

**BELLWOOD SCHOOL DISTRICT
NO. 88**

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED

JUNE 30, 2016

AND

INDEPENDENT AUDITORS' REPORT

BELLWOOD SCHOOL DISTRICT NO. 88

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BELLWOOD SCHOOL DISTRICT NO. 88

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Baker Tilly Virchow Krause, LLP
1301 W 22nd St, Ste 400
Oak Brook, IL 60523-3389
tel 630 990 3131
fax 630 990 0039
bakertilly.com

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Bellwood School District No. 88
Bellwood, IL

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Bellwood School District No. 88, as of and for the year ended June 30, 2016, and the related notes to the financial statements. We were also engaged to audit the financial statements of the aggregate remaining fund information. These financial statements collectively comprise Bellwood School District No. 88'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 fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. However, due to the matter described in the "Basis for Disclaimer of Opinion" paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the aggregate remaining fund information.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to Bellwood School District No. 88'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 Bellwood School District No. 88'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.

To the Board of Education
Bellwood School District No. 88

Except for the matter described in the Basis for Disclaimer of Opinion paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Disclaimer of Opinion on Aggregate Remaining Fund Information

Sufficient appropriate audit evidence did not exist to allow us to form an opinion on the Statement of Fiduciary Assets and Liabilities – Agency Fund – Modified Cash Basis, as listed in the accompanying table of contents. The District did not maintain appropriate records for fiduciary accounts that were reconciled back to bank balances as of June 30, 2016.

Disclaimer of Opinion

Due to the significance of the matter described in the “Basis for Disclaimer of Opinion on Aggregate Remaining Fund Information” paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion on the aggregate remaining fund information included in Bellwood School District 88’s basic financial statements. Accordingly we do not express an opinion on the aggregate remaining fund information.

Unmodified Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Bellwood School District No. 88 as of June 30, 2016 and the respective changes in the modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 to the financial statements, which describe 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 Bellwood School District No. 88’s basic financial statements. The other information, as described in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

To the Board of Education
Bellwood School District No. 88

Prior-Year Comparative Information

We have previously audited Bellwood School District No. 88's 2015 financial statements, and we expressed unmodified opinions on the respective modified cash basis financial statements of the governmental activities and each major fund, and disclaimed our opinion on the aggregate remaining fund information in our report dated December 4, 2015. We disclaimed our opinion on the aggregate remaining fund information as we were unable to obtain sufficient appropriate audit evidence to allow us to form an opinion on the Statement of Fiduciary Assets and Liabilities – Agency Fund – Modified Cash basis. The District did not maintain appropriate records for fiduciary accounts that were reconciled back to bank balances as of June 30, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2016 on our consideration of Bellwood School District No. 88's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bellwood School District No. 88's internal control over financial reporting and compliance.



Oak Brook, Illinois
December 7, 2016

Bellwood School District No. 88

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2016

The discussion and analysis of Bellwood School District No. 88's (the "District") financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2016. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- > In total, net position increased by \$0.7. This represents a 5% increase from 2015.
- > General revenues accounted for \$29.3 in revenue or 79% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$8.0 or 21% of total revenues of \$37.3.
- > The District had \$36.6 in expenses related to government activities. However, only \$8.0 of these expenses were offset by program specific charges and grants.
- > The District continued to pay down its long-term debt retiring \$1.9 million in fiscal 2016.
- > The District extended the food service contract for an additional year at CPI.

Overview of the Financial Statements

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

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

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

Government-wide financial statements

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

The statement of net position - modified cash basis presents information on all District assets/deferred outflows of resources and liabilities/deferred inflows of resources arising from cash transactions, with the difference between them reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statements of activities - modified cash basis presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported with cash is received and disbursed. Additionally, activity related to acquisition, depreciation and year end balances of capital assets, as well as year end balances and related changes in long-term debt in its government-wide financial statements are reported.

Bellwood School District No. 88

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2016

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

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds (the District maintains no proprietary funds).

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Operations and Maintenance Fund, Tort Immunity and Judgment Fund, Transportation Fund, IMRF/Social Security Fund, Debt Service Fund, and Fire Prevention and Life Safety Fund, all of which are considered to be major funds.

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

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

Notes to basic financial statements

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

Bellwood School District No. 88
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2016

Other information

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

Government-Wide Financial Analysis

The District's combined net position was higher on June 30, 2016, than it was the year before, increasing 5% to \$13.8.

Current assets increased by \$0.7, which is primarily in cash and investments. Capital assets decreased by \$1.8, resulting from the combination of the disposition of a building and normal depreciation of remaining capital assets. Change in total assets was a net decrease \$1.2.

Total liabilities decreased by \$1.9, representing retirement of long-term debt obligations.

Table 1		
Condensed Statements of Net Position		
(in millions of dollars)		
	<u>2015</u>	<u>2016</u>
Assets:		
Current and other assets	\$ 9.0	\$ 9.7
Capital Assets	<u>33.4</u>	<u>31.6</u>
Total assets	<u>42.4</u>	<u>41.3</u>
Total deferred outflows of resources	<u>0.8</u>	<u>0.6</u>
Liabilities:		
Current liabilities	0.1	1.9
Long-term debt outstanding	<u>30.0</u>	<u>26.3</u>
Total liabilities	<u>30.1</u>	<u>28.2</u>
Net position:		
Net investment in capital assets	10.6	10.5
Restricted	4.3	5.4
Unrestricted	<u>(1.8)</u>	<u>(2.1)</u>
Total net position	<u>\$ 13.1</u>	<u>\$ 13.8</u>

Revenues in the governmental activities of the District of \$37.3 exceeded expenses by \$0.7. This was attributable primarily to a net decrease in instruction expenses.

The General Fund includes the recognized revenue and expenditures of \$2.5 in pension contributions that the state of Illinois paid directly to the Teachers' Retirement System (TRS) on behalf of the District's TRS covered employees. The 2016 state retirement contribution was \$4.7 lower than the 2015 contribution amount.

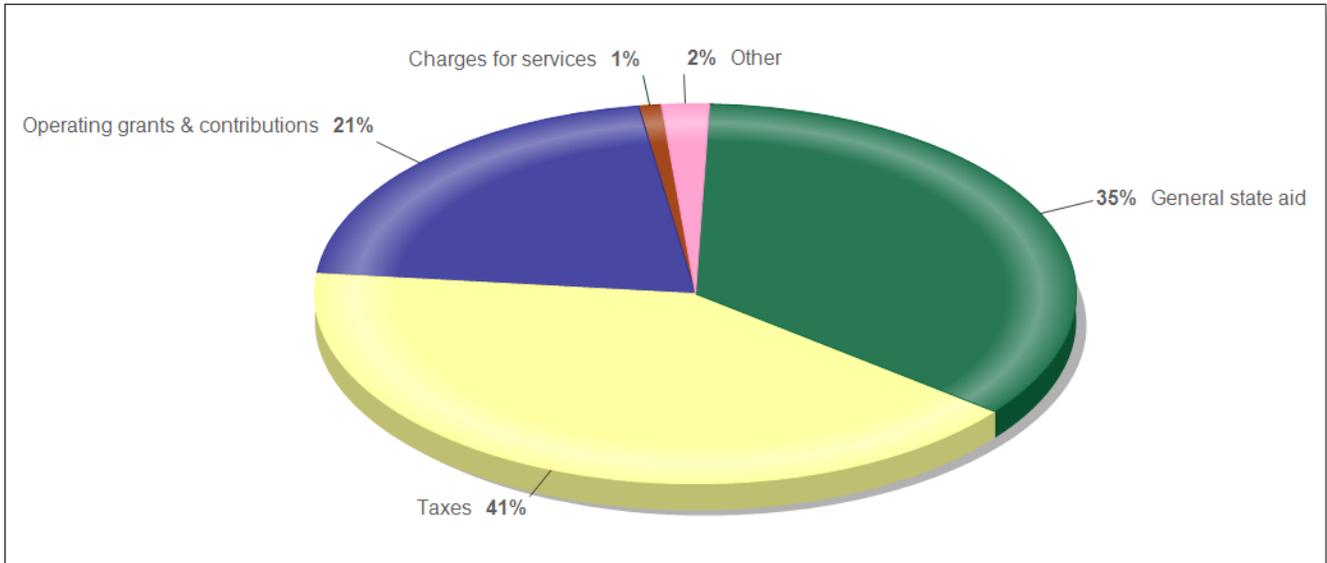
Bellwood School District No. 88
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2016

Table 2		
Changes in Net Position		
(in millions of dollars)		
	<u>2015</u>	<u>2016</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 0.1	\$ 0.3
Operating grants & contributions	12.7	7.7
<i>General revenues:</i>		
Taxes	13.8	15.3
General state aid	11.9	13.2
Other	-	0.8
Total revenues	<u>38.5</u>	<u>37.3</u>
Expenses:		
Instruction	23.1	20.4
Pupil & instructional staff services	2.4	2.6
Administration & business	5.7	6.2
Transportation	1.0	1.2
Operations & maintenance	3.7	3.9
Other	<u>2.3</u>	<u>2.3</u>
Total expenses	<u>38.2</u>	<u>36.6</u>
Increase (decrease) in net position	<u>\$ 0.3</u>	<u>\$ 0.7</u>

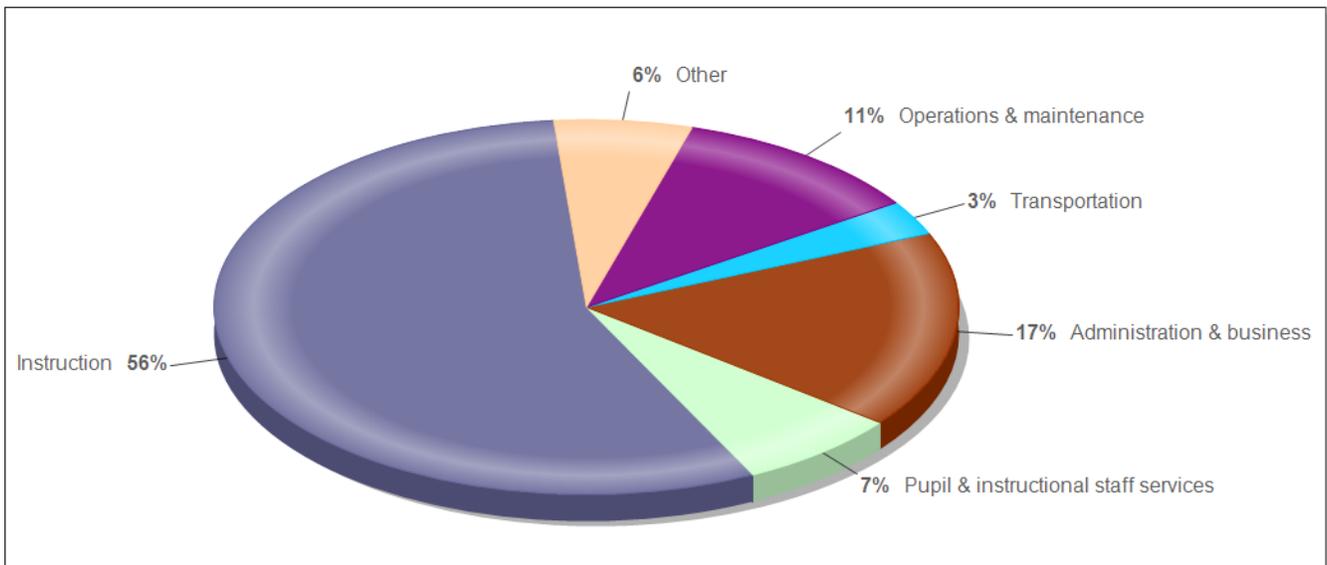
Property taxes accounted for the largest portion of the District's revenues, contributing 41%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$36.6, mainly related to instructing and caring for the students and student transportation at 66%.

Bellwood School District No. 88
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2016

District-Wide Revenues by Source



District-Wide Expenses by Function



Financial Analysis of the District's Funds

The District's Governmental Funds balance increased from \$9.0 to \$9.7.

Total revenues decreased by 5% from \$38.5 to \$36.5.

Overall expenditures decreased by 5% from \$38.5 to \$36.6.

In January 2016, the District sold the Wilson Elementary School Building, a site which had been vacant for several years. The sale of the building provided \$750,000 in other financing sources.

Bellwood School District No. 88
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2016

General Fund Budgetary Highlights

The District's General Fund total revenues exceeded budgeted amounts by \$0.3 for fiscal year 2016. Although tax levy receipts were \$0.4 less than anticipated, higher receipts of General State Aid and other state and federal sources provided more than a sufficient offset.

General Fund total expenditures were greater than budgeted amounts by \$1.2.

In 2016, the District implemented a new district wide curriculum program which contributed to the increase in Instruction supplies and material costs.

Contracts with instructional consultants and professional development opportunities for staff contributed to the increase in Support Services. These activities allow teachers and administrators to develop and improve teaching methods in order to address instructional deficiencies for specific, targeted student populations. The costs for these activities are charged in the Support Services category.

An increase in worker compensation and legal expenses contributed to the unfavorable variance with Support Services - General Administration category.

Capital Assets and Debt Administration

Capital assets

By the end of 2016, the District had compiled a total investment of \$57.6 (\$31.6 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$1.6. More detailed information about capital assets can be found in Note 5 of the basic financial statements.

