# BRADLEY SCHOOL DISTRICT NO. 61

## Annual Financial Report

**As of and for the Year Ended**
**June 30, 2016**

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# INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Bradley School District No. 61
111 North Crosswell Avenue
Bradley, Illinois 60915

## Report on Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Bradley School District No. 61, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Bradley School District No. 61's basic financial statements as listed in the table of contents.

## Management's Responsibility for the Financial Statements

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

## Auditor's Responsibility

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bradley School District No. 61 as of June 30, 2016, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

**Basis of Accounting**

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

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information on pages 39 to 66 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The other supplementary schedules on pages 39 to 66, except for the Operating Cost and Tuition Charge Schedule, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary schedules, except for the Operating Cost and Tuition Charge Schedule, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Schedule of Operating Cost and Tuition Charge has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2016 on our consideration of Bradley School District No. 61's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bradley School District No. 61's internal control over financial reporting and compliance.

Smith, Koelling, Dykstra and Ohm, P.C.

Bourbonnais, Illinois
November 9, 2016

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# INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
Bradley School District No. 61
111 North Crosswell Avenue
Bradley, Illinois 60915

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Bradley School District No. 61, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Bradley School District No. 61's basic financial statements and have issued our report thereon dated November 9, 2016.

## Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bradley School District No. 61's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control that we consider to be a material weakness, which is described in the accompanying schedule of findings and questioned costs as item 2016-001.

**Compliance and Other Matters**

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

**District's Response to Finding**

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

Smith, Koelling, Dykstra and Ohm, P.C.

Bourbonnais, Illinois
November 9, 2016

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# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Bradley School District No. 61
111 North Crosswell Avenue
Bradley, Illinois 60915

## Report on Compliance for Each Major Federal Program

We have audited Bradley School District No. 61's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Bradley School District No. 61's major federal programs for the year ended June 30, 2016. Bradley School District No. 61's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

## Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

## Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

**Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Smith, Koelling, Dykstra and Ohm, P.C.

Bourbonnais, Illinois
November 9, 2016

**Bradley School District No. 61**
**Statement of Net Position-Modified Cash Basis**
**June 30, 2016**

| | Governmental Activities |
|---|---|
| Assets | |
| Cash | $ 2,929,437 |
| Investments | 3,090,858 |
| Land | 984,531 |
| Capital assets, net of accumulated depreciation | 18,177,236 |
| Total assets | 25,182,062 |
| Liabilities | |
| Noncurrent liabilities: | |
| Bonds payable - due within one year | 180,000 |
| Bonds payable - due in more than one year | 2,580,000 |
| Capital lease payable - due within one year | 62,990 |
| Capital lease payable - due in more than one year | 130,982 |
| Total noncurrent liabilities | 2,953,972 |
| Total liabilities | 2,953,972 |
| Net Position | |
| Net investment in capital assets | 15,223,264 |
| Restricted for: | |
| Debt service | 6,644 |
| Capital projects | 250,000 |
| Other purposes | 31,221 |
| Unrestricted | 6,716,961 |
| Total net position | $ 22,228,090 |

The accompanying notes are an integral part of the financial statements.

**Bradley School District No. 61**
**Statement of Activities-Modified Cash Basis**
**For the year ended June 30, 2016**

| Functions/Programs: | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Governmental Activities |
|---|---|---|---|---|
| Governmental activities | | | | |
| Instruction: | | | | |
| Regular programs | $ 5,591,335 | $ 77,258 | $ 490,787 | $ (5,023,290) |
| Pre-K programs | 397,869 | - | - | (397,869) |
| Special education programs | 3,372,239 | 129,744 | 1,457,523 | (1,784,972) |
| Other instructional programs | 824,502 | 6,991 | 591,742 | (225,769) |
| State retirement contributions | 4,105,942 | - | 4,105,942 | - |
| Support services: | | | | |
| Pupils | 935,058 | - | 54,398 | (880,660) |
| Instructional staff | 622,295 | - | - | (622,295) |
| General administration | 907,358 | - | - | (907,358) |
| School administration | 813,125 | - | - | (813,125) |
| Business | 794,447 | 136,122 | 495,738 | (162,587) |
| Transportation | 447,007 | - | 275,296 | (171,711) |
| Operation and maintenance | 1,291,564 | - | - | (1,291,564) |
| Central | 78,407 | - | - | (78,407) |
| Community services | 220,469 | - | - | (220,469) |
| Interest and fees | 81,566 | - | - | (81,566) |
| Depreciation expense-unallocated | 919,585 | - | - | (919,585) |
| Total governmental activities | $ 21,402,768 | $ 350,115 | $ 7,471,426 | (13,581,227) |
| General revenues: | | | | |
| Taxes: | | | | |
| Property taxes | | | | 8,421,582 |
| Corporate personal property replacement taxes | | | | 393,223 |
| State grants | | | | 4,579,208 |
| Investment income | | | | 17,879 |
| Gain (loss) on sale of assets | | | | 194,444 |
| Miscellaneous | | | | 35,849 |
| Total general revenues | | | | 13,642,185 |
| Change in net position | | | | 60,958 |
| Net position - beginning | | | | 22,167,132 |
| Net position - ending | | | | $ 22,228,090 |

The accompanying notes are an integral part of the financial statements.

**Bradley School District No. 61**
**Governmental Funds**
**Balance Sheet-Modified Cash Basis**
**June 30, 2016**

| | General (Educational) Fund | Operations and Maintenance | Transportation | Working Cash | Total Non-major Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| Assets: | | | | | | |
| Cash | $ 1,230,533 | $ 583,977 | $ 879,144 | $ 197,918 | $ 37,865 | $ 2,929,437 |
| Investments | 1,994,275 | - | 25,000 | 1,071,583 | - | 3,090,858 |
| Total assets | $ 3,224,808 | $ 583,977 | $ 904,144 | $ 1,269,501 | $ 37,865 | $ 6,020,295 |
| Liabilities | | | | | | |
| Payroll deductions and withholdings | $ - | $ - | $ - | $ - | $ - | $ - |
| Fund balances: | | | | | | |
| Restricted for: | | | | | | |
| Municipal retirement/social security | - | - | - | - | 29,987 | 29,987 |
| Debt service | - | - | - | - | 6,644 | 6,644 |
| Capital projects | - | 250,000 | - | - | - | 250,000 |
| Tort | - | - | - | - | 1,234 | 1,234 |
| Committed for: | | | | | | |
| Working cash | - | - | - | 1,269,501 | - | 1,269,501 |
| Assigned: | | | | | | |
| Operations and maintenance | - | 333,977 | - | - | - | 333,977 |
| Transportation | - | - | 904,144 | - | - | 904,144 |
| Unassigned | 3,224,808 | - | - | - | - | 3,224,808 |
| Total fund balances | 3,224,808 | 583,977 | 904,144 | 1,269,501 | 37,865 | 6,020,295 |
| Total liabilities and fund balances | $ 3,224,808 | $ 583,977 | $ 904,144 | $ 1,269,501 | $ 37,865 | $ 6,020,295 |

The accompanying notes are an integral part of the financial statements.

**Bradley School District No. 61**
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**
**June 30, 2016**

| | | |
|---|---|---|
| Total fund balances - governmental funds | $ | 6,020,295 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds as assets | | 19,161,767 |
| Long-term liabilities are not due and payable in the current period and therefore, are not reported as a fund liability in governmental funds | | (2,953,972) |
| Net position of governmental activities | $ | 22,228,090 |

The accompanying notes are an integral part of the financial statements.

**Bradley School District No. 61**
**Governmental Funds**
**Statement of Revenues, Expenditures and Changes in Fund Balances-Modified Cash Basis**
**For the year ended June 30, 2016**

| | Educational | Operations and Maintenance | Transportation | Working Cash | Total Non-Major Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Local sources: | | | | | | |
| Property taxes | $ 6,680,090 | $ 821,584 | $ 125,684 | $ 83,112 | $ 711,112 | $ 8,421,582 |
| Corporate personal property replacement taxes | 258,223 | 80,000 | - | - | 55,000 | 393,223 |
| Other | 250,201 | 4,518 | 1,501 | - | - | 256,220 |
| State sources | 5,911,107 | 335,000 | 275,296 | - | - | 6,521,403 |
| Federal sources | 1,553,033 | - | - | - | - | 1,553,033 |
| Investment income | 13,478 | 130 | 122 | 4,071 | 78 | 17,879 |
| Total revenues | 14,666,132 | 1,241,232 | 402,603 | 87,183 | 766,190 | 17,163,340 |
| Revenues for "on behalf" payments | 4,105,942 | - | - | - | - | 4,105,942 |
| Total revenues | 18,772,074 | 1,241,232 | 402,603 | 87,183 | 766,190 | 21,269,282 |
| Expenditures: | | | | | | |
| Instruction: | | | | | | |
| Regular programs | 5,522,402 | - | - | - | 68,933 | 5,591,335 |
| Pre-K Programs | 378,179 | - | - | - | 19,690 | 397,869 |
| Special education programs | 2,067,006 | - | - | - | 123,751 | 2,190,757 |
| Other instructional programs | 791,804 | - | - | - | 32,698 | 824,502 |
| Supporting services: | | | | | | |
| Pupils | 893,892 | - | - | - | 41,166 | 935,058 |
| Instructional staff | 582,162 | - | - | - | 40,133 | 622,295 |
| General administration | 893,092 | - | - | - | 14,266 | 907,358 |
| School administration | 767,810 | - | - | - | 45,315 | 813,125 |
| Business | 205,868 | - | - | - | 9,666 | 215,534 |
| Transportation | - | - | 399,852 | - | 47,155 | 447,007 |
| Food | 545,210 | - | - | - | 33,703 | 578,913 |
| Operations and maintenance | 209,069 | 1,008,988 | - | - | 73,507 | 1,291,564 |
| Central | 78,407 | - | - | - | - | 78,407 |
| Community services | 215,337 | - | - | - | 5,132 | 220,469 |
| Payments to other districts/governmental units | 1,181,482 | - | - | - | - | 1,181,482 |
| Debt services: | | | | | | |
| Principal | - | - | - | - | 339,582 | 339,582 |
| Interest | - | - | - | - | 80,710 | 80,710 |
| Other | - | - | - | - | 856 | 856 |
| Capital outlay | 428,298 | 71,956 | 18,344 | - | - | 518,598 |
| Total direct expenditures | 14,760,018 | 1,080,944 | 418,196 | - | 976,263 | 17,235,421 |
| Expenditures for "on behalf" payments | 4,105,942 | - | - | - | - | 4,105,942 |
| Total expenditures | 18,865,960 | 1,080,944 | 418,196 | - | 976,263 | 21,341,363 |
| Excess (deficiency) of revenues over expenditures | (93,886) | 160,288 | (15,593) | 87,183 | (210,073) | (72,081) |
| Other financing sources (uses): | | | | | | |
| Proceeds from long-term debt | 261,770 | - | - | - | - | 261,770 |
| Sale of equipment | - | - | 449,925 | - | - | 449,925 |
| Revenues pledged for capital lease payments | (120,427) | - | - | - | 120,427 | - |
| Total other financing sources (uses) | 141,343 | - | 449,925 | - | 120,427 | 711,695 |
| Net change in fund balance | 47,457 | 160,288 | 434,332 | 87,183 | (89,646) | 639,614 |
| Fund balance - beginning of year | 3,177,351 | 423,689 | 469,812 | 1,182,318 | 127,511 | 5,380,681 |
| Fund balance - end of year | $ 3,224,808 | $ 583,977 | $ 904,144 | $ 1,269,501 | $ 37,865 | $ 6,020,295 |

The accompanying notes are an integral part of the financial statements.

**Bradley School District No. 61**
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities**
**For the year ended June 30, 2016**

| | | |
|---|---|---|
| Net change in fund balances - total governmental funds | $ | 639,614 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| The payment/refunding of principal on long-term debt is reflected as an expense/other use on the fund level statements, but is reported as a reduction of liabilities on the entity wide statements | | 339,582 |
| The proceeds of principal on long-term debt is reflected as revenue on the fund level statements, but is reported as an increase of liabilities on the entity wide statements | | (261,770) |
| Depreciation on capital assets is not reflected on the fund level statements, but is reported as an expense on the entity wide statements | | (919,585) |
| Proceeds from the sale of capital assets are reported as revenue on the fund level statements, but only the gain/loss on the sale is reported on the entity wide statements | | (255,481) |
| The acquisition of capital assets is reported as an expense on the fund level statements, but is capitalized as an asset on the entity wide statements | | 518,598 |
| Change in net positon of governmental activities - entity wide statements | $ | 60,958 |

The accompanying notes are an integral part of the financial statements.

**Bradley School District No. 61**
**Statement of Fiduciary Net Position-Modified Cash Basis**
**June 30, 2016**

| | Medical Trust Fund | Agency Funds | Total |
|---|---|---|---|
| **Assets** | | | |
| Cash | $ 1,420,212 | $ 53,901 | $ 1,474,113 |
| Investments | 99,000 | - | 99,000 |
| Total assets | 1,519,212 | 53,901 | 1,573,113 |
| **Liabilities** | | | |
| Due to activity fund organizations | - | 53,901 | 53,901 |
| **Net Position** | | | |
| Assets held in trust for medical claims | $ 1,519,212 | $ - | $ 1,519,212 |

The accompanying notes are an integral part of the financial statements.

**Bradley School District No. 61**
**Statement of Changes in Fiduciary Net Position-Modified Cash Basis**
**For the year ended June 30, 2016**

| | Medical Trust Fund |
|---|---|
| **Additions** | |
| District contributions | $1,943,373 |
| Employee contributions | 325,693 |
| Retiree contributions | 57,530 |
| Investment income | 986 |
| Total additions | 2,327,582 |
| **Deductions** | |
| Medical benefits | 1,709,580 |
| Professional fees | 520,430 |
| Insurance benefits | 25,036 |
| Miscellaneous charges | 13,669 |
| Total deductions | 2,268,715 |
| **Change in net position** | 58,867 |
| **Net position, beginning of the year** | 1,460,345 |
| **Net position, end of the year** | $1,519,212 |

The accompanying notes are an integral part of the financial statements.

## Note 1 – Summary of Significant Accounting Policies

Bradley School District No. 61 (the "District") operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type within the limitations of the modified cash basis of accounting. The following is a summary of the more significant accounting policies of the District:

### Reporting Entity

Accounting principles generally accepted in the United States of America (GAAP) require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by the Government Accounting Standards Board have been considered and there are no agencies or entities which should be presented with the District. Using the same criteria, the District is not included as a component unit of any other governmental entity.

The District is a member of one joint agreement, the Kankakee Area Special Education Cooperative. There are nine school districts in this joint agreement. Each member district has a financial responsibility for annual and special agreements. Financial statements can be obtained from the administrative offices at P.O. Box 71, St. Anne, Illinois 60964.

