Due to ROE on October 15th
Due to ISBE on November 15th
SD/JA15

[X] School District
[ ] Joint Agreement

ILLINOIS STATE BOARD OF EDUCATION
School Business Services Division
100 North First Street, Springfield, Illinois 62777-0001
217/785-8779

Illinois School District/Joint Agreement
Annual Financial Report *
June 30, 2015

School District/Joint Agreement Information (See instructions on inside of this page.)	Accounting Basis:	Certified Public Accountant Information
School District/Joint Agreement Number: **19-022-0160-02**	[ ] CASH [X] ACCRUAL	Name of Auditing Firm: **Baker Tilly Virchow Krause, LLP**
County Name: **DuPage**		Name of Audit Manager: **Pat King, CPA**
Name of School District/Joint Agreement: **Queen Bee School District 16**	**Filing Status:** Submit electronic AFR directly to ISBE	Address: **1301 West 22nd Street, Suite 400**
Address: **1560 Bloomingdale Road**		City: **Oak Brook** / State: **IL** / Zip Code: **60523**
City: **Glendale Heights**	Click on the Link to Submit: Send ISBE a File	Phone Number: **(630) 990-3131** / Fax Number: **(630) 990-0039**
Email Address:		IL. License Number: **066-004260** / Expiration Date:
Zip Code: **60139**	0	Email Address: Patrick.King@bakertilly.com
Annual Financial Report Type of Auditor's Report Issued: [ ] Qualified [X] Unqualified [ ] Adverse [ ] Disclaimer	**A-133 Single Audit Status:** [X] YES [ ] NO Are Federal expenditures greater than $500,000? [X] YES [ ] NO Is all A-133 Single Audit information completed and attached? [X] YES [ ] NO Were any financial statement or federal awards findings issued?	ISBE Use Only
[X] Reviewed by District Superintendent/Administrator	[ ] Reviewed by Township Treasurer (Cook County only) Name of Township:	[ ] Reviewed by Regional Superintendent/Cook ISC
District Superintendent/Administrator Name (Type or Print): **Victoria Tabbert, Ed. S.**	Township Treasurer Name (type or print)	RegionalSuperintendent/Cook ISC Name (Type or Print):
Email Address: vtabbert@queenbee16.org	Email Address:	Email Address:
Telephone: **(630) 260-6100** / Fax Number: **(630) 260-6103**	Telephone: / Fax Number:	Telephone: / Fax Number:
Signature & Date: Victoria L Tabbert **11/4/2015**	Signature & Date:	Signature & Date:

* This form is based on 23 Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100).
ISBE Form SD50-35/JA50-60 (05/15)

This form is based on 23 Illinois Administrative Code, Subtitle A, Chapter I, Subchapter C, Part 100.
In some instances, use of open account codes (cells) may not be authorized by statute or administrative rule. Each school district or joint agreement is responsible for obtaining the concurring legal opinion and/or other s upporting authorization/documentation, as necessary, to use the applicable account code (cell).

Printed: 11/4/2015
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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Queen Bee School District 16 (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 14, 2015 which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole.

The accompanying Annual Financial Report (ISBE Form SD50-35/JA50-60), as of and for the year ended June 30, 2015, has been prepared in the form prescribed by the Illinois State Board of Education, is presented for purposes of additional analysis, and is not a required part of the basic financial referenced in the preceding paragraph. 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. Such information, except for the financial profile information, estimated financial profile summary, supplementary schedules, statistical section, estimated indirect cost rate for federal programs, report on shared services or outsourcing, administrative cost worksheet and itemization schedules, which were not audited and on which we render no opinion, has been subjected to the auditing procedures applied to the audit of the basic financial statements and certain other additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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, except for those portions identified in the previous sentence as not audited, is fairly stated in all material respects, in relation to the basic financial statements as a whole.

The answers to questions 1 through 23 contained in the "Auditor's Questionnaire" on page 2 are based solely on the procedures performed and data obtained during the audit of the basic financial statements of the District as of and for the year ended June 30, 2015.

This report is intended solely for the information and use of the Board of Education, management of the Queen Bee School District 16, and the Illinois State Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
October 14, 2015

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 the regulatory provisions prescribed by the Illinois State Board of Education, which is a comprehensive basis of accounting other than accounting principles 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

The accounts of the District in the governmental fund financial statements are organized and operated on the basis of funds and account groups 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 or expenses as appropriate. The minimum number of funds is maintained consistent with legal and managerial requirements. Account Groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

Measurement Focus and Basis of Accounting

The District has the following fund types and account groups:

Governmental Funds are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual, i.e., 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 and pension expenditures.

Major Governmental Funds

Educational 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.

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

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.

Each of the District's Special Revenue Funds has been established as a separate fund in accordance with the fund structure required by the State of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's Special Revenue Funds follows:

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.

Working Cash Fund - accounts for financial resources held by the District to be used as temporary interfund loans for working capital requirements to the General Fund and the Special Revenue Fund's Operation and Maintenance and Transportation Funds. Money loaned by the Working Cash Fund to other funds must be repaid within one year. As allowed by the School Code of Illinois, this fund may be permanently abolished and become a part of the General Fund or it may be partially abated any other fund of the District.

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.

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.

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

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, Liabilities 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.

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". 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.

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

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2014 levy resolution was approved during the December 8, 2014 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 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. The CPI rates applicable to the 2014 and 2013 tax levies were 1.5% and 1.7%, 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 2014 property tax levy is recognized as a receivable in fiscal 2015, net of estimated uncollectible amounts approximating 1% and less amounts already received. The District considers that the first installment of the 2014 levy is to be used to finance operations in fiscal 2015. The District has determined that the second installment of the 2014 levy is to be used to finance operations in fiscal 2016 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.

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.

Fixed Assets

Fixed assets used in governmental fund types of the District are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Interest incurred during construction is not capitalized on general fixed assets.

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

Depreciation of general fixed assets is provided over the estimated useful lives using the straight-line method and is reflected within the general fixed assets account group for informational purposes only. Depreciation of general fixed assets is not charged to the operations of the District. The estimated useful lives of the buildings and improvements, and equipment of the District are 15 to 50 years, and 5 to 10 years, respectively.

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, 2015 are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

The District reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other long-term obligations that do not show evidence of indebtedness are not included in the general long-term debt account group.

For governmental fund types, bond premiums and discounts are recognized during the current period. Bond proceeds are reported as an "other financing source" net of the applicable premium or discount.

General Fixed Assets and General Long-Term Debt Account Groups

Account groups are used to establish accounting control and accountability for the District's general fixed assets and general long-term debt. The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

Fixed Assets - General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as expenditures paid in the Governmental Funds and capitalized at cost in the General Fixed Assets Account Group. Donated general fixed assets are listed at estimated fair market value as of the date of acquisition. Depreciation accounting is not applicable, except to determine the per capita tuition charge. Interest costs incurred during construction are not capitalized as part of fixed assets.