Table 3			
Capital Assets (net of depreciation)			
(in millions of dollars)			
	<u>2015</u>		<u>2016</u>
Land	\$ 2.6	\$	2.6
Land improvements	0.2		0.1
Buildings	29.7		28.2
Equipment	0.9		0.7
Total	<u>\$ 33.4</u>	<u>\$</u>	<u>31.6</u>

Bellwood School District No. 88
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2016

Long-term debt

The District retired \$1.9 in bonds in 2016. At the end of fiscal 2016, the District had a statutory debt limit of \$21.0 and had exceeded that limit by \$3.0. More detailed information on long-term debt can be found in Note 7 of the basic financial statements.

Table 4		
Outstanding Long-Term Debt		
(in millions of dollars)		
	<u>2015</u>	<u>2016</u>
General Obligation/Alternate Revenue Bonds	\$ 30.0	\$ 28.1
Capital leases and other	-	0.1
Total	<u>\$ 30.0</u>	<u>\$ 28.2</u>

Factors Bearing on the District's Future

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

The collective bargaining agreements with the various support staff associations were negotiated during fiscal year 2016, and are in place through June 30, 2019. Under separate collective bargaining agreements with the teachers' and support staff unions, salaries increased by approximately 2.0% and 1.75% respectively in fiscal year 2016. Salaries account for 53.8% of total operating expenditures and 61.1% of General (Educational) Fund expenditures. The unassigned fund balance of the General Fund is adequate to meet the needs of the District for the immediate future. This should allow the District sufficient time to review its financial alternatives and to establish long-range financial plans.

Health insurance costs have continued to increase on the past few years. The District negotiated higher employee contribution rates within its current bargaining agreements and changed insurance providers in fiscal year 2017. The District will continue to closely monitor health insurance benefit costs, in effort to contain rising costs.

The District continues to be concerned about the funding of education in the State of Illinois and the costs of unfunded mandates. The impact of students requiring special needs services, both, within the District and from the District's Special Education Cooperative and other agencies has resulted in higher tuition costs and transportation charges. District officials will continue to monitor these expenses.

Requests for Information

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

Rosemary Hendricks
 Bellwood School District No. 88
 640 Eastern Avenue
 Bellwood, IL 60104

BELLWOOD SCHOOL DISTRICT NO. 88
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 AS OF JUNE 30, 2016

GOVERNMENTAL
 ACTIVITIES

Assets

Cash and investments	\$	8,614,224
Prepaid items		118,677
Other receivable		74,732
Restricted cash		899,504
Capital assets:		
Land		2,587,032
Depreciable buildings, property and equipment, net		<u>29,047,468</u>
Total assets		<u>41,341,637</u>

Deferred outflows of resources

Deferred charge on refunding		<u>640,493</u>
Total deferred outflows of resources		<u>640,493</u>

Liabilities

Payroll deductions payable		(1,663)
Other long-term liabilities - due within one year		1,954,575
Long-term liabilities:		
Other long-term liabilities - due after one year		<u>26,269,579</u>
Total liabilities		<u>28,222,491</u>

Net position

Net investment in capital assets		10,537,846
Restricted for:		
Tort immunity		516,024
Student transportation		56,510
Retirement benefits		1,029,933
Debt service		3,640,503
Capital projects		132,173
Unrestricted		<u>(2,153,350)</u>
Total net position	\$	<u>13,759,639</u>

See Notes to Basic Financial Statements

BELLWOOD SCHOOL DISTRICT NO. 88
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET POSITION
			GOVERNMENTAL ACTIVITIES	
Governmental activities				
Instruction:				
Regular programs	\$ 10,994,164	\$ 235,375	\$ 1,461	\$ (10,757,328)
Special programs	5,749,851	-	3,103,843	(2,646,008)
Other instructional programs	1,174,051	-	270,591	(903,460)
State retirement contributions	2,501,361	-	2,501,361	-
Support Services:				
Pupils	1,645,726	-	-	(1,645,726)
Instructional staff	953,929	-	19,884	(934,045)
General administration	2,288,642	-	-	(2,288,642)
School administration	1,703,343	-	-	(1,703,343)
Business	2,187,308	-	1,463,654	(723,654)
Transportation	1,167,031	-	355,397	(811,634)
Operations and maintenance	3,890,350	600	-	(3,889,750)
Central	923,147	-	-	(923,147)
Other supporting services	842	-	-	(842)
Community services	248,570	-	-	(248,570)
Payments to other districts and gov't units - excluding special education	82,479	-	-	(82,479)
Interest and fees	1,052,933	-	-	(1,052,933)
Total governmental activities	\$ 36,563,727	\$ 235,975	\$ 7,716,191	(28,611,561)

General revenues:

Taxes:

Real estate taxes, levied for general purposes	7,531,706
Real estate taxes, levied for specific purposes	3,821,504
Real estate taxes, levied for debt service	2,922,056
Personal property replacement taxes	1,059,538
State aid-formula grants	13,158,444
Investment income	58,432
Miscellaneous	750,000
Total general revenues	29,301,680

Change in net position	690,119
Net position, beginning of year	13,069,520
Net position, end of year	\$ 13,759,639

See Notes to Basic Financial Statements

BELLWOOD SCHOOL DISTRICT NO. 88**GOVERNMENTAL FUNDS**

BALANCE SHEET - MODIFIED CASH BASIS

AS OF JUNE 30, 2016

WITH COMPARATIVE TOTALS AS OF JUNE 30, 2015

	GENERAL FUND	TORT IMMUNITY AND JUDGMENT FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND
Assets				
Cash and investments	\$ 2,324,879	\$ 517,719	\$ 701,301	\$ 592,339
Prepaid items	-	-	-	-
Other receivable	74,732	-	-	-
Restricted cash	-	-	-	-
Total assets	<u>\$ 2,399,611</u>	<u>\$ 517,719</u>	<u>\$ 701,301</u>	<u>\$ 592,339</u>
Liabilities and fund balance				
Liabilities				
Payroll deductions payable	\$ (1,663)	\$ -	\$ -	\$ -
Total liabilities	<u>(1,663)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance				
Nonspendable	-	-	-	-
Restricted	-	516,024	-	56,510
Assigned	-	1,695	701,301	535,829
Unassigned	2,401,274	-	-	-
Total fund balance	<u>2,401,274</u>	<u>517,719</u>	<u>701,301</u>	<u>592,339</u>
Total liabilities and fund balance	<u>\$ 2,399,611</u>	<u>\$ 517,719</u>	<u>\$ 701,301</u>	<u>\$ 592,339</u>

See Notes to Basic Financial Statements

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND	DEBT SERVICE FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2016	2015
\$ 1,287,825	\$ 3,005,704	\$ 184,457	\$ 8,614,224	\$ 8,265,065
-	118,677	-	118,677	151,214
-	-	-	74,732	-
-	899,504	-	899,504	592,764
<u>\$ 1,287,825</u>	<u>\$ 4,023,885</u>	<u>\$ 184,457</u>	<u>\$ 9,707,137</u>	<u>\$ 9,009,043</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,663)</u>	<u>\$ 52,558</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,663)</u>	<u>52,558</u>
-	118,677	-	118,677	151,214
1,029,933	3,521,826	132,173	5,256,466	4,128,891
257,892	383,382	52,284	1,932,383	2,020,137
-	-	-	2,401,274	2,656,243
<u>1,287,825</u>	<u>4,023,885</u>	<u>184,457</u>	<u>9,708,800</u>	<u>8,956,485</u>
<u>\$ 1,287,825</u>	<u>\$ 4,023,885</u>	<u>\$ 184,457</u>	<u>\$ 9,707,137</u>	<u>\$ 9,009,043</u>

BELLWOOD SCHOOL DISTRICT NO. 88

RECONCILIATION OF THE GOVERNMENTAL FUNDS

BALANCE SHEET - MODIFIED CASH BASIS TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
AS OF JUNE 30, 2016

Total fund balances - governmental funds - modified cash basis	\$ 9,708,800
Amounts reported for governmental activities in the Statement of Net Position - Modified Cash Basis are different because:	
Net capital assets used in governmental activities and included in the Statement of Net Position - Modified Cash Basis do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet - Modified Cash Basis.	31,634,500
Long-term liabilities included in the Statement of Net Position - Modified Cash Basis are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet - Modified Cash Basis.	(28,224,154)
Deferred charge on refunding included in the Statement of Net Position - Modified Cash Basis is not available to pay for current period expenditures and, therefore, is not included in the Governmental Funds Balance Sheet - Modified Cash Basis.	<u>640,493</u>
Net position of governmental activities - modified cash basis	<u>\$ 13,759,639</u>

See Notes to Basic Financial Statements

BELLWOOD SCHOOL DISTRICT NO. 88
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	GENERAL FUND	TORT IMMUNITY AND JUDGMENT FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND
Revenues				
Property taxes	\$ 7,627,632	\$ 477,538	\$ 1,437,489	\$ 477,502
Corporate personal property replacement taxes	-	-	994,733	-
State aid	15,607,355	-	1,491,443	653,686
Federal aid	3,122,151	-	-	-
Investment income	24,869	1,383	5,145	3,732
Loss on investments	-	-	-	-
Other	206,165	-	23,169	6,641
Total revenues	<u>26,588,172</u>	<u>478,921</u>	<u>3,951,979</u>	<u>1,141,561</u>
Expenditures				
Current:				
Instruction:				
Regular programs	9,262,714	-	-	-
Special programs	2,298,795	-	-	-
Other instructional programs	1,131,130	-	-	-
State retirement contributions	2,501,361	-	-	-
Support Services:				
Pupils	1,304,987	-	-	-
Instructional staff	885,320	-	-	-
General administration	2,195,929	40,000	-	-
School administration	1,589,993	-	-	-
Business	2,085,790	-	-	-
Transportation	37,060	-	-	918,026
Operations and maintenance	-	-	3,545,692	-
Central	851,730	-	-	-
Other supporting services	842	-	-	-
Community services	229,735	-	-	-
Payments to other districts and gov't units	3,071,126	-	110,660	130,994
Debt Service:				
Principal	-	-	-	25,658
Interest and other	-	-	-	-
Capital outlay	144,966	-	283,071	119,800
Total expenditures	<u>27,591,478</u>	<u>40,000</u>	<u>3,939,423</u>	<u>1,194,478</u>
Excess (deficiency) of revenues over expenditures	<u>(1,003,306)</u>	<u>438,921</u>	<u>12,556</u>	<u>(52,917)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	(134,822)	-
Sale or compensation for fixed assets	750,000	-	-	-
Capital lease value	-	-	-	119,800
Total other financing sources (uses)	<u>750,000</u>	<u>-</u>	<u>(134,822)</u>	<u>119,800</u>
Net change in fund balance	(253,306)	438,921	(122,266)	66,883
Fund balance, beginning of year	<u>2,654,580</u>	<u>78,798</u>	<u>823,567</u>	<u>525,456</u>
Fund balance, end of year	<u>\$ 2,401,274</u>	<u>\$ 517,719</u>	<u>\$ 701,301</u>	<u>\$ 592,339</u>

See Notes to Basic Financial Statements

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND	DEBT SERVICE FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2016	2015
\$ 1,239,680	\$ 2,922,056	\$ 93,369	\$ 14,275,266	\$ 12,709,943
64,805	-	-	1,059,538	1,150,977
-	-	-	17,752,484	21,641,431
-	-	-	3,122,151	2,888,940
6,104	16,528	671	58,432	64,822
-	-	-	-	(80,109)
-	-	-	235,975	154,810
<u>1,310,589</u>	<u>2,938,584</u>	<u>94,040</u>	<u>36,503,846</u>	<u>38,530,814</u>
140,876	-	-	9,403,590	8,328,721
57,844	-	-	2,356,639	2,273,759
42,921	-	-	1,174,051	998,340
-	-	-	2,501,361	7,209,950
71,114	-	-	1,376,101	1,230,394
26,146	-	-	911,466	909,085
23,007	-	-	2,258,936	2,215,631
74,862	-	-	1,664,855	1,382,379
98,323	-	-	2,184,113	2,062,993
83,150	-	-	1,038,236	895,896
312,910	-	12,600	3,871,202	3,727,759
71,417	-	-	923,147	884,862
-	-	-	842	1,015
18,835	-	-	248,570	262,826
-	-	-	3,312,780	3,147,090
-	1,852,359	-	1,878,017	1,798,388
-	959,000	-	959,000	1,023,089
-	-	8,925	556,762	134,975
<u>1,021,405</u>	<u>2,811,359</u>	<u>21,525</u>	<u>36,619,668</u>	<u>38,488,815</u>
<u>289,184</u>	<u>127,225</u>	<u>72,515</u>	<u>(115,822)</u>	<u>41,999</u>
-	134,822	-	134,822	134,822
-	-	-	(134,822)	(134,822)
-	-	-	750,000	-
-	-	-	119,800	-
-	<u>134,822</u>	-	<u>869,800</u>	-
289,184	262,047	72,515	753,978	41,999
<u>998,641</u>	<u>3,761,838</u>	<u>111,942</u>	<u>8,954,822</u>	<u>8,912,823</u>
<u>\$ 1,287,825</u>	<u>\$ 4,023,885</u>	<u>\$ 184,457</u>	<u>\$ 9,708,800</u>	<u>\$ 8,954,822</u>

BELLWOOD SCHOOL DISTRICT NO. 88
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
- MODIFIED CASH BASIS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016

Net change in fund balances - total governmental funds - modified cash basis	\$ 753,978
Amounts reported for governmental activities in the Statement of Activities - Modified Cash Basis are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities - Modified Cash Basis, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds current year net capital outlay.	(1,059,689)
The net effect of various miscellaneous transactions involving capital assets (sale, disposal, transfer, etc.) is to decrease net position.	(668,454)
The issuance of long-term debt (bonds, capital leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which current year principal repayments exceed proceeds from current year long-term financing arrangements.	1,758,217
Governmental funds report the effects of premiums, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the Statement of Activities - Modified Cash Basis. This is the amount of the current year, net effect of these differences.	<u>(93,933)</u>
Change in net position of governmental activities - modified cash basis	<u>\$ 690,119</u>

See Notes to Basic Financial Statements

BELLWOOD SCHOOL DISTRICT NO. 88
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - MODIFIED CASH BASIS
AS OF JUNE 30, 2016

	<u>AGENCY STUDENT ACTIVITY FUND</u>
Assets	
Cash	\$ <u>97,332</u>
Total assets	\$ <u><u>97,332</u></u>
Liabilities	
Due to student groups	\$ <u>97,332</u>
Total liabilities	\$ <u><u>97,332</u></u>

See Notes to Basic Financial Statements

BELLWOOD SCHOOL DISTRICT NO. 88
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bellwood School District No. 88 (the “District”) operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to the modified cash basis of accounting as applicable to the local governmental units of this type. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant accounting policies of the District:

Reporting Entity

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

Basis of Presentation

Government-wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct cash disbursements of a given function are offset by program receipts. Direct cash disbursement are those that are clearly identifiable with a specific function. Program receipts 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 receipts are reported instead as general receipts.

