\$ 688,551</u>
FUND BALANCE, JULY 1		<u>11,054,992</u>	
FUND BALANCE, JUNE 30		<u>\$ 10,929,510</u>	

(See independent auditor's report.)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE PREVENTION AND LIFE SAFETY FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Local sources			
Fire prevention and life safety property taxes	\$ 1,962,556	\$ 1,940,891	\$ (21,665)
Investment income	-	94,489	94,489
Refund of prior years' expenditures	-	38	38
Total revenues	1,962,556	2,035,418	72,862
EXPENDITURES			
Support services			
Business			
Facilities acquisition and construction services			
Salaries	-	22,609	22,609
Total facilities acquisition and construction services	-	22,609	22,609
Operation and maintenance of plant services			
Salaries	595,453	639,731	44,278
Employee benefits	129,311	140,203	10,892
Purchased services	150,000	680,622	530,622
Supplies and materials	-	10,102	10,102
Capital outlay	8,469,978	5,883,336	(2,586,642)
Total operation and maintenance of plant services	9,344,742	7,353,994	(1,990,748)
Total support services	9,344,742	7,376,603	(1,968,139)
Total expenditures	9,344,742	7,376,603	(1,968,139)
NET CHANGE IN FUND BALANCE	<u>\$ (7,382,186)</u>	(5,341,185)	<u>\$ 2,041,001</u>
FUND BALANCE, JULY 1		<u>5,446,469</u>	
FUND BALANCE, JUNE 30		<u><u>\$ 105,284</u></u>	

(See independent auditor's report.)

FIDUCIARY FUND

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

For the Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
ASSETS				
Cash and cash equivalents	\$ 1,562,459	\$ 2,802,676	\$ 2,491,665	\$ 1,873,470
TOTAL ASSETS	<u>\$ 1,562,459</u>	<u>\$ 2,802,676</u>	<u>\$ 2,491,665</u>	<u>\$ 1,873,470</u>
LIABILITIES				
Due to student organizations				
Auburn	\$ 187,185	\$ 462,310	\$ 371,370	\$ 278,125
Barbour	17,790	46,930	42,660	22,060
Beyer Elementary	4,134	5,271	2,855	6,550
Bloom Elementary	1,407	2,612	3,262	757
Brookview Elementary	10,020	10,638	13,418	7,240
Carlson	15,959	8,234	5,924	18,269
Cherry Valley	11,205	8,088	15,236	4,057
Conklin	15,225	10,379	7,981	17,623
Dennis Early Childhood	4,662	4,927	-	9,589
East High	169,080	332,655	272,084	229,651
Eisenhower Middle	83,172	129,356	124,596	87,932
Ellis Elementary	11,302	-	10,170	1,132
Fairview Early Childhood	922	3,491	4,330	83
Flinn Middle	61,975	106,926	97,917	70,984
Froberg Elementary	18,080	15,004	17,700	15,384
Gregory Elementary	9,566	12,077	13,152	8,491
Guilford High	171,446	512,732	454,644	229,534
Haskell Elementary	12,190	22,925	18,633	16,482
Hillman Elementary	25,392	9,174	6,378	28,188
Jefferson High	178,746	251,295	186,528	243,513
Johnson Elementary	17,832	10,515	15,695	12,652
Kennedy Middle	47,062	42,193	42,733	46,522
King Elementary	14,862	8,920	19,107	4,675
Kishwaukee Elementary	9,792	6,965	8,329	8,428
Lathrop Elementary	19,726	7,788	3,022	24,492
Lewis Lemon Elementary	7,180	3,790	9,681	1,289
Lincoln Middle	36,644	79,825	79,589	36,880
Marshall Middle	81,405	160,328	136,889	104,844
McIntosh Elementary	7,644	22,026	22,141	7,529
Montessori Elementary	14,628	76,803	59,924	31,507
Nashold Elementary	11,618	7,421	8,113	10,926
Nelson Elementary	11,960	18,088	24,193	5,855
RESA Middle	39,705	74,476	65,802	48,379
Riverdahl Elementary	13,962	38,277	33,565	18,674
Rolling Green	20,359	11,456	20,621	11,194
Roosevelt Alternative HS	3,675	17,717	9,821	11,571
Spring Creek Elementary	4,450	18,209	18,402	4,257
Summerdale Early Childhood	8,810	8,436	15,285	1,961
Thompson Elementary	12,175	18,883	29,332	1,726
Thurgood Marshall	38,923	52,020	64,214	26,729
Welsh Elementary	30,807	26,422	31,439	25,790
West Middle	55,647	93,292	67,315	81,624
West View Elementary	21,380	12,994	9,538	24,836
White Swan Elementary	7,905	6,546	6,890	7,561
Whitehead Elementary	4,687	21,212	16,361	9,538
Wilson Middle	10,163	3,050	4,826	8,387
TOTAL LIABILITIES	<u>\$ 1,562,459</u>	<u>\$ 2,802,676</u>	<u>\$ 2,491,665</u>	<u>\$ 1,873,470</u>

(See independent auditor's report.)

STATISTICAL SECTION

as of and for the year ended June 30, 2018



District No. 205 | 501 7th Street, Rockford, IL 61104 | 815.966.3000 | rps205.com

STATISTICAL SECTION

This part of the Rockford Public Schools, District #205's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information displays about the District's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have been changed over time.	119-134
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	135-138
Debt Capacity The schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	139-142
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	143-144
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	145-149

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 13,049,488	\$ 29,819,775	\$ 38,582,624	\$ 57,150,978
Restricted	-	-	16,645,068	31,486,036
Unrestricted	112,039,497	112,820,846	102,946,539	122,153,391
TOTAL GOVERNMENTAL ACTIVITIES	\$ 125,088,985	\$ 142,640,621	\$ 158,174,231	\$ 210,790,405
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 713,998	\$ 607,533	\$ 547,998	\$ 616,269
Unrestricted	3,799,912	4,189,145	3,789,147	2,904,343
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 4,513,910	\$ 4,796,678	\$ 4,337,145	\$ 3,520,612
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 13,763,486	\$ 30,427,308	\$ 39,130,622	\$ 57,767,247
Restricted	-	-	16,645,068	31,486,036
Unrestricted	115,839,409	117,009,991	106,735,686	125,057,734
TOTAL PRIMARY GOVERNMENT	\$ 129,602,895	\$ 147,437,299	\$ 162,511,376	\$ 214,311,017

The decrease in unrestricted net position for the fiscal year ended June 30, 2015 results from the implementation of GASB Statement No. 68.

The Food Services Proprietary Fund was reclassified as a subaccount of the General Fund during the fiscal year ended June 30, 2015 as user fees did not support fund expenditures.

