

COMPREHENSIVE ANNUAL FINANCIAL
REPORT

OF

QUEEN BEE SCHOOL DISTRICT 16
GLENDAL HEIGHTS, ILLINOIS

As of and for the Year Ended June 30, 2018

Official Issuing Report

Dr. Joseph Williams, Superintendent

Department Issuing Report

Business Office

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Joseph R. Williams, Ed.D.
Superintendent of Schools
Queen Bee School District 16

1560 Bloomingdale Road
Glendale Heights, IL 60139
Phone: 630/260-6100 Fax: 630/260-6103
www.queenbee16.org

December 10, 2018

President and Members of the
Board of Education and Residents
Queen Bee School District 16
Glendale Heights, Illinois 60139

The Comprehensive Annual Financial Report of Queen Bee School District 16, Glendale Heights, Illinois, for the fiscal year ended June 30, 2019 is submitted herewith. Baker Tilly Virchow Krause, LLP, have issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2018. The independent auditor's report is located at the front of the financial section of this report. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data as presented is: (1) accurate in all material aspects; (2) presented in a manner designed to fairly set forth the financial activity of its various funds; and (3) that all disclosures necessary for maximum public understanding of the District's financial status have been incorporated in the report.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The Introductory section includes the table of contents, the transmittal letter, the District's organizational chart, and a list of principal officials. The Financial section begins with the Independent Auditors' Report and includes Management's Discussion and Analysis (the MD&A complements this letter and should be read in conjunction with it), the Basic Financial Statements and Notes that provide an overview of the District's financial position and operating results, the Combining and Individual Fund Statements for non-major funds and other schedules that provide detailed information relative to the Basic Financial Statements. The Statistical Section includes a number of tables of unaudited data depicting the financial history of the District, demographics, and the fiscal capacity of the District.

GENERAL DISTRICT INFORMATION

The District was founded in 1860 and provides educational programs for grades pre-kindergarten through eighth grade and operates three elementary schools and one middle school. The District also owns a fifth building, the site of the original Queen Bee School, a portion of which was leased to a special education cooperative, which served, in part, students from District 16. Though the program ended in FY17, the lease expired at the end of FY18, and district utilized that year of vacancy to complete renovations that would allow it to house the Early Childhood and pre-kindergarten programs in FY19. The Enrollment in the District decreased from 1,869 to 1,777 students between FY17 to FY18 respectively. There is little opportunity for housing development within the District boundaries. Therefore, enrollment changes would most likely be attributable to generational movement within the community and enrollment is projected to decrease during the foreseeable future. The majority of the District is located in Glendale Heights in DuPage County, Illinois with small portions of the District in

unincorporated Glen Ellyn Countryside and Carol Stream. The District is located in the northern portion of DuPage County approximately 25 miles west of Chicago. The District is in Bloomingdale Township. The District contains approximately 3.5 square miles of land. The community served is approximately 34,000.

The District is served by the Metra/Union Pacific West train line to the south and Metra/Milwaukee District West line to the north. Located just two miles to the east of the District is the North - South Tollway that links DuPage County with all the major highways in northern Illinois.

ECONOMIC OUTLOOK

The District continued to practice sound financial management principles in FY2018, which resulted in a growth in the fund balance of the Education Fund. The District adopted a “Fiscal Philosophy” during FY2012 to address balanced budget, solvency/liquidity, fund balance targets, borrowing, and transparency among other fiscal objectives. The increase in the tax extension this year and all future extensions will be limited to the Consumer Price Index (CPI) because the District is under the Illinois Property Tax Limitation Act. The CPI for the upcoming tax levy is 2.1%. This should bring in limited additional revenue to the general funds.

At the beginning of FY18, the new Evidence-Based Funding (EBF) model was passed into law, and reformed the previous general state aid funding formula. In general, this new formula is driven by Districts’ capacity to generate revenue through local sources, as well as by Districts’ demographic compositions of student enrollment. As a result of the District receiving a Tier I designation due to its considerable low-income, ELL and special education populations, as well as its relatively lower local residential and commercial property values, the District experienced a marked increase in overall state funding for the year. Though this funding level in FY18 establishes a base funding minimum for future years, neither the District’s tier designation, nor the general assembly’s new revenue allocation are guaranteed, which complicates the ability to predict future state funding allocations. In addition, the state did transmit payment outstanding mandated categorical funds from previous years by the end of FY18.

The District began to address the need to continue to maintain its aging facilities by completing its ten year Life Safety Survey in 2012. The District aims to complete the outstanding projects included in the survey in order to execute a new Life Safety Survey in 2020-21. In the latter half of FY18, the District also began a renovation of Queen Bee School in order to host the Early Childhood and pre-kindergarten programs in a separate facility.

As local revenues are not expected to increase significantly, debt service payments rise in accordance with their payment schedules, and various legislative proposals that threaten the District’s financial health continue to be considered by the general assembly, the annual goal of balancing the District budget will continue to be increasingly difficult to accomplish. Projections indicate that without limiting the increase in expenditures, the fund balances in the education fund could begin to decline, and the already lean Operating & maintenance fund balance would need to be bolstered. For the 2019 fiscal year, a balanced budget that does not require a deficit reduction plan has been adopted.

REPORTING ENTITY

The District includes all funds that are controlled by or dependent on the Board of Education of the District. The District does not exercise oversight responsibility over any other entity and thus does not include any other entity as a component unit in this report. Additionally, based on consideration of oversight responsibility, scope of public service and special financing relationships, the District is an independent entity, not included as a component unit of any other reporting entity.

FINANCIAL MANAGEMENT AND CONTROL

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is properly recorded to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework. Internal control practices are also integrated into the budgetary management of the District's funds. A budget is prepared for each fund, control is provided by verification of appropriation amounts prior to expenditures, as well as a monthly review of actual account totals compared to budget. Additional control is established through published policies and procedures for all aspects of accounting practices of the District, which includes the recording of receipts and disbursements of funds entrusted to the District.

To ensure sound financial management, proper accounting practices, internal controls, and budgetary planning are affirmed by the continual review of the Board of Education.

The basis of accounting and the various funds utilized by the District are fully described in Note 1 of the financial statements. Additional information on the District's budgetary accounting can also be found in Note 1.

This is the fourteenth year the District has prepared financial statements following GASB 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." GASB 34 created basic financial statements for reporting on the District's financial activities as follows:

Government-wide financial statements. These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements include the Statement of Net Position and the Statement of Activities.

Fund financial statements. These statements present information for individual major funds rather than by fund type. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements.

As part of this model, management is responsible for preparing a Management Discussion and Analysis of the District. This discussion is located in the basic financial statements, providing an assessment of District finances for fiscal year 2018, with comparisons to 2017.

FUTURE INITIATIVES

The Board of Education has recognized the need for increased revenues and/or decreased expenditures to continue to increase the fund balance in the Education Fund and the Operations & Maintenance Fund. The District has historically effected budgetary reductions when necessary and gone to the community for increased revenues. Educational fund tax rate referendums were passed in 1987, 1993 and 2003. Construction bonds were passed by referendum in 1998 for additions to three of the four schools. General Obligation debt was also issued in 2006 and in 2010 to fund several projects on the 2001 life safety survey. In 2013 the District issued General Obligation debt to fund projects identified in its 2011 life safety survey. Though our community highly regards our educational programs and facilities and supports the District when called upon, the possibility for another tax rate referendum or bond sale referendum within the next few years is unlikely due to the local property tax rate levels already exceeding the local and state averages.

A new negotiated agreement with the Queen Bee Education Association was reached in May 2016. The four-year negotiated agreement, which expires in August 2020, eliminated the conventional salary schedule, and provided increases to salaries of 4.0% for the first year, and 3.0% for the second year. In FY18, the District and the QBEA reached an agreement of 2.1% and 2.1% salary increases for FY19 and FY20, respectively. These salary raise rates align with the CPI rates that dictate the District's ability to increase its local level of local property taxes for each corresponding fiscal year. A retirement provision within the agreement has given the District the ability to analyze upcoming retirements. Ten teachers and two central office employees, including the Superintendent, retired at the end of FY2018. Additional teachers had until May 31, 2018 to notify the District that they intended to retire by the end of the 2021-2022 school year. This information will be helpful as the District makes staffing decisions. Staffing levels will be reevaluated every year as enrollment shifts, retirements occur, and budgetary requirements become evident.

The change in legislation for tax levies has had a positive impact on upcoming property tax extensions distributed to the District, as the elimination of the levy rate cap on the Education Fund was in effect for the 2017 levy. The need to investigate other options to improve the District fund balances is imminent, as proposals for a property tax freeze could prevent the District from collecting over \$380,000 in property tax revenue. A proposed pension cost shift could also adversely affect the district's Education fund by upwards of \$1.2 million annually.

RELEVANT FINANCIAL POLICIES

Budget planning begins no later than September by adopting a proposed budget calendar. The proposed budget shall be available for public inspection and comment at least 30 days before the budget hearing. The adopted budget shall be posted on the District's website and filed with the Cook County Clerk's office within 30 days of adoption. The Board of Education may amend the budget by following the same procedures as provided for in the original adoption.

The Board of Education shall act on all expenditures, interfund loans and transfers, transfers within funds in excess of 10 percent of the total fund and all contingency fund expenditures.

The certificate of property tax levy is to be filed with the Cook County Clerk's office by the last Tuesday in December. The District annually publishes a statement of affairs regarding its financial position by December 15th.

INDEPENDENT AUDIT

The School Code of Illinois and the District's adopted policy require an annual audit of the books of accounts, financial records and transactions of all funds of the District. The audit is performed by independent certified public accountants selected by the District's Board of Education. The independent auditors' report has been included in the financial section of this report.

CERTIFICATE OF ACHIEVEMENT

The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the twenty-first consecutive year that the District has received this prestigious award.

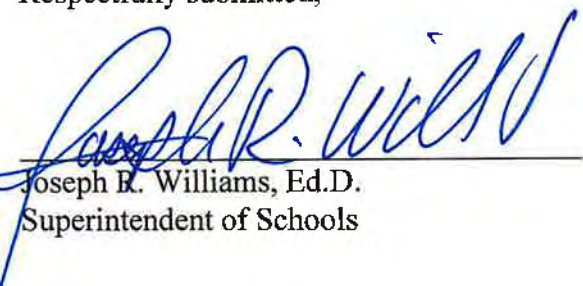
In order to be awarded a Certificate of Excellence, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Excellence is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to conform to the Certificate requirements and we are submitting it to ASBO to determine its eligibility for another certificate.

CLOSING STATEMENT

It is our belief that this Comprehensive Annual Financial Report will provide the District's management, outside investors, and local citizens with a most meaningful financial presentation. We hope that all readers of this Report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2018. We extend our appreciation to the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a professional and fiscally responsible manner.

Respectfully submitted,



Joseph R. Williams, Ed.D.
Superintendent of Schools



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

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

Queen Bee School District 16

**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.



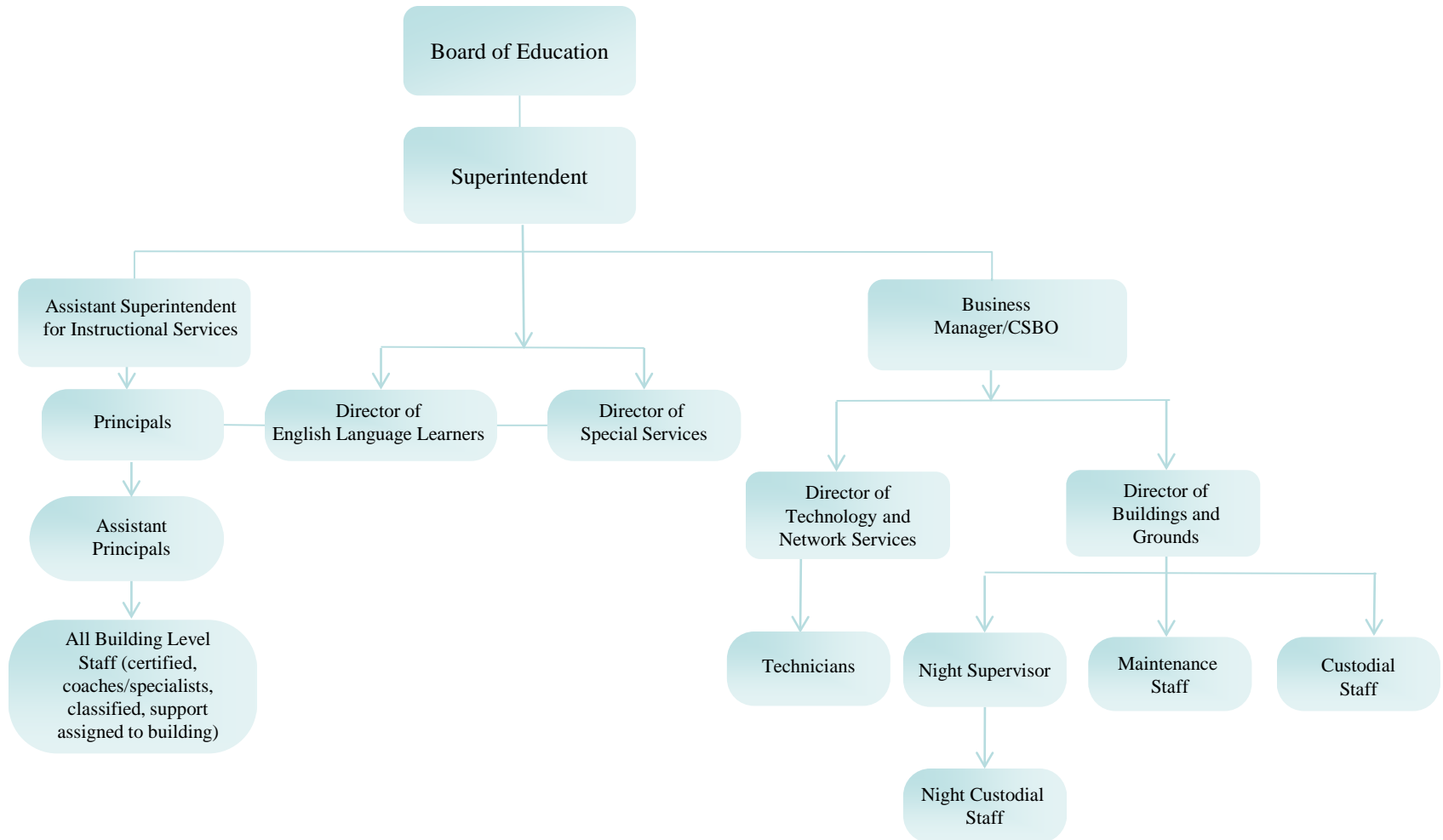
Charles E. Peterson, Jr., SFO, RSBA, MBA
President

John D. Musso, CAE
Executive Director

General School Administration

Exhibit – Line and Staff

The following diagram illustrates the structure of the School District in terms of personnel and responsibilities. It is intended to aid the school community in locating the proper staff member regarding specific relations between school and community. The proper procedure is to contact the person closest to the situation.



**QUEEN BEE SCHOOLS, DISTRICT 16
DUPAGE COUNTY
1560 BLOOMINGDALE ROAD
GLENDALE HEIGHTS, ILLINOIS**

**Comprehensive Annual Financial Report
As of and for the Year Ended June 30, 2018**

Principal Officers and Advisors

Board of Education

President:

Term Expires

Mr. Mike Summerville	4/2021
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Vice President:

Ms. Kathleen Marron	4/2019
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Members:

Mrs. Nancy DiCanio	4/2019
Mr. Richard McDonald	4/2019
Mr. Laura Bruce	4/2019
Mrs. Paula Bodzioch	4/2021
Mr. Fatima Baggia	4/2019

District Administration

Dr. Joseph Williams	Superintendent
Mr. Kevin Hooper	Business Manager/CSBO

Officials Issuing Report

Dr. Joseph Williams	Superintendent
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Department Issuing Report

Business Office

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Queen Bee School District 16
Glendale Heights, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Queen Bee School District 16, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Queen Bee School District 16's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 over financial reporting relevant to Queen Bee School District 16'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 Queen Bee School District 16'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 Queen Bee School District 16, as of June 30, 2018 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Education
Queen Bee School District 16

Emphasis of Matter

As discussed in Note 3, Queen Bee School District 16 adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. Our opinions are 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 required supplementary information as listed in the 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.

Supplementary Information

Our audit for the year ended June 30, 2018 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Queen Bee School District 16's basic financial statements. The supplementary information for the year ended June 30, 2018 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2018, 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 for the year ended June 30, 2018.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Queen Bee School District 16 as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated November 28, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The supplementary information for the year ended June 30, 2017 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those 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 for the year ended June 30, 2017.

To the Board of Education
Queen Bee School District 16

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Queen Bee School District 16's basic financial statements. The introductory section, statistical section, as well as the other information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited Queen Bee School District 16's 2017 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated November 28, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2018 on our consideration of Queen Bee School District 16's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Queen Bee School District 16's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
December 6, 2018

Queen Bee School District 16

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2018

The discussion and analysis of Queen Bee School District 16's (the "District") financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2018. The management of the District encourages readers to consider the information presented herein in conjunction with the transmittal letter found in the introductory section and the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- > In total, net position increased by \$2.1 after restating for GASB 75. This represents a 24% increase from 2017 and is primarily attributable to the increase in the district's state funding due to the Evidence-Based Formula reform.
- > General revenues accounted for \$27.8 in revenue or 86% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$4.7 or 14% of total revenues of \$32.5.
- > The District had \$30.4 in expenses related to government activities. However, only \$4.7 of these expenses were offset by program specific charges and grants.

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.

Government-wide financial statements

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

The statement of net position presents information on all of the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between them 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.

Queen Bee School District 16

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2018

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services.

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 of the District can be divided into two categories: governmental funds and fiduciary funds (the District maintains no proprietary funds).

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

The District maintains seven 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, Tort Immunity and Judgment Fund, Operations and Maintenance Fund, Transportation Fund, IMRF/Social Security Fund, Debt Service Fund, and Fire Prevention and Life Safety Fund, all of which are considered to be major funds.

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.

Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

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.

Queen Bee School District 16

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2018

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its non-certified employees.

Government-Wide Financial Analysis

The District's combined net position was higher on June 30, 2018, than it was the year before, increasing 24% to \$(6.6).

Table 1
Condensed Statements of Net Position
(in millions of dollars)

	<u>2017*</u>	<u>2018</u>
Assets:		
Current and other assets	\$ 22.5	\$ 23.9
Capital Assets	<u>18.9</u>	<u>18.9</u>
Total assets	<u>41.4</u>	<u>42.8</u>
Total deferred outflows of resources	<u>1.3</u>	<u>1.7</u>
Liabilities:		
Current liabilities	2.3	2.3
Long-term debt outstanding	<u>24.1</u>	<u>35.2</u>
Total liabilities	<u>26.4</u>	<u>37.5</u>
Total deferred inflows of resources	<u>10.2</u>	<u>13.6</u>
Net position:		
Net investment in capital assets	2.6	3.4
Restricted	1.1	1.7
Unrestricted	<u>2.4</u>	<u>(11.7)</u>
Total net position	<u>\$ 6.1</u>	<u>\$ (6.6)</u>

*Prior year information has not been updated for the District's implementation of GASB Statement No. 75 in fiscal year 2018.

Revenues in the governmental activities of the District of \$32.5 exceeded expenses by \$2.1. This was attributable primarily to the general increase in revenues received by the District in FY 2018.

