

Berwyn South School District 100

Berwyn, Illinois

Annual Financial Report

Year Ended June 30, 2016

Berwyn South School District 100
Annual Financial Report
For the Year Ended June 30, 2016

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

Berwyn South School District 100
Annual Financial Report
For the Year Ended June 30, 2016

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, 2016 and 2015	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 the Uniform Guidance	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

GASSENSMITH & ASSOCIATES, LTD.

CERTIFIED PUBLIC ACCOUNTANTS

323 SPRINGFIELD AVENUE JOLIET, ILLINOIS 60435

815-744-6200

FAX 815-744-3822

Independent Auditors' Report

To Members of the Board of Education
Berwyn South 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 Berwyn South School District 100 (District), as of and for the period ended June 30, 2016, 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
Berwyn South 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, 2016, 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

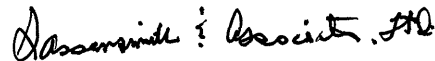
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and the statistical tables are presented for purposes of additional analysis and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

To the Board of Education
Berwyn South 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, 2015, 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 2015 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 2015 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 2015 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 7, 2016, 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.



Gassensmith & Associates, Ltd.
Certified Public Accountants

October 7, 2016

Berwyn South School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2016

The discussion and analysis of Berwyn South School District 100's (The District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2016. 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 \$2.4 million from \$1.6 million in fiscal year 2015 to \$800 thousand deficit in fiscal year 2016, primarily as a result of current year changes in net pension liabilities. This represents a decrease of 150%.
- Total revenues increased by approximately \$2.2 million, primarily due to an increase in state on-behalf payments, to \$52.8 million in fiscal year 2016. This represents an increase of 4.2%. Property tax revenue accounts for 32% 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.

Berwyn South School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2016

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, expenditures and changes in fund balances of the General (includes the Educational and Working

Berwyn South School District 100

Management's Discussion and Analysis

For the Year Ended June 30, 2016

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 \$819 thousand which includes \$2.4 million increase in net pension liabilities.
- As seen in Table 2, the District's total revenues were \$52.8 million.

Property taxes and general state aid are still the major revenue sources for the District, representing approximately 65% 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 \$55.1 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 12% of total costs.

Berwyn South School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2016

Table 1 Condensed Statement of Net Position		
	<u>2016</u>	<u>2015</u>
Current and other assets	14,789,699	15,353,066
Capital assets	<u>27,513,820</u>	<u>28,925,942</u>
Total assets	<u>42,303,519</u>	<u>44,279,008</u>
Deferred outflows of resources	<u>3,384,935</u>	<u>2,105,038</u>
Total assets and deferred outflows	<u>45,688,454</u>	<u>46,384,046</u>
Long-term debt outstanding	40,562,821	39,747,757
Other liabilities	<u>3,213,146</u>	<u>3,293,036</u>
Total liabilities	<u>43,775,967</u>	<u>43,040,793</u>
Deferred inflows of resources	<u>2,731,728</u>	<u>1,785,339</u>
Net position:		
Invested in capital assets, net of related debt	14,393,820	16,342,168
Restricted	2,903,496	2,160,735
Unrestricted	<u>(18,116,557)</u>	<u>(16,944,989)</u>
Total net position	<u>(819,241)</u>	<u>1,557,914</u>
Total liabilities, deferred inflows and net position	<u>45,688,454</u>	<u>46,384,046</u>

Berwyn South School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2016

Table 2
Changes in Net Position

	<u>2016</u>	<u>2015</u>	<u>% Change</u>
Revenues:			
Program revenues:			
Charges for services	354,198	268,984	24.1%
Operating/capital grants and contributions	18,003,974	17,784,069	1.2%
General revenues:			
Taxes	17,008,044	15,992,056	6.0%
General state aid	17,230,678	15,965,681	7.3%
Other	193,910	565,834	-191.8%
Total revenues	<u>52,790,804</u>	<u>50,576,624</u>	4.2%
Expenses:			
Instruction	36,951,860	35,602,399	3.7%
Pupil and instructional services	3,797,992	3,830,478	-0.9%
Administration and business	6,762,884	6,772,077	-0.1%
Transportation	1,370,061	1,271,163	7.2%
Operations and maintenance	3,971,892	3,494,489	12.0%
Other	2,313,270	2,210,298	4.5%
Total expenses	<u>55,167,959</u>	<u>53,180,904</u>	3.6%
Increase (decrease) in net position	<u>(2,377,155)</u>	<u>(2,604,280)</u>	-9.6%

Financial Analysis of the District's Funds

The District's governmental funds balance decreased from \$14.8 million to \$9.8 million.

Expenditures exceeded revenues in the General Fund by \$993 thousand, in the Operation and Maintenance Fund by \$1.3 million, and the Transportation Fund by \$367 thousand, revenues exceeded expenditures in the Municipal Retirement/Social Security Fund by \$76 thousand and the Debt Service Fund by \$194 thousand. Overall, the District's government funds had a net decrease in fund balance of \$1.6 million. The General Fund ended the fiscal year with a fund balance of \$6.1 million.

Berwyn South School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2016

General Fund Budgetary Highlights

The District amended the annual operating budget for the year ended June 30, 2016.

The District's final budget anticipated that expenditures would exceed revenues by \$509 thousand in the General Fund and \$1.8 million District as a whole. The actual results for the year show expenditures over revenues of \$993 thousand for the general fund.

Actual revenues were \$402 thousand less than budgeted, primarily due to timeliness of property tax payments and both state and federal grants.

Budgeted expenditures were less than actual expenditures by \$424 thousand.

Capital Asset and Debt Administration

Capital Assets

By the end of fiscal 2016, the District has compiled a total investment of \$54,415,238 (\$27,513,820 net of accumulated depreciation). Total depreciation expense for the year was \$2,348,695, while additions to buildings, vehicles and equipment amounted to \$936,573. 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>2016</u>	<u>2015</u>	<u>% Change</u>
Land	3,997,483	3,997,483	0.0%
Buildings	19,256,046	20,002,370	-3.9%
Equipment and vehicles	<u>4,260,291</u>	<u>4,926,089</u>	-15.6%
Total	<u>27,513,820</u>	<u>28,925,942</u>	-5.1%

Berwyn South School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2016

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 \$31.2 million in general obligation bonds and other long-term debt outstanding.

The District continued to pay down its debt, retiring \$1,260,000 of existing bonds and \$1,116,082 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>2016</u>	<u>2015</u>	<u>% Change</u>
General obligation bonds and notes	31,220,000	32,480,000	-4.0%
Capital leases and other	<u>1,309,500</u>	<u>1,737,621</u>	-32.7%
Total	<u>32,529,500</u>	<u>34,217,621</u>	-5.2%

Berwyn South School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2016

Factors Bearing on the District's Future

The District's certified, paraprofessional, and custodial staffs are under contract through the fiscal years 2017, 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:

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

BERWYN SOUTH SCHOOL DISTRICT 100
STATEMENT OF NET POSITION- GOVERNMENTAL ACTIVITIES
June 30, 2016

ASSETS

Cash and investments	4,794,122
Receivable (net of allowance for uncollectibles):	
Property Taxes	8,355,124
Replacement taxes	66,522
Intergovernmental	1,512,205
Prepaid items	61,726
Capital assets:	
Land	3,997,483
Other capital assets, net of depreciation	23,516,337
Total assets	42,303,519

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources related to pensions	2,464,173
Deferred outflows of resources	920,762
Total assets and deferred outflows of resources	45,688,454

LIABILITIES

Accounts payable	369,306
Salaries and wages payable	2,549,861
Payroll deductions payable	164,503
Interest payable	129,476
Long-term liabilities:	
Due within one year	2,437,383
Due after one year	38,125,438
Total liabilities	43,775,967

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources related to pensions	870,015
Deferred inflows of resources related to taxes	1,861,713

NET POSITION

Invested in Capital assets, net of related debt	14,393,820
Restricted For:	
Debt Service	2,191,138
Student transportation	245,084
Retirement benefits	467,274
Unrestricted	(18,116,557)
Total Net Position	(819,241)

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

BERWYN SOUTH SCHOOL DISTRICT 100

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

Functions/Programs	Expenses	PROGRAM REVENUES		Net (Expenses) Revenue and Changes in Net Position
		Changes for Services	Operating Grants and Contributions	
Governmental activities				
Instruction:				
Regular programs	18,397,963	352,169	1,133,569	(16,912,225)
Special programs	6,364,645	-	2,670,145	(3,694,500)
Other instructional programs	1,447,629	-	384,542	(1,063,087)
State retirement contributions	10,741,623	-	10,741,623	-
Support services:				
Pupils	2,073,038	-	-	(2,073,038)
Instructional staff	1,724,954	-	192,394	(1,532,560)
General administration	691,941	-	-	(691,941)
School administration	3,824,970	-	-	(3,824,970)
Business	2,245,973	2,029	2,468,546	224,602
Transportation	1,370,061	-	410,840	(959,221)
Operations and maintenance	3,971,892	-	-	(3,971,892)
Other supporting services	48,476	-	2,315	(46,161)
Community services	328,477	-	-	(328,477)
Interest and fees	1,936,317	-	-	(1,936,317)
Total governmental activities	<u>55,167,959</u>	<u>354,198</u>	<u>18,003,974</u>	<u>(36,809,787)</u>