The decrease in unrestricted net position for the fiscal year ended June 30, 2018 results from the implementation of GASB Statement No. 75.

Data Source

District's Audited Annual Financial Statements

2013	2014	2015	2016	2017	2018
\$ 66,855,384	\$ 76,176,420	\$ 72,484,808	\$ 81,894,316	\$ 91,046,622	\$ 91,811,285
41,490,409	86,070,059	91,143,977	71,435,328	46,344,723	61,542,234
133,139,148	48,951,537	8,553,379	18,829,646	36,478,122	(218,105,728)
\$ 241,484,941	\$ 211,198,016	\$ 172,182,164	\$ 172,159,290	\$ 173,869,467	\$ (64,752,209)
\$ 951,683	\$ 1,361,529	\$ -	\$ -	\$ -	\$ -
1,404,362	84,302	-	-	-	-
\$ 2,356,045	\$ 1,445,831	\$ -	\$ -	\$ -	\$ -
\$ 67,807,067	\$ 77,537,949	\$ 72,484,808	\$ 81,894,316	\$ 91,046,622	\$ 91,811,285
41,490,409	86,070,059	91,143,977	71,435,328	46,344,723	61,542,234
134,543,510	49,035,839	8,553,379	18,829,646	36,478,122	(218,105,728)
\$ 243,840,986	\$ 212,643,847	\$ 172,182,164	\$ 172,159,290	\$ 173,869,467	\$ (64,752,209)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

EXPENSES, PROGRAM REVENUES AND NET REVENUE (EXPENSE)

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011*	2012
EXPENSES				
Governmental activities				
Instruction				
Regular programs	\$ 110,732,663	\$ 123,879,534	\$ 104,845,366	\$ 88,612,117
Special programs	39,802,948	50,018,452	48,670,404	45,444,362
Other instructional programs	38,310,803	35,898,263	32,248,049	30,235,538
State retirement contributions	-	-	34,872,891	34,028,625
Support services				
Pupils	18,822,512	20,493,289	20,846,389	19,072,219
Instructional staff	12,340,593	17,776,247	12,893,720	10,907,066
General administration	5,576,007	6,190,201	14,753,488	14,856,394
School administration	14,579,947	14,901,527	15,496,294	13,635,105
Business	8,798,484	10,377,350	3,244,152	3,101,381
Transportation	20,173,127	21,333,383	23,542,254	22,297,675
Operations and maintenance	22,708,773	21,883,184	21,946,092	22,098,358
Central	5,022,963	5,879,721	6,918,440	8,856,537
Other support services	1,399,670	1,632,578	2,163,469	1,903,305
Community services	5,108,681	4,499,013	3,116,036	2,633,080
Payments to other governments	2,135,100	4,903,939	8,320,199	10,413,930
Interest and charges	5,806,709	5,172,942	4,549,296	4,244,827
Total governmental activities expenses	311,318,980	344,839,623	358,426,539	332,340,519
Business-type activities				
Food service	11,990,248	12,411,759	12,805,897	12,870,519
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 323,309,228	\$ 357,251,382	\$ 371,232,436	\$ 345,211,038
PROGRAM REVENUES				
Governmental activities				
Charges for services				
Regular programs	\$ 432,934	\$ 920,467	\$ 2,492,045	\$ 3,720,031
Special programs	1,566,071	1,582,562	1,902,919	2,570,831
Other instructional programs	-	-	109,006	65,187
Transportation	-	-	-	-
Operations and maintenance	-	-	-	-
Support services	-	-	34,956	524,564
Operating grants and contributions	73,940,807	70,180,697	105,981,337	110,434,258
Capital grants and contributions	613,108	2,190,343	-	-
Total governmental activities program revenues	76,552,920	74,874,069	110,520,263	117,314,871
Business-type activities				
Charges for services	2,396,425	2,061,658	1,741,248	1,533,823
Operating grants and contributions	9,767,893	10,580,777	10,594,605	10,508,830
Total business-type activities program revenues	12,164,318	12,642,435	12,335,853	12,042,653
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUE	\$ 88,717,238	\$ 87,516,504	\$ 122,856,116	\$ 129,357,524

	2013	2014	2015**	2016	2017	2018
\$	95,605,168	\$ 99,521,788	\$ 133,481,017	\$ 137,736,347	\$ 163,221,110	\$ 157,237,023
	49,330,724	48,024,930	56,877,251	72,419,900	80,239,675	88,094,181
	32,390,781	34,010,329	51,820,849	42,642,494	50,983,358	60,282,049
	39,421,383	51,588,181	-	-	-	-
	20,779,935	21,945,652	29,360,167	33,085,765	37,940,357	39,094,511
	13,701,517	14,343,834	15,506,744	15,773,742	17,112,292	19,166,720
	13,618,859	14,930,351	16,120,083	17,679,056	19,444,613	20,068,241
	14,611,306	15,634,130	21,489,953	22,056,783	22,431,824	23,095,477
	3,243,795	3,395,960	18,655,674	22,434,250	21,125,161	23,943,756
	22,563,421	24,308,678	21,979,414	22,145,696	23,874,934	23,056,949
	22,957,948	28,103,673	28,868,602	27,135,148	29,667,557	27,391,264
	11,077,329	12,657,817	10,846,900	12,232,108	13,027,485	14,375,801
	2,567,681	3,028,627	892,751	1,061,452	1,312,024	1,304,392
	3,077,467	3,237,659	3,051,917	3,865,342	4,198,812	4,717,919
	11,352,014	19,686,522	19,150,367	12,590,587	15,065,675	14,404,875
	3,823,094	6,624,778	7,108,686	8,424,895	8,894,205	8,517,834
	360,122,422	401,042,909	435,210,375	451,283,565	508,539,082	524,750,992
	13,580,069	13,219,015	-	-	-	-
\$	373,702,491	\$ 414,261,924	\$ 435,210,375	\$ 451,283,565	\$ 508,539,082	\$ 524,750,992
\$	3,714,337	\$ 3,935,486	\$ 4,729,520	\$ 4,106,169	\$ 3,784,237	\$ 5,240,013
	1,884,140	1,865,302	2,186,035	1,823,820	1,756,433	1,441,712
	90,343	185,631	157,593	203,082	161,464	143,522
	-	71,914	43,429	42,001	44,340	39,628
	-	785,785	2,832,408	737,528	607,579	607,892
	683,445	-	-	-	-	-
	113,894,699	112,224,080	155,959,407	157,928,371	203,623,622	193,104,175
	-	747,084	552,008	45,418	51,235	11,505
	120,266,964	119,815,282	166,460,400	164,886,389	210,028,910	200,588,447
	1,488,576	1,331,305	-	-	-	-
	10,920,910	10,972,468	-	-	-	-
	12,409,486	12,303,773	-	-	-	-
\$	132,676,450	\$ 132,119,055	\$ 166,460,400	\$ 166,460,400	\$ 210,028,910	\$ 200,588,447

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

EXPENSES, PROGRAM REVENUES AND NET REVENUE (EXPENSE) (Continued)

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011*	2012
<hr/>				
NET REVENUE (EXPENSE)				
Governmental activities	\$ (234,766,060)	\$ (269,965,554)	\$ (247,906,276)	\$ (215,025,648)
Business-type activities	174,070	230,676	(470,044)	(827,866)
	<hr/>			
TOTAL PRIMARY GOVERNMENT				
NET REVENUE (EXPENSE)	<u>\$ (234,591,990)</u>	<u>\$ (269,734,878)</u>	<u>\$ (248,376,320)</u>	<u>\$ (215,853,514)</u>

* State retirement contribution line item separated beginning in 2011 and through 2014.