Long-Term Debt - Long-term debt expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. The debt recorded in the District's General Long-Term Debt Account Group consists of serial bond issues, long-term debt retirements payable, and any other evidences of indebtedness.

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

NOTE 2 - 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 a 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.

Excess of Expenditures over Budget

For the year ended June 30, 2015, expenditures exceeded budget in the General Fund (Educational Accounts), Municipal Retirement/Social Security Fund, and the Debt Service Fund by $290,908, $49,683, and $102,648 respectively. These excesses were funded by available fund balances.

NOTE 3 - DEPOSITS AND INVESTMENTS

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

	Government-wide	Fiduciary	Total
Cash	$ 10,279,540	$ 55,610	$ 10,335,150
Total	$ 10,279,540	$ 55,610	$ 10,335,150

NOTE 3 - DEPOSITS AND INVESTMENTS - (CONTINUED)

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
Cash on hand	$ 1,700
Deposits with financial institutions	10,281,937
Other investments - ISDLAF +	51,513
Total	$ 10,335,150

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District's investment policy seeks to ensure preservation of capital in the District's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the policy requires that District investment portfolio to be sufficiently liquid to enable the District to meet all operating requirements as they come due. A portion of the portfolio is required to be invested in readily available funds to ensure appropriate liquidity.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limits the investments in commercial paper 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, 2015, the bank balance of the District's deposit with financial institutions totaled $11,607,558, of which the entire amount was collateralized and insured.

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.

NOTE 4 - INTERFUND TRANSFERS

During the year, the Board transferred $1,400,000 from the Transportation Fund to Operations and Maintenance Fund and $1,000,000 from the Transportation Fund to the General Fund (Educational Accounts). These transfers were made to support operations as the funds have met their levy rate ceilings. In addition, the Board transferred $290,112 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.

NOTE 5 - 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, 2015:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
General obligation bonds	$ 19,101,777	$ 5,542,302	$ 5,929,990	$ 18,714,089	$ 870,000
Unamortized premium	606,037	240,308	257,980	588,365	-
Total bonds payable	19,707,814	5,782,610	6,187,970	19,302,454	870,000
Debt certificates	1,130,000	-	70,000	1,060,000	70,000
Net pension liability	3,717,544	428,994	-	4,146,538	-
Net OPEB Obligation	130,968	192,242	119,779	203,431	-
Compensated absences	354,211	250,982	276,432	328,761	276,432
Total long-term liabilities - governmental activities	$ 25,040,537	$ 6,654,828	$ 6,654,181	$ 25,041,184	$ 1,216,432

NOTE 5 - LONG TERM LIABILITIES - (CONTINUED)

Additions to general obligation bonds includes accretion on capital appreciation bonds. The obligations for the compensated absences and net OPEB obligation will be repaid from the General Fund, and the obligation for the net pension liability will be repaid from the General Fund and 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 1996 Capital Appreciation Bonds dated March 6, 1996 are due in annual installments through January 1, 2016	4.8% to 5.90%	$ 9,590,000	$ 470,000	$ 449,868
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	3,145,000	2,584,221
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	1,740,000	1,740,000
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%	5,375,000	5,375,000	5,375,000
Total		$ 35,585,000	$ 19,295,000	$ 18,714,089

During the year, the District issued $5,375,000 in General Obligation Bonds with an average interest rate of 2.54% to advance refund $5,210,000 of outstanding 2006 Series bonds with an average interest rate of 4.25%. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2006 Series bonds. As a result, the 2006 Series bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position.

The District advance refunded the 2006 Series bonds to reduce its total debt service payments over the next 11 years by $506,679. This transaction resulted in an economic gain/loss (difference between the present values of the debt service payments on the old and new debt) of $443,026.

At June 30, 2015, $6,615,000 of bonds outstanding are considered defeased.

NOTE 5 - LONG TERM LIABILITIES - (CONTINUED)

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

	Principal	Interest	Total
2016	$ 870,000	$ 558,307	$ 1,428,307
2017	905,000	527,094	1,432,094
2018	1,005,000	487,394	1,492,394
2019	1,095,000	454,144	1,549,144
2020	1,180,000	1,876,395	3,056,395
2021 - 2025	7,405,000	1,078,260	8,483,260
2026 - 2030	4,055,000	338,150	4,393,150
2031 - 2033	2,780,000	-	2,780,000
Total	$ 19,295,000	$ 5,319,744	$ 24,614,744

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, 2015, the statutory debt limit for the District was $20,232,675, providing a debt margin of $2,008,883.

Debt Certificates During the year ended June 30, 2010, the District issued Series 2009 Debt Certificates in the amount of $1,265,000 for the partial refunding of lease certificates and for roof repair at Queen Bee School. The Debt Certificates require annual repayments which begin January 1, 2013 and extend through January 1, 2027. The obligations for the Debt Certificates will be repaid from the Debt Service Fund via transfers from the Operations and Maintenance Fund.

Annual debt service requirements to maturity for debt certificates are as follows:

	Principal	Interest	Total
2016	$ 70,000	$ 42,753	$ 112,753
2017	75,000	40,476	115,476
2018	75,000	37,853	112,853
2019	80,000	35,040	115,040
2020	80,000	32,040	112,040
2021 - 2025	465,000	108,020	573,020
2026 - 2027	215,000	14,300	229,300
Total	$ 1,060,000	$ 310,482	$ 1,370,482

NOTE 6 - 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 7 - 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.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

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

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. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

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 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were $111,773, and the District recognized revenues and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2014 and June 30, 2013 were 0.97 and 0.92 percent of pay, respectively. For these years, state contributions on behalf of District employees were $106,100 and $99,453, respectively.

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.76 percent during the year ended June 30, 2015 and 0.72 and 0.66 percent during the years ended June 30, 2014 and 2013, respectively. For the years ended June 30, 2015, 2014 and 2013 the District paid $83,282, $78,754 and $74,590 to the THIS Fund, respectively, which was 100 percent of the required contribution for those years.

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 2014 and 2013 reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

Medical Insurance Retirement Program

The District administers a single-employer defined benefit healthcare plan ("the Medical Insurance Retirement Program"). The plan provides for eligible retirees and their spouses and covers both active and retired members. Benefit provisions are established through personnel policy guidelines and state that eligible retirees and their spouses at established contribution rates. The Medical Insurance Retirement Program does not issue a publicly available financial report.

Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. IMRF employees may choose to continue on the District's medical plan until age 65. The District will continue to pay the amount of the single HMO medical premium in the year that the employee retires. The retiree is responsible for any rate increases and dependent coverage is not subsidized. If an IMRF employee chooses not to continue on the District's medical plan upon retirement, they may elect a one-time payment based on years of service at retirement. Years of service groups are 12-15 years, 16-19 years, 20-24 years, and 25+ years with cash payments of $3,000, $3,800, $4,500, and $5,000, respectively. TRS retirees are not eligible to continue on the District's medical coverage upon retirement. Instead, the District offers an annual stipend for three years which is determined based on years of service at retirement. Years of service groups are 10-14 years, 15-19 years, and 20+ years with annual stipends of $1,500, $2,000, and $2,500, respectively. The District will cover 100% of medical expenses for eligible retired administrators and their spouses until the earliest of age 65 or the completion of ten years.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC) The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Medical Insurance Retirement Program, and changes in the District's net OPEB obligation to the Medical Insurance Retirement Program:

Annual required contribution	$	192,335
Interest on net OPEB obligation		(558)
Adjustment to annual required contribution		465
Annual OPEB cost		192,242
Contributions made		(119,779)
Increase in net OPEB obligation		72,463
Net OPEB Obligation - Beginning of Year		130,968
Net OPEB Obligation - End of Year	$	203,431

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Medical Insurance Retirement Program, and the net OPEB obligation for June 30, 2015 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	$ 192,242	62.31 %	$ 203,431
June 30, 2014	192,242	62.31 %	130,968
June 30, 2013	192,242	62.31 %	58,505

The funded status of the Medical Insurance Retirement Program as of June 30, 2013, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	$ 2,422,216
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	$ 2,422,216
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	$ 12,327,133
UAAL as a percentage of covered payroll	19.65%

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the June 30, 2013 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 4 percent investment rate of return and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 6 percent after 4 years. Both rates include a 5 percent inflation assumption. The actuarial value of the Medical Insurance Retirement Program assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The Medical Insurance Retirement Program's unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015 is 30 years.

NOTE 9 - 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.

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 http://trs.illinois.gov/pubs/cafr; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

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

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

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

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

Contributions from active members and TRS contributing 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, 2015 was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2015, 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 $5,419,172 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2015, were $63,557, and are deferred because they were paid after the June 30, 2014 measurement date.

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

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

For the year ended June 30, 2015, the District pension contribution was 33.00 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2015, were $45,750, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

Early Retirement Option. Contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2015, the District paid $63,581 to TRS for District ERO contributions.

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, 2015, the District paid $28,451 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, 2014 is available in the separately issued TRS Comprehensive Annual Financial Report.

Net Pension Liability. At June 30, 2015, 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	$	2,085,831
State's proportionate share of the collective net pension liability associated with the District		67,310,034
Total	$	69,395,865

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. 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, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the District's proportion was 0.00342736 percent.

The net pension liability as of the beginning of the measurement period was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The District's proportion of the net pension liability as of June 30, 2013, was based on the District's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the District's proportion was 0.00393750 percent.

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

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, 2014 actuarial valuation included (a) 7.50% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases of 5.75%, average, including inflation, and (c) inflation of 3.00%.

The actuarial assumptions for the years ended June 30, 2014 and 2013 were assumed to be the same. However, for funding purposes, the actuarial valuations for those two years were different. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered. The actuarial assumptions used in the June 30, 2013 valuation were based on the 2012 actuarial experience analysis and first adopted in the June 30, 2012 valuation. The investment return assumption was lowered from 8.5 percent to 8.0 percent and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.

Mortality. Mortality rates were based on the RP-2000 White Collar Table with projections using scale AA that vary by member group.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	18.00 %	8.23 %
Global equity excluding U.S.	18.00 %	8.58 %
Aggregate bonds	16.00 %	2.27 %
U.S. TIPS	2.00 %	3.52 %
NCREIF	11.00 %	5.81 %
Opportunistic real estate	4.00 %	9.79 %
ARS	8.00 %	3.27 %
Risk parity	8.00 %	5.57 %
Diversified inflation strategy	1.00 %	3.96 %
Private equity	14.00 %	13.03 %

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability was 7.50 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.

Discount Rate. Based on those assumptions, TRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. *Tier I's* liability is partially-funded by *Tier II* members, as the *Tier II* member contribution is higher than the cost of *Tier II* benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Therefore, 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.

Discount Rate Sensitivity. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	$ 2,575,899	$ 2,085,831	$ 1,679,999

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2015, the District recognized pension expense of 105,353 and on-behalf revenue of $5,419,172 for support provided by the state. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,102	$ -
Net difference between projected and actual earnings on pension plan investments	-	104,829
Changes in proportion and differences between District contributions and proportionate share of contributions	-	257,178
District contributions subsequent to the measurement date	109,307	-
Total	$ 110,409	$ 362,007

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

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 for the year ending June 30, 2016. The remaining amounts reported as deferred outflows and inflows of resources related to pensions ($(360,905)) will be recognized in pension expense as follows:

Year Ending June 30,	*Amount*
2016	$ (88,362)
2017	(88,362)
2018	(88,362)
2019	(88,362)
2020	(7,457)
Total	$ (360,905)

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 affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer 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 their final rate (average of the highest 48 consecutive months earnings during the last 10 years) of earnings for each year of credited service up to 15 years and 2% for each year thereafter. 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, or age 62 with 35 years of service are entitled to an annual retirement benefit as described above. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Plan Membership. At December 31, 2014, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	72
Inactive, non-retired members	90
Active members	83
Total	245

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

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 2014 was 11.90 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.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2014, 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, 2014 annual actuarial valuation included (a) 7.48%.investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) inflation of 3.50% and 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-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

Long-Term Expected Real Rate of Return. The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by 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:

		Projected Returns/Risk	
Asset Class	Target Allocation	One Year Arithmetic	Ten Year Geometric
Equities	63.20 %	9.15 %	7.60 %
International equities	2.60 %	9.80 %	7.80 %
Fixed income	23.50 %	3.05 %	3.00 %
Real estate	4.30 %	7.35 %	6.15 %
Alternatives	4.50 %		
Private equity		13.55 %	8.50 %
Hedge funds		5.55 %	5.25 %
Commodities		4.40 %	2.75 %
Cash equivalents	1.90 %	2.25 %	2.25 %

Discount Rate. The discount rate used to measure the total pension liability for IMRF was 7.48%. The discount rate calculated using the December 31, 2013 measurement date was 7.49%. 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 not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.56% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2014 to arrive at a discount rate of 7.48 used to determine the total pension liability. The year ending December 31, 2087 is the last year in the 2015 to 2114 projection period for which projected benefit payments are fully funded.

