

South Berwyn School District 100

Berwyn, Illinois

Annual Financial Report

Year Ended June 30, 2015

South Berwyn School District 100
Annual Financial Report
For the Year Ended June 30, 2015

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 3
Managements' Discussion and Analysis	4 - 11
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements	
Balance Sheet- Governmental Funds	14 - 15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	17 - 18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Fiduciary Assets and Liabilities	20
Notes to the Financial Statements	21 - 60
Required Supplementary Information	
Schedule of Funding Progress - Other Postemployment Benefits	61
Schedule of the Employer's Proportionate share of Net Pension Liability - TRS	62
Schedule of Employer Contributions - TRS	62
Schedule of Changes in Net Pension Liability and Related Ratios - IMRF	63
Schedule of Employer Contributions - IMRF	64
Notes to the Schedule of Employer Contributions - IMRF	65
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	66 - 73
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Operations and Maintenance Fund	74 - 75
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Transportation Fund	76
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Municipal Retirement/Social Security Fund	77 - 78
Notes to the Required Supplementary Information	79 - 80

South Berwyn School District 100
Annual Financial Report
For the Year Ended June 30, 2015

TABLE OF CONTENTS

Supplementary Financial Information

General Fund	
Combining Balance Sheet	81
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	82
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	83 - 84
Statement of Changes in Assets and Liabilities - Agency Fund - Student Activity Funds	85
General Long-Term debt	
Schedule of General Obligation Bonds	86 - 89

Other Supplemental Information

Property Tax Rates and Levies - Last Five Tax Levy Years	90
Operating Costs and Tuition Charge - June 30, 2015 and 2014	91

Single Audit

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	92 - 93
Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	94 - 96
Schedule of Expenditures of Federal Awards	97
Notes to Schedule of Expenditures of Federal Awards	98
Schedule of Findings and Questioned Costs	99 - 100
Summary Schedule of Prior Year Audit Findings	101

Independent Auditors' Report

To Members of the Board of Education
South Berwyn School District 100
Berwyn, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South Berwyn School District 100 (District), as of and for the period ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

To the Board of Education
South Berwyn School District 100

reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2015, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, other post-employment benefits information on page 61, the Teachers Retirement System Fund pension data on page 62 the Illinois Municipal Retirement Fund pension data on page 63-65, and budgetary comparison schedules and notes to the required supplementary information on pages 66 through 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the other information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and the statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements.

To the Board of Education
South Berwyn School District 100

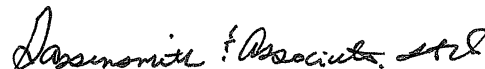
We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2014, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The 2014 other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 other supplementary information is fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting and compliance. The report is an internal part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2015 the District adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.



Gassensmith & Associates, Ltd.
Certified Public Accountants

October 13, 2015

South Berwyn School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2015

The discussion and analysis of South Berwyn School District 100's (The District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2015. The intent of this management discussion and analysis is to look at the District's performance as a whole. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements and notes to the financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- Net position of the governmental activities decreased by approximately \$2.3 million (excludes approximately \$5.5 million adjustment for implementation of GASB 68) from \$9.6 million in fiscal year 2014 to \$1.8 million in fiscal year 2015 as a result of current year operations. This represents a decrease of 24% (exclusive of GASB 68 adjustment).
- Total revenues increased by approximately \$2.6 million, primarily due to increase in state on-behalf payments, to \$50.6 million in fiscal year 2015. This represents an increase of 5.3%. Property tax revenue accounts for 31.0% of total revenues. General State aid accounts for 58.6% of total revenues.

Overview of the Financial Statements

This discussion and analysis are 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 the financial statements.

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

Government-wide financial statements

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

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

South Berwyn School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2015

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements 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, with the exception of the Food Service Program. The District's governmental activities include instructional services (regular education, special education and other), supporting services, operations 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 funds financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a school district's near-term financial 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 statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and change in fund balance 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 funds balance sheet and in the governmental funds statement of revenues,

South Berwyn School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2015

expenditures and changes in fund balances of the General (includes the Educational and Working Cash funds), Operations and Maintenance, Transportation, IMRF/Social Security, Debt Service and Capital Projects Funds, 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 statements 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 the financial statements

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

Other information

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

Government-Wide Financial Analysis

- As seen in Table 1, the District's net position decreased by approximately \$8.0 million includes \$5.5 million decrease from GASB 68 implementation (\$1.6 million compared to \$9.6 million).
- As seen in Table 2, the District's total revenues were \$50.6 million.

Property taxes and general state aid are still the major revenue sources for the District, representing approximately 87.8% of the District's revenue. The remainder of the District's revenues came from state and federal grants, fees charged for services and special education reimbursements.

The total cost of all programs and services was \$52.9 million. The District's expenses are predominately related to instructing, caring for (pupil services), and transporting students. The District's administrative and business activities accounted for 7.8% of total costs.

South Berwyn School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Table 1 Condensed Statement of Net Position		
	<u>2015</u>	<u>2014</u>
Current and other assets	15,353,066	18,581,632
Capital assets	28,925,942	29,622,168
Total assets	<u>44,279,008</u>	<u>48,203,800</u>
Deferred outflows of resources	<u>2,105,038</u>	<u>1,588,058</u>
Total assets and deferred outflows	<u>46,384,046</u>	<u>49,791,858</u>
Long-term debt outstanding	39,747,757	35,591,913
Other liabilities	3,293,036	3,465,313
Total liabilities	<u>43,040,793</u>	<u>39,057,226</u>
Deferred inflows of resources	<u>1,785,339</u>	<u>1,116,659</u>
Net position:		
Invested in capital assets, net of related debt	16,342,168	14,855,212
Restricted	2,160,735	2,976,000
Unrestricted	<u>(16,944,989)</u>	<u>(8,213,239)</u>
Total net position	<u>1,557,914</u>	<u>9,617,973</u>
Total liabilities, deferred inflows and net position	<u>46,384,046</u>	<u>49,791,858</u>

South Berwyn School District 100

Management's Discussion and Analysis For the Year Ended June 30, 2015

Table 2 Changes in Net Position			
	<u>2015</u>	<u>2014</u>	<u>% Change</u>
Revenues:			
Program revenues:			
Charges for services	268,984	663,360	-146.6%
Operating/capital grants and contributions	17,784,069	14,683,383	17.4%
General revenues:			
Taxes	15,992,056	16,195,555	-1.3%
General state aid	15,965,681	15,887,343	0.5%
Other	565,834	468,500	17.2%
Total revenues	<u>50,576,624</u>	<u>47,898,141</u>	5.3%
Expenses:			
Instruction	35,602,399	32,622,503	8.4%
Pupil and instructional services	3,830,478	4,123,282	-7.6%
Administration and business	6,772,077	6,244,782	7.8%
Transportation	1,271,163	1,146,213	9.8%
Operations and maintenance	3,494,489	3,956,043	-13.2%
Other	2,210,298	2,557,273	-15.7%
Total expenses	<u>53,180,904</u>	<u>50,650,096</u>	4.8%
Increase (decrease) in net position	<u>(2,604,280)</u>	<u>(2,751,955)</u>	-5.7%

Financial Analysis of the District's Funds

The District's governmental funds balance decreased from \$14.1 million to \$11.5 million.

Expenditures exceeded revenues in the General Fund by \$1.0 million, in the Operation and Maintenance Fund by \$838 thousand, the Transportation Fund by \$212 thousand and the Debt Services Fund by \$2.4 million, revenues exceeded expenditures in the Municipal Retirement/Social Security Fund by \$129 thousand. Overall, the District's government funds had a net decrease in fund balance of \$2.6 million. The General Fund ended the fiscal year with a fund balance of \$8.6 million.

South Berwyn School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2015

General Fund Budgetary Highlights

The District amended the annual operating budget for the year ended June 30, 2015.

The District's final budget anticipated that expenditures would exceed revenues by \$891 thousand in the General Fund and \$1.8 million District as a whole. The actual results for the year show expenditures over revenues of \$1.0 million for the general fund.

Actual revenues were \$932 thousand more than budgeted, primarily due to timeliness of property tax payments and both state and federal grants.

Actual budgeted expenditures exceeded actual expenditures by \$1.6 million, primarily to issuance and payment of capital assets.

Capital Asset and Debt Administration

Capital Assets

By the end of fiscal 2015, the District has compiled a total investment of \$53,478,665 (\$28,925,942 net of accumulated depreciation). Total depreciation expense for the year was \$2,359,555, while additions to buildings, vehicles and equipment amounted to \$1,663,329. More detailed information about capital assets can be found in Note 5 of the notes to the financial statements.

Table 3 Capital Assets (net of depreciation)			
	<u>2015</u>	<u>2014</u>	<u>% Change</u>
Land	3,997,483	3,997,483	0.0%
Buildings	20,002,370	20,698,576	-3.5%
Equipment and vehicles	4,926,089	4,926,109	0.0%
Total	<u>28,925,942</u>	<u>29,622,168</u>	-2.4%

South Berwyn School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Capital Asset and Debt Administration (continued)

The current facilities of the District adequately accommodate the District's present enrollment. The near-term future plans call for repairs and maintenance to existing facilities as the main capital needs of the District.

Long-term debt

At year-end, the District had \$34.2 million in general obligation bonds and other long-term debt outstanding.

The District continued to pay down its debt, retiring \$1,480,000 (including the refunding of \$6,285,000 of series 2004D) of existing bonds and \$1,418,613 of capital lease certificates.

The District will continue to look to refinancing existing debt if a cost savings to taxpayers can be realized.

More detailed information on long-term debt can be found in Note 6 of the notes to the financial statements.

Table 4 Outstanding Long-Term Debt			
	<u>2015</u>	<u>2014</u>	<u>% Change</u>
General obligation bonds and notes	32,480,000	33,960,000	-4.6%
Capital leases and other	<u>1,737,621</u>	<u>1,641,110</u>	5.6%
Total	<u><u>34,217,621</u></u>	<u><u>35,601,110</u></u>	-4.0%

South Berwyn School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Factors Bearing on the District's Future

The District's certified staff, paraprofessional, and custodial staffs are under contract through the fiscal years 2016, 2019, and 2018 respectively. If property tax revenue increases continue to be limited by increases in the Consumer Price Index, the District's financial condition will be negatively impacted. Additional significant increases in general state aid would help to alleviate that problem.

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:

South Berwyn School District 100
3401 Gunderson Avenue
Berwyn, Illinois 60402
(708) 795-230

BASIC FINANCIAL STATEMENTS

SOUTH BERWYN SCHOOL DISTRICT 100
STATEMENT OF NET POSITION- GOVERNMENTAL ACTIVITIES
June 30, 2015

ASSETS

Cash and investments	6,960,624
Receivable (net of allowance for uncollectibles):	
Property Taxes	7,346,490
Replacement taxes	67,338
Intergovernmental	920,735
Prepaid items	57,879
Capital assets:	
Land	3,997,483
Other capital assets, net of depreciation	24,928,459
Total assets	44,279,008

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources related to pensions	850,628
Deferred outflows of resources	1,254,410
Total assets and deferred outflows of resources	46,384,046

LIABILITIES

Accounts payable	359,559
Salaries and wages payable	2,621,961
Payroll deductions payable	172,356
Interest payable	139,160
Long-term liabilities:	
Due within one year	2,793,747
Due after one year	36,954,010
Total liabilities	43,040,793

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources related to pensions	1,093,962
Deferred inflows of resources related to taxes	691,377

NET POSITION

Invested in Capital assets, net of related debt	16,342,168
Restricted For:	
Debt Service	1,157,149
Student transportation	612,118
Retirement benefits	391,468
Unrestricted	(16,944,989)
Total Net Position	1,557,914

The notes to the basic financial statements are an integral part of this statement.