** The state retirement contributions were allocated to functions beginning in fiscal year 2015 due to the implementation of GASB Statement No. 68.

Note: The Food Services Proprietary Fund was reclassified as a subaccount of the General Fund during the fiscal year ended June 30, 2015 as user fees did not support fund expenditures.

Data Source

District's Audited Annual Financial Statements

2013	2014	2015*	2016	2017	2018
\$ (239,855,458)	\$ (281,227,627)	\$ (268,479,975)	\$ (286,397,176)	\$ (298,510,172)	\$ (324,162,545)
(1,170,583)	(915,242)	-	-	-	-
\$ (241,026,041)	\$ (282,142,869)	\$ (268,749,975)	\$ (286,397,176)	\$ (298,510,172)	\$ (324,162,545)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
NET REVENUE (EXPENSE)				
Governmental activities	\$ (234,766,060)	\$ (269,965,554)	\$ (247,906,276)	\$ (215,025,648)
Business-type activities	174,070	230,676	(470,044)	(827,866)
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	\$ (234,591,990)	\$ (269,734,878)	\$ (248,376,320)	\$ (215,853,514)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property taxes, general and specific purposes	\$ 137,571,414	\$ 142,474,713	\$ 146,929,076	\$ 151,983,603
Property taxes, debt service	12,759,301	13,169,384	13,646,700	14,070,132
Corporate property replacement taxes	22,348,477	18,079,739	23,447,497	21,568,780
State aid-formula grants	95,811,421	110,506,976	78,130,244	79,061,402
Investment earnings	2,767,798	1,114,592	777,898	612,912
Other	2,974,396	2,180,268	518,982	356,326
Gain on sale of capital assets	-	-	-	-
Transfers in (out)	(26,914)	8,482	(10,511)	(11,333)
Total governmental activities	274,205,893	287,534,154	263,439,886	267,641,822
Business-type activities				
Other	22,585	43,610	-	-
Transfers in (out)	26,914	8,482	10,511	11,333
Total business-type activities	49,499	52,092	10,511	11,333
TOTAL PRIMARY GOVERNMENT	\$ 274,255,392	\$ 287,586,246	\$ 263,450,397	\$ 267,653,155
CHANGE IN NET POSITION				
Governmental activities	\$ 39,439,833	\$ 17,568,600	\$ 15,533,610	\$ 52,616,174
Business-type activities	223,569	282,768	(459,533)	(816,533)
TOTAL PRIMARY GOVERNMENT CHANGES IN NET POSITION	\$ 39,663,402	\$ 17,851,368	\$ 15,074,077	\$ 51,799,641

Data Source

District's Audited Annual Financial Statements

2013	2014	2015	2016	2017	2018
\$ (239,855,458)	\$ (281,227,627)	\$ (268,749,975)	\$ (286,397,176)	\$ (298,510,172)	\$ (324,162,545)
(1,170,583)	(915,242)	-	-	-	-
\$ (241,026,041)	\$ (282,142,869)	\$ (268,749,975)	\$ (286,397,176)	\$ (298,510,172)	\$ (324,162,545)
\$ 147,883,312	\$ 141,461,370	\$ 143,009,227	\$ 141,406,671	\$ 140,520,578	\$ 140,263,517
14,584,379	15,099,347	11,283,184	13,388,878	13,067,090	13,088,692
22,037,762	22,762,158	23,824,790	19,141,723	26,039,815	21,503,898
85,015,862	75,355,915	95,623,462	109,373,106	115,810,724	134,872,091
613,029	751,417	778,438	1,021,857	665,850	1,837,628
421,666	776,799	1,960,605	1,879,315	4,438,991	5,243,469
-	-	10,415	162,752	-	294,000
(6,016)	(5,028)	1,445,831	-	-	-
270,549,994	256,201,978	277,935,952	286,374,302	300,543,048	317,103,295
-	-	-	-	-	-
6,016	5,028	(1,445,831)	-	-	-
6,016	5,028	(1,445,831)	-	-	-
\$ 270,556,010	\$ 256,207,006	\$ 276,490,121	\$ 286,374,302	\$ 300,543,048	\$ 317,103,295
\$ 30,694,536	\$ (25,025,649)	\$ 9,185,977	\$ (22,874)	\$ 2,032,876	\$ (7,059,250)
(1,164,567)	(910,214)	(1,445,831)	-	-	-
\$ 29,529,969	\$ (29,935,863)	\$ 7,740,146	\$ (22,874)	\$ 2,032,876	\$ (7,059,250)

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011*	2012
GENERAL FUND				
Reserved/nonspendable	\$ -	\$ 11,008	\$ 15,643	\$ -
Assigned	-	-	3,503,909	6,632,268
Unreserved/unassigned	67,713,728	67,825,386	110,907,460	128,273,256
TOTAL GENERAL FUND	\$ 67,713,728	\$ 67,836,394	\$ 114,427,012	\$ 134,905,524
ALL OTHER GOVERNMENTAL FUNDS				
Reserved/restricted for				
Debt Service Fund	\$ 6,075,757	\$ 6,019,560	\$ 5,461,190	\$ 7,148,770
Capital Project Funds	1,260,633	2,244	9,198,334	5,572,685
Tort Immunity	-	-	-	-
Special Revenue Funds	-	-	8,416,794	5,537,898
Operations and maintenance	-	-	-	-
Assigned for				
Capital Projects Funds	-	-	-	10,229,172
Unreserved/unassigned for				
Special Revenue Funds	36,282,363	33,589,088	(7,589,171)	(8,763,275)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 43,618,753	\$ 39,610,892	\$ 15,487,147	\$ 19,725,250

* GASB Statement No. 54 implemented in 2011.