Governmental Funds Financial Statements

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

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

BELLWOOD SCHOOL DISTRICT NO. 88
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

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

Measurement Focus and Basis of Accounting

The government-wide financial statements and the fund financial statements are reported using the modified cash basis of accounting. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenditures are recognized when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In the government-wide financial statements, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as described above. In the governmental fund financial statements, the current financial resources measurement focus is used. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period.

As a result of the use of the modified cash basis of accounting, certain assets and deferred inflows of resources and their related revenues, (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and deferred inflows of resources and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

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

Major Governmental Funds

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

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

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

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

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

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

BELLWOOD SCHOOL DISTRICT NO. 88
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

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

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

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

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

Other Fund Types

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

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

Assets, Liabilities and Net Position or Equity

Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at cost.

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 7, 2015 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

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

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lessor of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2015 and 2014 tax levies were 0.8% and 1.5%, respectively.

BELLWOOD SCHOOL DISTRICT NO. 88
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

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

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1 and the second due on the later of August 1 or 30 days after the second installment tax bill is mailed. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Property taxes are normally collected by the District within 60 days of the due date.

Personal Property Replacement Taxes

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

Prepaid Items

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

Capital Assets

Capital assets, which include land, land improvements, buildings, building improvements, vehicles, machinery, equipment, and construction in progress are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$500 and an estimated useful life of more than 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

<i>Assets</i>	<i>Years</i>
Buildings	20 - 80
Land Improvements	20
Equipment	5 - 20

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

Deferred Outflows of Resources

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

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

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

Long-Term Obligations

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

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

Equity Classifications

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

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

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

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

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

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

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

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

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

BELLWOOD SCHOOL DISTRICT NO. 88
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

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

Assigned - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. The Board of Education has not delegated this authority. Therefore, the Board of Education takes official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

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

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

Governmental fund balances are as follows:

The restricted fund balances reported on the fund financial statements at June 30, 2016 are for the purpose of the respective funds as described above in the Major Governmental Funds section. The nonspendable fund balance in the Debt Service Fund is for prepaid QZAB debt service payments. The assigned fund balances are for the purpose of the respective fund as described above in the Major Governmental Funds section.

Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2015, from which such summarized information was derived.

Eliminations and Reclassifications

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Except for the exclusion of on-behalf payments from other governments, discussed below, the budgeted amounts for the Governmental Funds are adopted on the cash basis, which is consistent with cash basis of accounting prescribed by the program accounting manual for Illinois school districts.

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

BELLWOOD SCHOOL DISTRICT NO. 88

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - (CONTINUED)

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

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

Budget Reconciliations

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

	<i>Revenues</i>	<i>Expenditures</i>
General Fund Budgetary Basis	\$ 24,086,811	\$ 25,090,117
To adjust for on-behalf payments received	2,501,361	-
To adjust for on-behalf payments made	<u>-</u>	<u>2,501,361</u>
General Fund Reporting Basis	<u>\$ 26,588,172</u>	<u>\$ 27,591,478</u>

Excess of Expenditures over Budget

For the year ended June 30, 2016, expenditures exceeded budget in the Educational Accounts of the General Fund, Operations & Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund, and Debt Service Fund by \$1,224,729, \$215,693, \$341,374, \$4,861, and \$155,270, respectively. These excesses were funded by available fund balances.

BELLWOOD SCHOOL DISTRICT NO. 88
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash & Investments under the custody of the Township Treasurer

Under the Illinois Compiled Statutes, the Proviso Township School Treasurer is the lawful custodian of all school funds. The Treasurer is appointed by the Township School Trustees, an independently elected body, to serve the school districts in the township. The Treasurer is the direct recipient of property taxes, replacement taxes and most state and federal aid and disburses school funds upon lawful order of the school board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below. For these purposes, the Treasurer is permitted to combine monies from more than one fund of a single district and to combine monies of more than one district in the township. Monies combined under these circumstances, as well as investment earnings, are accounted for separately for each fund and/or district.

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

The Treasurer's investment policies are established by the Proviso Township School Trustees as prescribed by the Illinois School Code and the Illinois Compiled Statutes. The Treasurer is authorized to invest in obligations of the U.S. Treasury, backed by the full faith and credit of the U.S. Government, certificates of deposit issued by commercial banks and savings and loan associations, and commercial paper rated within the three highest classifications by at least two standard rating services (subject to certain limitations).

The Treasurer's Office operates as a non-rated, external investment pool. The fair value of the District's investment in the Treasurer's pool is determined by the District's proportionate share of the fair value of the investments held by the Treasurer's office.

The weighted average maturity of all marketable pooled investments held by the Treasurer was 0.90 years at June 30, 2016. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2016, the fair value of all investments held by the Treasurer's office was \$268,660,944 and the fair value of the District's proportionate share of the pool was \$8,604,224.

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

BELLWOOD SCHOOL DISTRICT NO. 88
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 3 - DEPOSITS AND INVESTMENTS - (CONTINUED)

Cash & Investments in the custody of the District

Deposits of the student activity and imprest funds, which are held in the District's custody, consist of deposits with financial institutions. The following is a summary of such deposits:

	<i>Carrying Value</i>	<i>Bank Balance</i>
Deposits with financial institutions	\$ 107,332	\$ 107,332
Restricted cash - money market mutual fund	899,504	899,504
Total	\$ 1,006,836	\$ 1,006,836

The restricted cash money market mutual fund represents holdings in the Wells Fargo Advantage Government Money Market Fund which are restricted for repayment of the District's 2004A and 2004B Bonds. The fund invests exclusively in high quality, short-term money market instruments that consist of U.S. government obligations. The Wells Fargo Advantage Government Money Market Fund is rated AAAM by Standard and Poor and Aaa-mf by Moody's.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District's investment policy, which is the same as the Treasurer's Office, aims to ensure preservation of capital in the District's overall portfolio. The highest return on investments is sought, consistent with the preservation of principal and prudent investment principles. The investment portfolio is required to provide sufficient liquidity to pay District obligations as they come due, considering maturity and marketability. The investment portfolio is also required to be diversified as to maturities and investments, as appropriate to the nature, purpose, and amount of funds. The District will also consider investments in local financial institutions, recognizing their contribution to the community's economic development.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return.

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2016, the bank balance of the District's deposit with financial institutions was entirely insured.

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 be secured by private insurance or collateral.

BELLWOOD SCHOOL DISTRICT NO. 88
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 3 - DEPOSITS AND INVESTMENTS - (CONTINUED)

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

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

NOTE 4 - INTERFUND TRANSFERS

The transfer of \$134,822 of fund balance from the Operations and Maintenance Fund to the Debt Service Fund to fund the scheduled payment due pertaining to the QZABs outstanding.

State law allows for the above transfer.

NOTE 5 - CAPITAL ASSETS

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

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,587,032	\$ -	\$ -	\$ 2,587,032
Total capital assets not being depreciated	<u>2,587,032</u>	<u>-</u>	<u>-</u>	<u>2,587,032</u>
<i>Capital assets being depreciated:</i>				
Land improvements	766,069	-	47,659	718,410
Buildings	48,985,978	268,625	1,595,675	47,658,928
Equipment	<u>6,437,318</u>	<u>287,535</u>	<u>42,242</u>	<u>6,682,611</u>
Total capital assets being depreciated	<u>56,189,365</u>	<u>556,160</u>	<u>1,685,576</u>	<u>55,059,949</u>
<i>Less Accumulated Depreciation for:</i>				
Land improvements	592,410	41,100	47,659	585,851
Buildings	19,270,977	1,108,424	927,221	19,452,180
Equipment	<u>5,550,367</u>	<u>466,325</u>	<u>42,242</u>	<u>5,974,450</u>
Total accumulated depreciation	<u>25,413,754</u>	<u>1,615,849</u>	<u>1,017,122</u>	<u>26,012,481</u>
Net capital assets being depreciated	<u>30,775,611</u>	<u>(1,059,689)</u>	<u>668,454</u>	<u>29,047,468</u>
Net governmental activities capital assets	<u>\$ 33,362,643</u>	<u>\$ (1,059,689)</u>	<u>\$ 668,454</u>	<u>\$ 31,634,500</u>

BELLWOOD SCHOOL DISTRICT NO. 88
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 5 - CAPITAL ASSETS - (CONTINUED)

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

<i>Governmental Activities</i>	<i>Depreciation</i>
Instruction	\$ 922,120
Special programs	162,911
Pupils	74,585
Other Supporting Services	195,041
Staff Services	42,463
School administration	38,487
General Administration	29,594
Transportation	128,795
Operations and maintenance	18,658
Business	1,270
Food Service	1,925
Total depreciation expense - governmental activities	<u>\$ 1,615,849</u>

NOTE 6 - OPERATING LEASES

The District leases equipment under noncancelable operating leases. Total costs for such leases were \$60,768 for the year ended June 30, 2016. At June 30, 2016, future minimum lease payments for these leases are as follows:

<i>Year Ending June 30,</i>	<i>Amount</i>
2017	\$ 60,768
2018	60,768
2019	40,512
Total	<u>\$ 162,048</u>

NOTE 7 - LONG TERM LIABILITIES

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

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
General obligation bonds	\$ 28,472,166	\$ -	\$ 1,685,000	\$ 26,787,166	\$ 1,760,000
Alternate revenue bonds	1,435,494	-	167,359	1,268,135	172,255
Unamortized premium	108,877	-	34,166	74,711	-
Total bonds payable	<u>30,016,537</u>	<u>-</u>	<u>1,886,525</u>	<u>28,130,012</u>	<u>1,932,255</u>
Capital leases	<u>-</u>	<u>119,800</u>	<u>25,658</u>	<u>94,142</u>	<u>22,320</u>
Total long-term liabilities - governmental activities	<u>\$ 30,016,537</u>	<u>\$ 119,800</u>	<u>\$ 1,912,183</u>	<u>\$ 28,224,154</u>	<u>\$ 1,954,575</u>

BELLWOOD SCHOOL DISTRICT NO. 88
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 7 - LONG TERM LIABILITIES - (CONTINUED)

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

Purpose	Interest Rates	Original Indebtedness	Face Amount	Carrying Amount
Series Limited Refunding School Bonds Series 2004B dated October 1, 2004 are due in annual installments through December 1, 2018	3.75% - 5.00%	\$ 7,475,000	\$ 3,225,000	\$ 3,225,000
Series Limited School Bonds, Series 2009A dated November 15, 2009 are due in annual installments through December 1, 2020	1.35% - 5.05%	4,000,000	1,430,000	1,430,000
Series Limited School Bonds, Series 2009B dated November 15, 2009 are due in annual installments through December 1, 2024	3.90% - 4.20%	9,525,000	6,325,000	6,325,000
Series Limited School Bonds, Series 2010A dated June 15, 2010 are due in annual installments through December 1, 2025	2.00% - 3.00%	6,540,000	5,645,000	5,645,000
Series Taxable Limited Bonds, Series 2010B dated June 15, 2010 are due in annual installments through December 1, 2024	1.75% - 2.70%	2,850,000	1,970,000	1,970,000
Series Taxable Capital Appreciation Bonds, Series 2010C dated June 15, 2010 are due in annual installments through June 1, 2030	6.70% - 6.80%	5,362,166	18,135,000	5,362,166
Series Limited School Bonds, Series 2010D dated June 15, 2010 are due in annual installments through December 1, 2023	2.00% - 3.00%	<u>3,830,000</u>	<u>2,830,000</u>	<u>2,830,000</u>
Total		<u>\$ 39,582,166</u>	<u>\$ 39,560,000</u>	<u>\$ 26,787,166</u>

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2016, \$7,815,000 of bonds outstanding are considered defeased.