SOUTH BERWYN SCHOOL DISTRICT 100
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>PROGRAM REVENUES</u>		<u>Net (Expenses) Revenue and Changes in Net Position</u>
		<u>Changes for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities				
Instruction:				
Regular programs	18,019,674	143,960	990,064	(16,885,650)
Special programs	6,234,124	-	3,145,751	(3,088,373)
Other instructional programs	1,114,884	-	409,220	(705,664)
State retirement contributions	10,233,717	-	10,233,717	-
Support services:				
Pupils	2,195,002	-	-	(2,195,002)
Instructional staff	1,635,476	-	392,684	(1,242,792)
General administration	808,907	-	-	(808,907)
School administration	3,830,107	-	-	(3,830,107)
Business	2,133,063	125,024	1,858,188	(149,851)
Transportation	1,271,163	-	442,815	(828,348)
Operations and maintenance	3,494,489	-	-	(3,494,489)
Other supporting services	55,669	-	311,630	255,961
Community services	99,959	-	-	(99,959)
Interest and fees	2,054,670	-	-	(2,054,670)
Total governmental activities	<u>53,180,904</u>	<u>268,984</u>	<u>17,784,069</u>	<u>(35,127,851)</u>

GENERAL REVENUES:

Taxes:

Real estate taxes, levied for general purposes	10,141,884
Real estate taxes, levied for specific purposes	3,208,767
Real estate taxes, levied for debt service	2,278,055
Personal property replacement taxes	363,350
State aid-formula grants	15,965,681
Investment earnings	18,920
Other Revenues	<u>546,914</u>
Total general revenues	<u>32,523,571</u>

Change in net position (2,604,280)

Net Position -Beginning 9,617,973

Prior period adjustment - Implementation of GASB 68:

Net pension liability (5,455,779)

Net Position - End 1,557,914

The notes to the basic financial statements are an integral part of this statement.

SOUTH BERWYN SCHOOL DISTRICT 100
GOVERNMENTAL FUNDS
BALANCE SHEET

June 30, 2015

With Comparative Totals for June 30, 2014

	<u>General</u>	<u>Operations and Maintenance</u>	<u>Transportation</u>
<u>ASSETS</u>			
Cash and investments	6,205,680	11,310	344,434
Receivables (net of allowance for uncollectibles):			
Property taxes	4,600,204	898,066	230,244
Replacement taxes	67,338	-	-
Intergovernmental	813,994	-	106,741
Prepaid items	-	57,879	-
Total assets	<u>11,687,216</u>	<u>967,255</u>	<u>681,419</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Accounts payable	195,555	107,957	56,047
Salaries and wages payable	2,621,961	-	-
Payroll deductions payable	65,102	-	-
Total liabilities	<u>2,882,618</u>	<u>107,957</u>	<u>56,047</u>
Deferred Inflows of Resources			
Unearned revenue	<u>265,167</u>	<u>51,750</u>	<u>13,254</u>
Fund balances:			
Nonspendable	-	57,879	-
Restricted - Debt Service	-	-	-
Restricted - Student Transportation	-	-	612,118
Restricted - Retirement Benefits	-	-	-
Unassigned	8,539,431	749,669	-
Total fund balance	<u>8,539,431</u>	<u>807,548</u>	<u>612,118</u>
Total liabilities and fund balance	<u>11,687,216</u>	<u>967,255</u>	<u>681,419</u>

The notes to the basic financial statements are an integral part of this statement.

Municipal Retirement/ Soc. Sec	Debt Service	Capital Projects	Total	
			2015	2014
195,105	203,996	99	6,960,624	9,721,460
322,172	1,295,804	-	7,346,490	7,923,346
-	-	-	67,338	63,222
-	-	-	920,735	272,786
-	-	-	57,879	600,818
<u>517,277</u>	<u>1,499,800</u>	<u>99</u>	<u>15,353,066</u>	<u>18,581,632</u>
-	-	-	359,559	488,818
-	-	-	2,621,961	2,666,985
107,254	-	-	172,356	158,347
<u>107,254</u>	<u>-</u>	<u>-</u>	<u>3,153,876</u>	<u>3,314,150</u>
<u>18,555</u>	<u>342,651</u>	<u>-</u>	<u>691,377</u>	<u>1,116,659</u>
-	-	-	57,879	600,818
-	1,157,149	-	1,157,149	1,889,847
-	-	-	612,118	823,026
391,468	-	-	391,468	263,127
-	-	99	9,289,199	10,574,005
<u>391,468</u>	<u>1,157,149</u>	<u>99</u>	<u>11,507,813</u>	<u>14,150,823</u>
<u>517,277</u>	<u>1,499,800</u>	<u>99</u>	<u>15,353,066</u>	<u>18,581,632</u>

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SOUTH BERWYN SCHOOL DISTRICT 100
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
For the Year Ended June 30, 2015

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	11,507,813
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Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.	28,925,942
--	------------

Interest on long-term liabilities accrued in the statement of net position will not be paid with current financial resources and, accordingly, is not recognized in the governmental funds balance	(139,160)
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Deferred outflows included in the statement of net position are not available to pay for current period expenditures and, accordingly, are not included in the governmental funds balance sheet.	1,254,410
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to pensions	850,628
Deferred inflows of resources related to pensions	(1,093,962)

Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not recognized in the governmental funds balance sheet.	<u>(39,747,757)</u>
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Net Position - governmental activities	<u><u>1,557,914</u></u>
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The notes to the basic financial statements are an integral part of this statement.

SOUTH BERWYN SCHOOL DISTRICT 100
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

	<u>General</u>	<u>Operations and Maintenance</u>	<u>Transportation</u>
Revenues			
Property Taxes	10,141,884	1,990,821	507,640
Replacement taxes	363,350	-	-
State aid	28,618,543	-	442,815
Federal aid	4,157,188	-	-
Interest	18,887	-	-
Other	360,520	316,324	26,492
Total revenues	<u>43,660,372</u>	<u>2,307,145</u>	<u>976,947</u>
Expenditures			
Current:			
Instruction:			
Regular programs	15,873,585	-	-
Special programs	5,751,598	-	-
Other instructional programs	1,060,828	-	-
State retirement contributions	10,233,717	-	-
Support services:			
Pupils	2,146,350	-	-
Instructional staff	1,522,873	-	-
General administration	789,266	-	-
School administration	3,360,243	-	-
Business	2,059,689	-	-
Transportation	-	-	1,187,855
Operations and maintenance	28,280	3,101,252	-
Other supporting services	55,669	-	-
Community services	99,073	-	-
Nonprogrammed charges	120,854	-	-
Debt service:			
Principal	-	-	-
Interest and other	-	-	-
Capital outlay	1,619,327	44,002	-
Total expenditures	<u>44,721,352</u>	<u>3,145,254</u>	<u>1,187,855</u>
Excess (deficiency) of revenues over expenditures	(1,060,980)	(838,109)	(210,908)
Other financing sources (uses)			
Transfers in	-	900,000	-
Transfers (out)	(2,343,780)	-	-
Bond Proceeds	-	-	-
Bond Premium	-	-	-
Transfer to Escrow	-	-	-
Other sources	1,515,124	-	-
Total other financing sources (uses)	<u>(828,656)</u>	<u>900,000</u>	<u>-</u>
Net change in fund balances	(1,889,636)	61,891	(210,908)
Fund balance, beginning of year	10,429,067	745,657	823,026
Fund balance, end of year	<u>8,539,431</u>	<u>807,548</u>	<u>612,118</u>

The notes to the basic financial statements are an integral part of this statement.

Municipal Retirement/ Soc. Sec	Debt Service	Capital Projects	Total	
			2015	2014
710,306	2,278,055	-	15,628,706	15,859,876
-	-	-	363,350	335,679
500,000	-	-	29,561,358	26,206,139
-	-	-	4,157,188	4,351,662
-	33	-	18,920	31,958
-	3,766	-	707,102	1,112,825
<u>1,210,306</u>	<u>2,281,854</u>	<u>-</u>	<u>50,436,624</u>	<u>47,898,139</u>
189,490	-	-	16,063,075	15,086,498
225,279	-	-	5,976,877	6,896,275
14,712	-	-	1,075,540	1,515,714
-	-	-	10,233,717	7,155,769
-	-	-	-	-
44,372	-	-	2,190,722	2,198,721
78,468	-	-	1,601,341	1,885,816
15,361	-	-	804,627	681,074
140,333	-	-	3,500,576	3,059,315
32,087	-	-	2,091,776	2,126,069
56,944	-	-	1,244,799	1,119,622
284,033	-	-	3,413,565	3,874,423
-	-	-	55,669	184,396
886	-	-	99,959	161,721
-	-	-	120,854	59,077
-	-	-	-	-
-	2,758,613	-	2,758,613	2,309,410
-	1,903,766	-	1,903,766	1,873,690
-	-	-	<u>1,663,329</u>	<u>814,141</u>
<u>1,081,965</u>	<u>4,662,379</u>	<u>-</u>	<u>54,798,805</u>	<u>51,001,731</u>
128,341	(2,380,525)	-	(4,362,181)	(3,103,592)
-	1,443,780	-	2,343,780	1,769,315
-	-	-	(2,343,780)	(1,769,315)
-	6,145,000	-	6,145,000	-
-	400,876	-	400,876	-
-	(6,341,829)	-	(6,341,829)	-
-	-	-	<u>1,515,124</u>	<u>44,936</u>
-	<u>1,647,827</u>	<u>-</u>	<u>1,719,171</u>	<u>44,936</u>
128,341	(732,698)	-	(2,643,010)	(3,058,656)
<u>263,127</u>	<u>1,889,847</u>	<u>99</u>	<u>14,150,823</u>	<u>17,209,479</u>
<u>391,468</u>	<u>1,157,149</u>	<u>99</u>	<u>11,507,813</u>	<u>14,150,823</u>

SOUTH BERWYN SCHOOL DISTRICT 100
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	(2,643,010)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.	(696,226)
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Governmental funds report the effect of deferred charges when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year, net effect of these differences.	(366,954)
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The issue of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds.	1,333,241
---	-----------

Governmental funds report district pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as	(243,334)
---	-----------

Accrued interest due in one year does not require the expenditure of current financial resources of governmental funds.	<u>12,003</u>
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Change in net position - governmental activities	<u><u>(2,604,280)</u></u>
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The notes to the basic financial statements are an integral part of this statement.

SOUTH BERWYN SCHOOL DISTRICT 100
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2015

	<u>ASSETS</u>	
Cash and investments		<u>67,192</u>
	<u>LIABILITIES</u>	
Due to student groups		<u>67,192</u>

The notes to the basic financial statements are an integral part of this statement.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of South Berwyn School District 100 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

A. Reporting Entity

The District is located in Cook County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all personnel, budgetary, taxing and debt matters.

The District includes all funds of its operations that are controlled by or dependent upon the District, as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will and fiscal dependency. The accompanying financial statements include only those funds of the District, as there are no organizations for which it has financial accountability.

The District is not included as a component unit in any other governmental reporting entity, as defined by Governmental Accounting Standards Board (GASB) pronouncements.

B. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental and fiduciary.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting (continued)

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of earmarked monies (Special Revenue Funds), the servicing of general long-term debt (Debt Service Funds), and the acquisition or construction of major capital facilities (Capital Projects Fund). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues instead.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Government-Wide and Fund Financial Statements (continued)

1. General Fund

The General Fund includes the Educational Fund Account and the Working Cash Fund Account. The Educational Fund Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Fund Account is for the financial resources held by the District to be used as temporary interfund loans for working capital requirements to the special revenue fund's Operations and Maintenance and Transportation Funds. Money loaned by the Working Cash Fund Account to other funds must be repaid within one year. As allowed by the School Code of Illinois, this Fund may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Fund Account of at least .05% of the District's current equalized assessed valuation.

2. Special Revenue Funds

The special revenue funds are used to account for and report the proceeds of specific revenue sources (other than those accounted for in the Debt Service, Capital Projects or Fiduciary Funds) that are legally restricted to expenditures for specified purposes.

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

Operations and Maintenance Fund is used for expenditures made of operations, repair and maintenance of the District's buildings and land. Revenues consist primarily of local property taxes.