Data Source

District's Audited Annual Financial Statements

2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ 45,567	\$ 1,251,072	\$ 583,799
8,888,659	29,644,947	30,574,121	31,715,848	32,645,445	33,743,410
120,974,848	60,318,447	61,124,212	58,628,669	59,717,115	71,303,630
\$ 129,863,507	\$ 89,963,394	\$ 91,698,333	\$ 90,390,084	\$ 93,613,632	\$ 105,630,839
\$ 7,071,799	\$ 4,719,230	\$ 2,258,926	\$ 2,138,318	\$ 3,969,117	\$ 6,489,666
101,421,193	104,537,272	122,568,838	105,759,618	70,303,886	31,115,156
-	11,945,434	11,645,076	10,630,217	11,054,992	10,929,510
13,802,271	16,043,860	19,410,199	12,504,077	20,770,924	16,539,235
-	-	-	-	-	3,733,002
25,576,794	-	-	-	-	-
(8,330,022)	(9,672,691)	(10,549,575)	(2,256,716)	(4,498,585)	-
\$ 139,542,035	\$ 127,573,105	\$ 145,333,464	\$ 128,775,514	\$ 101,600,334	\$ 68,806,569

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

GOVERNMENTAL FUNDS REVENUES

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
LOCAL SOURCES				
Property taxes	\$ 150,330,715	\$ 155,644,097	\$ 160,575,776	\$ 166,053,735
Corporate personal property replacement taxes	22,348,477	18,079,739	23,447,497	21,568,780
Payments of surplus monies from TIF districts	-	-	-	-
Charges for services	4,973,401	4,683,297	4,878,586	6,937,883
Total local sources	177,652,593	178,407,133	188,901,859	194,560,398
STATE SOURCES				
Unrestricted state aid	54,882,612	59,469,341	78,130,244	79,061,402
Restricted state aid	60,433,880	61,969,274	77,498,978	65,522,939
Total state sources	115,316,492	121,438,615	155,629,222	144,584,341
FEDERAL SOURCES				
Restricted federal aid	45,056,148	57,783,314	34,760,928	39,073,081
Refund of prior year's expenditures	-	-	-	-
Investment income	2,767,798	1,114,592	777,898	612,912
Total federal sources	47,823,946	58,897,906	35,538,826	39,685,993
TOTAL REVENUES	\$ 340,793,031	\$ 358,743,654	\$ 380,069,907	\$ 378,830,732

Data Source

District's Audited Annual Financial Statements

2013	2014	2015	2016	2017	2018
\$ 162,467,691	\$ 156,560,717	\$ 154,292,411	\$ 154,795,549	\$ 153,587,669	\$ 153,352,209
22,037,762	22,762,158	23,824,790	19,141,723	26,039,815	21,503,898
-	-	-	10,976	13,061	15,831
6,400,690	5,518,536	10,825,848	7,907,506	7,377,454	6,471,783
190,906,143	184,841,411	188,943,049	181,855,754	187,017,999	181,343,721
85,015,862	90,293,429	95,623,462	105,966,287	115,810,724	134,872,091
82,862,830	90,856,290	118,232,349	113,633,519	159,682,235	151,284,462
167,878,692	181,149,719	213,855,811	219,599,806	275,492,959	286,156,553
34,732,077	31,203,281	42,302,088	43,360,559	45,645,250	49,592,666
-	492,607	308,652	29,175	566,637	1,453,160
613,029	751,417	778,439	1,021,857	665,850	1,837,628
35,345,106	32,447,305	43,389,179	44,411,591	46,877,737	52,883,454
\$ 394,129,941	\$ 398,438,435	\$ 446,188,039	\$ 445,867,151	\$ 509,388,695	\$ 520,383,728

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO

Last Ten Fiscal Years

Fiscal Year	2009	2010*	2011*	2012*
INSTRUCTION				
Regular programs	\$ 108,765,729	\$ 94,026,728	\$ 101,369,563	\$ 88,195,295
Special programs	38,880,913	45,267,959	47,094,560	36,944,577
Other instructional programs	37,951,089	31,169,681	31,847,336	29,801,618
State retirement contribution	-	36,060,321	34,872,891	34,028,625
Total instruction	185,597,731	206,524,689	215,184,350	188,970,115
SUPPORTING SERVICES				
Pupils	18,552,073	20,187,058	20,505,697	18,760,723
Instructional staff	12,138,146	17,574,055	12,706,467	10,722,513
General administration	5,684,210	14,571,252	14,368,662	15,227,953
School administration	14,350,551	14,418,271	15,247,491	13,394,779
Business	8,724,950	3,229,880	3,159,800	3,014,785
Operations and maintenance	22,483,141	19,960,489	21,635,968	21,645,802
Transportation	18,834,269	19,607,215	21,620,338	20,638,899
Central	4,887,310	5,761,970	6,678,075	8,332,381
Other	1,389,151	1,997,578	2,158,334	1,896,821
Total supporting services	107,043,801	117,307,768	118,080,832	113,634,656
COMMUNITY SERVICES	5,053,395	4,447,474	3,083,787	2,596,970
CAPITAL OUTLAY	6,278,007	12,706,775	6,146,052	14,774,150
DEBT SERVICE				
Principal	11,609,683	12,679,683	13,729,683	14,878,905
Interest and charges	4,710,248	4,050,039	3,325,263	2,526,728
Total debt service	16,319,931	16,729,722	17,054,946	17,405,633
INTERGOVERNMENTAL				
Payments to other governments	2,135,100	4,903,939	8,320,199	17,020,316
TOTAL EXPENDITURES	\$ 322,427,965	\$ 362,620,367	\$ 367,870,166	\$ 354,401,840
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	5.16%	4.78%	4.71%	5.12%

* State retirement contribution line item separated.