The joint agreement has been determined not to be part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationship criteria; and is therefore excluded from the accompanying financial statements.

### Basis of Presentation

*Government-wide Financial Statements*

The government-wide financial statements (i.e, the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and governmental revenues. The District has no operating activities that would be considered "business activities".

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

## Note 1 – Summary of Significant Accounting Policies

*Governmental Funds Financial Statements*

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

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

### Measurement Focus and Basis of Accounting

Measurement Focus

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

The government-wide financial statements and fiduciary funds are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

Governmental fund statements are reported using a "current financial resources" measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

The financial statements are presented using a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, capital assets and related depreciation and short-term and long-term liabilities arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value. Lastly, the net pension liability as calculated under GASB 68 has not been recorded, and pension expense in the financial statements represents cash paid during the year rather than the amount calculated under GASB 68.

**Note 1 – Summary of Significant Accounting Policies (Continued)**

If the District utilized the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide and fiduciary financials would be presented on the accrual basis of accounting.

*Major Governmental Funds:*

*General Fund* – (Educational Fund) the general operating fund of the District. It accounts for and reports all financial resources not 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.

*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 revenues and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

*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 Operations 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 to any other fund of the District.

*Non-Major Funds:*

*Debt Service Fund* – accounts for the accumulation of resources 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.

*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. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

*Capital Projects Fund* – accounts for the financial resources to be used for the acquisition or construction of, and/or addition to, major capital facilities.

*Tort Fund* – accounts for revenue levied for tort immunity purposes and the related expenditures.

*Fire Prevention and Safety Fund* – accounts for revenue levied for purposes of fire prevention, safety, energy conservation or school security and related expenditures.

**Note 1 – Summary of Significant Accounting Policies (Continued)**

*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. These funds are custodial in nature and do not involve measurement of results of operations; therefore, they are not included in the governmental financial statements.

*Agency Funds* – include Student Activity Funds, Convenience Accounts and Other Trust and Agency Funds. 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 track and record assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

*Medical Trust Fund* – The Medical Expense Benefit Trust Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature and do not involve measurement of results of operations; therefore, they are not included in the governmental financial statements.

*Property Tax Revenues*

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2015 levy resolution was approved during the December 10, 2015 Board of Education 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.

Property taxes are collected by the County Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments the following year: the first due on June 1 and the second due on September 1. Property taxes are normally collected by the District within 30 days of the respective installment dates. The 2014 levy was recognized as income during fiscal year 2016.

*Personal Property Replacement Taxes*

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

*Capital Assets*

Capital assets, which include land, land improvements, buildings, building improvements, maintenance vehicles and various equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $500 and useful life greater than one year. Such assets are recorded at historical cost or estimated historical costs if purchased or constructed. Donated capital assets are not recorded since they do not result from a cash transaction.

**Note 1 – Summary of Significant Accounting Policies (Continued)**

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

| Assets | Years |
|---|---|
| Land improvements | 20 |
| Buildings | 20-50 |
| Equipment | 3-10 |

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

*Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental funds report the face amount of debt issued as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

*Fund Balance Classifications*

The governmental fund financial statements present fund balances that are based on classifications representing the extent to which the School District is bound to honor the constraints or restrictions on the specific purposes for which the amounts in these respective governmental funds may be used. The classifications used in these governmental fund financial statements are as follows:

- Non-spendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form (i.e., not cash or cash equivalents) or (b) are legally or contractually required to be maintained intact. Examples of such items might include inventories and prepaid items.
- Restricted: This classification includes amounts for which constraints have been placed on their use by either (a) externally imposed creditors, grantors, contributors, laws or regulations, or (b) imposed or restricted by law through constitutional provisions or enabling legislation. Such restricted funds might include amounts for capital projects related to developer donations and impact fees, debt service retirement monies, municipal retirement fund and social security fund contributions, tort related activities, health and life safety approved projects, and any funds or assets donated or bequeathed to the school district for a particular purpose.
- Committed: This classification includes amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purposes, unless the constraints are removed by subsequent similar action of the Board of Education. This classification may also include contractual obligations to the extent that existing resources have specifically been committed for use in satisfying those contractual requirements.

## Note 1 – Summary of Significant Accounting Policies (Continued)

- Assigned: This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose, but are neither formally restricted nor committed. This intent can be expressed by the Board of Education or their delegation to the Superintendent through the budgetary process. This classification also includes any remaining fund balances for governmental funds except for the Educational Fund.
- Unassigned: This classification includes any residual fund balances for the Educational Fund, including interest earned as long as it is not restricted in use by law or decree, except as any of those amounts may be restricted, committed or assigned as described above. This classification also includes any negative residual fund balances of any other governmental funds that cannot be eliminated or offset by use of assigned fund balance amounts.

The School District typically uses restricted fund balances first whenever possible, followed by committed fund balances next, and then assigned fund balances third, before using any unassigned fund balances last, as described above. However, the School District reserves the right to spend unassigned resources first and defer the use of the other classified funds if the Board of Education and Administration believe it is in the best interest of the School District to do so.

*Eliminations and Reclassifications*

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

*Estimates*

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses/expenditures. Actual results could differ from these estimates.

*Other*

In accordance with GASB No. 24, 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.

## Note 2 – Deposits and Investments

*Deposits and Investments*

The District is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2 and 6) and Section 8-7 of the Illinois School Code. Investments consist of certificates of deposit.

**Note 2 – Deposits and Investments (Continued)**

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund. Occasionally, certain of the funds participating in the common bank account may incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the School Board.

The District also follows the practice of pooling excess cash for investment purposes. Each fund's portion of total investments is under accounting control. Earnings are prorated to each fund when recognized as revenue. Investments are reported at cost, which approximates fair value.

At year-end, the District had the following investments:

Investments:

| | Rating | Maturities | Interest Rate | Carrying Value | Fair Value | Percent of Portfolio |
|---|---|---|---|---|---|---|
| Deposits classified as investments: | | | | | | |
| Certificates of Deposit | | Between 1 Month and 2 years | | $3,189,858 | $3,189,858 | 100.0% |

The District has adopted a formal written investments and cash management policy.

*Interest Rate Risk.* The District's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the District's policy states investments shall provide sufficient liquidity to enable the District to meet all operating requirements that may be reasonably anticipated. Additionally, the District's policy is in conformance with the provisions of the Illinois Public Funds Investment Act.

*Credit Risk.* Under State law, limits are imposed as to investments in commercial paper, corporate bonds, and mutual funds in which the District may invest. The District's investment policy does not further limit its investment choices.

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 not registered with the SEC as an investment company. Investments are valued at share price, which is the price for which the investment could be sold. Financial statements can be obtained by contacting ISDLAF+ at 2135 CityGate Lane, 7th Floor, Naperville, Illinois 60563.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, which is the price for which the investment could be sold. Audited financial statements for the Illinois Funds are available at www.illinoistreasurer.gov/localgovernments/theillinoisfunds/annualfinancialaudit.

As of June 30, 2016, all of the District's pooled funds exposed to credit risk (which consisted of $101,392 reported as cash) were rated "AAAm" by Standard & Poor's.

## Note 2 – Deposits and Investments (Continued)

*Concentration of Credit Risk.* The District's investment policy states investments shall be diversified to avoid incurring unreasonable risks regarding specific security types and/or individual financial institutions. The District shall diversify its investments to the best of its ability based upon the type of funds invested, available institutions to invest in, and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity.

*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 or additional insurance in the event of default or failure of the financial institution holding the funds. As of June 30, 2016, the bank balance of the District's deposits and investments with financial institutions totaled $7,829,358, all of which were insured or collateralized with collateral held by the District's agent in the District's name.

*Custodial Credit Risk – Investments.* With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring all investments to be secured by private insurance or collateral.

## Note 3 – Long-Term Liabilities

*Changes in Long-Term Liabilities.* The following is the long-term liability activity for the District for the year ended June 30, 2016.

| | Beginning Balance | Additions | Payments/Refundings | Ending Balance |
|---|---|---|---|---|
| General obligation bonds: | | | | |
| Series 2012A | $1,355,000 | $ - | $170,000 | $1,185,000 |
| Series 2012B | 1,575,000 | - | - | 1,575,000 |
| | $2,930,000 | $ - | $170,000 | $2,760,000 |
| Capital lease obligations: | | | | |
| Computer lease - 2013 | $ 101,784 | $ - | $101,784 | $ - |
| Computer lease – 2015 | - | 261,770 | 67,798 | 193,972 |
| | $ 101,784 | $ 261,770 | $169,582 | $ 193,972 |

Series 2012A bonds, original issue $1,355,000, dated November 29, 2012, provide for serial retirement of principal on October 1 beginning in fiscal year 2016 and interest payable on October 1 and April 1 of each year at rates of 1.23 to 2.65 percent. The purpose of this bond issue was to provide the District with working cash funds.

Series 2012B bonds, original issue $1,575,000, dated November 29, 2012, provide for serial retirement of principal on October 1 beginning in fiscal year 2023 and interest payable on October 1 and April 1 of each year at rates of 3.0 to 4.0 percent. The purpose of this bond issue was to provide the District with working cash funds and to partial refund the Series 2006 bond issue.

**Note 3 – Long-Term Liabilities (Continued)**

Capital lease for Apple computers, dated March 14, 2013, providing for annual payments of $52,346, including interest at a rate of 1.9% per annum through July 15, 2016. Amount recorded as equipment at June 30, 2016 was $202,696 with accumulated depreciation of $60,809. Interest expense of $2,910 has been recorded as an expense on the Statement of Activities.

Capital lease for Apple computers, dated July 15, 2015, providing for annual payments of $68,081, including interest at a rate of 2.7% per annum through July 15, 2018. Amount recorded as equipment at June 30, 2016, was $261,770 with accumulated depreciation of $26,177. Interest expense of $282 has been recorded as an expense on the Statement of Activities.

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

| | Principal | Interest | Total |
|---|---|---|---|
| 2017 | $ 180,000 | $ 75,103 | $ 255,103 |
| 2018 | 185,000 | 72,048 | 257,048 |
| 2019 | 190,000 | 68,304 | 258,304 |
| 2020 | 200,000 | 63,596 | 263,596 |
| 2021 | 210,000 | 58,163 | 268,163 |
| 2022-2026 | 1,220,000 | 184,565 | 1,404,565 |
| 2027-2028 | 575,000 | 17,475 | 592,475 |
| Total | $2,760,000 | $539,254 | $3,299,254 |

Minimum future lease payments are as follows:

| | Apple Lease 2015 |
|---|---|
| 2017 | $ 68,081 |
| 2018 | 68,081 |
| 2019 | 68,080 |
| Total minimum lease payments | 204,242 |
| Less: amount representing interest | (10,270) |
| Present value of minimum lease payments | $ 193,972 |

**Note 4 – Legal Debt Margin**

The legal debt margin is calculated as follows:

| | |
|---|---|
| Assessed valuation – 2015 | $202,476,854 |
| Debt limit – 6.9% of assessed valuation | $13,970,903 |
| Less general long-term debt | 2,953,972 |
| Legal debt margin | $11,016,931 |

## Note 5 – Capital Assets

Capital asset activity for the District for the year ended June 30, 2016, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 984,531 | $ - | $ - | $ 984,531 |
| Total capital assets not being depreciated | $ 984,531 | $ - | $ - | $ 984,531 |
| Capital assets being depreciated: | | | | |
| Buildings | $24,087,273 | $ - | $ - | $24,087,273 |
| Temporary buildings | 462,346 | - | - | 462,346 |
| Improvements | 2,177,464 | 46,412 | - | 2,223,876 |
| Equipment | 5,681,596 | 472,186 | 666,474 | 5,487,308 |
| Total capital assets being depreciated | 32,408,679 | 518,598 | 666,474 | 32,260,803 |
| Less Accumulated Depreciation for: | | | | |
| Buildings | 7,739,222 | 481,746 | - | 8,220,968 |
| Temporary buildings | 109,030 | 18,494 | - | 127,524 |
| Improvements | 1,241,999 | 100,202 | - | 1,342,201 |
| Equipment | 4,484,724 | 319,143 | 410,993 | 4,392,874 |
| Total accumulated depreciation | 13,574,975 | 919,585 | 410,993 | 14,083,567 |
| Net capital assets being depreciated | $18,833,704 | $ (400,987) | $ 255,481 | $18,177,236 |

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

| | |
|---|---|
| Depreciation expenses – governmental activities – unallocated | $919,585 |

## Note 6 – Restricted Net Position

The government-wide statement of net position reports the following restricted balances:

| | |
|---|---|
| Restricted by enabling legislation | $ 31,221 |
| Capital grant unpsent proceeds | 250,000 |
| Debt service | 6,644 |
| | $287,865 |

## Note 7 – Interfund Transfers

The District made the following transfers during the year:

| From | To | Amount | Purpose |
|---|---|---|---|
| General (Educational) | Debt service | $120,427 | Provide funds for capital lease payments |

## Note 8 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Except for workers' compensation insurance, described in the following paragraph, the District purchases commercial insurance for these risks. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The District has entered into an agreement with the Illinois Public Risk Fund. The pooling agreement permits public agencies within the meaning of the Intergovernmental Cooperation Act of the State of Illinois to provide a means whereby members of the Fund could contract with each other to protect against liability or loss under the Workers' Compensation and Occupational Diseases Laws of the State of Illinois.

The District's cost is based on rates determined by the Trustees of the Fund, applied to its payroll costs and adjusted for its loss experience. Members of the Fund may also be subject to additional contributions not to exceed 10 percent of such member's contribution for the most recent fiscal year of the Fund if additional reserves are deemed necessary by the Fund's trustees. No additional assessments have been made as of the current year-end.

## Note 9 – Pension Plans

### General Information about the TRS Pension Plan

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

**TRS 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.

**Note 9 – Retirement Systems (Continued)**

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.

**TRS Contributions**

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

***On Behalf Contributions to TRS.*** The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2016, State of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the District recognized revenue and expenditures of $4,026,101 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, 2016 were $43,278, and would be deferred under GAAP because they were paid after the June 30, 2015 measurement date.

***Federal and special trust fund contributions.*** When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under 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.

For the year ended June 30, 2016, the District pension contribution was 36.06 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2016, salaries totaling $9,552 were paid from federal and special trust funds that required District contributions of $3,444. These contributions would be deferred under GAAP because they were paid after the June 30, 2015 measurement date.

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

**Note 9 – Retirement Systems (Continued)**

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2016, the District paid $-0- to TRS for employer contributions due on salary increases in excess of 6 percent and $-0- for sick leave days granted in excess of the normal annual allotment.

**TRS Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2016, the District had a liability (which is not reported on the financial statements) 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 of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

| | |
|---|---|
| District's proportionate share of the net pension liability | $ 1,425,833 |
| State's proportionate share of the net pension liability associated with the District | 49,141,686 |
| Total | $50,567,519 |

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015, the District's proportion was 0.0022 percent, which was an increase (decrease) of 0.003% from its proportion measured as of June 30, 2014.