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 7.48% 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 (6.48%) or 1 percentage point higher (8.48%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	$ 15,763,009	$ 13,870,794	$ 12,316,243
Plan fiduciary net position	11,810,087	11,810,087	11,810,087
Net pension liability/(asset)	$ 3,952,922	$ 2,060,707	$ 506,156

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

Changes in Net Pension Liability/(Asset). The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2014 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at December 31, 2013	$ 12,469,552	$ 11,215,677	$ 1,253,875
Service cost	355,043	-	355,043
Interest on total pension liability	927,743	-	927,743
Differences between expected and actual experience of the total pension liability	94,067	-	94,067
Change of assumptions	545,700	-	545,700
Benefit payments, including refunds of employee contributions	(521,311)	(521,311)	-
Contributions - employer	-	367,583	(367,583)
Contributions - employee	-	139,001	(139,001)
Net investment income	-	683,707	(683,707)
Other (Net Transfer)	-	(74,570)	74,570
Balances at December 31, 2014	$ 13,870,794	$ 11,810,087	$ 2,060,707

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2015, the District recognized pension expense of $592,677. The District reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 67,406	$ -
Assumption changes	391,036	-
Net difference between projected and actual earnings on pension plan investments	123,296	-
Contributions subsequent to the measurement date	135,782	-
Total	$ 717,520	$ -

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, 2016. The remaining amounts reported as deferred outflows and inflows of resources related to pensions ($581,738) will be recognized in pension expense as follows:

Year Ending December 31,	***Amount***
2015	$ 212,149
2016	212,149
2017	126,618
2018	30,822
Total	$ 581,738

NOTE 10 - CONSTRUCTION COMMITMENTS

As of June 30, 2015, the District is committed to approximately $540,025 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances and life safety bonds already issued.

NOTE 11 - 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 12 - RESTATEMENT

Net position has been restated due to the implementation of GASB Statement No. 68 and GASB Statement No. 71. The restatement is necessary to record the prior year net pension liability as well as deferred outflows of resources related to employer contributions after the measurement date.

	Governmental Activities
Net position as previously reported, June 30, 2014	$ 6,772,980
Adjustment to record the net pension liability as of June 30, 2014	(3,717,544)
Adjustment to record deferred outflows of resources related to pensions as of June 30, 2014	301,842
Net position as restated, June 30, 2014	$ 3,357,278

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INSTRUCTIONS/REQUIREMENTS: For School Districts/Joint Agreements

All School Districts/Joint Agreements must complete this form (Note: joint agreement supplementary/statistical schedules may not be applicable)

Round all amounts to the nearest dollar. Do not enter cents. (Exception: 9 Month ADA on page 28, line 78)

This form complies with **Part 100 (Requirements for Accounting, Budgeting, Financial Reporting, and Auditing)**.

23, Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100)

Any errors left unresolved by the **Audit Checklist/Balancing Schedule** must be explained in the itemization page.

Submit AFR Electronically

* The Annual Financial Reports (AFR) must be submitted directly through the Attachment Manager to the AFR Group by the Auditor or School District designated personnel (Please see Instructions for complete submission procedures).

Attachment Manager Link

Note: CD/Disk no longer accepted.

* AFR supporting documentation must be embedded as Microsoft Word (.doc), Word Perfect (*.wpd) or Adobe (*.pdf) and inserted within tab "Opinions & Notes". These documents include: The Audit, Management letter, Opinion letters, Compliance letters, Financial notes etc.... For embedding instructions see "Opinions & Notes" tab of this form.

Note: Adobe Acrobat (.pdf) files cannot be embedded if you do not have the software. Simply attach files as separate docs in the Attachment Manager and they will be embedded for you.*

Submit Paper Copy of AFR with Signatures

1) The auditor must send three **paper** copies of the AFR form (cover through page 8 at minimum) to the School District with the auditor signature.

Note: School Districts and Regional Superintendents may prefer a complete paper copy in lieu of an electronic file. Please comply with their requests as neccessary.

2) Upon receipt, the School District retains one copy for their records, signs, and forwards the remaining two copies to the Regional Superintendent's office no later than October 15, annually.

3) Upon receipt, the Regional Superintendent's office retains one copy for their records, signs, and forwards the remaining paper copy to ISBE no later than November 15, annually.

* Yellow Book, CPE, and Peer Review requirements must be met if the Auditor issues an opinion stating "Governmental Auditing Standards" were utilized.
  Single Audit Act A-133

Qualifications of Auditing Firm

* School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program, for the current peer review period.
* A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense.

AUDITOR'S QUESTIONNAIRE

INSTRUCTIONS: If your review and testing of State, Local, and Federal Programs revealed any of the following statements to be true, then check the box on the left, and attach the appropriate findings/comments.

PART A - FINDINGS

- [ ] **1.** One or more school board members, administrators, certified school business officials, or other qualifying district employees failed to file economic interest statements pursuant to the *Illinois Government Ethics Act. [5 ILCS 420/4A-101]*
- [ ] **2.** One or more custodians of funds failed to comply with the bonding requirements pursuant to *Sections 8-2, 10-20.19 or 19-6 of the School Code. [105 ILCS 5/8-2; 10-20.19; 19-6]*
- [ ] **3.** One or more contracts were executed or purchases made contrary to the provisions of *Section 10-20.21 of the School Code. [105 ILCS 5/10-20.21]*
- [ ] **4.** One or more violations of the Public Funds Deposit Act or the Public Funds Investment Act were noted. *[30 ILCS 225/1 et. seq. and 30 ILCS 235/1 et. seq.]*
- [ ] **5.** Restricted funds were commingled in the accounting records or used for other than the purpose for which they were restricted.
- [ ] **6.** One or more short-term loans or short-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory Authority.
- [ ] **7.** One or more long-term loans or long-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory Authority.
- [ ] **8.** Corporate Personal Property Replacement Tax monies were deposited and/or used without first satisfying the lien imposed pursuant to the *State Revenue Sharing Act. [30 ILCS 115/12]*
- [ ] **9.** One or more interfund loans were made in non-conformity with the applicable authorizing statute or without statutory authorization.
- [ ] **10.** One or more interfund loans were outstanding beyond the term provided by statute.
- [ ] **11.** One or more permanent transfers were made in non-conformity with the applicable authorizing statute/regulation or without statutory/regulatory authorization.
- [ ] **12.** Substantial, or systematic misclassification of budgetary items such as, but not limited to, revenues, receipts, expenditures, disbursements or expenses were observed.
- [ ] **13.** The Chart of Accounts used to define and control budget and accounting records does not conform to the minimum requirements imposed by ISBE rules pursuant to Sections 2-3.27 and 2-3.28 of the School Code. *[105 ILCS 5/2-3.27; 2-3.28]*
- [ ] **14. At least one of the following forms was filed with ISBE late: The FY14 AFR (ISBE FORM 50-35), FY14 Annual Statement of Affairs (ISBE Form 50-37) and FY15 Budget (ISBE FORM 50-36). Explain in the comments box below.** *ISBE rules pursuant to Sections 3-15.1, 10-17, and 17-1 of the School Code [105 ILCS 5/3-15.1; 5/10-17; 5/17-1]*