Data Source

District's Audited Annual Financial Statements

2013*	2014*	2015	2016	2017	2018
\$ 93,511,480	\$ 96,340,200	\$ 131,979,197	\$ 134,420,336	\$ 158,311,962	\$ 145,180,584
39,723,219	44,731,560	54,409,388	70,880,440	76,857,390	81,906,136
31,910,430	33,057,649	51,677,506	41,771,652	49,157,601	54,844,492
39,421,383	51,588,181	-	-	-	-
204,566,512	225,717,590	238,066,091	247,072,428	284,326,953	281,931,212
20,446,944	21,322,333	28,774,564	30,488,982	35,669,954	37,310,960
13,361,441	13,983,629	15,284,601	14,601,409	16,090,976	18,275,423
13,471,776	14,656,800	15,863,485	18,348,750	18,329,450	18,991,568
14,343,454	15,137,540	21,146,177	19,997,772	20,835,660	21,857,967
3,138,956	3,223,655	18,479,663	22,301,643	23,474,997	22,392,072
22,609,044	27,408,233	27,286,765	28,508,797	28,737,023	25,274,351
20,606,541	22,177,995	21,402,719	19,224,321	20,858,445	22,593,628
10,313,193	11,181,438	9,116,470	11,481,054	10,850,355	11,776,510
2,567,681	3,016,359	88,236	1,017,064	1,114,402	1,134,275
120,859,030	132,107,982	157,442,680	165,969,792	175,961,262	179,606,754
3,071,479	3,155,905	2,998,927	3,535,858	3,888,264	4,466,006
16,027,728	55,242,369	55,242,369	47,791,572	38,880,545	46,729,956
16,000,000	14,200,000	11,300,000	9,190,000	9,290,000	8,865,000
1,788,895	3,252,248	3,015,000	4,360,527	5,604,929	5,450,483
17,788,895	17,452,248	14,315,000	13,550,527	14,894,929	14,315,483
18,554,480	19,686,522	19,150,367	12,590,587	15,065,675	14,404,875
\$ 380,868,124	\$ 453,362,616	\$ 486,728,260	\$ 490,510,764	\$ 533,017,628	\$ 541,454,286
4.88%	4.38%	3.32%	3.06%	3.01%	2.89%

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 18,365,066</u>	<u>\$ (3,876,713)</u>	<u>\$ 12,199,741</u>	<u>\$ 24,428,892</u>
OTHER FINANCING SOURCES (USES)				
Issuance of general obligation bonds sold	-	-	9,992,698	-
Premium on bonds	-	-	105,623	-
Transfer in	3,074,996	1,135,911	199,900	11,928,201
Transfer (out)	(3,101,910)	(1,144,393)	(210,411)	(11,939,534)
Proceeds from the sale of District assets	-	-	179,322	299,056
Total other financing sources (uses)	<u>(26,914)</u>	<u>(8,482)</u>	<u>10,267,132</u>	<u>287,723</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ 18,338,152</u></u>	<u><u>\$ (3,885,195)</u></u>	<u><u>\$ 22,466,873</u></u>	<u><u>\$ 24,716,615</u></u>

2013	2014	2015	2016	2017	2018
\$ 13,261,817	\$ (54,924,181)	\$ (40,540,221)	\$ (44,643,613)	\$ (23,628,933)	\$ (21,070,558)
99,999,876	-	58,996,364	29,085,000	-	-
1,125,850	-	931,802	-	-	-
15,451,082	25,480,347	600,597	10,318,723	-	-
(15,457,098)	(25,485,375)	(516,295)	(10,318,723)	-	-
393,241	19,850	47,276	177,329	-	294,000
101,512,951	14,822	60,059,744	29,262,329	-	294,000
\$ 114,774,768	\$ (54,909,359)	\$ 19,519,523	\$ (15,381,284)	\$ (23,628,933)	\$ (20,776,558)

**ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS**

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Railroad Property	Total Taxable Equalized Assessed Valuation	Percent Change	Total Direct Tax Rate	Estimated Actual Taxable Value
2017	\$ 1,382,572,093	\$ 459,052,287	\$ 159,022,383	\$ 16,170,610	\$ 5,479,111	\$ 2,022,296,484	2.10%	7.650	\$ 6,066,889,452
2016	1,351,100,030	452,797,601	155,465,368	15,482,548	5,905,307	1,980,750,854	1.02%	7.803	5,942,252,562
2015	1,344,370,098	441,846,556	154,355,773	15,070,648	5,136,977	1,960,780,052	(2.63%)	7.938	5,882,340,156
2014	1,401,214,615	434,183,451	159,051,737	14,381,676	4,873,755	2,013,705,234	(6.04%)	7.781	6,041,115,702
2013	1,510,010,484	455,238,300	159,346,606	14,345,559	4,106,006	2,143,046,955	(8.96%)	7.230	6,429,140,865
2012	1,684,282,678	482,384,445	169,323,054	14,182,138	3,823,787	2,353,996,102	(9.09%)	6.688	7,061,988,306
2011	1,858,864,247	531,650,353	180,493,067	14,856,472	3,364,520	2,589,228,659	(5.47%)	6.559	7,767,685,977
2010	1,960,896,951	569,104,813	190,827,403	14,812,396	3,339,291	2,738,980,854	(3.36%)	6.015	8,216,942,562
2009	2,031,864,602	588,665,267	196,715,830	14,087,236	2,832,420	2,834,165,355	(0.49%)	5.576	8,502,496,065
2008	2,037,701,784	597,626,014	197,070,905	13,083,456	2,764,560	2,848,246,719	3.50%	5.452	8,544,740,157

Note: The county assesses property at approximately 33.3% of actual value. Estimated actual taxable value is calculated by dividing taxable value by percentage. Tax rates are per \$100 of assessed value.

Data Source

Winnebago County Clerk's, Department of Tax Extensions

**ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS**

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Levy Years

Tax Levy Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
DISTRICT DIRECT RATES										
Educational	3.7000	3.7000	3.7000	3.7145	3.2945	4.0000	4.0000	4.0000	4.0000	3.9383
Tort Immunity	0.2840	0.3844	0.4169	0.3239	0.2921	0.2794	0.3110	0.3042	0.3012	0.2951
Operations and Maintenance	0.5000	0.5000	0.6922	0.5508	0.7500	0.7500	0.7500	0.7500	0.7500	0.7269
Transportation	0.2000	0.2000	0.2623	0.3600	0.4946	0.4551	0.7732	0.9383	0.8180	0.8012
Municipal Retirement/Social Security	0.1633	0.1339	0.1954	0.2022	0.3087	0.2093	0.3262	0.3224	0.3193	0.3129
Working Cash	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0495	0.0485
Special Education	0.0400	0.0750	0.1314	0.7384	0.8000	0.8000	0.8000	0.8000	0.8000	0.7714
Building Safety	0.0500	0.0500	0.0500	0.0527	0.0535	0.1000	0.1000	0.1000	0.0990	0.0965
Bond and Interest	0.4647	0.4832	0.5170	0.5670	0.6450	0.5863	0.6706	0.6730	0.6661	0.6588
Total direct	5.4520	5.5765	6.0152	6.5595	6.6884	7.2301	7.7810	7.9379	7.8031	7.6496
OVERLAPPING RATES										
Rockford School District Number 205	5.4520	5.5765	6.0152	6.5595	6.6884	7.2301	7.781	7.9379	7.8031	7.6496
Winnebago County	0.7835	0.7934	0.8299	0.8676	0.9423	1.0329	1.0845	1.0984	1.0826	1.0587
Winnebago County Forest Preserve District	0.0859	0.0859	0.0898	0.0956	0.1072	0.1165	0.1199	0.1203	0.1207	0.1182
Rockford Township	0.1052	0.1070	0.1088	0.1119	0.1200	0.1288	0.1394	0.1452	0.1455	0.1446
City of Rockford	2.2085	2.2297	2.3595	2.5191	2.8178	3.0811	3.4325	3.3595	3.3207	3.2517
Rockford Park District	0.7319	0.7455	0.7869	0.8432	0.9522	1.0577	1.1286	1.1629	1.1544	1.1371
Rock River Water Reclamation District	0.1243	0.1268	0.1362	0.1469	0.1665	0.1856	0.2100	0.2075	0.2082	0.2040
Rockford Library District	0.3233	0.3309	0.3564	0.3860	0.4422	0.4724	0.5042	0.5196	0.5190	0.5091
Greater Rockford Airport Authority	0.0890	0.0901	0.0954	0.0937	0.1024	0.1043	0.1063	0.1073	0.1103	0.1102
Community College District Number 511	0.4578	0.4583	0.4503	0.4541	0.4477	0.4630	0.4823	0.4893	0.4927	0.5053
Rockford Township Road	0.0922	0.0939	0.0955	0.1049	0.1149	0.1299	0.1419	0.1484	0.1487	0.1478
Total direct and overlapping rate	10.4536	10.6380	11.3239	12.1825	12.9016	14.0023	15.1306	15.2963	15.1059	14.8363