On the cash basis of accounting for the year ended June 30, 2016, the District recognized pension expense of $46,722 and revenue and expense of $4,026,101 for support provided by the state. Under GAAP at June 30, 2016, the District, would have 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 | $ 530 | $ 1,563 |
| Net difference between projected and actual earnings on pension plan investments | 28,238 | 49,928 |
| Changes of assumptions | 19,718 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 125,331 | 271,141 |
| Total deferred amounts to be recognized in pension expense in future periods | 173,817 | 322,632 |
| District contributions subsequent to the measurement date | 46,722 | - |
| Total | $220,539 | $322,632 |

**Note 9 – Pension Plans (Continued)**

Under GAAP, $46,722 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date would be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions would be recognized in pension expenses as follows:

| Year Ended June 30: | |
|---|---|
| 2017 | $ (59,807) |
| 2018 | (59,807) |
| 2019 | (59,807) |
| 2020 | 30,606 |
| | $(148,815) |

**TRS Actuarial Assumptions**
The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| **Inflation** | 3.00 percent |
| **Salary increases** | Varies by amount of service credit |
| **Investment rate of return** | 7.50 percent, net of pension plan investment expense, including inflation |

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

The actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. 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 from their 2013 levels.

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:

**Note 9 – Pension Plans (Continued)**

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| U.S. large cap | 18% | 7.53% |
| Global equity excluding U.S. | 18 | 7.88% |
| Aggregate bonds | 16 | 1.57% |
| U.S. TIPS | 2 | 2.82% |
| NCREIF | 11 | 5.11% |
| Opportunistic real estate | 4 | 9.09% |
| ARS | 8 | 2.57% |
| Risk parity | 8 | 4.87% |
| Diversified inflation strategy | 1 | 3.26% |
| Private equity | 14 | 12.33% |
| **Total** | 100% | |

**TRS Discount rate**

At June 30, 2015, the discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was a change from the June 30, 2014 rate of 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.

Based on those assumptions, TRS's fiduciary net position at June 30, 2015, was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments are not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2014, the discount rate used to measure the total pension liability was 7.50 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

**Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate for TRS**

The following represents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.47 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.47 percent) or 1-percentage-point higher (8.47 percent) than the current rate.

| | 1% Decrease (6.47%) | Current Discount Rate (7.47%) | 1% Increase (8.47%) |
|---|---|---|---|
| District's proportionate share of the net pension liability | $1,761,980 | $1,425,833 | $1,150,184 |

**TRS fiduciary net position**

Detailed information about the TRS's fiduciary net position as of June 30, 2015 is available in the separately issued TRS *Comprehensive Annual Financial Report.*

**Note 9 – Pension Plans (Continued)**

**Illinois Municipal Retirement Fund (IMRF)**

**IMRF Plan Description**
The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple-employer pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this footnote. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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

All three IMRF benefit plans have two tiers. Employees hired ***before*** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired ***on or after*** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price index of the original pension amount.

**IMRF Employees Covered by Benefit Terms**
As of December 31, 2015, the following employees were covered by the benefit terms:

| | |
|---|---|
| Retirees and beneficiaries | 50 |
| Inactive, non-retired members | 47 |
| Active members | 87 |
| **Total** | 184 |

**Note 9 – Pension Plans (Continued)**

**IMRF Contributions**
As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's required annual contribution rate for calendar year 2015 was 11.82%. For the calendar year ended December 31, 2015, the District contributed $264,737 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**IMRF Net Pension Liability**
The District's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**IMRF Actuarial Assumptions**
The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.75%.
- Salary increases were expected to be 3.75% to 14.50%.
- The Investment Rate of Return was assumed to be 7.47%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 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.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**Note 9 – Pension Plans (Continued)**

| Asset Class | Portfolio Target Percentage | Long-Term Expected Real Rate of Return |
|---|---|---|
| Domestic equity | 38% | 7.39% |
| International equity | 17% | 7.59% |
| Fixed income | 27% | 3.00% |
| Real estate | 8% | 6.00% |
| Alternative investments | 9% | 2.75-8.15% |
| Cash equivalents | 1% | 2.25% |
| Total | 100% | |

**Other Information** – There were no benefit changes during the year.

**IMRF Single Discount Rate**

A Single Discount Rate of 7.47% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.47%.

**Changes in the IMRF Net Pension Liability**

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (Asset) (A)-(B) |
|---|---|---|---|
| Balances at December 31, 2014 | $ 9,889,177 | $8,663,523 | $1,225,654 |
| Changes for the year: | | | |
| Service cost | 236,441 | - | 236,441 |
| Interest on the Total Pension Liability | 731,072 | - | 731,072 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience of the total pension liability | 77,892 | - | 77,892 |
| Changes of assumptions | 12,640 | - | 12,640 |
| Contributions – employer | - | 264,737 | (264,737) |
| Contributions – employees | - | 98,524 | (98,524) |
| Net investment income | - | 43,057 | (43,057) |
| Benefit payments, including refunds of employee contributions | (467,415) | (467,415) | - |
| Other (net transfer) | - | 83,531 | (83,531) |
| Net changes | 590,630 | 22,434 | 568,196 |
| Balances at December 31, 2015 | $10,479,807 | $8,685,957 | $1,793,850 |

**Note 9 – Pension Plans (Continued)**

**IMRF Sensitivity of the Net Pension Liability to Changes in the Discount Rate**
The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.47%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher.

| | 1% Lower (6.47%) | Current Discount Rate (7.47%) | 1% Higher (8.47%) |
|---|---|---|---|
| Net Pension Liability (Asset) | $3,162,801 | $1,793,850 | $659,513 |

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to IMRF Pensions**
For the year ended June 30, 2016, the District recognized pension expense of $273,516 on the cash basis of accounting at June 30, 2016. Under GAAP, the District would have reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

| **Deferred Amounts Related to IMRF Pensions** | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| ***Deferred Amounts under GAAP that would be Recognized in Pension Expense in Future Periods*** | | |
| Differences between expected and actual experience | $ 145,498 | $ - |
| Changes of assumptions | 252,662 | - |
| Net difference between projected and actual earnings on pension plan investments | 554,900 | - |
| Total deferred amounts to be recognized in pension expenses in future periods | 953,060 | - |
| ***Pension Contributions made subsequent to the Measurement Date*** | 141,065 | - |
| **Total Deferred Amounts Related to Pensions** | $1,094,125 | $ - |

Under GAAP, amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense in future periods as follows:

| Year Ending December 31 | Net Deferred Outflows of Resources |
|---|---|
| 2016 | $280,097 |
| 2017 | 280,097 |
| 2018 | 256,060 |
| 2019 | 136,806 |
| 2020 | - |
| Thereafter | - |
| Total | $953,060 |

**Note 9 – Pension Plans (Continued)**

Under GAAP, pension-related amounts for all pension plans are shown below in the aggregate.

| | TRS (6/30/15) | IMRF (12/31/15) | Total |
|---|---|---|---|
| Employer fiduciary net position | Not available | $8,685,957 | $8,685,957 |
| Deferred outflows of resources | $ 173,817 | 953,060 | 1,126,877 |
| Employer total pension liability | Not available | 10,479,807 | 10,479,807 |
| Employer net pension liability (asset) | 1,425,833 | 1,793,850 | 3,219,683 |
| Deferred inflows of resources | (322,632) | - | (322,632) |
| Pension expense (benefit) | 59,633 | 416,564 | 476,197 |

**Note 10 – Social Security**

Employees not qualifying for coverage under the Teachers' Retirement System are covered under Social Security. The District paid $152,165, the total required contribution for the current fiscal year.

**Note 11 – Other Post-Employment Benefits**

**THIS Fund Employer Contributions**

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 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. 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.

- **On behalf contributions to the THIS Fund.**
  The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were $79,841, and the District recognized revenue and expenditures of this amount during the year.

**Note 11 – Other Post-Employment Benefits (Continued)**

State contributions intended to match active member contributions during the years ended June 30, 2015 and June 30, 2014 were 1.02 and 0.97 percent of pay, respectively. State contributions on behalf of District employees were $77,390 and $72,921, respectively.

- **Employer contributions to THIS Fund.**
  The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.80 percent during the year ended June 30, 2016, and 0.76 and 0.72 percent during the years ended June 30, 2015 and June 30, 2014, respectively. For the year ended June 30, 2016, the District paid $59,694 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2015 and June 30, 2014, the District paid $57,644 and $54,127, respectively, which was 100 percent of the required contribution.

**Further information on the THIS Fund**

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

**Note 12 – Health Insurance Plan**

The District's Postemployment Health and Other OPEB Benefits Plan (the "Plan") provides for varying amounts of health insurance for eligible retired employees until age 65, based on the employment agreement in existence at the date of their retirement. The benefit is offered to all full-time employees who retire on or after attaining age 60 with at least fifteen years of service or age 55 with at least 35 years of service. The benefit is also offered to all IMRF full-time employees who retire on or after age 55 with at least 8 years of service (Tier I) or age 62 with at least 10 years of service (Tier II). The District covers either none or a portion of the cost of a single premium based on the applicable employment agreement. The District via the School Board can establish and amend the Plan's benefit provisions and funding and contribution requirements.

The District established a Trust (the "Trust") for the purpose of holding assets for the payment of benefits to the members of the Plan, as provided in the agreement. The Trust is reported as a fiduciary fund in District's basic financial statements. Separate financial statements are not prepared for the Trust. The basis of accounting of the Trust is described in Note 1 while the required disclosures on the Trust's investments can be found in Note 2.

***Plan Description and Contribution Information***

The Plan is a single-employer defined benefit plan providing District retirees with medical benefits.

**Note 12 – Health Insurance Plan (Continued)**

The District contracted with Lauterbach and Amen, LLP to prepare an actuarial report dated June 30, 2015, which estimates the District's Expected Postretirement Benefit Obligation (EPBO) to be $1,302,336 allocated, as follows:

| | |
|---|---|
| Past service component | $1,067,100 |
| Current service component | 22,615 |
| Future service component | 212,621 |

Retiree healthcare cost assumptions, participant data, and plan participant contribution amounts used in the development of the EPBO and ARC are as follows (additional actuarial data is available in the actuarial report dated June 30, 2015):

**Participant Data**
The actuary relied on the following participant data as of June 30, 2015:

| | Participants | Average Age | Average Service |
|---|---|---|---|
| Active members fully eligible to retire | 16 | 62.1 | 22.3 |
| Active members not yet fully eligible to retire | 169 | 42.9 | 10.0 |
| Retired members and dependents | 10 | 73.4 | N/A |
| | 195 | | |

***Annual OPEB Cost and Net OPEB Obligation***

The District's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), and the amount actuarially determined in accordance with the parameters of GASB Statement No. 45. 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 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 plan, and changes in the District's net OPEB obligation.

| | |
|---|---|
| Annual Required Contribution (ARC) | $ 64,609 |
| Interest on net OPEB | (2,591) |
| Adjustment to ARC | 2,159 |
| Annual OPEB cost | 64,177 |
| Contributions made | (106,798) |
| Change in net OPEB obligation | (42,621) |
| OPEB obligation – beginning of year | (64,769) |
| OPEB obligation – end of year | $(107,390) |

The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with a long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows:

**Note 12 – Health Insurance Plan (Continued)**

| | |
|---|---|
| Valuation date | June 30, 2015 |
| Actuarial cost method | Entry age normal |
| Amortization method | Level |
| Remaining amortization period | 30 years |
| Actuarial assumptions: | |
| Investment rate of return on employer's assets | 4.0% |
| Healthcare cost trend rate | 8.5% initial; 5.5% ultimate |

*Trend Information* – The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

| Year Ended | OPEB Cost | Contribution (ARC) | OPEB Cost Contributed | % of ARC Contributed | OPEB Obligation |
|---|---|---|---|---|---|
| 2015 | $64,177 | $64,177 | $106,798 | 166% | $(107,390) |

***Funded Status and Funding Progress***

The funded status and progress of the plan as of the most recent actuarial valuation date is as follows:

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) - Entry Age (b) | Unfunded AAL (UAAL) (b – a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percent of Covered Payroll ([b-a]/c) |
|---|---|---|---|---|---|---|
| 6/30/2015 | $-0- | $1,302,336 | $1,302,336 | 0.00% | N/A | N/A |

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial valuations of an ongoing plan involve estimates of 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. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Note 13 – Joint Agreement**

During the current year, the District paid the Kankakee Area Special Education Cooperative $249,128 for tuition, professional development, and supplies and received $346,617 in flow through grants from the Cooperative.

## Note 14 - Budgetary Data

The budgeted amounts for the Governmental Funds are adopted on the cash basis.

The Board of Education follows these procedures in establishing the budgetary data:

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.

Expenditures in the Debt Service Fund exceeded the budgeted amounts for the year.

## Note 15 – Contingencies

The District has received funding from state and federal grants in the current and prior years which are subject to audits by the granting agencies. The District believes any adjustments that may arise from these audits will be insignificant to District operations.

## SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
### Teachers' Retirement System of the State of Illinois

| | FY2015* | FY2014* |
|---|---|---|
| District's proportion of the net pension liability | 0.0022% | 0.0019% |
| District's proportionate share of the net pension liability | $ 1,425,833 | $ 1,174,812 |
| State's proportionate share of the net pension liability associated with the District | 49,141,686 | 46,375,339 |
| **Total** | $50,567,519 | $47,550,151 |
| | | |
| District's covered-employee payroll | $ 7,587,302 | $ 7,517,624 |
| District's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 18.79% | 15.63% |
| Plan fiduciary net position as a percentage of the total pension liability | 41.5% | 43.0% |

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

## SCHEDULE OF DISTRICT CONTRIBUTIONS
### Teachers' Retirement System of the State of Illinois

| | FY2015* | FY2014* |
|---|---|---|
| Statutorily-required contribution | $ 75,985 | $ 68,292 |
| Contributions in relation to the statutorily-required contribution | (75,985) | (68,292) |
| Contribution deficiency (excess) | $ - | $ - |
| | | |
| District's covered-employee payroll | $ 7,587,302 | $ 7,517,624 |
| Contributions as a percentage of covered-employee payroll | 1.0% | 0.90% |

The information in both of the above schedules will accumulate until a full 10-year trend is presented.

### Notes to Schedules

**Changes of Assumptions**
Amounts reported in 2015 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases of 5.75 percent.

