

Due to ROE on October 15th
Due to ISBE on November 15th
SD/JA12

x School District
Joint Agreement

ILLINOIS STATE BOARD OF EDUCATION
School Business Services Division
100 North First Street, Springfield, Illinois 62777-0001
217/785-8779
Illinois School District/Joint Agreement
Annual Financial Report *
June 30, 2012

School District/Joint Agreement Information

(See instructions on inside of this page.)

School District/Joint Agreement Number
07-016-113A-02
County Name
COOK AND DUPAGE
Name of School District/Joint Agreement
LEMONT BROMBEREK CSD 113A
Address
16100 WEST 127TH STREET
City
LEMONT BROMBEREK CSD 113A
Email Address:
SBIRKENMAIER@SD113A.ORG
Zip Code
60439

Annual Financial Report

Type of Auditor's Report Issued:

Qualified Unqualified
 Adverse
 Disclaimer

X Reviewed by District Superintendent/Administrator

Accounting Basis:

CASH
x ACCRUAL

Filing Status:

Submit electronic AFR directly to ISBE

Click on the Link to Submit:

Send ISBE a File

A-133 Single Audit Status:

X YES NO Are Federal expenditures greater than \$500,000?
X YES NO Is all A-133 Single Audit Information completed and attached?
X YES NO Were any findings issued?

Reviewed by Township Treasurer (Cook County only)

Name of Township:

District Superintendent/Administrator Name (Type or Print)

SUSAN BIRKENMAIER ED.D

Email Address:

SBIRKENMAIER@SD113A.ORG

Telephone

630-257-2286

Fax Number

630-243-3005

Signature & Date



10/5/12

* This form is based on 23 Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100)

ISBE Form SD50-35/JA50-60 (05/12)

Updated 7/25/12

Certified Public Accountant Information

Name of Auditing Firm
MULCAHY, PAURITSCH, SALVADOR & CO., LTD.
Name of Audit Manager
EDWARD MCCORMICK
Address
14300 RAVINIA AVENUE, SUITE 200
City
ORLAND PARK State: **IL** Zip Code: **60462**
Phone Number: **708-349-6999** Fax Number: **708-349-6639**
IL License Number: **066-004384** Expiration Date: **11/30/2015**
Email Address:
EDMC@MPSCPA.COM

ISBE Use Only

Reviewed by Regional Superintendent/Cook ISC

Regional Superintendent/Cook ISC Name (Type or Print)

Email Address

Telephone

Fax Number

Signature & Date

This form is based on 23 Illinois Administrative Code, Subtitle A, Chapter I, Subchapter C, Part 100
In some instances, use of open account codes (cells) may not be authorized by statute or administrative rule
Each school district or joint agreement is responsible for obtaining the concurring legal opinion and/or other supporting authorization/documentation, as necessary, to use the applicable account code (cell).

TABLE OF CONTENTS

	TAB Name	AFR Page No.
Auditor's Questionnaire.....	Aud Quest	2
Comments Applicable to the Auditor's Questionnaire.....	Aud Quest	2
Financial Profile Information.....	FP Info	3
Estimated Financial Profile Summary.....	Financial Profile	4
Basic Financial Statements		
Statement of Assets and Liabilities Arising from Cash Transactions/Statement of Position.....	Assets-Liab	5 - 6
Statement of Revenues Received/Revenues, Expenditures Disbursed/Expenditures, Other Sources (Uses) and Changes in Fund Balances (All Funds).....	Acct Summary	7 - 8
Statements of Revenues Received/Revenues (All Funds).....	Revenues	9 - 14
Statements of Expenditures Disbursed/Expenditures Budget to Actual (All Funds).....	Expenditures	15 - 22
Supplementary Schedules		
Federal Stimulus - American Recovery and Reinvestment Act (ARRA) Schedule.....	ARRA Sched	23
Schedule of Ad Valorem Tax Receipts.....	Tax Sched	24
Schedule of Short-Term Debt/Long-Term Debt.....	Short-Term Long-Term Debt	25
Schedule of Restricted Local Tax Levies and Selected Revenue Sources/ Schedule of Tort Immunity Expenditures.....	Rest Tax Levies-Tort Im	26
Statistical Section		
Schedule of Capital Outlay and Depreciation.....	Cap Outlay Deprec	27
Estimated Operating Expenditures Per Pupil and Per Capita Tuition Charge Computation.....	PCTC-OEPP	28 - 29
Estimated Indirect Cost Rate for Federal Programs (Section I, Section II).....	ICR Computation	30
Report on Shared Services or Outsourcing.....	Shared Outsourced Serv.	31
Administrative Cost Worksheet.....	AC	32
Itemization Schedule.....	ITEMIZATION	33
Reference Page.....	REF	34
Notes, Opinion Letters, etc.....	Opinion-Notes	35
Deficit Reduction Calculation.....	Deficit AFR Sum Calc	36
Audit Checklist/Balancing Schedule.....	AUDITCHECK	-
A-133 Single Audit Section		
Annual Federal Compliance Report.....	A-133 Cover - CAP	37 - 46

INSTRUCTIONS/REQUIREMENTS: For School Districts/Joint Agreements

All School Districts/Joint Agreements must complete this form (Note: joint agreement supplementary/statistical schedules may not be applicable)

Round all amounts to the nearest dollar. Do not enter cents. (Exception: 9 Month ADA on page 28, line 78)

This form complies with **Part 100 (Requirements for Accounting, Budgeting, Financial Reporting, and Auditing)**.

23. Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100)

Any errors left unresolved by the Audit Checklist/Balancing Schedule must be explained in the itemization page.