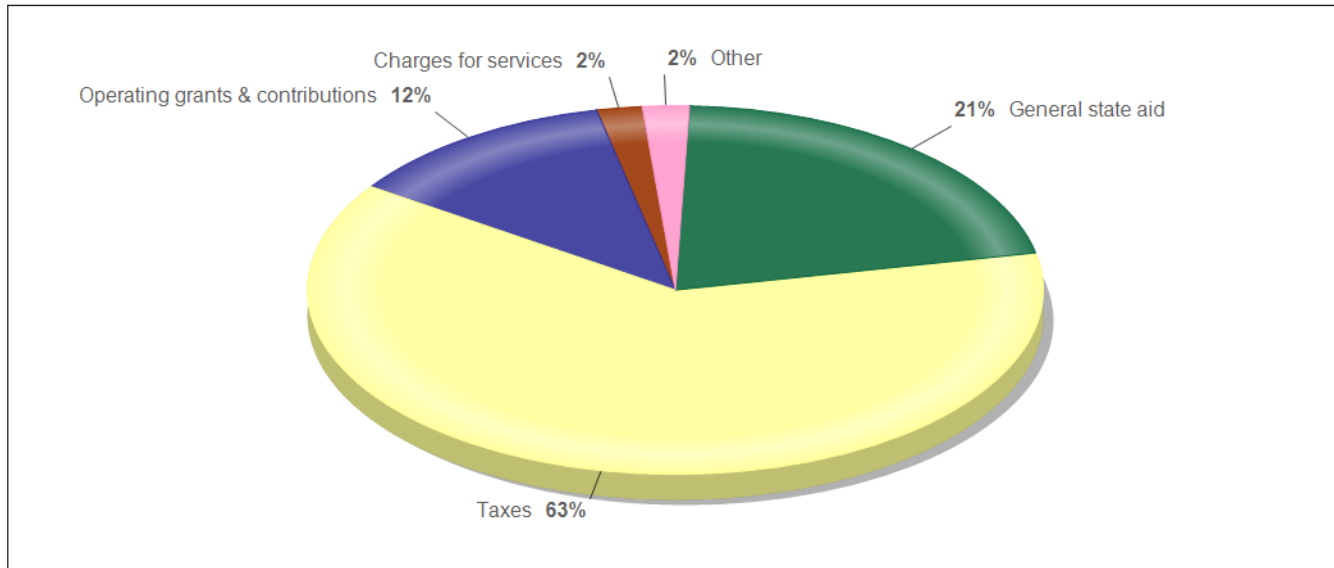
Queen Bee School District 16
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2018

Table 2 Changes in Net Position (in millions of dollars)		
	<u>2017</u>	<u>2018</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 0.4	\$ 0.7
Operating grants & contributions	11.8	4.0
<i>General revenues:</i>		
Taxes	19.6	20.2
General state aid	5.6	6.9
Other	0.8	0.7
Total revenues	<u>38.2</u>	<u>32.5</u>
Expenses:		
Instruction	25.1	18.3
Pupil & instructional staff services	2.0	1.8
Administration & business	5.3	5.5
Transportation	0.7	0.9
Operations & maintenance	3.8	3.3
Other	0.7	0.6
Total expenses	<u>37.6</u>	<u>30.4</u>
Excess (deficiency) of revenues over expenses	<u>0.6</u>	<u>2.1</u>
Increase (decrease) in net position	<u><u>\$ 0.6</u></u>	<u><u>\$ 2.1</u></u>

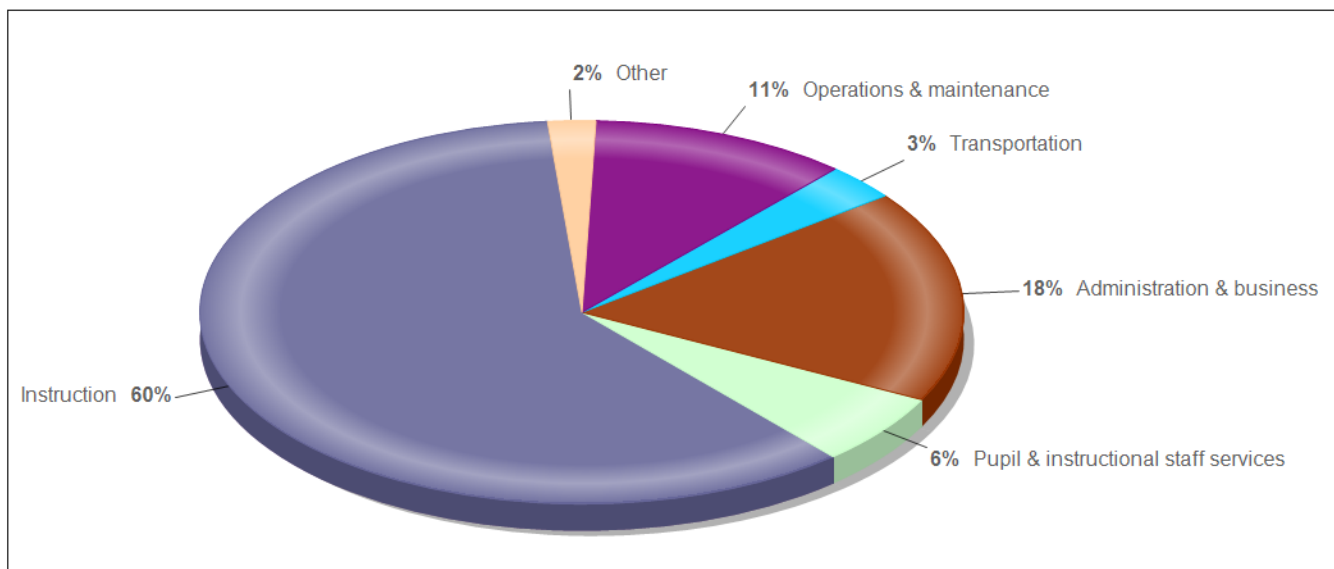
Property taxes accounted for the largest portion of the District's revenues, contributing 62%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$30.4.

Queen Bee School District 16
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2018

District-Wide Revenues by Source



District-Wide Expenses by Function



Financial Analysis of the District's Funds

The District's Governmental Funds balance increased from \$10.5 to \$12.2. This increase was almost entirely attributable to higher than anticipated state revenues in the Education Fund. The \$1.8 growth in the Education Fund was offset by the \$0.6 decline in the Operations & Maintenance Fund. Though a \$0.5 deficit in this fund had been budgeted for FY18, additional spending for supplies and materials for the Queen Bee School renovation drove the actual deficit to \$0.6. In addition, no expenses were incurred in the Fire Prevention & life Safety Fund in FY18, resulting in a \$0.3 increase in its fund balance.

Queen Bee School District 16

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2018

General Fund Budgetary Highlights

The District budget is prepared in accordance with Illinois law and is based on the modified accrual basis of accounting (except for the exclusion of the on-behalf payments from other governments discussed in the notes to required supplementary information), utilizing revenues, expenditures and encumbrances. The District did not amend the budget during the year.

Budgeted revenues for fiscal year 2018 in the General Fund were \$20.8. Actual revenues of \$23.0 were higher than the budget by 10%. This increase was due to state and federal funds coming in over budget by \$1.6 and \$0.5, respectively, with local revenue coming in \$0.1 higher than the budgeted level.

The District is subject to PTELL when property tax revenue is determined. This limit on the District's largest revenue source has made a balanced budget much more difficult. The projection for decreased staffing costs due to several retirements over the next five years will help maintain a balance in the General Fund.

Staffing levels for instructional, administrative, and custodial staff in both the General and Operations and Maintenance Accounts for fiscal 2018 were again controlled to address budgetary concerns. All budgetary expenditure areas experienced relatively conservative increases or remained the same and actual expenditures were restricted to the very necessary.

Capital Assets and Debt Administration

Capital assets

By the end of 2018, the District had compiled a total investment of \$33.3 (\$18.9 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$0.9. 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)			
	<u>2017</u>		<u>2018</u>
Construction in progress	\$ 0.4	\$	0.1
Land improvement	0.4		0.4
Buildings and improvement	<u>18.1</u>		<u>18.4</u>
Total	<u>\$ 18.9</u>	\$	<u>18.9</u>

Queen Bee School District 16

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2018

Long-term debt

At the end of fiscal 2018, the District had a debt margin of \$7.4. More detailed information on long-term debt can be found in Note 8 of the basic financial statements.

Table 4 Outstanding Long-Term Debt (in millions of dollars)		
	<u>2017*</u>	<u>2018</u>
General Obligation Bonds	\$ 17.6	\$ 16.7
Debt certificates and other	<u>6.5</u>	<u>18.5</u>
Total	<u><u>\$ 24.1</u></u>	<u><u>\$ 35.2</u></u>

*Prior year information has not been updated for the District's implementation of GASB Statement No. 75 in fiscal year 2018.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that will significantly affect financial operations in the future:

The State of Illinois General Assembly passed new legislation in August 2017 that recalculates the state education funding formula for FY2018 and beyond. This new formula will be driven by districts' capacity to generate revenue through local sources, as well as by districts' demographic compositions of student enrollment. As a result of the District receiving a Tier I designation due to its considerable low-income, ELL and special education populations, as well as its relatively lower local residential and commercial property values, the District experienced a marked increase in overall state funding for the year. Though this funding level in FY18 establishes a base funding minimum for future years, neither the District's tier designation, nor the general assembly's new revenue allocation are guaranteed, which complicates the ability to predict future state funding allocations.

A property tax freeze has also been recently debated. Should such legislation ever be enacted, early estimates placed the negative financial impact on Queen Bee School District 16 at approximately \$0.4 per year of a property tax freeze.

Pension Reform is also currently on hold, but any form of "cost shift" in the future could seriously impact the District. A proposal that gained some traction in FY18 included a four-year phase in that shift the entire cost burden onto the district at the end of the fourth year. If such cost shift were to be implemented, early estimates reveal an expenditure of \$0.3 in year one of the phase in, and upwards of \$1.2 expenditure in year four of the phase in and beyond.

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:

Kevin Hooper, Business Manager/CSBO
Queen Bee School District 16
1560 Bloomingdale Road
Glendale Heights, Illinois 60139

QUEEN BEE SCHOOL DISTRICT 16

STATEMENT OF NET POSITION

AS OF JUNE 30, 2018

GOVERNMENTAL ACTIVITIES

Assets

Cash	\$ 12,736,857
Receivables (net of allowance for uncollectibles):	
Property taxes	9,603,795
Replacement taxes	13,215
Intergovernmental	683,371
Other	238,872
Prepaid items	619,398
Capital assets:	
Land	1,628
Construction in progress	129,307
Depreciable buildings, property and equipment, net	<u>18,755,386</u>
Total assets	<u>42,781,829</u>

Deferred outflows of resources

Deferred charge on refunding	133,821
Deferred outflows related to pensions	980,287
Deferred outflows related to OPEB	<u>579,321</u>
Total deferred outflows of resources	<u>1,693,429</u>

Liabilities

Accounts payable	703,314
Salaries and wages payable	1,491,162
Payroll deductions payable	954
Interest payable	40,663
Unearned student fees	57,075
Long-term liabilities:	
Other long-term liabilities - due within one year	1,068,712
Other long-term liabilities - due after one year	<u>34,115,797</u>
Total liabilities	<u>37,477,677</u>

Deferred inflows of resources

Property taxes levied for a future period	9,099,841
Deferred inflows related to pensions	2,990,391
Deferred inflows related to OPEB	<u>1,519,096</u>
Total deferred inflows of resources	<u>13,609,328</u>

Net position

Net investment in capital assets	3,376,109
Restricted for:	
Student transportation	441,521
Debt service	694,860
Capital projects	542,364
Unrestricted	<u>(11,666,601)</u>
Total net position	<u>\$ (6,611,747)</u>

See Notes to Basic Financial Statements

QUEEN BEE SCHOOL DISTRICT 16

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Governmental activities				
Instruction:				
Regular programs	\$ 8,765,560	\$ 183,171	\$ 63,606	\$ (8,518,783)
Special programs	6,269,369	278,119	1,261,340	(4,729,910)
Other instructional programs	2,277,759	-	280,099	(1,997,660)
State retirement contributions	1,035,753	-	1,035,753	-
Support Services:				
Pupils	492,597	-	7,321	(485,276)
Instructional staff	1,261,737	-	57,291	(1,204,446)
General administration	1,789,813	-	-	(1,789,813)
School administration	1,734,211	-	-	(1,734,211)
Business	1,952,523	18,911	943,506	(990,106)
Transportation	925,617	1,297	339,041	(585,279)
Operations and maintenance	3,332,777	225,889	-	(3,106,888)
Central	70,264	-	-	(70,264)
Interest and fees	570,096	-	-	(570,096)
Total governmental activities	\$ 30,478,076	\$ 707,387	\$ 3,987,957	(25,782,732)

General revenues:

Taxes:

Real estate taxes, levied for general purposes	12,249,082
Real estate taxes, levied for specific purposes	6,382,393
Real estate taxes, levied for debt service	1,539,575
Personal property replacement taxes	77,557
State aid-formula grants	6,853,029
Investment income	1,650
Miscellaneous	<u>732,236</u>

Total general revenues 27,835,522

Change in net position 2,052,790

Net position, beginning of year (as restated) (8,664,537)

Net position, end of year \$ (6,611,747)

See Notes to Basic Financial Statements

QUEEN BEE SCHOOL DISTRICT 16

GOVERNMENTAL FUNDS

BALANCE SHEET

AS OF JUNE 30, 2018

WITH COMPARATIVE TOTALS AS OF JUNE 30, 2017

	GENERAL FUND	TORT IMMUNITY AND JUDGMENT FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND
Assets				
Cash	\$ 10,196,433	\$ -	\$ 289,337	\$ 451,460
Receivables (net allowance for uncollectibles):				
Property taxes	5,873,050	121,685	839,217	1,491,579
Replacement taxes	13,215	-	-	-
Intergovernmental	598,516	-	-	84,855
Other	238,872	-	-	-
Loan to tort immunity and judgment fund	16,669	-	-	-
Prepaid items	178,979	251,203	28,452	-
Total assets	<u>\$ 17,115,734</u>	<u>\$ 372,888</u>	<u>\$ 1,157,006</u>	<u>\$ 2,027,894</u>
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Accounts payable	\$ 382,036	\$ -	\$ 228,699	\$ 92,579
Salaries and wages payable	1,491,162	-	-	-
Payroll deductions payable	954	-	-	-
Loan from general fund (educational accounts)	-	16,669	-	-
Unearned student fees	57,075	-	-	-
Total liabilities	<u>1,931,227</u>	<u>16,669</u>	<u>228,699</u>	<u>92,579</u>
Deferred inflows of resources				
Property taxes levied for a future period	5,564,865	115,300	795,179	1,413,309
Unavailable state and federal aid receivable	282,039	-	-	84,854
Total deferred inflows of resources	<u>5,846,904</u>	<u>115,300</u>	<u>795,179</u>	<u>1,498,163</u>
Fund balance				
Nonspendable	178,979	251,203	28,452	-
Restricted	-	-	-	356,667
Assigned	-	-	104,676	80,485
Unassigned (deficit)	9,158,624	(10,284)	-	-
Total fund balance	<u>9,337,603</u>	<u>240,919</u>	<u>133,128</u>	<u>437,152</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 17,115,734</u>	<u>\$ 372,888</u>	<u>\$ 1,157,006</u>	<u>\$ 2,027,894</u>

See Notes to Basic Financial Statements

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND	DEBT SERVICE FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2018	2017
\$ 567,336	\$ 696,765	\$ 535,526	\$ 12,736,857	\$ 10,759,235
390,372	738,603	149,289	9,603,795	9,544,942
-	-	-	13,215	14,887
-	-	-	683,371	845,259
-	-	-	238,872	695,166
-	-	-	16,669	18,971
-	160,764	-	619,398	599,651
<u>\$ 957,708</u>	<u>\$ 1,596,132</u>	<u>\$ 684,815</u>	<u>\$ 23,912,177</u>	<u>\$ 22,478,111</u>
\$ -	\$ -	\$ -	\$ 703,314	\$ 749,910
-	-	-	1,491,162	1,503,232
-	-	-	954	-
-	-	-	16,669	18,971
-	-	-	57,075	59,745
-	-	-	2,269,174	2,331,858
369,888	699,845	141,455	9,099,841	9,274,450
-	-	-	366,893	375,889
<u>369,888</u>	<u>699,845</u>	<u>141,455</u>	<u>9,466,734</u>	<u>9,650,339</u>
-	160,764	-	619,398	599,651
544,218	735,523	542,364	2,178,772	1,689,648
43,602	-	996	229,759	841,629
-	-	-	9,148,340	7,364,986
<u>587,820</u>	<u>896,287</u>	<u>543,360</u>	<u>12,176,269</u>	<u>10,495,914</u>
<u>\$ 957,708</u>	<u>\$ 1,596,132</u>	<u>\$ 684,815</u>	<u>\$ 23,912,177</u>	<u>\$ 22,478,111</u>

QUEEN BEE SCHOOL DISTRICT 16
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2018

Total fund balances - governmental funds		\$ 12,176,269
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.		18,886,321
Deferred outflows of resources related to other post-employment benefit liabilities do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		579,321
Certain state aid revenues receivable by the District and recognized in the Statement of Net Position do not provide current financial resources and are included as deferred inflows of resources in the Governmental Funds Balance Sheet.		
State and federal aid	\$ 366,893	366,893
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		980,287
Deferred inflows of resources related to other post-employment benefit liabilities that do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(1,519,096)
Deferred charge on refunding included in the Statement of Net Position is not available to pay for current period expenditures and, therefore, is not included in the Governmental Funds Balance Sheet.		133,821
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(2,990,391)
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.		
Balances at June 30, 2018 are:		
Bonds payable	\$ (16,310,436)	
Debt certificates	(855,000)	
Unamortized bond premium	(361,765)	
Net OPEB liability	(14,930,905)	
Net pension liabilities	(2,260,510)	
Compensated absences	<u>(465,893)</u>	
		(35,184,509)
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.		<u>(40,663)</u>
Net position of governmental activities		\$ <u>(6,611,747)</u>

See Notes to Basic Financial Statements

QUEEN BEE SCHOOL DISTRICT 16

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	GENERAL FUND	TORT IMMUNITY AND JUDGMENT FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND
Revenues				
Property taxes	\$ 12,352,026	\$ 256,438	\$ 1,740,832	\$ 3,152,697
Corporate personal property replacement taxes	41,816	-	-	-
State aid	8,872,016	-	-	294,250
Federal aid	1,683,716	-	-	-
Investment income	654	-	-	-
Other	1,116,155	-	322,161	1,297
Total revenues	24,066,383	256,438	2,062,993	3,448,244
Expenditures				
Current:				
Instruction:				
Regular programs	7,913,944	-	-	-
Special programs	2,536,897	-	-	-
Other instructional programs	2,283,730	-	-	-
State retirement contributions	1,035,753	-	-	-
Support Services:				
Pupils	457,954	-	-	-
Instructional staff	945,811	-	-	-
General administration	1,431,706	234,135	-	-
School administration	1,418,996	-	-	-
Business	1,582,157	-	176,733	-
Transportation	-	-	-	959,669
Operations and maintenance	19,026	-	3,594,584	-
Central	57,238	-	-	-
Payments to other districts and gov't units	3,489,116	-	(25,985)	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	10,622	-	235,414	-
Total expenditures	23,182,950	234,135	3,980,746	959,669
Excess (deficiency) of revenues over expenditures	883,433	22,303	(1,917,753)	2,488,575
Other financing sources (uses)				
Transfers in	1,000,000	-	1,300,000	-
Transfers (out)	(109,284)	-	-	(2,300,000)
Principal on refunding debt certificates sold	-	-	-	-
Payment to escrow agent	-	-	-	-
Total other financing sources (uses)	890,716	-	1,300,000	(2,300,000)
Net change in fund balance	1,774,149	22,303	(617,753)	188,575
Fund balance, beginning of year	7,563,454	218,616	750,881	248,577
Fund balance, end of year	\$ 9,337,603	\$ 240,919	\$ 133,128	\$ 437,152

See Notes to Basic Financial Statements

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND	DEBT SERVICE FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2018	2017
\$ 823,830	\$ 1,539,575	\$ 305,652	\$ 20,171,050	\$ 19,503,125
35,741	-	-	77,557	94,216
-	-	-	9,166,266	15,604,993
-	-	-	1,683,716	1,714,086
-	-	996	1,650	548
-	10	-	1,439,623	1,162,891
<u>859,571</u>	<u>1,539,585</u>	<u>306,648</u>	<u>32,539,862</u>	<u>38,079,859</u>
171,242	-	-	8,085,186	7,727,125
169,079	-	-	2,705,976	2,625,271
59,927	-	-	2,343,657	2,164,945
-	-	-	1,035,753	8,638,808
25,089	-	-	483,043	471,873
47,971	-	-	993,782	1,181,080
32,687	-	-	1,698,528	1,706,223
67,403	-	-	1,486,399	1,351,102
35,668	-	-	1,794,558	1,896,818
339	-	-	960,008	701,330
288,149	-	-	3,901,759	4,363,785
-	-	-	57,238	54,600
-	-	-	3,463,131	3,186,994
-	835,595	-	835,595	711,514
-	768,858	-	768,858	857,911
-	-	-	246,036	289,134
<u>897,554</u>	<u>1,604,453</u>	<u>-</u>	<u>30,859,507</u>	<u>37,928,513</u>
<u>(37,983)</u>	<u>(64,868)</u>	<u>306,648</u>	<u>1,680,355</u>	<u>151,346</u>
-	109,284	-	2,409,284	3,415,478
-	-	-	(2,409,284)	(3,415,478)
-	-	-	-	950,000
-	-	-	-	(930,772)
-	109,284	-	-	19,228
(37,983)	44,416	306,648	1,680,355	170,574
<u>625,803</u>	<u>851,871</u>	<u>236,712</u>	<u>10,495,914</u>	<u>10,325,340</u>
<u>\$ 587,820</u>	<u>\$ 896,287</u>	<u>\$ 543,360</u>	<u>\$ 12,176,269</u>	<u>\$ 10,495,914</u>

QUEEN BEE SCHOOL DISTRICT 16
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	\$ 1,680,355
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds current year net capital outlay in the current period.	(55,260)
Certain state aid revenues included in the Statement of Activities do not provide current financial resources and, therefore, are included as deferred inflows of resources in the fund statements.	(8,996)
The issuance of long-term debt (bonds, capital leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount of current year principal repayments.	1,100,000
Governmental funds report the effects of premiums, 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 effect of these differences.	29,030
In the Statement of Activities, operating expenses are measured by the amounts incurred during the 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:	
Interest payable	\$ 8,993
Compensated absences	(66,921)
Net OPEB liability	203,288
Accretion on capital appreciation bonds	(103,666)
Net pension liability	2,540,445
Deferred outflows of resources due to OPEB liabilities	484,769
Deferred inflows of resources due to OPEB liabilities	(1,519,096)
Deferred outflows of resources due to pensions	(175,085)
Deferred inflows of resources due to pensions	<u>(2,065,066)</u>
	<u>(692,339)</u>
Change in net position of governmental activities	<u>\$ 2,052,790</u>

See Notes to Basic Financial Statements

QUEEN BEE SCHOOL DISTRICT 16
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2018

	<u>AGENCY STUDENT ACTIVITY FUND</u>
<hr/>	
Assets	
Cash	\$ <u>24,395</u>
Total assets	\$ <u><u>24,395</u></u>
Liabilities	
Due to student groups	\$ <u>24,395</u>
Total liabilities	\$ <u><u>24,395</u></u>

See Notes to Basic Financial Statements

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Queen Bee School District 16 (the "District") operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to 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:

Reporting Entity

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

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 removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

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 offered 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.