Transportation Fund accounts for all revenues and expenditures made for student transportation. Revenues are derived primarily from local property taxes and state reimbursement grants.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Government-Wide and Fund Financial Statements (continued)

2. Special Revenue Funds (continued)

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 noncertified employees. Revenues to finance contributions are derived primarily from local property taxes and personal property replacement taxes.

3. Debt Service Fund

The Debt Service Fund is used for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

4. Capital Projects Fund

Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from property taxes, bond proceeds or transfers from other funds.

5. Fiduciary Fund

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

The Student Activity Funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. These 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. They account for activities such as student yearbook, student clubs and council, and scholarships.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Balance

The Governmental Fund financial statements present fund balances based on classification that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

1. *Nonspendable* includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items or inventories.
2. *Restricted* refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or are imposed by law through enabling legislation. Special revenue funds are by definition restricted for those specified purposes.
3. *Committed* refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds.
4. *Assigned* refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegates the authority to assign amounts to be used for specific purposes.
5. *Unassigned* refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Balance (continued)

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances and finally they act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

E. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. The District considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues that are paid to the District by the Illinois State Board of Education are considered available if vouchered by year-end. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property and replacement taxes, interest and intergovernmental revenue associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports deferred inflows of resources as unearned revenue on its financial statements. Unearned revenue arises when a potential revenues does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods,

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

F. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

G. 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 money market mutual funds registered under the Investment Company Act of 1940, with certain restrictions. Investments are stated at fair value. Changes in the fair value of investments are recorded as investment income.

H. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund, with the balance allocated at the discretion of the District.

I. Capital Assets

Capital assets, which include land, land improvements, buildings, building improvements, and equipment and vehicles, 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 \$2,500 and an estimated useful life of 5 years or more. Such assets are recorded at historical cost or the estimated fair value at the date of donation.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets (continued)

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Depreciation of capital assets is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Land improvements	50
Buildings and building improvements	50
Transportation equipment	5
Other Equipment	3 - 10

J. Prepaid Items

Prepaid items, primarily insurance premiums and maintenance agreements, are recorded at cost and amortized over the terms of the underlying agreements. Reported prepaid expenditures are equally offset by fund balance reserves, which indicate that they do not constitute "available spendable resources" even though they are a component of current net position.

K. 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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources, while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Restricted Net Position

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position use are either (1) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

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

M. Deferred Inflows/Outflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred inflows of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

N. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Comparative Total Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. GASB Pronouncements

The District adopted the provisions of GASB statement No. 67 – *Financial Reporting for Pension Plans* and GASB statement 68 – *Accounting and Financial Reporting for Pensions*. These statements establish accounting and financial reporting standards for the activities of pension plans that are administered through trusts and meet certain criteria. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. The statements also require enhanced note disclosures and schedules of other supplemental information.

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position

The governmental funds balance sheet includes a reconciliation between total fund balances- governmental funds and net position- governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not recognized in the governmental funds balance sheet.” The details of this difference are as follows:

General obligation bonds	\$ (32,480,000)
Leases	(1,737,621)
Compensated absences	(423,050)
Net Pension Liability	(5,455,779)
Post-employment benefit obligation	(39,675)
Unamortized discounts	<u>388,368</u>
Net adjustments to reduce fund balance -	
Total governmental funds to arrive at	
Net Position - governmental activities	<u>\$ (39,747,757)</u>

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and change in net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Net capital outlay	\$ 1,663,329
Depreciation expense	<u>(2,359,555)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	\$ <u>(696,226)</u>

Another element of that reconciliation states that "The issuance of long-term debt (e.g. bonds, leases, employee benefits) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds." The details of this difference are as follows:

Principal refunds/repayments:	
General obligation bonds	\$ 7,625,000
Leases	1,418,613
Principal issued:	
Bonds	(6,145,000)
Leases	(1,515,124)
Post employment benefit obligation	(39,675)
Compensated absences	<u>(10,573)</u>

Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position - governmental activities.	\$ <u>1,333,241</u>
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South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 3 DEPOSITS AND INVESTMENTS

At June 30, 2015, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	<u>\$6,960,624</u>	<u>\$67,192</u>	<u>\$7,027,816</u>

For disclosure purposes, this amount is segregated into two components: (1) cash on hand and (2) deposits with financial institutions, which include amounts held in demand accounts, savings accounts and nonnegotiable certificates of deposit, as follows:

Cash on hand	\$ 300
Deposits with financial institutions	<u>7,027,516</u>
	<u>\$ 7,027,816</u>

As of June 30, 2015, the District had no investments.

A. Interest Rate Risk

The District's investment policy seeks 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.

B. Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from over concentration 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.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 3 DEPOSITS AND INVESTMENTS (continued)

C. Custodial Risk

With respect to deposits, custodial risk is 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 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. At June 30, 2015, the bank balance of the District's deposits with financial institutions totaled \$7,376,721. As of June 30, 2015, all account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the U.S. Government held in the District's name by financial institution acting as the District's agent.

NOTE 4 PROPERTY TAX RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on December 17, 2014. The District's property tax is levied each year on all taxable real property located in the District. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

The Cook County Assessor is responsible for the assessment of all taxable real property within Cook County except for certain railroad property, which is assessed directly by the state. The county is reassessed every three years by the Assessor.

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the state. Each year, the Illinois Department of Revenue furnishes the county clerks with an adjustment factor to equalize the level of assessment between counties at one-third of market value. This factor (the equalization factor) is then applied to the assessed valuation to compute the valuation of property to which the tax rate will be applied (the equalized assessed valuation). The equalization factor for Cook County was 2.7253 for 2014.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 4 PROPERTY TAX RECEIVABLE (continued)

The County Clerk adds the equalized assessed valuation of all real property in the county to the valuation of property assessed directly the state (to which the equalization factor is not applied) to arrive at the base amount (the assessment base) used to calculate the annual tax rates, as described above. The equalized assessed valuation for the extension of the 2014 tax levy was \$379,601,208.

Property taxes are collected by the Cook County Treasurer who remits them to the School Treasurer. Taxes levied in one year become due and payable in two installments on March 1 and approximately September 1 during the following year. 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.

The portion of the 2014 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectibles of 1%. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year are recognized as revenue. Such time thereafter does not exceed 60 days. Net taxes receivable less the amount expected to be collected within 60 days is reflected as unearned revenue.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	<u>3,997,483</u>	<u>-</u>	<u>-</u>	<u>3,997,483</u>
Capital assets, being depreciated				
Land improvements	1,447,394	46,769	-	1,494,163
Buildings and building improvements	33,488,673	-	-	33,488,673
Equipment	12,460,395	1,616,560	-	14,076,955
Transportation equipment	<u>421,391</u>	<u>-</u>	<u>-</u>	<u>421,391</u>
Total capital assets, being depreciated	<u>47,817,853</u>	<u>1,663,329</u>	<u>-</u>	<u>49,481,182</u>
Less accumulated depreciation for:				
Land improvements	375,808	73,202	-	449,010
Buildings and building improvements	13,861,683	669,773	-	14,531,456
Equipment	7,635,077	1,615,780	-	9,250,857
Transportation equipment	<u>320,600</u>	<u>800</u>	<u>-</u>	<u>321,400</u>
Total accumulated depreciation	<u>22,193,168</u>	<u>2,359,555</u>	<u>-</u>	<u>24,552,723</u>
Total capital assets, being depreciated, net	<u>25,624,685</u>	<u>(696,226)</u>	<u>-</u>	<u>24,928,459</u>
Governmental activities, capital assets, net	<u>29,622,168</u>	<u>(696,226)</u>	<u>-</u>	<u>28,925,942</u>

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 5 CAPITAL ASSETS (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities

General government

Instructional staff

Regular programs \$1,663,017

Special programs 136,393

Bilingual programs 39,344

Support services

Pupils 4,280

Instructional staff 34,135

General administration 4,280

School administration 329,531

Business administration 41,288

Operations and maintenance 80,924

Transportation 26,365

Total depreciation from governmental activities \$2,359,555

NOTE 6 LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2015:

	Balance July 1, <u>2014</u>	<u>Additions</u>	<u>Payments</u>	Balance June 30, <u>2015</u>
General obligation bonds	33,960,000	6,145,000	7,625,000	32,480,000
Unamortized premium (discount)	<u>(421,674)</u>	<u>-</u>	<u>(33,306)</u>	<u>(388,368)</u>
Total bonds payable	33,538,326	6,145,000	7,591,694	32,091,632
Capital leases	1,641,110	1,515,124	1,418,613	1,737,621
Net pension obligation	-	5,455,779	-	5,455,779
Post employment benefits	-	39,675	-	39,675
Compensated absences	<u>412,477</u>	<u>423,050</u>	<u>412,477</u>	<u>423,050</u>
Total long-term liabilities	<u>35,591,913</u>	<u>13,578,628</u>	<u>9,422,784</u>	<u>39,747,757</u>

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 6 LONG-TERM LIABILITIES (continued)

A. General Obligation Bonds Payable (continued)

Long-term liability principal payments due within one year are as follows:

General obligation bonds	1,825,000
Capital leases	<u>991,594</u>
	<u>2,816,594</u>

The summary of bonds payable at June 30, 2015 is as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Carrying Amount</u>
Refunding and Building - dated December 1, 1997	8.10% - 8.20%	660,000
Limited School Bonds - dated September 1, 2009A	2.75% - 4.50%	2,365,000
Taxable Limited School Bonds - dated September 1, 2009B	1.60% - 6.00%	6,330,000
Refunding School Bonds - dated September 1, 2009C	4.60%	565,000
Taxable Refunding School Bonds - dated September 1, 2009D	6.15% - 6.35%	2,515,000
Refunding School Bonds - dated September 1, 2009E	4.35% - 4.40%	4,145,000
Taxable Refunding School Bonds - dated September 1, 2009F	1.70% - 5.80%	9,755,000
Refunding School Bonds - dated September 1, 2014	2.00% - 4.00%	<u>6,145,000</u>
		<u>32,480,000</u>

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 6 LONG-TERM LIABILITIES (continued)

A. General Obligation Bonds Payable (continued)

At June 30, 2015, the District's future cash flow requirements for retirement of bond principal and interest were as follows:

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	1,825,000	1,526,820	3,351,820
2017	1,415,000	1,478,517	2,893,517
2018	2,035,000	1,442,690	3,477,690
2019	3,600,000	1,279,066	4,879,066
2020	2,690,000	1,161,708	3,851,708
2021-2025	13,870,000	3,539,223	17,409,223
2026-2029	<u>7,045,000</u>	<u>2,492,567</u>	<u>9,537,567</u>
Total	<u>32,480,000</u>	<u>12,920,591</u>	<u>45,400,591</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$203,996 in Debt Service Fund to service the outstanding bonds payable. As of June 30, 2015, the District was in compliance with all significant bond covenants.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2015, the statutory debt limit for the District was \$26,192,483, and the District exceeded its debt limitation by \$7,358,420.

Current Year Advance Refunding Of Debt

On December 30, 2014, the District issued Series 2014, \$6,145,000 in refunding school bonds, with an interest rate of ranging from 2.00% to 4.00% percent to advance refund \$6,285,000 of Series 2004D with an interest rates ranging from 1.60% to 6.00% The net proceeds of \$6,341,829 of the Series 2014 bonds (after residual deposit of \$3,618 into the Debt Service Fund and payment of \$200,429 underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 6 LONG-TERM LIABILITIES (continued)

A. General Obligation Bonds Payable (continued)

Current Year Advance Refunding Of Debt (continued)

an escrow agent to provide for all future debt service payments on the above-mentioned portions of the 2004D Series bonds. As a result, the refunded portion of these bonds are considered to be defeased and the liability for those bonds has been removed from the long-term debt account group. The District's advance refunding resulted in a decrease in the District's total debt service payments over the next 9 years by \$858,106.

In current and 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. The District has \$25,640,000 of defeased bonds outstanding at June 30, 2015.