BELLWOOD SCHOOL DISTRICT NO. 88

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 7 - LONG TERM LIABILITIES - (CONTINUED)

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

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2017	\$ 1,760,000	\$ 879,678	\$ 2,639,678
2018	1,835,000	798,220	2,633,220
2019	1,920,000	713,170	2,633,170
2020	2,005,000	630,314	2,635,314
2021	2,085,000	542,344	2,627,344
2022 - 2026	11,820,000	1,279,620	13,099,620
2027 - 2031	<u>5,362,166</u>	<u>12,772,834</u>	<u>18,135,000</u>
Total	<u>\$ 26,787,166</u>	<u>\$ 17,616,180</u>	<u>\$ 44,403,346</u>

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2016, the statutory debt limit for the District was \$20,953,022, with the current outstanding debt that is subject to the statutory debt limit calculation as of June 30, 2016 for the District totaling \$23,889,443. As of June 30, 2016, the District has exceeded the statutory debt limit by \$2,936,421. There are numerous covenants with which the District must comply in regard to these bond issues. As of June 30, 2016, the District was in compliance with all significant bond covenants, including federal arbitrage regulations.

Alternate Revenue Bonds. The District issued \$2,632,500 in interest free Qualified Zone Academy Bonds (QZAB) in 2006. School Districts that qualify for QZAB bonds must be located in an empowerment zone or an enterprise community or expect to have at least 35% or more of their students eligible for free or reduced lunch under the National School Lunch Act. At least 95% of the proceeds from the QZABs must be used to fund qualifying projects that rehabilitate or repair public school buildings, provide equipment for public school use, develop course materials, and train teachers and other school personnel.

The District's qualifying projects for the QZAB funds are to finance certain renovations and other qualifying expenditures. The District's goals are to improve the academic curriculum with cooperation from a business partner by offering online course scholarships to enhance academic curriculum, increase graduation rates, and better prepare the students for the rigors of college and the increasingly complex workforce.

The obligations for the Qualified Zone Academy Bonds were repaid in 2016 from the Debt Service Fund and funded by a transfer from the Operations and Maintenance Fund. Qualified Zone Academy Bonds currently outstanding are as follows:

<i>Purpose</i>	<i>Interest Rates</i>	<i>Carrying Amount</i>
Series 2006 Qualified Zone Academy Bonds dated October 30, 2006 are due in annual installments through October 30, 2022	N/A	<u>\$ 1,268,135</u>
Total		<u>\$ 1,268,135</u>

BELLWOOD SCHOOL DISTRICT NO. 88

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 7 - LONG TERM LIABILITIES - (CONTINUED)

Annual debt service requirements to maturity for alternative revenue bonds are as follows for governmental type activities:

	<i>Principal</i>	<i>Total</i>
2017	\$ 172,255	\$ 172,255
2018	176,455	176,455
2019	181,040	181,040
2020	185,727	185,727
2021	190,553	190,553
2022 - 2023	<u>362,105</u>	<u>362,105</u>
Total	<u>\$ 1,268,135</u>	<u>\$ 1,268,135</u>

Capital Leases. The District has entered into a lease agreement as lessee for financing the acquisition of school buses . The lease agreement qualifies as a capital lease(s) for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. At June 30, 2016, \$119,800 of amounts included in capital assets were acquired via capital leases. The obligations for the capital leases will be repaid from the Transportation Fund. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016, are as follows:

	<i>Amount</i>
2017	\$ 25,658
2018	25,658
2019	25,658
2020	<u>25,658</u>
Total minimum lease payments	102,632
Less: amount representing interest	<u>(8,490)</u>
Present value of minimum lease payments	<u>\$ 94,142</u>

NOTE 8 - JOINT AGREEMENTS

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

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. 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 THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$129,517, and the District recognized revenues and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2015 and June 30, 2014 were 1.02 and 0.97 percent of pay, respectively. For these years, state contributions on behalf of District employees were \$112,757 and \$110,436, respectively.

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The District's 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 2014, respectively. For the years ended June 30, 2016, 2015 and 2014 the District paid \$96,835, \$84,015 and \$81,973 to the THIS Fund, respectively, which was 100 percent of the required contribution for those years.

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

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Retirees' Health Plan

The District administers a single-employer defined benefit healthcare plan ("the Retirees' Health Plan"). The plan provides health insurance contributions for eligible retirees and their spouses through the District's group health insurance plan which covers both active and retired members. Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses receive lifetime healthcare insurance at established contribution rates. The Retirees' Health Plan does not issue a publicly available financial report.

Eligibility:

Non-certified employees who contribute to the Illinois Municipal Retirement Fund (IMRF) are eligible for post-retirement medical coverage. For retirement benefits, the member must have worked at least 8 years and must be at least 55 years old. Subsidized benefits and a flat dollar benefit are available to non-certified employees who retire after 60 with 20 years of service.

Certified employees who contribute to the Teachers' Retirement Service (TRS) are eligible to continue on the District's medical, dental or vision plan. Subsidized benefits are available to certified employees who retire after 55 with 20 years of service.

Both teachers and support staff may elect COBRA coverage for dental and vision benefits

Benefit Provisions:

The District offers a special retirement benefit for certified employees who retire after age 55 with 20 years of service. The District will pay the coverage for a single employee if the retiree elects to keep medical coverage. The District allows spouses to remain in the medical plan if the retiree pays the additional premium associated with spousal coverage. If a certified teacher retires after 25 years of service at any age, the District will also pay for spousal coverage.

Certified retirees are allowed to continue to participate in the dental and life insurance programs if they pay the premium associated with such coverage. Coverage for medical and dental benefits terminates at age 65, but the life insurance continues for as long as the retiree pays premium.

The life insurance face amount for certified retirees is \$50,000. The face amount for the Superintendent is \$144,000.

Non-certified retirees are allowed to continue to participate in the dental, vision and life insurance programs if they pay the premium associated with such coverage. They may remain in the medical, dental and/or life insurance programs after 65 by paying the premium.

The life insurance face amount for non-certified retirees is \$20,000.

Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. The District contributes on a pay-as-you-go basis.

BELLWOOD SCHOOL DISTRICT NO. 88
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

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

Annual required contribution	\$ 382,385
Interest on net OPEB obligation	115,777
Adjustment to annual required contribution	<u>(229,248)</u>
Annual OPEB cost	268,914
Contributions made	<u>(178,533)</u>
Increase in net OPEB obligation (asset)	90,381
Net OPEB Obligation (Asset) - Beginning of Year	<u>2,663,196</u>
Net OPEB Obligation (Asset) - End of Year	<u><u>\$ 2,753,577</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Retirees' Health Plan, and the net OPEB obligation for June 30, 2016 and the two preceding years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
June 30, 2016	\$ 268,914	66.39 %	\$ 2,753,577
June 30, 2015	266,978	66.87 %	2,663,196
June 30, 2014	278,037	110.81 %	2,574,751

The funded status of the Retirees' Health Plan as of July 1, 2014, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 3,848,542
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 3,848,542</u></u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 15,712,304
UAAL as a percentage of covered payroll	24.49%

BELLWOOD SCHOOL DISTRICT NO. 88
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

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

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

In the July 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5 percent investment rate of return and an annual healthcare cost trend rate of 8.5 percent initially, reduced by decrements to an ultimate rate of 5 percent after 7 years. Both rates include a 2 percent inflation assumption. The actuarial value of the Retirees' Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The Retirees' Health Plan's unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2016 is 29 years.

NOTE 10 - RETIREMENT SYSTEMS

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

Teachers' Retirement System

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

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

BELLWOOD SCHOOL DISTRICT NO. 88
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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

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

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

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

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

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2016, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$2,371,844 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 \$88,753.

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

BELLWOOD SCHOOL DISTRICT NO. 88
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

For the year ended June 30, 2016, the District pension contribution was 36.06 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2016, were \$291,234, which was in excess of District's required contribution by \$35,583.

Early Retirement Option. Contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2016, the District paid \$14,020 to TRS for District ERO contributions.

Salary increases over 6 percent. The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. For the year ended June 30, 2016, the District paid \$41,251 to TRS for employer contributions due on salary increases in excess of 6 percent.

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

Net Pension Liability. At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 3,628,969
State's proportionate share of the collective net pension liability associated with the District	28,950,191
Total	\$ 32,579,160

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 District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015 and 2014, the District's proportion was 0.00553956 percent and 0.00859464 percent, respectively.

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

Actuarial Assumptions. The assumptions used to measure the total pension liability in the June 30, 2015 actuarial valuation included (a) 7.50% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit, and (c) inflation of 3.00%.

BELLWOOD SCHOOL DISTRICT NO. 88
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	18.00 %	7.53 %
Global equity excluding U.S.	18.00 %	7.88 %
Aggregate bonds	16.00 %	1.57 %
U.S. TIPS	2.00 %	2.82 %
NCREIF	11.00 %	5.11 %
Opportunistic real estate	4.00 %	9.09 %
ARS	8.00 %	2.57 %
Risk parity	8.00 %	4.87 %
Diversified inflation strategy	1.00 %	3.26 %
Private equity	14.00 %	12.33 %

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 were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

BELLWOOD SCHOOL DISTRICT NO. 88

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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.

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	\$ 4,484,516	\$ 3,628,969	\$ 2,927,397

Pension Expense Related to Pensions. For the year ended June 30, 2016, the District recognized pension expense of \$379,987 and on-behalf revenue and expense of \$2,371,844 for support provided by the state.

Illinois Municipal Retirement Fund

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

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

BELLWOOD SCHOOL DISTRICT NO. 88
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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

Plan Membership. At December 31, 2015, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	131
Inactive, non-retired members	134
Active members	117
Total	382

Contributions. As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2015 was 9.90 percent of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

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

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2015 annual actuarial valuation included (a) 7.49% investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) price inflation of 2.75%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

BELLWOOD SCHOOL DISTRICT NO. 88
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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.

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

Asset Class	Projected Returns/Risk		
	Target Allocation	One Year Arithmetic	Ten Year Geometric
Equities	38.00 %	8.85 %	7.39 %
International equities	17.00 %	9.55 %	7.59 %
Fixed income	27.00 %	3.05 %	3.00 %
Real estate	8.00 %	7.20 %	6.00 %
Alternatives	9.00 %		
Private equity		13.15 %	8.15 %
Hedge funds		5.55 %	5.25 %
Commodities		4.40 %	2.75 %
Cash equivalents	1.00 %	2.25 %	2.25 %

Discount Rate. The discount rate used to measure the total pension liability for IMRF was 7.49%. The discount rate calculated using the December 31, 2014 measurement date was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.57% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2015 to arrive at a discount rate of 7.49 used to determine the total pension liability. The year ending December 31, 2088 is the last year in the 2016 to 2115 projection period for which projected benefit payments are fully funded.

BELLWOOD SCHOOL DISTRICT NO. 88
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.49% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.49%) or 1 percentage point higher (8.49%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 23,630,956	\$ 20,873,863	\$ 18,624,522
Plan fiduciary net position	<u>19,188,603</u>	<u>19,188,603</u>	<u>19,188,603</u>
Net pension liability/(asset)	<u>\$ 4,442,353</u>	<u>\$ 1,685,260</u>	<u>\$ (564,081)</u>

Changes in Net Pension Liability/(Asset). The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2015 was as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at December 31, 2014	\$ 20,008,342	\$ 19,719,658	\$ 288,684
Service cost	451,404	-	451,404
Interest on total pension liability	1,474,204	-	1,474,204
Differences between expected and actual experience of the total pension liability	70,510	-	70,510
Change of assumptions	25,383	-	25,383
Benefit payments, including refunds of employee contributions	(1,155,980)	(1,155,980)	-
Contributions - employer	-	423,980	(423,980)
Contributions - employee	-	193,079	(193,079)
Net investment income	-	97,251	(97,251)
Other (net transfer)	<u>-</u>	<u>(89,385)</u>	<u>89,385</u>
Balances at December 31, 2015	<u>\$ 20,873,863</u>	<u>\$ 19,188,603</u>	<u>\$ 1,685,260</u>

Pension Expense Related to Pensions. For the year ended June 30, 2016, the District recognized pension expense of \$453,060.

NOTE 11 - CONTINGENT LIABILITIES

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

BELLWOOD SCHOOL DISTRICT NO. 88
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 12 - STATE AND FEDERAL AID CONTINGENCIES

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

NOTE 13 - RELATED PARTY TRANSACTION

As part of the employment contract with its Superintendent, the Board of Education approved a contract rider during the year ended June 30, 2016. The contract rider stipulated that District would make a payment to the Teachers Retirement System (TRS), in the amount of \$105,504, on behalf of the Superintendent. The payment would be considered an advance to the Superintendent, repayable over 36 months through semi-monthly payroll deductions. As of June 30, 2016, the outstanding balance of the advance was \$74,732 and is included in District's financial statements as other receivable. Under the provisions of the contract rider, upon the end of the Superintendent's employment with the District, any outstanding balance will be considered compensation..

NOTE 14 - EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, GASB Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, and GASB Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*. Application of these standards may restate portions of these financial statements.