Submit AFR Electronically

- The Annual Financial Reports (AFR) must be submitted directly through the Attachment Manager to the AFR Group by the Auditor or School District designated personnel (Please see Instructions for complete submission procedures)

Attachment Manager Link

Note: CD/Disk no longer accepted.

- AFR supporting documentation must be embedded as Microsoft Word (.doc), Word Perfect (*.wpd) or Adobe (*.pdf) and inserted within tab "Opinions & Notes". These documents include: The Audit, Management letter, Opinion letters, Compliance letters, Financial notes etc.... For embedding instructions see "Opinions & Notes" tab of this form.

Note: Adobe Acrobat (.pdf) files cannot be embedded if you do not have the software. Simply attach files as separate docs in the Attachment Manager and they will be embedded for you.*

Submit Paper Copy of AFR with Signatures

- The auditor must send three paper copies of the AFR form (cover through page 8 at minimum) to the School District with the auditor signature.
Note: School Districts and Regional Superintendents may prefer a complete paper copy in lieu of an electronic file. Please comply with their requests as necessary.
- Upon receipt, the School District retains one copy for their records, signs, and forwards the remaining two copies to the Regional Superintendent's office no later than October 15, annually.
- Upon receipt, the Regional Superintendent's office retains one copy for their records, signs, and forwards the remaining paper copy to ISBE no later than November 15, annually.

- Yellow Book, CPE, and Peer Review requirements must be met if the Auditor issues an opinion stating "Governmental Accounting Standards" were utilized
Single Audit Act A-133

Qualifications of Auditing Firm

- School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program, for the current peer review period.
- A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense.

AUDITOR'S QUESTIONNAIRE

INSTRUCTIONS: If your review and testing of State, Local, and Federal Programs revealed any of the following statements to be true, then check the box on the left, and attach the appropriate findings/comments

PART A - FINDINGS

1. One or more school board members, administrators, certified school business officials, or other qualifying district employees failed to file economic interest statements pursuant to the *Illinois Government Ethics Act*. [5 ILCS 420/4A-101]
2. One or more custodians of funds failed to comply with the bonding requirements pursuant to Sections 8-2, 10-20.19 or 19-6 of the *School Code*. [105 ILCS 5/8-2; 10-20.19, 19-6]
3. One or more contracts were executed or purchases made contrary to the provisions of Section 10-20.21 of the *School Code*. [105 ILCS 5/10-20.21]
4. One or more violations of the Public Funds Deposit Act or the Public Funds Investment Act were noted. [30 ILCS 225/1 et seq. and 30 ILCS 235/1 et seq.]
5. Restricted funds were commingled in the accounting records or used for other than the purpose for which they were restricted.
6. One or more short-term loans or short-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory authority.
7. One or more long-term loans or long-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory authority.
8. Corporate Personal Property Replacement Tax monies were deposited and/or used without first satisfying the lien imposed pursuant to the *State Revenue Sharing Act*. [30 ILCS 115/12]
9. One or more interfund loans were made in non-conformity with the applicable authorizing statute or without statutory authorization.
10. One or more interfund loans were outstanding beyond the term provided by statute.
11. One or more permanent transfers were made in non-conformity with the applicable authorizing statute/regulation or without statutory/regulatory authorization.
12. Substantial, or systematic misclassification of budgetary items such as, but not limited to, revenues, receipts, expenditures, disbursements or expenses were observed.
13. The Chart of Accounts used to define and control budget and accounting records does not conform to the minimum requirements imposed by ISBE rules pursuant to Sections 2-3.27 and 2-3.28 of the *School Code*. [105 ILCS 5/2-3.27; 2-3.28]

PART B - FINANCIAL DIFFICULTIES/CERTIFICATION Criteria pursuant to Section 1A-8 of the School Code [105 ILCS 5/1A-8]

14. The district has issued tax anticipation warrants or tax anticipation notes in anticipation of a second year's taxes when warrants or notes in anticipation of current year taxes are still outstanding, as authorized by Sections 17-16 or 34-23 thru 34-27 of the *School Code*. [105 ILCS 5/17-16 or 34-23 thru 34-27]
15. The district has issued short-term debt against two future revenue sources, such as, but not limited to, tax anticipation warrants and General State Aid certificates or tax anticipation warrants and revenue anticipation notes.
16. The district has issued school or teacher orders for wages as permitted in Sections 8-16, 32-7.2 and 34-76 of the *School Code* or issued funding bonds for this purpose pursuant to Section 19-8 of the *School Code*. [105 ILCS 5/8-6, 32-7.2, 34-76, and 19-8]
- x 17. The district has for two consecutive years shown an excess of expenditures/other uses over revenues/other sources and beginning fund balances on its annual financial report for the aggregate totals of the Educational, Operations & Maintenance, Transportation, and Working Cash Funds.

PART C - OTHER ISSUES

18. Student Activity Funds, Imprest Funds, or other funds maintained by the district were excluded from the audit.
- x 19. Findings, other than those listed in Part A (above), were reported (e.g. student activity fund findings).
20. Federal Stimulus Funds were not maintained and expended in accordance with the American Recovery and Reinvestment Act (ARRA) of 2009. If checked, an explanation must be provided.
- x 21. Check this box if the district is subject to the Property Tax Extension Limitation Law. Effective Date. 1/1/1991
22. If the type of Auditor Report designated on the cover page is other than an unqualified opinion and is due to reason(s) other than solely Cash Basis Accounting, please check and explain the reason(s) in the box below.