B. Capital Leases

The District entered into several lease agreements as lessor for financing the acquisition of computer and copier equipment. The lease agreements qualify as capital leases for accounting purposes; therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception dates. The obligation for the capital leases will be repaid from the Debt Service Fund. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 are as follows:

Year Ending <u>June 30</u>	<u>Amount</u>
2016	991,594
2017	397,258
2018	<u>385,604</u>
Total minimum lease payments	1,774,456
Less: amount representing interest	<u>(36,835)</u>
Present value of minimum lease payments	<u>1,737,621</u>

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 7 OPERATING LEASES

The District is currently obligated under operating lease agreements for office equipment. The annual future obligation for the District is as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2016	215,700
2017	215,700
2018	158,852
2019	130,428
2020	21,738

NOTE 8 RESERVED FUND BALANCES AND SPECIAL TAX LEVIES

Special Education Tax levy

Revenues from the special education tax levy and the related expenditures have been included in the operations of the Educational Fund. Because cumulative expenditures exceeded cumulative revenues, there is no fund balance restriction.

NOTE 9 RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

General Information about the Pension Plan

Plan description

The school 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.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

A. Teachers' Retirement System of the State of Illinois (continued)

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

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.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

A. Teachers' Retirement System of the State of Illinois (continued)

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2015, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2015, State of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$10,030,724 in pension contributions from the state of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2015 were \$117,226, and are deferred because they were paid after the June 30, 2014 measurement date.

Federal and special 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.

For the year ended June 30, 2015, the employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$444,802 were paid from federal and special trust funds that required employer contributions of \$146,785. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

A. Teachers' Retirement System of the State of Illinois (continued)

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution is 146.5 percent and applies when the member is age 55 at retirement. For the year ending June 30, 2015, the district paid \$0 to TRS for employer contributions

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, the district paid \$33,136 to TRS for employer contributions due on salary increases in excess of 6 percent and \$150 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2015, the employer 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 employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer 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 employer were as follows:

Employer's proportionate share of the net pension liability	3,780,672
State's proportionate share of the net pension liability associated with the employer	124,588,837
Total	<u><u>128,369,509</u></u>

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

A. Teachers' Retirement System of the State of Illinois (continued)

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the employer's proportion was .0041123 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The employer's proportion of the net pension liability as of June 30, 2013, was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the employer's proportion was .004481 percent.

For the year ended June 30, 2015, the employer recognized pension expense of \$89,345 and revenue of \$0 for support provided by the state. At June 30, 2015, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	1,997	-
Net difference between projected and actual earnings on pension plan investments	-	190,008
Changes of assumptions	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	886,318
Employer contributions subsequent to the measurement date	264,011	-
Total	<u>266,008</u>	<u>1,076,326</u>

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

A. Teachers' Retirement System of the State of Illinois (continued)

\$266,088 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ (262,143)
2017	(262,143)
2018	(262,143)
2019	(262,143)
2020	(25,757)

Actuarial assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary Increases	5.75 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

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

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

A. Teachers' Retirement System of the State of Illinois (continued)

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

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%	8.23%
Global equity excluding U.S.	18%	8.58%
Aggregate bonds	16%	2.27%
U.S. TIPS	2%	3.52%
NCREIF	11%	5.81%
Opportunistic real estate	4%	9.79%
ARS	8%	3.27%
Risk parity	8%	5.57%
Diversified inflation strategy	1%	3.96%
Private equity	14%	13.03%
Total	100%	

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

A. Teachers' Retirement System of the State of Illinois (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

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

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

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension liability	4,668,944	3,780,672	3,045,081

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

A. Teachers' Retirement System of the State of Illinois (continued)

TRS fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2014 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

B. THIS Fund:

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

B. THIS Fund (continued)

On behalf contributions to the 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 the THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$202,993, and the district recognized revenue and expenditures of this amount during the year.

Employer contributions to the THIS Fund.

The district also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.76 percent during the year ended June 30, 2015. For the year ended June 30, 2015, the district paid \$151,249 to the THIS Fund, which was 100 percent of the required contribution.

Further information on the THIS Fund.

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

C. Illinois Municipal Retirement Fund

IMRF Plan Description

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

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

C. Illinois Municipal Retirement Fund (continued)

Benefits Provided

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

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

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

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

C. Illinois Municipal Retirement Fund (continued)

Employees Covered by Benefit Terms

At June 30, 2015, the following employees were covered by the benefit terms:

	Number of	
Retirees and Beneficiaries		100
Inactive, Non-Retired Members		237
Active Members		113
Total		<u>450</u>
Covered Valuation Payroll		\$ 3,941,966

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2014 was 12.52%. For the fiscal year ended 2015, the District contributed \$863,224 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

C. Illinois Municipal Retirement Fund (continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2014:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 3.5%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) 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 adjustments 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.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

C. Illinois Municipal Retirement Fund (continued)

Actuarial Assumptions (continued)

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

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	7.60%
International Equity	17%	7.80%
Fixed Income	27%	3.00%
Real Estate	8%	6.15%
Alternative Investments	9%	5.25-8.50%
Cash Equivalents	<u>1%</u>	2.25%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

C. Illinois Municipal Retirement Fund (continued)

Single Discount Rate (continued)

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.49%.

Changes in the Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	<u>(A)</u>	<u>(B)</u>	<u>(A) - (B)</u>
Balances at December 31, 2013	14,890,604	13,900,727	989,877
Changes for the year:			-
Service Cost	481,384	-	481,384
Interest on the Total Pension Liability	1,110,727	-	1,110,727
Changes of Benefit Terms	-	-	-
Experience of the Total Pension Liability	(28,930)	-	(28,930)
Changes of Assumptions	699,859	-	699,859
Contributions - Employer	-	464,190	(464,190)
Contributions - Employees	-	191,483	(191,483)
Net Investment Income	-	848,324	(848,324)
Benefit Payments, including Refunds of Employee Contributions	(643,209)	(643,209)	-
Other (Net Transfer)	-	73,813	(73,813)
Net Changes	<u>1,619,831</u>	<u>934,601</u>	<u>685,230</u>
Balances at December 31, 2014	<u>16,510,435</u>	<u>14,835,328</u>	<u>1,675,107</u>

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

C. Illinois Municipal Retirement Fund (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.5%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability/(Asset)	3,887,006	1,675,107	(121,401)

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

For the year ended June 30, 2015, the District incurred pension expense of \$698,786. At June 30, 2015, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	17,636
Changes of assumptions	426,647	-
Net difference between projected and actual earnings on pension plan investments	157,973	-
Total	<u>584,620</u>	<u>17,636</u>

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

C. Illinois Municipal Retirement Fund (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year ended December 31:

2015	\$ 301,411
2016	186,586
2017	39,493
2018	39,494
2019	-

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The District administers a single-employer defined benefit healthcare plan. The plan provides the ability for retiring teacher to continue single coverage on the District's healthcare plan at the District's expense for two years or to the age of 65, whichever comes first, if they are at least age 55 and have at least 15 years of service with the District. The District pays for single coverage for two years. For 2015, there were a total of 4 retirees who were accessing this postemployment benefit.

Plan Description (continued)

Funding Policy. The District pays 100% of the premium amounts set by the District's insurance cooperative. For fiscal year 2015, the District contributed \$65,258 toward the cost of the postemployment benefits for retirees.

Annual OPEB Cost and Net OPEB Obligation. The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (continued)

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 actuarially contributed to the plan, and changes in the District's net OPEB obligation to the Retiree Health Plan:

	June 30, <u>2015</u>
Annual required contribution	105,736
Interest on net OPEB obligation	(36)
Adjustment to annual required contribution	<u>28</u>
Annual OPEB cost	105,728
Contributions made	<u>(65,258)</u>
Increase in net OPEB obligation	40,470
Net OPEB obligation, beginning of year	<u>(795)</u>
Net OPEB obligation, end of year	<u><u>39,675</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year 2015 and the two preceding fiscal years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/15	105,728	100.0%	39,675
6/30/14	16,636	100.0%	(795)
6/30/13	26,584	100.0%	(795)

Funding Status and Funding Progress. As of June 30, 2014, the date of the most recent valuation, the actuarial accrued liability for benefits was \$1,067,686, all of which was unfunded. The covered payroll (annual payroll of active employed covered by the plan) and the ratio of the unfunded actuarial accrued liability to the covered payroll were not available.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (continued)

The projection of future benefit payments for an ongoing plan involved estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the 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 multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan 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 of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Contribution rates:	
District	NA
Plan members	0.00%
Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age
Amortization period	Level percentage of pay, open
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	4.50%
Projected salary increases	4.00%
Healthcare inflation rate	6.00% initial 5.00% ultimate

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 11 RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to and destruction of assets; and natural disasters. To protect from such risks, the District participates in the following public entity risk pools: the Suburban School Cooperative Insurance Pool (SSCIP) and the School Employers Loss Fund (SELF). The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage from coverage in any of the past three years.

NOTE 12 REQUIRED INDIVIDUAL FUND DISCLOSURES

Expenditures in Excess of Budget

The following funds had an excess of disbursements over budget for the year ended June 30, 2015:

	Disbursement s	Actual Disbursements	Variance
General	34,150,997	34,487,635	336,638
Transportation	1,161,872	1,187,855	25,983
Debt Services	2,987,822	4,662,379	1,674,557

Transfers

During the current fiscal year, the District transferred \$1,443,780 from the Education Fund to the Debt Service Fund to cover principal and interest payments on capital leases. The District also transferred \$900,000 from the General Fund to Operation & Maintenance Fund. An intrafund transfer was made between accounts of the General Fund. The Working Cash Account transferred \$1,510,000 to the Educational Account to cover expenses for the purpose of those funds.

South Berwyn School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 13 CONTINGENCIES

A. Litigation.

At June 30, 2015, management or counsel representing the District know of no pending litigation or claims, asserted or unasserted, which if asserted and paid would have a materially adverse effect on the financial position of the District.

B. Grants.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

SOUTH BERWYN SCHOOL DISTRICT 100
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
June 30, 2015

Measurement Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a percentage of Covered Payroll [(2) - (1)]/(5)
6/30/2014	-	1,067,686	0%	1,067,686	22,832,148	5%
6/30/2013 *	-	722,912	0%	722,912	N/A	N/A
6/30/2012 *	-	722,912	0%	722,912	N/A	N/A

N/A - not available

* Results from prior year.