GENERAL REVENUES:

Taxes:

Real estate taxes, levied for general purposes	9,838,134
Real estate taxes, levied for specific purposes	2,989,633
Real estate taxes, levied for debt service	3,850,397
Personal property replacement taxes	329,880
State aid-formula grants	17,230,678
Investment earnings	18,211
Other Revenues	<u>175,699</u>
Total general revenues	<u>34,432,632</u>
Change in net position	(2,377,155)
Net Position -Beginning	<u>1,557,914</u>
Net Position - End	<u>(819,241)</u>

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

BERWYN SOUTH SCHOOL DISTRICT 100
GOVERNMENTAL FUNDS
BALANCE SHEET

June 30, 2016

With Comparative Totals for June 30, 2015

	<u>General</u>	<u>Operations and Maintenance</u>	<u>Transportation</u>
<u>ASSETS</u>			
Cash and investments	3,527,230	2,467	106,761
Receivables (net of allowance for uncollectibles):			
Property taxes	5,044,804	929,442	252,512
Replacement taxes	66,522	-	-
Intergovernmental	1,374,508	-	137,697
Prepaid items	-	61,726	-
Total assets	<u>10,013,064</u>	<u>993,635</u>	<u>496,970</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Accounts payable	231,896	44,975	92,435
Salaries and wages payable	2,549,861	-	-
Payroll deductions payable	49,751	-	1,108
Total liabilities	<u>2,831,508</u>	<u>44,975</u>	<u>93,543</u>
Deferred Inflows of Resources			
Unearned revenue	<u>1,113,364</u>	<u>76,131</u>	<u>158,343</u>
Fund balances:			
Nonspendable	-	61,726	-
Restricted - Debt Service	-	-	-
Restricted - Student Transportation	-	-	245,084
Restricted - Retirement Benefits	-	-	-
Unassigned	6,068,192	810,803	-
Total fund balance	<u>6,068,192</u>	<u>872,529</u>	<u>245,084</u>
Total liabilities and fund balance	<u>10,013,064</u>	<u>993,635</u>	<u>496,970</u>

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

Municipal Retirement/ Soc. Sec	Debt Service	Capital Projects	Total	
			2016	2015
256,706	900,859	99	4,794,122	6,960,624
353,786	1,774,580	-	8,355,124	7,346,490
-	-	-	66,522	67,338
-	-	-	1,512,205	920,735
-	-	-	61,726	57,879
<u>610,492</u>	<u>2,675,439</u>	<u>99</u>	<u>14,789,699</u>	<u>15,353,066</u>
-	-	-	369,306	359,559
-	-	-	2,549,861	2,621,961
113,644	-	-	164,503	172,356
<u>113,644</u>	<u>-</u>	<u>-</u>	<u>3,083,670</u>	<u>3,153,876</u>
<u>29,574</u>	<u>484,301</u>	<u>-</u>	<u>1,861,713</u>	<u>691,377</u>
-	-	-	61,726	57,879
-	2,191,138	-	2,191,138	1,157,149
-	-	-	245,084	612,118
467,274	-	-	467,274	391,468
-	-	99	6,879,094	9,289,199
<u>467,274</u>	<u>2,191,138</u>	<u>99</u>	<u>9,844,316</u>	<u>11,507,813</u>
<u>610,492</u>	<u>2,675,439</u>	<u>99</u>	<u>14,789,699</u>	<u>15,353,066</u>

BERWYN SOUTH SCHOOL DISTRICT 100
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
For the Year Ended June 30, 2016

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

Total fund balances - governmental funds	9,844,316
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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.	27,513,820
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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	(129,476)
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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.	920,762
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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	2,464,173
Deferred inflows of resources related to pensions	(870,015)

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>(40,562,821)</u>
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Net Position - governmental activities	<u><u>(819,241)</u></u>
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The notes to the basic financial statements are an integral part of this statement.

BERWYN SOUTH SCHOOL DISTRICT 100
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	<u>General</u>	Operations and <u>Maintenance</u>	<u>Transportation</u>
Revenues			
Property Taxes	9,838,134	1,810,936	491,467
Replacement taxes	329,880	-	-
State aid	28,812,775	500,000	410,840
Federal aid	4,998,289	-	-
Interest	18,059	-	-
Other	449,639	90,822	2,184
Total revenues	<u>44,446,776</u>	<u>2,401,758</u>	<u>904,491</u>
Expenditures			
Current:			
Instruction:			
Regular programs	16,208,157	-	-
Special programs	5,883,727	-	-
Other instructional programs	1,394,983	-	-
State retirement contributions	10,741,623	-	-
Support services:			
Pupils	2,014,075	-	-
Instructional staff	1,612,244	-	-
General administration	672,309	-	-
School administration	3,357,926	-	-
Business	2,174,127	-	-
Transportation	-	-	1,271,525
Operations and maintenance	30,468	3,573,719	-
Other supporting services	48,476	-	-
Community services	327,520	-	-
Nonprogrammed charges	127,257	-	-
Debt service:			
Principal	-	-	-
Interest and other	-	-	-
Capital outlay	846,515	90,058	-
Total expenditures	<u>45,439,407</u>	<u>3,663,777</u>	<u>1,271,525</u>
Excess (deficiency) of revenues over expenditures	(992,631)	(1,262,019)	(367,034)
Other financing sources (uses)			
Transfers in	-	1,327,000	-
Transfers (out)	(2,166,569)	-	-
Bond Proceeds	-	-	-
Bond Premium	-	-	-
Transfer to Escrow	-	-	-
Other sources	687,961	-	-
Total other financing sources (uses)	<u>(1,478,608)</u>	<u>1,327,000</u>	<u>-</u>
Net change in fund balances	(2,471,239)	64,981	(367,034)
Fund balance, beginning of year	8,539,431	807,548	612,118
Fund balance, end of year	<u>6,068,192</u>	<u>872,529</u>	<u>245,084</u>

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

Municipal Retirement/ Soc. Sec	Debt Service	Capital Projects	Total	
			2016	2015
687,230	3,850,397	-	16,678,164	15,628,706
-	-	-	329,880	363,350
500,000	-	-	30,223,615	29,561,358
-	-	-	4,998,289	4,157,188
-	152	-	18,211	18,920
-	-	-	542,645	707,102
<u>1,187,230</u>	<u>3,850,549</u>	<u>-</u>	<u>52,790,804</u>	<u>50,436,624</u>
201,057	-	-	16,409,214	16,063,075
217,896	-	-	6,101,623	5,976,877
13,483	-	-	1,408,466	1,075,540
-	-	-	10,741,623	10,233,717
-	-	-	-	-
54,703	-	-	2,068,778	2,190,722
78,732	-	-	1,690,976	1,601,341
15,372	-	-	687,681	804,627
139,030	-	-	3,496,956	3,500,576
30,748	-	-	2,204,875	2,091,776
72,293	-	-	1,343,818	1,244,799
287,153	-	-	3,891,340	3,413,565
-	-	-	48,476	55,669
957	-	-	328,477	99,959
-	-	-	127,257	120,854
-	2,077,082	-	2,077,082	2,758,613
-	1,579,047	-	1,579,047	1,903,766
-	-	-	936,573	1,663,329
<u>1,111,424</u>	<u>3,656,129</u>	<u>-</u>	<u>55,142,262</u>	<u>54,798,805</u>
75,806	194,420	-	(2,351,458)	(4,362,181)
-	839,569	-	2,166,569	2,343,780
-	-	-	(2,166,569)	(2,343,780)
-	-	-	-	6,145,000
-	-	-	-	400,876
-	-	-	-	(6,341,829)
-	-	-	687,961	1,515,124
-	839,569	-	687,961	1,719,171
75,806	1,033,989	-	(1,663,497)	(2,643,010)
<u>391,468</u>	<u>1,157,149</u>	<u>99</u>	<u>11,507,813</u>	<u>14,150,823</u>
<u>467,274</u>	<u>2,191,138</u>	<u>99</u>	<u>9,844,316</u>	<u>11,507,813</u>

BERWYN SOUTH 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	(1,663,497)
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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.

(1,412,122)

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)

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.

1,629,600

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

(573,866)

Accrued interest due in one year does not require the expenditure of current financial resources of governmental funds.