BELLWOOD SCHOOL DISTRICT NO. 88
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY
AND RELATED RATIOS
Two Most Recent Fiscal Years

	2016	2015
Total pension liability		
Service cost	\$ 451,404	\$ 529,247
Interest	1,474,204	1,379,388
Differences between expected and actual experience	70,510	(303,665)
Changes of assumptions	25,383	790,495
Benefit payments, including refunds of member contributions	(1,155,980)	(1,028,677)
Net change in total pension liability	865,521	1,366,788
Total pension liability - beginning	20,008,342	18,641,554
Total pension liability - ending (a)	\$ 20,873,863	\$ 20,008,342
Plan fiduciary net position		
Employer contributions	\$ 423,980	\$ 458,707
Employee contributions	193,079	187,657
Net investment income	97,251	1,144,959
Benefit payments, including refunds of member contributions	(1,155,980)	(1,028,677)
Other (net transfer)	(89,385)	(3,959)
Net change in plan fiduciary net position	(531,055)	758,687
Plan fiduciary net position - beginning	19,719,658	18,960,971
Plan fiduciary net position - ending (b)	\$ 19,188,603	\$ 19,719,658
Employer's net pension liability - ending (a) - (b)	\$ 1,685,260	\$ 288,684
Plan fiduciary net position as a percentage of the total pension liability	91.93%	98.56%
Covered-employee payroll	\$ 4,282,168	\$ 4,194,501
Employer's net pension liability as a percentage of covered-employee payroll	39.36%	6.88%

Notes to Schedule:

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

See Auditors' Report and Notes to Required Supplementary Information

BELLWOOD SCHOOL DISTRICT NO. 88

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Two Most Recent Fiscal Years

	2016	2015
Actuarially determined contribution	\$ 423,078	\$ 461,395
Contributions in relation to the actuarially determined contribution	(423,980)	(458,707)
Contribution deficiency (excess)	\$ (902)	\$ 2,688
Covered-employee payroll	\$ 4,282,168	\$ 4,194,501
Contributions as a percentage of covered-employee payroll	9.90%	10.94%

Notes to Schedule:

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

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28 years
Asset valuation method	5-Year Smoothed Market
Inflation	3.00%
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 CHBCA

Other information:

There were no benefit changes during the year.

See Auditors' Report and Notes to Required Supplementary Information

BELLWOOD SCHOOL DISTRICT NO. 88
TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY AND DISTRICT CONTRIBUTIONS
Two Most Recent Fiscal Years

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.00553956%	0.00859464%
District's proportionate share of the net pension liability	\$ 3,628,969	\$ 5,230,548
State's proportionate share of the net pension liability	<u>28,950,191</u>	<u>88,152,262</u>
Total net pension liability	<u>\$ 32,579,160</u>	<u>\$ 93,382,810</u>
Covered-employee payroll	\$ 12,104,366	\$ 11,054,644
District's proportionate share of the net pension liability as a percentage of covered payroll	29.98%	47.32%
Plan fiduciary net position as a percentage of the total pension liability	41.50%	43.00%
Contractually required contribution	\$ 325,855	\$ 287,703
Contributions in relation to the contractually required contribution	<u>(379,987)</u>	<u>(287,703)</u>
Contribution deficiency (excess)	<u>\$ (54,132)</u>	<u>\$ -</u>
Contributions as a percentage of covered employee payroll	3.1393%	2.6026%

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

Notes to Schedule:

Amounts reported in 2016 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 2015, 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.

See Auditors' Report and Notes to Required Supplementary Information

BELLWOOD SCHOOL DISTRICT NO. 88
 SCHEDULE OF FUNDING PROGRESS FOR RETIREES' HEALTH PLAN
 AS OF JUNE 30, 2016

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 Percentage of Covered Payroll ((b-a)/c)
7/1/14	\$ -	\$ 3,848,542	\$ 3,848,542	N/A	\$ 15,712,304	24.49%
7/1/12	-	3,833,511	3,833,511	N/A	11,354,328	33.76%

BELLWOOD SCHOOL DISTRICT NO. 88**GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 7,917,641	\$ 7,531,736	\$ (385,905)	\$ 7,149,708
Special education levy	100,213	95,896	(4,317)	44,970
Investment income	29,500	24,869	(4,631)	31,219
Loss on investments	-	-	-	(26,189)
Fees	122,797	104,262	(18,535)	9,592
Other	100,000	101,903	1,903	141,781
Total local sources	<u>8,270,151</u>	<u>7,858,666</u>	<u>(411,485)</u>	<u>7,351,081</u>
State sources				
General state aid	10,740,153	10,843,472	103,319	9,682,036
General state aid hold harmless/supplemental	-	525,240	525,240	-
Special education - private facility tuition	138,040	113,582	(24,458)	132,316
Special education - extraordinary	394,705	390,895	(3,810)	291,588
Special education - personnel	388,708	223,916	(164,792)	259,364
Special education - orphanage - individual	44,263	69,720	25,457	85,754
Special education - orphanage - summer	-	1,048	1,048	-
Special education - summer school	14,690	18,420	3,730	14,690
CTE - Other	-	-	-	28,924
Bilingual education - downstate - TPI	190,000	176,704	(13,296)	190,967
State free lunch & breakfast	107,476	11,872	(95,604)	14,394
Early childhood - block grant	855,385	729,664	(125,721)	856,318
Other restricted revenue from state sources	-	1,461	1,461	233,931
Total state sources	<u>12,873,420</u>	<u>13,105,994</u>	<u>232,574</u>	<u>11,790,282</u>
Federal sources				
National school lunch program	1,078,563	1,112,435	33,872	809,498
School breakfast program	147,157	239,018	91,861	194,311
Food service - other	-	100,329	100,329	89,935
Title I - Low income	1,078,636	1,217,337	138,701	1,211,571
Title III - English language acquisition	82,223	93,887	11,664	85,518
Title II - Teacher quality	120,000	19,884	(100,116)	119,704
Medicaid matching funds - administrative outreach	149,802	104,865	(44,937)	128,239
Medicaid matching funds - fee-for-service program	89,769	234,396	144,627	250,164
Total federal sources	<u>2,746,150</u>	<u>3,122,151</u>	<u>376,001</u>	<u>2,888,940</u>
Total revenues	<u>23,889,721</u>	<u>24,086,811</u>	<u>197,090</u>	<u>22,030,303</u>

BELLWOOD SCHOOL DISTRICT NO. 88
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Expenditures				
Instruction				
Regular programs				
Salaries	\$ 7,781,311	\$ 7,744,124	\$ 37,187	\$ 6,675,344
Employee benefits	1,164,600	973,459	191,141	1,194,000
Purchased services	58,000	15,631	42,369	41,470
Supplies and materials	300,000	529,500	(229,500)	302,242
Capital outlay	-	2,904	(2,904)	569
Total	<u>9,303,911</u>	<u>9,265,618</u>	<u>38,293</u>	<u>8,213,625</u>
Pre-K programs				
Salaries	540,984	545,453	(4,469)	489,634
Employee benefits	69,416	62,626	6,790	56,891
Purchased services	-	398	(398)	-
Supplies and materials	36,108	34,238	1,870	28,157
Total	<u>646,508</u>	<u>642,715</u>	<u>3,793</u>	<u>574,682</u>
Special education programs				
Salaries	1,160,622	1,045,764	114,858	973,561
Employee benefits	170,333	144,205	26,128	118,130
Supplies and materials	5,000	-	5,000	2,294
Total	<u>1,335,955</u>	<u>1,189,969</u>	<u>145,986</u>	<u>1,093,985</u>
Remedial and supplemental programs K - 12				
Salaries	569,737	592,103	(22,366)	586,329
Employee benefits	263,287	352,325	(89,038)	265,372
Purchased services	2,800	17,350	(14,550)	7,127
Supplies and materials	35,993	147,048	(111,055)	261,955
Capital outlay	97,463	-	97,463	45,940
Total	<u>969,280</u>	<u>1,108,826</u>	<u>(139,546)</u>	<u>1,166,723</u>
Interscholastic programs				
Salaries	-	81,783	(81,783)	-
Employee benefits	-	426	(426)	-
Total	<u>-</u>	<u>82,209</u>	<u>(82,209)</u>	<u>-</u>
Summer school programs				
Salaries	-	52,074	(52,074)	-
Employee benefits	-	295	(295)	-
Total	<u>-</u>	<u>52,369</u>	<u>(52,369)</u>	<u>-</u>

BELLWOOD SCHOOL DISTRICT NO. 88**GENERAL FUND**

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

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Bilingual programs				
Salaries	\$ 316,102	\$ 280,407	\$ 35,695	\$ 350,483
Employee benefits	53,021	22,361	30,660	38,168
Purchased services	-	660	(660)	-
Supplies and materials	<u>19,731</u>	<u>50,409</u>	<u>(30,678)</u>	<u>30,464</u>
Total	<u>388,854</u>	<u>353,837</u>	<u>35,017</u>	<u>419,115</u>
Total instruction	<u>12,644,508</u>	<u>12,695,543</u>	<u>(51,035)</u>	<u>11,468,130</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	482,900	488,113	(5,213)	540,747
Employee benefits	55,543	39,734	15,809	44,883
Supplies and materials	-	-	-	1,876
Total	<u>538,443</u>	<u>527,847</u>	<u>10,596</u>	<u>587,506</u>
Guidance services				
Purchased services	-	1,723	(1,723)	2,537
Supplies and materials	-	(2,432)	2,432	(1,005)
Total	<u>-</u>	<u>(709)</u>	<u>709</u>	<u>1,532</u>
Health services				
Salaries	326,624	357,593	(30,969)	335,197
Employee benefits	59,865	64,480	(4,615)	55,830
Purchased services	3,375	28,511	(25,136)	5,814
Supplies and materials	<u>4,100</u>	<u>4,146</u>	<u>(46)</u>	<u>2,044</u>
Total	<u>393,964</u>	<u>454,730</u>	<u>(60,766)</u>	<u>398,885</u>
Psychological services				
Salaries	220,829	220,829	-	159,190
Employee benefits	28,888	25,402	3,486	21,308
Purchased services	100	-	100	13,800
Supplies and materials	<u>16,200</u>	<u>460</u>	<u>15,740</u>	<u>2,950</u>
Total	<u>266,017</u>	<u>246,691</u>	<u>19,326</u>	<u>197,248</u>
Speech pathology and audiology services				
Purchased services	-	3,625	(3,625)	-
Supplies and materials	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>381</u>
Total	<u>3,000</u>	<u>3,625</u>	<u>(625)</u>	<u>381</u>

BELLWOOD SCHOOL DISTRICT NO. 88

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Other support services - pupils				
Salaries	\$ 140,000	\$ 72,269	\$ 67,731	\$ -
Employee benefits	<u>16,491</u>	<u>534</u>	<u>15,957</u>	<u>-</u>
Total	<u>156,491</u>	<u>72,803</u>	<u>83,688</u>	<u>-</u>
Total pupils	<u>1,357,915</u>	<u>1,304,987</u>	<u>52,928</u>	<u>1,185,552</u>
Instructional staff				
Improvement of instructional services				
Salaries	378,744	304,498	74,246	329,766
Employee benefits	61,038	16,912	44,126	48,481
Purchased services	192,993	283,395	(90,402)	209,569
Supplies and materials	<u>-</u>	<u>33,813</u>	<u>(33,813)</u>	<u>125,721</u>
Total	<u>632,775</u>	<u>638,618</u>	<u>(5,843)</u>	<u>713,537</u>
Educational media services				
Salaries	112,750	118,709	(5,959)	111,695
Employee benefits	9,244	298	8,946	258
Supplies and materials	<u>-</u>	<u>3,240</u>	<u>(3,240)</u>	<u>1,259</u>
Total	<u>121,994</u>	<u>122,247</u>	<u>(253)</u>	<u>113,212</u>
Assessment and testing				
Purchased services	-	85,948	(85,948)	43,808
Supplies and materials	<u>5,319</u>	<u>38,507</u>	<u>(33,188)</u>	<u>12,606</u>
Total	<u>5,319</u>	<u>124,455</u>	<u>(119,136)</u>	<u>56,414</u>
Total instructional staff	<u>760,088</u>	<u>885,320</u>	<u>(125,232)</u>	<u>883,163</u>
General administration				
Board of education services				
Salaries	38,379	23,903	14,476	20,302
Employee benefits	213,441	296,215	(82,774)	133,765
Purchased services	970,950	1,120,556	(149,606)	1,004,790
Supplies and materials	6,838	2,407	4,431	3,151
Capital outlay	-	112	(112)	-
Other objects	<u>-</u>	<u>760</u>	<u>(760)</u>	<u>-</u>
Total	<u>1,229,608</u>	<u>1,443,953</u>	<u>(214,345)</u>	<u>1,162,008</u>
Executive administration services				
Salaries	237,694	275,487	(37,793)	311,537
Employee benefits	41,612	147,868	(106,256)	119,192
Purchased services	41,815	133,569	(91,754)	42,899
Supplies and materials	10,000	7,602	2,398	8,049
Capital outlay	<u>-</u>	<u>2,316</u>	<u>(2,316)</u>	<u>-</u>
Total	<u>331,121</u>	<u>566,842</u>	<u>(235,721)</u>	<u>481,677</u>