SOUTH BERWYN SCHOOL DISTRICT 100

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
JUNE 30, 2015

Employer's proportion of the net pension liability	0.00621%
Employer's proportionate share of the net pension liability	\$ 3,780,672
State's proportionate share of the net pension liability associated with the employer	<u>124,588,837</u>
Total	<u><u>\$ 128,369,509</u></u>
Employer's covered-employee payroll	\$ 19,901,240
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	19.0%
Plan fiduciary net position as a percentage of the total pension liability	43.0%
<i>*The amounts presented were determined as of the prior fiscal-year end.</i>	

SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
Fiscal Year 2014

Contractually-required contribution	262,211
Contributions in relation to the contractually-required contributions	<u>(262,211)</u>
Contribution deficiency (excess)	<u><u>-</u></u>
Employer's covered-employee payroll	19,901,240
Contributions as a percentage of covered-employee payroll	1.32%

Notes to Required Supplementary Information

Changes of assumptions

Amounts reported in 2014 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 a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.0 percent, an inflation rate of 3.25 percent and real return of 4.75 percent, and salary increases of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

SOUTH BERWYN SCHOOL DISTRICT 100

SCHEDULE OF CHANGES IN THE
NET PENSION LIABILITY AND RELATED RATIOS - IMRF

Calendar Year Ended December 31

Calendar year ending December 31,	<u>2014</u>
Total Pension Liability	
Service Cost	481,384
Interest on the Total Pension Liability	1,110,727
Benefit Changes	-
Difference between Expected and Actual Experience	(28,930)
Assumption Changes	699,859
Benefit Payments and Refunds	<u>(643,209)</u>
Net Change in Total Pension Liability	1,619,831
Total Pension Liability - Beginning	<u>14,890,604</u>
Total Pension Liability - Ending (a)	<u>16,510,435</u>
Plan Fiduciary Net Position	
Employer Contributions	464,190
Employee Contributions	191,483
Pension Plan Net Investment Income	848,324
Benefit payments and Refunds	(643,209)
Other	<u>73,813</u>
Net Change in Plan Fiduciary Net Position	934,601
Plan Fiduciary Net Position - Beginning	<u>13,900,727</u>
Plan Fiduciary Net Position - Ending (b)	<u>14,835,328</u>
Net Pension Liability (Asset) - Ending (a) - (b)	1,675,107
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.65%
Current Valuation Payroll	3,941,966
Net Pension Liability as a Percentage of Covered Valuation Payroll	42.49%

SOUTH BERWYN SCHOOL DISTRICT 100

SCHEDULE OF EMPLOYER CONTRIBUTIONS - IMRF

MOST RECENT CALENDAR YEAR

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2014	446,231	464,190	(17,959)	3,941,966	11.78%

SOUTH BERWYN SCHOOL DISTRICT 100

NOTES TO SCHEDULE OF CONTRIBUTIONS - IMRF

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2014 CONTRIBUTION RATE*

Valuation Date

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

Methods and Assumptions Used to Determine 2014 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-taxing bodies: 10- year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 29-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 24 years for most employers (two employers were financed over 33 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	4.00%
Price Inflation	3.0% - approximate; No explicit price inflation assumption is used in this valuation.
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. Last updated for the 2011 valuation pursuant to an experience study of the period 2008 - 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information

Notes There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2012 actuarial valuation.

SOUTH BERWYN SCHOOL DISTRICT 100
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance from	2014
	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues				
Local Sources				
General levy	9,601,333	10,039,444	438,111	9,399,251
Special Education	100,489	102,440	1,951	100,706
Corporation Personal Property				
Replacement taxes	359,517	363,350	3,833	335,679
Summer School - Tuition From Pupils				
Or Parents (In State)	31,000	31,204	204	12,925
Earnings on investments	24,900	18,887	(6,013)	31,905
Sales to pupils - Lunch	121,000	122,579	1,579	178,244
Sales to adults	3,000	2,445	(555)	4,475
Fees	65,000	62,816	(2,184)	184,232
Other - textbooks	68,000	81,144	13,144	296,409
Contributions and Donation	35,000	25,312	(9,688)	189,773
Refund of Prior Years' Expenditures	50,000	14,881	(35,119)	18,826
Other	-	20,139	20,139	20,025
Total local sources	<u>10,459,239</u>	<u>10,884,641</u>	<u>425,402</u>	<u>10,772,450</u>
State sources				
General State Aid	15,634,876	15,465,681	(169,195)	14,887,343
Special Education - Private Facility Tuition	437,669	437,669	-	535,570
Special Education - Extraordinary	560,078	560,078	-	564,342
Special Education - Personnel	831,690	831,691	1	680,842
Special Education - Summer School	20,523	20,523	-	11,136
Bilingual Education - Downstate - TPI and TPE	249,175	323,235	74,060	174,241
State Free Lunch and Breakfast	14,701	21,982	7,281	33,530
School Breakfast Initiative	-	-	-	-
Early Childhood - Block Grant	409,220	409,220	-	416,956
Flowthrough Revenue from State Sources	3,117	3,117	-	3,491
Other State sources	<u>308,869</u>	<u>311,630</u>	<u>2,761</u>	<u>-</u>
Total state sources	<u>18,469,918</u>	<u>18,384,826</u>	<u>(85,092)</u>	<u>17,307,451</u>
Federal sources				
National School Lunch Program	1,150,000	1,165,026	15,026	1,185,589
Special Milk Program	-	-	-	3,829
Special Breakfast Program	580,205	557,582	(22,623)	573,942
Fresh Fruits & Vegetables	125,000	92,377	(32,623)	72,818
Child & Adult Care Food Program	20,225	21,221	996	28,118
Title 1 - Low Income	1,020,282	950,181	(70,101)	798,843

SOUTH BERWYN SCHOOL DISTRICT 100
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance from	2014
	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues (continued)				
Federal sources (continued)				
Fed - Sp Ed - Pre-school Flow Through	46,630	38,453	(8,177)	45,970
Fed - Sp Ed - I.D.E.A. Flow Through	940,349	929,537	(10,812)	928,107
Title III - English Language Acquisition	141,562	104,431	(37,131)	95,381
Title III	9,991	5,562	(4,429)	-
Title II - Teacher Quality	96,115	69,449	(26,666)	85,159
Medicaid Matching Funds -				
Administrative Outreach	50,000	79,828	29,828	112,733
Medicaid Matching Funds -				
Fee-For-Service Program	175,000	143,541	(31,459)	253,916
Other federal sources	-	-	-	167,257
Total federal sources	<u>4,355,359</u>	<u>4,157,188</u>	<u>(198,171)</u>	<u>4,351,662</u>
Total revenues	<u>33,284,516</u>	<u>33,426,655</u>	<u>142,139</u>	<u>32,431,563</u>
Expenditures				
Instruction				
Regular programs				
Salaries	12,281,610	12,167,295	(114,315)	12,471,281
Employee benefits	2,659,811	2,681,139	21,328	1,693,019
Purchased services	538,094	517,376	(20,718)	453,544
Supplies and materials	336,623	288,328	(48,295)	229,008
Capital outlay	1,653	56,631	54,978	34,074
Other objects	1,360,009	216,635	(1,143,374)	-
Non-capitalized equipment	103,118	50,384	(52,734)	31,419
Non-capitalized equipment	-	-	-	11,692
Total regular programs	<u>17,280,918</u>	<u>15,977,788</u>	<u>(1,303,130)</u>	<u>14,924,037</u>
Special education programs				
Salaries	4,085,637	4,166,413	80,776	4,469,759
Employee benefits	304,461	304,461	-	983,015
Purchased services	59,332	58,986	(346)	58,497
Supplies and materials	46,883	43,419	(3,464)	95,270
Capital outlay	19,753	16,571	(3,182)	-
Other objects	-	1,161,748	1,161,748	1,040,550
Termination benefits	-	-	-	-
Total special education programs	<u>4,516,066</u>	<u>5,751,598</u>	<u>1,235,532</u>	<u>6,647,091</u>

SOUTH BERWYN SCHOOL DISTRICT 100
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance from Final Budget	2014 Actual
	Final Budget	Actual		
Expenditures (continued)				
Remedial and Supplemental				
Programs K-12				
Salaries	455,943	433,461	(22,482)	489,720
Employee benefits	155,060	138,552	(16,508)	94,437
Purchased services	299,000	-	(299,000)	352,769
Supplies and materials	35,851	16,362	(19,489)	7,241
Non-capitalized equipment	-	2,753	2,753	1,576
Total remedial and supp. programs K-12	945,854	591,128	(354,726)	945,743
CTE Programs				
Supplies and materials	-	858	858	123
Total CTE Programs	-	858	858	123
Summer school programs				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Supplies and materials	-	-	-	5,814
Total summer school programs	-	-	-	5,814
Gifted programs				
Salaries	38,767	38,767	-	27,260
Employee benefits	619	619	-	1,393
Purchased services	3,964	3,964	-	3,650
Supplies and materials	5,500	745	(4,755)	2,527
Other objects	-	-	-	-
Total gifted programs	48,850	44,095	(4,755)	34,830
Bilingual programs				
Salaries	403,782	389,122	(14,660)	412,736
Employee benefits	6,969	6,969	-	58,631
Purchased services	22,500	22,535	35	18,050
Supplies and materials	21,799	6,121	(15,678)	15,609
Capital outlay	-	-	-	-
Total bilingual programs	455,050	424,747	(30,303)	505,026
Total instruction	23,246,738	22,790,214	(456,524)	23,062,664

SOUTH BERWYN SCHOOL DISTRICT 100
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended June 30, 2015

With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance from Final Budget	2014
	Final Budget	Actual		Actual
Expenditures (continued)				
Support services				
Pupils				
Attendance and social work services				
Salaries	503,049	503,049	-	626,181
Employee benefits	83,440	73,440	(10,000)	100,673
Purchased services	106,582	106,582	-	10,000
Supplies and materials	5,853	5,853	-	2,550
Total attendance and social work services	698,924	688,924	(10,000)	739,404
Health services				
Salaries	310,323	311,174	851	315,137
Employee benefits	27,773	27,773	-	82,988
Purchased services	140,000	140,260	260	68,062
Supplies and materials	-	-	-	-
Total health services	478,096	479,207	1,111	466,187
Psychological services				
Salaries	109,990	109,990	-	101,275
Employee benefits	2,073	2,073	-	53,334
Purchased services	107,780	87,248	(20,532)	16,835
Supplies and materials	835	835	-	23,908
Capital Outlay	-	-	-	-
Total psychological services	220,678	200,146	(20,532)	195,352
Speech pathology and audiology services				
Salaries	400,405	400,405	-	378,209
Employee benefits	32,479	32,479	-	57,870
Purchased services	258,566	258,566	-	268,384
Supplies and materials	-	-	-	3,081
Total speech pathology/audiology services	691,450	691,450	-	707,544
Other Support Services - Pupils				
Salaries	6,623	6,623	-	33,054
Employee benefits	-	-	-	-
Purchased services	80,000	80,000	-	49,074
Total Other Support Services - Pupils	86,623	86,623	-	82,128
Total pupils	2,175,771	2,146,350	(29,421)	2,190,615

SOUTH BERWYN SCHOOL DISTRICT 100
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance from Final Budget	2014
	Final Budget	Actual		Actual
Expenditures (continued)				
Instructional staff				
Improvement of instruction services				
Salaries	542,088	526,355	(15,733)	519,662
Employee benefits	182,844	182,500	(344)	233,911
Purchased services	513,297	486,527	(26,770)	504,137
Supplies and materials	137,912	144,537	6,625	242,077
Capital Outlay	-	-	-	45,472
Non-capitalized equipment	34,285	34,285	-	34,919
Total improvement of inst. svc.	1,410,426	1,374,204	(36,222)	1,580,178
Educational media services				
Salaries	146,559	146,558	(1)	146,935
Employee benefits	-	-	-	44,050
Supplies and materials	2,310	2,111	(199)	28,903
Other objects	-	-	-	-
Total educational media services	148,869	148,669	(200)	219,888
Assessment and testing				
Purchased services	-	-	-	8,944
Total assessment and testing	-	-	-	8,944
Total instructional staff	1,559,295	1,522,873	(36,422)	1,809,010
General administration				
Board of Education services				
Salaries	6,500	-	(6,500)	-
Employee benefits	-	-	-	-
Purchased services	183,735	180,170	(3,565)	124,456
Supplies and materials	8,535	8,535	-	3,197
Capital Outlay	-	-	-	-
Other objects	11,911	6,074	(5,837)	18,225
Non-capitalized equipment	3,629	3,629	-	1,250
Total board of education services	214,310	198,408	(15,902)	147,128
Executive administration services				
Salaries	288,335	288,335	-	279,946
Employee benefits	33,385	33,385	-	29,926
Purchased services	15,073	15,073	-	22,134
Supplies and materials	5,849	5,849	-	3,142
Capital outlay	4,966	4,966	-	-
Other objects	-	-	-	-
Non-capitalized equipment	3,602	3,602	-	-
Total executive administration	351,210	351,210	-	335,148

SOUTH BERWYN SCHOOL DISTRICT 100
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended June 30, 2015