Governmental Funds 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, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported 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 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. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end. 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; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Major Governmental Funds

General Fund - the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This 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.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Funds.

Tort Immunity and Judgment Fund - accounts for all revenue and expenditures related to the prevention of tort liability. Revenue is derived primarily from local property tax collections and investment income.

Operations and Maintenance Fund - accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

Transportation Fund - accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement / Social Security Fund - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

Debt Service Fund - accounts for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service and transfers from other funds.

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

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Fire Prevention and Life Safety Fund - accounts for State-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.

Other Fund Types

Fiduciary Funds - account 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 Funds, 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.

On-behalf payments (payments made by a third party for the benefit of the district, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

Property taxes, replacement taxes, certain 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 revenues until earned.

All Financial Statements

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, 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.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Property Tax Revenues

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 11, 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 the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or 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 2.1% and 0.7%, respectively.

Property taxes are collected by the County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become 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 2018, net of estimated uncollectible amounts approximating 1% and less amounts already received. The District considers that the first installment of the 2017 levy is to be used to finance operations in fiscal 2018. The District has determined that the second installment of the 2017 levy is to be used to finance operations in fiscal 2019 and has included the corresponding receivable as a deferred inflow of resources.

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.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include land, land improvements, buildings, building improvements, vehicles, equipment, and construction in progress are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,000 and an estimated useful life of more than 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

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

<i>Assets</i>	<i>Years</i>
Buildings and building improvements	40
Land improvement	20
Equipment and vehicles	5-10

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.

Deferred Outflows of Resources

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

A deferred charge on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide statements.

Compensated Absences

Non-certified employees earn vacation days which vest after the completion of one year of service. Employees accrue vacation days at varying levels depending on job title and years of service. Only benefits considered to be vested are disclosed in these statements.

All vested vacation is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in 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 will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2018 are determined on the basis of current salary rates and include salary related payments.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Deferred Inflows of Resources

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

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 than any unspent debt proceeds.

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

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

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, pre-paid items, permanent scholarships).

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

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Committed - includes amounts constrained for a specific purpose by a government 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 constraints imposed require the same formal action of the Board of Education board 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, committed or assigned for those specific purposes.

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 on the fund financial statements at June 30, 2018 are as follows:

The restricted and assigned fund balances in the governmental funds are for the purpose of the respective funds as described above in the Major Governmental Funds section. The nonspendable fund balances are for prepaid items.

Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2017, from which such summarized information was derived.

Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Budget

For the year ended June 30, 2018, expenditures exceeded budget in the General Fund (Educational Accounts), Operations and Maintenance Fund, and the Municipal Retirement/Social Security Fund by \$69,629, \$127,985, and \$72,554 respectively. These excesses were funded by available fund balances.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

In June 2015, the GASB issued statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agency Employers and Agent Multiple-Employer Plans*, for OPEB. This standard was implemented July 1, 2017.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

	Government- wide	Fiduciary	Total
Cash	\$ 12,736,857	\$ 24,395	\$ 12,761,252
Total	<u>\$ 12,736,857</u>	<u>\$ 24,395</u>	<u>\$ 12,761,252</u>

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

	Cash and investments
Cash on hand	\$ 1,700
Deposits with financial institutions	12,708,985
Other investments - ISDLAF +	<u>50,567</u>
Total	<u>\$ 12,761,252</u>

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District's investment policy authorizes investments in any type of security as permitted by Sections 2 through 6 of the Illinois Public Funds Investment Act.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. It is registered with the SEC as an investment company. Investments are rated AAAM and are valued at share price, which is the price for which the investment could be sold.

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk 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. As of June 30, 2018, the bank balance of the District's deposit with financial institutions totaled \$13,101,917; of which the entire amount was collateralized and insured.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

Custodial Credit Risk - Investments. With respect to investments, custodial credit risk is the risk that, in the even 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 limits the exposure to investment custodial credit risk by requiring all investments be secured by private insurance or collateral.

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds 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.

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.

NOTE 5 - INTERFUND LOANS

The composition of interfund loan balances as of June 30, 2018 for the District's individual major funds, is as follows:

<i>Loan Receivable Fund</i>	<i>Loan Payable Fund</i>	<i>Amount</i>
General	Tort Immunity and Judgment	\$ <u>16,669</u>
Total		\$ <u>16,669</u>

The above interfund balances were approved to pay for expenditures as they come due. All amounts will be repaid within one year.

NOTE 6 - INTERFUND TRANSFERS

During the year, the Board transferred \$1,000,000 from the Transportation Fund to the General Fund (Educational Accounts) and \$1,300,000 from the Transportation Fund to the Operations and Maintenance Fund. These transfers were made to support operations as the funds have met their levy rate ceilings. In addition, the Board transferred \$109,284 from the General Fund (Educational Accounts) to the Debt Service Fund to meet debt service requirements on the District's debt certificates.

State law allows for the above transfers.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 7 - CAPITAL ASSETS

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

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<u>Capital assets not being depreciated:</u>				
Land	\$ 1,628	\$ -	\$ -	\$ 1,628
Construction in progress	<u>359,229</u>	<u>603,020</u>	<u>832,942</u>	<u>129,307</u>
Total capital assets not being depreciated	<u>360,857</u>	<u>603,020</u>	<u>832,942</u>	<u>130,935</u>
<u>Capital assets being depreciated:</u>				
Land improvements	933,531	-	-	933,531
Building improvements	28,001,913	907,550	-	28,909,463
Equipment	2,783,179	208,239	-	2,991,418
Vehicles	<u>291,836</u>	<u>-</u>	<u>-</u>	<u>291,836</u>
Total capital assets being depreciated	<u>32,010,459</u>	<u>1,115,789</u>	<u>-</u>	<u>33,126,248</u>
<u>Less Accumulated Depreciation for:</u>				
Land improvements	493,968	44,912	-	538,880
Building improvements	9,894,680	694,584	-	10,589,264
Equipment	2,749,608	201,274	-	2,950,882
Vehicles	<u>291,479</u>	<u>357</u>	<u>-</u>	<u>291,836</u>
Total accumulated depreciation	<u>13,429,735</u>	<u>941,127</u>	<u>-</u>	<u>14,370,862</u>
Net capital assets being depreciated	<u>18,580,724</u>	<u>174,662</u>	<u>-</u>	<u>18,755,386</u>
Net governmental activities capital assets	<u>\$ 18,941,581</u>	<u>\$ 777,682</u>	<u>\$ 832,942</u>	<u>\$ 18,886,321</u>

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

<i>Governmental Activities</i>	<i>Depreciation</i>
Regular programs	\$ 453,138
Special programs	53,938
Instructional staff	234,099
General administration	27,686
School administration	38,409
Operations and maintenance	122,082
Central	<u>11,775</u>
Total depreciation expense - governmental activities	<u>\$ 941,127</u>

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8 - LONG TERM LIABILITIES

Changes in General Long-term Liabilities. The following is the long-term liability activity for the District for the year ended June 30, 2018:

	<i>Beginning Balance (as restated)</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
General obligation bonds	\$ 17,211,770	\$ 103,666	\$ 1,005,000	\$ 16,310,436	\$ 809,525
Unamortized premium	<u>437,284</u>	<u>-</u>	<u>75,519</u>	<u>361,765</u>	<u>-</u>
Total bonds payable	<u>17,649,054</u>	<u>103,666</u>	<u>1,080,519</u>	<u>16,672,201</u>	<u>809,525</u>
Debt certificates	950,000	-	95,000	855,000	85,000
Net pension liability - TRS	1,557,848	898,533	2,318,800	137,581	-
Net pension liability - IMRF	3,243,107	449,230	1,569,408	2,122,929	-
Net OPEB Obligation - THIS	12,816,756	-	119,601	12,697,155	-
Net OPEB liability - District plan	2,317,437	164,281	247,968	2,233,750	-
Compensated absences	<u>398,972</u>	<u>130,934</u>	<u>64,013</u>	<u>465,893</u>	<u>174,187</u>
Total long-term liabilities - governmental activities	<u>\$ 38,933,174</u>	<u>\$ 1,746,644</u>	<u>\$ 5,495,309</u>	<u>\$ 35,184,509</u>	<u>\$ 1,068,712</u>

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8 - LONG TERM LIABILITIES - (CONTINUED)

Additions to general obligation bonds includes accretion on capital appreciation bonds. The obligations for the compensated absences, net OPEB liabilities, and net pension/liability - TRS will be repaid from the General Fund, and the obligation for the net pension liability - IMRF will be repaid from the Municipal Retirement/Social Security Fund.

General Obligation Bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Original Indebtedness	Face Amount	Carrying Amount
Series 2001A Capital Appreciation Refunding Bonds dated November 15, 2001 are due in annual installments through November 1, 2021	4.75% to 5.00%	\$ 4,105,000	\$ 2,160,000	\$ 1,955,436
Series 2006 School Building Bonds dated May 1, 2006 are due in annual installments through November 1, 2025	3.70% to 4.30%	7,950,000	550,000	550,000
Series 2013A Taxable General Obligation Refunding School Bonds dated March 4, 2013 are due in annual installments through June 30, 2024	3.50% to 3.63%	1,000,000	1,000,000	1,000,000
Series 2013B Taxable General Obligation Limited Tax School Bonds dated March 4, 2013 are due in annual installments through June 30, 2033	3.25% to 3.75%	7,565,000	7,565,000	7,565,000
Series 2015 General Obligation Refunding School Bonds dated May 6, 2015 are due in annual installments through May 1, 2026	2.00% to 2.25%	<u>5,375,000</u>	<u>5,240,000</u>	<u>5,240,000</u>
Total		<u>\$ 25,995,000</u>	<u>\$ 16,515,000</u>	<u>\$ 16,310,436</u>

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

	Principal	Interest	Total
2019	\$ 1,095,000	\$ 454,144	\$ 1,549,144
2020	1,180,000	429,569	1,609,569
2021	1,280,000	401,969	1,681,969
2022	1,375,000	375,219	1,750,219
2023	1,465,000	354,219	1,819,219
2024 - 2028	5,630,000	1,231,904	6,861,904
2029 - 2033	<u>4,490,000</u>	<u>499,925</u>	<u>4,989,925</u>
Total	<u>\$ 16,515,000</u>	<u>\$ 3,746,949</u>	<u>\$ 20,261,949</u>

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8 - LONG TERM LIABILITIES - (CONTINUED)

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2018, the statutory debt limit for the District was \$23,516,678, providing a debt margin of \$7,423,450.

The Debt Certificates require annual repayments which begin January 1, 2018 and extend through January 1, 2027. The obligations for the Debt Certifications will be repaid from the Debt Service Fund via transfers from the General Fund. Annual debt service requirements to maturity for debt certificates are as follows:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2019	\$ 85,000	\$ 20,477	\$ 105,477
2020	85,000	18,442	103,442
2021	90,000	16,406	106,406
2022	95,000	14,250	109,250
2023	100,000	11,975	111,975
2024 - 2027	<u>400,000</u>	<u>24,309</u>	<u>424,309</u>
Total	<u>\$ 855,000</u>	<u>\$ 105,859</u>	<u>\$ 960,859</u>

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the following public entity risk pools: Educational Benefit Cooperative (EBC) for some or all of the employees' benefits and Collective Liability Insurance Cooperative to administer workers' compensation claims, casualty, property, and liability protection, and all insurance other than health, life and accident coverages procured the member districts. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 10 - JOINT AGREEMENTS

The District is a member of the Cooperative Association for Special Education (CASE), a joint agreement that provides certain special education programs and services to residents of many school districts. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

Complete financial statements for CASE can be obtained from the administrative office at 22W600 Butterfield Road, Glen Ellyn, Illinois 60137.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

Plan Description. The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuity holders not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuity holders who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

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

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.18% of pay during the year ended June 30, 2018. State of Illinois contributions were \$137,220, and the District recognized revenues and expenditures of this amount during the year.

Contributions. The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.88% during the year ended June 30, 2018. 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. For the year ended June 30, 2018, the District paid \$102,334 to the THIS Fund, respectively, which was 100 percent of the required contribution for the year.

THIS Fiduciary Net Position. Detailed information about the THIS Fund's fiduciary net position as of June 30, 2017 is available in the separately issued THIS Annual Financial Report.

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

District's proportionate share of the collection net OPEB liability	\$ 12,697,155
State's proportionate share of the collective net OPEB liability associated with the District	<u>16,674,520</u>
Total	<u>\$ 29,371,675</u>

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2017 and 2016, the District's proportion was 0.048930% and 0.046886%, respectively.

Actuarial Assumptions. The net OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary Increases	3.25% to 9.25%
Investment Rate of Return	0.00%
Healthcare Cost Trend Rates - Initial	Non-Medicare - 8.00%; Post-Medicare - 9.00%
Healthcare Cost Trend Rates - Ultimate	4.50% with additional 0.59% added to non-Medicare costs
Fiscal Year the Ultimate Rate is Reached	2020

Mortality rates 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, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

Discount Rate. At June 30, 2017, the discount rate used to measure the total OPEB liability was a blended rate of 3.56%, which was a change from the June 30, 2016 rate of 2.85%. Since THIS is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the District, as well as what the District's 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	Current Discount Rate	1% Increase
Net OPEB Liability	<u>\$ 15,236,539</u>	<u>\$ 12,697,155</u>	<u>\$ 10,665,275</u>

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (initial rate of 7.00% decreasing to an ultimate rate of 4.09%) for non-Medicare coverage and initial rate of 8.00% decreasing to an ultimate rate of 3.50% for Medicare coverage) or 1-percentage-point higher (initial rate of 9.00% decreasing to an ultimate rate of 6.09%) for non-Medicare coverage and initial rate of 10.00% decreasing to an ultimate rate of 5.50% for Medicare coverage) than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	\$ 10,247,918	\$ 12,697,155	\$ 16,212,660

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 \$1,017,060 and on-behalf revenue and expenditures of \$137,220 for support provided by the state. At June 30, 2018, the District's deferred outflows of resources and deferred inflows of resources related to OPEBs were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 7,192
Changes in Assumptions	-	1,511,764
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	140
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	476,987	-
District Contributions Subsequent to the Measurement Date	102,334	-
Total	<u>\$ 579,321</u>	<u>\$ 1,519,096</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net OPEB liability for the year ending June 30, 2019. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB (\$1,042,109) will be recognized in OPEB expense as follows in these reporting years:

Year Ending June 30,	Amount
2019	\$ (160,092)
2020	(160,092)
2021	(160,092)
2022	(160,092)
2023	(160,057)
Thereafter	<u>(241,684)</u>
Total	<u>\$ (1,042,109)</u>

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Medical Insurance Retirement Program

Plan Description. The District administers a single-employer defined benefit healthcare plan ("the Medical Insurance Retirement Program"). The plan provides health insurance reimbursements for eligible retirees and their spouses through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established through personnel policy guidelines and state that eligible IMRF retirees and their spouses may remain on the District's insurance plan until they are Medicare eligible, with a fixed District provided reimbursement equal to the single HMO premium in the year of retirement. The retiree must pay the difference between the billed premium and the District reimbursement, and the District contribution does not rise if there is a premium increase. TRS retirees are not eligible to remain on the District's medical coverage upon retirement. Instead, these employees are offered an annual stipend based on years of service. The District covers 100% of medical insurance cost for eligible retired administrators and their spouses until age 65 or for ten years, whichever is first. The Medical Insurance Retirement Program does not issue a publicly available financial report.

Contributions and Benefits Provided. Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. For the year ended 2018, the District contributed \$247,968 to the plan.

Employees Covered by Benefit Terms. At June 30, 2018, the actuarial valuation date, the following employees were covered by the benefit terms:

Retired Plan Members	28
Active Employees Not Yet Eligible	-
Active Employees Fully Eligible	<u>223</u>
Total	<u><u>251</u></u>

Total OPEB Liability. The District's total OPEB liability of \$2,233,750 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Inflation	2.25%
Election at Retirement	100.00%
Discount Rate	3.87%
Healthcare Cost Trend Rate - Initial	-%
Healthcare Cost Trend Rate - Ultimate	5.00%
Fiscal Year the Ultimate Rate is Reached	2025

The discount rate was based on the high quality 20 year tax-exempt G.O. bond rate.

Mortality rates were based on the following: IMRF Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment. These Rates are Improved Generationally using MP-2016 Improvement Rates. TRS Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study, with White Collar Adjustment. These Rates are Improved Generationally using MP-2016 Improvement Rates and Weighted Based on the TRS June 30, 2017 Actuarial Valuation.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the best estimates of future events.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Changes in Total OPEB Liability. The District's changes in total OPEB liability for the year ended June 30, 2018 was as follows:

	Total OPEB Liability
Balance at June 30, June 30, 2017	\$ 2,317,437
Service Cost	79,395
Interest	84,886
Benefit Payments	<u>(247,968)</u>
Net Changes	<u>(83,687)</u>
Balance at June 30, 2018	<u>\$ 2,233,750</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	<u>\$ 2,360,193</u>	<u>\$ 2,233,750</u>	<u>\$ 2,116,057</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	<u>\$ 2,108,521</u>	<u>\$ 2,233,750</u>	<u>\$ 2,378,802</u>

NOTE 12 - RETIREMENT SYSTEMS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) 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 on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 12 - RETIREMENT SYSTEMS - (CONTINUED)

Teachers' Retirement System

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

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

Benefits Provided. TRS provides retirement, disability, and death benefits. *Tier 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 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

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

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

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

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

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

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 12 - RETIREMENT SYSTEMS - (CONTINUED)

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2018, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$898,533 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. The District did not make any contributions for the year ended June 30, 2018.

Salary increases over 6 percent. The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. For the year ended June 30, 2018, the District paid \$1,370 to TRS for employer contributions due on salary increases in excess of 6 percent.

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

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

District's proportionate share of the collective net pension liability	\$ 137,581
State's proportionate share of the collective net pension liability associated with the District	<u>9,130,023</u>
Total	<u><u>\$ 9,267,604</u></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 and 2016, the District's proportion was 0.00018008 percent and 0.00197356 percent, respectively.

Summary of Significant Accounting Policies. For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TRS and additions to/deductions from TRS fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the June 30, 2017 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit, and (c) inflation of 2.50%.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 12 - RETIREMENT SYSTEMS - (CONTINUED)

Mortality. 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 valuation.