PART B - FINANCIAL DIFFICULTIES/CERTIFICATION Criteria pursuant to Section 1A-8 of the School Code [105 ILCS 5/1A-8]

- [ ] **15.** The district has issued tax anticipation warrants or tax anticipation notes in anticipation of a second year's taxes when warrants or notes in anticipation of current year taxes are still outstanding, as authorized by Sections *17-16 or 34-23 thru 34-27 of the School Code. [105 ILCS 5/17-16 or 34-23 thru 34-27]*
- [ ] **16.** The district has issued short-term debt against two future revenue sources, such as, but not limited to, tax anticipation warrants and General State Aid certificates or tax anticipation warrants and revenue anticipation notes.
- [ ] **17.** The district has issued school or teacher orders for wages as permitted in *Sections 8-16, 32-7.2 and 34-76 of the School Code* or issued funding bonds for this purpose pursuant to *Section 19-8 of the School Code. [105 ILCS 5/8-6, 32-7.2, 34-76, and 19-8]*
- [ ] **18.** The district has for two consecutive years shown an excess of expenditures/other uses over revenues/other sources and beginning fund balances on its annual financial report for the aggregate totals of the Educational, Operations & Maintenance, Transportation, and Working Cash Funds.

PART C - OTHER ISSUES

- [ ] **19.** Student Activity Funds, Imprest Funds, or other funds maintained by the district were excluded from the audit.
- [ ] **20.** Findings, other than those listed in Part A (above), were reported (e.g. student activity fund findings).
- [ ] **21.** Federal Stimulus Funds were not maintained and expended in accordance with the American Recovery and Reinvestment Act (ARRA) of 2009. If checked, an explanation must be provided.
- [x] **22.** Check this box if the district is subject to the Property Tax Extension Limitation Law. Effective Date: 10/1/1991 (Ex: 00/00/0000)
- [ ] **23.** If the type of Auditor Report designated on the cover page is other than an unqualified opinion and is due to reason(s) other than solely Cash Basis Accounting, please check and explain the reason(s) in the box below.

PART D - EXPLANATION OF ACCOUNTING PRACTICES FOR LATE MANDATED CATEGORICAL PAYMENTS

(For School Districts who report on an Accrual/Modified Accrual Accounting Basis only)

School districts that report on the accrual/modified accrual basis of accounting must identify where late mandated categorical payments (Acct Codes 3100, 3105, 3110, 3500, and 3510) are recorded. Depending on the accounting procedure these amounts will be used to adjust the Direct Receipts/Revenues in calculation 1 and 2 of the Financial Profile Score. In FY2014, identify those late payments recorded as Intergovermental Receivables, Other Recievables, or Deferred Revenue & Other Current Liabilities or Direct Receipts/Revenue. Payments should only be listed once.

24. Enter the date that the district used to accrue mandated categorical payments Date: 8/31/2015

25. For the listed mandated categorical (Revenue Code (3110, 3500, 3510, 3100, 3105) that were vouchered prior to June 30th, but not released until after year end as reported in ISBE FRIS system, enter the amounts that were accrued in the chart below.

	3110	3500	3510	3100	3105	Total
Deferred Revenues (490)						
Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)						0
Direct Receipts/Revenue						
Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105	65,779	1,204	70,962	15,930	64,551	218,426
Total						218,426

* Revenue Code (3110-Sp Ed Personnel, 3510-Sp Ed Transportation, 3500-Regular/Vocational Transportation, 3105-Sp Ed Funding for Children Requiring Services,3100-Sp Ed Private Facilities)

PART E - QUALIFICATIONS OF AUDITING FIRM

- * School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program for the current peer review.
- * A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense.

Comments Applicable to the Auditor's Questionnaire:

Baker Tilly Virchow Krause, LLP
Name of Audit Firm (print)

The undersigned affirms that this audit was conducted by a qualified auditing firm and in accordance with the applicable standards [23 Illinois Administrative Code Part 100] and the scope of the audit conformed to the requirements of subsection (a) or (b) of 23 Illinois Administrative Code Part 100 Section 110 as applicable.

Pat King
Signature

10/28/2015
mm/dd/yyyy

Page 3

FINANCIAL PROFILE INFORMATION

Required to be completed for School Districts only.

A. Tax Rates (Enter the tax rate - ex: .0150 for $1.50)

Tax Year 2014 Equalized Assessed Valuation (EAV): 293,227,167

	Educational		Operations & Maintenance		Transportation		Combined Total	Working Cash
Rate(s):	0.034531	+	0.005425	+	0.011753	=	0.051710	0.000463

B. Results of Operations *

Receipts/Revenues	Disbursements/ Expenditures	Excess/ (Deficiency)	Fund Balance
24,905,907	24,404,915	500,992	6,689,977

* The numbers shown are the sum of entries on Pages 7 & 8, lines 8, 17, 20, and 81 for the Educational, Operations & Maintenance, Transportation and Working Cash Funds.

C. Short-Term Debt **

CPPRT Notes		TAWs		TANs		TO/EMP. Orders		GSA Certificates	
0	+	0	+	0	+	0	+	0	+

Other		Total
0	=	0

** The numbers shown are the sum of entries on page 25.

D. Long-Term Debt

Check the applicable box for long-term debt allowance by type of district.

- [X] a. 6.9% for elementary and high school districts, 20,232,675
- [ ] b. 13.8% for unit districts.

Long-Term Debt Outstanding:

c. Long-Term Debt (Principal only) Outstanding:.................................. Acct 511 19,774,089

E. Material Impact on Financial Position

If applicable, check any of the following items that may have a material impact on the entity's financial position during future reporting periods. Attach sheets as needed explaining each item checked.