BELLWOOD SCHOOL DISTRICT NO. 88
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Special area administration services				
Salaries	\$ 81,553	\$ 156,589	\$ (75,036)	\$ 162,925
Employee benefits	7,523	17,454	(9,931)	12,615
Purchased services	3,050	7,623	(4,573)	100
Supplies and materials	5,000	5,896	(896)	834
Capital outlay	<u>1,200</u>	<u>-</u>	<u>1,200</u>	<u>422</u>
Total	<u>98,326</u>	<u>187,562</u>	<u>(89,236)</u>	<u>176,896</u>
Total general administration	<u>1,659,055</u>	<u>2,198,357</u>	<u>(539,302)</u>	<u>1,820,581</u>
School administration				
Office of the principal services				
Salaries	1,374,832	1,426,326	(51,494)	1,169,400
Employee benefits	<u>219,472</u>	<u>163,667</u>	<u>55,805</u>	<u>142,977</u>
Total	<u>1,594,304</u>	<u>1,589,993</u>	<u>4,311</u>	<u>1,312,377</u>
Total school administration	<u>1,594,304</u>	<u>1,589,993</u>	<u>4,311</u>	<u>1,312,377</u>
Business				
Direction of business support services				
Salaries	261,728	267,395	(5,667)	222,787
Employee benefits	26,800	25,722	1,078	18,663
Purchased services	25,100	89,054	(63,954)	149,282
Supplies and materials	39,000	5,865	33,135	37,349
Capital outlay	<u>57,500</u>	<u>-</u>	<u>57,500</u>	<u>1</u>
Total	<u>410,128</u>	<u>388,036</u>	<u>22,092</u>	<u>428,082</u>
Pupil transportation services				
Salaries	<u>-</u>	<u>37,060</u>	<u>(37,060)</u>	<u>-</u>
Total	<u>-</u>	<u>37,060</u>	<u>(37,060)</u>	<u>-</u>
Food services				
Salaries	568,230	601,330	(33,100)	451,755
Employee benefits	13,613	10,359	3,254	7,203
Purchased services	-	103,673	(103,673)	97,851
Supplies and materials	962,550	982,392	(19,842)	994,502
Capital outlay	<u>-</u>	<u>4,988</u>	<u>(4,988)</u>	<u>-</u>
Total	<u>1,544,393</u>	<u>1,702,742</u>	<u>(158,349)</u>	<u>1,551,311</u>
Total business	<u>1,954,521</u>	<u>2,127,838</u>	<u>(173,317)</u>	<u>1,979,393</u>

BELLWOOD SCHOOL DISTRICT NO. 88**GENERAL FUND**

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

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Central				
Staff services				
Salaries	\$ 210,096	\$ 168,678	\$ 41,418	\$ 339,177
Employee benefits	29,028	47,240	(18,212)	33,045
Purchased services	20,000	199,454	(179,454)	81,514
Supplies and materials	<u>3,500</u>	<u>5,477</u>	<u>(1,977)</u>	<u>7,726</u>
Total	<u>262,624</u>	<u>420,849</u>	<u>(158,225)</u>	<u>461,462</u>
Data processing services				
Salaries	270,135	278,209	(8,074)	242,377
Employee benefits	29,349	30,868	(1,519)	24,469
Purchased services	100,000	26,055	73,945	31,402
Supplies and materials	5,000	95,749	(90,749)	53,576
Capital outlay	<u>45,000</u>	<u>134,646</u>	<u>(89,646)</u>	<u>30,248</u>
Total	<u>449,484</u>	<u>565,527</u>	<u>(116,043)</u>	<u>382,072</u>
Total central	<u>712,108</u>	<u>986,376</u>	<u>(274,268)</u>	<u>843,534</u>
Other supporting services				
Purchased services	-	-	-	1,015
Supplies and materials	<u>-</u>	<u>842</u>	<u>(842)</u>	<u>-</u>
Total	<u>-</u>	<u>842</u>	<u>(842)</u>	<u>1,015</u>
Total support services	<u>8,037,991</u>	<u>9,093,713</u>	<u>(1,055,722)</u>	<u>8,025,615</u>
Community services				
Salaries	180,379	197,438	(17,059)	191,788
Employee benefits	2,364	12,818	(10,454)	2,084
Purchased services	21,092	12,444	8,648	9,251
Supplies and materials	<u>9,318</u>	<u>7,035</u>	<u>2,283</u>	<u>14,618</u>
Total community services	<u>213,153</u>	<u>229,735</u>	<u>(16,582)</u>	<u>217,741</u>
Payments to other districts and governmental units				
Payments for regular programs				
Other objects	<u>-</u>	<u>82,479</u>	<u>(82,479)</u>	<u>-</u>
Total	<u>-</u>	<u>82,479</u>	<u>(82,479)</u>	<u>-</u>
Payments for special education programs				
Purchased services	2,969,736	2,988,647	(18,911)	-
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,961,456</u>
Total	<u>2,969,736</u>	<u>2,988,647</u>	<u>(18,911)</u>	<u>2,961,456</u>
Total payments to other districts and governmental units	<u>2,969,736</u>	<u>3,071,126</u>	<u>(101,390)</u>	<u>2,961,456</u>

BELLWOOD SCHOOL DISTRICT NO. 88
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Total expenditures	<u>\$ 23,865,388</u>	<u>\$ 25,090,117</u>	<u>\$ (1,224,729)</u>	<u>\$ 22,672,942</u>
Other financing sources (uses)				
Sale or compensation for fixed assets	<u>-</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Net change in fund balance	<u>\$ 24,333</u>	<u>(253,306)</u>	<u>\$ (277,639)</u>	<u>(642,639)</u>
Fund balance, beginning of year		<u>2,654,580</u>		<u>3,297,219</u>
Fund balance, end of year		<u>\$ 2,401,274</u>		<u>\$ 2,654,580</u>

BELLWOOD SCHOOL DISTRICT NO. 88
TORT IMMUNITY AND JUDGMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
Tort immunity levy	\$ 501,060	\$ 477,538	\$ (23,522)	\$ 348,348
Investment income	600	1,383	783	677
Loss on investments	-	-	-	(765)
Total local sources	<u>501,660</u>	<u>478,921</u>	<u>(22,739)</u>	<u>348,260</u>
Total revenues	<u>501,660</u>	<u>478,921</u>	<u>(22,739)</u>	<u>348,260</u>
Expenditures				
Support Services				
Insurance payments (regular or self-insurance)				
Purchased services	<u>230,000</u>	<u>-</u>	<u>230,000</u>	<u>-</u>
Total	<u>230,000</u>	<u>-</u>	<u>230,000</u>	<u>-</u>
Legal services				
Purchased services	150,000	-	150,000	4,460
Other objects	<u>-</u>	<u>40,000</u>	<u>(40,000)</u>	<u>360,000</u>
Total	<u>150,000</u>	<u>40,000</u>	<u>110,000</u>	<u>364,460</u>
Total general administration	<u>380,000</u>	<u>40,000</u>	<u>340,000</u>	<u>364,460</u>
Total support services	<u>380,000</u>	<u>40,000</u>	<u>340,000</u>	<u>364,460</u>
Total expenditures	<u>380,000</u>	<u>40,000</u>	<u>340,000</u>	<u>364,460</u>
Net change in fund balance	<u>\$ 121,660</u>	438,921	<u>\$ 317,261</u>	(16,200)
Fund balance, beginning of year		<u>78,798</u>		<u>94,998</u>
Fund balance, end of year		<u>\$ 517,719</u>		<u>\$ 78,798</u>

BELLWOOD SCHOOL DISTRICT NO. 88
OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Revenues				
Local sources				
General levy	\$ 1,503,178	\$ 1,437,489	\$ (65,689)	\$ 1,330,772
Corporate personal property replacement taxes	1,102,747	994,733	(108,014)	1,082,468
Investment income	3,000	5,145	2,145	2,735
Loss on investments	-	-	-	(8,343)
Rentals	-	600	600	649
Contributions and donations from private sources	-	-	-	500
Other	10,000	22,569	12,569	517
Total local sources	<u>2,618,925</u>	<u>2,460,536</u>	<u>(158,389)</u>	<u>2,409,298</u>
State sources				
General state aid	1,579,434	1,491,443	(87,991)	2,179,440
Other unrestricted grants-in-aid from state source	68,000	-	(68,000)	-
School infrastructure - maintenance projects	-	-	-	1,857
Total state sources	<u>1,647,434</u>	<u>1,491,443</u>	<u>(155,991)</u>	<u>2,181,297</u>
Total revenues	<u>4,266,359</u>	<u>3,951,979</u>	<u>(314,380)</u>	<u>4,590,595</u>
Expenditures				
Support services				
Business				
Operation and maintenance of plant services				
Salaries	1,586,605	1,680,129	(93,524)	1,551,285
Employee benefits	208,318	149,847	58,471	179,148
Purchased services	1,024,259	1,005,026	19,233	897,963
Supplies and materials	657,250	710,690	(53,440)	801,533
Capital outlay	-	283,071	(283,071)	57,795
Total	<u>3,476,432</u>	<u>3,828,763</u>	<u>(352,331)</u>	<u>3,487,724</u>
Total business	<u>3,476,432</u>	<u>3,828,763</u>	<u>(352,331)</u>	<u>3,487,724</u>
Total support services	<u>3,476,432</u>	<u>3,828,763</u>	<u>(352,331)</u>	<u>3,487,724</u>

**BELLWOOD SCHOOL DISTRICT NO. 88
OPERATIONS AND MAINTENANCE FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Payments to other districts and government units				
Payments for special education programs				
Purchased services	\$ 112,476	\$ 110,640	\$ 1,836	\$ -
Other objects	-	20	(20)	126,317
Total	<u>112,476</u>	<u>110,660</u>	<u>1,816</u>	<u>126,317</u>
Total payments to other districts and government units	<u>112,476</u>	<u>110,660</u>	<u>1,816</u>	<u>126,317</u>
Debt services				
Payments on long term debt				
Interest on long term debt	<u>134,822</u>	<u>-</u>	<u>134,822</u>	<u>-</u>
Total	<u>134,822</u>	<u>-</u>	<u>134,822</u>	<u>-</u>
Total debt services	<u>134,822</u>	<u>-</u>	<u>134,822</u>	<u>-</u>
Total expenditures	<u>3,723,730</u>	<u>3,939,423</u>	<u>(215,693)</u>	<u>3,614,041</u>
Excess (deficiency) of revenues over expenditures	<u>542,629</u>	<u>12,556</u>	<u>(530,073)</u>	<u>976,554</u>
Other financing sources (uses)				
Transfer to debt service fund to pay principal on QZABs	<u>(134,822)</u>	<u>(134,822)</u>	<u>-</u>	<u>(134,822)</u>
Total other financing sources (uses)	<u>(134,822)</u>	<u>(134,822)</u>	<u>-</u>	<u>(134,822)</u>
Net change in fund balance	<u>\$ 407,807</u>	<u>(122,266)</u>	<u>\$ (530,073)</u>	841,732
Fund balance (deficit), beginning of year		<u>823,567</u>		<u>(18,165)</u>
Fund balance, end of year		<u>\$ 701,301</u>		<u>\$ 823,567</u>

BELLWOOD SCHOOL DISTRICT NO. 88**TRANSPORTATION FUND**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 501,060	\$ 477,502	\$ (23,558)	\$ 370,379
Investment income	3,500	3,732	232	3,458
Loss on investments	-	-	-	(6,093)
Other	-	6,641	6,641	1,771
Total local sources	<u>504,560</u>	<u>487,875</u>	<u>(16,685)</u>	<u>369,515</u>
State sources				
General state aid	315,887	298,289	(17,598)	-
Transportation - regular/vocational	188,417	123,160	(65,257)	255,998
Transportation - special education	<u>244,712</u>	<u>232,237</u>	<u>(12,475)</u>	<u>203,904</u>
Total state sources	<u>749,016</u>	<u>653,686</u>	<u>(95,330)</u>	<u>459,902</u>
Total revenues	<u>1,253,576</u>	<u>1,141,561</u>	<u>(112,015)</u>	<u>829,417</u>
Expenditures				
Support Services				
Business				
Pupil transportation services				
Salaries	499,156	546,953	(47,797)	497,025
Employee benefits	30,098	30,108	(10)	8,290
Purchased services	205,350	278,050	(72,700)	219,331
Supplies and materials	70,500	62,915	7,585	99,678
Capital outlay	-	119,800	(119,800)	-
Total	<u>805,104</u>	<u>1,037,826</u>	<u>(232,722)</u>	<u>824,324</u>
Total business	<u>805,104</u>	<u>1,037,826</u>	<u>(232,722)</u>	<u>824,324</u>
Total support services	<u>805,104</u>	<u>1,037,826</u>	<u>(232,722)</u>	<u>824,324</u>

