

Berwyn South School District 100

Berwyn, Illinois

Annual Financial Report

Year Ended June 30, 2018

Berwyn South School District 100
Annual Financial Report
For the Year Ended June 30, 2018

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 - 59
Required Supplementary Information	
Schedule of Changes in Net Pension Liability and Related Ratios - OPEB	60
Schedule of the Employer's Proportionate share of Net Pension Liability - TRS	61
Schedule of Employer Contributions - TRS	61
Schedule of Changes in Net Pension Liability and Related Ratios - IMRF	62
Schedule of Employer Contributions - IMRF	63
Notes to the Schedule of Employer Contributions - IMRF	64
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	65 - 72
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Operations and Maintenance Fund	73
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Transportation Fund	74
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Municipal Retirement/Social Security Fund	75 - 76
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Projects Fund	77
Notes to the Required Supplementary Information	78 - 79

Berwyn South School District 100
Annual Financial Report
For the Year Ended June 30, 2018

TABLE OF CONTENTS

Supplementary Financial Information

General Fund	
Combining Balance Sheet	80
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	81
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	82 - 83
Statement of Changes in Assets and Liabilities - Agency Fund - Student Activity Funds	84
General Long-Term debt Schedule of General Obligation Bonds	85 - 88

Other Supplemental Information

Property Tax Rates and Levies - Last Five Tax Levy Years	89
Operating Costs and Tuition Charge - June 30, 2018 and 2017	90

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>	91 - 92
Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	93 - 95
Schedule of Expenditures of Federal Awards	96
Notes to Schedule of Expenditures of Federal Awards	97
Schedule of Findings and Questioned Costs	98 - 99
Summary Schedule of Prior Year Audit Findings	100

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, 2018, 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 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.

To the Board of Education
Berwyn South School District 100

Basis for Qualified Opinion

The District has omitted disclosures required by the Governmental Accounting Standards Board Statement 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The amount this disclosure would affect the basic financial statements is not reasonably determinable.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified 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, 2018, 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 60, the Teachers Retirement System Fund pension data on page 61 the Illinois Municipal Retirement Fund pension data on page 62-64, and budgetary comparison schedules and notes to the required supplementary information on pages 65 through 79 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.

The supplementary financial information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic


To the Board of Education
Berwyn South School District 100

financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial information for the year ended June 30, 2018 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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, 2017, 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 2017 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 2017 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 2017 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 November 29, 2018, 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 & Michalesko, Ltd.
Certified Public Accountants

November 29, 2018

Berwyn South School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2018
(Unaudited)

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, 2018. 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 from a deficit of approximately \$1 million to \$12.5 million in fiscal year 2018, primarily due to increases in long-term net pension liabilities and net OPEB liabilities.
- Total revenues increased by approximately \$8.6 million, primarily due to an increase in property tax revenue, to \$69.6 million in fiscal year 2018. This represents an increase of 12.3%. Property tax revenue accounts for 32.7% 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, 2018
(Unaudited)

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, 2018
(Unaudited)

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 \$11.7 million, which includes the prior period adjustment of \$23.6 million for the net OPEB liability for the THIS fund associated with implementation of GASB 75.
- As seen in Table 2, the District's total revenues were \$69.6 million.

Property taxes and state evidence based funding are still the major revenue sources for the District, representing approximately 62.6% 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 \$57.7 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, 2018
(Unaudited)

Table 1 Condensed Statement of Net Position		
	<u>2018</u>	<u>2017</u>
Current and other assets	33,588,726	23,658,875
Capital assets	<u>25,222,482</u>	<u>25,740,053</u>
Total assets	<u>58,811,208</u>	<u>49,398,928</u>
Deferred outflows of resources	<u>2,025,706</u>	<u>2,785,270</u>
Total assets and deferred outflows	<u>60,836,914</u>	<u>52,184,198</u>
Long-term debt outstanding	64,847,810	46,073,114
Other liabilities	<u>3,780,321</u>	<u>3,182,719</u>
Total liabilities	<u>68,628,131</u>	<u>49,255,833</u>
Deferred inflows of resources	<u>4,755,530</u>	<u>3,747,874</u>
Net position:		
Net investment in capital assets	13,137,482	13,490,053
Restricted	6,024,201	3,614,966
Unrestricted	<u>(31,708,430)</u>	<u>(17,924,528)</u>
Total net position	<u>(12,546,747)</u>	<u>(819,509)</u>
Total liabilities, deferred inflows and net position	<u>60,836,914</u>	<u>52,184,198</u>

Berwyn South School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2018
(Unaudited)

Table 2			
Changes in Net Position			
	<u>2018</u>	<u>2017</u>	<u>% Change</u>
Revenues:			
Program revenues:			
Charges for services	357,278	455,225	-27.4%
Operating/capital grants and contributions	23,004,333	23,817,044	-3.5%
General revenues:			
Taxes	23,050,987	17,467,106	24.2%
General state aid	22,841,669	18,116,817	20.7%
Sales of capital assets	-	548,768	0.0%
Other	350,984	650,130	-85.2%
Total revenues	<u>69,605,251</u>	<u>61,055,090</u>	12.3%
Expenses:			
Instruction	39,852,720	43,139,485	-8.2%
Pupil and instructional services	3,666,469	3,648,051	0.5%
Administration and business	7,121,765	6,611,821	7.2%
Transportation	1,368,102	1,454,086	-6.3%
Operations and maintenance	3,398,026	3,507,513	-3.2%
Other	2,295,978	2,694,402	-17.4%
Total expenses	<u>57,703,060</u>	<u>61,055,358</u>	-5.8%
Prior period adjustment for GASB 75- OPEB Liability - THIS	<u>(23,629,429)</u>	<u>-</u>	
Increase (decrease) in net position	<u><u>(11,727,238)</u></u>	<u><u>(268)</u></u>	

Financial Analysis of the District's Funds

The District's governmental funds balance increased from \$17.7 million to \$28.0 million. Revenues exceeded expenditures in the General Fund by \$9.2 million, in the Municipal Retirement Fund by \$371 thousand, in the Debt Service Fund by \$231 thousand, in the Operations and Maintenance Fund by \$429 thousand, in the Transportation Fund by \$344 thousand and expenditures exceeded revenues in the Capital Projects Fund by \$444 thousand. Overall, the District's government funds had a net increase in fund balance of \$10.3 million. The General Fund ended the fiscal year with a fund balance of \$21.8 million. There are no restrictions, commitments, or limitations on the fund balances of the District that would significantly affect the availability of fund resources for future use.

Berwyn South School District 100
 Management's Discussion and Analysis
 For the Year Ended June 30, 2018
 (Unaudited)

commitments, or limitations on the fund balances of the District that would significantly affect the availability of fund resources for future use.

General Fund Budgetary Highlights

The District amended the annual operating budget for the year ended June 30, 2018.

The District's final budget anticipated that revenues would exceed expenditures by \$4.5 million in the General Fund and \$4.5 million District as a whole. The actual results for the year show revenues over expenditures of \$9.4 million for the general fund.

Actual revenues were \$5.5 million than budgeted, primarily due to timeliness of property tax payments and both state and federal grants.

Budgeted expenditures were less than actual expenditures by \$72 thousand.

Capital Asset and Debt Administration

Capital Assets

By the end of fiscal 2018, the District has compiled a total investment of \$52,863,133 (\$25,222,482 net of accumulated depreciation). Total depreciation expense for the year was \$1,598,537, while additions to buildings, vehicles and equipment amounted to \$1,199,838. 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>2018</u>	<u>2017</u>	<u>% Change</u>
Land	3,997,483	3,997,483	0.0%
Construction in process	33,686	118,872	100.0%
Buildings	18,330,770	18,564,009	-1.3%
Equipment and vehicles	2,860,543	3,059,689	-7.0%
Total	<u>25,222,482</u>	<u>25,740,053</u>	-2.1%

Berwyn South School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2018
(Unaudited)

Capital Asset and Debt Administration (continued)

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

Long-term debt

At year-end, the District had \$34.7 million in general obligation bonds and other long-term debt outstanding.

The District continued to pay down its debt, retiring \$1,930,000 of existing bonds and \$518,640 of capital lease certificates.

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>2018</u>	<u>2017</u>	<u>% Change</u>
General obligation bonds and notes	34,735,000	36,665,000	-5.6%
Capital leases and other	<u>268,552</u>	<u>787,192</u>	-193.1%
Total	<u><u>35,003,552</u></u>	<u><u>37,452,192</u></u>	-7.0%

Berwyn South School District 100
Management's Discussion and Analysis
For the Year Ended June 30, 2018
(Unaudited)

Factors Bearing on the District's Future

The District's certified, paraprofessional, and custodial staffs are under contract through fiscal years 2019, 2019, and 2023 respectively. Property tax revenue increases are limited by increases in the Consumer Price Index. The voter approved referendum may prolong the district's ability to maintain current programs.

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

BASIC FINANCIAL STATEMENTS

BERWYN SOUTH SCHOOL DISTRICT 100
STATEMENT OF NET POSITION- GOVERNMENTAL ACTIVITIES
June 30, 2018

<u>ASSETS</u>	
Cash and investments	17,977,052
Receivable (net of allowance for uncollectibles):	
Property Taxes	14,560,713
Replacement taxes	56,448
Intergovernmental	926,217
Prepaid items	68,296
Capital assets:	
Land	3,997,483
Other capital assets, net of depreciation	<u>21,224,999</u>
Total assets	<u>58,811,208</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows of resources related to pensions	1,772,240
Deferred outflows of resources	<u>253,466</u>
Total assets and deferred outflows of resources	<u>60,836,914</u>
<u>LIABILITIES</u>	
Accounts payable	221,779
Salaries and wages payable	3,267,307
Payroll deductions payable	155,577
Interest payable	135,658
Long-term liabilities:	
Due within one year	2,475,792
Due after one year	<u>62,372,018</u>
Total liabilities	<u>68,628,131</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows of resources related to pensions	2,806,377
Deferred inflows of resources related to taxes	1,949,153
<u>NET POSITION</u>	
Net investment in capital assets	13,137,482
Restricted For:	
Debt Service	3,146,012
Student transportation	655,484
Retirement benefits	938,135
Operations and maintenance	1,284,570
Unrestricted	<u>(31,708,430)</u>
Total Net Position	<u>(12,546,747)</u>

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, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>PROGRAM REVENUES</u>		<u>Net (Expenses) Revenue and Changes in Net Position</u>
		<u>Changes for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities				
Instruction:				
Regular programs	17,113,145	355,630	1,434,935	(15,322,580)
Special programs	6,693,138	-	2,312,490	(4,380,648)
Other instructional programs	1,576,855	-	678,203	(898,652)
State retirement contributions	14,469,582	-	14,469,582	-
Support services:				
Pupils	2,196,768	-	-	(2,196,768)
Instructional staff	1,469,701	-	525,442	(944,259)
General administration	646,745	-	-	(646,745)
School administration	4,293,546	-	-	(4,293,546)
Business	2,181,474	1,648	2,542,071	362,245
Transportation	1,368,102	-	984,775	(383,327)
Operations and maintenance	3,398,026	-	-	(3,398,026)
Central	220	-	-	(220)
Other supporting services	50,115	-	56,835	6,720
Community services	223,452	-	-	(223,452)
Interest and fees	2,022,191	-	-	(2,022,191)
Total governmental activities	57,703,060	357,278	23,004,333	(34,341,449)

GENERAL REVENUES:

Taxes:	
Real estate taxes, levied for general purposes	15,141,546
Real estate taxes, levied for specific purposes	3,626,692
Real estate taxes, levied for debt service	3,979,348
Personal property replacement taxes	303,401
State aid-formula grants	22,841,669
Investment earnings	157,880
Other Revenues	193,104
Total general revenues	46,243,640
Change in net position	11,902,191
Net Position -Beginning	(819,509)
Prior period adjustment - Implementation of GASB 75:	
Net OPEB Liability - THIS Fund	(23,629,429)
Net Position - End	(12,546,747)

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, 2018
With Comparative Totals for June 30, 2017

	<u>General</u>	<u>Operations and Maintenance</u>	<u>Transportation</u>
<u>ASSETS</u>			
Cash and investments	15,961,031	299,693	286,163
Receivables (net of allowance for uncollectibles):			
Property taxes	9,719,587	1,189,021	437,749
Replacement taxes	56,448	-	-
Intergovernmental	707,831	-	218,386
Prepaid items	17,074	34,148	17,074
Total assets	<u>26,461,971</u>	<u>1,522,862</u>	<u>959,372</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Accounts payable	76,483	93,784	44,012
Salaries and wages payable	3,267,307	-	-
Payroll deductions payable	49,654	-	850
Total liabilities	<u>3,393,444</u>	<u>93,784</u>	<u>44,862</u>
Deferred Inflows of Resources			
Unearned revenue	1,281,403	110,360	259,026
Fund balances:			
Nonspendable	17,074	34,148	17,074
Restricted - Debt Service	-	-	-
Restricted - Student Transportation	-	-	638,410
Restricted - Retirement Benefits	-	-	-
Restricted - Operations & Maintenance	-	1,284,570	-
Unassigned	21,770,050	-	-
Total fund balance	<u>21,787,124</u>	<u>1,318,718</u>	<u>655,484</u>
Total liabilities and fund balance	<u>26,461,971</u>	<u>1,522,862</u>	<u>959,372</u>

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

Municipal Retirement/ Soc. Sec	Debt Service	Capital Projects	Total	
			2018	2017
420,475	852,753	156,937	17,977,052	12,222,113
686,447	2,527,909	-	14,560,713	9,463,610
-	-	-	56,448	60,417
-	-	-	926,217	1,847,690
-	-	-	68,296	65,045
<u>1,106,922</u>	<u>3,380,662</u>	<u>156,937</u>	<u>33,588,726</u>	<u>23,658,875</u>
-	-	7,500	221,779	119,928
-	-	-	3,267,307	2,616,485
105,073	-	-	155,577	315,627
<u>105,073</u>	<u>-</u>	<u>7,500</u>	<u>3,644,663</u>	<u>3,052,040</u>
<u>63,714</u>	<u>234,650</u>	<u>-</u>	<u>1,949,153</u>	<u>2,902,098</u>
-	-	-	68,296	48,784
-	3,146,012	-	3,146,012	2,736,370
-	-	-	638,410	311,622
938,135	-	-	938,135	566,974
-	-	-	1,284,570	857,669
-	-	149,437	21,919,487	13,183,318
<u>938,135</u>	<u>3,146,012</u>	<u>149,437</u>	<u>27,994,910</u>	<u>17,704,737</u>
<u>1,106,922</u>	<u>3,380,662</u>	<u>156,937</u>	<u>33,588,726</u>	<u>23,658,875</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, 2018

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

Total fund balances - governmental funds	27,994,910
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.	25,222,482
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	(135,658)
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.	253,466
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	1,772,240
Deferred inflows of resources related to pensions	(2,806,377)
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>(64,847,810)</u>
Net Position - governmental activities	<u><u>(12,546,747)</u></u>

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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	<u>General</u>	<u>Operations and Maintenance</u>	<u>Transportation</u>
Revenues			
Property Taxes	15,141,546	1,874,614	683,399
Replacement taxes	303,401	-	-
State aid	37,466,023	1,600,000	984,775
Federal aid	5,373,936	-	-
Interest	157,338	-	-
Other	486,624	73,197	11,829
Total revenues	<u>58,928,868</u>	<u>3,547,811</u>	<u>1,680,003</u>
Expenditures			
Current:			
Instruction:			
Regular programs	15,360,792	-	-
Special programs	6,285,832	-	-
Other instructional programs	1,563,721	-	-
State retirement contributions	14,469,582	-	-
Support services:			
Pupils	2,150,892	-	-
Instructional staff	1,397,548	-	-
General administration	631,599	-	-
School administration	4,166,950	-	-
Business	2,148,446	-	-
Transportation	-	-	1,283,787
Operations and maintenance	33,057	3,053,042	-
Central	-	-	-
Other supporting services	50,115	-	-
Community services	222,625	-	-
Nonprogrammed charges	199,554	-	-
Debt service:			
Principal	-	-	-
Interest and other	-	-	-
Capital outlay	888,460	66,243	52,354
Total expenditures	<u>49,569,173</u>	<u>3,119,285</u>	<u>1,336,141</u>
Excess (deficiency) of revenues over expenditures	9,359,695	428,526	343,862
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	(778,872)	-	-
Sales of capital assets	-	-	-
Bond Proceeds	-	-	-
Transfer to Escrow	-	-	-
Other sources	-	-	-
Total other financing sources (uses)	<u>(778,872)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	8,580,823	428,526	343,862
Fund balance, beginning of year	13,206,301	890,192	311,622
Fund balance, end of year	<u>21,787,124</u>	<u>1,318,718</u>	<u>655,484</u>

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

			Total	
Municipal Retirement/ Soc. Sec	Debt Service	Capital Projects	2018	2017
1,068,679	3,979,348	-	22,747,586	17,105,870
-	-	-	303,401	361,236
400,000	-	-	40,450,798	36,880,740
-	-	-	5,373,936	5,023,158
-	542	-	157,880	68,739
-	-	-	571,650	1,066,579
<u>1,468,679</u>	<u>3,979,890</u>	<u>-</u>	<u>69,605,251</u>	<u>60,506,322</u>
206,696	-	-	15,567,488	15,646,610
207,752	-	-	6,493,584	6,793,337
13,134	-	-	1,576,855	1,445,943
-	-	-	14,469,582	15,770,673
45,876	-	-	2,196,768	2,133,850
72,153	-	-	1,469,701	1,514,201
15,146	-	-	646,745	701,920
126,596	-	-	4,293,546	4,002,526
33,028	-	-	2,181,474	2,236,375
84,315	-	-	1,368,102	1,454,086
291,775	-	20,152	3,398,026	3,507,513
220	-	-	220	569
-	-	-	50,115	91,502
827	-	-	223,452	287,604
-	-	-	199,554	178,085
-	2,098,862	-	2,098,862	2,437,308
-	1,650,258	-	1,650,258	1,593,676
-	-	423,688	1,430,745	405,997
<u>1,097,518</u>	<u>3,749,120</u>	<u>443,840</u>	<u>59,315,077</u>	<u>60,201,775</u>
371,161	230,770	(443,840)	10,290,174	304,547
-	178,872	600,000	778,872	1,686,245
-	-	-	(778,872)	(1,686,245)
-	-	-	-	548,768
-	-	-	-	9,077,106
-	-	-	-	(1,710,000)
-	-	-	-	(360,000)
-	178,872	600,000	-	7,555,874
371,161	409,642	156,160	10,290,174	7,860,421
566,974	2,736,370	(6,723)	17,704,736	9,844,316
<u>938,135</u>	<u>3,146,012</u>	<u>149,437</u>	<u>27,994,910</u>	<u>17,704,737</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	10,290,174
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.	(517,572)
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.	2,437,354
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	2,450,685
Change in deferred outflows and inflows related to pensions.	(2,386,517)
Accrued interest due in one year does not require the expenditure of current financial resources of governmental funds.	<u>(4,979)</u>
Change in net position - governmental activities	<u><u>11,902,191</u></u>

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, 2018

	<u>ASSETS</u>	
Cash and investments		<u>43,684</u>
	<u>LIABILITIES</u>	
Due to student groups		<u>43,684</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, 2018

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, 2018

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 District considers all funds as major funds.

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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.

P. GASB Pronouncements

The District adopted the provisions of GASB statement No. 75 –Accounting and Financial Reporting for Postemployment Benefits other than Pensions. These statements establish accounting and financial reporting standards for the activities of OPEB plans that are administered through trusts and meet certain criteria. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. The statements also require enhanced note disclosures and schedules of other supplemental information

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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	\$ (34,735,000)
Leases	(268,552)
Compensated absences	(356,684)
Net Pension Liability - TRS	(5,179,387)
Net Pension Liability - IMRF	(812,149)
Net OPEB liability - THIS	(22,385,014)
Net Post-employment benefit obligation liability	(1,399,474)
Unamortized discounts	<u>288,450</u>
Net adjustments to reduce fund balance -	
Total governmental funds to arrive at	
Net Position - governmental activities	<u>\$(64,847,810)</u>

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS June 30, 2018

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

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

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

Net capital outlay	\$ 1,080,965
Depreciation expense	<u>(1,598,537)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	<u>\$ (517,572)</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	\$ 1,930,000
Leases	518,640
Principal issued:	
Compensated absences	<u>(11,286)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position - governmental activities.	<u>\$2,437,354</u>

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 3 DEPOSITS AND INVESTMENTS

At June 30, 2018, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash	<u>\$17,977,052</u>	<u>\$43,684</u>	<u>\$18,020,736</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.

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, 2018, the bank balance of the District's deposits with financial institutions totaled \$19,833,686. As of June 30, 2018, 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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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 20, 2017. 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 2.9627 for 2017.

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 2017 tax levy was \$467,766,208.

Property taxes are collected by the Cook County Treasurer who remits them to the School Treasurer. Taxes levied in one year become due and payable in two installments on March 1 and approximately August 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 2017 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, 2018

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	3,997,483	-	-	3,997,483
Construction in Process	<u>118,872</u>	<u>33,686</u>	<u>118,872</u>	<u>33,686</u>
Total capital assets not being depreciated	<u>4,116,355</u>	<u>33,686</u>	<u>118,872</u>	<u>4,031,169</u>
Capital assets, being depreciated				
Land improvements	1,544,113	-	-	1,544,113
Buildings and building improvements	33,488,673	508,874	-	33,997,547
Equipment	12,205,335	604,924	-	12,810,259
Transportation equipment	<u>427,691</u>	<u>52,354</u>	-	<u>480,045</u>
Total capital assets, being depreciated	<u>47,665,812</u>	<u>1,166,152</u>	<u>-</u>	<u>48,831,964</u>
Less accumulated depreciation for:				
Land improvements	597,775	72,340	-	670,115
Buildings and building improvements	15,871,002	669,773	-	16,540,775
Equipment	9,233,937	845,272	-	10,079,209
Transportation equipment	<u>339,400</u>	<u>11,152</u>	-	<u>350,552</u>
Total accumulated depreciation	<u>26,042,114</u>	<u>1,598,537</u>	<u>-</u>	<u>27,640,651</u>
Total capital assets, being depreciated, net	<u>21,623,698</u>	<u>(432,385)</u>	<u>-</u>	<u>21,191,313</u>
Governmental activities, capital assets, net	<u>25,740,053</u>	<u>(398,699)</u>	<u>118,872</u>	<u>25,222,482</u>

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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	\$1,126,650
Special programs	92,403
Bilingual programs	26,654
Support services	
Pupils	2,900
Instructional staff	23,125
General administration	2,900
School administration	223,249
Business administration	27,971
Operations and maintenance	54,824
Transportation	<u>17,861</u>
Total depreciation from governmental activities	<u>\$1,598,537</u>

NOTE 6 LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2018:

	July 1, <u>2017</u>	<u>Additions</u>	<u>Retirements</u>	June 30, <u>2018</u>
General obligation bonds	36,665,000	-	1,930,000	34,735,000
Unamortized premium (discount)	<u>(321,756)</u>	-	<u>(33,306)</u>	<u>(288,450)</u>
Total bonds payable	36,343,244	-	1,896,694	34,446,550
Capital leases	787,192	-	518,640	268,552
Net pension liability	8,514,564	-	2,523,028	5,991,536
Net OPEB liability - THIS	23,629,429	-	1,244,415	22,385,014
Net OPEB liability	82,716	1,316,758	-	1,399,474
Compensated absences	<u>345,398</u>	<u>356,684</u>	<u>345,398</u>	<u>356,684</u>
Total long-term liabilities	<u>69,702,543</u>	<u>1,673,442</u>	<u>6,528,175</u>	<u>64,847,810</u>

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS June 30, 2018

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	2,335,000
Capital leases	<u>140,792</u>
	<u>2,475,792</u>

The summary of bonds payable at June 30, 2018 is as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Carrying Amount</u>
Limited School Bonds - dated September 1, 2009A	2.75% - 4.50%	1,860,000
Taxable Limited School Bonds - dated September 1, 2009B	1.60% - 6.00%	3,975,000
Refunding School Bonds - dated September 1, 2009C	4.60%	565,000
Taxable Refunding School Bonds - dated September 1, 2009D	6.15% - 6.35%	1,785,000
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%	7,820,000
Refunding School Bonds - dated September 1, 2014	2.00% - 4.00%	5,515,000
Taxable Limited School Bonds - dated November 15, 2016A	4.00%	4,580,000
Taxable Limited School Bonds - dated November 15, 2016B	3.10% - 3.75%	<u>4,490,000</u>
		<u>34,735,000</u>

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS June 30, 2018

NOTE 6 LONG-TERM LIABILITIES (continued)

A. General Obligation Bonds Payable (continued)

At June 30, 2018, the District's future cash flow requirements for retirement of bond principal and interest were as follows:

Year Ending <u>June 30</u>	<u>Prinicipal</u>	<u>Interest</u>	<u>Total</u>
2019	2,335,000	1,532,671	3,867,671
2020	2,590,000	1,420,645	4,010,645
2021	2,690,000	1,308,894	3,998,894
2022	3,190,000	1,207,906	4,397,906
2023	3,395,000	1,003,386	4,398,386
2023-2027	11,185,000	2,919,762	14,104,762
2028-2032	5,630,000	1,299,109	6,929,109
2033-2036	3,720,000	218,800	3,938,800
	<u>34,735,000</u>	<u>10,911,173</u>	<u>45,646,173</u>

On November 15, 2016 the District issued \$4,580,000 of General Obligation Limited Tax Bonds, Series 2016A and \$4,490,000 Taxable General Obligation Limited Tax Bonds, Series, 2016B, to finance construction projects of the District and to partially advance refund \$205,000 of Series 2009A, and \$775,000 of series 2009B. and \$730,000 of Series 2009D Bonds. Proceeds of \$7,000,000 were deposited in the Working Cash Account, the remaining amount of \$1,710,000, after payment of \$360,000 in underwriting fees and other issuance costs were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the above-mentioned portion of the Series 2009A, 2009B, and 2009D bonds. As a result, the refunded portion of those bonds is considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position.

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$852,753 in Debt Service Fund to service the outstanding bonds payable.

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, 2018, the statutory debt limit for the District was \$32,275,868, and the District exceeded its debt limitation by \$2,727,684.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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 \$21,025,000 of defeased bonds outstanding at June 30, 2018.

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. Equipment of \$4,590,641 was capitalized as a result of capital leases, with \$2,647,787 of related accumulated amortization. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 are as follows:

Year Ending	<u>Amount</u>
<u>June 30</u>	
2019	147,037
2020	<u>130,764</u>
Total minimum lease payments	277,801
Less: amount representing interest	<u>(9,249)</u>
Present value of minimum lease payments	<u>268,552</u>

NOTE 7 OPERATING LEASES

The District is currently obligated under operating lease agreements for office equipment. Lease payments for the fiscal year ended June 30, 2018 were \$782,908. The annual future obligation for the District is as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2019	759,303
2020	567,891
2021	113,267

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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 non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2017>; by writing to TRS at 2815 West Washington Street, P O Box 19253, Springfield, IL 62794 or by calling (888) 678-3675, 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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 RETIREMENT FUND COMMITMENTS

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

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.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2017, was 9.0 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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 RETIREMENT FUND COMMITMENTS

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

On behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2018, 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 \$14,234,556 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, 2018 were \$115,706, and are deferred because they were paid after the June 30, 2017 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 Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018. Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$429,943 were paid from federal and special trust funds that required employer contributions of \$43,424. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

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 ERO. The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016, is 146.5 percent and applies when the member is age 55 at retirement. For the year ending June 30, 2018, the district paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 RETIREMENT FUND COMMITMENTS

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

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2018, the district paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2018, 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 follows below:

Employer's proportionate share of the net pension liability	5,179,387
State's proportionate share of the net pension liability associated with the employer	<u>144,637,766</u>
Total	<u><u>149,817,153</u></u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. 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, 2017, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2017, the employer's proportion was .006779 percent, which was an increase (decrease) of (.0015) from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the employer recognized pension expense of \$14,234,556 and revenue of \$14,234,556 for support provided by the state. At June 30, 2018, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 RETIREMENT FUND COMMITMENTS

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	56,254	2,391
Net difference between projected and actual earnings on pension plan investments	3,553	-
Changes of assumptions	345,687	148,831
Changes in proportion and differences between employer contributions and proportionate share of contributions	432,493	785,854
Employer contributions subsequent to the measurement date	159,130	-
Total	997,117	937,076

\$159,130 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year ended June 30:	
2019	(64,262)
2020	159,728
2021	(58,294)
2022	(122,956)
2023	(13,304)

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS June 30, 2018

NOTE 9 RETIREMENT FUND COMMITMENTS

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

Actuarial assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014. The same assumptions were used in the June 30, 2016 actuarial valuation.

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:

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 RETIREMENT FUND COMMITMENTS

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S. bonds core	10.7%	2.44%
International debt developed	5.3%	1.70%
Real estate	15.0%	5.44%
Commodities (real return)	11.0%	4.28%
Hedge funds (absolute return)	8.0%	4.16%
Private equity	14.0%	10.63%
Total	<u>100%</u>	

Discount rate

At June 30, 2017, the discount rate used to measure the total pension liability was 7.0 percent, which was a change from the June 30, 2016 rate of 6.83 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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 RETIREMENT FUND COMMITMENTS

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

Based on those assumptions, TRS's fiduciary net position at June 30, 2017 was projected to be available to make all projected future benefit payments to 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. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well because TRS's fiduciary net position and the subsidy provided by Tier II were not 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	6,363,553	5,179,387	4,209,456

TRS fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2017 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 RETIREMENT FUND COMMITMENTS

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.

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 1.18 percent of pay during the year ended June 30, 2018. State of Illinois contributions were \$235,026, 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 the THIS Fund. The employer THIS Fund contribution was 0.88 percent during the year ended June 30, 2018. For the year ended June 30, 2018, the district paid \$175,273 to the THIS Fund, which was 100 percent of the required contribution.

The Total THIS OPEB Liability ("TOL") is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The TOL as of June 30, 2017 is \$22,385,014.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 RETIREMENT FUND COMMITMENTS

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.

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.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 RETIREMENT FUND COMMITMENTS

C. Illinois Municipal Retirement Fund

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.

Employees Covered by Benefit Terms

At December 31, 2017, the following employees were covered by the benefit terms:

	Number of
Retirees and Beneficiaries	123
Inactive, Non-Retired Members	247
Active Members	117
Total	<u>487</u>
Covered Valuation Payroll	\$ 4,232,404

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 RETIREMENT FUND COMMITMENTS

C. Illinois Municipal Retirement Fund

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 2017 was 10.87%. For the calendar year ended December 31, 2017, the District contributed \$459,990 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, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 RETIREMENT FUND COMMITMENTS

C. Illinois Municipal Retirement Fund

Actuarial Assumptions

- 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, 2018

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 as of December 31, 2017:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65-7.35%
Cash Equivalents	<u>1%</u>	2.25%
Total	100%	

Single Discount Rate

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

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

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS June 30, 2018

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 3.78%, and the resulting single discount rate is 7.50%.

Changes in the Net Pension Liability

	Total Pension Liability <u>(A)</u>	Plan Fiduciary Net Position <u>(B)</u>	Net Pension Liability <u>(A) - (B)</u>
Balances at December 31, 2016	18,507,729	15,727,212	2,780,517
Changes for the year:			-
Service Cost	464,214	-	464,214
Interest on the Total Pension Liability	1,370,984	-	1,370,984
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(419,706)	-	(419,706)
Changes of Assumptions	(542,954)	-	(542,954)
Contributions - Employer	-	459,990	(459,990)
Contributions - Employees	-	194,210	(194,210)
Net Investment Income	-	2,751,091	(2,751,091)
Benefit Payments, including Refunds of Employee Contributions	(920,096)	(920,096)	-
Other (Net Transfer)	-	(564,385)	564,385
Net Changes	<u>(47,558)</u>	<u>1,920,810</u>	<u>(1,968,368)</u>
Balances at December 31, 2017	<u>18,460,171</u>	<u>17,648,022</u>	<u>812,149</u>

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS June 30, 2018

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 7.50%, 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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability/(Asset)	2,956,059	812,149	(927,697)

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

For the year ended June 30, 2018, the District recognized pension expense of \$653,269. At June 30, 2018, 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
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	22,100	252,725
Changes of assumptions	-	334,427
Net difference between projected and actual earnings on pension plan investments	503,786	1,282,149
Total deferred amounts to be recognized in pension expense in future periods	525,886	1,869,301
<i>Pension contributions made subsequent to the measurement date</i>	249,237	-
Total deferred amounts related to pensions	775,123	1,869,301

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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:

2018	(425,709)
2019	(293,488)
2020	(303,680)
2021	(320,538)
2022	-

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 2017, there were 14 retirees who accessed postemployment benefits through the District, 26 active employees were fully eligible to retire, and 346 active employees were not yet fully eligible to retire.

Funding Policy. The District pays 100% of the premium amounts set by the District's insurance cooperative. For fiscal year 2018, the District contributed \$122,202 toward the cost of the postemployment benefits for retirees.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

At June 30, 2018, the following employees were covered by the benefit terms:

Number of	
Retirees and Beneficiaries	9
Active Members	452
Total	461

The net other post-employment benefit liability (NOL) was measured on June 30, 2018.

Actuarial Assumptions

The following are the methods and assumptions used to determine total NOL as of June 30, 2018:

Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50%
Salary Rate Increase	4.00%
Discount Rate	2.98%
Funded Ratio	0.00%
(Fiduciary Net Position as a percentage of Total OPEB Liability)	
Initial Health Care Cost Trend Rate	5.5%
Ultimate Health Care Cost Trend Rate	5.00%

Discount Rate

The discount rate under GASB 75 is required to be a blend of the long-term expected rate of return to the extent funded and the 20 year municipal bond rate. Specifically, an initial projection is made using the long-term ROR on irrevocable OPEB plan assets and, as long as the plan's net position and projected contributions associated with current participants are expected to fully cover projected benefit payments, this long-term rate may be used. For years in which the net position is not projected to cover projected benefit payments, the discount rate used is equal to the 20 year municipal bond yield or index. A single discount rate is then determined as a blend of the two rates, which produces the same discounted present value of benefits as the dual rate calculation. Since the District does not pre-fund plan liabilities, the discount rate used is equal to the 20 year municipal bond rate. This rate was 2.98% as of June 30, 2018.