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

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
U.S. equities 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 %

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

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

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

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 12 - RETIREMENT SYSTEMS - (CONTINUED)

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	\$ 169,036	\$ 137,581	\$ 111,816

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2018, the District recognized pension expense of \$(475,576) and on-behalf revenue of \$898,533 for support provided by the state. At June 30, 2018, the District's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,494	\$ 64
Net difference between projected and actual earnings on pension plan investments	94	-
Assumption changes	9,183	3,953
Changes in proportion and differences between District contributions and proportionate share of contributions	-	1,612,875
Total	<u>\$ 10,771</u>	<u>\$ 1,616,892</u>

Any amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2019. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$(1,606,121)) will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2019	\$ (486,790)
2020	(427,728)
2021	(384,078)
2022	(273,516)
2023	(34,009)
Total	<u>\$ (1,606,121)</u>

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 12 - RETIREMENT SYSTEMS - (CONTINUED)

Illinois Municipal Retirement Fund

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer pension plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under *Regular Tier 2*, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Plan Membership. At December 31, 2017, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	81
Inactive, non-retired members	79
Active members	88
	<hr/>
Total	<hr/> <hr/> 248

Contributions. As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2017 was 12.30 percent of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 12 - RETIREMENT SYSTEMS - (CONTINUED)

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies. For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2017 annual actuarial valuation included (a) 7.50% investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) price inflation of 2.75%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

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

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

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	37.00 %	8.30 %	6.85 %
International equities	18.00 %	8.45 %	6.75 %
Fixed income	28.00 %	3.05 %	3.00 %
Real estate	9.00 %	6.90 %	5.75 %
Alternatives	7.00 %		
Private equity		12.45 %	7.35 %
Hedge funds		5.35 %	5.05 %
Commodities		4.25 %	2.65 %
Cash equivalents	1.00 %	2.25 %	2.25 %

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 12 - RETIREMENT SYSTEMS - (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability for IMRF was 7.50%. The discount rate calculated using the December 31, 2016 measurement date 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 District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.50% as well as what the net pension liability/(asset) would be if it were to be 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	Current Discount Rate	1% Increase
Total pension liability	\$ 18,333,869	\$ 16,239,087	\$ 14,506,361
Plan fiduciary net position	<u>14,116,158</u>	<u>14,116,158</u>	<u>14,116,158</u>
Net pension liability/(asset)	<u>\$ 4,217,711</u>	<u>\$ 2,122,929</u>	<u>\$ 390,203</u>

Changes in Net Pension Liability/(Asset). The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2017 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at December 31, 2016	\$ 15,445,600	\$ 12,202,493	\$ 3,243,107
Service cost	342,705	-	342,705
Interest on total pension liability	1,147,202	-	1,147,202
Differences between expected and actual experience of the total pension liability	452,682	-	452,682
Change of assumptions	(507,255)	-	(507,255)
Benefit payments, including refunds of employee contributions	(641,847)	(641,847)	-
Contributions - employer	-	425,893	(425,893)
Contributions - employee	-	162,157	(162,157)
Net investment income	-	2,115,099	(2,115,099)
Other (Net Transfer)	<u>-</u>	<u>(147,637)</u>	<u>147,637</u>
Balances at December 31, 2017	<u>\$ 16,239,087</u>	<u>\$ 14,116,158</u>	<u>\$ 2,122,929</u>

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 12 - RETIREMENT SYSTEMS - (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2018, the District recognized pension expense of \$620,182. The District's deferred outflows and inflows of resources related to pension were from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	\$ 340,896	\$ 15,430
Assumption changes	2,544	392,096
Net difference between projected and actual earnings on pension plan investments	401,461	965,973
Contributions subsequent to the measurement date	<u>224,615</u>	<u>-</u>
Total	<u><u>\$ 969,516</u></u>	<u><u>\$ 1,373,499</u></u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2019. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$ (628,598)) will be recognized in pension expense as follows:

<i>Year Ending December 31,</i>	<i>Amount</i>
2018	\$ (59,444)
2019	(90,106)
2020	(237,554)
2021	<u>(241,494)</u>
Total	<u><u>\$ (628,598)</u></u>

NOTE 13 - 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.

NOTE 14 - CONTINGENT LIABILITIES

The District is a defendant in various tax rate objection cases. Although the outcome 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.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 15 - RESTATEMENT

Net position has been restated due to the implementation of GASB Statement No. 75. The restatement is necessary to record the prior year net OPEB liability.

	<i>Governmental Activities</i>
Net position as previously reported, June 30, 2017	\$ 6,092,945
Adjustment to record the net OPEB liability as of June 30, 2017 for THIS	(12,816,756)
Adjustment to record deferred outflows of resources related to OPEB as of June 30, 2017 for THIS	94,552
Adjustment to record the net OPEB liability as of June 30, 2017 for the District's plan	(2,317,437)
Adjustment to remove the OPEB obligation reported as of June 30, 2017	<u>282,159</u>
Net position as restated, June 30, 2017	<u><u>\$ (8,664,537)</u></u>

**NOTE 16 - EFFECT OF NEW ACCOUNTING STANDARDS ON
CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 83, *Asset Retirement Obligations*, GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 85, *Omnibus 2017*, GASB Statement No. 86, *Certain Debt Extinguishment Issues*, GASB Statement No. 87, *Leases*, GASB Statement No. 88, *Certain Disclosures Related to Debt Including Direct Borrowings and Direct Placements*, and GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, and GASB Statement No. 90, *Majority Equity Interests*. Application of these standards may restate portions of these financial statements.

QUEEN BEE SCHOOL DISTRICT 16
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY
AND RELATED RATIOS
Four Most Recent Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability				
Service cost	\$ 342,705	\$ 341,831	\$ 337,385	\$ 355,043
Interest	1,147,202	1,091,815	1,029,114	927,743
Differences between expected and actual experience	452,682	(36,818)	90,563	94,067
Changes of assumptions	(507,255)	(57,819)	18,279	545,700
Benefit payments, including refunds of member contributions	(641,847)	(676,984)	(562,560)	(521,311)
Net change in total pension liability	793,487	662,025	912,781	1,401,242
Total pension liability - beginning	15,445,600	14,783,575	13,870,794	12,469,552
Total pension liability - ending (a)	<u>\$ 16,239,087</u>	<u>\$ 15,445,600</u>	<u>\$ 14,783,575</u>	<u>\$ 13,870,794</u>
Plan fiduciary net position				
Employer contributions	\$ 425,893	\$ 406,578	\$ 385,876	\$ 367,583
Employee contributions	162,157	147,045	141,866	139,001
Net investment income	2,115,099	803,309	58,963	683,707
Benefit payments, including refunds of member contributions	(641,847)	(676,984)	(562,560)	(521,311)
Other (net transfer)	(147,637)	(303,050)	(8,637)	(74,570)
Net change in plan fiduciary net position	1,913,665	376,898	15,508	594,410
Plan fiduciary net position - beginning	12,202,493	11,825,595	11,810,087	11,215,677
Plan fiduciary net position - ending (b)	<u>\$ 14,116,158</u>	<u>\$ 12,202,493</u>	<u>\$ 11,825,595</u>	<u>\$ 11,810,087</u>
Employer's net pension liability - ending (a) - (b)	<u>\$ 2,122,929</u>	<u>\$ 3,243,107</u>	<u>\$ 2,957,980</u>	<u>\$ 2,060,707</u>
Plan fiduciary net position as a percentage of the total pension liability	86.93%	79.00%	79.99%	85.14%
Covered-employee payroll	\$ 3,411,147	\$ 3,239,654	\$ 3,152,584	\$ 3,088,931
Employer's net pension liability as a percentage of covered-employee payroll	62.24%	100.11%	93.83%	66.71%

Notes to Schedule:

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Actuary valuations are as of December 31st, which is 6 months prior to the end of the fiscal year.

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF DISTRICT CONTRIBUTIONS Four Most Recent Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 419,571	\$ 406,577	\$ 385,876	\$ 367,583
Contributions in relation to the actuarially determined contribution	<u>(425,893)</u>	<u>(406,578)</u>	<u>(385,876)</u>	<u>(367,583)</u>
Contribution deficiency (excess)	<u>\$ (6,322)</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 3,545,250	\$ 3,310,349	\$ 3,157,014	\$ 3,137,438
Contributions as a percentage of covered-employee payroll	12.01%	12.28%	12.22%	11.72%

Notes to Schedule:

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported. More current information is not available.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Inflation	2.75%
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2014 Employee Mortality Table, adjusted to match current IMRF experience

Other information:

There were no benefit changes during the year.

QUEEN BEE SCHOOL DISTRICT 16
TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE COLLECTIVE NET PENSION LIABILITY AND DISTRICT CONTRIBUTIONS
Four Most Recent Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.00018008%	0.00197356%	0.00311950%	0.00342736%
District's proportionate share of the net pension liability	\$ 137,581	\$ 1,557,848	\$ 2,043,587	\$ 2,085,831
State's proportionate share of the net pension liability	<u>9,130,023</u>	<u>86,684,022</u>	<u>70,975,239</u>	<u>67,310,034</u>
Total net pension liability	<u>\$ 9,267,604</u>	<u>\$ 88,241,870</u>	<u>\$ 73,018,826</u>	<u>\$ 69,395,865</u>
Covered-employee payroll	\$ 11,628,833	\$ 11,241,838	\$ 10,958,163	\$ 10,938,096
District's proportionate share of the net pension liability as a percentage of covered payroll	1.18%	13.86%	18.65%	19.07%
Plan fiduciary net position as a percentage of the total pension liability	39.30%	36.40%	41.50%	43.00%
Contractually required contribution	\$ 67,447	\$ 65,203	\$ 100,219	\$ 109,307
Contributions in relation to the contractually required contribution	<u>-</u>	<u>(7,398)</u>	<u>(76,846)</u>	<u>(109,307)</u>
Contribution deficiency (excess)	<u>\$ 67,447</u>	<u>\$ 57,805</u>	<u>\$ 23,373</u>	<u>\$ -</u>
Contributions as a percentage of covered employee payroll	0.0000%	0.0658%	0.7013%	0.9993%

Notes to Schedule:

The District implemented GASB 68 in 2015. Information for fiscal years prior to 2015 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Key Assumptions:

Long-term expected rate of return	7.00%	7.00%	7.50%	7.50%
Municipal bond index	3.58%	2.85%	3.73%	N/A
Single equivalent discount rate	7.00%	6.83%	7.47%	7.50%
Inflation rate	3.00%	2.50%	3.00%	3.00%
Projected salary increases	3.75% to 9.75% composite	3.25% to 9.25% varying by service	3.75% to 9.75% varying by service	5.75%

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16
MEDICAL INSURANCE RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY
AND RELATED RATIOS
Most Recent Fiscal Year

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 79,395
Interest	84,886
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of member contributions	<u>(247,968)</u>
Net change in total OPEB liability	(83,687)
Total OPEB liability - beginning	<u>2,317,437</u>
Total OPEB liability - ending (a)	<u><u>\$ 2,233,750</u></u>
Plan fiduciary net position	
Employer contributions	\$ 247,968
Employee contributions	-
Net investment income	-
Benefit payments, including refunds of member contributions	(247,968)
Administration	-
Other (net transfer)	<u>-</u>
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position - ending (b)	<u><u>\$ -</u></u>
District's net OPEB liability - ending (a) - (b)	<u><u>\$ 2,233,750</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
Covered-employee payroll	\$ 13,295,831
District's net pension liability as a percentage of covered-employee payroll	16.80%

Notes to Schedule:

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16
TEACHERS' HEALTH INSURANCE SECURITY FUND
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY AND DISTRICT CONTRIBUTIONS
Most Recent Fiscal Year

	<u>2018</u>
District's proportion of the net OPEB liability	0.048930%
District's proportionate share of the net OPEB liability	\$ 12,697,155
State's proportionate share of the net OPEB liability	<u>16,674,520</u>
Total net OPEB liability	<u>\$ 29,371,675</u>
Covered-employee payroll	\$ 11,241,838
District's proportionate share of the net OPEB liability as a percentage of covered payroll	112.95%
Plan fiduciary net position as a percentage of the total pension liability	-0.17%
Contractually required contribution	\$ 102,334
Contributions in relation to the contractually required contribution	<u>102,334</u>
Contribution deficiency (excess)	<u>\$ -</u>
Contributions as a percentage of covered employee payroll	0.91%

Notes to Schedule:

The District implemented GASB 68 in fiscal year 2018. Information for fiscal years prior to 2018 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Key Assumptions:

Long-term expected rate of return	0.00%
Municipal bond index	3.56%
Single equivalent discount rate	3.56%
Inflation rate	2.75%
Healthcare cost trend rates - initial	Medicare - 8.00%
	Non-Medicare - 9.00%
Healthcare cost trend rates - ultimate	4.50%
Mortality	RP-2014 Tables

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 10,888,916	\$ 11,090,614	\$ 201,698	\$ 10,652,670
Special education levy	1,221,508	1,261,412	39,904	1,198,797
Corporate personal property replacement taxes	66,345	41,816	(24,529)	61,341
Special education - tuition from other LEA's (in state)	680,000	278,119	(401,881)	-
Investment income	-	654	654	96
Sales to pupils - lunch	20,000	18,911	(1,089)	20,374
Fees	10,000	11,640	1,640	9,779
Rentals - regular textbook	75,000	75,107	107	79,929
Contributions and donations from private sources	-	64,435	64,435	59,592
Refund of prior years' expenditures	393,000	666,171	273,171	646,664
Other local fees	-	-	-	343
Other	15,000	1,772	(13,228)	3,733
Total local sources	13,369,769	13,510,651	140,882	12,733,318
State sources				
Evidence based funding formula	5,399,089	6,853,029	1,453,940	5,637,664
Special education - private facility tuition	106,214	293,420	187,206	198,438
Special education - extraordinary	133,190	66,596	(66,594)	267,186
Special education - personnel	120,946	137,902	16,956	341,424
Special education - orphanage - individual	-	9,751	9,751	4,890
Special education - summer school	-	15,086	15,086	-
Bilingual education - downstate - TPI	383,337	312,470	(70,867)	139,052
State free lunch & breakfast	4,500	14,875	10,375	3,178
Early childhood - block grant	122,134	133,134	11,000	111,020
Other restricted revenue from state sources	1,500	-	(1,500)	12,118
Total state sources	6,270,910	7,836,263	1,565,353	6,714,970
Federal sources				
National school lunch program	465,000	625,815	160,815	633,058
School breakfast program	125,000	180,918	55,918	191,347
Title I - Low income	312,278	350,841	38,563	380,342
Title IV - Safe & drug free schools - formula	-	7,321	7,321	-
Federal - special education - preschool flow-through	-	20,822	20,822	43,847
Federal - special education - IDEA - room & board	2,500	-	(2,500)	-
Emergency immigrant assistance	-	175	175	6,352
Title III - English language acquisition	78,318	82,963	4,645	96,374
Title II - Teacher quality	50,133	57,291	7,158	50,133
Medicaid matching funds - administrative outreach	175,000	175,684	684	87,510

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

QUEEN BEE SCHOOL DISTRICT 16

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Medicaid matching funds - fee-for-service program	\$ -	\$ 118,455	\$ 118,455	\$ 154,901
Other restricted revenue from federal sources	-	63,431	63,431	70,222
Total federal sources	1,208,229	1,683,716	475,487	1,714,086
Total revenues	20,848,908	23,030,630	2,181,722	21,162,374
Expenditures				
Instruction				
Regular programs				
Salaries	6,961,907	6,853,679	108,228	6,482,334
Employee benefits	1,023,360	977,888	45,472	1,002,366
Purchased services	10,750	28,530	(17,780)	6,523
Supplies and materials	80,183	52,685	27,498	70,182
Capital outlay	3,000	-	3,000	-
Other objects	-	1,239	(1,239)	777
Non-capitalized equipment	-	(77)	77	1,992
Total	8,079,200	7,913,944	165,256	7,564,174
Pre-K programs				
Salaries	218,184	218,024	160	209,452
Employee benefits	45,633	-	45,633	-
Supplies and materials	4,500	3,332	1,168	3,638
Total	268,317	221,356	46,961	213,090
Special education programs				
Salaries	1,678,826	1,518,954	159,872	1,482,176
Employee benefits	169,509	324,877	(155,368)	271,240
Purchased services	90,000	93,253	(3,253)	84,920
Supplies and materials	20,000	25,131	(5,131)	12,100
Capital outlay	5,000	-	5,000	-
Non-capitalized equipment	5,000	3,196	1,804	4,738
Total	1,968,335	1,965,411	2,924	1,855,174
Special education programs Pre-K				
Salaries	-	166,885	(166,885)	201,212
Employee benefits	-	19,546	(19,546)	33,296
Purchased services	-	8,095	(8,095)	-
Total	-	194,526	(194,526)	234,508

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

QUEEN BEE SCHOOL DISTRICT 16

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Remedial and supplemental programs K-12				
Salaries	\$ -	\$ 26,090	\$ (26,090)	\$ 16,584
Employee benefits	-	-	-	2,895
Purchased services	312,278	168,348	143,930	37,077
Supplies and materials	-	182,522	(182,522)	305,935
Capital outlay	-	-	-	11,092
Non-capitalized equipment	-	-	-	26,598
Total	<u>312,278</u>	<u>376,960</u>	<u>(64,682)</u>	<u>400,181</u>
Remedial and supplemental programs Pre-K				
Supplies and materials	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
Total	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
Interscholastic programs				
Salaries	138,000	160,938	(22,938)	135,445
Purchased services	16,000	13,406	2,594	14,070
Supplies and materials	<u>2,400</u>	<u>2,564</u>	<u>(164)</u>	<u>722</u>
Total	<u>156,400</u>	<u>176,908</u>	<u>(20,508)</u>	<u>150,237</u>
Bilingual programs				
Salaries	1,440,586	1,516,854	(76,268)	1,420,413
Employee benefits	186,053	276,580	(90,527)	228,985
Purchased services	81,318	59,642	21,676	88,216
Supplies and materials	<u>5,000</u>	<u>32,390</u>	<u>(27,390)</u>	<u>14,821</u>
Total	<u>1,712,957</u>	<u>1,885,466</u>	<u>(172,509)</u>	<u>1,752,435</u>
Total instruction	<u>12,497,587</u>	<u>12,734,571</u>	<u>(236,984)</u>	<u>12,169,799</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	103,366	88,473	14,893	100,791
Employee benefits	<u>10,023</u>	<u>10,345</u>	<u>(322)</u>	<u>8,203</u>
Total	<u>113,389</u>	<u>98,818</u>	<u>14,571</u>	<u>108,994</u>
Guidance services				
Salaries	-	90,673	(90,673)	91,042
Employee benefits	<u>-</u>	<u>10,276</u>	<u>(10,276)</u>	<u>8,923</u>
Total	<u>-</u>	<u>100,949</u>	<u>(100,949)</u>	<u>99,965</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

QUEEN BEE SCHOOL DISTRICT 16

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Health services				
Salaries	\$ 144,576	\$ 198,503	\$ (53,927)	\$ 202,926
Employee benefits	49,155	53,617	(4,462)	35,750
Purchased services	2,000	-	2,000	-
Supplies and materials	10,000	-	10,000	-
Capital outlay	5,000	10,622	(5,622)	-
Non-capitalized equipment	5,000	1,136	3,864	-
Total	<u>215,731</u>	<u>263,878</u>	<u>(48,147)</u>	<u>238,676</u>
Psychological services				
Supplies and materials	<u>5,000</u>	<u>4,931</u>	<u>69</u>	<u>4,310</u>
Total	<u>5,000</u>	<u>4,931</u>	<u>69</u>	<u>4,310</u>
Total pupils	<u>334,120</u>	<u>468,576</u>	<u>(134,456)</u>	<u>451,945</u>
Instructional staff				
Improvement of instructional services				
Salaries	405,117	340,439	64,678	339,778
Employee benefits	38,233	32,145	6,088	39,782
Purchased services	129,356	123,553	5,803	118,975
Supplies and materials	<u>148,715</u>	<u>91,046</u>	<u>57,669</u>	<u>91,159</u>
Total	<u>721,421</u>	<u>587,183</u>	<u>134,238</u>	<u>589,694</u>
Educational media services				
Salaries	250,900	307,995	(57,095)	476,157
Employee benefits	<u>35,572</u>	<u>50,633</u>	<u>(15,061)</u>	<u>68,576</u>
Total	<u>286,472</u>	<u>358,628</u>	<u>(72,156)</u>	<u>544,733</u>
Total instructional staff	<u>1,007,893</u>	<u>945,811</u>	<u>62,082</u>	<u>1,134,427</u>
General administration				
Board of education services				
Salaries	80,000	61,937	18,063	70,849
Employee benefits	217,720	234,037	(16,317)	202,954
Purchased services	264,000	216,578	47,422	274,329
Other objects	<u>67,000</u>	<u>75,120</u>	<u>(8,120)</u>	<u>57,444</u>
Total	<u>628,720</u>	<u>587,672</u>	<u>41,048</u>	<u>605,576</u>
Executive administration services				
Salaries	375,610	382,400	(6,790)	360,244
Employee benefits	121,850	117,405	4,445	116,412
Purchased services	107,700	97,660	10,040	98,960
Supplies and materials	58,000	34,684	23,316	43,719
Other objects	<u>3,500</u>	<u>2,026</u>	<u>1,474</u>	<u>2,739</u>
Total	<u>666,660</u>	<u>634,175</u>	<u>32,485</u>	<u>622,074</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