Data Source

Winnebago County Clerk's Office

**ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS**

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2018			2009		
	Equalized Assessed Valuation 2017	Percentage of Equalized Valuation	Rank	Equalized Assessed Valuation 2008	Percentage of Equalized Valuation	Rank
Lowes Home Centers, Inc.	\$ 11,555,048	0.57%	1	\$ 15,906,746	0.55%	1
Woodward Inc.	9,804,556	0.48%	2			
Beloit Memorial Hospital, Inc.	7,999,200	0.40%	3			
CBL Cherryvale	8,431,610	0.42%	4	10,405,197	0.36%	2
Meijer Stores Ltd. Partnership	8,235,649	0.41%	5			
Forest Plaza LLC	6,772,912	0.33%	6	9,287,594	0.32%	3
Greater Rockford Airport Authority	6,187,168	0.31%	7	7,509,525	0.26%	4
Lubrizol Holding Inc.	5,076,903	0.25%	8			
National Retail Properties LP	5,196,512	0.26%	9			
CBL Cherryvale I LLC	4,747,955	0.23%	10	6,619,034	0.23%	5
Greater Rockford Airport				5,517,980	0.19%	6
MB Rockford State LLC				4,745,542	0.16%	7
Edward Rose Associates Inc.				4,679,382	0.16%	8
WPH Rockford LLC				4,404,256	0.15%	9
Hamilton Sundstrand				4,391,526	0.15%	10
TOTAL	\$ 74,007,513	3.66%		\$ 73,466,782	2.55%	
EAV	\$ 2,022,296,484			\$ 2,878,053,608		

Data Source

Winnebago County Clerk's and Assessor's Offices.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Tax Levy Year	Extended Levied for the Levy Year		Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	Total Percentage of Levy
			Amount	Percentage of Levy			
2017	\$	154,697,592	\$ 83,033,338	53.67%	\$ -	\$ 83,033,338	53.67%
2016		154,559,970	81,652,607	52.83%	71,263,007	152,915,614	98.94%
2015		155,435,776	80,879,886	52.03%	72,799,466	153,679,352	98.87%
2014		156,686,404	82,051,106	52.37%	73,263,439	155,314,545	99.12%
2013		154,944,440	78,137,811	50.43%	75,669,535	153,807,346	99.27%
2012		157,444,675	80,536,117	51.15%	75,869,353	156,405,470	99.34%
2011		169,840,442	86,990,557	51.22%	81,703,188	168,693,745	99.32%
2010		164,557,651	70,371,736	42.76%	93,190,642	163,562,378	99.40%
2009		157,864,109	78,503,250	49.73%	78,762,038	157,265,288	99.62%
2008		155,104,050	78,659,071	50.71%	75,622,156	154,281,227	99.47%

Data Source

Winnebago County Clerk's Office

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Year Ended June 30,	Governmental Activities		Tax Anticipation Warrants Cert of Participation	Total Primary Government	Equalized Assessed Valuation	Total Debt Percentage Assessed Valuation	*Percentage Estimated Actual Taxable Value	Percentage Personal Income	Per Capita
	Gross General Bonded Debt	Notes Payable							
2018	\$ 208,698,601	\$ -	\$ -	\$ 208,698,601	\$ 2,022,296,484	10.32%	3.44%	N/A	N/A
2017	214,496,250	-	-	214,496,250	1,980,750,854	10.83%	3.61%	6.45%	1,459
2016	220,407,301	-	-	220,407,301	1,960,780,052	11.24%	3.75%	6.95%	1,493
2015	196,853,840	-	-	196,853,840	2,013,705,234	9.78%	3.26%	6.00%	1,328
2014	144,844,489	-	-	144,844,489	2,143,046,955	6.76%	2.25%	4.31%	944
2013	155,208,485	-	-	155,208,485	2,353,996,102	6.59%	2.20%	4.91%	1,033
2012	67,787,766	-	-	67,787,766	2,589,228,659	2.62%	0.87%	2.11%	449
2011	80,629,376	128,021	-	80,757,397	2,738,980,854	2.95%	0.98%	2.68%	532
2010	82,949,377	367,704	-	83,317,081	2,834,165,355	2.94%	0.98%	2.84%	545
2009	94,331,863	607,387	-	94,939,250	2,848,246,719	3.33%	1.10%	2.96%	618

* Estimated actual taxable value is one-third (1/3) of the total equalized assessed valuation.

N/A - not available

Note: Population information and personal income can be found with the Demographic and Economic Information.

Data Source

District's Audited Annual Financial Statements

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2018

	Debt Outstanding	See Note Below	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Districts				
Winnebago County	\$ 92,085,000	(1)	54.72%	\$ 50,388,912
Winnebago County Forest Preserve	2,559,090	(2)	54.72%	1,400,334
Greater Rockford Airport Authority	26,180,663		75.07%	19,653,824
Village of Cherry Valley	-	(1)	100.00%	-
City of Loves Park	4,682,025	(1)	33.48%	1,567,542
City of Rockford	94,115,000	(1)(3)	98.56%	92,759,744
Village of Roscoe	3,195,000		1.91%	61,025
Sanitary District	34,410,000		72.34%	24,892,194
Rockford Park District	50,755,000	(1)	86.35%	43,826,943
Northwest Fire	600,000		96.82%	580,920
Community College District No. 511	191,286,334	(2)	70.26%	134,397,778
	<u>499,868,112</u>			<u>369,529,215</u>
Total overlapping debt				
	<u>\$ 208,698,601</u>		100.00%	<u>208,698,601</u>
District direct debt				
	<u>\$ 208,698,601</u>		100.00%	<u>208,698,601</u>
TOTAL DIRECT AND OVERLAPPING DEBT				<u><u>\$ 578,227,816</u></u>

(1) Excludes principal amounts of outstanding General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation.