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

Reconciliation of Total OPEB Liability

The Total OPEB Liability (“TOL”) is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The following represents a reconciliation of the TOL from the beginning of the Fiscal Year (July 1, 2017) to the end of the Fiscal Year (June 30, 2018). The TOL as of June 30, 2018 is as follows:

	Total OPEB Liability
Balances at June 30, 2017	1,303,864
Changes for the year:	
Service Cost	99,461
Interest	37,034
Differences Between Expected and Actual Experience	34,695
Changes of Assumptions	-
Contributions - Employer	-
Benefit payments	(122,202)
Other (Net Transfer)	46,622
Net Changes	95,610
Balances at June 30, 2018	1,399,474

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Total OPEB Liability, calculated using a Single Discount Rate of 2.98%, 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:

	<u>1% Decrease (1.98%)</u>	<u>Current Discount Rate (2.98%)</u>	<u>1% Increase (3.98%)</u>
Net Pension Liability/(Asset)	1,329,363	1,399,474	1,472,458

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS June 30, 2018

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

Differences between expected and actual experience, assumption changes, and projected and actual earnings, are amortized over their respective periods as discussed in the prior section. The amounts left to be amortized in the future are reported as deferred inflows and outflows of resources.

The table below summarizes the current balances of collective deferred inflows and outflows of resources along with the net recognition through annual expense over future years.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	-
Changes of assumptions	76,455	2,112
Net difference between projected and actual earnings on pension plan investments	-	
Employer contributions subsequent to the measurement date	-	-
Total	76,455	2,112

Amounts reported as deferred inflows and outflows of resources will be recognized in the OPEB expense as follows:

Year ended June 30:	
2019	\$ 6,973
2020	6,973
2021	6,973
2022	6,973
2023	6,973
Thereafter	\$ 25,531

Berwyn South School District 100

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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. Settlements have not exceeded coverages for each of the past three fiscal years.

NOTE 12 REQUIRED INDIVIDUAL FUND DISCLOSURES

During the current fiscal year, the District transferred \$178,872 from the Education Fund to the Debt Service Fund to cover principal and interest payments on capital leases. The Working Cash Account transferred \$600,000 to the Capital Projects Fund to cover expenses of the fund.

NOTE 13 CONTINGENCIES

A. Litigation.

The District is involved in litigation arising in the ordinary course of business. It is the opinion of management, based on consultation with counsel, that liabilities arising from these proceedings, if any, will not be material to the District's financial position.

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

SCHEDULES OF OTHER SUPPLEMENTARY INFORMATION - OPEB
MULTIYEAR SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30

Calendar year ending December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total OPEB Liability				
Service Cost	99,461	-	-	-
Interest on the Total Pension Liability	37,034	-	-	-
Benefit Changes	-	-	-	-
Difference between Expected and Actual Experience	-	-	-	-
Assumption Changes	34,695	-	-	-
Other changes	46,622	-	-	-
Benefit Payments	<u>(122,202)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Total Pension Liability	95,610	-	-	-
Total Pension Liability - Beginning	<u>1,303,864</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Pension Liability - Ending (a)	<u>1,399,474</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position				
Employer Contributions	-	-	-	-
Net Investment Income	-	-	-	-
Benefit payments	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	-	-	-	-
Plan Fiduciary Net Position - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Ending (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB Liability (Asset) - Ending (a) - (b)	1,399,474	-	-	-
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	0.00%	-	-	-
Current Valuation Payroll	22,615,652	-	-	-
Net Pension Liability as a Percentage of Covered Valuation Payroll	6.19%	-	-	-

The District Implemented GASB 75 in fiscal year ended June 30, 2018, therefore 10 years of information not yet 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, 2018

	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Employer's proportion of the net pension liability	0.67790%	0.00794%	0.00794%	0.00621%
Employer's proportionate share of the net pension liability	\$ 5,179,387	\$ 5,734,047	\$ 5,202,524	\$ 3,780,672
State's proportionate share of the net pension liability associated with the employer	<u>144,637,766</u>	<u>158,334,766</u>	<u>128,487,052</u>	<u>124,588,837</u>
Total	\$ <u>149,817,153</u>	\$ <u>164,068,813</u>	\$ <u>133,689,576</u>	\$ <u>128,369,509</u>
Employer's covered-employee payroll	\$ 19,917,411	\$ 19,753,044	\$ 19,941,524	\$ 19,901,240
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	26.0%	29.0%	26.1%	19.0%
Plan fiduciary net position as a percentage of the total pension liability	39.3%	36.4%	41.5%	43.0%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Statutorily-required contribution	159,130	281,105	294,891	262,211
Contributions in relation to the statutorily-required contributions	<u>(159,130)</u>	<u>(281,105)</u>	<u>(294,891)</u>	<u>(262,211)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	19,917,411	19,753,044	19,941,524	19,901,240
Contributions as a percentage of covered-employee payroll	0.80%	1.42%	1.48%	1.32%

Notes to Required Supplementary Information

Changes of assumptions

For the 2017 and 2016 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

The District Implemented GASB 68 in fiscal year ended June 30, 2015, therefore 10 years of information not yet available.

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Service Cost	464,214	459,963	454,847	481,384
Interest on the Total Pension Liability	1,370,984	1,293,609	1,225,703	1,110,727
Benefit Changes	-	-	-	-
Difference between Expected and Actual Experience	(419,706)	125,206	(7,684)	(28,930)
Assumption Changes	(542,954)	(42,424)	20,501	699,859
Benefit Payments and Refunds	<u>(920,096)</u>	<u>(785,762)</u>	<u>(746,665)</u>	<u>(643,209)</u>
Net Change in Total Pension Liability	(47,558)	1,050,592	946,702	1,619,831
Total Pension Liability - Beginning	<u>18,507,729</u>	<u>17,457,137</u>	<u>16,510,435</u>	<u>14,890,604</u>
Total Pension Liability - Ending (a)	<u>18,460,171</u>	<u>18,507,729</u>	<u>17,457,137</u>	<u>16,510,435</u>
Plan Fiduciary Net Position				
Employer Contributions	459,990	485,776	471,329	464,190
Employee Contributions	194,210	195,884	193,571	191,483
Pension Plan Net Investment Income	2,751,091	1,021,881	73,972	848,324
Benefit payments and Refunds	(920,096)	(785,762)	(746,665)	(643,209)
Other	<u>(564,385)</u>	<u>16,909</u>	<u>(35,011)</u>	<u>73,813</u>
Net Change in Plan Fiduciary Net Position	1,920,810	934,688	(42,804)	934,601
Plan Fiduciary Net Position - Beginning	<u>15,727,212</u>	<u>14,792,524</u>	<u>14,835,328</u>	<u>13,900,727</u>
Plan Fiduciary Net Position - Ending (b)	<u>17,648,022</u>	<u>15,727,212</u>	<u>14,792,524</u>	<u>14,835,328</u>
Net Pension Liability (Asset) - Ending (a) - (b)	812,149	2,780,517	2,664,613	1,675,107
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.60%	81.98%	84.74%	89.65%
Current Valuation Payroll	4,232,404	4,250,342	4,171,052	3,941,966
Net Pension Liability as a Percentage of Covered Valuation Payroll	19.19%	65.42%	63.88%	42.49%

The District Implemented GASB 68 in fiscal year ended June 30, 2015, therefore 10 years of information not yet available.

BERWYN SOUTH SCHOOL DISTRICT 100

SCHEDULE OF EMPLOYER CONTRIBUTIONS - IMRF

MOST RECENT CALENDAR YEAR

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	446,231	464,190	(17,959)	3,941,966	11.78%
2015	471,329	471,329	-	4,171,052	11.30%
2016	479,864	485,776	(5,912)	4,250,342	11.43%
2017	458,793	459,990	(1,197)	4,232,404	10.87%

The District Implemented GASB 68 in fiscal year ended June 30, 2015, therefore 10 years of information not yet available.

BERWYN SOUTH SCHOOL DISTRICT 100

NOTES TO SCHEDULE OF CONTRIBUTIONS - IMRF

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2017 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 2016 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age = normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	27 year closed period
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.50%
Price Inflation	2.75%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% 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 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	RP-2014 Blue Collar Health Annuitant Mortality Table adjusted to match current IMRF experience. For disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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.

Other Information

Notes

There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation; note two year lag between valuation and rate setting.

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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance from Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local Sources					
General levy	10,689,706	10,288,692	14,750,197	4,461,505	9,999,784
Special Education	102,656	102,656	391,349	288,693	102,459
Corporation Personal Property Replacement taxes	279,772	307,370	303,401	(3,969)	361,236
Summer School - Tuition From Pupils Or Parents (In State)	25,000	27,000	21,268	(5,732)	36,407
Earnings on investments	69,900	144,900	157,338	12,438	68,082
Sales to pupils - Lunch	100	-	-	-	283
Sales to adults	1,000	1,500	1,648	148	966
Fees	115,000	115,000	191,742	76,742	223,901
Other - textbooks	240,000	100,000	163,888	63,888	230,075
Contributions and Donation	35,000	20,000	5,311	(14,689)	41,903
Refund of Prior Years' Expenditures	25,000	45,000	5,042	(39,958)	57,917
Other	55,000	76,000	97,725	21,725	32,143
Total local sources	11,638,134	11,228,118	16,088,909	4,860,791	11,155,156
State sources					
Evidence Based Funding	18,669,678	20,751,369	20,841,669	90,300	17,116,817
Special Education - Private Facility Tuition	533,457	617,494	610,407	(7,087)	643,480
Special Education - Extraordinary	284,328	284,328	142,164	(142,164)	570,589
Special Education - Personnel	412,260	412,260	206,130	(206,130)	866,334
Special Education - Summer School	39,644	39,644	39,644	-	-
Bilingual Education - Downstate - TPI and TPE	247,120	336,004	380,452	44,448	123,748
State Free Lunch and Breakfast	30,000	40,000	45,601	5,601	13,300
School Breakfast Initiative	-	-	-	-	-
Early Childhood - Block Grant	526,940	625,636	673,539	47,903	322,538
Flowthrough Revenue from State Sources	-	6,180	-	(6,180)	-
Other State sources	-	54,385	56,835	2,450	-
Total state sources	20,743,427	23,167,300	22,996,441	(170,859)	19,656,806
Federal sources					
National School Lunch Program	1,600,000	1,600,000	1,556,530	(43,470)	1,512,043
NSLP Equipment Grant	29,513	29,513	29,513	-	-
Special Breakfast Program	650,000	733,514	816,928	83,414	753,407
Fresh Fruits & Vegetables	94,177	94,177	73,399	(20,778)	68,168
Child & Adult Care Food Program	20,225	20,225	20,100	(125)	20,469
Title 1 - Low Income	1,241,249	1,140,161	1,137,381	(2,780)	986,324