## IMRF
## Schedule of Changes in the Net Pension Liability and Related Ratios

| Calendar Year Ended December 31, | 2015 | 2014 |
|---|---|---|
| **Total Pension Liability** | | |
| Service Cost | $ 236,441 | $ 258,992 |
| Interest on the total pension liability | 731,072 | 655,706 |
| Changes of benefit terms | - | - |
| Differences between expected and actual experience of the total pension liability | 77,892 | 143,641 |
| Changes of assumptions | 12,640 | 416,309 |
| Benefit payments, including refunds of employee contributions | (467,415) | (420,801) |
| **Net change in total pension liability** | 590,630 | 1,053,847 |
| **Total Pension Liability – Beginning** | 9,889,177 | 8,835,330 |
| **Total Pension Liability – End (A)** | $10,479,807 | $9,889,177 |
| **Plan Fiduciary Net Position** | | |
| Contributions – District | $ 264,737 | $ 258,403 |
| Contributions – Employees | 98,524 | 96,842 |
| Net investment income | 43,057 | 494,832 |
| Benefit payments, including refunds of employee contributions | (467,415) | (420,801) |
| Other (net transfer) | 83,531 | 89,464 |
| **Net change in plan fiduciary net position** | 22,434 | 518,740 |
| **Plan Fiduciary Net Position – Beginning** | 8,663,523 | 8,144,783 |
| **Plan Fiduciary Net Position – Ending (B)** | $ 8,685,957 | $8,663,523 |
| **Net Pension Liability (Asset) – Ending (A) – (B)** | $ 1,793,850 | $1,225,654 |
| **Plan fiduciary net position as a percentage of the total pension liability** | 82.88% | 87.61% |
| **Covered valuation payroll** | $ 2,189,416 | $2,152,051 |
| **Net pension liability (asset) as a percentage of covered valuation payroll** | 81.93% | 56.95% |

**Notes to Schedule:**
This schedule is presented to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

## Schedule of District Contributions

| Calendar Year Ended December 31 | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Valuation Payroll | Actual Contribution as a Percentage of Covered Valuation Payroll |
|---|---|---|---|---|---|
| 2015 | $258,789 | $264,737 | $ (5,948) | $2,189,416 | 12.09% |
| 2014 | $247,486 | $258,403 | $(10,917) | $2,152,051 | 12.01% |

**Notes to Schedule:**
***Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate****

***Valuation Date:***

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

**Methods and Assumptions Used to Determine 2015 Contribution Rates:**

| | |
|---|---|
| *Actuarial Cost Method:* | Aggregate entry age normal |
| *Amortization Method:* | Level percentage of payroll, closed |
| *Remaining Amortization Period:* | Non-Taxing bodies: 10-year rolling period<br>Taxing bodies (Regular, SLEP and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period).<br>Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.<br>SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years). |
| *Asset Valuation Method:* | 5-year smoothed market; 20% corridor |
| *Wage Growth:* | 4% |
| *Price Inflation:* | 3% approximate; No explicit price inflation assumption is used in this valuation |
| *Salary Increases:* | 4.40% to 16%, including inflation |
| *Investment Rate of Return:* | 7.50% |
| *Retirement Age:* | Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010 |
| *Mortality:* | RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92 percent of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years. |

***Other Information:***

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

*Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation.

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

**Bradley School District No. 61**
**Educational Fund**
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**
**Budget to Actual-Cash Basis**
**For the year ended June 30, 2016**

| | Final Budget | Actual | Actual Over Or (Under) Budget |
|---|---|---|---|
| Revenues: | | | |
| Local Sources: | | | |
| General tax levy | $ 6,595,000 | $ 6,631,843 | $ 36,843 |
| Special education levy | 48,000 | 48,247 | 247 |
| Corporate personal property replacement taxes | 267,000 | 258,223 | (8,777) |
| Earnings on investments | 11,000 | 13,478 | 2,478 |
| Food services | 97,800 | 136,122 | 38,322 |
| Pupil activities | 5,800 | 6,991 | 1,191 |
| Textbooks | 60,000 | 77,258 | 17,258 |
| Contributions | - | 249 | 249 |
| Prior year refunds | 29,400 | 9,246 | (20,154) |
| Other | 17,300 | 20,335 | 3,035 |
| Total local sources | 7,131,300 | 7,201,992 | 70,692 |
| State sources: | | | |
| General state aid | 4,185,320 | 4,184,510 | (810) |
| General state aid-hold harmless/supplementary | 3,142 | 59,698 | 56,556 |
| Special education - private facility tuition | 424,300 | 496,116 | 71,816 |
| Special education - extraordinary | 152,300 | 209,135 | 56,835 |
| Special education - personnel | 287,700 | 389,244 | 101,544 |
| Special education - orphanage - individual | 9,800 | 5,203 | (4,597) |
| Special education - summer school | 8,000 | 11,208 | 3,208 |
| Bilingual education downstate | 20,000 | 12,744 | (7,256) |
| State free lunch & breakfast | 5,000 | 3,833 | (1,167) |
| Early childhood block grant | 565,000 | 538,533 | (26,467) |
| Other restricted revenue | 1,100 | 883 | (217) |
| Total state sources | 5,661,662 | 5,911,107 | 249,445 |
| Federal sources: | | | |
| National lunch program | 360,000 | 380,897 | 20,897 |
| School breakfast program | 98,000 | 111,008 | 13,008 |
| Title I-low income | 400,000 | 489,904 | 89,904 |
| Special education - preschool flow-through | 12,000 | 14,742 | 2,742 |
| Special education - I.D.E.A. flow-through | 275,000 | 331,875 | 56,875 |
| Title III-English language acquisition | 10,000 | 8,884 | (1,116) |
| Title II-teacher quality | 50,000 | 31,581 | (18,419) |
| Medicaid administrative outreach | 55,000 | 54,398 | (602) |
| Medicaid fee for service | 105,000 | 129,744 | 24,744 |
| Total federal sources | 1,365,000 | 1,553,033 | 188,033 |
| Total revenues | 14,157,962 | 14,666,132 | 508,170 |

**Bradley School District No. 61**
**Educational Fund**
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**
**Budget to Actual-Cash Basis**
**For the year ended June 30, 2016**

| | Final Budget | Actual | Actual Over Or (Under) Budget |
|---|---|---|---|
| Expenditures: | | | |
| Instruction: | | | |
| Regular programs: | | | |
| Salaries | $ 4,599,004 | $ 4,545,853 | $ (53,151) |
| Employee benefits | 797,500 | 760,592 | (36,908) |
| Purchased services | 85,250 | 91,362 | 6,112 |
| Supplies and materials | 134,500 | 124,595 | (9,905) |
| Capital outlay | 13,000 | 270,955 | 257,955 |
| Total regular programs | 5,629,254 | 5,793,357 | 164,103 |
| Pre-K Programs | | | |
| Salaries | 330,035 | 282,879 | (47,156) |
| Employee benefits | 71,400 | 76,443 | 5,043 |
| Purchased services | 450 | 450 | - |
| Supplies and materials | 22,089 | 18,407 | (3,682) |
| Capital outlay | 1,400 | 1,203 | (197) |
| Total Pre-K programs | 425,374 | 379,382 | (45,992) |
| Special education programs: | | | |
| Salaries | 1,728,171 | 1,622,520 | (105,651) |
| Employee benefits | 444,716 | 416,442 | (28,274) |
| Purchased services | 360 | 400 | 40 |
| Supplies and materials | 30,383 | 27,016 | (3,367) |
| Capital outlay | 4,500 | 1,166 | (3,334) |
| Other | 150 | 43 | (107) |
| Total special education programs | 2,208,280 | 2,067,587 | (140,693) |
| Special education programs-Pre-K: | | | |
| Salaries | 11,757 | - | (11,757) |
| Supplies and materials | 3,248 | 585 | (2,663) |
| Total special education programs-Pre-K | 15,005 | 585 | (14,420) |

(Continued)

**Bradley School District No. 61**
**Educational Fund**
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**
**Budget to Actual-Cash Basis**
**For the year ended June 30, 2016**

| | Final Budget | Actual | Actual Over Or (Under) Budget |
|---|---|---|---|
| Remedial and supplemental programs K-12: | | | |
| Salaries | 93,218 | 78,628 | (14,590) |
| Employee benefits | 9,600 | 20,738 | 11,138 |
| Purchased services | 63,458 | 42,927 | (20,531) |
| Supplies and materials | 60,501 | 110,784 | 50,283 |
| Capital outlay | 56,870 | 120,624 | 63,754 |
| Total remedial and supplemental programs | 283,647 | 373,701 | 90,054 |
| CTE programs: | | | |
| Supplies and materials | 800 | 431 | (369) |
| Total CTE programs | 800 | 431 | (369) |
| Interscholastic programs: | | | |
| Salaries | 117,000 | 117,703 | 703 |
| Purchased services | 9,500 | 5,737 | (3,763) |
| Supplies and materials | 11,000 | 11,077 | 77 |
| Capital outlay | 1,500 | - | (1,500) |
| Other | 15,000 | 16,984 | 1,984 |
| Total interscholastic programs | 154,000 | 151,501 | (2,499) |
| Gifted: | | | |
| Salaries | 70,600 | 70,451 | (149) |
| Employee benefits | 11,700 | 11,620 | (80) |
| Purchased services | 100 | - | (100) |
| Supplies and materials | 2,000 | 2,524 | 524 |
| Other | 8,000 | 210 | (7,790) |
| Total gifted | 92,400 | 84,805 | (7,595) |
| Bilingual programs: | | | |
| Salaries | 231,200 | 237,298 | 6,098 |
| Employee benefits | 69,400 | 59,508 | (9,892) |
| Purchased services | 360 | 40 | (320) |
| Supplies and materials | 2,673 | 5,144 | 2,471 |
| Total bilingual programs | 303,633 | 301,990 | (1,643) |
| Total instruction | 9,112,393 | 9,153,339 | 40,946 |


(Continued)

**Bradley School District No. 61**
**Educational Fund**
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**
**Budget to Actual-Cash Basis**
**For the year ended June 30, 2016**

| | Final Budget | Actual | Actual Over Or (Under) Budget |
|---|---|---|---|
| Support services: | | | |
| Pupils: | | | |
| Attendance and social work services: | | | |
| Salaries | 189,200 | 189,108 | (92) |
| Employee benefits | 30,450 | 31,664 | 1,214 |
| Other | 9,000 | 8,859 | (141) |
| Total attendance and social work services | 228,650 | 229,631 | 981 |
| Health services: | | | |
| Salaries | 181,950 | 181,873 | (77) |
| Employee benefits | 44,700 | 44,428 | (272) |
| Purchased services | 2,160 | 2,397 | 237 |
| Supplies and materials | 4,000 | 3,143 | (857) |
| Capital outlay | 1,000 | - | (1,000) |
| Other | 500 | 534 | 34 |
| Total health services | 234,310 | 232,375 | (1,935) |
| Psychological services: | | | |
| Salaries | 131,350 | 131,287 | (63) |
| Employee benefits | 11,700 | 10,883 | (817) |
| Purchased services | 360 | 360 | - |
| Total psychological services | 143,410 | 142,530 | (880) |
| Speech pathology and audiology services: | | | |
| Salaries | 158,250 | 158,811 | 561 |
| Employee benefits | 28,800 | 27,562 | (1,238) |
| Purchased services | 111,080 | 102,983 | (8,097) |
| Total speech pathology and audiology services | 298,130 | 289,356 | (8,774) |
| Instructional staff: | | | |
| Improvement of instruction services: | | | |
| Salaries | 151,840 | 136,072 | (15,768) |
| Employee benefits | 29,863 | 22,539 | (7,324) |
| Purchased services | 95,980 | 109,812 | 13,832 |
| Supplies and materials | 5,840 | 5,610 | (230) |
| Other | 2,000 | 3,524 | 1,524 |
| Total improvement of instruction services | 285,523 | 277,557 | (7,966) |


(Continued)

**Bradley School District No. 61**
**Educational Fund**
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**
**Budget to Actual-Cash Basis**
**For the year ended June 30, 2016**

| | Final Budget | Actual | Actual Over Or (Under) Budget |
|---|---|---|---|
| Education media: | | | |
| Salaries | 197,000 | 201,091 | 4,091 |
| Employee benefits | 48,000 | 47,884 | (116) |
| Purchased services | 1,500 | 1,440 | (60) |
| Supplies and materials | 29,420 | 21,208 | (8,212) |
| Capital outlay | 3,500 | 3,323 | (177) |
| Other | 3,900 | 4,194 | 294 |
| Total education media | 283,320 | 279,140 | (4,180) |
| Assessment and testing: | | | |
| Salaries | 7,905 | - | (7,905) |
| Employee benefits | 2,851 | - | (2,851) |
| Purchased services | 26,700 | 21,463 | (5,237) |
| Supplies and materials | 8,200 | 7,325 | (875) |
| Total assessment and testing | 45,656 | 28,788 | (16,868) |
| General administration: | | | |
| Board of Education: | | | |
| Salaries | 9,500 | 7,804 | (1,696) |
| Employee benefits | 178,500 | 198,747 | 20,247 |
| Purchased services | 185,400 | 179,270 | (6,130) |
| Supplies and materials | 3,500 | 1,014 | (2,486) |
| Other | 39,400 | 37,266 | (2,134) |
| Total board of education | 416,300 | 424,101 | 7,801 |
| Executive administration: | | | |
| Salaries | 213,300 | 220,266 | 6,966 |
| Employee benefits | 51,000 | 48,259 | (2,741) |
| Purchased services | 50,250 | 51,091 | 841 |
| Supplies and materials | 4,000 | 2,871 | (1,129) |
| Capital outlay | 5,000 | 1,161 | (3,839) |
| Other | 9,500 | 9,714 | 214 |
| Total executive administration | 333,050 | 333,362 | 312 |

**Bradley School District No. 61**
**Educational Fund**
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**
**Budget to Actual-Cash Basis**
**For the year ended June 30, 2016**

| | Final Budget | Actual | Actual Over Or (Under) Budget |
|---|---|---|---|
| Special area administration: | | | |
| Salaries | 91,100 | 91,067 | (33) |
| Employee benefits | 9,600 | 9,592 | (8) |
| Total special area administration | 100,700 | 100,659 | (41) |
| Tort immunity services: | | | |
| Purchased services | 35,000 | 36,131 | 1,131 |
| Total tort immunity services | 35,000 | 36,131 | 1,131 |
| School administration: | | | |
| Office of the principal: | | | |
| Salaries | 571,500 | 580,528 | 9,028 |
| Employee benefits | 133,600 | 127,803 | (5,797) |
| Purchased services | 86,250 | 43,344 | (42,906) |
| Supplies and materials | 10,500 | 10,215 | (285) |
| Capital outlay | 4,850 | 4,448 | (402) |
| Other | 6,200 | 5,920 | (280) |
| Total office of the principal | 812,900 | 772,258 | (40,642) |
| Business: | | | |
| Direction of business support services: | | | |
| Salaries | 105,300 | 105,292 | (8) |
| Employee benefits | 11,700 | 11,642 | (58) |
| Purchased services | 2,500 | 1,375 | (1,125) |
| Supplies and materials | 500 | - | (500) |
| Capital outlay | 4,000 | - | (4,000) |
| Other | 1,360 | 1,374 | 14 |
| Total business support services | 125,360 | 119,683 | (5,677) |