9,684

Change in net position - governmental activities	<u><u>(2,377,155)</u></u>
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The notes to the basic financial statements are an integral part of this statement.

BERWYN SOUTH SCHOOL DISTRICT 100
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2016

	<u>ASSETS</u>	
Cash and investments		<u>83,311</u>

	<u>LIABILITIES</u>	
Due to student groups		<u>83,311</u>

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

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Berwyn South 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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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,

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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	\$ (31,220,000)
Leases	(1,309,500)
Compensated absences	(399,963)
Net Pension Liability - TRS	(5,202,524)
Net Pension Liability - IMRF	(2,664,613)
Post-employment benefit obligation	(121,283)
Unamortized discounts	<u>355,062</u>
Net adjustments to reduce fund balance -	
Total governmental funds to arrive at	
Net Position - governmental activities	<u><u>\$(40,562,821)</u></u>

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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	\$ 936,573
Depreciation expense	<u>(2,348,695)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	\$ <u>(1,412,122)</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	\$ 1,260,000
Leases	1,116,082
Principal issued:	
Leases	(687,961)
Post employment benefit obligation	(81,608)
Compensated absences	<u>23,087</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position - governmental activities.	\$ <u>1,629,600</u>

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 3 DEPOSITS AND INVESTMENTS

At June 30, 2016, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	<u>\$4,794,121</u>	<u>\$83,311</u>	<u>\$4,877,432</u>

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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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, 2016, the bank balance of the District's deposits with financial institutions totaled \$5,050,596. As of June 30, 2016, 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 16, 2015. 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 2.6922 for 2015.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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 2015 tax levy was \$370,845,863.

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 2015 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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 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	1,494,163	-	-	1,494,163
Buildings and building improvements	33,488,673	-	-	33,488,673
Equipment	14,076,955	936,573	-	15,013,528
Transportation equipment	<u>421,391</u>	<u>-</u>	<u>-</u>	<u>421,391</u>
Total capital assets, being depreciated	<u>49,481,182</u>	<u>936,573</u>	<u>-</u>	<u>50,417,755</u>
Less accumulated depreciation for:				
Land improvements	449,010	76,551	-	525,561
Buildings and building improvements	14,531,456	669,773	-	15,201,229
Equipment	9,250,857	1,593,371	-	10,844,228
Transportation equipment	<u>321,400</u>	<u>9,000</u>	<u>-</u>	<u>330,400</u>
Total accumulated depreciation	<u>24,552,723</u>	<u>2,348,695</u>	<u>-</u>	<u>26,901,418</u>
Total capital assets, being depreciated, net	<u>24,928,459</u>	<u>(1,412,122)</u>	<u>-</u>	<u>23,516,337</u>
Governmental activities, capital assets, net	<u>28,925,942</u>	<u>(1,412,122)</u>	<u>-</u>	<u>27,513,820</u>

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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	\$1,655,363
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Special programs	135,765
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Bilingual programs	39,163
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Support services

Pupils	4,260
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Instructional staff	33,978
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General administration	4,260
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School administration	328,014
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Business administration	41,098
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Operations and maintenance	80,552
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Transportation	<u>26,243</u>
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Total depreciation from governmental activities	<u>\$2,348,695</u>
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NOTE 6 LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2016:

	Balance July 1, <u>2015</u>	<u>Additions</u>	<u>Payments</u>	Balance June 30, <u>2016</u>
General obligation bonds	32,480,000	-	1,260,000	31,220,000
Unamortized premium (discount)	<u>(388,368)</u>	<u>-</u>	<u>(33,306)</u>	<u>(355,062)</u>
Total bonds payable	32,091,632	-	1,226,694	30,864,938
Capital leases	1,737,621	687,961	1,116,082	1,309,500
Net pension obligation	5,455,779	2,411,358	-	7,867,137
Post employmen benefits	39,675	81,608	-	121,283
Compensated absences	<u>423,050</u>	<u>399,963</u>	<u>423,050</u>	<u>399,963</u>
Total long-term liabilities	<u>39,747,757</u>	<u>3,580,890</u>	<u>2,765,826</u>	<u>40,562,821</u>

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 6 LONG-TERM LIABILITIES (continued)

A. General Obligation Bonds Payable

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

General obligation bonds	1,915,000
Capital leases	<u>522,383</u>
	<u>2,437,383</u>

The summary of bonds payable at June 30, 2016 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%	345,000
Limited School Bonds - dated September 1, 2009A	2.75% - 4.50%	2,265,000
Taxable Limited School Bonds - dated September 1, 2009B	1.60% - 6.00%	5,795,000
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%	9,445,000
Refunding School Bonds - dated September 1, 2014	2.00% - 4.00%	<u>6,145,000</u>
		<u>31,220,000</u>

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 6 LONG-TERM LIABILITIES (continued)

A. General Obligation Bonds Payable (continued)

At June 30, 2016, the District's future cash flow requirements for retirement of bond principal and interest were as follows:

Year Ending June 30	Principal	Interest	Total
2017	1,915,000	1,478,517	3,393,517
2018	2,035,000	1,388,015	3,423,015
2019	2,435,000	1,279,066	3,714,066
2020	2,695,000	1,161,708	3,856,708
2021	2,795,000	1,044,286	3,839,286
2022-2026	14,600,000	2,803,345	17,403,345
2027-2028	4,745,000	413,876	5,158,876
	<u>31,220,000</u>	<u>9,568,813</u>	<u>40,788,813</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$900,859 in Debt Service Fund to service the outstanding bonds payable. As of June 30, 2016, 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, 2016, the statutory debt limit for the District was \$25,588,365, and the District exceeded its debt limitation by \$6,537,076.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 6 LONG-TERM LIABILITIES (continued)

A. General Obligation Bonds Payable (continued)

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 \$23,075,000 of defeased bonds outstanding at June 30, 2016.

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, 2016 are as follows:

Year Ending <u>June 30</u>	<u>Amount</u>
2017	544,295
2018	532,642
2019	147,037
2020	<u>130,688</u>
Total minimum lease payments	1,354,662
Less: amount representing interest	<u>(45,162)</u>
Present value of minimum lease payments	<u>1,309,500</u>

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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>
2017	255,618
2018	255,618
2019	255,618
2020	85,206

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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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, 2016, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2016, State of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective NPL associated with the employer, and the employer recognized revenue and expenditures of \$10,526,743 in pension contributions from the state of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2016 were \$117,464, and are deferred because they were paid after the June 30, 2015 measurement date.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the 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, 2016, the employer pension contribution was 36.06 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$492,293 were paid from federal and special trust funds that required employer contributions of \$177,517. These contributions are deferred because they were paid after the June 30, 2015 measurement date.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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 under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ending June 30, 2016, the district paid \$0 to TRS for employer ERO 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, 2016, the district paid \$5,730 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2016, 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	5,202,524
State's proportionate share of the net pension liability associated with the employer	<u>128,487,052</u>
Total	<u><u>133,689,576</u></u>

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015, the employer's proportion was .0079416 percent, which was an increase (decrease) of .0017 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the employer recognized pension expense of \$463,329 and revenue of \$0 for support provided by the state. At June 30, 2016, 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	1,933	5,703
Net difference between projected and actual earnings on pension plan investments	103,032	182,175
Changes of assumptions	71,946	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	880,673	671,192
Employer contributions subsequent to the measurement date	294,955	-
Total	1,352,539	859,070

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

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

\$294,955 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, 2017. 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:

2017	(8,528)
2018	(8,528)
2019	(8,528)
2020	224,097

Actuarial assumptions

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

Inflation	3.00 percent
Salary Increases	varies by amount of service credit
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

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

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

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

The actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered from their 2013 levels.

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

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

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 9 RETIREMENT FUND COMMITMENTS (continued)

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

Discount rate

At June 30, 2015, the discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was a change from the June 30, 2014 rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

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

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

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

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

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Employer's proportionate share of the net pension liability	6,429,044	5,202,524	4,196,744

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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, 2015 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 a Medicare Advantage plan.

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

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

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$214,880, 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 0.80 percent during the year ended June 30, 2016. For the year ended June 30, 2016, the district paid \$159,532 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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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 2015 was 11.3%. For the fiscal year ended 2016, the District contributed \$471,329 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, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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 7.48% 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

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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 3.57%, and the resulting single discount rate is 7.48%.

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><u>16,510,435</u></u>	<u><u>14,835,328</u></u>	<u><u>1,675,107</u></u>

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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 (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.45%)
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>

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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.