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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance from Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Revenues (continued)					
Federal sources (continued)					
Fed - Sp Ed - Pre-school Flow Through	39,329	42,576	39,475	(3,101)	44,899
Fed - Sp Ed - I.D.E.A. Flow Through	897,422	907,568	883,571	(23,997)	900,282
Fed - Sp Ed - I.D.E.A. Room and Board	-	1,683	1,683	-	6,784
Emergency Immigrant Assistance	-	920	4,664	3,744	2,405
Title III - English Language Acquisition	104,424	118,692	105,804	(12,888)	122,375
Title IV	27,441	13,299	13,299	-	-
Title II - Teacher Quality	81,474	120,708	144,990	24,282	73,380
Medicaid Matching Funds - Administrative Outreach	65,000	65,000	115,384	50,384	100,101
Medicaid Matching Funds - Fee-For-Service Program	230,000	230,000	168,228	(61,772)	223,254
Other federal sources	309,144	303,000	262,987	(40,013)	196,067
Total federal sources	<u>5,389,398</u>	<u>5,421,036</u>	<u>5,373,936</u>	<u>(47,100)</u>	<u>5,009,958</u>
Total revenues	<u>37,770,959</u>	<u>39,816,454</u>	<u>44,459,286</u>	<u>4,642,832</u>	<u>35,821,920</u>
Expenditures					
Instruction					
Regular programs					
Salaries	12,474,977	12,669,062	13,252,570	583,508	12,464,007
Employee benefits	2,232,748	2,213,592	2,187,464	(26,128)	2,263,966
Purchased services	500,125	558,732	504,011	(54,721)	475,788
Supplies and materials	415,603	280,515	247,113	(33,402)	220,032
Capital outlay	247,544	160,920	17,054	(143,866)	213,405
Other objects	-	7,486	-	(7,486)	7,486
Non-capitalized equipment	53,400	57,200	41,040	(16,160)	22,100
Total regular programs	<u>15,924,397</u>	<u>15,947,507</u>	<u>16,249,252</u>	<u>301,745</u>	<u>15,666,784</u>
Special education programs					
Salaries	4,133,584	3,946,127	3,940,104	(6,023)	4,128,202
Employee benefits	998,132	1,033,451	1,029,175	(4,276)	996,019
Purchased services	179,635	187,437	153,825	(33,612)	142,555
Supplies and materials	39,700	36,779	26,374	(10,405)	31,909
Capital outlay	2,800	1,087	-	(1,087)	4,066
Other objects	1,000,000	1,109,504	1,136,354	26,850	1,285,213
Non-capitalized equipment	-	-	-	-	-
Termination benefits	-	-	-	-	-
Total special education programs	<u>6,353,851</u>	<u>6,314,385</u>	<u>6,285,832</u>	<u>(28,553)</u>	<u>6,587,964</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance from Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Expenditures (continued)					
Remedial and Supplemental Programs K-12					
Salaries	455,110	479,110	420,729	(58,381)	410,898
Employee benefits	173,332	53,690	41,666	(12,024)	132,752
Purchased services	309,435	490,257	514,227	23,970	344,596
Supplies and materials	27,300	103,882	59,750	(44,132)	61,472
Non-capitalized equipment	-	-	-	-	-
Total remedial and supp. programs K-12	<u>965,177</u>	<u>1,126,939</u>	<u>1,036,372</u>	<u>(90,567)</u>	<u>949,718</u>
Gifted programs					
Salaries	45,000	45,000	39,572	(5,428)	33,972
Employee benefits	609	848	570	(278)	504
Purchased services	4,900	4,900	4,525	(375)	550
Supplies and materials	5,500	5,500	208	(5,292)	2,007
Other objects	-	-	-	-	-
Total gifted programs	<u>56,009</u>	<u>56,248</u>	<u>44,875</u>	<u>(11,373)</u>	<u>37,033</u>
Bilingual programs					
Salaries	402,000	402,000	408,090	6,090	385,990
Employee benefits	7,779	8,112	8,126	14	7,669
Purchased services	20,505	30,905	23,061	(7,844)	20,807
Supplies and materials	33,370	51,382	43,197	(8,185)	32,148
Capital outlay	-	-	-	-	-
Total bilingual programs	<u>463,654</u>	<u>492,399</u>	<u>482,474</u>	<u>(9,925)</u>	<u>446,614</u>
Total instruction	<u>23,763,088</u>	<u>23,937,478</u>	<u>24,098,805</u>	<u>161,327</u>	<u>23,688,113</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance from Final Budget	<u>2017</u> <u>Actual</u>
	Original Budget	Final Budget	Actual		
Expenditures (continued)					
Support services					
Pupils					
Attendance and social work services					
Salaries	520,294	515,496	515,496	-	538,541
Employee benefits	61,947	65,060	65,025	(35)	60,854
Purchased services	26,100	4,906	4,904	(2)	15,007
Supplies and materials	17,249	17,500	17,100	(400)	7,496
Total attendance and social work services	<u>625,590</u>	<u>602,962</u>	<u>602,525</u>	<u>(437)</u>	<u>621,898</u>
Health services					
Salaries	289,455	256,319	255,243	(1,076)	280,114
Employee benefits	26,204	222,997	224,890	1,893	116,486
Purchased services	218,500	118,500	118,500	-	118,500
Supplies and materials	2,700	500	486	(14)	2,153
Total health services	<u>536,859</u>	<u>598,316</u>	<u>599,119</u>	<u>803</u>	<u>517,253</u>
Psychological services					
Salaries	119,657	119,657	118,996	(661)	116,172
Employee benefits	2,380	2,500	2,452	(48)	2,307
Purchased services	55,280	60,975	60,974	(1)	42,312
Supplies and materials	9,000	4,120	4,120	-	7,185
Capital Outlay	-	-	-	-	-
Total psychological services	<u>186,317</u>	<u>187,252</u>	<u>186,542</u>	<u>(710)</u>	<u>167,976</u>
Speech pathology and audiology services					
Salaries	356,115	256,424	255,780	(644)	239,247
Employee benefits	33,043	30,500	30,327	(173)	29,789
Purchased services	385,000	399,034	399,034	-	420,730
Supplies and materials	-	-	-	-	-
Total speech pathology/audiology services	<u>774,158</u>	<u>685,958</u>	<u>685,141</u>	<u>(817)</u>	<u>689,766</u>
Other Support Services - Pupils					
Purchased services	80,000	80,000	77,565	(2,435)	86,085
Total Other Support Services - Pupils	<u>80,000</u>	<u>80,000</u>	<u>77,565</u>	<u>(2,435)</u>	<u>86,085</u>
Total pupils	<u>2,202,924</u>	<u>2,154,488</u>	<u>2,150,892</u>	<u>(3,596)</u>	<u>2,082,978</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance from Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Expenditures (continued)					
Instructional staff					
Improvement of instruction services					
Salaries	536,741	505,925	485,598	(20,327)	458,679
Employee benefits	181,905	163,688	161,831	(1,857)	181,965
Purchased services	639,210	730,278	556,545	(173,733)	571,348
Supplies and materials	41,500	52,279	43,057	(9,222)	46,234
Other objects	-	2,388	419	(1,969)	2,307
Non-capitalized equipment	1,500	4,500	2,935	(1,565)	-
Total improvement of inst. svc.	<u>1,400,856</u>	<u>1,459,058</u>	<u>1,250,385</u>	<u>(208,673)</u>	<u>1,260,533</u>
Educational media services					
Salaries	129,857	138,696	137,802	(894)	132,079
Employee benefits	-	-	-	-	-
Supplies and materials	-	2,316	2,315	(1)	2,150
Other objects	2,151	-	7,046	7,046	44,329
Total educational media services	<u>132,008</u>	<u>141,012</u>	<u>147,163</u>	<u>6,151</u>	<u>178,558</u>
Assessment and testing					
Supplies and materials	25,000	8,000	-	(8,000)	-
Total assessment and testing	<u>25,000</u>	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>	<u>-</u>
Total instructional staff	<u>1,557,864</u>	<u>1,608,070</u>	<u>1,397,548</u>	<u>(210,522)</u>	<u>1,439,091</u>
General administration					
Board of Education services					
Salaries	6,000	6,000	-	(6,000)	-
Employee benefits	-	-	-	-	-
Purchased services	209,000	104,000	78,564	(25,436)	162,617
Supplies and materials	9,500	9,500	3,882	(5,618)	3,319
Capital Outlay	-	-	-	-	-
Other objects	15,000	15,000	14,947	(53)	8,177
Non-capitalized equipment	-	2,500	-	(2,500)	996
Total board of education services	<u>239,500</u>	<u>137,000</u>	<u>97,393</u>	<u>(39,607)</u>	<u>175,109</u>
Executive administration services					
Salaries	234,975	256,682	256,669	(13)	240,498
Employee benefits	68,063	71,626	70,710	(916)	66,578
Purchased services	23,500	23,500	12,652	(10,848)	8,227
Supplies and materials	7,500	7,500	3,156	(4,344)	5,278
Capital outlay	3,000	3,000	2,988	(12)	-
Other objects	-	-	-	-	-
Non-capitalized equipment	2,500	2,500	-	(2,500)	7,948
Total executive administration	<u>339,538</u>	<u>364,808</u>	<u>346,175</u>	<u>(18,633)</u>	<u>328,529</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance from Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Expenditures (continued)					
Tort Immunity Services					
Purchased services	225,000	190,000	188,031	(1,969)	181,878
Total Tort Immunity Services	<u>225,000</u>	<u>190,000</u>	<u>188,031</u>	<u>(1,969)</u>	<u>181,878</u>
Total general administration	<u>804,038</u>	<u>691,808</u>	<u>631,599</u>	<u>(60,209)</u>	<u>685,516</u>
School administration					
Office of the principal services					
Salaries	2,551,202	2,624,688	2,616,701	(7,987)	2,532,604
Employee benefits	544,740	685,072	678,395	(6,677)	533,428
Purchased services	755,186	723,164	846,336	123,172	755,880
Supplies and materials	46,000	23,000	21,622	(1,378)	46,475
Capital Outlay	-	-	-	-	-
Non-capitalized equipment	4,000	4,000	3,896	(104)	-
Total office of the principal services	<u>3,901,128</u>	<u>4,059,924</u>	<u>4,166,950</u>	<u>107,026</u>	<u>3,868,387</u>
Total school administration	<u>3,901,128</u>	<u>4,059,924</u>	<u>4,166,950</u>	<u>107,026</u>	<u>3,868,387</u>
Business					
Direction of business services					
Salaries	83,252	83,252	83,252	-	80,600
Employee benefits	-	2,300	2,198	(102)	1,575
Total direction of business services	<u>83,252</u>	<u>85,552</u>	<u>85,450</u>	<u>(102)</u>	<u>82,175</u>
Fiscal services					
Salaries	166,449	166,449	165,991	(458)	115,170
Employee benefits	69,820	75,000	75,000	-	67,753
Purchased services	92,600	75,000	71,334	(3,666)	74,627
Supplies and materials	10,000	5,000	4,875	(125)	3,509
Capital outlay	-	-	-	-	-
Non-capitalized equipment	5,000	-	-	-	1,178
Other objects	8,400	20,000	16,859	(3,141)	10,322
Termination Benefit	-	-	-	-	-
Total fiscal services	<u>352,269</u>	<u>341,449</u>	<u>334,059</u>	<u>(7,390)</u>	<u>272,559</u>
Operations and maintenance of plant services					
Purchased services	33,870	33,870	33,057	-	15,997
Capital Outlay	-	-	-	-	-
Total operations/maintenance of plant svc	<u>33,870</u>	<u>33,870</u>	<u>33,057</u>	<u>-</u>	<u>15,997</u>
Pupil transportation services					
Purchased services	10,500	-	-	-	-
Total pupil transportation services	<u>10,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance from Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Expenditures (continued)					
Food services					
Salaries	100	100	96	(4)	24,210
Employee benefits	-	-	-	-	-
Purchased services	3,500	3,500	1,254	(2,246)	935
Supplies and materials	1,750,000	1,730,000	1,727,587	(2,413)	1,829,239
Capital outlay	-	-	-	-	-
Non-capitalized equipment	-	-	-	-	-
Total food services	<u>1,753,600</u>	<u>1,733,600</u>	<u>1,728,937</u>	<u>(4,663)</u>	<u>1,854,384</u>