With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance from Final Budget	2014 Actual
	Final Budget	Actual		
Expenditures (continued)				
Special Area Administration Services				
Salaries	-	-	-	-
Purchased services	-	-	-	-
Total special area administration services	-	-	-	-
Tort Immunity Services				
Purchased services	210,944	239,648	28,704	178,028
Total Tort Immunity Services	210,944	239,648	28,704	178,028
Total general administration	776,464	789,266	12,802	660,304
School administration				
Office of the principal services				
Salaries	2,506,892	2,506,892	-	2,105,237
Employee benefits	519,101	518,159	(942)	409,171
Purchased services	932,617	315,397	(617,220)	337,430
Supplies and materials	19,627	19,795	168	83,476
Capital Outlay	-	1,515,124	1,515,124	44,936
Termination Benefit	-	-	-	5,315
Total office of the principal services	3,978,237	4,875,367	897,130	2,985,565
Total school administration	3,978,237	4,875,367	897,130	2,985,565
Business				
Fiscal services				
Salaries	234,824	234,824	-	200,822
Employee benefits	62,310	62,310	-	71,357
Purchased services	59,511	63,166	3,655	63,919
Supplies and materials	10,477	10,477	-	12,000
Capital outlay	-	-	-	-
Non-capitalized equipment	6,299	6,299	-	4,976
Other objects	3,263	3,790	527	4,791
Termination Benefit	-	-	-	30,200
Total fiscal services	376,684	380,866	4,182	388,065
Operations and maintenance of plant services				
Purchased services	28,704	-	-	27,667
Capital Outlay	-	28,280	28,280	-
Total operations/maintenance of plant svc	28,704	28,280	28,280	27,667
Pupil transportation services				
Purchased services	-	-	-	-
Total pupil transportation services	-	-	-	-

SOUTH BERWYN SCHOOL DISTRICT 100
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended June 30, 2015

With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance from Final Budget	2014
	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures (continued)				
Food services				
Salaries	22,181	22,181	-	26,329
Employee benefits	-	-	-	-
Purchased services	1,960	1,960	-	3,965
Supplies and materials	1,671,518	1,654,682	(16,836)	1,645,815
Capital outlay	-	-	-	-
Non-capitalized equipment	-	-	-	32,058
Total food services	<u>1,695,659</u>	<u>1,678,823</u>	<u>(16,836)</u>	<u>1,708,167</u>
Total business	<u>2,101,047</u>	<u>2,087,969</u>	<u>15,626</u>	<u>2,123,899</u>
Support Services, Central				
Planning, research, development and evaluation services				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Total planning, research, dev. svc.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Data Processing Services				
Purchased services	<u>12,919</u>	<u>12,919</u>	<u>-</u>	<u>14,625</u>
Total Data Processing Services	<u>12,919</u>	<u>12,919</u>	<u>-</u>	<u>14,625</u>
Other supporting services				
Salaries	-	4,690	4,690	6,537
Employee benefits	-	51	51	2,241
Purchased services	9,386	34,463	25,077	159,720
Supplies and materials	-	3,546	3,546	1,273
Total other supporting services	<u>9,386</u>	<u>42,750</u>	<u>33,364</u>	<u>169,771</u>
Total Support Services	<u>10,613,119</u>	<u>11,477,494</u>	<u>893,079</u>	<u>9,953,789</u>
Community services				
Salaries	67,000	-	(67,000)	-
Employee benefits	1,215	-	(1,215)	-
Purchased services	206,706	99,073	(107,633)	160,899
Supplies and materials	<u>16,219</u>	<u>-</u>	<u>(16,219)</u>	<u>-</u>
Total community services	<u>291,140</u>	<u>99,073</u>	<u>(192,067)</u>	<u>160,899</u>

SOUTH BERWYN SCHOOL DISTRICT 100
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance from	2014
	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>	<u>Actual</u>
Expenditures (continued)				
Payments to Other Districts and Gov't Units				
Payments for regular programs				
Purchased services	-	-	-	-
Payments for special education programs				
Purchased services	-	120,854	120,854	59,077
Total payments to Other Districts and Other Government Units	-	120,854	120,854	59,077
Provision for contingencies	-	-	-	-
Total expenditures	34,150,997	34,487,635	336,638	33,236,429
Deficiency of revenues over expenditures	(866,481)	(1,060,980)	(194,499)	(804,866)
Other financing sources (uses)				
Permanent transfer from working cash fund -Abatement	(872,212)	(900,000)	(27,788)	(656,735)
Other sources	-	1,515,124	1,515,124	44,936
Transfer to debt service fund for principal on capital leases	(1,135,816)	(1,418,613)	(282,797)	(1,059,410)
Transfer to debt service fund for interest on capital leases	(62,037)	(25,167)	36,870	(53,170)
Total other financing sources (uses)	(2,070,065)	(828,656)	1,241,409	(1,724,379)
Net change to fund balance	(2,936,546)	(1,889,636)	1,046,910	(2,529,245)
Fund balance, beginning of year		10,429,067		12,958,312
Fund balance, end of year		\$ 8,539,431		\$ 10,429,067

SOUTH BERWYN SCHOOL DISTRICT 100
OPERATIONS AND MAINTENANCE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			
	Final Budget	Actual	Variance from Final Budget	2014 Actual
<u>Revenues</u>				
Local Sources				
General levy	2,123,571	1,990,821	(132,750)	2,083,798
Refund of prior years' expenditures	311,000	301,929	(9,071)	177,021
Other	14,640	14,395	(245)	27,513
Total local sources	<u>2,449,211</u>	<u>2,307,145</u>	<u>(142,066)</u>	<u>2,288,332</u>
State sources				
General State Aid	-	-	-	500,000
Infrastructure improvements	-	-	-	250,000
School Safety Block Grant	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>	<u>100,000</u>
Total state sources	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>	<u>850,000</u>
Total revenues	<u>2,455,211</u>	<u>2,307,145</u>	<u>(148,066)</u>	<u>3,138,332</u>
<u>Expenditures</u>				
Support services				
Business				
Operations and maintenance of plant services				
Salaries	1,532,562	1,532,561	(1)	1,450,809
Employee benefits	220,544	220,544	-	222,372
Purchased services	906,420	553,416	(353,004)	994,957
Supplies and materials	824,593	754,356	(70,237)	903,867
Capital outlay	112,657	44,002	(68,655)	689,659
Non-Capitalized equipment	-	40,375	40,375	-
Termination benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>501</u>
Total expenditures	<u>3,596,776</u>	<u>3,145,254</u>	<u>(451,522)</u>	<u>4,262,165</u>
Deficiency of revenues over expenditures	<u>(1,141,565)</u>	<u>(838,109)</u>	<u>303,456</u>	<u>(1,123,833)</u>

SOUTH BERWYN SCHOOL DISTRICT 100
 OPERATIONS AND MAINTENANCE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			
	Final Budget	Actual	Variance from Final Budget	2014 Actual
Other financing sources				
Transfer of working				
cash fund - Interest	-	-	-	-
Permanent transfer	<u>578,855</u>	<u>900,000</u>	<u>321,145</u>	<u>656,735</u>
Total other financing sources	<u>578,855</u>	<u>900,000</u>	<u>321,145</u>	<u>656,735</u>
Net change in fund balance	<u>(562,710)</u>	61,891	<u>624,601</u>	(467,098)
Fund balance, beginning of year		<u>745,657</u>		<u>1,212,755</u>
Fund balance (deficit), end of year		<u>807,548</u>		<u>745,657</u>

SOUTH BERWYN SCHOOL DISTRICT 100
TRANSPORTATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			
	Final Budget	Actual	Variance from Final Budget	2014 Actual
<u>Revenues</u>				
Local Sources				
General levy	485,423	507,640	22,217	475,654
Other local revenues	2,555	5,027	2,472	3,382
Total local sources	487,978	512,667	24,689	479,036
State sources				
Transportation - Regular/Vocational	91,610	91,611	1	74,426
Transportation - Special Education	351,204	351,204	-	318,493
Other State Sources	-	21,465	21,465	-
Total state sources	442,814	464,280	21,466	392,919
Total revenues	930,792	976,947	46,155	871,955
<u>Expenditures</u>				
Support services				
Business				
Pupil transportation services				
Salaries	374,619	374,618	(1)	350,675
Employee benefits	82,508	81,352	(1,156)	125,426
Purchased services	664,488	685,298	20,810	558,039
Supplies and materials	40,257	46,587	6,330	28,263
Termination benfits	-	-	-	1,430
Total pupil transportation services	1,161,872	1,187,855	25,983	1,063,833
Total support services	1,161,872	1,187,855	25,983	1,063,833
Total expenditures	1,161,872	1,187,855	25,983	1,063,833
Excess (deficiency) of revenues over expenditures	(231,080)	(210,908)	20,172	(191,878)
Net change in fund balance	(231,080)	(210,908)	20,172	(191,878)
Fund balance, beginning of year		823,026		1,014,904
Fund balance (deficit), end of year		612,118		823,026

SOUTH BERWYN SCHOOL DISTRICT 100
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended June 30, 2015

With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Final Budget	Actual	Variance from Final Budget	
<u>Revenues</u>				
Local Sources				
General levy	302,299	325,617	23,318	288,758
Social Security/Medicare only levy	377,043	384,689	7,646	377,151
Total local sources	679,342	710,306	30,964	665,909
State sources				
General state aid	500,000	500,000	-	500,000
Total state sources	500,000	500,000	-	500,000
Total revenues	1,179,342	1,210,306	30,964	1,165,909
<u>Expenditures</u>				
Instruction				
Regular programs	188,941	189,490	549	196,535
Pre-K programs			-	
Special education programs	224,398	225,279	881	249,184
Remedial and supplemental programs K-12	7,995	8,267	272	8,000
Interscholastic programs	-	-	-	-
Summer school programs	-	-	-	-
Gifted programs	-	562	562	392
Bilingual programs	6,445	5,883	(562)	15,786
Total instruction	427,779	429,481	1,702	469,897
Support services				
Pupils				
Attendance and social work svc	7,153	7,153	-	8,928
Guidance services	-	-	-	-
Health services	28,521	28,520	(1)	30,618
Psychological services	1,595	1,595	-	1,467
Speech pathology/audiology svc	5,806	5,806	-	5,484
Other support services	1,297	1,298	1	7,081
Total pupils	44,372	44,372	-	53,578

SOUTH BERWYN SCHOOL DISTRICT 100
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended June 30, 2015

With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			
	Final Budget	Actual	Variance from Final Budget	2014 Actual
Instructional staff				
Improvement of instruction svcs	50,665	50,780	115	49,524
Educational media services	27,802	27,688	(114)	27,282
Total instructional staff	78,467	78,468	1	76,806
General administration				
Board of education services	884	-	(884)	-
Executive administration services	15,361	15,361	-	20,770
Total general administration	16,245	15,361	(884)	20,770
School administration				
Office of the principal services	140,333	140,333	-	118,686
Total school administration	140,333	140,333	-	118,686
Business				
Fiscal services	27,813	27,813	-	24,614
Operations and maintenance of plant services	284,033	284,033	-	274,250
Pupil transportation services	56,944	56,944	-	55,789
Food services	4,274	4,274	-	5,223
Total business	373,064	373,064	-	359,876
Total support services	652,481	651,598	(883)	629,716
Community Services	1,159	886	(273)	822
Total expenditures	1,081,419	1,081,965	546	1,100,435
Excess (deficiency) of revenues over expenditures	97,923	128,341	30,418	65,474
Other financing sources				
Total other financing sources	-	-	-	-
Net change in fund balance	97,923	128,341	30,418	65,474
Fund balance, beginning of year		263,127		197,653
Fund balance (deficit), end of year		391,468		263,127

SOUTH BERWYN SCHOOL DISTRICT 100
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

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

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- e) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- f) The budget amounts shown in the financial statements are as amended (August 26, 2015) by the Board of Education on effective for the year ending June 30, 2015.
- g) All budget appropriations lapse at the end of the fiscal year.