PART D - EXPLANATION OF ACCOUNTING PRACTICES FOR LATE MANDATED CATEGORICAL PAYMENTS

(For School Districts who report on an Accrual/Modified Accrual Accounting Basis only)

School districts that report on the accrual/modified accrual basis of accounting must identify where late mandated categorical payments (Revenue Codes 3100, 3105, 3110, 3500, and 3510) are recorded. Depending on the accounting procedure these amounts will be used to adjust the Direct Receipts/Revenues in calculation 1 and 2 of the Financial Profile Score.

23. Enter the date that the district used to accrue mandated categorical payments Date: 12/31/2012

24. For the listed mandated categorical (Revenue Code (3110, 3500, 3510, 3100, 3105) that were vouchered prior to June 30th, but not released until after year end as reported in ISBE FRIS system, enter the amounts that were accrued in the chart below

Account Name	3110	3500	3510	3100	3105	Total
Intergovernmental Accounts Receivable (150)						
Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)	77421	125917	76950	53349	184810	498447
Other Receivables (160)						
Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)						0
Deferred Revenues & Other Current Liabilities (490)						
Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)						0
Direct Receipts/Revenue						
Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)	309683	170501	153900	108234	329619	1071937
Total						1570384

* Revenue Code (3110-Sp Ed Personnel, 3510-Sp Ed Transportation, 3500-Regular/Vocational Transportation, 3105-Sp Ed Funding for Children Requiring Services, 3100-Sp Ed Private Facilities)

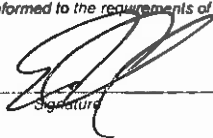
PART E - QUALIFICATIONS OF AUDITING FIRM

- * School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program for the current peer review
- * A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense

Comments Applicable to the Auditor's Questionnaire:

Mulcahy, Pauritsch, Salvador, & Co., Ltd.
Name of Audit Firm (print)

The undersigned affirms that this audit was conducted by a qualified auditing firm and in accordance with the applicable standards (23 Illinois Administrative Code Part 100) and the scope of the audit conformed to the requirements of subsection (a) or (b) of 23 Illinois Administrative Code Part 100 Section 110, as applicable.



Signature

10/2/12
mm/dd/yyyy

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	FINANCIAL PROFILE INFORMATION												
2													
3	<i>Required to be completed for School Districts only.</i>												
4													
5	A. Tax Rates (Enter the tax rate - ex: .0150 for \$1.50)												
6													
7	Tax Year <u>2011</u>			Equalized Assessed Valuation (EAV):					1,113,343,737				
8													
9	Educational			Operations & Maintenance			Transportation			Combined Total		Working Cash	
10	Rate(s): 0.012308 +			0.001796 +			0.000629 =			0.014730		0.000000	
11													
12													
13	B. Results of Operations *												
14													
15	Receipts/Revenues			Disbursements/ Expenditures			Excess/ (Deficiency)			Fund Balance			
16	20,492,994			18,365,078			2,127,916			1,811,316			
17	* The numbers shown are the sum of entries on Pages 7 & 8, lines 8, 17, 20, and 81 for the Educational, Operations & Maintenance, Transportation and Working Cash Funds.												
18													
19													
20	C. Short-Term Debt **												
21	CPPRT Notes			TAWs			TANs			TO/EMP. Orders		GSA Certificates	
22	0 +			0 +			0 +			0 +		0 +	
23	Other			Total									
24	0 =			0									
25	** The numbers shown are the sum of entries on page 25.												
26													
27													
28	D. Long-Term Debt												
29	Check the applicable box for long-term debt allowance by type of district.												
30													
31	x a. 6.9% for elementary and high school districts,			76,820,718									
32	b. 13.8% for unit districts.												
33													
34	Long-Term Debt Outstanding:												
35													
36	c. Long-Term Debt (Principal only)			Acct									
37	Outstanding:.....			511			15,565,345						
38													
39													
40	E. Material Impact on Financial Position												
41	If applicable, check any of the following items that may have a material impact on the entity's financial position during future reporting periods.												
42	Attach sheets as needed explaining each item checked.												
43													
44	Pending Litigation												
45	Material Decrease in EAV												
46	Material Increase/Decrease in Enrollment												
47	Adverse Arbitration Ruling												
48	Passage of Referendum												
49	Taxes Filed Under Protest												
50	Decisions By Local Board of Review or Illinois Property Tax Appeal Board (PTAB)												
51	Other Ongoing Concerns (Describe & Itemize)												
52													
53	Comments:												
54													
55													
56													
57													
58													
59													
60													
61													

A	B	C	D	E	F	G	H	I	K	L	M	N	O	Q
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41														

ESTIMATED FINANCIAL PROFILE SUMMARY
 (Go to the following website for reference to the Financial Profile)
www.isbe.net/sfms/p/profile.htm

District Name: LEMONT BROMBEREK CSD 113A
District Code: 07-016-113A-02
County Name: COOK AND DUPAGE