Total business	<u>2,233,491</u>	<u>2,194,471</u>	<u>2,181,503</u>	<u>(12,053)</u>	<u>2,225,115</u>
Staff services					
Salaries	8,800	-	-	-	32,863
Employee benefits	-	275	251	(24)	13,499
Purchased services	400	400	310	(90)	310
Total staff services	<u>9,200</u>	<u>675</u>	<u>561</u>	<u>(114)</u>	<u>46,672</u>
Data Processing Services					
Purchased services	<u>13,000</u>	<u>13,000</u>	<u>11,583</u>	<u>(1,417)</u>	<u>12,792</u>
Total Data Processing Services	<u>13,000</u>	<u>13,000</u>	<u>11,583</u>	<u>(1,417)</u>	<u>12,792</u>
Other supporting services					
Salaries	-	-	1,050	1,050	1,400
Employee benefits	-	-	25	25	32
Purchased services	-	-	34,065	34,065	29,397
Supplies and materials	-	250	2,831	2,581	1,209
Total other supporting services	<u>-</u>	<u>250</u>	<u>37,971</u>	<u>37,721</u>	<u>32,038</u>
Total Support Services	<u>10,721,645</u>	<u>10,722,686</u>	<u>10,578,607</u>	<u>(143,164)</u>	<u>10,392,589</u>
Community services					
Salaries	61,154	63,000	-	(63,000)	-
Employee benefits	1,254	1,349	-	(1,349)	-
Purchased services	434,421	394,567	220,290	(174,277)	286,508
Supplies and materials	24,402	21,582	2,335	(19,247)	238
Total community services	<u>521,231</u>	<u>480,498</u>	<u>222,625</u>	<u>(257,873)</u>	<u>286,746</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance from Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Expenditures (continued)					
Payments to Other Districts and Gov't Units					
Payments for regular programs					
Purchased services	14,100	31,073	-	(31,073)	3,073
Payments for special education programs					
Purchased services	-	-	199,554	199,554	175,012
Total payments to Other Districts and Other Government Units	<u>14,100</u>	<u>31,073</u>	<u>199,554</u>	<u>168,481</u>	<u>178,085</u>
Provision for contingencies	-	-	-	-	-
Total expenditures	<u>35,020,064</u>	<u>35,171,735</u>	<u>35,099,591</u>	<u>(72,144)</u>	<u>34,545,533</u>
Deficiency of revenues over expenditures	<u>2,750,895</u>	<u>4,644,719</u>	<u>9,359,695</u>	<u>4,714,976</u>	<u>1,276,387</u>
Other financing sources (uses)					
Permanent transfer from working cash fund -Abatement	-	(600,000)	(600,000)	-	-
Proceeds from sale of capital assets	-	-	-	-	547,968
Other sources	-	-	-	-	-
Transfer to debt service fund for principal on capital leases	(178,872)	(178,872)	(178,872)	-	(522,308)
Transfer to debt service fund for interest on capital leases	-	-	-	-	(21,912)
Total other financing sources (uses)	<u>(178,872)</u>	<u>(778,872)</u>	<u>(778,872)</u>	<u>-</u>	<u>3,748</u>
Net change to fund balance	<u>2,572,023</u>	<u>3,865,847</u>	8,580,823	<u>4,714,976</u>	1,280,135
Fund balance, beginning of year			<u>13,206,302</u>		<u>6,071,694</u>
Fund balance, end of year			<u>21,787,125</u>		<u>7,351,829</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance from Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
<u>Revenues</u>					
Local Sources					
General levy	1,873,200	1,873,200	1,874,614	1,414	1,821,102
Refund of prior years' expenditures	300,000	-	36,268	36,268	393,094
Other	25,000	37,000	36,929	(71)	27,853
Total local sources	<u>2,198,200</u>	<u>1,910,200</u>	<u>1,947,811</u>	<u>37,611</u>	<u>2,242,049</u>
State sources					
General State Aid	600,000	1,600,000	1,600,000	-	500,000
Other State	-	-	-	-	3,744
Total state sources	<u>600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>-</u>	<u>503,744</u>
Total revenues	<u>2,798,200</u>	<u>3,510,200</u>	<u>3,547,811</u>	<u>37,611</u>	<u>2,745,793</u>
<u>Expenditures</u>					
Support services					
Business					
Operations and maintenance of plant services					
Salaries	1,542,964	1,615,277	1,609,901	(5,376)	1,538,676
Employee benefits	216,015	216,075	216,047	(28)	224,221
Purchased services	679,000	516,623	488,087	(28,536)	623,949
Supplies and materials	770,850	729,800	736,031	6,231	725,034
Capital outlay	28,000	70,000	66,243	(3,757)	13,403
Non-Capitalized equipment	24,000	10,000	2,976	(7,024)	2,847
Termination benefits	-	-	-	-	-
Total expenditures	<u>3,260,829</u>	<u>3,157,775</u>	<u>3,119,285</u>	<u>(38,490)</u>	<u>3,128,130</u>
Deficiency of revenues over expenditures	<u>(462,629)</u>	<u>352,425</u>	<u>428,526</u>	<u>76,101</u>	<u>(382,337)</u>
Other financing sources					
Permanent transfer	400,000	-	-	-	400,000
Total other financing sources	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,000</u>
Net change in fund balance	<u>(62,629)</u>	<u>352,425</u>	<u>428,526</u>	<u>76,101</u>	<u>17,663</u>
Fund balance, beginning of year			<u>890,192</u>		<u>872,529</u>
Fund balance, end of year			<u>1,318,718</u>		<u>890,192</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance from Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
<u>Revenues</u>					
Local Sources					
General levy	495,982	495,982	683,399	187,417	482,618
Other local revenues	<u>5,000</u>	<u>15,000</u>	<u>11,829</u>	<u>(3,171)</u>	<u>5,037</u>
Total local sources	<u>500,982</u>	<u>510,982</u>	<u>695,228</u>	<u>184,246</u>	<u>487,655</u>
State sources					
Transportation - Regular/Vocational	35,190	159,011	148,760	(10,251)	49,922
Transportation - Special Education	258,081	732,924	836,015	103,091	399,595
Other State Sources	-	-	-	-	-
Total state sources	<u>293,271</u>	<u>891,935</u>	<u>984,775</u>	<u>92,840</u>	<u>449,517</u>
Fed - Sp Ed - I.D.E.A. Flow Through	-	-	-	-	10,500
Title III - English Language Acquisition	-	-	-	-	<u>2,700</u>
Total Federal sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,200</u>
Total revenues	<u>794,253</u>	<u>1,402,917</u>	<u>1,680,003</u>	<u>277,086</u>	<u>950,372</u>
<u>Expenditures</u>					
Support services					
Business					
Pupil transportation services					
Salaries	499,322	537,208	525,002	(12,206)	474,318
Employee benefits	126,675	126,675	126,373	(302)	119,772
Purchased services	673,950	578,950	593,768	14,818	756,327
Supplies and materials	28,000	38,000	38,644	644	27,917
Capital Outlay	6,300	57,605	52,354	(5,251)	6,300
Noncapitalized equipment	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>	<u>-</u>
Total pupil transportation services	<u>1,335,747</u>	<u>1,339,938</u>	<u>1,336,141</u>	<u>(3,797)</u>	<u>1,384,634</u>
Total support services	<u>1,335,747</u>	<u>1,339,938</u>	<u>1,336,141</u>	<u>(3,797)</u>	<u>1,384,634</u>
Total expenditures	<u>1,335,747</u>	<u>1,339,938</u>	<u>1,336,141</u>	<u>(3,797)</u>	<u>1,384,634</u>
Excess (deficiency) of revenues over expenditures	<u>(541,494)</u>	<u>62,979</u>	<u>343,862</u>	<u>280,883</u>	<u>(434,262)</u>
Other financing sources					
Sales of capital assets	-	1,000	-	-	800
Permanent transfer from working cash fund	<u>500,000</u>	<u>600,000</u>	<u>-</u>	<u>(600,000)</u>	<u>500,000</u>
Total other financing sources	<u>500,000</u>	<u>601,000</u>	<u>-</u>	<u>(600,000)</u>	<u>500,800</u>
Net change in fund balance	<u>(41,494)</u>	<u>663,979</u>	<u>343,862</u>	<u>(319,117)</u>	<u>66,538</u>
Fund balance, beginning of year			<u>311,622</u>		<u>245,084</u>
Fund balance, end of year			<u>655,484</u>		<u>311,622</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance from Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
<u>Revenues</u>					
Local Sources					
General levy	308,739	308,739	659,287	350,548	290,873
Social Security/Medicare only levy	385,251	385,251	409,392	24,141	384,801
Total local sources	<u>693,990</u>	<u>693,990</u>	<u>1,068,679</u>	<u>374,689</u>	<u>675,674</u>
State sources					
General state aid	400,000	400,000	400,000	-	500,000
Total state sources	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	-	500,000
Total revenues	<u>1,093,990</u>	<u>1,093,990</u>	<u>1,468,679</u>	<u>374,689</u>	<u>1,175,674</u>
<u>Expenditures</u>					
Instruction					
Regular programs	212,154	212,418	206,696	(5,722)	197,298
Pre-K programs				-	
Special education programs	187,732	208,424	207,752	(672)	205,373
Remedial and supplemental programs K-12	6,458	6,650	6,606	(44)	6,288
Gifted programs	771	1,175	718	(457)	749
Bilingual programs	6,236	6,000	5,810	(190)	5,541
Total instruction	<u>413,351</u>	<u>434,667</u>	<u>427,582</u>	<u>(7,085)</u>	<u>415,249</u>
Support services					
Pupils					
Attendance and social work svc	8,238	7,695	7,681	(14)	7,998
Health services	39,487	32,767	32,761	(6)	37,721
Psychological services	1,735	1,731	1,725	(6)	1,684
Speech pathology/audiology svc	3,573	3,710	3,709	(1)	3,469
Other support services	1,387	-	-	-	-
Total pupils	<u>54,420</u>	<u>45,903</u>	<u>45,876</u>	<u>(27)</u>	<u>50,872</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance from Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Instructional staff					
Improvement of instruction svcs	53,450	50,740	47,002	(3,738)	50,806
Educational media services	25,351	25,416	25,151	(265)	24,304
Total instructional staff	<u>78,801</u>	<u>76,156</u>	<u>72,153</u>	<u>(4,003)</u>	<u>75,110</u>
General administration					
Board of education services	1,032	1,018	-	(1,018)	-
Executive administration services	16,844	15,179	15,146	(33)	16,404
Total general administration	<u>17,876</u>	<u>16,197</u>	<u>15,146</u>	<u>(1,051)</u>	<u>16,404</u>
School administration					
Office of the principal services	156,520	131,005	126,596	(4,409)	134,139
Total school administration	<u>156,520</u>	<u>131,005</u>	<u>126,596</u>	<u>(4,409)</u>	<u>134,139</u>
Business					
Direction of support services	926	1,210	1,207	(3)	899
Fiscal services	22,481	31,800	30,739	(1,061)	21,827
Operations and maintenance of plant services	288,155	292,450	291,775	(675)	279,764
Pupil transportation services	78,025	85,203	84,315	(888)	75,752
Food services	4,667	1,200	1,082	(118)	4,531
Total business	<u>394,254</u>	<u>411,863</u>	<u>409,118</u>	<u>(2,745)</u>	<u>382,773</u>
Central					
Staff services	586	221	220	(1)	569
Total Central	<u>586</u>	<u>221</u>	<u>220</u>	<u>(1)</u>	<u>569</u>
Total support services	<u>702,457</u>	<u>681,345</u>	<u>669,109</u>	<u>(12,236)</u>	<u>659,867</u>
Other support services	-	-	-	-	-
Community Services	1,221	1,017	827	(190)	858
Total expenditures	<u>1,117,029</u>	<u>1,117,029</u>	<u>1,097,518</u>	<u>(19,511)</u>	<u>1,075,974</u>
Excess (deficiency) of revenues over expenditures	<u>(23,039)</u>	<u>(23,039)</u>	<u>371,161</u>	<u>394,200</u>	<u>99,700</u>
Fund balance, beginning of year			<u>566,974</u>		<u>467,274</u>
Fund balance (deficit), end of year			<u>938,135</u>		<u>566,974</u>