SOUTH BERWYN SCHOOL DISTRICT 100
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015

2. BUDGET RECONCILIATION

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

	<u>Revenues</u>	<u>Expenditures</u>
General Fund - budgetary basis	33,259,616	34,150,999
To adjust for on-behalf payments received	10,233,717	-
To adjust for on-behalf payments made	<u>-</u>	<u>10,233,717</u>
General Fund - GAAP baiss	<u>43,493,333</u>	<u>44,384,716</u>

SUPPLEMENTARY FINANCIAL INFORMATION

SOUTH BERWYN SCHOOL DISTRICT 100
GENERAL FUND
BALANCE SHEET
June 30, 2015

	Educational	Working Cash	Total
ASSETS			
Cash and investments	189,688	6,015,992	6,205,680
Receivables (net of allowance for uncollectibles):			
Property taxes	4,600,204	-	4,600,204
Replacement taxes	67,338	-	67,338
Intergovernmental	813,994	-	813,994
Prepaid expense	-	-	-
Total assets	<u>5,671,224</u>	<u>6,015,992</u>	<u>11,687,216</u>
LIABILITIES AND FUND BALANCES			
Accounts payable	195,555	-	195,555
Salaries and wages payable	2,621,961	-	2,621,961
Payroll deductions payable	65,102	-	65,102
Unearned revenue	<u>265,167</u>	-	<u>265,167</u>
Total liabilities	<u>3,147,785</u>	-	<u>3,147,785</u>
Fund balances:			
Unassigned	<u>2,523,439</u>	<u>6,015,992</u>	<u>8,539,431</u>
Total fund balance	<u>2,523,439</u>	<u>6,015,992</u>	<u>8,539,431</u>
Total liabilities and fund balance	<u>5,671,224</u>	<u>6,015,992</u>	<u>11,687,216</u>

SOUTH BERWYN SCHOOL DISTRICT 100

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2015

	General	Working Cash	Eliminations	Total
<u>Revenues</u>				
Property taxes	10,141,884	-	-	10,141,884
Replacement taxes	363,350	-	-	363,350
State aid	28,618,543	-	-	28,618,543
Federal aid	4,157,188	-	-	4,157,188
Interest	1,463	17,424	-	18,887
Other	360,520	-	-	360,520
Total revenues	43,642,948	17,424	-	43,660,372
<u>Expenditures</u>				
Current:				
Instruction:				
Regular programs	15,873,585	-	-	15,873,585
Special programs	5,751,598	-	-	5,751,598
Other instructions programs	1,060,828	-	-	1,060,828
State on-behalf payments	10,233,717	-	-	10,233,717
Support services:				
Pupils	2,146,350	-	-	2,146,350
Instructional staff	1,522,873	-	-	1,522,873
General administration	789,266	-	-	789,266
School administration	3,360,243	-	-	3,360,243
Business	2,059,689	-	-	2,059,689
Operations and maintenance	28,280	-	-	28,280
Other supporting services	55,669	-	-	55,669
Community services	99,073	-	-	99,073
Nonprogrammed charges	120,854	-	-	120,854
Capital outlay	1,619,327	-	-	1,619,327
Total expenditures	44,721,352	-	-	44,721,352
Deficiency of revenues over expenditures	(1,078,404)	17,424	-	(1,060,980)
Other financing sources (uses)				
Transfers In	1,510,000	-	(1,510,000)	-
Transfers Out	-	(2,410,000)	1,510,000	(900,000)
Other	1,515,124	-	-	1,515,124
Transfer to Debt Service	(1,443,780)	-	-	(1,443,780)
Total other financing sources (uses)	1,581,344	(2,410,000)	-	(828,656)
Net change in fund balances	502,940	(2,392,576)	-	(1,889,636)
Fund balance, beginning of year	2,020,499	8,408,568	-	10,429,067
Fund balance, end of year	2,523,439	6,015,992	-	8,539,431

SOUTH BERWYN SCHOOL DISTRICT 100
DEBT SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			
	Final Budget	Actual	Variance from Final Budget	2014 Actual
Revenues				
Local Sources				
General levy	3,247,270	2,278,055	(969,215)	3,134,558
Interest on earnings	100	33	(67)	53
Other local revenues	-	3,766	3,766	-
Total local sources	3,247,370	2,281,854	(965,516)	3,134,611
Total revenues	3,247,370	2,281,854	(965,516)	3,134,611
Expenditures				
Debt Service				
Interest	1,641,222	1,693,119	51,897	1,866,790
Principal payments on long-term debt	1,340,000	2,758,613	1,418,613	2,309,410
Other debt service				
Other objects	6,600	210,647	204,047	6,900
Total other debt service	6,600	210,647	204,047	6,900
Total debt service	2,987,822	4,662,379	1,674,557	4,183,100
Total expenditures	2,987,822	4,662,379	1,674,557	4,183,100
Deficiency of revenues over expenditures	259,548	(2,380,525)	(2,640,073)	(1,048,489)

SOUTH BERWYN SCHOOL DISTRICT 100
DEBT SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		
	Final Budget	Actual	Variance from Final Budget
			2014 Actual
Other financing sources (uses)			
Principal on bonds sold	-	6,145,000	6,145,000
Premium on bonds sold	-	400,876	400,876
Transfer to pay for principal on capital leases	-	1,418,613	1,418,613
Transfer to pay for interest on capital leases	-	25,167	25,167
Other uses	-	(6,341,829)	(6,341,829)
Total Other financing sources (uses)	-	1,647,827	1,647,827
Net change in fund balance	259,548	(732,698)	(992,246)
Fund balance, beginning of year		1,889,847	1,825,756
Fund balance, end of year		1,157,149	1,889,847

SOUTH BERWYN SCHOOL DISTRICT 100
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Disbursements	Balance June 30, 2015
<u>Assets</u>				
Cash and cash equivalents	<u>83,574</u>	<u>223,546</u>	<u>239,928</u>	<u>67,192</u>
<u>Liabilities</u>				
Due to student groups				
Emerson	11,140	6,752	9,826	8,066
Fine Arts	11,121	5,931	9,665	7,387
Heritage	23,993	48,691	59,606	13,078
Hiawatha	2,598	13,292	12,854	3,036
Irving	3,947	22,560	17,996	8,511
Komensky	6,599	25,918	21,173	11,344
Pershing	3,935	10,977	9,701	5,211
Piper	7,059	28,663	31,177	4,545
Freedom	<u>13,182</u>	<u>60,762</u>	<u>67,930</u>	<u>6,014</u>
	<u>83,574</u>	<u>223,546</u>	<u>239,928</u>	<u>67,192</u>

SOUTH BERWYN SCHOOL DISTRICT 100
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2015

	Maturity as follows for the Year Ended June 30	Principal	Interest	Total
<hr/>				
Building/Refund Bonds dated December 1, 1997 (Interest at 8.1% to 8.2% payable June 1 and December 1 and principal due December 1)	2016	315,000	40,703	355,703
	2017	<u>345,000</u>	<u>13,972</u>	<u>358,972</u>
Totals		<u>660,000</u>	<u>54,675</u>	<u>714,675</u>
Limited School Bonds dated September 1, 2009A (Interest at 2.75% to 4.5%, payable June 1 and December 1 and principal due December 1)	2016	100,000	97,940	197,940
	2017	100,000	94,815	194,815
	2018	100,000	91,440	191,440
	2019	100,000	87,815	187,815
	2020	100,000	83,940	183,940
	2021	100,000	79,940	179,940
	2022	100,000	75,940	175,940
	2023	-	73,940	73,940
	2024	-	73,940	73,940
	2025	-	73,940	73,940
	2026	985,000	52,270	1,037,270
	2027	<u>680,000</u>	<u>15,300</u>	<u>695,300</u>
Totals		<u>2,365,000</u>	<u>901,220</u>	<u>3,266,220</u>

SOUTH BERWYN SCHOOL DISTRICT 100
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2015

	Maturity as follows for the Year Ended June 30	Principal	Interest	Total
Taxable Limited School Bonds				
dated September 1, 2009B	2016	535,000	323,680	858,680
(Interest at 1.6% to 6.0%,	2017	560,000	299,425	859,425
payable June 1 and	2018	590,000	271,950	861,950
December 1 and principal	2019	625,000	241,557	866,557
due December 1)	2020	660,000	208,130	868,130
	2021	695,000	171,527	866,527
	2022	740,000	131,695	871,695
	2023	885,000	85,753	970,753
	2024	935,000	33,416	968,416
	2025	<u>105,000</u>	<u>3,150</u>	<u>108,150</u>
Totals		<u>6,330,000</u>	<u>1,770,283</u>	<u>8,100,283</u>
Refunding School Bonds				
dated September 1, 2009C	2016	-	25,990	25,990
(Interest at 4.6%, payable	2017	-	25,990	25,990
June 1 and December 1	2018	-	25,990	25,990
and principal due December 1)	2019	-	25,990	25,990
	2020	-	25,990	25,990
	2021	-	25,990	25,990
	2022	-	25,990	25,990
	2023	-	25,990	25,990
	2024	-	25,990	25,990
	2025	-	25,990	25,990
	2026	-	25,990	25,990
	2027	-	25,990	25,990
	2028	-	25,990	25,990
	2029	<u>565,000</u>	<u>12,995</u>	<u>577,995</u>
Totals		<u>565,000</u>	<u>350,865</u>	<u>915,865</u>

SOUTH BERWYN SCHOOL DISTRICT 100
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2015

	Maturity as follows for the Year Ended June 30	Principal	Interest	Total
Taxable Refunding School Bonds				
dated September 1, 2009D	2016	-	157,877	157,877
(Interest at 6.15% to 6.35%,	2017	-	157,877	157,877
payable June 1 and	2018	-	157,877	157,877
December 1 and principal	2019	-	157,878	157,878
due December 1)	2020	-	157,878	157,878
	2021	-	157,878	157,878
	2022	-	157,878	157,878
	2023	-	157,878	157,878
	2024	-	157,878	157,878
	2025	-	157,878	157,878
	2026	-	157,878	157,878
	2027	350,000	147,115	497,115
	2028	1,125,000	101,196	1,226,196
	2029	1,040,000	33,020	1,073,020
Totals		<u>2,515,000</u>	<u>2,017,986</u>	<u>4,532,986</u>
Refunding School Bonds				
dated September 1, 2009E	2016	-	181,457	181,457
(Interest at 4.35% to 4.4%,	2017	-	181,457	181,457
payable June 1 and	2018	-	181,458	181,458
December 1 and principal	2019	-	181,458	181,458
due December 1)	2020	-	181,458	181,458
	2021	-	181,458	181,458
	2022	-	181,458	181,458
	2023	-	181,458	181,458
	2024	-	181,458	181,458
	2025	1,845,000	141,329	1,986,329
	2026	2,300,000	50,600	2,350,600
Totals		<u>4,145,000</u>	<u>1,825,049</u>	<u>5,970,049</u>

SOUTH BERWYN SCHOOL DISTRICT 100
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2015

	Maturity as follows for the Year Ended June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Refunding School Bonds dated September 1, 2009F (Interest at 1.7% to 5.8%, payable June 1 and December 1 and principal due December 1)	2016	310,000	517,163	827,163
	2017	345,000	502,631	847,631
	2018	1,280,000	463,250	1,743,250
	2019	1,645,000	389,943	2,034,943
	2020	705,000	329,312	1,034,312
	2021	775,000	289,318	1,064,318
	2022	1,000,000	240,005	1,240,005
	2023	2,305,000	146,313	2,451,313
	2024	1,390,000	40,310	1,430,310
Totals		<u>9,755,000</u>	<u>2,918,245</u>	<u>12,673,245</u>
Refunding School Bonds dated September 1, 2014 (Interest at 2.0% to 4.0%, payable June 1 and December 1 and principal due December 1)	2016	565,000	208,000	773,000
	2017	65,000	202,350	267,350
	2018	65,000	196,050	261,050
	2019	1,230,000	194,425	1,424,425
	2020	1,225,000	175,000	1,400,000
	2021	1,465,000	138,175	1,603,175
	2022	325,000	90,500	415,500
	2023	1,205,000	54,700	1,259,700
	2024	-	24,100	24,100
Totals		<u>6,145,000</u>	<u>1,283,300</u>	<u>7,428,300</u>
Grand totals		<u>32,480,000</u>	<u>11,121,623</u>	<u>43,601,623</u>