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

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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	1,785
Adjustment to annual required contribution	<u>661</u>
Annual OPEB cost	108,182
Contributions made	<u>(26,574)</u>
Increase in net OPEB obligation	81,608
Net OPEB obligation, beginning of year	<u>39,675</u>
Net OPEB obligation, end of year	<u><u>121,283</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
6/30/16	105,736	100.0%	121,283
6/30/15	105,728	100.0%	39,675
6/30/14	16,636	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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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, 2016:

	Budgeted	Actual	
	<u>Disbursements</u>	<u>Disbursements</u>	<u>Variance</u>
Debt Services	3,529,757	3,656,129	126,372

Transfers

During the current fiscal year, the District transferred \$839,569 from the Education Fund to the Debt Service Fund to cover principal and interest payments on capital leases. The District also transferred \$1,327,000 from the General Fund to Operation & Maintenance Fund. An intrafund transfer was made between accounts of the General Fund. The Working Cash Account transferred \$1,181,000 to the Educational Account to cover expenses for the purpose of those funds.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 13 CONTINGENCIES

A. Litigation.

At June 30, 2016, 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)

BERWYN SOUTH SCHOOL DISTRICT 100
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
June 30, 2016

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)
6/30/2015			No actuarial valuation performed			
6/30/2014	-	1,067,686	0%	1,067,686	22,832,148	5%
6/30/2013			No actuarial valuation performed			

N/A - not available

BERWYN SOUTH 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, 2016

Employer's proportion of the net pension liability	0.79420%
Employer's proportionate share of the net pension liability	\$ 5,202,524
State's proportionate share of the net pension liability associated with the employer	<u>128,487,052</u>
Total	<u>\$ 133,689,576</u>
Employer's covered-employee payroll	\$ 19,941,524
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	26.1%
Plan fiduciary net position as a percentage of the total pension liability	41.5%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
Fiscal Year 2016

Contractually-required contribution	294,981
Contributions in relation to the contractually-required contributions	<u>(294,981)</u>
Contribution deficiency (excess)	<u>-</u>
Employer's covered-employee payroll	19,941,524
Contributions as a percentage of covered-employee payroll	1.48%

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.

BERWYN SOUTH 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>2015</u>	<u>2014</u>
Total Pension Liability		
Service Cost	454,847	481,384
Interest on the Total Pension Liability	1,225,703	1,110,727
Benefit Changes	-	-
Difference between Expected and Actual Experience	(7,684)	(28,930)
Assumption Changes	20,501	699,859
Benefit Payments and Refunds	<u>(746,665)</u>	<u>(643,209)</u>
Net Change in Total Pension Liability	946,702	1,619,831
Total Pension Liability - Beginning	<u>16,510,435</u>	<u>14,890,604</u>
Total Pension Liability - Ending (a)	<u>17,457,137</u>	<u>16,510,435</u>
Plan Fiduciary Net Position		
Employer Contributions	471,329	464,190
Employee Contributions	193,571	191,483
Pension Plan Net Investment Income	73,972	848,324
Benefit payments and Refunds	(746,665)	(643,209)
Other	<u>(35,011)</u>	<u>73,813</u>
Net Change in Plan Fiduciary Net Position	(42,804)	934,601
Plan Fiduciary Net Position - Beginning	<u>14,835,328</u>	<u>13,900,727</u>
Plan Fiduciary Net Position - Ending (b)	<u>14,792,524</u>	<u>14,835,328</u>
Net Pension Liability (Asset) - Ending (a) - (b)	2,664,613	1,675,107
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	84.74%	89.65%
Current Valuation Payroll	4,171,052	3,941,966
Net Pension Liability as a Percentage of Covered Valuation Payroll	63.88%	42.49%

BERWYN SOUTH 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%
2015	471,329	471,329	-	4,171,052	11.30%

BERWYN SOUTH SCHOOL DISTRICT 100

NOTES TO SCHEDULE OF CONTRIBUTIONS - IMRF

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2015 CONTRIBUTION RATE*

Valuation Date

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

Methods and Assumptions Used to Determine 2015 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-taxing bodies: 10- year rolling period. 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, 2013 actuarial valuation.

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>	<u>Actual</u>
Revenues				
Local Sources				
General levy	9,947,992	9,741,450	(206,542)	10,039,444
Special Education	104,010	96,684	(7,326)	102,440
Corporation Personal Property				
Replacement taxes	355,627	329,880	(25,747)	363,350
Summer School - Tuition From Pupils				
Or Parents (In State)	19,626	12,748	(6,878)	31,204
Earnings on investments	24,900	18,059	(6,841)	18,887
Sales to pupils - Lunch	262	266	4	122,579
Sales to adults	2,000	1,763	(237)	2,445
Fees	123,128	132,095	8,967	62,816
Other - textbooks	240,000	220,074	(19,926)	81,144
Contributions and Donation	35,000	19,151	(15,849)	25,312
Refund of Prior Years' Expenditures	-	18,956	18,956	14,881
Other	51,666	44,586	(7,080)	20,139
Total local sources	<u>10,904,211</u>	<u>10,635,712</u>	<u>(268,499)</u>	<u>10,884,641</u>
State sources				
General State Aid	16,224,881	15,655,181	(569,700)	15,465,681
General State Aid - Hold Harmless/Supp.	-	575,497	575,497	-
Special Education - Private Facility Tuition	533,457	355,646	(177,811)	437,669
Special Education - Extraordinary	576,382	432,286	(144,096)	560,078
Special Education - Personnel	746,081	498,137	(247,944)	831,691
Special Education - Summer School	31,344	31,344	-	20,523
Bilingual Education - Downstate - TPI and TPE	374,132	112,240	(261,892)	323,235
State Free Lunch and Breakfast	30,000	16,478	(13,522)	21,982
School Breakfast Initiative	-	-	-	-
Early Childhood - Block Grant	416,956	384,542	(32,414)	409,220
Flowthrough Revenue from State Sources	3,715	7,486	3,771	3,117
Other State sources	-	2,315	2,315	311,630
Total state sources	<u>18,936,948</u>	<u>18,071,152</u>	<u>(865,796)</u>	<u>18,384,826</u>
Federal sources				
National School Lunch Program	1,350,000	1,574,624	224,624	1,165,026
Special Breakfast Program	706,097	856,865	150,768	557,582
Fresh Fruits & Vegetables	8,169	-	(8,169)	92,377
Child & Adult Care Food Program	20,225	20,579	354	21,221
Title 1 - Low Income	1,151,039	1,113,335	(37,704)	950,181

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance from	2015
	<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	39,329	36,124	(3,205)	38,453
Fed - Sp Ed - I.D.E.A. Flow Through	875,503	876,424	921	929,537
Title III - English Language Acquisition	125,125	110,416	(14,709)	104,431
Title III	-	-	-	5,562
Title II - Teacher Quality	96,115	80,154	(15,961)	69,449
Medicaid Matching Funds -				
Administrative Outreach	65,000	87,776	22,776	79,828
Medicaid Matching Funds -				
Fee-For-Service Program	241,992	241,992	-	143,541
Other federal sources	-	-	-	-
Total federal sources	<u>4,678,594</u>	<u>4,998,289</u>	<u>319,695</u>	<u>4,157,188</u>
Total revenues	<u>34,519,753</u>	<u>33,705,153</u>	<u>(814,600)</u>	<u>33,426,655</u>
Expenditures				
Instruction				
Regular programs				
Salaries	12,703,067	12,436,185	(266,882)	12,167,295
Employee benefits	3,042,166	2,859,950	(182,216)	2,681,139
Purchased services	656,446	616,037	(40,409)	517,376
Supplies and materials	252,981	250,252	(2,729)	288,328
Capital outlay	265,643	107,110	(158,533)	56,631
Other objects	-	-	-	216,635
Non-capitalized equipment	86,285	97,177	10,892	50,384
Non-capitalized equipment	-	-	-	-
Total regular programs	<u>17,006,588</u>	<u>16,366,711</u>	<u>(639,877)</u>	<u>15,977,788</u>
Special education programs				
Salaries	4,191,901	4,154,187	(37,714)	4,166,413
Employee benefits	317,497	314,726	(2,771)	304,461
Purchased services	198,212	191,213	(6,999)	58,986
Supplies and materials	30,074	28,938	(1,136)	43,419
Capital outlay	4,755	4,755	-	16,571
Other objects	1,275,402	1,189,908	(85,494)	1,161,748
Non-capitalized equipment	-	-	-	-
Termination benefits	-	-	-	-
Total special education programs	<u>6,017,841</u>	<u>5,883,727</u>	<u>(134,114)</u>	<u>5,751,598</u>