1. Fund Balance to Revenue Ratio:		Total	Ratio	Score	2
Total Sum of Fund Balance (P8, Cells C81, D81, F81 & I81)	Funds 10, 20, 40, 70 + (50 & 80 if negative)	1,811,316.00	0.088	Weight	0.35
Total Sum of Direct Revenues (P7, Cell C8, D8, F8 & I8)	Funds 10, 20, 40, & 70,	20,492,994.00		Value	0.70
Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)	Minus Funds 10 & 20	0.00			
(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)					
2. Expenditures to Revenue Ratio:		Total	Ratio	Score	4
Total Sum of Direct Expenditures (P7, Cell C17, D17, F17, I17)	Funds 10, 20 & 40	18,365,078.00	0.896	Adjustment	0
Total Sum of Direct Revenues (P7, Cell C8, D8, F8, & I8)	Funds 10, 20, 40 & 70,	20,492,994.00		Weight	0.35
Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)	Minus Funds 10 & 20	0.00			
(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)			0	Value	1.40
Possible Adjustment:					
3. Days Cash on Hand:		Total	Days	Score	2
Total Sum of Cash & Investments (P5, Cell C4, D4, F4, I4 & C5, D5, F5 & I5)	Funds 10, 20 40 & 70	2,855,807.00	55.97	Weight	0.10
Total Sum of Direct Expenditures (P7, Cell C17, D17, F17 & I17)	Funds 10, 20, 40 divided by 360	51,014.11		Value	0.20
4. Percent of Short-Term Borrowing Maximum Remaining:		Total	Percent	Score	4
Tax Anticipation Warrants Borrowed (P25, Cell F8-7 & F11)	Funds 10, 20 & 40	0.00	100.00	Weight	0.10
EAV x 85% x Combined Tax Rates (P3, Cell J7 and J10)	(.85 x EAV) x Sum of Combined Tax Rates	13,939,820.28		Value	0.40
5. Percent of Long-Term Debt Margin Remaining:		Total	Percent	Score	4
Long-Term Debt Outstanding (P3, Cell H37)		15,565,345.00	79.73	Weight	0.10
Total Long-Term Debt Allowed (P3, Cell H31)		76,820,717.85		Value	0.40

Total Profile Score: 3.10 *

Estimated 2013 Financial Profile Designation: REVIEW

* Total Profile Score may change based on data provided on the Financial Profile Information, page 3 and by the timing of mandated categorical payments. Final score will be calculated by ISBE.

BASIC FINANCIAL STATEMENTS
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
STATEMENT OF POSITION AS OF JUNE 30, 2012

	A	B	C	D	E	F	G	H	I	J	K
			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
	ASSETS	Acct. #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
1											
2											
3	CURRENT ASSETS (100)										
4	Cash (Accounts 111 through 115) ¹		781,634	1,821,353	3,996,282	252,620	393,142				
5	Investments	120									
6	Taxes Receivable	130	6,669,605	938,069	2,142,492	328,578	328,439				
7	Interfund Receivables	140		262,783							
8	Intergovernmental Accounts Receivable	150	436,198			202,867					
9	Other Receivables	160									
10	Inventory	170									
11	Prepaid Items	180									
12	Other Current Assets (Describe & Itemize)	190									
13	Total Current Assets		7,887,437	3,022,205	6,138,774	784,065	721,581	0	0	0	0
14	CAPITAL ASSETS (200)										
15	Works of Art & Historical Treasures	210									
16	Land	220									
17	Building & Building Improvements	230									
18	Site Improvements & Infrastructure	240									
19	Capitalized Equipment	250									
20	Construction in Progress	280									
21	Amount Available in Debt Service Funds	340									
22	Amount to be Provided for Payment on Long-Term Debt	350									
23	Total Capital Assets										
24	CURRENT LIABILITIES (400)										
25	Interfund Payables	410	262,783								
26	Intergovernmental Accounts Payable	420									
27	Other Payables	430	200,861	39,180		14,974					
28	Contracts Payable	440									
29	Loans Payable	460									
30	Salaries & Benefits Payable	470	1,285,111				98,309				
31	Payroll Deductions & Withholdings	480									
32	Deferred Revenues & Other Current Liabilities	490	6,791,201	954,092	2,178,718	334,189	334,041				
33	Due to Activity Fund Organizations	493									
34	Total Current Liabilities		8,539,956	993,272	2,178,718	349,163	432,350	0	0	0	0
35	LONG-TERM LIABILITIES (500)										
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511									
37	Total Long-Term Liabilities										
38	Reserved Fund Balance	714			3,860,058						
39	Unreserved Fund Balance	730	(652,519)	2,028,833		434,802	289,231				
40	Investment in General Fixed Assets										
41	Total Liabilities and Fund Balance		7,887,437	3,022,205	6,138,774	784,065	721,581	0	0	0	0

BASIC FINANCIAL STATEMENTS
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
STATEMENT OF POSITION AS OF JUNE 30, 2012

	A	B	L	M	N
				Account Groups	
	ASSETS	Acct. #	Agency Fund	General Fixed Assets	General Long-Term Debt
1					
2					
3	CURRENT ASSETS (100)				
4	Cash (Accounts 111 through 115) ¹		170,475		
5	Investments	120			
6	Taxes Receivable	130			
7	Interfund Receivables	140			
8	Intergovernmental Accounts Receivable	150			
9	Other Receivables	180			
10	Inventory	170			
11	Prepaid Items	180			
12	Other Current Assets (Describe & Itemize)	190			
13	Total Current Assets		170,475		
14	CAPITAL ASSETS (200)				
15	Works of Art & Historical Treasures	210			
16	Land	220		1,507,280	
17	Building & Building Improvements	230		23,624,355	
18	Site Improvements & Infrastructure	240		8,043	
19	Capitalized Equipment	250		119,648	
20	Construction in Progress	260			
21	Amount Available in Debt Service Funds	340			3,960,056
22	Amount to be Provided for Payment on Long-Term Debt	350			11,605,289
23	Total Capital Assets			25,259,326	15,565,345
24	CURRENT LIABILITIES (400)				
25	Interfund Payables	410			
26	Intergovernmental Accounts Payable	420			
27	Other Payables	430			
28	Contracts Payable	440			
29	Loans Payable	480			
30	Salaries & Benefits Payable	470			
31	Payroll Deductions & Withholdings	480			
32	Deferred Revenues & Other Current Liabilities	490			
33	Due to Activity Fund Organizations	493	170,475		
34	Total Current Liabilities		170,475		
35	LONG-TERM LIABILITIES (600)				
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511			15,565,345
37	Total Long-Term Liabilities				15,565,345
38	Reserved Fund Balance	714			
39	Unreserved Fund Balance	730			
40	Investment in General Fixed Assets			25,259,326	
41	Total Liabilities and Fund Balance		170,475	25,259,326	15,565,345