BERWYN SOUTH SCHOOL DISTRICT 100
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance from Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
<u>Revenues</u>					
Local Sources					
Other	-	-	-	-	17,000
Total local sources	-	-	-	-	17,000
Total revenues	-	-	-	-	17,000
<u>Expenditures</u>					
Support services					
Business					
Operations and maintenance of plant services					
Purchased services	418,192	555,000	20,152	(534,848)	97,025
Capital outlay	-	-	423,688	423,688	168,822
Non-Capitalized equipment	-	-	-	-	-
Termination benefits	-	-	-	-	-
Total expenditures	418,192	555,000	443,840	(111,160)	265,847
Deficiency of revenues over expenditures	(418,192)	(555,000)	(443,840)	111,160	(248,847)
Other financing sources					
Permanent transfer	417,415	600,000	600,000	-	242,025
Total other financing sources	417,415	600,000	600,000	-	242,025
Net change in fund balance	(777)	45,000	156,160	111,160	(6,822)
Fund balance, beginning of year			(6,723)		99
Fund balance (deficit), end of year			149,437		(6,723)

BERWYN SOUTH SCHOOL DISTRICT 100
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

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 27, 2018) by the Board of Education on effective for the year ending June 30, 2018.
- 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, 2018

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	39,816,454	35,171,735
To adjust for on-behalf payments received	14,469,582	-
To adjust for on-behalf payments made	<u>-</u>	<u>14,469,582</u>
General Fund - GAAP baiss	<u><u>54,286,036</u></u>	<u><u>49,641,317</u></u>

SUPPLEMENTARY FINANCIAL INFORMATION

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL FUND
BALANCE SHEET
June 30, 2018

	<u>Educational</u>	<u>Working Cash</u>	<u>Total</u>
ASSETS			
Cash and investments	6,951,586	9,009,445	15,961,031
Receivables (net of allowance for uncollectibles):			
Property taxes	9,719,587	-	9,719,587
Replacement taxes	56,448	-	56,448
Intergovernmental	707,831	-	707,831
Prepaid expense	<u>17,074</u>	<u>-</u>	<u>17,074</u>
Total assets	<u>17,452,526</u>	<u>9,009,445</u>	<u>26,461,971</u>
LIABILITIES AND FUND BALANCES			
Accounts payable	76,483	-	76,483
Salaries and wages payable	3,267,307	-	3,267,307
Payroll deductions payable	49,654	-	49,654
Unearned revenue	<u>1,281,403</u>	<u>-</u>	<u>1,281,403</u>
Total liabilities	<u>4,674,847</u>	<u>-</u>	<u>4,674,847</u>
Fund balances:			
Unassigned	<u>12,777,679</u>	<u>9,009,445</u>	<u>21,787,124</u>
Total fund balance	<u>12,777,679</u>	<u>9,009,445</u>	<u>21,787,124</u>
Total liabilities and fund balance	<u>17,452,526</u>	<u>9,009,445</u>	<u>26,461,971</u>

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2018

	Educational	Working Cash	Eliminations	Total
<u>Revenues</u>				
Property taxes	15,141,546	-	-	15,141,546
Replacement taxes	303,401	-	-	303,401
State aid	37,466,023	-	-	37,466,023
Federal aid	5,373,936	-	-	5,373,936
Interest	-	157,338	-	157,338
Other	486,624	-	-	486,624
Total revenues	<u>58,771,530</u>	<u>157,338</u>	<u>-</u>	<u>58,928,868</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular programs	15,360,792	-	-	15,360,792
Special programs	6,285,832	-	-	6,285,832
Other instructions programs	1,563,721	-	-	1,563,721
State on-behalf payments	14,469,582	-	-	14,469,582
Support services:				
Pupils	2,150,892	-	-	2,150,892
Instructional staff	1,397,548	-	-	1,397,548
General administration	631,599	-	-	631,599
School administration	4,166,950	-	-	4,166,950
Business	2,148,446	-	-	2,148,446
Operations and maintenance	33,057	-	-	33,057
Other supporting services	50,115	-	-	50,115
Community services	222,625	-	-	222,625
Nonprogrammed charges	199,554	-	-	199,554
Capital outlay	888,460	-	-	888,460
Total expenditures	<u>49,569,173</u>	<u>-</u>	<u>-</u>	<u>49,569,173</u>
Excess of revenues over expenditures	<u>9,202,357</u>	<u>157,338</u>	<u>-</u>	<u>9,359,695</u>
Other financing sources (uses)				
Principal on bonds sold	-	-	-	-
Transfer to Escrow	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers Out	-	(600,000)	-	(600,000)
Other Sources	-	-	-	-
Transfer to Debt Service	(178,872)	-	-	(178,872)
Total other financing sources (uses)	<u>(178,872)</u>	<u>(600,000)</u>	<u>-</u>	<u>(778,872)</u>
Net change in fund balances	9,023,485	(442,662)	-	8,580,823
Fund balance, beginning of year	3,754,194	9,452,107	-	13,206,301
Fund balance, end of year	<u>12,777,679</u>	<u>9,009,445</u>	<u>-</u>	<u>21,787,124</u>

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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance from Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local Sources					
General levy	3,808,760	3,808,760	3,979,348	170,588	4,024,233
Interest on earnings	100	100	542	442	657
Other local revenues	-	-	-	-	-
Total local sources	<u>3,808,860</u>	<u>3,808,860</u>	<u>3,979,890</u>	<u>171,030</u>	<u>4,024,890</u>
Total revenues	<u>3,808,860</u>	<u>3,808,860</u>	<u>3,979,890</u>	<u>171,030</u>	<u>4,024,890</u>
Expenditures					
Debt Service					
Interest	1,936,498	1,641,200	1,646,508	5,308	1,589,926
Principal payments on long-term debt	1,930,000	2,104,170	2,098,862	(5,308)	2,437,308
Other debt service					
Other objects	9,300	3,750	3,750	-	3,750
Total other debt service	<u>9,300</u>	<u>3,750</u>	<u>3,750</u>	<u>-</u>	<u>3,750</u>
Total debt service	<u>3,875,798</u>	<u>3,749,120</u>	<u>3,749,120</u>	<u>-</u>	<u>4,030,984</u>
Total expenditures	<u>3,875,798</u>	<u>3,749,120</u>	<u>3,749,120</u>	<u>-</u>	<u>4,030,984</u>
Excess (Deficiency) of revenues over expenditures	<u>(66,938)</u>	<u>59,740</u>	<u>230,770</u>	<u>171,030</u>	<u>(6,094)</u>

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, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance from Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Other financing sources (uses)					
Accrued interest on bonds sold	-	-	-	-	7,106
Transfer to pay for principal on capital leases	-	-	174,170	174,170	522,308
Transfer to pay for interest on capital leases	-	-	4,702	4,702	21,912
Other uses	-	-	-	-	-
Total Other financing sources (uses)	-	-	178,872	178,872	551,326
Net change in fund balance	(66,938)	59,740	409,642	349,902	545,232
Fund balance, beginning of year			2,736,370		2,191,138
Fund balance, end of year			3,146,012		2,736,370

BERWYN SOUTH SCHOOL DISTRICT 100
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Disbursements	Balance June 30, 2018
<u>Assets</u>				
Cash and cash equivalents	<u>54,366</u>	<u>223,900</u>	<u>234,582</u>	<u>43,684</u>
<u>Liabilities</u>				
Due to student groups				
Emerson	6,905	4,509	11,640	(226)
Fine Arts	15,798	2,863	9,294	9,367
Heritage	8,998	97,187	94,233	11,952
Hiawatha	2,064	7,459	6,023	3,500
Irving	6,479	27,395	32,404	1,470
Komensky	2,508	24,174	19,604	7,078
Pershing	2,546	8,822	13,128	(1,760)
Piper	2,434	10,025	5,377	7,082
Freedom	<u>6,634</u>	<u>41,466</u>	<u>42,879</u>	<u>5,221</u>
	<u>54,366</u>	<u>223,900</u>	<u>234,582</u>	<u>43,684</u>

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2018

	Maturity as follows for the Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Limited School Bonds				
dated September 1, 2009A (Interest at 2.75% to 4.5%, payable June 1 and December 1 and principal due December 1)	2019	100,000	78,690	178,690
	2020	100,000	74,815	174,815
	2021	100,000	70,815	170,815
	2022	100,000	66,815	166,815
	2023	-	64,815	64,815
	2024	-	64,815	64,815
	2025	-	64,815	64,815
	2026	885,000	45,345	930,345
	2027	<u>575,000</u>	<u>12,938</u>	<u>587,938</u>
Totals		<u>1,860,000</u>	<u>543,863</u>	<u>2,403,863</u>
 Taxable Limited School Bonds				
dated September 1, 2009B (Interest at 1.6% to 6.0%, payable June 1 and December 1 and principal due December 1)	2019	525,000	207,138	732,138
	2020	555,000	179,043	734,043
	2021	590,000	148,110	738,110
	2022	625,000	148,110	773,110
	2023	765,000	75,083	840,083
	2024	810,000	29,790	839,790
	2025	<u>105,000</u>	<u>3,150</u>	<u>108,150</u>
Totals		<u>3,975,000</u>	<u>790,424</u>	<u>4,765,424</u>

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2018

	Maturity as follows for the Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Refunding School Bonds dated September 1, 2009C (Interest at 4.6%, payable June 1 and December 1 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	565,000	12,995	577,995
Totals		<u>565,000</u>	<u>272,895</u>	<u>837,895</u>
Taxable Refunding School Bonds dated September 1, 2009D (Interest at 6.15% to 6.35%, payable June 1 and December 1 and principal due December 1)	2019	-	111,678	111,678
	2020	-	111,678	111,678
	2021	-	111,678	111,678
	2022	-	111,678	111,678
	2023	-	111,678	111,678
	2024	-	111,678	111,678
	2025	-	111,678	111,678
	2026	-	111,678	111,678
	2027	350,000	100,915	450,915
	2028	970,000	59,840	1,029,840
	2029	465,000	14,764	479,764
Totals		<u>1,785,000</u>	<u>1,068,943</u>	<u>2,853,943</u>

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2018

	Maturity as follows for the Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Refunding School Bonds dated September 1, 2009E (Interest at 4.35% to 4.4%, payable June 1 and December 1 and principal due December 1)	2019	-	181,458	181,458
	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	<u>2,300,000</u>	<u>50,600</u>	<u>2,350,600</u>
Totals		<u>4,145,000</u>	<u>1,280,677</u>	<u>5,425,677</u>
Refunding School Bonds dated September 1, 2009F (Interest at 1.7% to 5.8%, payable June 1 and December 1 and principal due December 1)	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	<u>1,390,000</u>	<u>40,310</u>	<u>1,430,310</u>
	Totals	<u>7,820,000</u>	<u>1,435,201</u>	<u>9,255,201</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)	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	<u>1,205,000</u>	<u>24,100</u>	<u>1,229,100</u>
	Totals	<u>5,515,000</u>	<u>676,900</u>	<u>6,191,900</u>