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance from Final Budget	2015 Actual
	Final Budget	Actual		
Expenditures (continued)				
Remedial and Supplemental				
Programs K-12				
Salaries	424,803	423,500	(1,303)	433,461
Employee benefits	152,158	152,000	(158)	138,552
Purchased services	299,000	299,000	-	-
Supplies and materials	40,000	33,531	(6,469)	16,362
Non-capitalized equipment	-	-	-	2,753
Total remedial and supp. programs K-12	915,961	908,031	(7,930)	591,128
CTE Programs				
Supplies and materials	-	-	-	858
Total CTE Programs	-	-	-	858
Summer school programs				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Supplies and materials	-	-	-	-
Total summer school programs	-	-	-	-
Gifted programs				
Salaries	40,385	45,445	5,060	38,767
Employee benefits	592	692	100	619
Purchased services	4,900	4,291	(609)	3,964
Supplies and materials	5,500	1,143	(4,357)	745
Other objects	-	-	-	-
Total gifted programs	51,377	51,571	194	44,095
Bilingual programs				
Salaries	392,132	385,620	(6,512)	389,122
Employee benefits	7,570	7,141	(429)	6,969
Purchased services	37,820	32,820	(5,000)	22,535
Supplies and materials	29,512	9,800	(19,712)	6,121
Capital outlay	-	-	-	-
Total bilingual programs	467,034	435,381	(31,653)	424,747
Total instruction	24,458,801	23,645,421	(813,380)	22,790,214

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance from Final Budget	2015 Actual
	Final Budget	Actual		
Expenditures (continued)				
Support services				
Pupils				
Attendance and social work services				
Salaries	521,333	524,483	3,150	503,049
Employee benefits	60,547	60,322	(225)	73,440
Purchased services	15,795	15,795	-	106,582
Supplies and materials	5,200	4,782	(418)	5,853
Total attendance and social work services	602,875	605,382	2,507	688,924
Health services				
Salaries	313,016	312,785	(231)	311,174
Employee benefits	26,086	26,081	(5)	27,773
Purchased services	110,125	110,125	-	140,260
Supplies and materials	126	126	-	-
Total health services	449,353	449,117	(236)	479,207
Psychological services				
Salaries	113,022	113,047	25	109,990
Employee benefits	2,266	2,150	(116)	2,073
Purchased services	60,110	60,110	-	87,248
Supplies and materials	6,730	6,730	-	835
Capital Outlay	-	-	-	-
Total psychological services	182,128	182,037	(91)	200,146
Speech pathology and audiology services				
Salaries	346,584	252,778	(93,806)	400,405
Employee benefits	32,828	29,482	(3,346)	32,479
Purchased services	380,770	380,770	-	258,566
Supplies and materials	-	-	-	-
Total speech pathology/audiology services	760,182	663,030	(97,152)	691,450
Other Support Services - Pupils				
Salaries	-	-	-	6,623
Employee benefits	-	-	-	-
Purchased services	112,514	114,509	1,995	80,000
Total Other Support Services - Pupils	112,514	114,509	1,995	86,623
Total pupils	2,107,052	2,014,075	(92,977)	2,146,350

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

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance from Final Budget	2015 Actual
	Final Budget	Actual		
Expenditures (continued)				
Instructional staff				
Improvement of instruction services				
Salaries	552,536	532,053	(20,483)	526,355
Employee benefits	178,404	176,187	(2,217)	182,500
Purchased services	681,618	682,661	1,043	486,527
Supplies and materials	100,992	77,635	(23,357)	144,537
Capital Outlay	-	-	-	-
Non-capitalized equipment	5,461	5,461	-	34,285
Total improvement of inst. svc.	1,519,011	1,473,997	(45,014)	1,374,204
Educational media services				
Salaries	145,428	136,107	(9,321)	146,558
Employee benefits	-	-	-	-
Supplies and materials	2,140	2,140	-	2,111
Other objects	-	-	-	-
Total educational media services	147,568	138,247	(9,321)	148,669
Assessment and testing				
Supplies and materials	25,000	-	(25,000)	-
Total assessment and testing	25,000	-	(25,000)	-
Total instructional staff	1,691,579	1,612,244	(79,335)	1,522,873
General administration				
Board of Education services				
Salaries	6,000	-	(6,000)	-
Employee benefits	-	-	-	-
Purchased services	144,348	122,317	(22,031)	180,170
Supplies and materials	6,674	4,761	(1,913)	8,535
Capital Outlay	-	-	-	-
Other objects	13,800	13,789	(11)	6,074
Non-capitalized equipment	-	-	-	3,629
Total board of education services	170,822	140,867	(29,955)	198,408
Executive administration services				
Salaries	295,844	298,864	3,020	288,335
Employee benefits	53,364	53,251	(113)	33,385
Purchased services	20,332	19,563	(769)	15,073
Supplies and materials	5,145	4,145	(1,000)	5,849
Capital outlay	-	-	-	4,966
Other objects	-	-	-	-
Non-capitalized equipment	1,882	1,882	-	3,602
Total executive administration	376,567	377,705	1,138	351,210

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

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance from Final Budget	2015 Actual
	Final Budget	Actual		
Expenditures (continued)				
Special Area Administration Services				
Salaries	-	-	-	-
Purchased services	-	-	-	-
Total special area administration services	-	-	-	-
Tort Immunity Services				
Purchased services	182,091	153,737	(28,354)	239,648
Total Tort Immunity Services	182,091	153,737	(28,354)	239,648
Total general administration	729,480	672,309	(57,171)	789,266
School administration				
Office of the principal services				
Salaries	2,547,750	2,536,246	(11,504)	2,506,892
Employee benefits	492,781	492,848	67	518,159
Purchased services	296,587	318,123	21,536	315,397
Supplies and materials	11,942	10,709	(1,233)	19,795
Capital Outlay	-	687,961	687,961	1,515,124
Termination Benefit	-	-	-	-
Total office of the principal services	3,349,060	4,045,887	696,827	4,875,367
Total school administration	3,349,060	4,045,887	696,827	4,875,367
Business				
Direction of business services				
Salaries	-	77,975	77,975	-
Total direction of business services	-	77,975	77,975	-
Fiscal services				
Salaries	214,217	133,044	(81,173)	234,824
Employee benefits	52,472	51,911	(561)	62,310
Purchased services	90,600	72,140	(18,460)	63,166
Supplies and materials	5,416	4,947	(469)	10,477
Capital outlay	-	-	-	-
Non-capitalized equipment	3,225	3,225	-	6,299
Other objects	8,400	9,435	1,035	3,790
Termination Benefit	-	-	-	-
Total fiscal services	374,330	274,702	(99,628)	380,866
Operations and maintenance of plant services				
Purchased services	30,468	30,468	-	-
Capital Outlay	-	-	-	28,280
Total operations/maintenance of plant svc	30,468	30,468	-	28,280

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>	<u>Actual</u>
Expenditures (continued)				
Food services				
Salaries	23,284	23,284	-	22,181
Employee benefits	-	-	-	-
Purchased services	-	-	-	1,960
Supplies and materials	1,728,431	1,798,166	69,735	1,654,682
Capital outlay	-	-	-	-
Non-capitalized equipment	-	-	-	-
Total food services	<u>1,751,715</u>	<u>1,821,450</u>	<u>69,735</u>	<u>1,678,823</u>
Total business	<u>2,156,513</u>	<u>2,204,595</u>	<u>(29,893)</u>	<u>2,087,969</u>
Staff services				
Purchased services	<u>740</u>	<u>541</u>	<u>(199)</u>	<u>-</u>
Total staff services	<u>740</u>	<u>541</u>	<u>(199)</u>	<u>-</u>
Data Processing Services				
Purchased services	<u>12,730</u>	<u>12,730</u>	<u>-</u>	<u>12,919</u>
Total Data Processing Services	<u>12,730</u>	<u>12,730</u>	<u>-</u>	<u>12,919</u>
Other supporting services				
Salaries	-	2,830	2,830	4,690
Employee benefits	-	35	35	51
Purchased services	-	29,860	29,860	34,463
Supplies and materials	-	2,480	2,480	3,546
Total other supporting services	<u>-</u>	<u>35,205</u>	<u>35,205</u>	<u>42,750</u>
Total Support Services	<u>10,047,154</u>	<u>10,597,586</u>	<u>472,457</u>	<u>11,477,494</u>
Community services				
Salaries	73,010	-	(73,010)	-
Employee benefits	1,188	-	(1,188)	-
Purchased services	424,633	327,520	(97,113)	99,073
Supplies and materials	<u>14,449</u>	<u>-</u>	<u>(14,449)</u>	<u>-</u>
Total community services	<u>513,280</u>	<u>327,520</u>	<u>(185,760)</u>	<u>99,073</u>