BASIC FINANCIAL STATEMENT
 STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER
 SOURCES (USES) AND CHANGES IN FUND BALANCE
 ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2012

1	A	B	C	D	E	F	G	H	I	J	K
			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
3	RECEIPTS/REVENUES										
4	Local Sources	1000	14,613,211	2,241,184	4,126,482	575,679	666,218	0	0	0	0
5	Flow-Through Receipts/Revenues from One District to Another District	2000									
6	State Sources	3000	1,715,352	0	0	324,401	0	0	0	0	0
7	Federal Sources	4000	1,023,167	0	0	0	0	0	0	0	0
8	Total Direct Receipts/Revenues		17,351,730	2,241,184	4,126,482	900,080	666,218	0	0	0	0
9	Receipts/Revenues for "On Behalf" Payments ²	3998	2,146,478								
10	Total Receipts/Revenues		19,498,208	2,241,184	4,126,482	900,080	666,218	0	0	0	0
11	DISBURSEMENTS/EXPENDITURES										
12	Instruction	1000	11,005,544				216,332				
13	Support Services	2000	3,890,920	1,418,974		1,205,123	344,498	0		0	0
14	Community Services	3000	18,045	0		835	24				
15	Payments to Other Districts & Governmental Units	4000	716,211	0	0	0	0	0			0
16	Debt Service	5000	109,626	0	3,872,530	0	0			0	0
17	Total Direct Disbursements/Expenditures		15,740,346	1,418,974	3,872,530	1,205,758	560,854	0		0	0
18	Disbursements/Expenditures for "On Behalf" Payments ²	4180	2,146,478	0	0	0	0	0		0	0
19	Total Disbursements/Expenditures		17,886,824	1,418,974	3,872,530	1,205,758	560,854	0		0	0
20	Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures ³		1,611,384	822,210	253,952	(305,678)	105,364	0	0	0	0
21	OTHER SOURCES/USES OF FUNDS										
22	OTHER SOURCES OF FUNDS (7000)										
23	PERMANENT TRANSFER FROM VARIOUS FUNDS										
24	Abolishment of the Working Cash Fund ¹²	7110									
25	Abatement of the Working Cash Fund ¹²	7110									
26	Transfer of Working Cash Fund Interest	7120									
27	Transfer Among Funds	7130									
28	Transfer of Interest	7140									
29	Transfer from Capital Project Fund to O&M Fund	7150									
30	Transfer of Excess Fire Prevention & Safety Tax and Interest Proceeds to O&M Fund ⁴	7160									
31	Transfer to Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund ⁵	7170									
32	SALE OF BONDS (7200)										
33	Principal on Bonds Sold	7210									
34	Premium on Bonds Sold	7220									
35	Accrued Interest on Bonds Sold	7230									
36	Sale or Compensation for Fixed Assets ⁶	7300									
37	Transfer to Debt Service to Pay Principal on Capital Leases	7400			0						
38	Transfer to Debt Service to Pay Interest on Capital Leases	7500			0						
39	Transfer to Debt Service to Pay Principal on Revenue Bonds	7600			0						
40	Transfer to Debt Service Fund to Pay Interest on Revenue Bonds	7700			0						
41	Transfer to Capital Projects Fund	7800						0			
42	ISBE Loan Proceeds	7900									
43	Other Sources Not Classified Elsewhere	7990									
44	Total Other Sources of Funds		0	0	0	0	0	0	0	0	0
45	OTHER USES OF FUNDS (8000)										
46	PERMANENT TRANSFER TO VARIOUS OTHER FUNDS (8100)										
47	Abolishment or Abatement of the Working Cash Fund ¹²	8110							0		
48	Transfer of Working Cash Fund Interest ¹²	8120							0		

BASIC FINANCIAL STATEMENT
STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER
SOURCES (USES) AND CHANGES IN FUND BALANCE
ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2012

1	A	B	C	D	E	F	G	H	I	J	K
			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
49	Transfer Among Funds	8130									
50	Transfer of Interest	8140									
51	Transfer from Capital Project Fund to O&M Fund	8150						0			
52	Transfer of Excess Fire Prevention & Safety Tax & Interest Proceeds to O&M Fund ⁴	8160									0
53	Transfer of Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund ⁵	8170									0
54	Taxes Pledged to Pay Principal on Capital Leases	8410									
55	Grants/Reimbursements Pledged to Pay Principal on Capital Leases	8420									
56	Other Revenues Pledged to Pay Principal on Capital Leases	8430									
57	Fund Balance Transfers Pledged to Pay Principal on Capital Leases	8440									
58	Taxes Pledged to Pay Interest on Capital Leases	8510									
59	Grants/Reimbursements Pledged to Pay Interest on Capital Leases	8520									
60	Other Revenues Pledged to Pay Interest on Capital Leases	8530									
61	Fund Balance Transfers Pledged to Pay Interest on Capital Leases	8540									
62	Taxes Pledged to Pay Principal on Revenue Bonds	8610									
63	Grants/Reimbursements Pledged to Pay Principal on Revenue Bonds	8620									
64	Other Revenues Pledged to Pay Principal on Revenue Bonds	8630									
65	Fund Balance Transfers Pledged to Pay Principal on Revenue Bonds	8640									
66	Taxes Pledged to Pay Interest on Revenue Bonds	8710									
67	Grants/Reimbursements Pledged to Pay Interest on Revenue Bonds	8720									
68	Other Revenues Pledged to Pay Interest on Revenue Bonds	8730									
69	Fund Balance Transfers Pledged to Pay Interest on Revenue Bonds	8740									
70	Taxes Transferred to Pay for Capital Projects	8810									
71	Grants/Reimbursements Pledged to Pay for Capital Projects	8820									
72	Other Revenues Pledged to Pay for Capital Projects	8830									
73	Fund Balance Transfers Pledged to Pay for Capital Projects	8840									
74	Transfer to Debt Service Fund to Pay Principal on ISBE Loans	8910									
75	Other Uses Not Classified Elsewhere	8990									
76	Total Other Uses of Funds		0	0	0	0	0	0	0	0	0
77	Total Other Sources/Uses of Funds		0	0	0	0	0	0	0	0	0
78	Excess of Receipts/Revenues and Other Sources of Funds (Over/Under) Expenditures/Disbursements and Other Uses of Funds		1,811,384	822,210	253,952	(305,678)	105,364	0	0	0	0
79	Fund Balances - July 1, 2011		(2,283,903)	1,206,723	3,706,104	740,580	183,867				
80	Other Changes in Fund Balances - Increases (Decreases) (Describe & Itemize)		0	0	0	0	0				
81	Fund Balances - June 30, 2012		(852,519)	2,028,933	3,960,056	434,902	289,231	0	0	0	0