QUEEN BEE SCHOOL DISTRICT 16

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Special area administration services				
Salaries	\$ 166,255	\$ 166,255	\$ -	\$ 155,963
Employee benefits	37,374	37,806	(432)	34,446
Purchased services	9,300	5,701	3,599	8,193
Supplies and materials	500	97	403	56
Total	213,429	209,859	3,570	198,658
Total general administration	1,508,809	1,431,706	77,103	1,426,308
School administration				
Office of the principal services				
Salaries	1,183,460	1,183,249	211	1,071,265
Employee benefits	215,386	212,666	2,720	192,860
Purchased services	8,300	7,182	1,118	7,260
Supplies and materials	16,350	15,669	681	16,370
Other objects	-	230	(230)	-
Total	1,423,496	1,418,996	4,500	1,287,755
Total school administration	1,423,496	1,418,996	4,500	1,287,755
Business				
Direction of business support services				
Salaries	299,953	289,971	9,982	333,318
Employee benefits	54,310	58,506	(4,196)	67,486
Purchased services	52,400	37,600	14,800	38,645
Other objects	2,500	38,754	(36,254)	1,873
Total	409,163	424,831	(15,668)	441,322
Operation and maintenance of plant services				
Purchased services	5,000	1,358	3,642	4,942
Capital outlay	25,000	-	25,000	11,523
Non-capitalized equipment	100,000	17,668	82,332	187,455
Total	130,000	19,026	110,974	203,920
Food services				
Salaries	135,000	146,266	(11,266)	137,725
Employee benefits	-	712	(712)	-
Purchased services	880,000	1,007,627	(127,627)	1,053,714
Supplies and materials	3,000	645	2,355	2,240
Capital outlay	5,000	-	5,000	3,800
Other objects	2,500	2,076	424	2,032
Total	1,025,500	1,157,326	(131,826)	1,199,511
Total business	1,564,663	1,601,183	(36,520)	1,844,753

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

QUEEN BEE SCHOOL DISTRICT 16

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Central				
Information services				
Purchased services	\$ 5,000	\$ -	\$ 5,000	\$ -
Total	5,000	-	5,000	-
Data processing services				
Salaries	-	57,238	(57,238)	54,600
Total	-	57,238	(57,238)	54,600
Total central	5,000	57,238	(52,238)	54,600
Total support services	5,843,981	5,923,510	(79,529)	6,199,788
Payments to other districts and governmental units				
Payments for special education programs				
Purchased services	3,736,000	2,412,028	1,323,972	1,976,653
Other objects	-	314,265	(314,265)	-
Total	3,736,000	2,726,293	1,009,707	1,976,653
Payments for special education programs - tuition				
Other objects	-	762,823	(762,823)	1,210,341
Total	-	762,823	(762,823)	1,210,341
Total payments to other districts and governmental units	3,736,000	3,489,116	246,884	3,186,994
Total expenditures	22,077,568	22,147,197	(69,629)	21,556,581
Excess (deficiency) of revenues over expenditures	(1,228,660)	883,433	2,112,093	(394,207)
Other financing sources (uses)				
Transfer among funds	1,000,000	1,000,000	-	1,600,000
Transfer to debt service fund to pay principal on debt certificates	-	(95,000)	(95,000)	(75,000)
Transfer to debt service fund to pay interest on debt certificates	-	(14,284)	(14,284)	(40,478)
Other uses not classified elsewhere	(112,853)	-	112,853	-
Total other financing sources (uses)	887,147	890,716	3,569	1,484,522
Net change in fund balance	\$ (341,513)	1,774,149	\$ 2,115,662	1,090,315
Fund balance, beginning of year		7,563,454		6,473,139
Fund balance, end of year		\$ 9,337,603		\$ 7,563,454

See Auditors' Report and Notes to Required Supplementary Information

(Concluded)

QUEEN BEE SCHOOL DISTRICT 16
TORT IMMUNITY AND JUDGMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
Tort immunity levy	\$ 252,006	\$ 256,438	\$ 4,432	\$ 249,993
Total local sources	252,006	256,438	4,432	249,993
Total revenues	252,006	256,438	4,432	249,993
Expenditures				
Support Services				
General administration				
Workers' compensation or workers' occupational disease act payments				
Purchased services	176,882	176,882	-	179,949
Total	176,882	176,882	-	179,949
Unemployment insurance payments				
Purchased services	12,000	-	12,000	3,830
Total	12,000	-	12,000	3,830
Insurance payments (regular or self-insurance)				
Purchased services	57,253	-	57,253	-
Total	57,253	-	57,253	-
Property insurance (buildings and grounds)				
Purchased services	-	57,253	(57,253)	62,693
Total	-	57,253	(57,253)	62,693
Total general administration	246,135	234,135	12,000	246,472
Total support services	246,135	234,135	12,000	246,472
Total expenditures	246,135	234,135	12,000	246,472
Net change in fund balance	\$ 5,871	22,303	\$ 16,432	3,521
Fund balance, beginning of year		218,616		215,095
Fund balance, end of year		\$ 240,919		\$ 218,616

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16
OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 1,679,293	\$ 1,740,832	\$ 61,539	\$ 1,646,747
Rentals	235,647	225,889	(9,758)	266,144
Contributions and donations from private sources	-	1,630	1,630	14,967
Other local fees	10,000	-	(10,000)	-
Other	87,000	94,642	7,642	58,798
Total local sources	<u>2,011,940</u>	<u>2,062,993</u>	<u>51,053</u>	<u>1,986,656</u>
State sources				
Other restricted revenue from state sources	-	-	-	47,341
Total state sources	-	-	-	47,341
Total revenues	<u>2,011,940</u>	<u>2,062,993</u>	<u>51,053</u>	<u>2,033,997</u>
Expenditures				
Support services				
Business				
Direction of business support services				
Purchased services	162,000	142,361	19,639	145,048
Supplies and materials	35,000	34,372	628	85,909
Capital outlay	280,000	225,041	54,959	216,054
Total	<u>477,000</u>	<u>401,774</u>	<u>75,226</u>	<u>447,011</u>
Facilities acquisition and construction service				
Purchased services	-	-	-	1,622
Supplies and materials	-	-	-	1,502
Capital outlay	-	-	-	202
Total	-	-	-	3,326
Operation and maintenance of plant services				
Salaries	1,490,412	1,509,729	(19,317)	1,429,435
Employee benefits	247,136	256,855	(9,719)	238,122
Purchased services	1,246,713	1,322,761	(76,048)	1,486,354
Supplies and materials	391,500	505,239	(113,739)	454,982
Capital outlay	-	10,373	(10,373)	46,463
Total	<u>3,375,761</u>	<u>3,604,957</u>	<u>(229,196)</u>	<u>3,655,356</u>
Total business	<u>3,852,761</u>	<u>4,006,731</u>	<u>(153,970)</u>	<u>4,105,693</u>
Total support services	<u>3,852,761</u>	<u>4,006,731</u>	<u>(153,970)</u>	<u>4,105,693</u>

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16
OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Payments to other districts and government units				
Payments for special education programs				
Purchased services	\$ -	\$ (25,985)	\$ 25,985	\$ -
Total	-	(25,985)	25,985	-
Total payments to other districts and government units	-	(25,985)	25,985	-
Total expenditures	3,852,761	3,980,746	(127,985)	4,105,693
Excess (deficiency) of revenues over expenditures	(1,840,821)	(1,917,753)	(76,932)	(2,071,696)
Other financing sources (uses)				
Transfer among funds	1,300,000	1,300,000	-	1,700,000
Total other financing sources (uses)	1,300,000	1,300,000	-	1,700,000
Net change in fund balance	<u>\$ (540,821)</u>	(617,753)	<u>\$ (76,932)</u>	(371,696)
Fund balance, beginning of year		750,881		1,122,577
Fund balance, end of year		<u>\$ 133,128</u>		<u>\$ 750,881</u>

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16
TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 3,108,826	\$ 3,152,697	\$ 43,871	\$ 3,202,054
Regular transportation fees from pupils or parents (in state)	3,000	1,297	(1,703)	2,568
Regular transportation fees from private sources (in state)	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>
Total local sources	<u>3,113,826</u>	<u>3,153,994</u>	<u>40,168</u>	<u>3,204,622</u>
State sources				
Transportation - regular/vocational	3,500	4,838	1,338	4,324
Transportation - special education	<u>165,000</u>	<u>289,412</u>	<u>124,412</u>	<u>199,550</u>
Total state sources	<u>168,500</u>	<u>294,250</u>	<u>125,750</u>	<u>203,874</u>
Total revenues	<u>3,282,326</u>	<u>3,448,244</u>	<u>165,918</u>	<u>3,408,496</u>
Expenditures				
Support Services				
Business				
Pupil transportation services				
Salaries	22,000	27,872	(5,872)	22,061
Purchased services	<u>951,000</u>	<u>931,797</u>	<u>19,203</u>	<u>669,622</u>
Total	<u>973,000</u>	<u>959,669</u>	<u>13,331</u>	<u>691,683</u>
Total business	<u>973,000</u>	<u>959,669</u>	<u>13,331</u>	<u>691,683</u>
Total support services	<u>973,000</u>	<u>959,669</u>	<u>13,331</u>	<u>691,683</u>
Total expenditures	<u>973,000</u>	<u>959,669</u>	<u>13,331</u>	<u>691,683</u>
Excess (deficiency) of revenues over expenditures	<u>2,309,326</u>	<u>2,488,575</u>	<u>179,249</u>	<u>2,716,813</u>
Other financing sources (uses)				
Transfer among funds	<u>(2,300,000)</u>	<u>(2,300,000)</u>	<u>-</u>	<u>(3,300,000)</u>
Total other financing sources (uses)	<u>(2,300,000)</u>	<u>(2,300,000)</u>	<u>-</u>	<u>(3,300,000)</u>
Net change in fund balance	<u>\$ 9,326</u>	188,575	<u>\$ 179,249</u>	(583,187)
Fund balance, beginning of year		<u>248,577</u>		<u>831,764</u>
Fund balance, end of year		<u>\$ 437,152</u>		<u>\$ 248,577</u>

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ -	\$ 490,076	\$ 490,076	\$ 475,440
Social security/medicare only levy	810,915	333,754	(477,161)	328,088
Corporate personal property replacement taxes	<u>22,115</u>	<u>35,741</u>	<u>13,626</u>	<u>32,875</u>
Total local sources	<u>833,030</u>	<u>859,571</u>	<u>26,541</u>	<u>836,403</u>
Total revenues	<u>833,030</u>	<u>859,571</u>	<u>26,541</u>	<u>836,403</u>
Expenditures				
Instruction				
Regular programs	161,059	171,242	(10,183)	162,951
Special education programs	143,102	163,622	(20,520)	145,534
Educationally deprived/remedial programs	1,255	5,457	(4,202)	966
Interscholastic programs	-	122	(122)	-
Bilingual programs	<u>48,088</u>	<u>59,805</u>	<u>(11,717)</u>	<u>49,183</u>
Total instruction	<u>353,504</u>	<u>400,248</u>	<u>(46,744)</u>	<u>358,634</u>
Support services				
Pupils				
Health services	<u>18,917</u>	<u>25,089</u>	<u>(6,172)</u>	<u>19,928</u>
Total pupils	<u>18,917</u>	<u>25,089</u>	<u>(6,172)</u>	<u>19,928</u>
Instructional staff				
Improvement of instructional staff	20,294	20,222	72	20,411
Educational media services	<u>25,624</u>	<u>27,749</u>	<u>(2,125)</u>	<u>26,242</u>
Total instructional staff	<u>45,918</u>	<u>47,971</u>	<u>(2,053)</u>	<u>46,653</u>
General administration				
Board of education services	5,429	89	5,340	4,209
Executive administration services	19,691	23,120	(3,429)	20,028
Special area administration services	<u>9,240</u>	<u>9,478</u>	<u>(238)</u>	<u>9,206</u>
Total general administration	<u>34,360</u>	<u>32,687</u>	<u>1,673</u>	<u>33,443</u>
School administration				
Office of the principal services	<u>62,636</u>	<u>67,403</u>	<u>(4,767)</u>	<u>63,347</u>
Total school administration	<u>62,636</u>	<u>67,403</u>	<u>(4,767)</u>	<u>63,347</u>

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Business				
Direction of business support services	\$ 26,892	\$ 32,770	\$ (5,878)	\$ 26,572
Operations and maintenance of plant services	270,863	288,149	(17,286)	270,017
Pupil transportation services	9,655	339	9,316	9,647
Food services	<u>2,255</u>	<u>2,898</u>	<u>(643)</u>	<u>2,256</u>
Total business	<u>309,665</u>	<u>324,156</u>	<u>(14,491)</u>	<u>308,492</u>
Total support services	<u>471,496</u>	<u>497,306</u>	<u>(25,810)</u>	<u>471,863</u>
Total expenditures	<u>825,000</u>	<u>897,554</u>	<u>(72,554)</u>	<u>830,497</u>
Net change in fund balance	<u>\$ 8,030</u>	<u>(37,983)</u>	<u>\$ (46,013)</u>	5,906
Fund balance, beginning of year		<u>625,803</u>		<u>619,897</u>
Fund balance, end of year		<u>\$ 587,820</u>		<u>\$ 625,803</u>

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Except for the exclusion of on-behalf payments from other governments, discussed below, 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:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of an resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. 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.

Budget Reconciliations

The Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the State of Illinois for the employer's share of the Teachers Retirement System pension. The District does not budget for these amounts in the General Fund (Educational Accounts). The differences between the budget and GAAP basis are as follows:

	<i>Revenues</i>	<i>Expenditures</i>
General Fund Budgetary Basis	\$ 23,030,630	\$ 22,147,197
To adjust for on-behalf payments received	1,035,753	-
To adjust for on-behalf payments made	<u>-</u>	<u>1,035,753</u>
General Fund GAAP Basis	<u><u>\$ 24,066,383</u></u>	<u><u>\$ 23,182,950</u></u>

Excess of Expenditures over Budget

For the year ended June 30, 2018, expenditures exceeded budget in the General Fund (Educational Accounts), Operations and Maintenance Fund, and Municipal Retirement/Social Security Fund by \$69,629, 127,985, and \$72,554, respectively. These excesses were funded by available fund balances.

See Auditors' Report

QUEEN BEE SCHOOL DISTRICT 16
DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 1,518,072	\$ 1,539,575	\$ 21,503	\$ 1,457,562
Other	-	10	10	-
Total local sources	<u>1,518,072</u>	<u>1,539,585</u>	<u>21,513</u>	<u>1,457,562</u>
Total revenues	<u>1,518,072</u>	<u>1,539,585</u>	<u>21,513</u>	<u>1,457,562</u>
Expenditures				
Debt services				
Payments on long term debt				
Interest on long term debt	1,608,247	766,083	842,164	836,286
Principal payments on long term debt	-	<u>835,595</u>	<u>(835,595)</u>	<u>711,514</u>
Total	<u>1,608,247</u>	<u>1,601,678</u>	<u>6,569</u>	<u>1,547,800</u>
Other debt service				
Other objects	-	<u>2,775</u>	<u>(2,775)</u>	<u>21,625</u>
Total	<u>-</u>	<u>2,775</u>	<u>(2,775)</u>	<u>21,625</u>
Total debt services	<u>1,608,247</u>	<u>1,604,453</u>	<u>3,794</u>	<u>1,569,425</u>
Total expenditures	<u>1,608,247</u>	<u>1,604,453</u>	<u>3,794</u>	<u>1,569,425</u>
Excess (deficiency) of revenues over expenditures	<u>(90,175)</u>	<u>(64,868)</u>	<u>25,307</u>	<u>(111,863)</u>
Other financing sources (uses)				
Transfer to debt service to pay principal on debt certificates	-	95,000	95,000	75,000
Transfer to debt service to pay interest on debt certificates	-	14,284	14,284	40,478
Principal on refunding debt certificates sold	-	-	-	950,000
Payment to escrow agent	-	-	-	(930,772)
Other sources not classified elsewhere	<u>112,753</u>	-	<u>(112,753)</u>	-
Total other financing sources (uses)	<u>112,753</u>	<u>109,284</u>	<u>(3,469)</u>	<u>134,706</u>
Net change in fund balance	<u>\$ 22,578</u>	44,416	<u>\$ 21,838</u>	22,843
Fund balance, beginning of year		<u>851,871</u>		<u>829,028</u>
Fund balance, end of year		<u>\$ 896,287</u>		<u>\$ 851,871</u>

QUEEN BEE SCHOOL DISTRICT 16
FIRE PREVENTION AND LIFE SAFETY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 290,208	\$ 305,652	\$ 15,444	\$ 291,774
Investment income	-	996	996	452
Total local sources	<u>290,208</u>	<u>306,648</u>	<u>16,440</u>	<u>292,226</u>
Total revenues	<u>290,208</u>	<u>306,648</u>	<u>16,440</u>	<u>292,226</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction service				
Purchased services	-	-	-	289,354
Total	-	-	-	289,354
Total business	-	-	-	289,354
Total support services	-	-	-	289,354
Total expenditures	-	-	-	289,354
Net change in fund balance	<u>\$ 290,208</u>	306,648	<u>\$ 16,440</u>	2,872
Fund balance, beginning of year		<u>236,712</u>		<u>233,840</u>
Fund balance, end of year		<u>\$ 543,360</u>		<u>\$ 236,712</u>

QUEEN BEE SCHOOL DISTRICT 16**GENERAL FUND**

COMBINING BALANCE SHEET

AS OF JUNE 30, 2018

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Assets			
Cash	\$ 7,338,997	\$ 2,857,436	\$ 10,196,433
Receivables (net allowance for uncollectibles):			
Property taxes	5,824,050	49,000	5,873,050
Replacement taxes	13,215	-	13,215
Intergovernmental	598,516	-	598,516
Other	238,872	-	238,872
Loan to tort immunity and judgment fund	16,669	-	16,669
Prepaid items	<u>178,979</u>	<u>-</u>	<u>178,979</u>
Total assets	<u>\$ 14,209,298</u>	<u>\$ 2,906,436</u>	<u>\$ 17,115,734</u>
Liabilities, deferred inflows of resources, and fund balance			
Liabilities			
Accounts payable	\$ 382,036	\$ -	\$ 382,036
Salaries and wages payable	1,491,162	-	1,491,162
Payroll deductions payable	954	-	954
Unearned student fees	<u>57,075</u>	<u>-</u>	<u>57,075</u>
Total liabilities	<u>1,931,227</u>	<u>-</u>	<u>1,931,227</u>
Deferred inflows of resources			
Property taxes levied for a future period	5,518,436	46,429	5,564,865
Deferred revenue	<u>282,039</u>	<u>-</u>	<u>282,039</u>
Total deferred inflows of resources	<u>5,800,475</u>	<u>46,429</u>	<u>5,846,904</u>
Fund balance			
Nonspendable	178,979	-	178,979
Unassigned	<u>6,298,617</u>	<u>2,860,007</u>	<u>9,158,624</u>
Total fund balance	<u>6,477,596</u>	<u>2,860,007</u>	<u>9,337,603</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 14,209,298</u>	<u>\$ 2,906,436</u>	<u>\$ 17,115,734</u>

QUEEN BEE SCHOOL DISTRICT 16

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2018

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Revenues			
Property taxes	\$ 12,249,082	\$ 102,944	\$ 12,352,026
Corporate personal property replacement taxes	41,816	-	41,816
State aid	8,872,016	-	8,872,016
Federal aid	1,683,716	-	1,683,716
Investment income	654	-	654
Other	1,116,155	-	1,116,155
Total revenues	<u>23,963,439</u>	<u>102,944</u>	<u>24,066,383</u>
Expenditures			
Current:			
Instruction:			
Regular programs	7,913,944	-	7,913,944
Special programs	2,536,897	-	2,536,897
Other instructional programs	2,283,730	-	2,283,730
State retirement contributions	1,035,753	-	1,035,753
Support Services:			
Pupils	457,954	-	457,954
Instructional staff	945,811	-	945,811
General administration	1,431,706	-	1,431,706
School administration	1,418,996	-	1,418,996
Business	1,582,157	-	1,582,157
Operations and maintenance	19,026	-	19,026
Central	57,238	-	57,238
Payments to other districts and gov't units	3,489,116	-	3,489,116
Capital outlay	10,622	-	10,622
Total expenditures	<u>23,182,950</u>	<u>-</u>	<u>23,182,950</u>
Excess (deficiency) of revenues over expenditures	<u>780,489</u>	<u>102,944</u>	<u>883,433</u>
Other financing sources (uses)			
Transfers in	1,000,000	-	1,000,000
Transfers (out)	(109,284)	-	(109,284)
Total other financing sources (uses)	<u>890,716</u>	<u>-</u>	<u>890,716</u>
Net change in fund balance	1,671,205	102,944	1,774,149
Fund balance, beginning of year	<u>4,806,391</u>	<u>2,757,063</u>	<u>7,563,454</u>
Fund balance, end of year	<u>\$ 6,477,596</u>	<u>\$ 2,860,007</u>	<u>\$ 9,337,603</u>