- [ ] Pending Litigation
- [ ] Material Decrease in EAV
- [ ] Material Increase/Decrease in Enrollment
- [ ] Adverse Arbitration Ruling
- [ ] Passage of Referendum
- [ ] Taxes Filed Under Protest
- [ ] Decisions By Local Board of Review or Illinois Property Tax Appeal Board (PTAB)
- [ ] Other Ongoing Concerns (Describe & Itemize)

Comments:

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ESTIMATED FINANCIAL PROFILE SUMMARY

(Go to the following website for reference to the Financial Profile)
www.isbe.net/sfms/p/profile.htm

District Name: Queen Bee School District 16
District Code: 19-022-0160-02
County Name: DuPage

1. Fund Balance to Revenue Ratio:		**Total**	**Ratio**	**Score**	4
Total Sum of Fund Balance (P8, Cells C81, D81, F81 & I81)	Funds 10, 20, 40, 70 + (50 & 80 if negative)	6,689,977.00	0.269	**Weight**	0.35
Total Sum of Direct Revenues (P7, Cell C8, D8, F8 & I8)	Funds 10, 20, 40, & 70,	24,905,907.00		**Value**	1.40
Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)	Minus Funds 10 & 20	0.00			
(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)					
2. Expenditures to Revenue Ratio:		**Total**	**Ratio**	**Score**	4
Total Sum of Direct Expenditures (P7, Cell C17, D17, F17, I17)	Funds 10, 20 & 40	24,404,915.00	0.980	**Adjustment**	0
Total Sum of Direct Revenues (P7, Cell C8, D8, F8, & I8)	Funds 10, 20, 40 & 70,	24,905,907.00		**Weight**	0.35
Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)	Minus Funds 10 & 20	0.00			
(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)			0	**Value**	1.40
Possible Adjustment:					
3. Days Cash on Hand:		**Total**	**Days**	**Score**	3
Total Sum of Cash & Investments (P5, Cell C4, D4, F4, I4 & C5, D5, F5 & I5)	Funds 10, 20 40 & 70	7,538,453.00	111.20	**Weight**	0.10
Total Sum of Direct Expenditures (P7, Cell C17, D17, F17 & I17)	Funds 10, 20, 40 divided by 360	67,791.43		**Value**	0.30
4. Percent of Short-Term Borrowing Maximum Remaining:		**Total**	**Percent**	**Score**	4
Tax Anticipation Warrants Borrowed (P25, Cell F6-7 & F11)	Funds 10, 20 & 40	0.00	100.00	**Weight**	0.10
EAV x 85% x Combined Tax Rates (P3, Cell J7 and J10)	(.85 x EAV) x Sum of Combined Tax Rates	12,888,360.28		**Value**	0.40
5. Percent of Long-Term Debt Margin Remaining:		**Total**	**Percent**	**Score**	1
Long-Term Debt Outstanding (P3, Cell H37)		19,774,089.00	2.26	**Weight**	0.10
Total Long-Term Debt Allowed (P3, Cell H31)		20,232,674.52		**Value**	0.10

Total Profile Score: 3.60 *

Estimated 2016 Financial Profile Designation: RECOGNITION

* Total Profile Score may change based on data provided on the Financial Profile Information, page 3 and by the timing of mandated categorical payments. Final score will be calculated by ISBE.

BASIC FINANCIAL STATEMENTS
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
STATEMENT OF POSITION AS OF JUNE 30, 2015

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	**ASSETS**	Acct. #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
3	**CURRENT ASSETS (100)**										
4	Cash (Accounts 111 through 115) [1]		3,529,739	989,299	597,152	524,482	539,177	0	2,494,933	166,937	1,437,821
5	Investments	120	0	0	0	0	0	0	0	0	0
6	Taxes Receivable	130	5,793,656	816,131	736,248	1,768,109	421,981	0	70,301	137,868	149,711
7	Interfund Receivables	140	0	0	0	0	0	0	0	0	0
8	Intergovernmental Accounts Receivable	150	315,332	0	0	72,166	0	0	0	0	0
9	Other Receivables	160	85,111	0	0	0	0	0	0	0	0
10	Inventory	170	0	0	0	0	0	0	0	0	0
11	Prepaid Items	180	169,535	24,545	171,901	0	0	0	0	0	0
12	Other Current Assets (Describe & Itemize)	190	0	0	0	0	0	0	0	0	0
13	**Total Current Assets**		9,893,373	1,829,975	1,505,301	2,364,757	961,158	0	2,565,234	304,805	1,587,532
14	**CAPITAL ASSETS (200)**										
15	Works of Art & Historical Treasures	210									
16	Land	220									
17	Building & Building Improvements	230									
18	Site Improvements & Infrastructure	240									
19	Capitalized Equipment	250									
20	Construction In Progress	260									
21	Amount Available In Debt Service Funds	340									
22	Amount to be Provided for Payment on Long-Term Debt	350									
23	**Total Capital Assets**										
24	**CURRENT LIABILITIES (400)**										
25	Interfund Payables	410	0	0	0	0	0	0		0	0
26	Intergovernmental Accounts Payable	420	0	0	0	0	0	0	0	0	0
27	Other Payables	430	339,214	330,647	0	32,188	0	0	0	0	239,503
28	Contracts Payable	440	0	0	0	0	0	0	0	0	0
29	Loans Payable	460	0	0	0	0	0	0	0	0	0
30	Salaries & Benefits Payable	470	1,361,944	0	0	0	0	0	0	0	0
31	Payroll Deductions & Withholdings	480	0	0	0	0	0	0	0	0	0
32	Deferred Revenues & Other Current Liabilities	490	5,434,584	757,777	683,606	1,641,687	391,809	0	65,321	128,101	139,105
33	Due to Activity Fund Organizations	493	0	0	0	0	0	0	0	0	0
34	**Total Current Liabilities**		7,135,742	1,088,424	683,606	1,673,875	391,809	0	65,321	128,101	378,608
35	**LONG-TERM LIABILITIES (500)**										
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511									
37	**Total Long-Term Liabilities**										
38	Reserved Fund Balance	714	169,535	741,551	171,901	73,670	43,602	0	0	0	0
39	Unreserved Fund Balance	730	2,588,096	0	649,794	617,212	525,747	0	2,499,913	176,704	1,208,924
40	**Investment in General Fixed Assets**										
41	**Total Liabilities and Fund Balance**		9,893,373	1,829,975	1,505,301	2,364,757	961,158	0	2,565,234	304,805	1,587,532

BASIC FINANCIAL STATEMENTS
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
STATEMENT OF POSITION AS OF JUNE 30, 2015

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	A	B	L	M	N
1				Account Groups	
2	ASSETS	Acct. #	Agency Fund	General Fixed Assets	General Long-Term Debt
3	CURRENT ASSETS (100)				
4	Cash (Accounts 111 through 115) [1]		55,610		
5	Investments	120			
6	Taxes Receivable	130			
7	Interfund Receivables	140			
8	Intergovernmental Accounts Receivable	150			
9	Other Receivables	160			
10	Inventory	170			
11	Prepaid Items	180			
12	Other Current Assets (Describe & Itemize)	190			
13	Total Current Assets		55,610		
14	CAPITAL ASSETS (200)				
15	Works of Art & Historical Treasures	210		0	
16	Land	220		1,628	
17	Building & Building Improvements	230		25,707,361	
18	Site Improvements & Infrastructure	240		931,231	
19	Capitalized Equipment	250		2,973,094	
20	Construction In Progress	260		317,044	
21	Amount Available in Debt Service Funds	340			821,695
22	Amount to be Provided for Payment on Long-Term Debt	350			18,952,394
23	Total Capital Assets			29,930,358	19,774,089
24	CURRENT LIABILITIES (400)				
25	Interfund Payables	410			
26	Intergovernmental Accounts Payable	420			
27	Other Payables	430			
28	Contracts Payable	440			
29	Loans Payable	460			
30	Salaries & Benefits Payable	470			
31	Payroll Deductions & Withholdings	480			
32	Deferred Revenues & Other Current Liabilities	490			
33	Due to Activity Fund Organizations	493	55,610		
34	Total Current Liabilities		55,610		
35	LONG-TERM LIABILITIES (500)				
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511			19,774,089
37	Total Long-Term Liabilities				19,774,089
38	Reserved Fund Balance	714	0		
39	Unreserved Fund Balance	730	0		
40	Investment in General Fixed Assets			29,930,358	
41	Total Liabilities and Fund Balance		55,610	29,930,358	19,774,089