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>	<u>Actual</u>
Expenditures (continued)				
Payments to Other Districts and Gov't Units				
Payments for regular programs				
Purchased services	9,600	3,502	(6,098)	-
Payments for special education programs				
Purchased services	-	123,755	123,755	120,854
Total payments to Other Districts and Other Government Units	9,600	127,257	117,657	120,854
Provision for contingencies	-	-	-	-
Total expenditures	35,028,835	34,697,784	(331,051)	34,487,635
Deficiency of revenues over expenditures	(509,082)	(992,631)	(483,549)	(1,060,980)
Other financing sources (uses)				
Permanent transfer from working cash fund -Abatement	(1,124,900)	(1,327,000)	(202,100)	(900,000)
Other sources	-	687,961	687,961	1,515,124
Transfer to debt service fund for principal on capital leases	(686,159)	(817,082)	(130,923)	(1,418,613)
Transfer to debt service fund for interest on capital leases	(22,847)	(22,487)	360	(25,167)
Total other financing sources (uses)	(1,833,906)	(1,478,608)	355,298	(828,656)
Net change to fund balance	(2,342,988)	(2,471,239)	(128,251)	(1,889,636)
Fund balance, beginning of year		8,539,431		10,429,067
Fund balance, end of year		\$ 6,068,192		\$ 8,539,431

BERWYN SOUTH SCHOOL DISTRICT 100
OPERATIONS AND MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			
	Final Budget	Actual	Variance from Final Budget	2015 Actual
<u>Revenues</u>				
Local Sources				
General levy	1,961,779	1,810,936	(150,843)	1,990,821
Refund of prior years' expenditures	100,000	53,210	(46,790)	301,929
Other	232,600	37,612	(194,988)	14,395
Total local sources	<u>2,294,379</u>	<u>1,901,758</u>	<u>(392,621)</u>	<u>2,307,145</u>
State sources				
General State Aid	500,000	500,000	-	-
Infrastructure improvements	-	-	-	-
School Safety Block Grant	-	-	-	-
Total state sources	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
Total revenues	<u>2,794,379</u>	<u>2,401,758</u>	<u>(392,621)</u>	<u>2,307,145</u>
<u>Expenditures</u>				
Support services				
Business				
Operations and maintenance of plant services				
Salaries	1,588,507	1,581,823	(6,684)	1,532,561
Employee benefits	220,544	220,544	-	220,544
Purchased services	977,935	906,645	(71,290)	553,416
Supplies and materials	731,071	662,047	(69,024)	754,356
Capital outlay	282,077	90,058	(192,019)	44,002
Non-Capitalized equipment	50,000	202,660	152,660	40,375
Termination benefits	-	-	-	-
Total expenditures	<u>3,850,134</u>	<u>3,663,777</u>	<u>(186,357)</u>	<u>3,145,254</u>
Deficiency of revenues over expenditures	<u>(1,055,755)</u>	<u>(1,262,019)</u>	<u>(206,264)</u>	<u>(838,109)</u>

BERWYN SOUTH SCHOOL DISTRICT 100
 OPERATIONS AND MAINTENANCE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			
	Final Budget	Actual	Variance from Final Budget	2015 Actual
Other financing sources				
Permanent transfer	<u>1,100,000</u>	<u>1,327,000</u>	<u>227,000</u>	<u>900,000</u>
Total other financing sources	<u>1,100,000</u>	<u>1,327,000</u>	<u>227,000</u>	<u>900,000</u>
Net change in fund balance	<u>44,245</u>	64,981	<u>20,736</u>	61,891
Fund balance, beginning of year		<u>807,548</u>		<u>745,657</u>
Fund balance (deficit), end of year		<u>872,529</u>		<u>807,548</u>

BERWYN SOUTH SCHOOL DISTRICT 100
TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			
	Final Budget	Actual	Variance from Final Budget	2015 Actual
<u>Revenues</u>				
Local Sources				
General levy	502,971	491,467	(11,504)	507,640
Other local revenues	2,184	2,184	-	5,027
Total local sources	505,155	493,651	(11,504)	512,667
State sources				
Transportation - Regular/Vocational	92,902	69,632	(23,270)	91,611
Transportation - Special Education	455,683	341,208	(114,475)	351,204
Other State Sources	-	-	-	21,465
Total state sources	548,585	410,840	(137,745)	464,280
Total revenues	1,053,740	904,491	(149,249)	976,947
<u>Expenditures</u>				
Support services				
Business				
Pupil transportation services				
Salaries	459,402	453,301	(6,101)	374,618
Employee benefits	90,134	90,918	784	81,352
Purchased services	677,877	671,924	(5,953)	685,298
Supplies and materials	20,000	6,182	(13,818)	46,587
Capital Outlay	51,200	49,200	(2,000)	-
Termination benefits	-	-	-	-
Total pupil transportation services	1,298,613	1,271,525	(27,088)	1,187,855
Total support services	1,298,613	1,271,525	(27,088)	1,187,855
Total expenditures	1,298,613	1,271,525	(27,088)	1,187,855
Excess (deficiency) of revenues over expenditures	(244,873)	(367,034)	(122,161)	(210,908)
Net change in fund balance	(244,873)	(367,034)	(122,161)	(210,908)
Fund balance, beginning of year		612,118		823,026
Fund balance (deficit), end of year		245,084		612,118

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

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Final Budget	Actual	Variance from Final Budget	
<u>Revenues</u>				
Local Sources				
General levy	313,170	317,015	3,845	325,617
Social Security/Medicare only levy	<u>390,609</u>	<u>370,215</u>	<u>(20,394)</u>	<u>384,689</u>
Total local sources	<u>703,779</u>	<u>687,230</u>	<u>(16,549)</u>	<u>710,306</u>
State sources				
General state aid	<u>500,000</u>	<u>500,000</u>	-	<u>500,000</u>
Total state sources	<u>500,000</u>	<u>500,000</u>	-	<u>500,000</u>
Total revenues	<u>1,203,779</u>	<u>1,187,230</u>	<u>(16,549)</u>	<u>1,210,306</u>
<u>Expenditures</u>				
Instruction				
Regular programs	209,657	201,057	(8,600)	189,490
Pre-K programs			-	-
Special education programs	192,404	217,896	25,492	225,279
Remedial and supplemental programs K-12	8,240	7,379	(861)	8,267
Interscholastic programs	-	-	-	-
Summer school programs	-	-	-	-
Gifted programs	1,030	659	(371)	562
Bilingual programs	<u>6,541</u>	<u>5,445</u>	<u>(1,096)</u>	<u>5,883</u>
Total instruction	<u>417,872</u>	<u>432,436</u>	<u>14,564</u>	<u>429,481</u>
Support services				
Pupils				
Attendance and social work svc	7,725	7,846	121	7,153
Guidance services	-	-	-	-
Health services	26,120	41,553	15,433	28,520
Psychological services	1,648	1,639	(9)	1,595
Speech pathology/audiology svc	5,974	3,665	(2,309)	5,806
Other support services	<u>1,349</u>	<u>-</u>	<u>(1,349)</u>	<u>1,298</u>
Total pupils	<u>42,816</u>	<u>54,703</u>	<u>11,887</u>	<u>44,372</u>

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

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			
	Final Budget	Actual	Variance from Final Budget	2015 Actual
Instructional staff				
Improvement of instruction svcs	55,731	53,804	(1,927)	50,780
Educational media services	32,033	24,928	(7,105)	27,688
Total instructional staff	87,764	78,732	(9,032)	78,468
General administration				
Board of education services	937	-	(937)	-
Executive administration services	15,450	15,372	(78)	15,361
Total general administration	16,387	15,372	(1,015)	15,361
School administration				
Office of the principal services	154,088	139,030	(15,058)	140,333
Total school administration	154,088	139,030	(15,058)	140,333
Business				
Fiscal services	30,488	26,337	(4,151)	27,813
Operations and maintenance of plant services	298,700	287,153	(11,547)	284,033
Pupil transportation services	63,448	72,293	8,845	56,944
Food services	4,944	4,411	(533)	4,274
Total business	397,580	390,194	(7,386)	373,064
Total support services	698,635	678,031	(20,604)	651,598
Community Services	1,030	957	(73)	886
Total expenditures	1,117,537	1,111,424	(6,113)	1,081,965
Excess (deficiency) of revenues over expenditures	86,242	75,806	(10,436)	128,341
Other financing sources				
Total other financing sources	-	-	-	-
Net change in fund balance	86,242	75,806	(10,436)	128,341
Fund balance, beginning of year		391,468		263,127
Fund balance (deficit), end of year		467,274		391,468

BERWYN SOUTH SCHOOL DISTRICT 100
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

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 (June 22, 2016) by the Board of Education on effective for the year ending June 30, 2016.
- g) All budget appropriations lapse at the end of the fiscal year.