(Continued)

**Bradley School District No. 61**
**Educational Fund**
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**
**Budget to Actual-Cash Basis**
**For the year ended June 30, 2016**

| | Final Budget | Actual | Actual Over Or (Under) Budget |
|---|---|---|---|
| Fiscal services: | | | |
| Salaries | 42,500 | 42,436 | (64) |
| Employee benefits | 32,000 | 26,708 | (5,292) |
| Purchased services | 13,100 | 14,214 | 1,114 |
| Supplies and materials | 1,000 | 198 | (802) |
| Other | 2,500 | 2,629 | 129 |
| Total fiscal services | 91,100 | 86,185 | (4,915) |
| Operations and maintenance: | | | |
| Purchased services | 29,000 | 34,274 | 5,274 |
| Supplies and materials | 168,000 | 174,795 | 6,795 |
| Total operations and maintenance | 197,000 | 209,069 | 12,069 |
| Food services: | | | |
| Salaries | 235,500 | 220,352 | (15,148) |
| Employee benefits | 45,500 | 42,025 | (3,475) |
| Purchased services | 11,100 | 11,340 | 240 |
| Supplies and materials | 250,972 | 268,691 | 17,719 |
| Capital outlay | 14,000 | 8,908 | (5,092) |
| Other | 6,200 | 2,802 | (3,398) |
| Total food services | 563,272 | 554,118 | (9,154) |
| Planning/research/development/evaluation services: | | | |
| Supplies and materials | 6,300 | 6,300 | - |
| Total planning/research/develop. etc. services | 6,300 | 6,300 | - |
| Information services: | | | |
| Supplies and materials | 2,800 | 122 | (2,678) |
| Total information services | 2,800 | 122 | (2,678) |
| Staff services: | | | |
| Supplies and materials | 500 | - | (500) |
| Total staff services | 500 | - | (500) |


(Continued)

**Bradley School District No. 61**
**Educational Fund**
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**
**Budget to Actual-Cash Basis**
**For the year ended June 30, 2016**

| | Final Budget | Actual | Actual Over Or (Under) Budget |
|---|---|---|---|
| Data processing services: | | | |
| Salaries | 20,250 | 2,996 | (17,254) |
| Employee benefits | 11,700 | 7,744 | (3,956) |
| Purchased services | - | 6,000 | 6,000 |
| Supplies and materials | 118,600 | 55,245 | (63,355) |
| Capital outlay | 86,150 | 16,510 | (69,640) |
| Total data processing services | 236,700 | 88,495 | (148,205) |
| Total support services | 4,439,981 | 4,209,860 | (230,121) |
| Community services: | | | |
| Salaries | 177,804 | 173,852 | (3,952) |
| Employee benefits | 21,300 | 20,600 | (700) |
| Purchased services | 5,540 | 4,921 | (619) |
| Supplies and materials | 21,635 | 15,964 | (5,671) |
| Total community services | 226,279 | 215,337 | (10,942) |
| Payments to other districts and governmental units | | | |
| Other payments to in state governments | 12,445 | - | (12,445) |
| Payments-special education-tuition | 1,140,000 | 1,181,482 | 41,482 |
| Total payments to other districts/gov't units | 1,152,445 | 1,181,482 | 29,037 |
| Total expenditures | 14,931,098 | 14,760,018 | (171,080) |
| Excess (deficiency) of revenues over expenditures before other financing sources (uses) | (773,136) | (93,886) | (679,250) |
| Other financing sources (uses): | | | |
| Revenue pledged to pay capital leases | (120,428) | (120,427) | (1) |
| Excess (deficiency) of revenues over expenditures | $ (893,564) | 47,457 | $ (941,021) |
| Fund balance, beginning of year | | 3,177,351 | |
| Fund balance, end of year | | $ 3,224,808 | |

**Bradley School District No. 61**
**Operations and Maintenance Fund**
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**
**Budget to Actual-Cash Basis**
**For the year ended June 30, 2016**

| | Final Budget | Actual | Actual Over Or (Under) Budget |
|---|---|---|---|
| Revenues: | | | |
| Local sources: | | | |
| General tax levy | $ 819,000 | $ 821,584 | $ 2,584 |
| Corporate personal property replacement taxes | 80,000 | 80,000 | - |
| Earnings on investments | 100 | 130 | 30 |
| Other | 4,518 | 4,518 | - |
| Total local sources | 903,618 | 906,232 | 2,614 |
| State sources: | | | |
| General state aid | 335,000 | 335,000 | - |
| Total state sources | 335,000 | 335,000 | - |
| Total revenues | 1,238,618 | 1,241,232 | 2,614 |
| Expenditures: | | | |
| Facilities acquisition and construction services: | | | |
| Purchased services | 11,100 | 10,999 | (101) |
| Capital outlay | 133,500 | 9,880 | (123,620) |
| Total facilities acquisition and construction services | 144,600 | 20,879 | (123,721) |
| Operations and maintenance of plant services: | | | |
| Salaries | 444,900 | 432,238 | (12,662) |
| Employee benefits | 82,700 | 75,157 | (7,543) |
| Purchased services | 415,900 | 418,565 | 2,665 |
| Supplies and materials | 65,000 | 72,029 | 7,029 |
| Capital outlay | 29,500 | 62,076 | 32,576 |
| Other | 500 | - | (500) |
| Total operations and maintenance of plant services | 1,038,500 | 1,060,065 | 21,565 |
| Total expenditures | 1,183,100 | 1,080,944 | (102,156) |
| Excess (deficiency) of revenues over expenditures before other financing sources (uses) | 55,518 | 160,288 | (104,770) |
| Other financing sources (uses): | | | |
| Other uses | (250,000) | - | (250,000) |
| Excess (deficiency) of revenues over expenditures | $ (194,482) | 160,288 | $ (354,770) |
| Fund balance, beginning of year | | 423,689 | |
| Fund balance, end of year | | $ 583,977 | |

**Bradley School District No. 61**
**Debt Service Fund**
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**
**Budget to Actual-Cash Basis**
**For the year ended June 30, 2016**

| | Final Budget | Actual | Actual Over Or (Under) Budget |
|---|---|---|---|
| Revenues: | | | |
| Local sources: | | | |
| General tax levy | $ 245,000 | $ 246,702 | $ 1,702 |
| Earnings on investments | 15 | 23 | 8 |
| Total local sources | 245,015 | 246,725 | 1,710 |
| Total revenues | 245,015 | 246,725 | 1,710 |
| Expenditures: | | | |
| Debt service: | | | |
| Bond/lease principal retired | 288,212 | 339,582 | 51,370 |
| Bond/lease interest | 79,734 | 80,710 | 976 |
| | 367,946 | 420,292 | 52,346 |
| Debt service - other | 1,000 | 856 | (144) |
| Total expenditures | 368,946 | 421,148 | 52,202 |
| Excess (deficiency) of revenues over expenditures before other financing sources (uses) | (123,931) | (174,423) | 50,492 |
| Other financing sources (uses): | | | |
| Transfer for payment of capital leases | 120,428 | 120,427 | (1) |
| Excess (deficiency) of revenues over expenditures | $ (3,503) | (53,996) | $ 50,493 |
| Fund balance, beginning of year | | 60,640 | |
| Fund balance, end of year | | $ 6,644 | |

**Bradley School District No. 61**
**Transportation Fund**
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**
**Budget to Actual-Cash Basis**
**For the year ended June 30, 2016**

| | Final Budget | Actual | Actual Over Or (Under) Budget |
|---|---|---|---|
| Revenues: | | | |
| Local sources: | | | |
| General tax levy | $ 125,000 | $ 125,684 | $ 684 |
| Earnings on investments | 75 | 122 | 47 |
| Other | - | 1,501 | 1,501 |
| Total local sources | 125,075 | 127,307 | 2,232 |
| State sources: | | | |
| Transportation - regular | 80,000 | 123,357 | 43,357 |
| Transportation - special education | 100,000 | 141,939 | 41,939 |
| Early childhood block grant | 10,000 | 10,000 | - |
| Total state sources | 190,000 | 275,296 | 85,296 |
| Total revenues | 315,075 | 402,603 | 87,528 |
| Expenditures: | | | |
| Support services: | | | |
| Pupil transportation services: | | | |
| Salaries | 298,800 | 284,194 | (14,606) |
| Employee benefits | 56,200 | 35,717 | (20,483) |
| Purchased services | 25,300 | 40,481 | 15,181 |
| Supplies and materials | 58,000 | 38,602 | (19,398) |
| Capital outlay | 125,100 | 18,344 | (106,756) |
| Other | 1,550 | 858 | (692) |
| Total pupil transportation services | 564,950 | 418,196 | (146,754) |
| Total expenditures | 564,950 | 418,196 | (146,754) |
| Excess (deficiency) of revenues over expenditures before other financing sources (uses) | (249,875) | (15,593) | 234,282 |
| Other financing sources (uses): | | | |
| Sale of equipment | 449,926 | 449,925 | 1 |
| Excess (deficiency) of revenues over expenditures | $ 200,051 | 434,332 | $ 234,283 |
| Fund balance, beginning of year | | 469,812 | |
| Fund balance, end of year | | $ 904,144 | |

**Bradley School District No. 61**
**Municipal Retirement/Social Security Fund**
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**
**Budget to Actual-Cash Basis**
**For the year ended June 30, 2016**

| | Final Budget | Actual | Actual Over Or (Under) Budget |
|---|---|---|---|
| Revenues: | | | |
| Local sources: | | | |
| General tax levies | $ 462,000 | $ 259,471 | $ (202,529) |
| Social security/medicare only levy | - | 204,939 | 204,939 |
| Corporate replacement taxes | 55,000 | 55,000 | - |
| Earnings on investments | 40 | 55 | 15 |
| Total local sources | 517,040 | 519,465 | 2,425 |
| Total revenues | 517,040 | 519,465 | 2,425 |
| Expenditures: | | | |
| Instruction: | | | |
| Regular programs | 70,518 | 68,933 | (1,585) |
| Pre-K Programs | 26,625 | 19,690 | (6,935) |
| Special education programs | 131,270 | 123,751 | (7,519) |
| Special education programs-Pre-K | 1,900 | - | (1,900) |
| Remedial and supplemental programs K-12 | 10,097 | 10,285 | 188 |
| Interscholastic programs | 3,485 | 2,771 | (714) |
| Gifted programs | 1,000 | 974 | (26) |
| Bilingual programs | 13,987 | 18,668 | 4,681 |
| Total instruction | 258,882 | 245,072 | (13,810) |
| Support services: | | | |
| Pupils: | | | |
| Attendance and social work services | 2,755 | 2,388 | (367) |
| Health services | 36,600 | 34,612 | (1,988) |
| Psychological services | 1,975 | 1,875 | (100) |
| Speech pathology and audiology | 2,350 | 2,291 | (59) |
| Instructional staff: | | | |
| Improvement of instructional staff | 2,500 | 2,193 | (307) |
| Educational media | 37,370 | 37,940 | 570 |
| Assessment and testing | 115 | - | (115) |
| General administration: | | | |
| Board of education | 460 | 641 | 181 |
| Executive administration | 11,100 | 12,305 | 1,205 |
| Special area administration | 1,315 | 1,320 | 5 |
| School administration: | | | |
| Office of the principal | 44,550 | 45,315 | 765 |
| Business: | | | |
| Direction of business support | 1,500 | 1,458 | (42) |
| Fiscal services | 8,225 | 8,208 | (17) |
| Operation and maintenance of plant | 71,960 | 73,507 | 1,547 |
| Pupil transportation | 48,400 | 47,155 | (1,245) |
| Food services | 36,875 | 33,703 | (3,172) |
| Total support services | 308,050 | 304,911 | (3,139) |
| Community services | 7,058 | 5,132 | (1,926) |
| Total expenditures | 573,990 | 555,115 | (18,875) |
| Excess (deficiency) of revenues over expenditures | $ (56,950) | (35,650) | $ (21,300) |
| Fund balance, beginning of year | | 65,637 | |
| Fund balance, end of year | | $ 29,987 | |

**Bradley School District No. 61**
**Working Cash Fund**
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**
**Budget to Actual-Cash Basis**
**For the year ended June 30, 2016**

| | Final Budget | Actual | Actual Over Or (Under) Budget |
|---|---|---|---|
| Local sources: | | | |
| General tax levy | $ 82,000 | $ 83,112 | $ 1,112 |
| Earnings on investments | 500 | 4,071 | 3,571 |
| Total local sources | 82,500 | 87,183 | 4,683 |
| Total revenues | 82,500 | 87,183 | 4,683 |
| Excess (deficiency) of revenues over expenditures | $ 82,500 | 87,183 | $ 4,683 |
| Fund balance, beginning of year | | 1,182,318 | |
| Fund balance, end of year | | $ 1,269,501 | |

**Bradley School District No. 61**
**Student Activity Funds**
**For the year ended June 30, 2016**

| | Beginning of Year | Receipts | Disbursements | End of Year |
|---|---|---|---|---|
| Student Council | $ 2,278 | $ 10,177 | $ 11,150 | $ 1,305 |
| Donations | 4,320 | - | - | 4,320 |
| District office | 7 | 22 | - | 29 |
| Central Best Buddies | 156 | 351 | 39 | 468 |
| Charitable (nurse's) account | (69) | 3,073 | 2,446 | 558 |
| Flower Fund | 81 | 125 | 191 | 15 |
| East | 5,411 | 17,115 | 11,255 | 11,271 |
| West | 7,902 | 22,183 | 21,026 | 9,059 |
| Central | 6,202 | 19,313 | 18,684 | 6,831 |
| Central Band | 641 | 12,339 | 12,416 | 564 |
| Central Chorus | 2,132 | 1,397 | 1,920 | 1,609 |
| Yearbook | 483 | 4,822 | 4,776 | 529 |
| Cap and Gown | 1,137 | 3,354 | 2,920 | 1,571 |
| Newspaper | 362 | 120 | 45 | 437 |
| Student Council West | 7,907 | 4,066 | 3,698 | 8,275 |
| Central Cheerleading | 2,006 | 8,301 | 7,863 | 2,444 |
| Wrestling | - | 1,286 | 836 | 450 |
| Other | 5,574 | 348 | 1,756 | 4,166 |
| Total | $ 46,530 | $ 108,392 | $ 101,021 | $ 53,901 |