(2) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.

(3) Excludes self-supporting bonds for which an abatement is filed annually.

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the District's taxable assessed value that is within the government's boundaries and dividing it by the District's total taxable assessed value.

Data Source

Winnebago County Clerks Office

**ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS**

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 393,058,047	\$ 391,114,819	\$ 377,979,358	\$ 357,313,555	\$ 324,851,462	\$ 296,077,402	\$ 278,233,677	\$ 270,587,647	\$ 273,343,618	\$ 279,076,915
Total net debt applicable to limit	<u>94,542,492</u>	<u>83,308,742</u>	<u>70,342,632</u>	<u>55,592,632</u>	<u>139,592,629</u>	<u>125,392,508</u>	<u>176,873,105</u>	<u>167,683,105</u>	<u>166,533,968</u>	<u>162,203,351</u>
LEGAL DEBT MARGIN	<u>\$ 298,515,555</u>	<u>\$ 307,806,077</u>	<u>\$ 307,636,726</u>	<u>\$ 301,720,923</u>	<u>\$ 185,258,833</u>	<u>\$ 170,684,894</u>	<u>\$ 101,360,572</u>	<u>\$ 102,904,542</u>	<u>\$ 106,809,650</u>	<u>\$ 116,873,564</u>
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	24.05%	21.30%	18.61%	15.56%	42.97%	42.35%	63.57%	61.97%	60.92%	58.12%

FUTURE FINANCING: At the present time the District has no plans to issue additional debt.

SHORT-TERM BORROWING: The District has no tax anticipation notes or warrents outstanding.

DEBT PAYMENT HISTORY: The District has no record of default and has met its debt repayment obligations promptly.

Legal Debt Margin Calculation for Fiscal 2018

Equalized assessed value	\$ 2,022,296,484
Debt limit percentage	<u>13.80%</u>
Debt limit	279,076,915
Debt applicable to limit General obligation bonds	<u>162,203,351</u>
LEGAL DEBT MARGIN	<u><u>\$ 116,873,564</u></u>

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

PLEDGED REVENUE COVERAGE - ALTERNATE REVENUE SOURCE -
QUALIFIED SCHOOL CONSTRUCTION BONDS

June 30, 2018

Fiscal Year	Pledged Revenue	Funds Available	Allowable Funding Sources		Total Debt Service	Coverage
			GO Bonds			
			(Alternate Revenue Source - Qualified School Construction)			
			Series 2016			
			Principal	Interest		
2018	Corporate personal property replacement tax	\$ 21,503,898	\$ -	\$ 1,126,358	\$ 1,126,358	5.24%

Note: Details of the District's outstanding debt can be found in the notes to financial statements.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Calendar Years

Calendar Year	Estimated Population	Personal Income	Per Capita Personal Income	Unemployment Rate	
				Winnebago County	Boone County
2017	147,051	\$ 3,324,529,008	\$ 22,608	5.0%	4.9%
2016	147,651	3,169,771,668	21,468	5.7%	5.3%
2015	148,278	3,283,023,198	22,141	6.4%	5.8%
2014	153,509	3,361,079,555	21,895	11.5%	11.8%
2013	150,251	3,158,426,271	21,021	11.6%	11.5%
2012	150,915	3,207,698,325	21,255	11.6%	11.8%
2011	151,904	3,013,775,360	19,840	12.7%	13.4%
2010	152,943	2,938,035,030	19,210	15.3%	15.9%
2009	153,587	3,211,657,757	20,911	14.8%	15.1%
2008	154,370	3,432,416,950	22,235	8.6%	9.5%

Data Source

U.S. Census Bureau/quickfacts_7/1/17; Illinois Depart. Of Employment Security_7/2018

**ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS**

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2018			2009		
	Number of Employees (1)	Rank	Percentage of Total	Number of Employees (2)	Rank	Percentage of Total
Fiat Chrysler Automobiles/Daimler Chrysler	5,152	1	17.9%	1,700	8	7.3%
Mercyhealth/Rockford Health Systems	4,000	2	13.9%	3,003	2	12.9%
Rockford School District	3,713	3	12.9%	3,730	1	16.0%
Swedish American Health System	3,359	4	11.7%	2,988	3	12.8%
OSF Healthcare	2,800	5	9.7%	2,303	5	9.9%
United Parcel Service	2,379	6	8.3%	1,600	9	6.9%
UTC Aerospace Systems (formerly Hamilton Sundstrand)	2,200	7	7.6%	2,175	6	9.3%
Woodward	1,900	8	6.6%	1,325	10	5.7%
PCI - Packaging Coordinators, Inc.	1,800	9	6.3%			
Wal-Mart Stores	1,471	10	5.1%	2,750	4	11.8%
Winnebago County				1,731	7	7.4%
TOTAL EMPLOYMENT	28,774			23,305		

Data Sources

(1) Based on May 2018 data from rockfordil.gov.

(2) Based on archived data (2009 rockfordil.gov).

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE

Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
Certified administration	141	145	157	149	143	151	159	166	168	165
Noncertified administration	23	31	33	30	51	46	41	51	63	12
Certified support	343	347	316	315	354	359	332	342	351	317
Certified teacher	1,730	1,731	1,700	1,566	1,688	1,741	1,653	1,710	1,707	1,669
Noncertified support	149	174	165	188	226	236	213	244	254	117
Clerical	165	168	167	161	155	152	147	145	143	138
Paraprofessional	529	529	476	503	594	613	526	578	581	432
Hourly support	59	60	60	59	68	72	60	58	63	136
Trades	70	70	70	69	75	76	72	86	98	92
Food service	120	120	121	117	126	123	118	123	124	170
Bus driver	226	226	226	229	232	232	204	219	219	236
TOTAL	3,554	3,600	3,491	3,387	3,710	3,800	3,525	3,722	3,771	3,484

*Note: The District reclassified 110 salaried personnel to hourly, resulting in a decrease in noncertified administration and an increase in hourly support.