BERWYN SOUTH SCHOOL DISTRICT 100
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

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	34,519,753	35,028,836
To adjust for on-behalf payments received	10,741,623	-
To adjust for on-behalf payments made	<u>-</u>	<u>10,741,623</u>
General Fund - GAAP baiss	<u>45,261,376</u>	<u>45,770,459</u>

SUPPLEMENTARY FINANCIAL INFORMATION

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL FUND
BALANCE SHEET
June 30, 2016

	<u>Educational</u>	<u>Working Cash</u>	<u>Total</u>
ASSETS			
Cash and investments	1,179	3,526,051	3,527,230
Receivables (net of allowance for uncollectibles):			
Property taxes	5,044,804	-	5,044,804
Replacement taxes	66,522	-	66,522
Intergovernmental	1,374,508	-	1,374,508
Prepaid expense	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>6,487,013</u>	<u>3,526,051</u>	<u>10,013,064</u>
LIABILITIES AND FUND BALANCES			
Accounts payable	231,896	-	231,896
Salaries and wages payable	2,549,861	-	2,549,861
Payroll deductions payable	49,751	-	49,751
Unearned revenue	<u>1,113,364</u>	<u>-</u>	<u>1,113,364</u>
Total liabilities	<u>3,944,872</u>	<u>-</u>	<u>3,944,872</u>
Fund balances:			
Unassigned	<u>2,542,141</u>	<u>3,526,051</u>	<u>6,068,192</u>
Total fund balance	<u>2,542,141</u>	<u>3,526,051</u>	<u>6,068,192</u>
Total liabilities and fund balance	<u>6,487,013</u>	<u>3,526,051</u>	<u>10,013,064</u>

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2016

	General	Working Cash	Eliminations	Total
<u>Revenues</u>				
Property taxes	9,838,134	-	-	9,838,134
Replacement taxes	329,880	-	-	329,880
State aid	28,812,775	-	-	28,812,775
Federal aid	4,998,289	-	-	4,998,289
Interest	-	18,059	-	18,059
Other	449,639	-	-	449,639
Total revenues	44,428,717	18,059	-	44,446,776
<u>Expenditures</u>				
Current:				
Instruction:				
Regular programs	16,208,157	-	-	16,208,157
Special programs	5,883,727	-	-	5,883,727
Other instructions programs	1,394,983	-	-	1,394,983
State on-behalf payments	10,741,623	-	-	10,741,623
Support services:				
Pupils	2,014,075	-	-	2,014,075
Instructional staff	1,612,244	-	-	1,612,244
General administration	672,309	-	-	672,309
School administration	3,357,926	-	-	3,357,926
Business	2,174,127	-	-	2,174,127
Operations and maintenance	30,468	-	-	30,468
Other supporting services	48,476	-	-	48,476
Community services	327,520	-	-	327,520
Nonprogrammed charges	127,257	-	-	127,257
Capital outlay	846,515	-	-	846,515
Total expenditures	45,439,407	-	-	45,439,407
Deficiency of revenues over expenditures	(1,010,690)	18,059	-	(992,631)
Other financing sources (uses)				
Transfers In	1,181,000	-	(1,181,000)	-
Transfers Out	-	(2,508,000)	1,181,000	(1,327,000)
Other	687,961	-	-	687,961
Transfer to Debt Service	(839,569)	-	-	(839,569)
Total other financing sources (uses)	1,029,392	(2,508,000)	-	(1,478,608)
Net change in fund balances	18,702	(2,489,941)	-	(2,471,239)
Fund balance, beginning of year	2,523,439	6,015,992	-	8,539,431
Fund balance, end of year	2,542,141	3,526,051	-	6,068,192

BERWYN SOUTH SCHOOL DISTRICT 100
DEBT SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			
	Final Budget	Actual	Variance from Final Budget	2015 Actual
Revenues				
Local Sources				
General levy	2,969,460	3,850,397	880,937	2,278,055
Interest on earnings	100	152	52	33
Other local revenues	-	-	-	3,766
Total local sources	2,969,560	3,850,549	880,989	2,281,854
Total revenues	2,969,560	3,850,549	880,989	2,281,854
Expenditures				
Debt Service				
Interest	1,575,657	1,575,297	(360)	1,693,119
Principal payments on long-term debt	1,944,800	2,077,082	132,282	2,758,613
Other debt service				
Other objects	9,300	3,750	(5,550)	210,647
Total other debt service	9,300	3,750	(5,550)	210,647
Total debt service	3,529,757	3,656,129	126,372	4,662,379
Total expenditures	3,529,757	3,656,129	126,372	4,662,379
Deficiency of revenues over expenditures	(560,197)	194,420	754,617	(2,380,525)

BERWYN SOUTH SCHOOL DISTRICT 100
DEBT SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		
	Final Budget	Actual	Variance from Final Budget
			2015 Actual
Other financing sources (uses)			
Principal on bonds sold	-	-	6,145,000
Premium on bonds sold	-	-	400,876
Transfer to pay for principal on capital leases	-	817,082	1,418,613
Transfer to pay for interest on capital leases	-	22,487	25,167
Other uses	-	-	(6,341,829)
Total Other financing sources (uses)	-	839,569	1,647,827
Net change in fund balance	(560,197)	1,033,989	(732,698)
Fund balance, beginning of year		1,157,149	1,889,847
Fund balance, end of year		2,191,138	1,157,149

BERWYN SOUTH SCHOOL DISTRICT 100
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Disbursements	Balance June 30, 2016
<u>Assets</u>				
Cash and cash equivalents	<u>67,192</u>	<u>293,182</u>	<u>277,063</u>	<u>83,311</u>
<u>Liabilities</u>				
Due to student groups				
Emerson	8,066	6,801	6,498	8,369
Fine Arts	7,387	6,510	4,058	9,839
Heritage	13,078	82,396	81,363	14,111
Hiawatha	3,036	4,735	6,816	955
Irving	8,511	18,110	23,283	3,338
Komensky	11,344	42,320	25,027	28,637
Pershing	5,211	11,644	12,750	4,105
Piper	4,545	55,678	55,187	5,036
Freedom	<u>6,014</u>	<u>64,988</u>	<u>62,081</u>	<u>8,921</u>
	<u>67,192</u>	<u>293,182</u>	<u>277,063</u>	<u>83,311</u>

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2016

	Maturity as follows for the Year Ended June 30	Principal	Interest	Total
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)	2017	345,000	13,972	358,972
Totals		345,000	13,972	358,972
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)	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	680,000	15,300	695,300
Totals		2,265,000	803,280	3,068,280

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2016

	Maturity as follows for the Year Ended June 30	Principal	Interest	Total
Taxable Limited School Bonds				
dated September 1, 2009B				
(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>5,795,000</u>	<u>1,446,603</u>	<u>7,241,603</u>
Refunding School Bonds				
dated September 1, 2009C				
(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>324,875</u>	<u>889,875</u>

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2016

	Maturity as follows for the Year Ended June 30	Principal	Interest	Total
Taxable Refunding School Bonds				
dated September 1, 2009D				
(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		2,515,000	1,860,109	4,375,109
Refunding School Bonds				
dated September 1, 2009E				
(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		4,145,000	1,643,592	5,788,592

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2016

	Maturity as follows for the Year Ended June 30	Principal	Interest	Total
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)				
	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>9,445,000</u>	<u>2,401,082</u>	<u>11,846,082</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)				
	2017	565,000	202,350	767,350
	2018	65,000	196,050	261,050
	2019	65,000	194,425	259,425
	2020	1,230,000	175,000	1,405,000
	2021	1,225,000	138,175	1,363,175
	2022	1,465,000	90,500	1,555,500
	2023	325,000	54,700	379,700
	2024	1,205,000	24,100	1,229,100
Totals		<u>6,145,000</u>	<u>1,075,300</u>	<u>7,220,300</u>
Grand totals		<u>31,220,000</u>	<u>9,568,813</u>	<u>40,788,813</u>

OTHER SUPPLEMENTAL INFORMATION

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assessed valuation	<u>370,845,863</u>	<u>379,601,208</u>	<u>415,246,685</u>	<u>439,460,728</u>	<u>479,851,384</u>
Rates Extended					
Educational	2.7278	2.6198	2.3122	2.1332	1.8840
Special Education	0.0285	0.0274	0.0242	0.0223	0.0189
Operations/Maintenance	0.5075	0.5168	0.5114	0.4911	0.4710
Debt Service	0.6702	0.4865	0.5190	0.4831	0.4199
Transportation	0.1379	0.1325	0.1169	0.1078	0.0942
IMRF	0.0859	0.0825	0.0728	0.0672	0.0396
Social Security	0.1071	0.1029	0.0908	0.0837	0.0753
Limited Bonds	<u>0.3026</u>	<u>0.2958</u>	<u>0.2711</u>	<u>0.2558</u>	<u>0.1940</u>
Total rates extended	<u>4.5675</u>	<u>4.2642</u>	<u>3.9184</u>	<u>3.6442</u>	<u>3.1969</u>
Levies Extended					
Educational	10,115,933	9,944,792	9,601,333	9,374,576	9,040,400
Special Education	105,691	104,010	100,489	97,999	90,691
Operations/Maintenance	1,882,042	1,961,779	2,123,571	2,158,191	2,260,100
Debt Service	2,485,269	1,846,637	2,155,034	2,123,103	2,014,808
Transportation	511,396	502,971	485,423	473,738	452,020
IMRF	318,556	313,170	302,299	295,317	190,021
Social Security	397,175	390,609	377,043	367,828	361,328
Limited Bonds	<u>1,122,329</u>	<u>1,122,823</u>	<u>1,125,800</u>	<u>1,124,167</u>	<u>930,757</u>
Total levies extended	<u>16,938,391</u>	<u>16,186,791</u>	<u>16,270,992</u>	<u>16,014,919</u>	<u>15,340,125</u>