QUEEN BEE SCHOOL DISTRICT 16

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 10,788,113	\$ 10,987,670	\$ 199,557	\$ 10,533,769
Special education levy	1,221,508	1,261,412	39,904	1,198,797
Corporate personal property replacement taxes	66,345	41,816	(24,529)	61,341
Special education - tuition from other LEA's (in state)	680,000	278,119	(401,881)	-
Investment income	-	654	654	96
Sales to pupils - lunch	20,000	18,911	(1,089)	20,374
Fees	10,000	11,640	1,640	9,779
Rentals - regular textbook	75,000	75,107	107	79,929
Contributions and donations from private sources	-	64,435	64,435	59,592
Refund of prior years' expenditures	393,000	666,171	273,171	646,664
Other local fees	-	-	-	343
Other	15,000	1,772	(13,228)	3,733
Total local sources	13,268,966	13,407,707	138,741	12,614,417
State sources				
Evidence based funding formula	5,399,089	6,853,029	1,453,940	5,637,664
Special education - private facility tuition	106,214	293,420	187,206	198,438
Special education - extraordinary	133,190	66,596	(66,594)	267,186
Special education - personnel	120,946	137,902	16,956	341,424
Special education - orphanage - individual	-	9,751	9,751	4,890
Special education - summer school	-	15,086	15,086	-
Bilingual education - downstate - TPI	383,337	312,470	(70,867)	139,052
State free lunch & breakfast	4,500	14,875	10,375	3,178
Early childhood - block grant	122,134	133,134	11,000	111,020
Other restricted revenue from state sources	1,500	-	(1,500)	12,118
Total state sources	6,270,910	7,836,263	1,565,353	6,714,970
Federal sources				
National school lunch program	465,000	625,815	160,815	633,058
School breakfast program	125,000	180,918	55,918	191,347
Title I - Low income	312,278	350,841	38,563	380,342
Title IV - Safe & drug free schools - formula	-	7,321	7,321	-
Federal - special education - preschool flow-through	-	20,822	20,822	43,847
Federal - special education - IDEA - room & board	2,500	-	(2,500)	-
Emergency immigrant assistance	-	175	175	6,352
Title III - English language acquisition	78,318	82,963	4,645	96,374
Title II - Teacher quality	50,133	57,291	7,158	50,133
Medicaid matching funds - administrative outreach	175,000	175,684	684	87,510

(Continued)

QUEEN BEE SCHOOL DISTRICT 16

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Medicaid matching funds - fee-for-service program	\$ -	\$ 118,455	\$ 118,455	\$ 154,901
Other restricted revenue from federal sources	-	63,431	63,431	70,222
Total federal sources	1,208,229	1,683,716	475,487	1,714,086
Total revenues	20,748,105	22,927,686	2,179,581	21,043,473
Expenditures				
Instruction				
Regular programs				
Salaries	6,961,907	6,853,679	108,228	6,482,334
Employee benefits	1,023,360	977,888	45,472	1,002,366
Purchased services	10,750	28,530	(17,780)	6,523
Supplies and materials	80,183	52,685	27,498	70,182
Capital outlay	3,000	-	3,000	-
Other objects	-	1,239	(1,239)	777
Non-capitalized equipment	-	(77)	77	1,992
Total	8,079,200	7,913,944	165,256	7,564,174
Pre-K programs				
Salaries	218,184	218,024	160	209,452
Employee benefits	45,633	-	45,633	-
Supplies and materials	4,500	3,332	1,168	3,638
Total	268,317	221,356	46,961	213,090
Special education programs				
Salaries	1,678,826	1,518,954	159,872	1,482,176
Employee benefits	169,509	324,877	(155,368)	271,240
Purchased services	90,000	93,253	(3,253)	84,920
Supplies and materials	20,000	25,131	(5,131)	12,100
Capital outlay	5,000	-	5,000	-
Non-capitalized equipment	5,000	3,196	1,804	4,738
Total	1,968,335	1,965,411	2,924	1,855,174
Special education programs Pre-K				
Salaries	-	166,885	(166,885)	201,212
Employee benefits	-	19,546	(19,546)	33,296
Purchased services	-	8,095	(8,095)	-
Total	-	194,526	(194,526)	234,508

(Continued)

QUEEN BEE SCHOOL DISTRICT 16
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Remedial and supplemental programs K - 12				
Salaries	\$ -	\$ 26,090	\$ (26,090)	\$ 16,584
Employee benefits	-	-	-	2,895
Purchased services	312,278	168,348	143,930	37,077
Supplies and materials	-	182,522	(182,522)	305,935
Capital outlay	-	-	-	11,092
Non-capitalized equipment	-	-	-	26,598
Total	<u>312,278</u>	<u>376,960</u>	<u>(64,682)</u>	<u>400,181</u>
Remedial and supplemental programs Pre - K				
Supplies and materials	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
Total	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
Interscholastic programs				
Salaries	138,000	160,938	(22,938)	135,445
Purchased services	16,000	13,406	2,594	14,070
Supplies and materials	<u>2,400</u>	<u>2,564</u>	<u>(164)</u>	<u>722</u>
Total	<u>156,400</u>	<u>176,908</u>	<u>(20,508)</u>	<u>150,237</u>
Bilingual programs				
Salaries	1,440,586	1,516,854	(76,268)	1,420,413
Employee benefits	186,053	276,580	(90,527)	228,985
Purchased services	81,318	59,642	21,676	88,216
Supplies and materials	<u>5,000</u>	<u>32,390</u>	<u>(27,390)</u>	<u>14,821</u>
Total	<u>1,712,957</u>	<u>1,885,466</u>	<u>(172,509)</u>	<u>1,752,435</u>
Total instruction	<u>12,497,587</u>	<u>12,734,571</u>	<u>(236,984)</u>	<u>12,169,799</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	103,366	88,473	14,893	100,791
Employee benefits	<u>10,023</u>	<u>10,345</u>	<u>(322)</u>	<u>8,203</u>
Total	<u>113,389</u>	<u>98,818</u>	<u>14,571</u>	<u>108,994</u>
Guidance services				
Salaries	-	90,673	(90,673)	91,042
Employee benefits	<u>-</u>	<u>10,276</u>	<u>(10,276)</u>	<u>8,923</u>
Total	<u>-</u>	<u>100,949</u>	<u>(100,949)</u>	<u>99,965</u>

(Continued)

QUEEN BEE SCHOOL DISTRICT 16

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Health services				
Salaries	\$ 144,576	\$ 198,503	\$ (53,927)	\$ 202,926
Employee benefits	49,155	53,617	(4,462)	35,750
Purchased services	2,000	-	2,000	-
Supplies and materials	10,000	-	10,000	-
Capital outlay	5,000	10,622	(5,622)	-
Non-capitalized equipment	5,000	1,136	3,864	-
Total	<u>215,731</u>	<u>263,878</u>	<u>(48,147)</u>	<u>238,676</u>
Psychological services				
Supplies and materials	<u>5,000</u>	<u>4,931</u>	<u>69</u>	<u>4,310</u>
Total	<u>5,000</u>	<u>4,931</u>	<u>69</u>	<u>4,310</u>
Total pupils	<u>334,120</u>	<u>468,576</u>	<u>(134,456)</u>	<u>451,945</u>
Instructional staff				
Improvement of instructional services				
Salaries	405,117	340,439	64,678	339,778
Employee benefits	38,233	32,145	6,088	39,782
Purchased services	129,356	123,553	5,803	118,975
Supplies and materials	<u>148,715</u>	<u>91,046</u>	<u>57,669</u>	<u>91,159</u>
Total	<u>721,421</u>	<u>587,183</u>	<u>134,238</u>	<u>589,694</u>
Educational media services				
Salaries	250,900	307,995	(57,095)	476,157
Employee benefits	<u>35,572</u>	<u>50,633</u>	<u>(15,061)</u>	<u>68,576</u>
Total	<u>286,472</u>	<u>358,628</u>	<u>(72,156)</u>	<u>544,733</u>
Total instructional staff	<u>1,007,893</u>	<u>945,811</u>	<u>62,082</u>	<u>1,134,427</u>
General administration				
Board of education services				
Salaries	80,000	61,937	18,063	70,849
Employee benefits	217,720	234,037	(16,317)	202,954
Purchased services	264,000	216,578	47,422	274,329
Other objects	<u>67,000</u>	<u>75,120</u>	<u>(8,120)</u>	<u>57,444</u>
Total	<u>628,720</u>	<u>587,672</u>	<u>41,048</u>	<u>605,576</u>
Executive administration services				
Salaries	375,610	382,400	(6,790)	360,244
Employee benefits	121,850	117,405	4,445	116,412
Purchased services	107,700	97,660	10,040	98,960
Supplies and materials	58,000	34,684	23,316	43,719
Other objects	<u>3,500</u>	<u>2,026</u>	<u>1,474</u>	<u>2,739</u>
Total	<u>666,660</u>	<u>634,175</u>	<u>32,485</u>	<u>622,074</u>

(Continued)

QUEEN BEE SCHOOL DISTRICT 16

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Special area administration services				
Salaries	\$ 166,255	\$ 166,255	\$ -	\$ 155,963
Employee benefits	37,374	37,806	(432)	34,446
Purchased services	9,300	5,701	3,599	8,193
Supplies and materials	500	97	403	56
Total	<u>213,429</u>	<u>209,859</u>	<u>3,570</u>	<u>198,658</u>
Total general administration	<u>1,508,809</u>	<u>1,431,706</u>	<u>77,103</u>	<u>1,426,308</u>
School administration				
Office of the principal services				
Salaries	1,183,460	1,183,249	211	1,071,265
Employee benefits	215,386	212,666	2,720	192,860
Purchased services	8,300	7,182	1,118	7,260
Supplies and materials	16,350	15,669	681	16,370
Other objects	-	230	(230)	-
Total	<u>1,423,496</u>	<u>1,418,996</u>	<u>4,500</u>	<u>1,287,755</u>
Total school administration	<u>1,423,496</u>	<u>1,418,996</u>	<u>4,500</u>	<u>1,287,755</u>
Business				
Direction of business support services				
Salaries	299,953	289,971	9,982	333,318
Employee benefits	54,310	58,506	(4,196)	67,486
Purchased services	52,400	37,600	14,800	38,645
Other objects	2,500	38,754	(36,254)	1,873
Total	<u>409,163</u>	<u>424,831</u>	<u>(15,668)</u>	<u>441,322</u>
Operation and maintenance of plant services				
Purchased services	5,000	1,358	3,642	4,942
Capital outlay	25,000	-	25,000	11,523
Non-capitalized equipment	100,000	17,668	82,332	187,455
Total	<u>130,000</u>	<u>19,026</u>	<u>110,974</u>	<u>203,920</u>
Food services				
Salaries	135,000	146,266	(11,266)	137,725
Employee benefits	-	712	(712)	-
Purchased services	880,000	1,007,627	(127,627)	1,053,714
Supplies and materials	3,000	645	2,355	2,240
Capital outlay	5,000	-	5,000	3,800
Other objects	2,500	2,076	424	2,032
Total	<u>1,025,500</u>	<u>1,157,326</u>	<u>(131,826)</u>	<u>1,199,511</u>
Total business	<u>1,564,663</u>	<u>1,601,183</u>	<u>(36,520)</u>	<u>1,844,753</u>

(Continued)

QUEEN BEE SCHOOL DISTRICT 16
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Central				
Information services				
Purchased services	\$ 5,000	\$ -	\$ 5,000	\$ -
Total	5,000	-	5,000	-
Data processing services				
Salaries	-	57,238	(57,238)	54,600
Total	-	57,238	(57,238)	54,600
Total central	5,000	57,238	(52,238)	54,600
Total support services	5,843,981	5,923,510	(79,529)	6,199,788
Payments to other districts and governmental units				
Payments for special education programs				
Purchased services	3,736,000	2,412,028	1,323,972	1,976,653
Other objects	-	314,265	(314,265)	-
Total	3,736,000	2,726,293	1,009,707	1,976,653
Payments for special education programs - tuition				
Other objects	-	762,823	(762,823)	1,210,341
Total	-	762,823	(762,823)	1,210,341
Total payments to other districts and governmental units	3,736,000	3,489,116	246,884	3,186,994
Total expenditures	22,077,568	22,147,197	(69,629)	21,556,581
Excess (deficiency) of revenues over expenditures	(1,329,463)	780,489	2,109,952	(513,108)
Other financing sources (uses)				
Transfer among funds	1,000,000	1,000,000	-	1,600,000
Transfer to debt service fund to pay principal on debt certificates	-	(95,000)	(95,000)	(75,000)
Transfer to debt service fund to pay interest on debt certificates	-	(14,284)	(14,284)	(40,478)
Other uses not classified elsewhere	(112,853)	-	112,853	-
Total other financing sources (uses)	887,147	890,716	3,569	1,484,522
Net change in fund balance	\$ (442,316)	1,671,205	\$ 2,113,521	971,414
Fund balance, beginning of year		4,806,391		3,834,977
Fund balance, end of year		\$ 6,477,596		\$ 4,806,391

(Concluded)

QUEEN BEE SCHOOL DISTRICT 16**WORKING CASH ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2017 ACTUAL
Revenues				
Local sources				
General levy	\$ 100,803	\$ 102,944	\$ 2,141	\$ 118,901
Total local sources	100,803	102,944	2,141	118,901
Total revenues	100,803	102,944	2,141	118,901
Expenditures				
Total expenditures	-	-	-	-
Net change in fund balance	\$ 100,803	102,944	\$ 2,141	118,901
Fund balance, beginning of year		2,757,063		2,638,162
Fund balance, end of year		\$ 2,860,007		\$ 2,757,063

QUEEN BEE SCHOOL DISTRICT NO. 16
AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018

	BALANCE JUNE 30, 2017	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2017
Assets				
Cash and investments	\$ 58,843	\$ 93,657	\$ 128,105	\$ 24,395
Total assets	<u>\$ 58,843</u>	<u>\$ 93,657</u>	<u>\$ 128,105</u>	<u>\$ 24,395</u>
Liabilities				
Due to Activity Fund Organizations:				
Glenside	\$ 37,430	\$ 78,500	\$ 112,494	\$ 3,436
Americana	12,554	4,773	4,451	12,876
Pheasant Ridge	6,180	4,920	5,449	5,651
Glen Hill	<u>2,679</u>	<u>5,464</u>	<u>5,711</u>	<u>2,432</u>
Total Due to Activity Fund Organizations	<u>58,843</u>	<u>93,657</u>	<u>128,105</u>	<u>24,395</u>
Total liabilities	<u>\$ 58,843</u>	<u>\$ 93,657</u>	<u>\$ 128,105</u>	<u>\$ 24,395</u>

QUEEN BEE SCHOOL DISTRICT 16**OPERATING COST AND TUITION CHARGE
FOR THE YEAR ENDED JUNE 30, 2018**

	2018	2017
Operating Cost Per Pupil		
Average Daily Attendance (ADA):	<u>1,651</u>	<u>1,720</u>
Operating Costs:		
Educational	\$ 22,147,197	\$ 21,556,581
Operations and maintenance	3,980,746	4,105,693
Debt service	1,604,453	1,569,425
Transportation	959,669	691,683
Municipal retirement/social security	897,554	830,497
Tort	<u>234,135</u>	<u>246,472</u>
Subtotal	<u>29,823,754</u>	<u>29,000,351</u>
Less Revenues/Expenditures of Nonregular Programs:		
Pre-K programs	415,882	709,635
Capital outlay	246,036	289,134
Non-capitalized equipment	21,923	220,783
Debt principal retired	835,595	711,514
Payments to other districts & governmental units	<u>3,463,131</u>	<u>3,186,994</u>
Subtotal	<u>4,982,567</u>	<u>5,118,060</u>
Operating costs	<u>\$ 24,841,187</u>	<u>\$ 23,882,291</u>
Operating Cost Per Pupil - Based on ADA	<u>\$ 15,046</u>	<u>\$ 13,889</u>
Tuition Charge		
Operating Costs	\$ 24,841,187	\$ 23,882,291
Less - revenues from specific programs, such as special education or lunch programs	<u>4,113,770</u>	<u>3,266,877</u>
Net operating costs	20,727,417	20,615,414
Depreciation allowance	<u>835,297</u>	<u>686,980</u>
Allowable Tuition Costs	<u>\$ 21,562,714</u>	<u>\$ 21,302,394</u>
Tuition Charge Per Pupil - based on ADA	<u>\$ 13,061</u>	<u>\$ 12,389</u>

QUEEN BEE SCHOOL DISTRICT 16

2001A CAPITAL APPRECIATION BONDS

AS OF JUNE 30, 2018

YEAR ENDED JUNE 30,	PRINCIPAL
2019	\$ 515,000
2020	530,000
2021	550,000
2022	<u>565,000</u>
Total	<u>\$ 2,160,000</u>

Paying Agent:	Cole Taylor Bank
Principal payment date:	November 1
Interest payment dates:	November 1
Interest rates:	4.75% - 5.00%

QUEEN BEE SCHOOL DISTRICT 16

2006 SCHOOL BUILDING BONDS

AS OF JUNE 30, 2018

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2019	<u>\$ 550,000</u>	<u>\$ 11,275</u>	<u>\$ 561,275</u>
Total	<u><u>\$ 550,000</u></u>	<u><u>\$ 11,275</u></u>	<u><u>\$ 561,275</u></u>

Paying Agent: JP Morgan Chase

Principal payment date: November 1

Interest payment dates: May 1 and November 1

Interest rates: 3.70% - 4.30%

QUEEN BEE SCHOOL DISTRICT 16
2013A GENERAL OBLIGATION REFUNDING SCHOOL BONDS
AS OF JUNE 30, 2018

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2019	\$ -	\$ 35,525	\$ 35,525
2020	-	35,525	35,525
2021	-	35,525	35,525
2022	-	35,525	35,525
2023	580,000	35,525	615,525
2024	<u>420,000</u>	<u>15,225</u>	<u>435,225</u>
Total	<u>\$ 1,000,000</u>	<u>\$ 192,850</u>	<u>\$ 1,192,850</u>

Paying Agent: Amalgamated Bank of Chicago

Principal payment date: January 1

Interest payment dates: January 1 and June 1

Interest rates: 3.50% to 3.63%

QUEEN BEE SCHOOL DISTRICT 16
2013B TAXABLE GENERAL OBLIGATION LIMITED TAX SCHOOL BONDS
AS OF JUNE 30, 2018

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2019	\$ -	\$ 265,525	\$ 265,525
2020	-	265,525	265,525
2021	-	265,525	265,525
2022	-	265,525	265,525
2023	-	265,525	265,525
2024	200,000	265,525	465,525
2025	655,000	259,025	914,025
2026	695,000	237,738	932,738
2027	740,000	215,150	955,150
2028	785,000	189,250	974,250
2029	830,000	161,775	991,775
2030	880,000	132,725	1,012,725
2031	930,000	101,925	1,031,925
2032	940,000	69,375	1,009,375
2033	<u>910,000</u>	<u>34,125</u>	<u>944,125</u>
Total	<u>\$ 7,565,000</u>	<u>\$ 2,994,238</u>	<u>\$ 10,559,238</u>

Paying Agent: Amalgamated Bank of Chicago

Principal payment date: January 1

Interest payment dates: January 1 and June 1

Interest rates: 3.25% to 3.75%

QUEEN BEE SCHOOL DISTRICT 16
2015 GENERAL OBLIGATION REFUNDING SCHOOL BONDS
AS OF JUNE 30, 2018

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2019	\$ 30,000	\$ 141,819	\$ 171,819
2020	650,000	128,519	778,519
2021	730,000	100,919	830,919
2022	810,000	74,169	884,169
2023	885,000	53,169	938,169
2024	965,000	34,669	999,669
2025	1,045,000	13,916	1,058,916
2026	<u>125,000</u>	<u>1,406</u>	<u>126,406</u>
Total	<u>\$ 5,240,000</u>	<u>\$ 548,586</u>	<u>\$ 5,788,586</u>

Paying Agent: Amalgamated Bank of Chicago

Principal payment date: November 1

Interest payment dates: November 1 and May 1

Interest rates: 2.00% to 2.25%

QUEEN BEE SCHOOL DISTRICT 16
2017 GENERAL OBLIGATION REFUNDING DEBT CERTIFICATES
AS OF JUNE 30, 2018

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2019	\$ 85,000	\$ 20,477	\$ 105,477
2020	85,000	18,442	103,442
2021	90,000	16,406	106,406
2022	95,000	14,250	109,250
2023	100,000	11,975	111,975
2024	95,000	9,580	104,580
2025	100,000	7,305	107,305
2026	100,000	4,910	104,910
2027	<u>105,000</u>	<u>2,514</u>	<u>107,514</u>
Total	<u>\$ 855,000</u>	<u>\$ 105,859</u>	<u>\$ 960,859</u>

Paying Agent:

JP Morgan Chase

Principal payment date:

January 1

Interest payment dates:

January 1 and July 1

Interest rates:

2.395%

QUEEN BEE SCHOOL DISTRICT 16
BUDGETED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR FISCAL YEAR 2018
AS OF JUNE 30, 2018

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS	TOTAL
Fund Balance, July 1, 2018	\$ 9,337,603	\$ 1,399,019	\$ 896,287	\$ 543,360	\$ 12,176,269
Add Revenues	22,355,188	6,385,281	1,577,786	314,699	30,632,954
Less Expenditures	(22,390,065)	(6,309,640)	(1,657,620)	(162,000)	(30,519,325)
Transfers	(105,477)	-	105,477	-	-
Fund Balance, June 30, 2019	<u>\$ 9,197,249</u>	<u>\$ 1,474,660</u>	<u>\$ 921,930</u>	<u>\$ 696,059</u>	<u>\$ 12,289,898</u>

Note: The General Fund includes the District's Educational Accounts and Working Cash Accounts. The Special Revenue Funds include the District's Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/ Social Security Fund and Tort Immunity and Judgment Fund. The Capital Projects Funds include the District's Capital Projects Fund and Fire Prevention and Life Safety Fund.