BERWYN SOUTH SCHOOL DISTRICT 100
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2018

	Maturity as follows for the Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Refunding School Bonds dated November 15, 2016A (Interest at 4.0%, payable June 1 and December 1 and principal due December 1)	2019	-	183,200	183,200
	2020	-	183,200	183,200
	2021	-	183,200	183,200
	2022	-	183,200	183,200
	2023	-	183,200	183,200
	2024	-	183,200	183,200
	2025	-	183,200	183,200
	2026	-	183,200	183,200
	2027	-	183,200	183,200
	2028	-	183,200	183,200
	2029	-	183,200	183,200
	2030	-	183,200	183,200
	2031	-	183,200	183,200
	2032	-	183,200	183,200
	2033	-	860,000	1,026,000
2034	-	1,260,000	1,383,600	
2035	-	1,310,000	1,382,200	
2036	-	1,150,000	1,173,000	
Totals		<u>4,580,000</u>	<u>2,949,600</u>	<u>7,529,600</u>
Refunding School Bonds dated November 15, 2016b (Interest 3.1% TO 3.75%, payable June 1 and December 1 and principal due December 1)	2019	-	160,150	160,150
	2020	-	160,150	160,150
	2021	-	160,150	160,150
	2022	-	160,150	160,150
	2023	-	160,150	160,150
	2024	-	160,150	160,150
	2025	-	750,000	898,525
	2026	-	136,900	136,900
	2027	-	136,900	136,900
	2028	-	136,900	136,900
	2029	-	136,900	136,900
	2030	-	1,090,000	1,207,280
2031	-	1,130,000	1,207,038	
2032	-	1,170,000	1,204,770	
2033	-	350,000	356,557	
Totals		<u>4,490,000</u>	<u>1,892,670</u>	<u>6,382,670</u>
Grand totals		<u>34,735,000</u>	<u>10,911,173</u>	<u>45,646,173</u>

OTHER SUPPLEMENTAL INFORMATION

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Assessed valuation	<u>467,766,208</u>	<u>384,482,866</u>	<u>370,845,863</u>	<u>379,601,208</u>	<u>415,246,685</u>
Rates Extended					
Educational	3.1940	2.6753	2.7278	2.6198	2.3122
Special Education	0.1943	0.0267	0.0285	0.0274	0.0242
Operations/Maintenance	0.4145	0.4872	0.5075	0.5168	0.5114
Debt Service	0.5963	0.6433	0.6702	0.4865	0.5190
Transportation	0.1526	0.1290	0.1379	0.1325	0.1169
IMRF	0.1112	0.0803	0.0859	0.0825	0.0728
Social Security	0.1281	0.1002	0.1071	0.1029	0.0908
Limited Bonds	<u>0.2850</u>	<u>0.3474</u>	<u>0.3026</u>	<u>0.2958</u>	<u>0.2711</u>
Total rates extended	<u>5.0760</u>	<u>4.4894</u>	<u>4.5675</u>	<u>4.2642</u>	<u>3.9184</u>
Levies Extended					
Educational	14,940,452	10,286,070	10,115,933	9,944,792	9,601,333
Special Education	908,869	102,656	105,691	104,010	100,489
Operations/Maintenance	1,938,890	1,873,200	1,882,042	1,961,779	2,123,571
Debt Service	2,789,236	2,473,207	2,485,269	1,846,637	2,155,034
Transportation	713,811	495,982	511,396	502,971	485,423
IMRF	520,156	308,739	318,556	313,170	302,299
Social Security	599,208	385,251	397,175	390,609	377,043
Limited Bonds	<u>1,332,912</u>	<u>1,335,553</u>	<u>1,122,329</u>	<u>1,122,823</u>	<u>1,125,800</u>
Total levies extended	<u>23,743,534</u>	<u>17,260,658</u>	<u>16,938,391</u>	<u>16,186,791</u>	<u>16,270,992</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, 2018 and 2017

	2018	2017
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>3,404</u>	<u>3,539</u>
Operating costs:		
Educational	35,278,463	34,545,533
Operations and Maintenance	3,119,285	3,128,130
Debt Service	3,749,120	4,030,984
Transportation	1,336,141	1,384,634
Municipal Retirement/Social Security	<u>1,097,518</u>	<u>1,075,974</u>
Subtotal	<u>44,580,527</u>	<u>44,165,255</u>
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	199,554	178,085
Debt principal retired	2,098,862	2,437,308
Community services	223,452	287,604
Capital outlay	<u>368,358</u>	<u>272,243</u>
Subtotal	<u>2,890,226</u>	<u>3,175,240</u>
Operating costs	<u>41,690,301</u>	<u>40,990,015</u>
Operating costs per pupil - based on ADA	<u>12,248</u>	<u>11,582</u>
Tuition Charge		
Operating costs:	41,690,301	40,990,015
Less - revenues from specific programs, such as special education or lunch programs	<u>7,931,689</u>	<u>7,933,029</u>
Net operating costs	33,758,612	33,056,986
Depreciation allowance	<u>1,603,622</u>	<u>1,591,780</u>
Allowance tuition costs	<u>35,362,234</u>	<u>34,648,766</u>
Tuition charges per pupil - based on ADA	<u>10,389</u>	<u>9,791</u>

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 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 the governmental activities, each major fund, and the aggregate remaining fund information of the Berwyn South School District 100 (District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 29, 2018.

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 corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of

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

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 & Michalesko, Ltd.
Certified Public Accountants

November 29, 2018

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, 2018. 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, 2018.

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

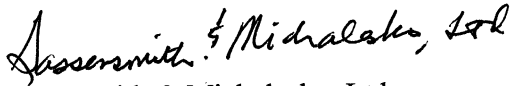
To the Members of the Board of Education
Berwyn South School District 100

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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 29, 2018, 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 & Michalesko, Ltd.
Certified Public Accountants

Joliet, Illinois
November 29, 2018

BERWYN SOUTH SCHOOL DISTRICT 100
06-016-1000-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2018

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁵		Year 7/1/17-6/30/18 Pass through to Subrecipients (F)	Year 7/1/16-6/30/17 Pass through to Subrecipients (G)	Final Status (E+H+M+G) (H)	Budget (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients (G)				
U.S. DEPARTMENT OF EDUCATION Passed through IL State Board of Education										
Title I - Low Income	84-010A	18-4300-00	-	989,633	-	989,633	-	-	989,633	1,304,147
Title I - Low Income	84-010A	17-4300-00	986,324	147,748	925,284	208,788	-	-	1,134,072	1,341,396
Title III - Lang Inst Program - Limited Eng (LIPLEP)	84.365A	18-4909-00	-	62,509	-	53,005	-	-	53,005	118,692
Title III - Lang Inst Program - Limited Eng (LIPLEP)	84.365A	17-4909-00	70,718	43,295	69,420	44,593	-	-	114,013	136,033
Title III - Immigrant Education Program	84.365A	18-4905-00	-	4,664	-	4,664	-	-	4,664	4,664
Title III - Immigrant Education Program	84.365A	17-4905-00	2,405	-	1,485	920	-	-	2,405	2,405
Title II - Teacher Quality	84.367A	18-4932-00	-	144,990	-	144,990	-	-	144,990	166,557
Title II - Teacher Quality	84.367A	17-4932-00	73,380	-	73,380	-	-	-	73,380	81,945
Title IV	84.424A	18-4400-00	-	13,299	-	13,299	-	-	13,299	27,441
IDEA Flow-through (M)	84.027A	18-4620-00	-	883,571	-	883,571	-	-	883,571	883,571
IDEA Flow-through (M)	84.027A	17-4620-00	910,782	-	910,782	-	-	-	910,782	910,782
IDEA Preschool Flow-through (M)	84.173A	18-4600-00	-	39,475	-	39,475	-	-	39,475	39,475
IDEA Preschool Flow-through (M)	84.173A	17-4600-00	44,899	-	44,899	-	-	-	44,899	44,899
IDEA Room & Board (M)	84.027A	17-4625-00	6,784	1,683	6,784	1,683	-	-	8,467	n/a
Passed through Morion College District 627										
Preschool expansion grant	84.419B	18-4902-00	196,067	262,987	196,067	262,987	-	-	458,454	310,620
TOTAL U.S. DEPARTMENT OF EDUCATION			2,291,359	2,593,854	2,228,101	2,647,008	-	-	4,875,109	
U.S. DEPARTMENT OF AGRICULTURE Passed through IL State Board of Education										
National school lunch program (M)	10.555	18-4210-00	-	1,322,520	-	1,322,520	-	-	1,322,520	n/a
National school lunch program (M)	10.555	17-4210-00	1,336,744	234,010	1,336,744	234,010	-	-	1,570,754	n/a
School Breakfast program (M)	10.553	18-4220-00	-	679,688	-	679,688	-	-	679,688	n/a
School Breakfast program (M)	10.553	17-4220-00	658,320	137,240	658,320	137,240	-	-	795,560	n/a
Fresh Fruits and Vegetables	10.582	18-4240-00	-	64,737	-	64,737	-	-	64,737	n/a
Fresh Fruits and Vegetables	10.582	17-4240-00	68,168	8,662	68,168	8,662	-	-	76,830	n/a
Commodities (non-cash)	10.555	2018	-	102,551	-	102,551	-	-	102,551	n/a
Commodities (non-cash)	10.555	2017	103,860	-	103,860	-	-	-	103,860	n/a
Department of Defense Fresh Fruits & Vegetables	10.555	2018	-	44,999	-	44,999	-	-	44,999	n/a
Department of Defense Fresh Fruits & Vegetables	10.555	2017	47,747	-	47,747	-	-	-	47,747	n/a
Child & Adult Care Food Program	10.558	18-4226-00	-	17,412	-	17,412	-	-	17,412	n/a
Child & Adult Care Food Program	10.558	17-4226-00	16,997	2,688	16,997	2,688	-	-	19,685	n/a
NSLP Equipment Assistance Grant	10.579	17-4260-00	-	29,513	-	29,513	-	-	29,513	n/a
TOTAL U.S. DEPARTMENT OF AGRICULTURE			2,231,856	2,644,020	2,231,856	2,644,020	-	-	4,875,856	
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES Passed through IL Healthcare & Family Services										
Medicaid Matching	93.778	2018-4900	-	115,384	-	115,384	-	-	115,384	n/a
Medicaid Matching	93.778	2017-4900	100,101	-	100,101	-	-	-	100,101	n/a
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			100,101	115,384	100,101	115,384	-	-	215,485	n/a
TOTALS			4,623,296	5,353,258	4,560,038	5,406,412	-	-	10,181,935	n/a

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

BERWYN SOUTH SCHOOL DISTRICT 100

Notes to Schedule of Expenditures of Federal Awards
June 30, 2018

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 accrual 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	\$4,951,511
Add-Medicaid Fees-For-Service Program	223,254
Minus Non-Cash Commodities	<u>(151,607)</u>
Total Federal Revenues Per Basic Financial Statements	<u>\$5,023,158</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, 2018

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expressed an unmodified opinion on the basic financial statements of Berwyn South School District 100 for the year ended June 30, 2018.

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, 2018

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no financial statements findings reported for the fiscal year ended June 30, 2018.

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

There were no federal award finding reported for the fiscal year ended June 30, 2018.

BERWYN SOUTH SCHOOL DISTRICT 100

Summary Schedule of Prior Audit Findings
June 30, 2018

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