BASIC FINANCIAL STATEMENT
STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER SOURCES (USES) AND CHANGES IN FUND BALANCE
ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2015

Page 7

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
3	**RECEIPTS/REVENUES**										
4	**Local Sources**	1000	12,637,866	1,914,032	1,406,522	3,011,346	867,613	0	142,355	266,022	295,647
5	**Flow-Through Receipts/Revenues from One District to Another District**	2000	0	0		0	0				
6	**State Sources**	3000	5,662,920	0	0	296,121	0	0	0	0	0
7	**Federal Sources**	4000	1,241,267	0	0	0	0	0	0	0	0
8	**Total Direct Receipts/Revenues**		19,542,053	1,914,032	1,406,522	3,307,467	867,613	0	142,355	266,022	295,647
9	*Receipts/Revenues for "On Behalf" Payments* [2]	3998	5,530,945								
10	**Total Receipts/Revenues**		25,072,998	1,914,032	1,406,522	3,307,467	867,613	0	142,355	266,022	295,647
11	**DISBURSEMENTS/EXPENDITURES**										
12	**Instruction**	1000	11,653,217				343,260				
13	**Support Services**	2000	5,821,510	3,228,711		639,588	446,423	0		197,594	4,339,759
14	**Community Services**	3000	0	0		0	0				
15	**Payments to Other Districts & Govermental Units**	4000	3,061,889	0	0	0	0	0			0
16	**Debt Service**	5000	0	0	1,599,648	0	0			0	0
17	**Total Direct Disbursements/Expenditures**		20,536,616	3,228,711	1,599,648	639,588	789,683	0		197,594	4,339,759
18	*Disbursements/Expenditures for "On Behalf" Payments* [2]	4180	5,530,945	0	0	0	0	0		0	0
19	**Total Disbursements/Expenditures**		26,067,561	3,228,711	1,599,648	639,588	789,683	0		197,594	4,339,759
20	**Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures** [3]		(994,563)	(1,314,679)	(193,126)	2,667,879	77,930	0	142,355	68,428	(4,044,112)
21	**OTHER SOURCES/USES OF FUNDS**										
22	**OTHER SOURCES OF FUNDS (7000)**										
23	**PERMANENT TRANSFER FROM VARIOUS FUNDS**										
24	Abolishment of the Working Cash Fund [12]	7110									
25	Abatement of the Working Cash Fund [12]	7110	0	0	0	0	0	0		0	0
26	Transfer of Working Cash Fund Interest	7120	0	0	0	0	0	0		0	0
27	Transfer Among Funds	7130	1,000,000	1,400,000		0					
28	Transfer of Interest	7140	0	0	0	0	0	0	0	0	0
29	Transfer from Capital Project Fund to O&M Fund	7150		0							
30	Transfer of Excess Fire Prevention & Safety Tax and Interest Proceeds to O&M Fund [4]	7160		0							
31	Transfer to Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund [5]	7170			0						
32	**SALE OF BONDS (7200)**										
33	Principal on Bonds Sold	7210	0	0	5,375,000	0		0	0	0	0
34	Premium on Bonds Sold	7220	0	0	240,308	0		0	0	0	0
35	Accrued Interest on Bonds Sold	7230	0	0	0	0		0	0	0	0
36	Sale or Compensation for Fixed Assets [6]	7300	0	0	0	0	0	0		0	0
37	Transfer to Debt Service to Pay Principal on Capital Leases	7400			0						
38	Transfer to Debt Service to Pay Interest on Capital Leases	7500			0						
39	Transfer to Debt Service to Pay Principal on Revenue Bonds	7600			245,259						
40	Transfer to Debt Service Fund to Pay Interest on Revenue Bonds	7700			44,853						
41	Transfer to Capital Projects Fund	7800						0			
42	ISBE Loan Proceeds	7900	0	0	0	0	0	0			0
43	Other Sources Not Classified Elsewhere	7990	0	0	0	0	0	0	0	0	0
44	**Total Other Sources of Funds**		1,000,000	1,400,000	5,905,420	0	0	0	0	0	0
45	**OTHER USES OF FUNDS (8000)**										

BASIC FINANCIAL STATEMENT
STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER SOURCES (USES) AND CHANGES IN FUND BALANCE
ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2015