Source: The District's 2018 Comprehensive Annual Financial Report and 2019 Budget.

Statistical Section

This part of the District'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 says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	85
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	97
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity	103
These 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.	
Demographic and Economic Information	108
These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.	
Operating Information	112
These schedules contain information about the District's service and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	

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

QUEEN BEE SCHOOL DISTRICT 16**NET POSITION BY COMPONENT**

LAST TEN FISCAL YEARS

	2018	2017**	2016	2015
Governmental activities				
Net investment in capital assets	\$ 3,376,109	\$ 2,613,112	\$ 2,011,050	\$ 1,548,126
Restricted	1,678,745	1,097,854	1,893,320	2,209,246
Unrestricted	<u>(11,666,601)</u>	<u>2,381,979</u>	<u>1,615,792</u>	<u>(258,305)</u>
Total governmental activities net position	<u>\$ (6,611,747)</u>	<u>\$ 6,092,945</u>	<u>\$ 5,520,162</u>	<u>\$ 3,499,067</u>

*2014 information and prior is not restated for the implementation of GASB 68 and 71

**2017 information and prior is not restated for the implementation of GASB 75

2014*	2013	2012	2011	2010	2009
\$ 2,138,219	\$ 2,084,606	\$ 3,217,821	\$ 1,646,426	\$ 1,781,978	\$ 1,503,789
2,012,061	2,052,720	1,683,138	1,915,339	748,303	747,993
<u>2,622,700</u>	<u>2,041,402</u>	<u>1,485,363</u>	<u>1,851,842</u>	<u>381,998</u>	<u>(1,749,592)</u>
<u>\$ 6,772,980</u>	<u>\$ 6,178,728</u>	<u>\$ 6,386,322</u>	<u>\$ 5,413,607</u>	<u>\$ 2,912,279</u>	<u>\$ 502,190</u>

QUEEN BEE SCHOOL DISTRICT 16

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2018	2017	2016	2015
Expenses				
Instruction:				
Regular programs	\$ 8,765,560	\$ 8,307,498	\$ 7,886,681	\$ 7,800,694
Special programs	6,269,369	5,753,757	5,218,673	5,959,297
Other instructional programs	2,277,759	2,412,311	2,016,215	1,844,683
State retirement contributions	1,035,753	8,638,808	5,931,725	5,530,945
Support services:				
Pupils	492,597	485,012	492,145	383,312
Instructional staff	1,261,737	1,495,352	1,461,894	1,519,507
General administration	1,789,813	1,703,470	1,711,267	1,645,843
School administration	1,734,211	1,481,683	1,443,825	1,427,976
Business	1,952,523	2,091,118	1,945,648	1,859,219
Transportation	925,617	713,095	526,267	661,924
Operations and maintenance	3,332,777	3,778,802	3,183,255	3,497,294
Central	70,264	67,080	64,187	71,601
Other supporting services	-	-	-	-
Interest and fees	570,096	695,224	719,462	928,572
Total expenses	<u>\$ 30,478,076</u>	<u>\$ 37,623,210</u>	<u>\$ 32,601,244</u>	<u>\$ 33,130,867</u>
Program Revenues				
Charges for services:				
Instruction:				
Regular programs	\$ 183,171	\$ 152,582	\$ 123,832	\$ 94,573
Special programs	278,119	-	685,842	830,252
Support services:				
Business	18,911	20,374	107,588	146,952
Transportation	1,297	2,568	2,950	2,566
Operations and maintenance	225,889	266,144	271,240	265,152
Operating grants and contributions	3,987,957	11,797,549	8,668,498	8,114,598
Capital grants and contributions	-	-	-	-
Total program revenues	<u>\$ 4,695,344</u>	<u>\$ 12,239,217</u>	<u>\$ 9,859,950</u>	<u>\$ 9,454,093</u>
Net (expense)/revenue	<u>\$ (25,782,732)</u>	<u>\$ (25,383,993)</u>	<u>\$ (22,741,294)</u>	<u>\$ (23,676,774)</u>
General revenues				
Taxes:				
Real estate taxes, levied for general purposes	\$ 12,249,082	\$ 11,732,566	\$ 11,456,494	\$ 11,459,550
Real estate taxes, levied for specific purposes	6,382,393	6,312,997	6,520,676	6,163,127
Real estate taxes, levied for debt service	1,539,575	1,457,562	1,438,465	1,406,499
Personal property replacement taxes	77,557	94,216	85,302	93,176
State aid-formula grants	6,853,029	5,637,664	5,240,115	4,616,655
Investment earnings	1,650	548	(1,758)	941
Miscellaneous	732,236	721,223	23,095	78,615
Total general revenues	<u>\$ 27,835,522</u>	<u>\$ 25,956,776</u>	<u>\$ 24,762,389</u>	<u>\$ 23,818,563</u>
Change in net position	<u>\$ 2,052,790</u>	<u>\$ 572,783</u>	<u>\$ 2,021,095</u>	<u>\$ 141,789</u>

2014	2013	2012	2011	2010	2009
\$ 7,878,288	\$ 7,734,367	\$ 7,407,528	\$ 7,097,493	\$ 7,798,101	\$ 7,364,397
5,103,664	4,924,567	4,028,861	3,378,130	3,446,198	3,188,590
1,784,553	2,031,073	1,875,547	1,550,280	1,511,787	1,649,906
3,919,469	3,083,892	2,635,403	2,277,948	2,564,245	1,876,554
356,725	348,357	346,371	404,725	388,130	371,823
1,374,588	1,320,754	1,181,569	1,086,500	1,205,731	1,225,047
1,541,267	1,381,672	1,267,995	1,250,012	1,272,079	1,187,912
1,415,637	1,278,822	1,264,012	1,156,240	1,326,410	1,471,011
1,401,200	1,282,661	1,166,701	811,357	796,046	629,301
614,949	683,071	647,722	665,135	604,172	599,387
3,097,012	3,139,083	3,011,830	2,697,759	2,594,563	2,581,322
77,804	149,055	100,994	90,629	82,332	117,782
-	-	-	-	1,000	-
1,305,229	647,202	717,960	793,636	825,390	859,166
<u>\$ 29,870,385</u>	<u>\$ 28,004,576</u>	<u>\$ 25,652,493</u>	<u>\$ 23,259,844</u>	<u>\$ 24,416,184</u>	<u>\$ 23,122,198</u>
\$ 106,055	\$ 134,336	\$ 118,956	\$ 150,249	\$ 645,247	\$ 147,032
638,364	610,661	551,616	534,589	557,626	374,666
147,719	161,244	174,686	66,067	49,305	31,336
1,047	1,001	2,371	3,668	1,486	3,420
269,528	247,571	255,804	246,778	242,556	234,937
6,452,117	5,556,484	5,002,821	4,703,871	5,783,781	4,101,960
95,010	-	-	-	130,000	-
<u>\$ 7,709,840</u>	<u>\$ 6,711,297</u>	<u>\$ 6,106,254</u>	<u>\$ 5,705,222</u>	<u>\$ 7,410,001</u>	<u>\$ 4,893,351</u>
<u>\$ (22,160,545)</u>	<u>\$ (21,293,279)</u>	<u>\$ (19,546,239)</u>	<u>\$ (17,554,622)</u>	<u>\$ (17,006,183)</u>	<u>\$ (18,228,847)</u>
\$ 12,232,087	\$ 12,986,302	\$ 13,306,474	\$ 13,110,355	\$ 12,917,598	\$ 12,599,146
5,210,620	4,001,396	3,428,754	3,435,607	3,400,449	3,319,804
1,364,080	1,289,995	1,232,947	1,206,955	1,179,491	1,138,020
90,712	85,643	83,821	91,117	70,261	86,851
3,781,861	2,848,275	2,466,367	2,195,620	1,815,256	1,571,171
3,342	(558)	591	4,116	9,217	152,695
72,095	-	-	12,180	24,000	-
<u>\$ 22,754,797</u>	<u>\$ 21,211,053</u>	<u>\$ 20,518,954</u>	<u>\$ 20,055,950</u>	<u>\$ 19,416,272</u>	<u>\$ 18,867,687</u>
<u>\$ 594,252</u>	<u>\$ (82,226)</u>	<u>\$ 972,715</u>	<u>\$ 2,501,328</u>	<u>\$ 2,410,089</u>	<u>\$ 638,840</u>

QUEEN BEE SCHOOL DISTRICT 16
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014
General Fund					
Nonspendable	\$ 178,979	\$ 182,949	\$ 179,354	\$ 169,535	\$ 156,956
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Unassigned	<u>9,158,624</u>	<u>7,380,505</u>	<u>6,293,785</u>	<u>5,088,009</u>	<u>5,242,908</u>
Total general fund	<u>\$ 9,337,603</u>	<u>\$ 7,563,454</u>	<u>\$ 6,473,139</u>	<u>\$ 5,257,544</u>	<u>\$ 5,399,864</u>
All other governmental funds					
Nonspendable	\$ 440,419	\$ 416,702	\$ 196,475	\$ 196,446	\$ 402,788
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Restricted	2,178,772	1,689,648	2,438,638	3,178,381	6,613,412
Assigned	229,759	841,629	1,217,088	834,278	614,662
Unassigned (deficit)	<u>(10,284)</u>	<u>(15,519)</u>	<u>-</u>	<u>-</u>	<u>(80,516)</u>
Total all other governmental funds	<u>\$ 2,838,666</u>	<u>\$ 2,932,460</u>	<u>\$ 3,852,201</u>	<u>\$ 4,209,105</u>	<u>\$ 7,550,346</u>

The District began reporting using the GASB 54 format in the 2011 fiscal year.

2013	2012	2011	2010	2009
\$ 38,021	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	12,580	(1,434,760)
<u>4,908,666</u>	<u>5,207,776</u>	<u>4,240,815</u>	<u>-</u>	<u>-</u>
<u>\$ 4,946,687</u>	<u>\$ 5,207,776</u>	<u>\$ 4,240,815</u>	<u>\$ 12,580</u>	<u>\$ (1,434,760)</u>
\$ 96,169	\$ -	\$ -	\$ -	\$ -
-	-	-	3,483,025	3,096,198
-	-	-	433,586	407,316
-	-	-	(53,886)	(210,535)
9,114,351	1,745,158	1,978,525	-	-
113,573	112,567	110,194	-	-
<u>(99,477)</u>	<u>(99,477)</u>	<u>(99,477)</u>	<u>-</u>	<u>-</u>
<u>\$ 9,224,616</u>	<u>\$ 1,758,248</u>	<u>\$ 1,989,242</u>	<u>\$ 3,862,725</u>	<u>\$ 3,292,979</u>

QUEEN BEE SCHOOL DISTRICT 16
GOVERNMENTAL FUNDS REVENUES
 LAST TEN FISCAL YEARS

	2018	2017	2016	2015
Local Sources				
Property taxes	\$ 20,171,050	\$ 19,503,125	\$ 19,415,635	\$ 19,029,176
Replacement taxes	77,557	94,216	85,302	93,176
Earnings on investments	1,650	548	(1,758)	941
Other local sources	<u>1,439,623</u>	<u>1,162,891</u>	<u>1,214,547</u>	<u>1,418,110</u>
Total local sources	<u>21,689,880</u>	<u>20,760,780</u>	<u>20,713,726</u>	<u>20,541,403</u>
State sources	<u>9,166,266</u>	<u>15,604,993</u>	<u>12,323,760</u>	<u>11,489,986</u>
Federal sources	<u>1,683,716</u>	<u>1,714,086</u>	<u>1,325,098</u>	<u>1,241,267</u>
Total	<u>\$ 32,539,862</u>	<u>\$ 38,079,859</u>	<u>\$ 34,362,584</u>	<u>\$ 33,272,656</u>

2014	2013	2012	2011	2010	2009
\$ 18,806,787	\$ 18,277,693	\$ 17,968,175	\$ 17,752,917	\$ 17,497,538	\$ 17,056,970
90,712	85,643	83,821	91,117	70,261	86,851
3,342	(558)	591	4,116	9,217	157,786
<u>1,236,292</u>	<u>1,164,279</u>	<u>1,166,922</u>	<u>1,026,372</u>	<u>1,539,141</u>	<u>871,143</u>
<u>20,137,133</u>	<u>19,527,057</u>	<u>19,219,509</u>	<u>18,874,522</u>	<u>19,116,157</u>	<u>18,172,750</u>
<u>9,105,890</u>	<u>7,395,292</u>	<u>6,308,296</u>	<u>5,719,910</u>	<u>5,812,168</u>	<u>4,648,215</u>
<u>1,221,614</u>	<u>1,000,001</u>	<u>972,035</u>	<u>1,166,740</u>	<u>1,897,948</u>	<u>945,164</u>
<u>\$ 30,464,637</u>	<u>\$ 27,922,350</u>	<u>\$ 26,499,840</u>	<u>\$ 25,761,172</u>	<u>\$ 26,826,273</u>	<u>\$ 23,766,129</u>

QUEEN BEE SCHOOL DISTRICT 16
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014
Current:					
Instruction					
Regular programs	\$ 8,085,186	\$ 7,727,125	\$ 7,336,379	\$ 7,311,318	\$ 7,494,704
Special programs	2,705,976	2,363,234	2,552,167	2,790,553	2,574,029
Other instructional programs	2,343,657	2,426,982	1,934,858	1,834,214	1,763,270
State retirement contributions	<u>1,035,753</u>	<u>8,638,808</u>	<u>5,931,725</u>	<u>5,530,945</u>	<u>3,919,469</u>
Total instruction	<u>14,170,572</u>	<u>21,156,149</u>	<u>17,755,129</u>	<u>17,467,030</u>	<u>15,751,472</u>
Supporting Services					
Pupils	483,043	471,873	450,719	377,715	356,725
Instructional staff	993,782	1,181,080	1,265,144	1,298,569	1,190,500
General administration	1,698,528	1,698,967	1,640,249	1,587,862	1,511,441
School administration	1,486,399	1,351,102	1,344,003	1,375,353	1,353,123
Business	1,794,558	1,896,818	1,746,330	1,599,593	1,394,481
Transportation	960,008	701,330	521,663	658,363	614,949
Operations and maintenance	3,901,759	4,371,041	4,176,940	7,439,921	4,252,017
Central	<u>57,238</u>	<u>54,600</u>	<u>52,000</u>	<u>61,712</u>	<u>68,607</u>
Total supporting services	<u>11,375,315</u>	<u>11,726,811</u>	<u>11,197,048</u>	<u>14,399,088</u>	<u>10,741,843</u>
Community services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Nonprogrammed charges	<u>3,463,131</u>	<u>3,186,994</u>	<u>2,769,346</u>	<u>3,061,889</u>	<u>2,501,425</u>
Total current	<u>29,009,018</u>	<u>36,069,954</u>	<u>31,721,523</u>	<u>34,928,007</u>	<u>28,994,740</u>
Other:					
Debt service:					
Principal	835,595	711,514	940,011	789,990	775,000
Interest	768,858	857,911	603,874	809,658	640,433
Capital outlay	<u>246,036</u>	<u>289,134</u>	<u>238,485</u>	<u>334,889</u>	<u>1,275,557</u>
Total Other	<u>1,850,489</u>	<u>1,858,559</u>	<u>1,782,370</u>	<u>1,934,537</u>	<u>2,690,990</u>
Total	<u>\$ 30,859,507</u>	<u>\$ 37,928,513</u>	<u>\$ 33,503,893</u>	<u>\$ 36,862,544</u>	<u>\$ 31,685,730</u>
Debt service as a percentage of noncapital expenditures	5.24%	4.17%	4.64%	4.38%	4.65%

2013	2012	2011	2010	2009
\$ 7,141,514	\$ 7,005,663	\$ 6,684,744	\$ 7,512,826	\$ 7,119,590
2,377,162	2,157,766	1,853,237	1,943,711	1,617,991
2,031,429	1,868,575	1,550,280	1,512,256	1,649,906
<u>3,083,892</u>	<u>2,635,403</u>	<u>2,277,948</u>	<u>2,564,245</u>	<u>1,876,554</u>
<u>14,633,997</u>	<u>13,667,407</u>	<u>12,366,209</u>	<u>13,533,038</u>	<u>12,264,041</u>
348,357	344,076	404,725	388,130	371,823
1,047,160	975,483	912,473	1,072,094	1,095,895
1,391,092	1,260,964	1,234,616	1,248,437	1,211,885
1,235,496	1,238,824	1,232,596	1,280,788	1,429,538
1,267,077	1,137,412	808,973	778,503	640,673
683,071	647,722	665,135	604,172	599,387
3,225,316	2,831,770	2,554,247	2,503,424	2,841,905
<u>95,200</u>	<u>93,024</u>	<u>81,922</u>	<u>73,635</u>	<u>110,551</u>
<u>9,292,769</u>	<u>8,529,275</u>	<u>7,894,687</u>	<u>7,949,183</u>	<u>8,301,657</u>
-	-	-	1,000	-
<u>2,451,698</u>	<u>1,786,199</u>	<u>1,504,744</u>	<u>1,462,990</u>	<u>1,546,751</u>
<u>26,378,464</u>	<u>23,982,881</u>	<u>21,765,640</u>	<u>22,946,211</u>	<u>22,112,449</u>
514,030	499,010	481,773	532,704	601,086
850,290	842,634	874,920	867,525	864,132
<u>337,552</u>	<u>439,348</u>	<u>284,087</u>	<u>1,612,148</u>	<u>3,112,075</u>
<u>1,701,872</u>	<u>1,780,992</u>	<u>1,640,780</u>	<u>3,012,377</u>	<u>4,577,293</u>
<u>\$ 28,080,336</u>	<u>\$ 25,763,873</u>	<u>\$ 23,406,420</u>	<u>\$ 25,958,588</u>	<u>\$ 26,689,742</u>
4.92%	5.30%	5.87%	5.75%	6.21%

QUEEN BEE SCHOOL DISTRICT 16
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES
LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014
Excess of revenues over (under) expenditures	\$ 1,680,355	\$ 151,346	\$ 858,691	\$ (3,589,888)	\$ (1,221,093)
Other financing sources (uses)					
Principal on bonds sold	-	-	-	-	-
Principal on refunding bonds sold	-	950,000	-	5,375,000	-
Premium on bonds sold	-	-	-	240,308	-
Payments to escrow agent	-	(930,772)	-	(5,508,981)	-
Transfers in	2,409,284	3,415,478	3,112,753	2,690,112	2,440,054
Transfers out	<u>(2,409,284)</u>	<u>(3,415,478)</u>	<u>(3,112,753)</u>	<u>(2,690,112)</u>	<u>(2,440,054)</u>
Total	<u>-</u>	<u>19,228</u>	<u>-</u>	<u>106,327</u>	<u>-</u>
Net change in fund balances	<u>\$ 1,680,355</u>	<u>\$ 170,574</u>	<u>\$ 858,691</u>	<u>\$ (3,483,561)</u>	<u>\$ (1,221,093)</u>

2013	2012	2011	2010	2009
<hr/>				
\$ (157,986)	\$ 735,967	\$ 2,354,752	\$ 867,685	\$ (2,923,613)
7,033,396	-	-	1,139,888	-
1,531,604	-	-	125,112	-
329,869	-	-	9,513	-
(1,531,604)	-	-	(125,112)	-
514,472	85,103	83,978	184,774	256,985
<u>(514,472)</u>	<u>(85,103)</u>	<u>(83,978)</u>	<u>(184,774)</u>	<u>(256,985)</u>
<u>7,363,265</u>	<u>-</u>	<u>-</u>	<u>1,149,401</u>	<u>-</u>
<u>\$ 7,205,279</u>	<u>\$ 735,967</u>	<u>\$ 2,354,752</u>	<u>\$ 2,017,086</u>	<u>\$ (2,923,613)</u>

QUEEN BEE SCHOOL DISTRICT 16
ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN LEVY YEARS

LEVY YEAR	ASSESSED VALUATION				
	RESIDENTIAL	FARMS	COMMERCIAL	INDUSTRIAL	RAILROAD
2017	\$ 269,403,533	\$ 5,750	\$ 24,433,330	\$ 46,853,930	\$ 124,882
2016	248,116,385	5,230	25,011,370	45,305,891	153,052
2015	229,901,499	5,140	23,380,140	43,561,290	125,676
2014	227,193,880	4,670	19,872,790	46,039,810	116,017
2013	233,788,210	4,250	19,136,120	48,319,020	86,711
2012	255,481,785	3,860	19,138,060	52,167,160	79,581
2011	292,013,746	3,510	19,882,710	58,507,360	65,352
2010	344,893,541	3,200	19,027,100	59,674,700	71,951
2009	371,960,997	2,910	20,431,310	64,230,920	69,053
2008	374,747,016	2,640	20,486,530	66,663,520	56,432

Source: DuPage County Clerk

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

LESS: EXEMPTIONS		TOTAL ASSESSED VALUE	TOTAL DIRECT RATE	ESTIMATED ACTUAL VALUE
\$	-	\$ 340,821,425	\$ 5.8798	\$ 1,022,464,275
	-	318,591,928	6.1507	955,775,784
	-	296,973,745	6.5377	890,921,235
	-	293,227,167	6.5709	879,681,501
	-	301,334,311	6.2877	904,002,933
	-	326,870,446	5.6866	980,611,338
	-	370,472,678	4.8577	1,111,418,034
	-	423,670,492	4.2369	1,271,011,476
	-	456,695,190	3.8252	1,370,085,570
	-	461,956,138	3.7688	1,385,868,414

QUEEN BEE SCHOOL DISTRICT 16
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN TAX LEVY YEARS

	2017	2016	2015	2014
District direct rates				
Educational	\$3.1946	\$3.3605	\$3.4860	\$3.4531
Tort immunity	0.0745	0.0785	0.0842	0.0908
Operations and maintenance	0.5138	0.5231	0.5476	0.5425
Special education	0.3711	0.3805	0.3990	0.3944
Bond and interest	0.4522	0.4653	0.4820	0.4894
Transportation	0.9132	0.9684	1.1219	1.1753
Life safety	0.0914	0.0904	0.0997	0.0986
Working cash	0.0300	0.0314	0.0470	0.0463
Illinois municipal retirement	0.1419	0.1506	0.1586	0.1650
Social security	0.0971	0.1020	0.1117	0.1155
Total direct	<u>5.8798</u>	<u>6.1507</u>	<u>6.5377</u>	<u>6.5709</u>
Representative (Direct and Overlapping) Tax Rates				
County of DuPage	0.1749	0.1848	0.1971	0.2057
Forest Preserve District	0.1306	0.1514	0.1622	0.1691
Bloomington Township	0.0984	0.0833	0.0911	0.1069
Village of Glendale Heights	1.2891	1.3086	1.3995	1.3899
Bloomington Township Road District	0.1056	0.1112	0.1180	0.1205
Glenside Fire Protection District	0.9975	1.1434	1.2087	1.1904
Glenside Library District	0.5857	0.6125	0.6504	0.6398
Township High School District No. 87	2.3402	2.4030	2.5173	2.5824
DuPage Airport Authority	0.0166	0.0176	0.0188	0.0196
Community College District No. 502	-	0.2626	0.2786	0.2975
Total Representative Tax Rate (Direct and Overlapping)	<u>\$11.6184</u>	<u>\$12.4291</u>	<u>\$13.1794</u>	<u>\$13.2927</u>

Source: DuPage County Clerk

Note: Tax rates are per \$100 of assessed value.