**Bradley School District No. 61**
**Assessed Valuations, Tax Rates and Extensions**

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|
| **Assessed valuation** | $ 202,476,854 | $ 203,390,722 | $ 207,997,911 | $ 218,895,974 | $ 224,476,276 |
| **Tax rates** | | | | | |
| Educational | 3.3050 | 3.2716 | 3.1159 | 2.889 | 2.710 |
| Special education | 0.0238 | 0.0238 | 0.0234 | 0.022 | 0.020 |
| Operations and maintenance | 0.4038 | 0.4053 | 0.3978 | 0.354 | 0.336 |
| Bond and interest | 0.1257 | 0.1217 | 0.1189 | 0.111 | 0.102 |
| Transportation | 0.0619 | 0.0620 | 0.0608 | 0.091 | 0.090 |
| Municipal retirement | 0.1188 | 0.1280 | 0.1541 | 0.137 | 0.146 |
| Social security | 0.1369 | 0.1011 | 0.0888 | 0.091 | 0.087 |
| Working cash | 0.0395 | 0.0410 | 0.0421 | 0.036 | 0.034 |
| Total | 4.2154 | 4.1545 | 4.0018 | 3.731 | 3.525 |
| **Extensions** | | | | | |
| Educational | $ 6,691,860 | $ 6,654,131 | $ 6,481,007 | $ 6,323,905 | $ 6,083,307 |
| Special education | 48,189 | 48,407 | 48,672 | 48,157 | 44,895 |
| Operations and maintenance | 817,602 | 824,343 | 827,416 | 774,892 | 754,240 |
| Bond and interest | 254,513 | 247,527 | 247,310 | 242,975 | 228,966 |
| Transportation | 125,333 | 126,102 | 126,463 | 199,195 | 202,029 |
| Municipal retirement | 240,543 | 260,340 | 320,525 | 299,887 | 327,735 |
| Social security | 277,191 | 205,628 | 184,702 | 199,195 | 195,294 |
| Working cash | 79,978 | 83,390 | 87,567 | 78,803 | 76,322 |
| Total | $ 8,535,209 | $ 8,449,868 | $ 8,323,660 | $ 8,167,009 | $ 7,912,789 |
| Total collected | | $ 8,421,344 | $ 8,287,955 | $ 8,163,467 | $ 7,882,796 |
| Percentage collected | | 99.66% | 99.57% | 99.96% | 99.62% |

**Bradley School District No. 61**
**Schedule of Long Term Debt**

| Due Year End June 30, | General Obligation School Bonds 2012A Principal | General Obligation School Bonds 2012A Interest | General Obligation School Bonds 2012B Principal | General Obligation School Bonds 2012B Interest | Total |
|---|---|---|---|---|---|
| 2017 | $ 180,000 | $ 25,553 | $ - | $ 49,550 | $ 255,103 |
| 2018 | 185,000 | 22,498 | - | 49,550 | 257,048 |
| 2019 | 190,000 | 18,754 | - | 49,550 | 258,304 |
| 2020 | 200,000 | 14,046 | - | 49,550 | 263,596 |
| 2021 | 210,000 | 8,613 | - | 49,550 | 268,163 |
| 2022 | 220,000 | 2,915 | - | 49,550 | 272,465 |
| 2023 | - | - | 230,000 | 44,950 | 274,950 |
| 2024 | - | - | 245,000 | 36,675 | 281,675 |
| 2025 | - | - | 255,000 | 29,175 | 284,175 |
| 2026 | - | - | 270,000 | 21,300 | 291,300 |
| 2027 | - | - | 280,000 | 13,050 | 293,050 |
| 2028 | - | - | 295,000 | 4,425 | 299,425 |
| **Total** | $ 1,185,000 | $ 92,379 | $ 1,575,000 | $ 446,875 | $ 3,299,254 |

| Due Year End June 30, | Capital Lease Computers 2015 Principal | Capital Lease Computers 2015 Interest |
|---|---|---|
| 2017 | $ 62,990 | $ 5,091 |
| 2018 | 64,643 | 3,438 |
| 2019 | 66,339 | 1,741 |
| **Total** | $ 193,972 | $ 10,270 |

**Bradley School District No. 61**
**Operating Cost and Tuition Charge**
**June 30, 2016**

| | Year ended June 30, | |
|---|---|---|
| | **2016** | **2015** |
| **Average Daily Attendance** | 1,411 | 1,424 |
| **Operating Costs:** | | |
| Educational | $ 14,760,018 | $ 14,267,885 |
| Operations and Maintenance | 1,080,944 | 1,048,377 |
| Debt Service | 421,148 | 300,376 |
| Transportation | 418,196 | 449,431 |
| Municipal Retirement/Social Security | 555,115 | 541,635 |
| **Subtotal** | 17,235,421 | 16,607,704 |
| **Less revenues/expenditures of nonregular programs:** | | |
| Pre-K programs | 398,454 | 466,420 |
| Capital outlay | 518,598 | 338,272 |
| Debt principal retired | 339,582 | 214,473 |
| Community services | 220,469 | 201,614 |
| Payments to other districts/governmental units | 1,181,482 | 1,105,493 |
| **Subtotal** | 2,658,585 | 2,326,272 |
| **Operating costs** | 14,576,836 | 14,281,432 |
| **Operating cost per pupil** | $ 10,330 | $ 10,032 |
| **Tuition charge:** | | |
| Operating costs | $ 14,576,836 | $ 14,281,432 |
| Less-revenues for specific programs | 3,152,324 | 2,590,709 |
| Net operating costs | 11,424,512 | 11,690,723 |
| Depreciation allowance | 919,585 | 942,536 |
| Allowable tuition costs | $ 12,344,097 | $ 12,633,259 |
| **Per Capita Tuition Charge** | $ 8,747 | $ 8,874 |

**Bradley School District No. 61**
**Statements of Assets and Liabilities Arising From Cash Transactions**
**All Funds and Account Groups**
**June 30, 2016**

| | Educational | Operations and Maintenance | Debt Service | Transportation | Municipal Retirement/ Social Security | Capital Projects | Working Cash | Tort | Fire Prevention and Safety | Agency Funds | Account Groups: General Fixed Assets | Account Groups: General Long-Term Debt |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Assets: | | | | | | | | | | | | |
| Cash | $ 1,230,533 | $ 583,977 | $ 6,644 | $ 879,144 | $ 29,987 | $ - | $ 197,918 | $ 1,234 | $ - | $ 1,474,113 | $ - | $ - |
| Investments | 1,994,275 | - | - | 25,000 | - | - | 1,071,583 | - | - | 99,000 | - | - |
| Property and equipment | - | - | - | - | - | - | - | - | - | | 33,245,334 | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - |
| Amount available in Debt Service fund | - | - | - | - | - | - | - | - | - | - | - | 6,644 |
| Amount to be provided for retirement of general long-term debt | - | - | - | - | - | - | - | - | - | - | - | 2,947,328 |
| Total assets | $ 3,224,808 | $ 583,977 | $ 6,644 | $ 904,144 | $ 29,987 | $ - | $ 1,269,501 | $ 1,234 | $ - | $ 1,573,113 | $ 33,245,334 | $ 2,953,972 |
| Liabilities: | | | | | | | | | | | | |
| Payroll withholdings | $ - | $ - | $ - | - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Due to organizations | - | - | - | - | - | - | - | - | - | 53,901 | - | - |
| Bonds and loans payable | - | - | - | - | - | - | - | - | - | - | - | 2,953,972 |
| Total liabilities | - | - | - | - | - | - | - | - | - | 53,901 | - | 2,953,972 |
| Fund balances: | | | | | | | | | | | | |
| Investment in general fixed assets | - | - | - | - | - | - | - | - | - | - | 33,245,334 | - |
| Restricted for: | | | | | | | | | | | | |
| Municipal retirement/social security | - | - | - | - | 29,987 | - | - | - | - | - | - | - |
| Debt service | - | - | 6,644 | - | - | - | - | - | - | - | - | - |
| Capital projects | - | 250,000 | - | - | - | - | - | - | - | - | - | - |
| Tort | - | - | - | - | - | - | - | 1,234 | - | - | - | - |
| Health benefits | - | - | - | - | - | - | - | - | - | 1,519,212 | - | - |
| Committed for: | | | | | | | | | | | | |
| Working cash | - | - | - | - | - | - | 1,269,501 | - | - | - | - | - |
| Assigned: | - | - | | | | | | | | | | |
| Operations and maintenance | - | 333,977 | - | - | - | - | - | - | - | - | - | - |
| Transportation | - | - | - | 904,144 | - | - | - | - | - | - | - | - |
| Unassigned | 3,224,808 | - | - | - | - | - | - | - | - | - | - | - |
| Total fund balance | 3,224,808 | 583,977 | 6,644 | 904,144 | 29,987 | - | 1,269,501 | 1,234 | - | 1,519,212 | 33,245,334 | - |
| Total liabilities and fund balance | $ 3,224,808 | $ 583,977 | $ 6,644 | $ 904,144 | $ 29,987 | $ - | $ 1,269,501 | $ 1,234 | $ - | $ 1,573,113 | $ 33,245,334 | $ 2,953,972 |

**Bradley School District No. 61**
**Statement of Receipts, Disbursements, Other Financing Sources and Uses and Changes in Fund Balances**
**All Funds**
**For the year ended June 30, 2016**

| | Educational | Operations and Maintenance | Debt Service | Transportation | Municipal Retirement/ Social Security | Capital Projects | Working Cash | Tort | Fire Prevention and Safety |
|---|---|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | | | |
| Local sources | $ 7,201,992 | $ 906,232 | $ 246,725 | $ 127,307 | $ 519,465 | $ - | $ 87,183 | $ - | $ - |
| State sources | 5,911,107 | 335,000 | - | 275,296 | - | - | - | - | - |
| Federal sources | 1,553,033 | - | - | - | - | - | - | - | - |
| Total direct revenues | 14,666,132 | 1,241,232 | 246,725 | 402,603 | 519,465 | - | 87,183 | - | - |
| Revenues for "on behalf" payments | 4,105,942 | - | - | - | - | - | - | - | - |
| Total revenues | 18,772,074 | 1,241,232 | 246,725 | 402,603 | 519,465 | - | 87,183 | - | - |
| Expenditures: | | | | | | | | | |
| Instruction | 9,153,339 | - | - | - | 245,072 | - | - | - | - |
| Supporting services | 4,209,860 | 1,080,944 | - | 418,196 | 304,911 | - | - | - | - |
| Community services | 215,337 | - | - | - | 5,132 | - | - | - | - |
| Payments to other districts and governmental units | 1,181,482 | - | - | - | - | - | - | - | - |
| Debt services | - | - | 421,148 | - | - | - | - | - | - |
| Total direct expenditures | 14,760,018 | 1,080,944 | 421,148 | 418,196 | 555,115 | - | - | - | - |
| Expenditures for "on behalf" payments | 4,105,942 | - | - | - | - | - | - | - | - |
| Total expenditures | 18,865,960 | 1,080,944 | 421,148 | 418,196 | 555,115 | - | - | - | - |
| Excess (deficiency) of revenues over expenditures | (93,886) | 160,288 | (174,423) | (15,593) | (35,650) | - | 87,183 | - | - |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | 449,925 | - | - | - | - | - |
| Revenues pledged for capital lease payments | (120,427) | - | 120,427 | - | - | - | - | - | - |
| Total other financing sources (uses) | 141,343 | - | 120,427 | 449,925 | - | - | - | - | - |
| Excess (deficiency) of revenues received and other financing sources (uses) over expenditures disbursed | 47,457 | 160,288 | (53,996) | 434,332 | (35,650) | - | 87,183 | - | - |
| Fund balance - beginning of year | 3,177,351 | 423,689 | 60,640 | 469,812 | 65,637 | - | 1,182,318 | 1,234 | - |
| Fund balance - end of year | $ 3,224,808 | $ 583,977 | $ 6,644 | $ 904,144 | $ 29,987 | $ - | $ 1,269,501 | $ 1,234 | $ - |

**Bradley School District No. 61**
**Statement of Revenues Received - All Funds**
**For the year ended June 30, 2016**

| | Educational | Operations and Maintenance | Debt Service | Transportation | Municipal Retirement/ Social Security | Capital Projects | Working Cash | Tort | Fire Prevention and Safety |
|---|---|---|---|---|---|---|---|---|---|
| **Revenues from local sources** | | | | | | | | | |
| Ad valorem taxes levied by local education agency | | | | | | | | | |
| General levy | $ 6,631,843 | $ 821,584 | $ 246,702 | $ 125,684 | $ 259,471 | $ - | $ 83,112 | $ - | $ - |
| Special education levy | 48,247 | - | - | - | - | - | - | - | - |
| Social security/medicare only levy | - | - | - | - | 204,939 | - | - | - | - |
| Total ad valorem taxes levied by LEA | 6,680,090 | 821,584 | 246,702 | 125,684 | 464,410 | - | 83,112 | - | - |
| Payments in lieu of taxes | | | | | | | | | |
| Corporate personal property replacement taxes | 258,223 | 80,000 | - | - | 55,000 | - | - | - | - |
| Total payments in lieu of taxes | 258,223 | 80,000 | - | - | 55,000 | - | - | - | - |
| Earnings on investments | | | | | | | | | |
| Interest on investments | 13,478 | 130 | 23 | 122 | 55 | - | 4,071 | - | - |
| Total earnings on investments | 13,478 | 130 | 23 | 122 | 55 | - | 4,071 | - | - |
| Food service | | | | | | | | | |
| Sales to pupils - lunch | 79,027 | - | - | - | - | - | - | - | - |
| Sales to pupils - breakfast | 10,866 | - | - | - | - | - | - | - | - |
| Sales to pupils - a la carte | 45,293 | - | - | - | - | - | - | - | - |
| Sales to adults | 936 | - | - | - | - | - | - | - | - |
| Total food service | 136,122 | - | - | - | - | - | - | - | - |
| Pupil activities | | | | | | | | | |
| Admissions - athletic | 1,661 | - | - | - | - | - | - | - | - |
| Fees | 1,575 | - | - | - | - | - | - | - | - |
| Other pupil activity revenue | 3,755 | - | - | - | - | - | - | - | - |
| Total pupil activities | 6,991 | - | - | - | - | - | - | - | - |
| Textbooks | | | | | | | | | |
| Rentals - regular textbooks | 77,258 | - | - | - | - | - | - | - | - |
| Total textbooks | 77,258 | - | - | - | - | - | - | - | - |
| Other revenue from local sources | | | | | | | | | |
| Contributions | 249 | - | - | - | - | - | - | - | - |
| Refund of prior year's expenditures | 9,246 | - | - | - | - | - | - | - | - |
| Other | 20,335 | 4,518 | - | 1,501 | - | - | - | - | - |
| Total other revenue from local sources | 29,830 | 4,518 | - | 1,501 | - | - | - | - | - |
| Total revenues from local sources | 7,201,992 | 906,232 | 246,725 | 127,307 | 519,465 | - | 87,183 | - | - |
| **Revenues from state sources** | | | | | | | | | |
| General state aid- Sec. 18-8.05 | 4,184,510 | 335,000 | - | - | - | - | - | - | - |
| General state aid hold harmless/supplemental | 59,698 | - | - | - | - | - | - | - | - |
| Total unrestricted grants-in-aid | 4,244,208 | 335,000 | - | - | - | - | - | - | - |
| Restricted grants-in-aid | | | | | | | | | |
| Special education | | | | | | | | | |
| Special education - private facility tuition | 496,116 | - | - | - | - | - | - | - | - |
| Special education - funding for children requiring Sp ED Services | 209,135 | - | - | - | - | - | - | - | - |
| Special education - personnel | 389,244 | - | - | - | - | - | - | - | - |
| Special education - orphanage - individual | 5,203 | - | - | - | - | - | - | - | - |
| Special education - summer school | 11,208 | - | - | - | - | - | - | - | - |
| Total special education | 1,110,906 | - | - | - | - | - | - | - | - |