Data Source

District personnel records

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

OPERATING STATISTICS

Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Total Expenses	Cost Per Pupil	Percentage Change
2018	28,556	\$ 477,132,724	\$ 16,708.67	1.05%	\$ 541,454,286	\$ 18,961.14	1.58%
2017	28,512	472,183,832	16,560.88	11.81%	533,017,628	18,694.50	8.67%
2016	28,689	422,315,284	14,720.46	2.05%	490,510,765	17,097.52	0.78%
2015	29,325	413,820,788	14,111.54	8.47%	486,728,260	16,597.72	7.36%
2014	29,140	381,509,248	13,092.29	10.58%	453,362,616	15,558.09	21.32%
2013	29,090	345,019,950	11,860.43	7.11%	373,702,491	12,846.42	8.25%
2012	28,131	322,132,070	11,451.14	(6.22%)	345,211,038	12,271.55	(7.01%)
2011	29,485	343,480,436	11,649.33	3.29%	371,232,436	12,590.55	3.91%
2010	29,912	332,526,602	11,116.83	11.17%	357,251,382	11,943.41	10.50%
2009	29,066	299,112,812	10,290.81	5.72%	323,309,228	11,123.28	5.45%

Note: Operating expenditures less debt service and capital outlay.

Data Source

District records and audited financial statements

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

CAPITAL ASSET INFORMATION

Last Ten Fiscal Years

Fiscal/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
SCHOOLS										
Buildings	52	53	52	52	47	47	47	47	46	44
Buildings - vacant*	N/A	N/A	-	-	3	3	3	3	4	3
Square feet - buildings	4,347,423	4,413,591	4,394,303	4,394,303	4,205,371	4,246,374	4,478,261	4,478,261	4,515,669	4,714,356
Capacity	37,186	37,336	37,336	37,086	36,836	36,836	36,836	36,836	36,836	36,836
Enrollment	29,066	29,912	29,485	28,131	29,090	29,140	29,325	28,689	28,512	28,556
ADMINISTRATIVE										
Buildings	2	3	3	4	4	4	3	3	3	3
Square feet	163,613	232,053	232,053	256,647	256,647	256,647	276,369	276,369	276,369	276,369
ATHLETICS										
Stadiums	2	2	2	2	2	2	2	2	2	2
Running tracks	5	5	5	5	5	5	5	5	5	5
Baseball/softball	19	19	19	19	19	19	28	28	28	37
Swimming pools	12	12	12	12	12	12	11	11	11	12
Playgrounds	35	35	35	35	34	34	40	40	39	31

N/A - not available

Data Source

District records. Note that Fiscal Years 2011 through 2017 above reflect corrected capital asset data.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS

STATE OF ILLINOIS STANDARDIZED TEST SUMMARY
DISTRICT/STATE AVERAGE

Last Ten Fiscal Years

	2008		2009		2010		2011	
	District	State	District	State	District	State	District	State
Reading								
Grade 3	56%	72%	57%	72%	57%	74%	59%	75%
Grade 4	59%	73%	57%	74%	59%	74%	58%	75%
Grade 5	61%	74%	60%	74%	61%	75%	63%	76%
Grade 6	67%	79%	64%	80%	66%	81%	69%	84%
Grade 7	65%	78%	63%	78%	60%	78%	60%	79%
Grade 8	69%	81%	72%	84%	72%	84%	69%	85%
Mathematics								
Grade 3	75%	85%	78%	85%	77%	86%	76%	87%
Grade 4	79%	85%	74%	86%	77%	86%	76%	88%
Grade 5	77%	81%	76%	82%	75%	83%	76%	84%
Grade 6	69%	83%	68%	82%	71%	85%	69%	84%
Grade 7	66%	80%	69%	83%	69%	84%	70%	84%
Grade 8	64%	80%	67%	82%	71%	84%	71%	86%
Writing								
Grade 3	X	X	X	X	X	X	X	X
Grade 5	X	X	X	X	X	X	X	X
Grade 6	X	X	X	X	X	X	X	X
Grade 8	X	X	X	X	X	X	X	X
Science								
Grade 4	61%	76%	61%	77%	61%	77%	62%	79%
Grade 7	69%	79%	69%	80%	68%	82%	66%	82%
Social Studies								
Grade 4	X	X	X	X	X	X	X	X
Grade 7	X	X	X	X	X	X	X	X
Prairie State Achievement Exam								
Grade 11	34%	53%	35%	53%	36%	53%	35%	51%
IMAGE	X	X	X	X	X	X	X	X
Overall ISAT performance	67%	79%	67%	80%	67%	81%	67%	82%
Overall performance								
All state tests	63%	75%	63%	76%	63%	76%	63%	77%
Partnership for Assessment of Readiness for College and Careers (PARCC)	X	X	X	X	X	X	X	X

X - Testing not administered

*These charts show the percentage of student scores meeting or exceeding expectations for the grades and subjects tested on Partnership for Assessment of Readiness for College and Careers (PARCC) that have demonstrated readiness for the next grade level/course and, ultimately, are on track for college and careers.

Note: These charts present the overall percentages of state test scores categorized as meeting or exceeding the Illinois Learning standards for the District and the state. Illinois State Board of Education did not issue district-wide reports in 2000 and 2001. The 2007-08 school year was the first time that Limited English Proficient (LEP) students took the ISAT or PSAT (with accommodations) instead of the IMAGE test.

Data Source

Illinois State Board of Education - Illinois District Report Card

2012		2013		2014		2015 *		2016 *		2017 *	
District	State	District	State	District	State	District	State	District	State	District	State
60%	76%	43%	59%	37%	55%	29%	35%	24%	36%	17%	36%
61%	76%	42%	59%	41%	56%	29%	40%	23%	37%	18%	37%
64%	78%	43%	59%	42%	58%	32%	38%	23%	35%	22%	37%
65%	82%	38%	59%	38%	57%	29%	35%	26%	35%	16%	35%
60%	78%	37%	58%	39%	59%	30%	40%	24%	37%	23%	40%
69%	96%	38%	60%	34%	56%	25%	40%	22%	39%	20%	37%
75%	88%	39%	55%	36%	56%	21%	35%	21%	40%	19%	39%
77%	88%	47%	60%	48%	64%	16%	28%	19%	31%	15%	31%
73%	84%	47%	59%	56%	64%	18%	27%	19%	32%	15%	30%
72%	85%	40%	60%	42%	60%	15%	27%	16%	29%	11%	28%
68%	85%	39%	59%	36%	58%	15%	28%	16%	27%	12%	27%
67%	85%	37%	59%	42%	60%	18%	32%	17%	32%	15%	32%
X	X	X	X	X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X	X	X	X	X
63%	80%	65%	81%	61%	76%	X	X	X	X	X	X
60%	80%	60%	79%	58%	80%	X	X	X	X	X	X
X	X	X	X	X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X	X	X	X	X
35%	51%	39%	53%	39%	54%	X	X	X	X	X	X
X	X	X	X	X	X	X	X	X	X	X	X
67%	82%	41%	59%	41%	59%	X	X	X	X	X	X
62%	77%	41%	58%	40%	58%	22%	33%	19%	33%	18%	35%
X	X	X	X	X	X	23%	33%	19%	33%	17%	34%