**BELLWOOD SCHOOL DISTRICT NO. 88
TRANSPORTATION FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Payments to other districts and government units				
Payments for special education programs				
Purchased services	\$ 48,000	\$ 130,994	\$ (82,994)	\$ (474)
Other objects	-	-	-	59,791
Total	<u>48,000</u>	<u>130,994</u>	<u>(82,994)</u>	<u>59,317</u>
Total payments to other districts and government units	<u>48,000</u>	<u>130,994</u>	<u>(82,994)</u>	<u>59,317</u>
Debt services				
Payments on long term debt				
Principal payments on long term debt	-	25,658	(25,658)	-
Total	-	25,658	(25,658)	-
Total debt services	-	25,658	(25,658)	-
Total expenditures	<u>853,104</u>	<u>1,194,478</u>	<u>(341,374)</u>	<u>883,641</u>
Net change in fund balance	<u>\$ 400,472</u>	(52,917)	<u>\$ (453,389)</u>	(54,224)
Fund balance, beginning of year		525,456		579,680
Fund balance, end of year		<u>\$ 592,339</u>		<u>\$ 525,456</u>

BELLWOOD SCHOOL DISTRICT NO. 88
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 651,378	\$ 619,840	\$ (31,538)	\$ 582,334
Social security/medicare only levy	-	619,840	619,840	582,334
Other tax levies	651,378	-	(651,378)	-
Corporate personal property replacement taxes	70,388	64,805	(5,583)	68,509
Investment income	5,300	6,104	804	5,270
Loss on investments	-	-	-	(9,655)
Total local sources	<u>1,378,444</u>	<u>1,310,589</u>	<u>(67,855)</u>	<u>1,228,792</u>
Total revenues	<u>1,378,444</u>	<u>1,310,589</u>	<u>(67,855)</u>	<u>1,228,792</u>
Expenditures				
Instruction				
Regular programs	143,926	140,876	3,050	115,665
Pre-K programs	29,425	36,267	(6,842)	2,265
Special education programs	46,344	49,095	(2,751)	48,064
Remedial and supplemental programs K - 12	8,261	8,749	(488)	12,590
Interscholastic programs	-	1,614	(1,614)	-
Summer school programs	-	889	(889)	-
Bilingual programs	4,584	4,151	433	2,278
Total instruction	<u>232,540</u>	<u>241,641</u>	<u>(9,101)</u>	<u>180,862</u>
Support services				
Pupils				
Attendance and social work services	7,002	7,096	(94)	7,611
Health services	43,679	48,289	(4,610)	37,231
Psychological services	3,202	3,202	-	-
Other support services - pupils	13,286	12,527	759	-
Total pupils	<u>67,169</u>	<u>71,114</u>	<u>(3,945)</u>	<u>44,842</u>
Instructional staff				
Improvement of instructional staff	12,803	12,705	98	13,044
Educational media services	12,411	13,441	(1,030)	12,878
Total instructional staff	<u>25,214</u>	<u>26,146</u>	<u>(932)</u>	<u>25,922</u>
General administration				
Board of education services	6,727	12	6,715	13
Executive administration services	14,332	17,176	(2,844)	16,930
Special area administration services	7,174	5,819	1,355	14,069
Total general administration	<u>28,233</u>	<u>23,007</u>	<u>5,226</u>	<u>31,012</u>

BELLWOOD SCHOOL DISTRICT NO. 88
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
School administration				
Office of the principal services	\$ 72,854	\$ 74,862	\$ (2,008)	\$ 70,002
Total school administration	<u>72,854</u>	<u>74,862</u>	<u>(2,008)</u>	<u>70,002</u>
Business				
Direction of business support services	45,881	46,834	(953)	12,862
Operations and maintenance of plant services	294,562	312,910	(18,348)	297,830
Pupil transportation services	69,843	83,150	(13,307)	71,572
Food services	<u>96,716</u>	<u>51,489</u>	<u>45,227</u>	<u>70,739</u>
Total business	<u>507,002</u>	<u>494,383</u>	<u>12,619</u>	<u>453,003</u>
Central				
Staff services	20,750	22,690	(1,940)	27,353
Data processing services	<u>47,354</u>	<u>48,727</u>	<u>(1,373)</u>	<u>44,223</u>
Total central	<u>68,104</u>	<u>71,417</u>	<u>(3,313)</u>	<u>71,576</u>
Total support services	<u>768,576</u>	<u>760,929</u>	<u>7,647</u>	<u>696,357</u>
Community services				
Total expenditures	<u>15,428</u>	<u>18,835</u>	<u>(3,407)</u>	<u>45,085</u>
Total expenditures	<u>1,016,544</u>	<u>1,021,405</u>	<u>(4,861)</u>	<u>922,304</u>
Net change in fund balance	<u>\$ 361,900</u>	289,184	<u>\$ (72,716)</u>	306,488
Fund balance, beginning of year		<u>998,641</u>		<u>692,153</u>
Fund balance, end of year		<u>\$ 1,287,825</u>		<u>\$ 998,641</u>

BELLWOOD SCHOOL DISTRICT NO. 88**DEBT SERVICE FUND**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 2,810,089	\$ 2,922,056	\$ 111,967	\$ 2,257,308
Investment income	21,000	16,528	(4,472)	21,029
Loss on investments	-	-	-	(27,978)
Total local sources	<u>2,831,089</u>	<u>2,938,584</u>	<u>107,495</u>	<u>2,250,359</u>
Total revenues	<u>2,831,089</u>	<u>2,938,584</u>	<u>107,495</u>	<u>2,250,359</u>
Expenditures				
Debt services				
Payments on long term debt				
Interest on long term debt	1,017,089	955,000	62,089	1,017,089
Principal payments on long term debt	<u>1,639,000</u>	<u>1,852,359</u>	<u>(213,359)</u>	<u>1,798,388</u>
Total	<u>2,656,089</u>	<u>2,807,359</u>	<u>(151,270)</u>	<u>2,815,477</u>
Other debt service				
Other objects	-	4,000	(4,000)	6,000
Total	-	4,000	(4,000)	6,000
Total debt services	<u>2,656,089</u>	<u>2,811,359</u>	<u>(155,270)</u>	<u>2,821,477</u>
Total expenditures	<u>2,656,089</u>	<u>2,811,359</u>	<u>(155,270)</u>	<u>2,821,477</u>
Excess (deficiency) of revenues over expenditures	<u>175,000</u>	<u>127,225</u>	<u>(47,775)</u>	<u>(571,118)</u>
Other financing sources (uses)				
Transfer to debt service to pay principal on QZABs	<u>134,822</u>	<u>134,822</u>	-	<u>134,822</u>
Total other financing sources (uses)	<u>134,822</u>	<u>134,822</u>	-	<u>134,822</u>
Net change in fund balance	<u>\$ 309,822</u>	262,047	<u>\$ (47,775)</u>	(436,296)
Fund balance, beginning of year		<u>3,761,838</u>		<u>4,198,134</u>
Fund balance, end of year		<u>\$ 4,023,885</u>		<u>\$ 3,761,838</u>

**BELLWOOD SCHOOL DISTRICT NO. 88
FIRE PREVENTION AND LIFE SAFETY FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 98,304	\$ 93,369	\$ (4,935)	\$ 43,790
Investment income	600	671	71	434
Loss on investments	-	-	-	(1,086)
Total local sources	<u>98,904</u>	<u>94,040</u>	<u>(4,864)</u>	<u>43,138</u>
Total revenues	<u>98,904</u>	<u>94,040</u>	<u>(4,864)</u>	<u>43,138</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction service				
Purchased services	-	12,600	(12,600)	-
Capital outlay	-	<u>8,925</u>	<u>(8,925)</u>	-
Total	-	<u>21,525</u>	<u>(21,525)</u>	-
Total business	-	<u>21,525</u>	<u>(21,525)</u>	-
Total support services	-	<u>21,525</u>	<u>(21,525)</u>	-
Total expenditures	-	<u>21,525</u>	<u>(21,525)</u>	-
Net change in fund balance	<u>\$ 98,904</u>	72,515	<u>\$ (26,389)</u>	43,138
Fund balance, beginning of year		<u>111,942</u>		<u>68,804</u>
Fund balance, end of year		<u>\$ 184,457</u>		<u>\$ 111,942</u>

BELLWOOD SCHOOL DISTRICT NO. 88
GENERAL FUND
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
AS OF JUNE 30, 2016

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Assets			
Cash and investments	\$ 1,462,581	\$ 862,298	\$ 2,324,879
Other receivable	<u>74,732</u>	<u>-</u>	<u>74,732</u>
Total assets	<u>\$ 1,537,313</u>	<u>\$ 862,298</u>	<u>\$ 2,399,611</u>
Liabilities and fund balance			
Liabilities			
Payroll deductions payable	\$ (1,663)	\$ -	\$ (1,663)
Total liabilities	<u>(1,663)</u>	<u>-</u>	<u>(1,663)</u>
Fund balance			
Unassigned	<u>1,538,976</u>	<u>862,298</u>	<u>2,401,274</u>
Total fund balance	<u>1,538,976</u>	<u>862,298</u>	<u>2,401,274</u>
Total liabilities and fund balance	<u>\$ 1,537,313</u>	<u>\$ 862,298</u>	<u>\$ 2,399,611</u>

BELLWOOD SCHOOL DISTRICT NO. 88
GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH
BASIS
FOR THE YEAR ENDED JUNE 30, 2016

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Revenues			
Property taxes	\$ 7,531,706	\$ 95,926	\$ 7,627,632
State aid	15,607,355	-	15,607,355
Federal aid	3,122,151	-	3,122,151
Investment income	20,897	3,972	24,869
Other	206,165	-	206,165
Total revenues	<u>26,488,274</u>	<u>99,898</u>	<u>26,588,172</u>
Expenditures			
Current:			
Instruction:			
Regular programs	9,262,714	-	9,262,714
Special programs	2,298,795	-	2,298,795
Other instructional programs	1,131,130	-	1,131,130
State retirement contributions	2,501,361	-	2,501,361
Support Services:			
Pupils	1,304,987	-	1,304,987
Instructional staff	885,320	-	885,320
General administration	2,195,929	-	2,195,929
School administration	1,589,993	-	1,589,993
Business	2,085,790	-	2,085,790
Transportation	37,060	-	37,060
Central	851,730	-	851,730
Other supporting services	842	-	842
Community services	229,735	-	229,735
Payments to other districts and gov't units	3,071,126	-	3,071,126
Capital outlay	144,966	-	144,966
Total expenditures	<u>27,591,478</u>	<u>-</u>	<u>27,591,478</u>
Excess (deficiency) of revenues over expenditures	<u>(1,103,204)</u>	<u>99,898</u>	<u>(1,003,306)</u>
Other financing sources (uses)			
Sale or compensation for fixed assets	750,000	-	750,000
Total other financing sources (uses)	<u>750,000</u>	<u>-</u>	<u>750,000</u>
Net change in fund balance	(353,204)	99,898	(253,306)
Fund balance, beginning of year	1,892,180	762,400	2,654,580
Fund balance, end of year	<u>\$ 1,538,976</u>	<u>\$ 862,298</u>	<u>\$ 2,401,274</u>

BELLWOOD SCHOOL DISTRICT NO. 88
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 7,816,528	\$ 7,435,810	\$ (380,718)	\$ 7,104,737
Special education levy	100,213	95,896	(4,317)	44,970
Investment income	25,000	20,897	(4,103)	26,974
Loss on investments	-	-	-	(18,791)
Fees	122,797	104,262	(18,535)	9,592
Other	100,000	101,903	1,903	141,781
Total local sources	<u>8,164,538</u>	<u>7,758,768</u>	<u>(405,770)</u>	<u>7,309,263</u>
State sources				
General state aid	10,740,153	10,843,472	103,319	9,682,036
General state aid hold harmless/supplemental	-	525,240	525,240	-
Special education - private facility tuition	138,040	113,582	(24,458)	132,316
Special education - extraordinary	394,705	390,895	(3,810)	291,588
Special education - personnel	388,708	223,916	(164,792)	259,364
Special education - orphanage - individual	44,263	69,720	25,457	85,754
Special education - orphanage - summer	-	1,048	1,048	-
Special education - summer school	14,690	18,420	3,730	14,690
CTE - Other	-	-	-	28,924
Bilingual education - downstate - TPI	190,000	176,704	(13,296)	190,967
State free lunch & breakfast	107,476	11,872	(95,604)	14,394
Early childhood - block grant	855,385	729,664	(125,721)	856,318
Other restricted revenue from state sources	-	1,461	1,461	233,931
Total state sources	<u>12,873,420</u>	<u>13,105,994</u>	<u>232,574</u>	<u>11,790,282</u>
Federal sources				
National school lunch program	1,078,563	1,112,435	33,872	809,498
School breakfast program	147,157	239,018	91,861	194,311
Food service - other	-	100,329	100,329	89,935
Title I - Low income	1,078,636	1,217,337	138,701	1,211,571
Title III - English language acquisition	82,223	93,887	11,664	85,518
Title II - Teacher quality	120,000	19,884	(100,116)	119,704
Medicaid matching funds - administrative outreach	149,802	104,865	(44,937)	128,239
Medicaid matching funds - fee-for-service program	89,769	234,396	144,627	250,164
Total federal sources	<u>2,746,150</u>	<u>3,122,151</u>	<u>376,001</u>	<u>2,888,940</u>
Total revenues	<u>23,784,108</u>	<u>23,986,913</u>	<u>202,805</u>	<u>21,988,485</u>