**Bradley School District No. 61**
**Statement of Revenues Received - All Funds**
**For the year ended June 30, 2016**

| | Educational | Operations and Maintenance | Debt Service | Transportation | Municipal Retirement/ Social Security | Capital Projects | Working Cash | Tort | Fire Prevention and Safety |
|---|---|---|---|---|---|---|---|---|---|
| Bilingual | | | | | | | | | |
| Bilingual education - downstate - TPI | 12,744 | - | - | - | - | - | - | - | - |
| Total bilingual education | 12,744 | - | - | - | - | - | - | - | - |
| State free lunch & breakfast | 3,833 | - | - | - | - | - | - | - | - |
| Transportation | | | | | | | | | |
| Transportation - regular/vocational | - | - | - | 123,357 | - | - | - | - | - |
| Transportation - special education | - | - | - | 141,939 | - | - | - | - | - |
| Total transportation | - | - | - | 265,296 | - | - | - | - | - |
| Early childhood - block grant | 538,533 | - | - | 10,000 | - | - | - | - | - |
| Other restricted revenue from state sources | 883 | - | - | - | - | - | - | - | - |
| Total restricted grants-in-aid | 1,666,899 | - | - | 275,296 | - | - | - | - | - |
| Total revenues from state sources | 5,911,107 | 335,000 | - | 275,296 | - | - | - | - | - |
| **Revenues from federal sources** | | | | | | | | | |
| Restricted grants-in-aid received from the federal government through the state | | | | | | | | | |
| Food service | | | | | | | | | |
| National school lunch program | 380,897 | - | - | - | - | - | - | - | - |
| School breakfast program | 111,008 | - | - | - | - | - | - | - | - |
| Total food service | 491,905 | - | - | - | - | - | - | - | - |
| Title I | | | | | | | | | |
| Title I - Low income | 489,904 | - | - | - | - | - | - | - | - |
| Total Title I | 489,904 | - | - | - | - | - | - | - | - |
| Federal special education | | | | | | | | | |
| Fed - spec education - preschool flow-through | 14,742 | - | - | - | - | - | - | - | - |
| Fed - spec education - IDEA - flow through/low incidence | 331,875 | - | - | - | - | - | - | - | - |
| Total federal - special education | 346,617 | - | - | - | - | - | - | - | - |
| Title III -Language Inst Program -Limited Eng (LIPLEP) | 8,884 | - | - | - | - | - | - | - | - |
| Title II - Teacher quality | 31,581 | - | - | - | - | - | - | - | - |
| Medicaid matching funds - administrative outreach | 54,398 | - | - | - | - | - | - | - | - |
| Medicaid matching funds - fees-for-service program | 129,744 | - | - | - | - | - | - | - | - |
| Total restricted grants-in-aid received from the federal government through thru the state | 1,553,033 | - | - | - | - | - | - | - | - |
| Total revenues from federal sources | 1,553,033 | - | - | - | - | - | - | - | - |
| Total direct revenues | $ 14,666,132 | $ 1,241,232 | $ 246,725 | $ 402,603 | $ 519,465 | $ - | $ 87,183 | $ - | $ - |

**Bradley School District No. 61**
**Statement of Expenditures Disbursed, Budget to Actual - All Funds**
**For the year ended June 30, 2016**

| | Salaries | Employee Benefits | Purchased Services | Supplies & Materials | Capital Outlay | Other Objects | Non-capitalized Equipment | Termination Benefits | Total | Budget |
|---|---|---|---|---|---|---|---|---|---|---|
| **Educational Fund** | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular programs | $ 4,545,853 | $ 760,592 | $ 91,362 | $ 124,595 | $ 270,955 | $ - | $ - | $ - | $ 5,793,357 | $ 5,629,254 |
| Pre-K programs | 282,879 | 76,443 | 450 | 18,407 | 1,203 | - | - | - | 379,382 | 425,374 |
| Special education programs | 1,622,520 | 416,442 | 400 | 27,016 | 1,166 | 43 | - | - | 2,067,587 | 2,208,280 |
| Special education programs-Pre K | - | - | - | 585 | - | - | - | - | 585 | 15,005 |
| Remedial and supplemental K-12 programs | 78,628 | 20,738 | 42,927 | 110,784 | 120,624 | - | - | - | 373,701 | 283,647 |
| CTE programs | - | - | - | 431 | - | - | - | - | 431 | 800 |
| Interscholastic programs | 117,703 | - | 5,737 | 11,077 | - | 16,984 | - | - | 151,501 | 154,000 |
| Gifted programs | 70,451 | 11,620 | - | 2,524 | - | 210 | - | - | 84,805 | 92,400 |
| Bilingual programs | 237,298 | 59,508 | 40 | 5,144 | - | - | - | - | 301,990 | 303,633 |
| Total instruction | 6,955,332 | 1,345,343 | 140,916 | 300,563 | 393,948 | 17,237 | - | - | 9,153,339 | 9,112,393 |
| Support services | | | | | | | | | | |
| Support services - pupils | | | | | | | | | | |
| Attendance & social work services | 189,108 | 31,664 | - | - | - | 8,859 | - | - | 229,631 | 228,650 |
| Health services | 181,873 | 44,428 | 2,397 | 3,143 | - | 534 | - | - | 232,375 | 234,310 |
| Psychological services | 131,287 | 10,883 | 360 | - | - | - | - | - | 142,530 | 143,410 |
| Speech pathology & audiology services | 158,811 | 27,562 | 102,983 | - | - | - | - | - | 289,356 | 298,130 |
| Total support services - pupils | 661,079 | 114,537 | 105,740 | 3,143 | - | 9,393 | - | - | 893,892 | 904,500 |
| Support services - instructional staff | | | | | | | | | | |
| Improvement of instruction services | 136,072 | 22,539 | 109,812 | 5,610 | - | 3,524 | - | - | 277,557 | 285,523 |
| Educational media services | 201,091 | 47,884 | 1,440 | 21,208 | 3,323 | 4,194 | - | - | 279,140 | 283,320 |
| Assessment and testing | - | - | 21,463 | 7,325 | - | - | - | - | 28,788 | 45,656 |
| Total support services - instructional staff | 337,163 | 70,423 | 132,715 | 34,143 | 3,323 | 7,718 | - | - | 585,485 | 614,499 |
| Support services - general administration | | | | | | | | | | |
| Board of education services | 7,804 | 198,747 | 179,270 | 1,014 | - | 37,266 | - | - | 424,101 | 416,300 |
| Executive administration services | 220,266 | 48,259 | 51,091 | 2,871 | 1,161 | 9,714 | - | - | 333,362 | 333,050 |
| Service area administrative services | 91,067 | 9,592 | - | - | - | - | - | - | 100,659 | 100,700 |
| Tort immunity services | - | - | 36,131 | - | - | - | - | - | 36,131 | 35,000 |
| Total support services - general administration | 319,137 | 256,598 | 266,492 | 3,885 | 1,161 | 46,980 | - | - | 894,253 | 885,050 |
| Support services - school administration | | | | | | | | | | |
| Office of the principal services | 580,528 | 127,803 | 43,344 | 10,215 | 4,448 | 5,920 | - | - | 772,258 | 812,900 |
| Total support services - school administration | 580,528 | 127,803 | 43,344 | 10,215 | 4,448 | 5,920 | - | - | 772,258 | 812,900 |
| Support services - business | | | | | | | | | | |
| Direction of business support | 105,292 | 11,642 | 1,375 | - | - | 1,374 | - | - | 119,683 | 125,360 |
| Fiscal services | 42,436 | 26,708 | 14,214 | 198 | - | 2,629 | - | - | 86,185 | 91,100 |
| Operation & maintenance of plant services | - | - | 34,274 | 174,795 | - | - | - | - | 209,069 | 197,000 |
| Food services | 220,352 | 42,025 | 11,340 | 268,691 | 8,908 | 2,802 | - | - | 554,118 | 563,272 |
| Total support services - business | 368,080 | 80,375 | 61,203 | 443,684 | 8,908 | 6,805 | - | - | 969,055 | 976,732 |
| Support services - central | | | | | | | | | | |
| Planning, research, development, evaluation services | - | - | - | 6,300 | - | - | - | - | 6,300 | 6,300 |
| Information services | - | - | - | 122 | - | - | - | - | 122 | 2,800 |
| Staff services | - | - | - | - | - | - | - | - | - | 500 |
| Data processing services | 2,996 | 7,744 | 6,000 | 55,245 | 16,510 | - | - | - | 88,495 | 236,700 |
| Total support services - central | 2,996 | 7,744 | 6,000 | 61,667 | 16,510 | - | - | - | 94,917 | 246,300 |
| Total support services | 2,268,983 | 657,480 | 615,494 | 556,737 | 34,350 | 76,816 | - | - | 4,209,860 | 4,439,981 |
| Community services | 173,852 | 20,600 | 4,921 | 15,964 | - | - | - | - | 215,337 | 226,279 |
| Payments to other government units (in-state) tuition | | | | | | | | | | |
| Payments for special education programs-tuition | - | - | - | - | - | 1,181,482 | - | - | 1,181,482 | 1,140,000 |
| Other payments to in-state government units | - | - | - | - | - | - | - | - | - | 12,445 |
| Total payments to other govt units (in-state) tuition | - | - | - | - | - | 1,181,482 | - | - | 1,181,482 | 1,152,445 |
| Provisions for contingencies | | | | | | | | | | - |
| Total direct expenditures | 9,398,167 | 2,023,423 | 761,331 | 873,264 | 428,298 | 1,275,535 | - | - | 14,760,018 | 14,931,098 |
| Excess (deficiency) of revenues over expenditures | | | | | | | | | (93,886) | |

**Bradley School District No. 61**
**Statement of Expenditures Disbursed, Budget to Actual - All Funds**
**For the year ended June 30, 2016**

| | Salaries | Employee Benefits | Purchased Services | Supplies & Materials | Capital Outlay | Other Objects | Non-capitalized Equipment | Termination Benefits | Total | Budget |
|---|---|---|---|---|---|---|---|---|---|---|
| **Operations and Maintenance Fund** | | | | | | | | | | |
| Support services | | | | | | | | | | |
| Support services - business | | | | | | | | | | |
| Facilities acquisition & construction services | - | - | 10,999 | - | 9,880 | - | - | - | 20,879 | 144,600 |
| Operation & maintenance of plant services | 432,238 | 75,157 | 418,565 | 72,029 | 62,076 | - | - | - | 1,060,065 | 1,038,500 |
| Total support services - business | 432,238 | 75,157 | 429,564 | 72,029 | 71,956 | - | - | - | 1,080,944 | 1,183,100 |
| Total support services | 432,238 | 75,157 | 429,564 | 72,029 | 71,956 | - | - | - | 1,080,944 | 1,183,100 |
| Provisions for contingencies | | | | | | | | | | - |
| Total direct expenditures | 432,238 | 75,157 | 429,564 | 72,029 | 71,956 | - | - | - | 1,080,944 | 1,183,100 |
| Excess (deficiency) of revenues over expenditures | | | | | | | | | 160,288 | |
| **Debt Service Fund** | | | | | | | | | | |
| Debt services | | | | | | | | | | |
| Debt services - interest on long term debt | - | - | - | - | - | 80,710 | - | - | 80,710 | 79,734 |
| Debt service - principal retired | - | - | - | - | - | 339,582 | - | - | 339,582 | 288,212 |
| Debt service - other | - | - | - | - | - | 856 | - | - | 856 | 1,000 |
| Total debt services | - | - | - | - | - | 421,148 | - | - | 421,148 | 368,946 |
| Provisions for contingencies | | | | | | | | | | - |
| Total direct expenditures | - | - | - | - | - | 421,148 | - | - | 421,148 | 368,946 |
| Excess (deficiency) of revenues over expenditures | | | | | | | | | $ (174,423) | |
| **Transportation Fund** | | | | | | | | | | |
| Support services | | | | | | | | | | |
| Support services - business | | | | | | | | | | |
| Pupil transportation services | 284,194 | 35,717 | 40,481 | 38,602 | 18,344 | 858 | - | - | 418,196 | 564,950 |
| Total support services - business | 284,194 | 35,717 | 40,481 | 38,602 | 18,344 | 858 | - | - | 418,196 | 564,950 |
| Total support services | 284,194 | 35,717 | 40,481 | 38,602 | 18,344 | 858 | - | - | 418,196 | 564,950 |
| Provisions for contingencies | | | | | | | | | | - |
| Total direct expenditures | 284,194 | 35,717 | 40,481 | 38,602 | 18,344 | 858 | - | - | 418,196 | 564,950 |
| Excess (deficiency) of revenues over expenditures | | | | | | | | | $ (15,593) | |