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

BERWYN SOUTH SCHOOL DISTRICT 100
OPERATING COSTS AND TUITION CHARGE (Unaudited)
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating costs per pupil	<u><u>3,675</u></u>	<u><u>3,712</u></u>
Average Daily Attendance (ADA):		
Operating costs:		
Educational	34,697,784	34,487,635
Operations and Maintenance	3,663,777	3,145,254
Debt Service	3,656,129	4,662,379
Transportation	1,271,525	1,187,855
Municipal Retirement/Social Security	<u>1,111,424</u>	<u>1,081,965</u>
Subtotal	<u>44,400,639</u>	<u>44,565,088</u>
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	127,257	120,854
Summer School	-	-
Debt principal retired	2,077,082	2,758,613
Community services	328,477	99,959
Capital outlay	<u>1,249,489</u>	<u>1,806,901</u>
Subtotal	<u>3,782,305</u>	<u>4,786,327</u>
Operating costs	<u><u>40,618,334</u></u>	<u><u>39,778,761</u></u>
Operating costs per pupil - based on ADA	<u><u>11,051</u></u>	<u><u>10,717</u></u>
Tuition Charge		
Operating costs:	40,618,334	39,778,761
Less - revenues from specific programs, such as special education or lunch programs	<u>7,198,249</u>	<u>7,371,264</u>
Net operating costs	33,420,085	32,407,497
Depreciation allowance	<u>2,379,736</u>	<u>2,373,688</u>
Allowance tuition costs	<u>35,799,821</u>	<u>34,781,185</u>
Tuition charges per pupil - based on ADA	<u><u>9,740</u></u>	<u><u>9,371</u></u>

SINGLE AUDIT

GASSENSMITH & ASSOCIATES, LTD.

CERTIFIED PUBLIC ACCOUNTANTS

323 SPRINGFIELD AVENUE JOLIET, ILLINOIS 60435

815-744-6200

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
Berwyn South 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 Berwyn South School District 100 (District) as of and for the year ended June 30, 2016, and have issued our report thereon dated October 7, 2016. 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
Berwyn South 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.

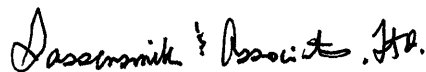
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did 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 7, 2016

Independent Auditor's Report on Compliance
for Each Major Program and on Internal Control over
Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited Berwyn South School District 100's (District) compliance with the types of compliance requirements described in the *OMB 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 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

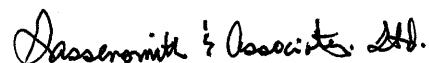
To the Members of the Board of Education
Berwyn South School District 100

any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report of Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 7, 2016, 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 the Uniform Guidance 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Gassensmith & Associates, Ltd.
Certified Public Accountants

Joliet, Illinois
October 7, 2016

BERWYN SOUTH SCHOOL DISTRICT 100
06-016-1000-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2016

Federal Grantor/Pass-Through Grantor/Subrecipients * 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 ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/14-6/30/15 (C)	Year 7/1/15-6/30/16 (D)	Year 7/1/14-6/30/15 (E)	Year 7/1/15-6/30/16 (F)			
U.S. DEPARTMENT OF EDUCATION									
Passed through IL State Board of Education									
Title I - Low Income (M)	84.010A	16-4300-00	-	1,001,264	-	1,000,083	-	1,000,083	1,199,635
Title I - Low Income (M)	84.010A	15-4300-00	778,065	112,071	732,634	157,502	-	890,136	1,063,119
Title III - Lang Inst Program - Limited Eng (LIPLEP)	84.365A	16-4909-00	-	99,556	-	85,813	-	85,813	175,675
Title III - Lang Inst Program - Limited Eng (LIPLEP)	84.365A	15-4909-00	80,152	10,860	78,290	12,722	-	91,012	141,562
Title III - Immigration Education Program	84.365A	16-4999-00	5,562	-	5,562	-	-	5,562	9,991
Title II - Teacher Quality	84.367A	16-4932-00	-	55,724	-	55,474	-	55,474	75,022
Title II - Teacher Quality	84.367A	15-4932-00	69,449	24,430	76,063	17,816	-	93,879	96,115
IDEA Flow-through	84.027A	16-4620-00	-	876,424	-	876,424	-	876,424	885,495
IDEA Flow-through	84.027A	15-4620-00	929,537	-	929,537	-	-	929,537	940,349
IDEA Preschool Flow-through	84.173A	16-4600-00	-	36,124	-	36,124	-	36,124	41,753
IDEA Preschool Flow-through	84.173A	15-4600-00	38,453	-	38,453	-	-	38,453	39,793
TOTAL U.S. DEPARTMENT OF EDUCATION			1,901,218	2,216,453	1,860,539	2,241,958	-	4,102,497	n/a
U.S. DEPARTMENT OF AGRICULTURE									
Passed through IL State Board of Education									
National school lunch program (M)	10.555	16-4210-00	-	1,367,918	-	1,367,918	-	1,367,918	n/a
National school lunch program (M)	10.555	15-4210-00	975,312	206,706	975,312	206,706	-	1,182,018	n/a
School Breakfast program (M)	10.553	16-4220-00	-	727,142	-	727,142	-	727,142	n/a
School Breakfast program (M)	10.553	15-4220-00	455,289	129,723	455,289	129,723	-	585,012	n/a
Fresh Fruits and Vegetables	10.582	15-4240-00	92,337	-	92,337	-	-	92,337	n/a
Commodities (non-cash)	10.555	2016	-	136,365	-	136,365	-	136,365	n/a
Commodities (non-cash)	10.555	2015	116,107	-	116,107	-	-	116,107	n/a
Child & Adult Care Food Program	10.558	16-4226-00	-	18,112	-	18,112	-	18,112	n/a
Child & Adult Care Food Program	10.558	15-4226-00	17,351	2,467	17,351	2,467	-	19,818	n/a
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,656,396	2,588,433	1,656,396	2,588,433	-	4,244,829	n/a
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES									n/a
Passed through IL Healthcare & Family Services									n/a
Medicaid Matching	93.778	2016-4900	-	87,776	-	87,776		87,776	n/a
Medicaid Matching	93.778	2015-4900	79,828	-	79,828	-		79,828	n/a
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			79,828	87,776	79,828	87,776		167,604	n/a
TOTAL FEDERAL AWARDS			3,637,442	4,892,662	3,596,763	4,918,167		12,927,363	n/a

BERWYN SOUTH SCHOOL DISTRICT 100

Notes to Schedule of Expenditures of Federal Awards June 30, 2016

Note 1 Accounting Basis

The schedule of expenditures of federal awards includes the federal grant activity of the Berwyn South School District 100 (District), and is presented on the modified cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), therefore some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The District has elected not to use the 10 percent de minimus indirect cost rate as allowed under the uniform guidance.

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

Revenues Per Schedule of Expenditures Of Federal Awards	\$4,892,662
Add-Medicaid Fees-For-Service Program	241,992
Minus Non-Cash Commodities	<u>(136,365)</u>
Total Federal Revenues Per Basic Financial Statements	<u>\$4,998,289</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.

BERWYN SOUTH SCHOOL DISTRICT 100

Summary of Findings and Questionable Costs June 30, 2016

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expressed an unqualified opinion on the basic financial statements of Berwyn South School District 100 for the year ended June 30, 2016.

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 were no audit findings relative to the major federal award programs for the District.
9. The programs tested as major programs include Title I (CFDA 84.010A) and the Child Nutrition Cluster (CFDA 10.553, 10.555 and 10.556).
10. The threshold for distinguishing Types A and B programs was \$750,000.
11. Berwyn South School District 100 was not determined to be a low-risk auditee.

BERWYN SOUTH SCHOOL DISTRICT 100

Summary of Findings and Questionable Costs
June 30, 2016

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no financial statements findings reported for the fiscal year ended June 30, 2016.

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

There were no federal award finding reported for the fiscal year ended June 30, 2016.

BERWYN SOUTH SCHOOL DISTRICT 100

Summary Schedule of Prior Audit Findings
June 30, 2016

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