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
46	**PERMANENT TRANSFER TO VARIOUS OTHER FUNDS (8100)**										
47	Abolishment or Abatement of the Working Cash Fund [12]	8110							0		
48	Transfer of Working Cash Fund Interest [12]	8120							0		
49	Transfer Among Funds	8130	0	0		2,400,000					
50	Transfer of Interest	8140	0	0	0	0	0	0		0	
51	Transfer from Capital Project Fund to O&M Fund	8150						0			
52	Transfer of Excess Fire Prevention & Safety Tax & Interest Proceeds to O&M Fund [4]	8160									0
53	Transfer of Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund [5]	8170									0
54	Taxes Pledged to Pay Principal on Capital Leases	8410									
55	Grants/Reimbursements Pledged to Pay Principal on Capital Leases	8420									
56	Other Revenues Pledged to Pay Principal on Capital Leases	8430									
57	Fund Balance Transfers Pledged to Pay Principal on Capital Leases	8440	0	0				0			
58	Taxes Pledged to Pay Interest on Capital Leases	8510									
59	Grants/Reimbursements Pledged to Pay Interest on Capital Leases	8520									
60	Other Revenues Pledged to Pay Interest on Capital Leases	8530									
61	Fund Balance Transfers Pledged to Pay Interest on Capital Leases	8540	0	0				0			
62	Taxes Pledged to Pay Principal on Revenue Bonds	8610									
63	Grants/Reimbursements Pledged to Pay Principal on Revenue Bonds	8620									
64	Other Revenues Pledged to Pay Principal on Revenue Bonds	8630									
65	Fund Balance Transfers Pledged to Pay Principal on Revenue Bonds	8640	245,259	0							
66	Taxes Pledged to Pay Interest on Revenue Bonds	8710									
67	Grants/Reimbursements Pledged to Pay Interest on Revenue Bonds	8720									
68	Other Revenues Pledged to Pay Interest on Revenue Bonds	8730									
69	Fund Balance Transfers Pledged to Pay Interest on Revenue Bonds	8740	44,853	0							
70	Taxes Transferred to Pay for Capital Projects	8810									
71	Grants/Reimbursements Pledged to Pay for Capital Projects	8820									
72	Other Revenues Pledged to Pay for Capital Projects	8830									
73	Fund Balance Transfers Pledged to Pay for Capital Projects	8840	0	0							
74	Transfer to Debt Service Fund to Pay Principal on ISBE Loans	8910	0	0		0	0	0			0
75	Other Uses Not Classified Elsewhere	8990	0	0	5,508,981	0	0	0	0	0	0
76	**Total Other Uses of Funds**		290,112	0	5,508,981	2,400,000	0	0	0	0	0
77	**Total Other Sources/Uses of Funds**		709,888	1,400,000	396,439	(2,400,000)	0	0	0	0	0
78	Excess of Receipts/Revenues and Other Sources of Funds (Over/Under) Expenditures/Disbursements and Other Uses of Funds		(284,675)	85,321	203,313	267,879	77,930	0	142,355	68,428	(4,044,112)
79	**Fund Balances - July 1, 2014**		3,042,306	656,230	618,382	423,003	491,419	0	2,357,558	108,276	5,253,036
80	Other Changes in Fund Balances - Increases (Decreases) (Describe & Itemize)										
81	**Fund Balances - June 30, 2015**		2,757,631	741,551	821,695	690,882	569,349	0	2,499,913	176,704	1,208,924

REPORT ON SHARED SERVICES OR OUTSOURCING

School Code, Section 17-1.1 (*Public Act 97-0357*)

Fiscal Year Ending June 30, 2015

Complete the following for attempts to improve fiscal efficiency through shared services or outsourcing in the prior, current and next fiscal years. For additional information, please see the following website: http://www.isbe.net/sfms/afr/afr.htm.

Queen Bee School District 16
19-022-0160-02

☐ *Check if the schedule is not applicable.*	Prior Fiscal Year	Current Fiscal Year	Next Fiscal Year	Name of the Local Education Agency (LEA) Participating in the Joint Agreement, Cooperative or Shared Service.
Indicate with an (X) If Deficit Reduction Plan Is Required for Annual Budget ➡				
Service or Function (***Check all that apply***)			**Barriers to Implementation**	(Limit text to 200 characters, for additional space use line 33 and 38)
Curriculum Planning	X	X		Glenbard Curriculum Council (GCC)
Custodial Services				
Educational Shared Programs				
Employee Benefits	X	X		
Energy Purchasing	X	X		
Food Services	X	X		Marquardt School District 15
Grant Writing				
Grounds Maintenance Services				
Insurance	X	X		
Investment Pools				
Legal Services				
Maintenance Services				
Personnel Recruitment				
Professional Development				
Shared Personnel				
Special Education Cooperatives	X	X		Cooperative Association for Special Education (CASE)
STEM (science, technology, engineering and math) Program Offerings				
Supply & Equipment Purchasing				
Technology Services				
Transportation	X	X		
Vocational Education Cooperatives				
All Other Joint/Cooperative Agreements				
Other				

Additional space for Column (D) - Barriers to Implementation:

Additional space for Column (E) - Name of LEA :

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ILLINOIS STATE BOARD OF EDUCATION
School Business Services Division (N-330)
100 North First Street
Springfield, IL 62777-0001

LIMITATION OF ADMINISTRATIVE COSTS WORKSHEET
(Section 17-1.5 of the School Code)

School District Name: Queen Bee School District 16
RCDT Number: 19-022-0160-02

Description	Funct. No.	Actual Expenditures, Fiscal Year 2015			Budgeted Expenditures, Fiscal Year 2016		
		(10) Educational Fund	(20) Operations & Maintenance Fund	Total	(10) Educational Fund	(20) Operations & Maintenance Fund	Total
1. Executive Administration Services	2320	563,870		563,870	580,864		580,864
2. Special Area Administration Services	2330	187,176		187,176	199,756		199,756
3. Other Support Services - School Administration	2490	0		0	0		0
4. Direction of Business Support Services	2510	351,906	382,489	734,395	411,643	372,000	783,643
5. Internal Services	2570	0		0	0		0
6. Direction of Central Support Services	2610	0		0	0		0
7. Deduct - Early Retirement or other pension obligations required by state law and included above.				0			0
8. Totals		1,102,952	382,489	1,485,441	1,192,263	372,000	1,564,263
9. **Percent Increase (Decrease) for FY2016 (Budgeted) over FY2015 (Actual)**							5%

CERTIFICATION

I certify that the amounts shown above as "Actual Expenditures, Fiscal Year 2015" agree with the amounts on the district's Annual Financial Report for Fiscal Year 2015.
I also certify that the amounts shown above as "Budgeted Expenditures, Fiscal Year 2016" agree with the amounts on the budget adopted by the Board of Education.

11-4-2015
(Date)

Victoria L Tolbert
Signature of Superintendent

If line 9 is greater than 5% please check one box below.

☐ The District is ranked by ISBE in the lowest 25th percentile of like districts in administrative expenditures per student (4th quartile) and will waive the limitation by board action, subsequent to a public hearing. Waiver resolution must be adopted no later than June 30.

☐ The district is unable to waive the limitation by board action and will be requesting a waiver from the General Assembly pursuant to the procedures in Chapter 105 ILCS 5/2-3.25g. Waiver applications must be postmarked by August 16, 2015 to ensure inclusion in the Fall 2015 report, postmarked by January 17, 2016 to ensure inclusion in the Spring 2015 report, or postmarked by August 15, 2016 to ensure inclusion in the Fall 2016 report. Information on the waiver process can be found at www.isbe.net/isbewaivers/default.htm.

☐ The district will amend their budget to become in compliance with the limitation. Budget amendments must be adopted no later than June 30.

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This page is provided for detailed itemizations as requested within the body of the report.
Type Below.

1. Page 11, Row 107 Other Local Revenues	Reimbursements from employees, E-rate revenues.
2. Page 12, Row 171 Other Restricted Revenue from State Sources	Hold Harmless Funds
3. Page 13, Row 200 Food Service - Other	National School Lunch Program equipment grant
4. Page 14, Row 271 Other Restricted Revenue from Federal Sources	Food commodities and Title III Program Improvement grant
5. DS Fund - Page 18, Row 165 Debt Services - Other	Bond paying agent fees, bond issuance costs.