ILLINOIS STATE BOARD OF EDUCATION
 School Business Services Division (N-330)
 100 North First Street
 Springfield, IL 62777-0001

LIMITATION OF ADMINISTRATIVE COSTS WORKSHEET
 (Section 17-1.5 of the School Code)

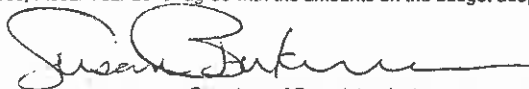
School District Name LEMONT BROMBEREK CSD 113A
 RCDT Number 07-016-113A-02

Description	Funct. No.	Actual Expenditures, Fiscal Year 2012			Budgeted Expenditures, Fiscal Year 2013		
		(10)	(20)	Total	(10)	(20)	Total
		Educational Fund	Operations & Maintenance Fund		Educational Fund	Operations & Maintenance Fund	
1. Executive Administration Services	2320	256,577		256,577	293,865		293,865
2. Special Area Administration Services	2330	0		0			0
3. Other Support Services - School Administration	2490	0		0			0
4. Direction of Business Support Services	2510	132,432	0	132,432	130,401		130,401
5. Internal Services	2570	0		0			0
6. Direction of Central Support Services	2610	0		0			0
7. Deduct - Early Retirement or other pension obligations required by state law and included above				0			0
8. Totals		389,009	0	389,009	424,266	0	424,266
9. Percent Increase (Decrease) for FY2013 (Budgeted) over FY2012 (Actual)							9%

CERTIFICATION

I certify that the amounts shown above as "Actual Expenditures, Fiscal Year 2012" agree with the amounts on the district's Annual Financial Report for Fiscal Year 2012
 I also certify that the amounts shown above as "Budgeted Expenditures, Fiscal Year 2013" agree with the amounts on the budget adopted by the Board of Education.

10/5/12
 (Date)


 Signature of Superintendent

If line 9 is greater than 5% please check one box below.

- The District is ranked by ISBE in the lowest 25th percentile of like districts in administrative expenditures per student (4th quartile) and will waive the limitation by board action, subsequent to a public hearing. Waiver resolution must be adopted no later than June 30.
- The district is unable to waive the limitation by board action and will be requesting a waiver from the General Assembly pursuant to the procedures in Chapter 105 ILCS 5/2-3.25g. Waiver applications must be postmarked by August 17, 2012 to ensure inclusion in the Fall 2012 report, postmarked by January 18, 2013 to ensure inclusion in the Spring 2013 report, or postmarked by August 16, 2013 to ensure inclusion in the Fall 2013 report. Information on the waiver process can be found at www.isbe.net/isbewaivers/default.htm
- The district will amend their budget to become in compliance with the limitation. Budget amendments must be adopted no later than June 30.

Superintendent of Schools and Board of Education
Lemont-Bromberek Combined School District 113A
Lemont, Illinois

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the fiduciary fund of Lemont-Bromberek Combined School District 113A (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements. The basic financial statements have been audited; however, they are not presented as part of this Annual Financial Report form. The basic financial statements should be read in conjunction with the following auditor's opinion. Our opinion read as follows:

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the fiduciary fund of Lemont-Bromberek Combined School District 113A as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Lemont-Bromberek Combined School District 113A's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information, and the fiduciary fund of Lemont-Bromberek Combined School District 113A as of June 30, 2012, and the respective changes in financial position, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated TBD, on our consideration of Lemont-Bromberek Combined School District 113A's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of funding progress on pages iv - xv and 31 - 32 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 required supplementary 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lemont-Bromberek Combined School District 113A's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual fund financial statements and schedules, supplementary information, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

These regulatory-based financial statements are issued to comply with regulatory provisions prescribed by the Illinois State Board of Education, which is a comprehensive basis of accounting other than, and differs from, accounting principles generally accepted in the United States of America. They are intended to assure effective legislative and public oversight of school district financing and spending activities of accountable Illinois public school districts. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying regulatory-based financial statements as listed in the table of contents of this Annual Financial Report form, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the District. Such information, except for the financial profile information, estimated financial profile summary, supplementary schedules, statistical section, estimated indirect cost rate for federal programs, report on shared services or outsourcing, administrative cost worksheet and itemization schedules, which were not audited, has been subjected to the auditing procedures applied in our audit of the basic financial statements, and in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Superintendent of Schools, the Board of Education, management of the District, and the Illinois State Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

Mulcahy, Pawlitsch, Salvador & Co., Ltd.