Note: The District's ability to raise its direct rate is restricted by the tax rate ceiling and the PTELA limitation. The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District. The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lessor of 5% or 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.

2013	2012	2011	2010	2009	2008
\$3.5000	\$3.4864	\$3.5000	\$3.1379	\$2.8163	\$2.7900
0.0890	0.0773	0.0137	-	-	-
0.5500	0.5479	0.5500	0.5500	0.5314	0.5255
0.4000	0.3983	0.0955	-	-	-
0.4609	0.4077	0.3370	0.2878	0.2603	0.2516
0.8528	0.3878	0.1364	0.1121	0.0905	0.0895
0.1000	0.0995	0.0137	-	-	-
0.0500	0.0498	0.0205	-	-	-
0.1676	0.1314	0.1091	0.0835	0.0692	0.0535
0.1174	0.1005	0.0818	0.0656	0.0575	0.0587
<u>6.2877</u>	<u>5.6866</u>	<u>4.8577</u>	<u>4.2369</u>	<u>3.8252</u>	<u>3.7688</u>
0.2040	0.1929	0.1773	0.1659	0.1554	0.1557
0.1657	0.1542	0.1414	0.1321	0.1217	0.1206
0.1060	0.0952	0.0846	0.0773	0.0695	0.0684
1.2675	1.1368	0.9918	0.8950	0.8637	0.8639
0.1147	0.1031	0.0886	0.0809	0.0727	0.0715
1.0817	0.9722	0.8442	0.7297	0.6615	0.6841
0.6070	0.4908	0.4183	0.3626	0.3281	0.3218
2.4877	2.2868	2.0199	1.8378	1.6749	1.6507
0.0178	0.0168	0.0169	0.0158	0.0148	0.0160
0.2956	0.2681	0.2495	0.2349	0.2127	0.1858
<u>\$12.6354</u>	<u>\$11.5365</u>	<u>\$10.0075</u>	<u>\$8.8663</u>	<u>\$8.0878</u>	<u>\$7.9944</u>

QUEEN BEE SCHOOL DISTRICT 16
PRINCIPAL PROPERTY TAXPAYERS IN THE DISTRICT
CURRENT YEAR AND NINE YEARS AGO

TAXPAYER	2017 EQUALIZED ASSESSED VALUATION	PERCENTAGE OF TOTAL 2017 EQUALIZED ASSESSED VALUATION
FPA Glenlake Campus	\$ 9,669,570	3.21%
FLT Fordham 7J LLC	9,378,680	3.11%
Crane & Norcross	4,998,010	1.66%
Prologis	3,308,200	1.10%
Glen Pointe V & VII	3,202,260	1.06%
Spraying Systems Co	3,171,200	1.05%
AMB Property Corp	3,086,850	1.02%
CB Richard Ellis	2,953,220	0.98%
Judy LLC	1,462,190	0.49%
CHP Bloomingdale Real Est	<u>1,339,530</u>	<u>0.44%</u>
	<u>\$ 42,569,710</u>	<u>14.13%</u>

Taxpayer	2008 EQUALIZED ASSESSED VALUATION	PERCENTAGE OF TOTAL 2008 EQUALIZED ASSESSED VALUATION
Crane and Norcross	\$ 10,200,960	2.21%
EQR - RE Tax Department	7,611,150	1.65%
UBS Realty Investors LLC	6,254,770	1.35%
AMB Institutional Alliance	4,735,860	1.03%
CB & K Rems/Rachel Peck	4,060,640	0.88%
National Tax Search	3,945,580	0.85%
Spraying Systems Co.	3,916,970	0.85%
Deloight Property Tax	2,584,400	0.56%
Estate of James Campbell	2,476,700	0.54%
Van Der Molen Properties	<u>2,010,860</u>	<u>0.44%</u>
Total	<u>\$ 47,797,890</u>	<u>10.36%</u>

Source: Offices of the DuPage County Clerk, Assessor and Bloomingdale Township Assessor.

QUEEN BEE SCHOOL DISTRICT 16
PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN LEVY YEARS

LEVY YEAR	TAXES LEVIED FOR THE		COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
	LEVY YEAR		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2017	\$ 20,039,618	\$	10,338,815	51.6%	\$ -	\$ 10,338,815	51.59%
2016	19,595,634		9,954,277	50.8%	9,597,169	19,551,446	99.77%
2015	19,415,253		9,723,070	50.1%	9,652,055	19,375,125	99.79%
2014	19,267,663		9,189,793	47.7%	10,025,668	19,215,461	99.73%
2013	18,946,997		9,324,277	49.2%	9,596,268	18,920,545	99.86%
2012	18,587,815		8,975,930	48.3%	9,554,731	18,530,661	99.69%
2011	17,996,453		8,846,048	49.2%	9,064,509	17,910,557	99.52%
2010	17,950,495		8,875,033	49.4%	9,053,456	17,928,489	99.88%
2009	17,469,504		8,383,384	48.0%	9,071,007	17,454,391	99.91%
2008	17,410,203		8,220,024	47.2%	9,146,682	17,366,706	99.75%

Source of information : DuPage County Levy, Rate, and Extension Reports for 2008-2017.

QUEEN BEE SCHOOL DISTRICT 16

RATIO OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

YEAR	GENERAL OBLIGATION BONDS	CAPITAL LEASES	INSTALLMENT AGREEMENTS	TOTAL	PERCENTAGE OF PERSONAL INCOME	OUTSTANDING DEBT PER CAPITA
2018	\$ 15,238,228	\$ -	\$ 855,000	\$ 16,093,228	1.97%	473
2017	15,978,823	-	950,000	16,928,823	2.10%	496
2016	16,615,337	-	990,000	17,605,337	2.14%	511
2015	17,163,792	-	1,060,000	18,223,792	2.10%	528
2014	17,416,112	-	1,130,000	18,546,112	2.13%	537
2013	17,806,483	-	1,200,000	19,006,483	2.27%	549
2012	10,307,312	12,182	1,265,000	11,584,494	1.61%	336
2011	10,726,703	26,801	1,330,000	12,083,504	1.70%	353
2010	11,133,857	41,420	1,390,000	12,565,277	1.77%	367
2009	11,532,485	85,496	330,000	11,947,981	1.68%	368

Note: General obligation bonds do not include accretion related to capital appreciation bonds.

Note: See Demographic and Economic Statistics table for personal and population data.

QUEEN BEE SCHOOL DISTRICT 16
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL BONDED DEBT	LESS: AMOUNTS AVAILABLE TO REPAY PRINCIPAL	NET GENERAL BONDED DEBT	PERCENTAGE OF NET GENERAL BONDED DEBT TO ESTIMATED ACTUAL VALUATION	NET GENERAL BONDED DEBT PER CAPITA
2018	\$ 15,238,228	\$ 694,860	\$ 14,543,368	1.42%	427.02
2017	15,978,823	651,690	15,327,133	1.60%	448.88
2016	16,615,337	605,226	16,010,111	1.80%	464.94
2015	17,163,792	591,164	16,572,628	1.88%	479.95
2014	17,416,112	510,760	16,905,352	1.87%	488.31
2013	17,806,483	232,960	17,573,523	1.94%	507.61
2012	10,307,312	388,973	9,918,339	1.01%	287.45
2011	10,726,703	412,560	10,314,143	0.93%	301.51
2010	11,133,857	433,586	10,700,271	0.84%	312.80
2009	11,532,485	407,316	11,125,169	0.81%	342.68
2008	11,903,451	362,994	11,540,457	0.83%	355.47

QUEEN BEE SCHOOL DISTRICT 16
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2018

GOVERNMENTAL JURISDICTION	GENERAL OBLIGATION BONDED DEBT OUTSTANDING		OVERLAPPING PERCENT	NET DIRECT AND OVERLAPPING DEBT
Overlapping debt:				
County				
DuPage County	\$31,845,000	(1)(3)	0.892%	\$ 283,977
DuPage County Forest Preserve	111,711,749	(2)	0.892%	996,185
School Districts				
High School District #87	51,230,000	(1)(3)	6.295%	3,225,011
College of DuPage #502	151,525,000	(1)	0.788%	1,194,600
Fire Protection Districts:				
Glenside Fire Protection District	0	(3)	62.931%	0
Library District:				
Glenside Library District	0	(1)	51.098%	0
Municipalities				
Village of Glendale Heights	31,075,000		49.543%	<u>15,395,431</u>
Total overlapping debt				21,095,204
Direct debt:				
School District #16	15,238,228	(2)	100.000%	<u>15,238,228</u>
Total Direct and Overlapping Debt				<u>\$ 36,333,432</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 Certificates of Indebtedness and/or notes.

NOTE: Percent applicable to School District calculated using assessed valuation of the School District area value contained within the noted governmental unit divided by assessed valuation of the governmental unit.
Overlapping governments with no outstanding debt are not reflected.

QUEEN BEE SCHOOL DISTRICT 16
LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed Valuation	\$ 340,821,425	
Debt Limit - 6.9% of Assessed Valuation	23,516,678	\$ 23,516,678
Total Debt Outstanding	16,093,228	
Less: Exempted Debt	-	
Net Subject to 6.9% Limit		<u>\$ 16,093,228</u>
Total Debt Margin		<u>\$ 7,423,450</u>

	2018	2017	2015	2014
Debt Limit	\$ 23,516,678	\$ 21,982,843	\$ 20,232,675	\$ 20,792,067
Total Net Debt Applicable to Limit	<u>16,093,228</u>	<u>16,928,823</u>	<u>18,223,792</u>	<u>18,546,112</u>
Legal Debt Margin	<u>\$ 7,423,450</u>	<u>\$ 5,054,020</u>	<u>\$ 2,008,883</u>	<u>\$ 2,245,955</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	68.43%	77.01%	90.07%	89.20%

Fiscal Year				
2013	2012	2011	2010	2009
\$ 22,554,061	\$ 25,562,615	\$ 29,233,264	\$ 31,511,968	\$ 31,874,974
<u>19,006,483</u>	<u>11,584,494</u>	<u>12,083,504</u>	<u>12,565,277</u>	<u>11,947,981</u>
<u>\$ 3,547,578</u>	<u>\$ 13,978,121</u>	<u>\$ 17,149,760</u>	<u>\$ 18,946,691</u>	<u>\$ 19,926,993</u>
84.27%	41.33%	41.33%	39.87%	37.48%

QUEEN BEE SCHOOL DISTRICT 16
DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA INCOME*	UNEMPLOYMENT RATE
2017*	34,058	\$ 817,698,522	\$ 24,009	4.5%
2016	34,145	807,256,090	23,642	5.4%
2015	34,435	824,063,985	23,931	5.5%
2014	34,530	869,292,750	25,175	6.5%
2013	34,620	836,384,580	24,159	8.5%
2012	34,504	717,510,680	20,795	8.2%
2011	34,208	711,340,615	20,795	8.6%
2010	34,208	711,340,615	20,795	8.3%
2009	32,465	711,340,615	21,911	10.3%
2008	32,465	711,340,615	21,911	6.0%
2007	32,465	711,340,615	21,911	4.8%

SOURCE OF INFORMATION:

2017 Information shown above was obtained from US Census Bureau, Quickfacts and Illinois Department of Employment Security .Information is for the Village of Glendale Heights, Illinois in which the District is located.

*Glendale Heights Per Capita Income in past 12 months (2016 dollars) 2012-2016

Population: 2004 is based on the 2000 U.S. Census, 2005 - 2009 is based on the census estimates and 2010- 2012 is based on the 2010 U.S. Census.

Per capita income and Personal Income: 1999 Economic Census and U.S. Census Bureau Quick Facts

Unemployment rate: Illinois Department of Employment Security, Village of Glendale Heights. Local Area Unemployment Statistics (LAUS).

QUEEN BEE SCHOOL DISTRICT 16

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

2018		
EMPLOYER	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT*
Spraying Systems Inc. (HQ)	1,000	11.0%
Amita Health GlenOaks Hospital	526	5.8%
Cornelius, Inc.	450	4.9%
Kronos Food, Inc.	300	3.3%
CoreCentric Solutions, Inc.	230	2.5%
Super Target	207	2.3%
Chicago Blower Corp	200	2.2%
Menards	200	2.2%
KKSP Precision Machining, LLC (HQ)	200	2.2%
Home Depot	180	2.0%
Nestle USA	150	1.6%
Eaton Corp Electrical	140	1.5%
	<u>3,783</u>	<u>41.44%</u>

* Calculations using the Illinois Department of Employment Security reports the estimated number of employed in the District was 9,128 in 2017.

Data Sources

(1) 2018 Illinois Manufacturers Directory

(2) 2018 Illinois Services Directory

(3) ReferenceUSA.com

Note: The tables reflect the major employers in the immediate area surrounding the District.

2009		
EMPLOYER	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
IMI Cornelius, Inc.	800	4.44%
ETS - Lindgren	250	1.39%
Chicago Blower Corp.	200	1.11%
Edy's Grand Ice Cream, Inc.	150	0.83%
XPEDX	150	0.83%
JBS Transport, Inc.	150	0.83%
Graybar Electric Co.	122	0.68%
Surya Electronics Inc.	120	0.67%
Screws Industries, Inc.	120	0.67%
JNR Custo-matic Screws	110	0.61%
	<u>2,172</u>	<u>12.06%</u>

QUEEN BEE SCHOOL DISTRICT 16

NUMBER OF EMPLOYEES BY TYPE

LAST TEN FISCAL YEARS

	2017- 2018	2016- 2017	2015- 2016	2014- 2015	2013- 2014
Administration:					
Superintendent	1	1	1	1	1
Assistant Superintendent	1	2	2	2	3
District Administrators	3	2	2	2	1
Principals and assistants	9	8	8	8	8
Total administration	<u>14</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>
Teachers:					
Elementary	60	57	57	57	53
Middle school	38	36	36	36	38
Instrumental music	2	2	2	2	2
Special education and bilingual	30	31	32	32	33
Psychologists	-	-	-	-	-
Social workers and counselors	1	2	2	2	2
Learning center	1	2	2	2	1
Total teachers	<u>132</u>	<u>130</u>	<u>131</u>	<u>131</u>	<u>129</u>
Other supporting staff:					
Learning center assistants	4	4	4	4	4
Clerical 10/12 Month	16	16	16	16	16
Teacher assistants	35	38	34	37	37
Maintenance, custodians and warehouse	26	26	25	25	25
Nurses	5	5	5	4	3
Total support staff	<u>86</u>	<u>89</u>	<u>84</u>	<u>86</u>	<u>85</u>
Total staff	<u>232</u>	<u>232</u>	<u>228</u>	<u>230</u>	<u>227</u>

Source: District administrative records.

2012- 2013	2011- 2012	2010- 2011	2009- 2010	2008- 2009
1	1	1	1	1
2	1	1	1	1
2	3	3	3	3
8	8	8	8	9
<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>14</u>
49	47	51	67	63
39	34	34	42	44
2	2	2	2	2
36	35	30	26	31
-	-	1	1	1
2	2	2	2	2
1	1	1	4	4
<u>129</u>	<u>121</u>	<u>121</u>	<u>144</u>	<u>147</u>
4	4	4	4	4
16	16	15	14	16
36	32	28	29	28
24	24	23	24	28
4	4	4	4	4
<u>84</u>	<u>80</u>	<u>74</u>	<u>75</u>	<u>80</u>
<u>226</u>	<u>214</u>	<u>208</u>	<u>232</u>	<u>241</u>

QUEEN BEE SCHOOL DISTRICT 16
OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS

FISCAL YEAR	AVERAGE DAILY ATTENDANCE	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	ALLOWABLE TUITION COSTS	PER CAPITA TUITION CHARGE
2018	1,651	\$ 24,841,187	\$ 15,046	8.33%	\$ 21,562,714	\$ 13,061
2017	1,720	23,882,291	13,889	12.13%	21,302,394	12,389
2016	1,754	21,722,912	12,386	1.47%	19,815,424	11,298
2015	1,826	22,286,452	12,206	6.34%	20,198,850	11,062
2014	1,859	21,340,491	11,478	1.80%	19,166,197	10,318
2013	1,759	20,558,395	11,688	-3.01%	18,430,260	10,478
2012	1,767	20,050,612	11,346	-8.82%	17,934,922	10,149
2011	1,777	18,521,995	10,426	-1.23%	16,480,768	9,277
2010	1,860	19,156,005	10,299	-0.13%	16,585,967	8,918
2009	1,867	19,206,326	10,286	-4.07%	17,843,609	9,556

Source: District annual financial reports.

PERCENTAGE CHANGE	TEACHING STAFF	PUPIL - TEACHER RATIO
5.42%	132	12.5
9.66%	130	13.2
2.14%	131	13.4
7.21%	131	13.9
1.53%	129	14.4
-3.24%	131	13.4
-9.40%	129	13.7
-4.03%	121	14.7
6.68%	144	12.9
-4.52%	147	12.7

QUEEN BEE SCHOOL DISTRICT 16
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014
Glenside Middle School					
Square Feet	84,501	84,501	84,501	84,501	84,501
Capacity (Students)	926	926	926	926	926
Enrollment	603	665	669	687	685
Americana Elementary School					
Square Feet	39,129	39,129	39,129	39,129	39,129
Capacity (Students)	498	498	498	498	498
Enrollment	389	363	401	418	425
Glen Hill Elementary School					
Square Feet	40,784	40,784	40,784	40,784	40,784
Capacity (Students)	544	544	544	544	544
Enrollment	392	464	477	471	466
Pheasant Ridge Elementary School					
Square Feet	44,875	44,875	44,875	44,875	44,875
Capacity (Students)	598	598	598	598	598
Enrollment	460	433	431	426	426

Source: District administrative records.

2013	2012	2011	2010	2009
84,501	84,501	84,501	84,501	84,501
926	926	926	926	926
636	645	664	726	712
39,129	39,129	39,129	39,129	39,129
498	498	498	498	498
466	469	474	424	441
40,784	40,784	40,784	40,784	40,784
544	544	544	544	544
450	522	559	554	480
44,875	44,875	44,875	44,875	44,875
598	598	598	598	598
431	459	496	492	488