BELLWOOD SCHOOL DISTRICT NO. 88
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Expenditures				
Instruction				
Regular programs				
Salaries	\$ 7,781,311	\$ 7,744,124	\$ 37,187	\$ 6,675,344
Employee benefits	1,164,600	973,459	191,141	1,194,000
Purchased services	58,000	15,631	42,369	41,470
Supplies and materials	300,000	529,500	(229,500)	302,242
Capital outlay	-	2,904	(2,904)	569
Total	<u>9,303,911</u>	<u>9,265,618</u>	<u>38,293</u>	<u>8,213,625</u>
Pre-K programs				
Salaries	540,984	545,453	(4,469)	489,634
Employee benefits	69,416	62,626	6,790	56,891
Purchased services	-	398	(398)	-
Supplies and materials	<u>36,108</u>	<u>34,238</u>	<u>1,870</u>	<u>28,157</u>
Total	<u>646,508</u>	<u>642,715</u>	<u>3,793</u>	<u>574,682</u>
Special education programs				
Salaries	1,160,622	1,045,764	114,858	973,561
Employee benefits	170,333	144,205	26,128	118,130
Supplies and materials	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>2,294</u>
Total	<u>1,335,955</u>	<u>1,189,969</u>	<u>145,986</u>	<u>1,093,985</u>
Remedial and supplemental programs K - 12				
Salaries	569,737	592,103	(22,366)	586,329
Employee benefits	263,287	352,325	(89,038)	265,372
Purchased services	2,800	17,350	(14,550)	7,127
Supplies and materials	35,993	147,048	(111,055)	261,955
Capital outlay	<u>97,463</u>	<u>-</u>	<u>97,463</u>	<u>45,940</u>
Total	<u>969,280</u>	<u>1,108,826</u>	<u>(139,546)</u>	<u>1,166,723</u>
Interscholastic programs				
Salaries	-	81,783	(81,783)	-
Employee benefits	<u>-</u>	<u>426</u>	<u>(426)</u>	<u>-</u>
Total	<u>-</u>	<u>82,209</u>	<u>(82,209)</u>	<u>-</u>
Summer school programs				
Salaries	-	52,074	(52,074)	-
Employee benefits	<u>-</u>	<u>295</u>	<u>(295)</u>	<u>-</u>
Total	<u>-</u>	<u>52,369</u>	<u>(52,369)</u>	<u>-</u>

BELLWOOD SCHOOL DISTRICT NO. 88
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Bilingual programs				
Salaries	\$ 316,102	\$ 280,407	\$ 35,695	\$ 350,483
Employee benefits	53,021	22,361	30,660	38,168
Purchased services	-	660	(660)	-
Supplies and materials	<u>19,731</u>	<u>50,409</u>	<u>(30,678)</u>	<u>30,464</u>
Total	<u>388,854</u>	<u>353,837</u>	<u>35,017</u>	<u>419,115</u>
Total instruction	<u>12,644,508</u>	<u>12,695,543</u>	<u>(51,035)</u>	<u>11,468,130</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	482,900	488,113	(5,213)	540,747
Employee benefits	55,543	39,734	15,809	44,883
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,876</u>
Total	<u>538,443</u>	<u>527,847</u>	<u>10,596</u>	<u>587,506</u>
Guidance services				
Purchased services	-	1,723	(1,723)	2,537
Supplies and materials	<u>-</u>	<u>(2,432)</u>	<u>2,432</u>	<u>(1,005)</u>
Total	<u>-</u>	<u>(709)</u>	<u>709</u>	<u>1,532</u>
Health services				
Salaries	326,624	357,593	(30,969)	335,197
Employee benefits	59,865	64,480	(4,615)	55,830
Purchased services	3,375	28,511	(25,136)	5,814
Supplies and materials	<u>4,100</u>	<u>4,146</u>	<u>(46)</u>	<u>2,044</u>
Total	<u>393,964</u>	<u>454,730</u>	<u>(60,766)</u>	<u>398,885</u>
Psychological services				
Salaries	220,829	220,829	-	159,190
Employee benefits	28,888	25,402	3,486	21,308
Purchased services	100	-	100	13,800
Supplies and materials	<u>16,200</u>	<u>460</u>	<u>15,740</u>	<u>2,950</u>
Total	<u>266,017</u>	<u>246,691</u>	<u>19,326</u>	<u>197,248</u>
Speech pathology and audiology services				
Purchased services	-	3,625	(3,625)	-
Supplies and materials	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>381</u>
Total	<u>3,000</u>	<u>3,625</u>	<u>(625)</u>	<u>381</u>

BELLWOOD SCHOOL DISTRICT NO. 88

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Other support services - pupils				
Salaries	\$ 140,000	\$ 72,269	\$ 67,731	\$ -
Employee benefits	<u>16,491</u>	<u>534</u>	<u>15,957</u>	<u>-</u>
Total	<u>156,491</u>	<u>72,803</u>	<u>83,688</u>	<u>-</u>
Total pupils	<u>1,357,915</u>	<u>1,304,987</u>	<u>52,928</u>	<u>1,185,552</u>
Instructional staff				
Improvement of instructional services				
Salaries	378,744	304,498	74,246	329,766
Employee benefits	61,038	16,912	44,126	48,481
Purchased services	192,993	283,395	(90,402)	209,569
Supplies and materials	<u>-</u>	<u>33,813</u>	<u>(33,813)</u>	<u>125,721</u>
Total	<u>632,775</u>	<u>638,618</u>	<u>(5,843)</u>	<u>713,537</u>
Educational media services				
Salaries	112,750	118,709	(5,959)	111,695
Employee benefits	9,244	298	8,946	258
Supplies and materials	<u>-</u>	<u>3,240</u>	<u>(3,240)</u>	<u>1,259</u>
Total	<u>121,994</u>	<u>122,247</u>	<u>(253)</u>	<u>113,212</u>
Assessment and testing				
Purchased services	-	85,948	(85,948)	43,808
Supplies and materials	<u>5,319</u>	<u>38,507</u>	<u>(33,188)</u>	<u>12,606</u>
Total	<u>5,319</u>	<u>124,455</u>	<u>(119,136)</u>	<u>56,414</u>
Total instructional staff	<u>760,088</u>	<u>885,320</u>	<u>(125,232)</u>	<u>883,163</u>
General administration				
Board of education services				
Salaries	38,379	23,903	14,476	20,302
Employee benefits	213,441	296,215	(82,774)	133,765
Purchased services	970,950	1,120,556	(149,606)	1,004,790
Supplies and materials	6,838	2,407	4,431	3,151
Capital outlay	-	112	(112)	-
Other objects	<u>-</u>	<u>760</u>	<u>(760)</u>	<u>-</u>
Total	<u>1,229,608</u>	<u>1,443,953</u>	<u>(214,345)</u>	<u>1,162,008</u>
Executive administration services				
Salaries	237,694	275,487	(37,793)	311,537
Employee benefits	41,612	147,868	(106,256)	119,192
Purchased services	41,815	133,569	(91,754)	42,899
Supplies and materials	10,000	7,602	2,398	8,049
Capital outlay	<u>-</u>	<u>2,316</u>	<u>(2,316)</u>	<u>-</u>
Total	<u>331,121</u>	<u>566,842</u>	<u>(235,721)</u>	<u>481,677</u>

BELLWOOD SCHOOL DISTRICT NO. 88
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Special area administration services				
Salaries	\$ 81,553	\$ 156,589	\$ (75,036)	\$ 162,925
Employee benefits	7,523	17,454	(9,931)	12,615
Purchased services	3,050	7,623	(4,573)	100
Supplies and materials	5,000	5,896	(896)	834
Capital outlay	<u>1,200</u>	<u>-</u>	<u>1,200</u>	<u>422</u>
Total	<u>98,326</u>	<u>187,562</u>	<u>(89,236)</u>	<u>176,896</u>
Total general administration	<u>1,659,055</u>	<u>2,198,357</u>	<u>(539,302)</u>	<u>1,820,581</u>
School administration				
Office of the principal services				
Salaries	1,374,832	1,426,326	(51,494)	1,169,400
Employee benefits	<u>219,472</u>	<u>163,667</u>	<u>55,805</u>	<u>142,977</u>
Total	<u>1,594,304</u>	<u>1,589,993</u>	<u>4,311</u>	<u>1,312,377</u>
Total school administration	<u>1,594,304</u>	<u>1,589,993</u>	<u>4,311</u>	<u>1,312,377</u>
Business				
Direction of business support services				
Salaries	261,728	267,395	(5,667)	222,787
Employee benefits	26,800	25,722	1,078	18,663
Purchased services	25,100	89,054	(63,954)	149,282
Supplies and materials	39,000	5,865	33,135	37,349
Capital outlay	<u>57,500</u>	<u>-</u>	<u>57,500</u>	<u>1</u>
Total	<u>410,128</u>	<u>388,036</u>	<u>22,092</u>	<u>428,082</u>
Pupil transportation services				
Salaries	<u>-</u>	<u>37,060</u>	<u>(37,060)</u>	<u>-</u>
Total	<u>-</u>	<u>37,060</u>	<u>(37,060)</u>	<u>-</u>
Food services				
Salaries	568,230	601,330	(33,100)	451,755
Employee benefits	13,613	10,359	3,254	7,203
Purchased services	-	103,673	(103,673)	97,851
Supplies and materials	962,550	982,392	(19,842)	994,502
Capital outlay	<u>-</u>	<u>4,988</u>	<u>(4,988)</u>	<u>-</u>
Total	<u>1,544,393</u>	<u>1,702,742</u>	<u>(158,349)</u>	<u>1,551,311</u>
Total business	<u>1,954,521</u>	<u>2,127,838</u>	<u>(173,317)</u>	<u>1,979,393</u>

BELLWOOD SCHOOL DISTRICT NO. 88
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Central				
Staff services				
Salaries	\$ 210,096	\$ 168,678	\$ 41,418	\$ 339,177
Employee benefits	29,028	47,240	(18,212)	33,045
Purchased services	20,000	199,454	(179,454)	81,514
Supplies and materials	<u>3,500</u>	<u>5,477</u>	<u>(1,977)</u>	<u>7,726</u>
Total	<u>262,624</u>	<u>420,849</u>	<u>(158,225)</u>	<u>461,462</u>
Data processing services				
Salaries	270,135	278,209	(8,074)	242,377
Employee benefits	29,349	30,868	(1,519)	24,469
Purchased services	100,000	26,055	73,945	31,402
Supplies and materials	5,000	95,749	(90,749)	53,576
Capital outlay	<u>45,000</u>	<u>134,646</u>	<u>(89,646)</u>	<u>30,248</u>
Total	<u>449,484</u>	<u>565,527</u>	<u>(116,043)</u>	<u>382,072</u>
Total central	<u>712,108</u>	<u>986,376</u>	<u>(274,268)</u>	<u>843,534</u>
Other supporting services				
Purchased services	-	-	-	1,015
Supplies and materials	<u>-</u>	<u>842</u>	<u>(842)</u>	<u>-</u>
Total	<u>-</u>	<u>842</u>	<u>(842)</u>	<u>1,015</u>
Total support services	<u>8,037,991</u>	<u>9,093,713</u>	<u>(1,055,722)</u>	<u>8,025,615</u>
Community services				
Salaries	180,379	197,438	(17,059)	191,788
Employee benefits	2,364	12,818	(10,454)	2,084
Purchased services	21,092	12,444	8,648	9,251
Supplies and materials	<u>9,318</u>	<u>7,035</u>	<u>2,283</u>	<u>14,618</u>
Total community services	<u>213,153</u>	<u>229,735</u>	<u>(16,582)</u>	<u>217,741</u>
Payments to other districts and governmental units				
Payments for regular programs				
Other objects	<u>-</u>	<u>82,479</u>	<u>(82,479)</u>	<u>-</u>
Total	<u>-</u>	<u>82,479</u>	<u>(82,479)</u>	<u>-</u>
Payments for special education programs				
Purchased services	2,969,736	2,988,647	(18,911)	-
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,961,456</u>
Total	<u>2,969,736</u>	<u>2,988,647</u>	<u>(18,911)</u>	<u>2,961,456</u>
Total payments to other districts and governmental units	<u>2,969,736</u>	<u>3,071,126</u>	<u>(101,390)</u>	<u>2,961,456</u>

BELLWOOD SCHOOL DISTRICT NO. 88
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Total expenditures	\$ 23,865,388	\$ 25,090,117	\$ (1,224,729)	\$ 22,672,942
Other financing sources (uses)				
Sale or compensation for fixed assets	-	750,000	750,000	-
Total other financing sources (uses)	-	750,000	750,000	-
Net change in fund balance	\$ (81,280)	(353,204)	\$ (271,924)	(684,457)
Fund balance, beginning of year		1,892,180		2,576,637
Fund balance, end of year		\$ 1,538,976		\$ 1,892,180

BELLWOOD SCHOOL DISTRICT NO. 88
WORKING CASH ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 101,113	\$ 95,926	\$ (5,187)	\$ 44,971
Investment income	4,500	3,972	(528)	4,245
Loss on investments	-	-	-	(7,398)
Total local sources	<u>105,613</u>	<u>99,898</u>	<u>(5,715)</u>	<u>41,818</u>
Total revenues	<u>105,613</u>	<u>99,898</u>	<u>(5,715)</u>	<u>41,818</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 105,613</u>	99,898	<u>\$ (5,715)</u>	41,818
Fund balance, beginning of year		<u>762,400</u>		<u>720,582</u>
Fund balance, end of year		<u>\$ 862,298</u>		<u>\$ 762,400</u>