Bradley School District No. 61
Statement of Expenditures Disbursed, Budget to Actual - All Funds
For the year ended June 30, 2016

| | Salaries | Employee Benefits | Purchased Services | Supplies & Materials | Capital Outlay | Other Objects | Non-capitalized Equipment | Termination Benefits | Total | Budget |
|---|---|---|---|---|---|---|---|---|---|---|
| **Municipal Retirement/Social Security Fund** | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular programs | - | 68,933 | - | - | - | - | - | - | 68,933 | 70,518 |
| Pre-K programs | - | 19,690 | - | - | - | - | - | - | 19,690 | 26,625 |
| Special education programs | - | 123,751 | - | - | - | - | - | - | 123,751 | 131,270 |
| Special education programs-Pre K | - | - | - | - | - | - | - | - | - | 1,900 |
| Remedial and supplemental programs K-12 | - | 10,285 | - | - | - | - | - | - | 10,285 | 10,097 |
| Interscholastic programs | - | 2,771 | - | - | - | - | - | - | 2,771 | 3,485 |
| Gifted programs | - | 974 | - | - | - | - | - | - | 974 | 1,000 |
| Bilingual programs | - | 18,668 | - | - | - | - | - | - | 18,668 | 13,987 |
| Total instruction | - | 245,072 | - | - | - | - | - | - | 245,072 | 258,882 |
| Support services | | | | | | | | | | |
| Support services - pupils | | | | | | | | | | |
| Attendance & social work services | - | 2,388 | - | - | - | - | - | - | 2,388 | 2,755 |
| Health services | - | 34,612 | - | - | - | - | - | - | 34,612 | 36,600 |
| Psychological services | - | 1,875 | - | - | - | - | - | - | 1,875 | 1,975 |
| Speech pathology & audiology services | - | 2,291 | - | - | - | - | - | - | 2,291 | 2,350 |
| Total support services - pupils | - | 41,166 | - | - | - | - | - | - | 41,166 | 43,680 |
| Support services - instructional staff | | | | | | | | | | |
| Improvement of instruction services | - | 2,193 | - | - | - | - | - | - | 2,193 | 2,500 |
| Educational media services | - | 37,940 | - | - | - | - | - | - | 37,940 | 37,370 |
| Total support services - instructional staff | - | 40,133 | - | - | - | - | - | - | 40,133 | 39,870 |
| Support services - general administration | | | | | | | | | | |
| Board of education services | - | 641 | - | - | - | - | - | - | 641 | 460 |
| Executive administration services | - | 12,305 | - | - | - | - | - | - | 12,305 | 11,100 |
| Service area administrative services | - | 1,320 | - | - | - | - | - | - | 1,320 | 1,315 |
| Total support services - general administration | - | 14,266 | - | - | - | - | - | - | 14,266 | 12,875 |
| Support services - school administration | | | | | | | | | | |
| Office of the principal services | - | 45,315 | - | - | - | - | - | - | 45,315 | 44,550 |
| Total support services - school administration | - | 45,315 | - | - | - | - | - | - | 45,315 | 44,550 |
| Support services - business | | | | | | | | | | |
| Direction of business support services | - | 1,458 | - | - | - | - | - | - | 1,458 | 1,500 |
| Fiscal services | - | 8,208 | - | - | - | - | - | - | 8,208 | 8,225 |
| Operation & maintenance of plant services | - | 73,507 | - | - | - | - | - | - | 73,507 | 71,960 |
| Pupil transportation services | - | 47,155 | - | - | - | - | - | - | 47,155 | 48,400 |
| Food services | - | 33,703 | - | - | - | - | - | - | 33,703 | 36,875 |
| Total support services - business | - | 164,031 | - | - | - | - | - | - | 164,031 | 166,960 |
| Total support services | - | 304,911 | - | - | - | - | - | - | 304,911 | 307,935 |
| Community services | - | 5,132 | - | - | - | - | - | - | 5,132 | 7,058 |
| Provisions for contingencies | | | | | | | | | | - |
| Total direct expenditures | - | 555,115 | - | - | - | - | - | - | 555,115 | 573,875 |
| Excess (deficiency) of revenues over expenditures | | | | | | | | | $ (35,650) | |

**Bradley School District No. 61**
**Statement of Expenditures Disbursed, Budget to Actual - All Funds**
**For the year ended June 30, 2016**

| | Salaries | Employee Benefits | Purchased Services | Supplies & Materials | Capital Outlay | Other Objects | Non-capitalized Equipment | Termination Benefits | Total | Budget |
|---|---|---|---|---|---|---|---|---|---|---|
| **Capital Projects Fund** | | | | | | | | | | |
| Support services | | | | | | | | | | |
| Support services - business | | | | | | | | | | |
| Facilities acquisition & construction services | - | - | - | - | - | - | - | - | - | - |
| Total support services | - | - | - | - | - | - | - | - | - | - |
| Total direct expenditures | - | - | - | - | - | - | - | - | - | - |
| Excess (deficiency) of revenues over expenditures | | | | | | | | | $ - | |
| **Tort Fund** | | | | | | | | | | |
| Support services | | | | | | | | | | |
| Support services - central administration | | | | | | | | | | |
| Worker's compensation | - | - | - | - | - | - | - | - | - | - |
| Insurance payments | - | - | - | - | - | - | - | - | - | - |
| Total support services | - | - | - | - | - | - | - | - | - | - |
| Total direct expenditures | - | - | - | - | - | - | - | - | - | - |
| Excess (deficiency) of revenues over expenditures | | | | | | | | | $ - | |
| **Fire Prevention and Safety Fund** | | | | | | | | | | |
| Support services | | | | | | | | | | |
| Support services - business | | | | | | | | | | |
| Facilities acquisition & construction services | - | - | - | - | - | - | - | - | - | - |
| Operation & maintenance of plant services | - | - | - | - | - | - | - | - | - | - |
| Total support services - business | - | - | - | - | - | - | - | - | - | - |
| Other support services | - | - | - | - | - | - | - | - | - | - |
| Total support services | - | - | - | - | - | - | - | - | - | - |
| Total direct expenditures | - | - | - | - | - | - | - | - | - | - |
| Excess (deficiency) of revenues over expenditures | | | | | | | | | $ - | |

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**Bradley School District 61**
**32-046-0610-02**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**Year Ending June 30, 2016**

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation | CFDA Number[2] (A) | ISBE Project # (1st 8 digits) or Contract #3 (B) | Receipts/Revenues Year 7/1/14-6/30/15 (C) | Receipts/Revenues Year 7/1/15-6/30/16 (D) | Expenditure/Disbursements[4] Year 7/1/14-6/30/15 (E) | Expenditure/Disbursements[4] Year 7/1/15-6/30/16 (F) | Obligations/ Encumb. (G) | Final Status (H) | Budget (I) |
|---|---|---|---|---|---|---|---|---|---|
| **US Department of Education: pass-through from Illinois State Board of Education** | | | | | | | | | |
| Title I - Low Income (M) | 84.010 | 2015-4300 | 261,460 | 169,840 | 386,234 | 45,066 | n/a | 431,300 | 502,641 |
| Title I - Low Income (M) | 84.010 | 2016-4300 | | 320,064 | | 398,160 | 35,231 | n/a | 521,240 |
| *Total 84.010 (M)* | | | *261,460* | *489,904* | *386,234* | *443,226* | | | |
| Title II - Teacher Quality | 84.367 | 2015-4932 | 60,002 | | 60,002 | | n/a | 60,002 | 60,002 |
| Title II - Teacher Quality | 84.367 | 2016-4932 | | 31,581 | | 39,874 | n/a | n/a | 39,874 |
| *Total 84.367* | | | *60,002* | *31,581* | *60,002* | *39,874* | | | |
| Title III - Lang Inst Prog-limited Eng-LIPLEP | 84.365 | 2015-4909 | 10,560 | 2,467 | 10,560 | 2,467 | n/a | 13,027 | 13,912 |
| Title III - Lang Inst Prog-limited Eng-LIPLEP | 84.365 | 2016-4909 | | 6,417 | | 9,167 | 3,200 | n/a | 13,260 |
| *Total 84.365* | | | *10,560* | *8,884* | *10,560* | *11,634* | | | |
| *Total US Department of Education: pass-through from Illinois State Board of Education* | | | *332,022* | *530,369* | *456,796* | *494,734* | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

• (M) Program was audited as a major program as defined by Title 2 CFR §200.518.

**The accompanying notes are an integral part of this schedule.**

1 To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

2 When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

3 When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. Title 2 CFR §200.510 (b)(2)

4 The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, the Uniform Guidance states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

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**Bradley School District 61**
**32-046-0610-02**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**Year Ending June 30, 2016**

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation | CFDA Number[2] (A) | ISBE Project # (1st 8 digits) or Contract #3 (B) | Receipts/Revenues Year 7/1/14-6/30/15 (C) | Receipts/Revenues Year 7/1/15-6/30/16 (D) | Expenditure/Disbursements[4] Year 7/1/14-6/30/15 (E) | Expenditure/Disbursements[4] Year 7/1/15-6/30/16 (F) | Obligations/ Encumb. (G) | Final Status (H) | Budget (I) |
|---|---|---|---|---|---|---|---|---|---|
| **US Department of Education: pass-through from Kankakee Area Special Education Co-op** | | | | | | | | | |
| ***Special Education IDEA Cluster:*** | | | | | | | | | |
| Special Education Preschool Flowthrough (M) | 84.173 | 2015 | 9,739 | 3,679 | 13,418 | | n/a | n/a | n/a |
| Special Education Preschool Flowthrough (M) | 84.173 | 2016 | | 11,063 | | 12,713 | n/a | n/a | n/a |
| Special Education IDEA Flowthrough (M) | 84.027 | 2015 | 197,627 | 98,279 | 267,655 | 28,251 | n/a | n/a | n/a |
| Special Education IDEA Flowthrough (M) | 84.027 | 2016 | | 233,596 | | 295,609 | n/a | n/a | n/a |
| *Total Special Education IDEA Cluster (M)* | | | *207,366* | *346,617* | *281,073* | *336,573* | | | |
| *Total US Department of Education: pass-through from Kankakee Area Special Education Co-op* | | | *207,366* | *346,617* | *281,073* | *336,573* | | | |
| | | | | | | | | | |
| ***Total US Department of Education*** | | | ***539,388*** | ***876,986*** | ***737,869*** | ***831,307*** | | | |
| | | | | | | | | | |
| **US Department of Health and Human Services: pass-through from Illinois Healthcare and Family Services** | | | | | | | | | |
| Medical Assistance Program | 93.778 | 7/1/14-6/30/15 | 58,522 | | 58,522 | | n/a | n/a | n/a |
| Medical Assistance Program | 93.778 | 7/1/15-6/30/16 | | 56,664 | | 56,664 | n/a | n/a | n/a |
| ***Total US Department of Health and Human Services*** | | | ***58,522*** | ***56,664*** | ***58,522*** | ***56,664*** | | | |
| | | | | | | | | | |

• (M) Program was audited as a major program as defined by Title 2 CFR §200.518.

**The accompanying notes are an integral part of this schedule.**

[1] To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

[2] When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

[3] When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. Title 2 CFR §200.510 (b)(2)

[4] The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, the Uniform Guidance states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

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**Bradley School District 61**
**32-046-0610-02**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**Year Ending June 30, 2016**

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation | CFDA Number[2] (A) | ISBE Project # (1st 8 digits) or Contract #3 (B) | Receipts/Revenues Year 7/1/14-6/30/15 (C) | Receipts/Revenues Year 7/1/15-6/30/16 (D) | Expenditure/Disbursements[4] Year 7/1/14-6/30/15 (E) | Expenditure/Disbursements[4] Year 7/1/15-6/30/16 (F) | Obligations/ Encumb. (G) | Final Status (H) | Budget (I) |
|---|---|---|---|---|---|---|---|---|---|
| *Child Nutrition Cluster:* | | | | | | | | | |
| **US Department of Defense: pass-through from Illinois State Board of Education** | | | | | | | | | |
| Commodities (non-cash) | 10.555 | 2015 | 11,506 | | 11,056 | | n/a | n/a | n/a |
| Commodities (non-cash) | 10.555 | 2016 | | 10,761 | | 10,761 | n/a | n/a | n/a |
| ***Total US Department of Defense*** | | | ***11,506*** | ***10,761*** | ***11,056*** | ***10,761*** | | | |
| | | | | | | | | | |
| **US Department of Agriculture: pass-through from Illinois State Board of Education** | | | | | | | | | |
| National School Lunch | 10.555 | 2015-4210 | 309,174 | 74,872 | 309,174 | 74,872 | n/a | 384,046 | n/a |
| National School Lunch | 10.555 | 2016-4210 | | 306,025 | | 306,025 | n/a | n/a | n/a |
| School Breakfast | 10.555 | 2015-4220 | 82,674 | 22,750 | 82,674 | 22,750 | n/a | 105,424 | n/a |
| School Breakfast | 10.555 | 2016-4220 | | 88,258 | | 88,258 | n/a | n/a | n/a |
| Commodities (non-cash) | 10.555 | 2015 | 40,641 | | 40,641 | | n/a | 40,641 | n/a |
| Commodities (non-cash) | 10.555 | 2016 | | 36,686 | | 36,686 | n/a | n/a | n/a |
| ***Total US Department of Agriculture: pass-through from Illinois State Board of Education*** | | | ***432,489*** | ***528,591*** | ***432,489*** | ***528,591*** | | | |
| *Total-Child Nutrition Cluster* | | | ***443,995*** | ***539,352*** | ***443,545*** | ***539,352*** | | | |
| | | | | | | | | | |
| **Total Federal Awards** | | | **1,041,905** | **1,473,002** | **1,239,936** | **1,427,323** | | | |

• (M) Program was audited as a major program as defined by Title 2 CFR §200.518.

**The accompanying notes are an integral part of this schedule.**

[1] To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

[2] When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

[3] When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. Title 2 CFR §200.510 (b)(2)

[4] The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, the Uniform Guidance states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

**Bradley School District No. 61**
**Notes to the Schedule of Expenditures of Federal Awards**
**As of and for the year ended June 30, 2016**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Bradley School District No. 61 and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Other Disclosures**

Subrecipients – None

Amount of federal insurance in effect during the year – None

Loan/Loan guarantees outstanding at year-end - $-0-

The District has elected not to use the 10% deminimus indirect cost rate allowed under the Uniform Guidance.

**Bradley School District No. 61**
**Summary of Auditor's Results**
**As of and for the year ended June 30, 2016**

## Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes ____ no
- Significant deficiency(ies)? ____ yes X none reported

Noncompliance material to financial statements noted? ____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____ yes X no
- Significant deficiency(ies) identified? ____ yes X none reported

Type of auditor's report issued on compliance on major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR §200.516(a)? ____ yes X no

Identification of major programs

| CFDA Number(s) | Name of Federal Program or Cluster |
|---|---|
| 84.010 | Title I – Low Income |
| 84.027/84.173 | Special Education Cluster (IDEA) |

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee? ____ yes X no

## Section II – Financial Statement Findings Required to be Reported Under Generally Accepted Government Auditing Standards

Finding No: 2016-001

**Criteria or specific requirement**
In order to detect and correct errors, bank reconciliations should be prepared and compared to the accounting records each month end. Any differences should be investigated and corrected.

**Condition**
Bank reconciliation as of June 30, 2016 did not agree to the accounting records.

**Context**
The District's bank reconciliation did not agree to the cash balances in the accounting records by $8,218.

**Effect**
Cash reported in the accounting records was overstated by $8,218.

**Cause**
The District is not comparing the reconciled bank balance to the cash balances reported in the accounting records.

**Recommendation**
The District should compare the reconciled bank balance to the cash balances reported in the accounting records. If there is a difference, the District should determine the reason for the difference and correct the accounting records.

## Section III – Federal Award Findings and Questioned Costs

Current Year Findings: None

**Bradley School District No. 61**
**Summary Schedule of Prior Year Endings**
**As of and for the year ended June 30, 2016**

## Summary Schedule of Prior Year Findings

Prior Year Findings: NONE

**Bradley School District No. 61**
**Corrective Action Plan for the Current Year Audit Findings**
**As of and for the year ended June 30, 2016**

## Corrective Action Plan

Finding No.: 2016-001

Condition:
The bank reconciliation as of June 30, 2016 did not agree to the accounting records.

Plan:
The District will begin to compare the bank reconciliation to the accounting records and correct any differences.

Anticipated Date of Completion: 12/31/2016

Name of Contact Person: Kirt Hendrick