OTHER SUPPLEMENTAL INFORMATION

SOUTH BERWYN SCHOOL DISTRICT 100
PROPERTY TAX RATES AND LEVIES
LAST FIVE TAX LEVY YEARS

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Assessed valuation	<u>379,601,208</u>	<u>415,246,685</u>	<u>439,460,728</u>	<u>479,851,384</u>	<u>585,701,450</u>
Rates Extended					
Educational	2.6198	2.3122	2.1332	1.8840	1.5191
Special Education	0.0274	0.0242	0.0223	0.0189	0.0153
Operations/Maintenance	0.5168	0.5114	0.4911	0.4710	0.2899
Debt Service	0.4865	0.5190	0.4831	0.4199	0.4483
Transportation	0.1325	0.1169	0.1078	0.0942	0.0744
IMRF	0.0825	0.0728	0.0672	0.0396	0.0843
Social Security	0.1029	0.0908	0.0837	0.0753	0.0669
Limited Bonds	<u>0.2958</u>	<u>0.2711</u>	<u>0.2558</u>	<u>0.1940</u>	<u>0.0000</u>
Total rates extended	<u>4.2642</u>	<u>3.9184</u>	<u>3.6442</u>	<u>3.1969</u>	<u>2.4982</u>
Levies Extended					
Educational	9,944,792	9,601,333	9,374,576	9,040,400	8,897,390
Special Education	104,010	100,489	97,999	90,691	89,612
Operations/Maintenance	1,961,779	2,123,571	2,158,191	2,260,100	1,697,948
Debt Service	1,846,637	2,155,034	2,123,103	2,014,808	2,625,764
Transportation	502,971	485,423	473,738	452,020	435,761
IMRF	313,170	302,299	295,317	190,021	493,746
Social Security	390,609	377,043	367,828	361,328	391,834
Limited Bonds	<u>1,122,823</u>	<u>1,125,800</u>	<u>1,124,167</u>	<u>930,757</u>	<u>-</u>
Total levies extended	<u>16,186,791</u>	<u>16,270,992</u>	<u>16,014,919</u>	<u>15,340,125</u>	<u>14,632,055</u>

NOTE: Tax Rates are expressed in dollars per \$100 of assessed valuation.

SOUTH BERWYN SCHOOL DISTRICT 100
 OPERATING COSTS AND TUITION CHARGE (Unaudited)
 June 30, 2015 and 2014

	2015	2014
Operating costs per pupil	<u><u>3,712</u></u>	<u><u>3,707</u></u>
Average Daily Attendance (ADA):		
Operating costs:		
Educational	34,487,635	33,236,430
Operations and Maintenance	3,145,254	4,262,165
Debt Service	4,662,379	4,183,100
Transportation	1,187,855	1,063,833
Municipal Retirement/Social Security	<u>1,081,965</u>	<u>1,100,435</u>
Subtotal	<u>44,565,088</u>	<u>43,845,963</u>
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	120,854	59,077
Summer School	-	5,814
Debt principal retired	2,758,613	2,309,410
Community services	99,959	161,722
Capital outlay	<u>1,806,901</u>	<u>920,339</u>
Subtotal	<u>4,786,327</u>	<u>3,456,362</u>
Operating costs	<u>39,778,761</u>	<u>40,389,601</u>
Operating costs per pupil - based on ADA	<u><u>10,717</u></u>	<u><u>10,895</u></u>
Tuition Charge		
Operating costs:	39,778,761	40,389,601
Less - revenues from specific programs, such as special education or lunch programs	<u>7,371,264</u>	<u>7,309,915</u>
Net operating costs	32,407,497	33,079,686
Depreciation allowance	<u>2,373,688</u>	<u>2,390,461</u>
Allowance tuition costs	<u>34,781,185</u>	<u>35,470,147</u>
Tuition charges per pupil - based on ADA	<u><u>9,371</u></u>	<u><u>9,568</u></u>

SINGLE AUDIT

GASSENSMITH & ASSOCIATES, LTD.

CERTIFIED PUBLIC ACCOUNTANTS

323 SPRINGFIELD AVENUE JOLIET, ILLINOIS 60435

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FAX 815-744-3822

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Members of Board of Education
South Berwyn School District 100
Berwyn, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of South Berwyn School District 100 (District) as of and for the year ended June 30, 2015, and have issued our report thereon dated October 13, 2015. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and

To the Members of the Board of Education
South Berwyn School District 100

corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

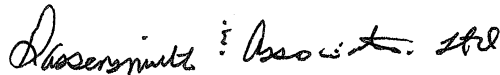
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did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

Compliance and Other Matters

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

Purpose of this Report

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



Gassensmith & Associates, Ltd.
Certified Public Accountants

October 13, 2015

Independent Auditor's Report on Compliance
for Each Major Program and on Internal Control over
Compliance Required by OMB Circular A-133

To the Members of the Board of Education
South Berwyn School District 100
Berwyn, Illinois

Report on Compliance for Each Major Federal Program

We have audited South Berwyn School District 100's (District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

To the Members of the Board of Education
South Berwyn School District 100

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

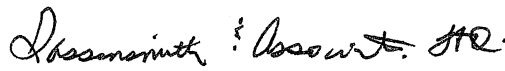
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify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

To the Members of the Board of Education
South Berwyn School District 100

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the basic financial statements of the District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 13, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Gassensmith & Associates, Ltd.
Certified Public Accountants

Joliet, Illinois
October 13, 2015

SOUTH BERWYN SCHOOL DISTRICT 100
06-016-1000-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/13-6/30/14 (C)	Year 7/1/14-6/30/15 (D)	Year 7/1/13-6/30/14 (E)	Year 7/1/14-6/30/15 (F)			
U.S. DEPARTMENT OF EDUCATION									
Passed through IL State Board of Education									
Title I - Low Income	84-010A	15-4300-00	-	778,065	-	732,634	-	732,634	1,063,119
Title I - Low Income	84-010A	14-4300-00	798,843	172,116	788,983	181,976	-	970,959	998,768
Title III - Lang Inst Program - Limited Eng (LIPLEP)	84.365A	15-4909-00	-	80,152	-	78,290	-	78,290	141,562
Title III - Lang Inst Program - Limited Eng (LIPLEP)	84.365A	14-4909-00	95,381	24,279	93,797	25,863	-	119,660	140,010
Title III - Immigration Education Program	84.365A	15-4999-00	-	5,562	-	5,562	-	5,562	9,991
Title II - Teacher Quality	84.367A	15-4932-00	-	69,449	-	76,063	-	76,063	96,115
Title II - Teacher Quality	84.367A	14-4932-00	85,159	-	76,078	1,280	-	77,358	99,915
IDEA Flow-through (M)	84.027A	15-4620-00	-	929,537	-	929,537	-	929,537	940,349
IDEA Flow-through (M)	84.027A	14-4620-00	928,107	-	928,107	-	-	928,107	993,857
IDEA Preschool Flow-through (M)	84.173A	15-4600-00	-	38,453	-	38,453	-	38,453	39,793
IDEA Preschool Flow-through (M)	84.173A	14-4600-00	45,970	-	45,970	-	-	45,970	46,003
TOTAL U.S. DEPARTMENT OF EDUCATION			1,953,460	2,097,613	1,932,935	2,069,658	-	4,002,593	4,569,482
U.S. DEPARTMENT OF AGRICULTURE									
Passed through IL State Board of Education									
National school lunch program (M)	10.555	15-4210-00	-	975,312	-	975,312	-	975,312	n/a
National school lunch program (M)	10.555	14-4210-00	994,627	189,714	994,627	189,714	-	1,184,341	n/a
Special Milk Program (M)	10.556	14-4215-00	3,331	-	3,331	-	-	3,331	n/a
School Breakfast program (M)	10.553	15-4220-00	-	455,289	-	455,289	-	455,289	n/a
School Breakfast program (M)	10.553	14-4220-00	471,093	102,293	471,093	102,293	-	573,386	n/a
Fresh Fruits and Vegetables	10.582	15-4240-00	-	92,377	-	92,377	-	92,377	n/a
Fresh Fruits and Vegetables	10.582	14-4240-00	72,818	-	72,818	-	-	72,818	n/a
Commodities (non-cash)	10.555	2015	-	116,107	-	116,107	-	116,107	n/a
Commodities (non-cash)	10.555	2014	85,911	-	85,911	-	-	85,911	n/a
Child & Adult Care Food Program	10.558	15-4226-00	-	17,351	-	17,351	-	17,351	n/a
Child & Adult Care Food Program	10.558	14-4226-00	24,500	3,870	24,500	3,870	-	28,370	n/a
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,652,280	1,952,313	1,652,280	1,952,313	-	3,604,593	n/a
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES									
Passed through IL Healthcare & Family Services									
Medicaid Matching	93.778	2015-4900	-	79,828	-	79,828	-	79,828	n/a
Medicaid Matching	93.778	2014-4900	112,733	-	112,733	-	-	112,733	n/a
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			112,733	79,828	112,733	79,828	-	192,561	n/a
TOTAL FEDERAL AWARDS			3,718,473	4,129,754	3,697,948	4,101,799	-	7,799,747	n/a

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

SOUTH BERWYN SCHOOL DISTRICT 100

Notes to Schedule of Expenditures of Federal Awards
June 30, 2015

Note 1 Accounting Basis

The schedule of expenditures of federal awards includes the federal grant activity of the South Berwyn School District 100, Illinois and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, therefore some amounts presented in this schedule may differ from amounts presented in the basic financial statements.

Reconciliation of Schedule of Expenditures of Federal Awards to Basic Financial Statements

Revenues Per Schedule of Expenditures Of Federal Awards	\$4,129,754
Add-Medicaid Fees-For-Service Program	143,541
Minus Non-Cash Commodities	<u>(116,107)</u>
Total Federal Revenues Per Basic Financial Statements	<u>\$4,157,188</u>

Note 2 Subrecipients, Insurance, and Loans

Of the federal expenditures in the schedule, the District did not provide any federal awards to subrecipients. The District did not have any federal insurance in effect during the year, and did not have any federal loans or loan guarantees outstanding at the year end.

SOUTH BERWYN SCHOOL DISTRICT 100

Summary of Findings and Questionable Costs June 30, 2015

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expressed an unqualified opinion on the basic financial statements of South Berwyn School District 100 for the year ended June 30, 2015.

INTERNAL CONTROL OVER FINANCIAL REPORTING

2. No material weaknesses were disclosed during the audit of the financial statements.
3. No significant deficiencies that were not considered to be material weaknesses were disclosed during the audit of the financial statements.
4. No instances of noncompliance material to the financial statements of the District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

FEDERAL AWARDS

5. No material weaknesses were disclosed during the audit of compliance over major federal award programs.
6. No significant deficiencies that were not considered to be material weaknesses were disclosed during the audit of compliance over major federal award programs.
7. The Auditor's Report on Compliance for the major federal award programs for the District, expresses an unqualified opinion on the major federal programs.
8. There was no audit findings relative to the major federal award programs for South Berwyn School District 100 that are required to be reported in accordance with Circular A-133, § .510(a).
9. The programs tested as major programs include Special Education Cluster (CFDA 84.027A and 84.173A) and the Child Nutrition Cluster (CFDA 10.553, 10.555 and 10.556).
10. The threshold for distinguishing Types A and B programs was \$300,000.
11. South Berwyn School District 100 was not determined to be a low-risk auditee.

SOUTH BERWYN SCHOOL DISTRICT 100

Summary of Findings and Questionable Costs
June 30, 2015

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no financial statements findings reported for the fiscal year ended June 30, 2015.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD
PROGRAMS AUDIT

There were no federal award finding reported for the fiscal year ended June 30, 2015

SOUTH BERWYN SCHOOL DISTRICT 100

Summary Schedule of Prior Audit Findings
June 30, 2015

There are no prior audit findings that affected federally funded programs.