Orland Park, Illinois
September 28, 2012

Superintendent of Schools and Board of Education
Lemont-Bromberek Combined School District 113A
Lemont, Illinois

**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**

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the fiduciary fund of Lemont-Bromberek Combined School District 113A as of and for the year ended June 30, 2012, which collectively comprise Lemont-Bromberek Combined School District 113A's basic financial statements and have issued our report thereon dated September 28, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of Lemont-Bromberek Combined School District 113A is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Lemont-Bromberek Combined School District 113A's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lemont-Bromberek Combined School District 113A's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Lemont-Bromberek Combined School District 113A's internal control over financial reporting.

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (items 2012-1 and 2012-2). A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lemont-Bromberek Combined School District 113A's financial statements are free of 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*.

Lemont-Bromberek Combined School District 113A's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Lemont-Bromberek Combined School District 113A's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Superintendent of Schools, the Board of Education, others within the entity, the Illinois State Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mulcahy, Pauritsch, Salvador + Co., Ltd.

Superintendent of Schools and Board of Education
Lemont-Bromberek Combined School District 113A
Lemont, Illinois

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited Lemont-Bromberek Combined School District 113A's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lemont-Bromberek Combined School District 113A's major federal programs for the year ended June 30, 2012. Lemont-Bromberek Combined School District 113A's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Lemont-Bromberek Combined School District 113A's management. Our responsibility is to express an opinion on Lemont-Bromberek Combined School District 113A's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lemont-Bromberek Combined School District 113A's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Lemont-Bromberek Combined School District 113A's compliance with those requirements.

In our opinion, Lemont-Bromberek Combined School District 113A complied, in all material respects, with the 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, 2012.

Internal Control over Compliance

Management of Lemont-Bromberek Combined School District 113A is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Lemont-Bromberek Combined School District 113A's internal control over compliance with the requirements that



could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lemont-Bromberek Combined School District 113A's internal control over compliance.

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2012-3 and 2012-4. *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.

Lemont-Bromberek Combined School District 113A's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Lemont-Bromberek Combined School District 113A's responses, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Superintendent of Schools, Board of Education, management, the Illinois State Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mulsahy, Pauntsch, Salvador & Co., Ltd.

NOTES TO BASIC FINANCIAL STATEMENTS

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Lemont-Bromberек Combined School District 113A is governed by the Board of Education and provides primary education, transportation, building maintenance and general administrative services.

These financial statements include the District and its component units, entities for which the District is considered to be financially accountable. At June 30, 2012, no entities were considered component units of the District.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District. *Governmental activities* are those that are primarily supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement 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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in accordance with the District's appropriation ordinance.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Additionally, property taxes are recognized as revenues in accordance with the District's appropriation ordinance. Due to the financial difficulties that are delaying the receipt of

**LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

entitlement revenues from governmental agencies, the availability period for entitlement revenues has been extended so that twelve months of revenues are reflected in the accompanying financial statements.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, personal property replacement taxes, investment income and entitlements associated with the current fiscal period are all considered to be susceptible to accrual and so have been 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 has the following major governmental funds:

General Fund:

The General Fund is the District's primary operating fund. It is comprised of two subfunds: the Educational Fund and the Operations and Maintenance Fund. The General Fund accounts for all financial resources of the general District, except those required to be accounted in another fund.

Debt Services Fund:

This fund accounts for the accumulation of resources for and payment of principal, interest, and related costs of the District's general long-term debt.

The District has the following nonmajor governmental funds:

Special revenue funds:

This fund type is used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditure for specific purposes other than debt service or capital projects. The District's nonmajor special revenue funds are the Transportation Fund and the Illinois Municipal Retirement Fund.

Additionally, the District reports the following fiduciary fund type:

The Student Activity Fund (an agency fund) accounts for assets held by the District as an agent for the students and teachers. The fund is custodial in nature and does not involve the measurement of results of operations. The amounts due to the activity fund organizations are equal to the assets.

As general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to students for goods or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

**LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The Illinois statutes authorize the District to invest in U.S. government, State of Illinois and municipal securities; certificates of deposit or time savings deposits insured by the FDIC; mortgage notes, bonds or debentures issued by the Federal Housing Administration; bonds and other obligations of the Federal National Mortgage Association; and certain short-term obligations of U.S. corporations.

Cash and investments of the District are pooled into a common pooled account in order to maximize investment opportunities. Each fund whose monies are deposited into the pooled account has equity herein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund's equity in the pooled account is available upon demand and is considered to be a cash equivalent when preparing these financial statements. Each fund's portion of the pool is displayed on its respective balance sheet as "equity in pooled cash and investments." In addition, non-pooled cash and investments are separately held and reflected in the respective funds as "cash" and "investments."

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Cash deposits are reported at carrying amount which reasonably estimates fair value. The reported value of the Illinois Funds and the Illinois Liquid Asset Funds is the same as the fair value of each Fund's shares.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by an equivalent nonspendable fund balance amount in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Entitlements receivable consist of grants due from other governments. The District considers its entitlements receivable to be fully collectible; accordingly, an allowance for uncollectible entitlements receivable has not been established.

The District receives property tax collections from both Cook County and DuPage County.

Property taxes for Cook County are levied as of January 1 on property values assessed on the same date. The lien date for the levy is January 1. The tax levy is payable in two installments, in February and October. The District receives significant distributions of tax receipts approximately one month after the due dates. The billings are considered past due 30 days after the respective billing date at which time the applicable property is subject to lien and penalties and interest are assessed.

**LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012**

Property taxes for DuPage County are levied as of January 1 on property values assessed on the same date. The lien date for the levy is January 1. The tax levy is payable in two installments, in June and September. The District receives significant distributions of tax receipts approximately one month after the due dates. The billings are considered past due 30 days after the respective billing date at which time the applicable property is subject to lien and penalties and interest are assessed.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Capital Assets

Capital assets, which include land, land improvements, buildings and equipment, reported in the government-wide financial statements are defined by the District as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land improvements, buildings and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	25
Buildings	50
Equipment	5-7

5. Compensated Absences

It is the District's policy for noncertified personnel to earn vacation pay after completing one year of service. This vacation pay must be used within the next twelve months or it converts to sick leave. Certified employees working less than twelve months do not earn vacation pay.

Full-time employees earn fifteen sick days annually. Any unused portion is accumulated and carried forward. Upon retirement, employees receive \$20 a day for each day accumulated for sick time.

**LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

6. 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 assets. 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 fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Education). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.
- Assigned - amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Education or by an individual or body to which the District delegates the authority.
- Unassigned - amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The Board of Education establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Education through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

**LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

8. Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications - committed and then assigned fund balances before using unassigned fund balances.

9. Estimates

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The budget appropriations lapse at the end of each fiscal year. The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. Prior to the last Tuesday in December, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration is employed as a management control device during the year.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

**LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012**

B. Excess of Expenditures over Budget

The following funds had an excess of actual expenditures over the budgeted amount for the year ended June 30, 2012:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Major governmental fund:			
Debt Services Fund	\$ 3,871,500	\$ 3,872,530	\$ (1,030)
Nonmajor governmental fund:			
Transportation Fund	1,130,091	1,205,123	(75,032)

The overexpenditures in the Debt Services Fund and Transportation Fund were funded by available fund balance.

C. Fund Deficit

The Educational Fund, a subfund of the General Fund, reported a fund deficit at June 30, 2012 of \$652,519. The District, as a result of cost cutting measures, has budgeted a \$1,549,292 surplus in the Educational Fund for fiscal year 2013 to address this deficit.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a deposit policy for custodial credit risk. As of June 30, 2012, the District's bank balances of \$354,071 were covered by federal depository insurance.

**LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

Investments

As of June 30, 2012, the District had the following investments:

<u>Type of Investment</u>	<u>Fair Value/ Carrying Amount</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighted Average Years to Maturity (2)</u>
Pooled investments (3):			
Money market funds:			
Illinois Funds	\$ 96,964	AAAm	<1
Illinois Institutional Investors Trust	917	AAAm	<1
Illinois School District Liquid Asset Fund - Max Class	3,301,041	AAAm	<1
Illinois School District Liquid Asset Fund - Liquid Class	2,232,845	AAAm	<1
Certificates of deposit	<u>1,491,649</u>	N/A	<1
Total	<u>\$ 7,123,416</u>		

- (1) Ratings are provided where applicable to indicate associated *Credit Risk*. N/A indicates not applicable.
- (2) *Interest Rate Risk* is estimated using weighted average years to maturity.
- (3) Pooled cash and investments are reported as *equity in pooled cash and investments*. Investments in the pool are not separately reported in the financial statements as ownership of investments cannot be assigned to individual funds, including fiduciary funds. Therefore, total investments will not agree to the financial statements.

Investment Policies

The District's investments are subject to the following risks:

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The District does not have an investment policy for the above risks.

**LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

B. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,507,280	\$ -	\$ -	\$ 1,507,280
Capital assets, being depreciated:				
Land improvements	35,637	-	-	35,637
Building and improvements	38,499,119	-	-	38,499,119
Equipment	<u>5,568,156</u>	<u>35,804</u>	<u>-</u>	<u>5,603,960</u>
Total capital assets, being depreciated	<u>44,102,912</u>	<u>35,804</u>	<u>-</u>	<u>44,138,716</u>
Less accumulated depreciation for:				
Land improvements	(25,098)	(1,425)	-	(26,523)
Building and improvements	(11,063,529)	(769,982)	-	(11,833,511)
Equipment	<u>(5,253,757)</u>	<u>(94,858)</u>	<u>-</u>	<u>(5,348,615)</u>
Total accumulated depreciation	<u>(16,342,384)</u>	<u>(866,265)</u>	<u>-</u>	<u>(17,208,649)</u>
Total capital assets, being depreciated, net	<u>27,760,528</u>	<u>(830,461)</u>	<u>-</u>	<u>26,930,067</u>
Governmental activities capital assets, net	<u>\$ 29,267,808</u>	<u>\$ (830,461)</u>	<u>\$ -</u>	<u>\$ 28,437,347</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Instructional	\$ 550,294
Pupil support	45,683
Other support	258,717
Administration	<u>11,571</u>
Total depreciation expense - governmental activities	<u>\$ 866,265</u>

C. Tax Anticipation Warrants

On July 8, 2011, the District issued \$5,000,000 of tax anticipation warrants which were repaid on January 27, 2012 at an interest rate of 1.75%.

On January 27, 2012, the District issued \$1,800,000 of tax anticipation warrants which were repaid on June 29, 2012 at an interest rate of 2.04%.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

Tax anticipation warrant activity for the year ended June 30, 2012 was as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Repayments</u>	<u>Ending Balance</u>
\$ -	\$ 6,800,000	\$ 6,800,000	\$ -

D. Long-term Debt

Long-term debt as of June 30, 2012 is summarized as follows:

<u>Issue December 27, 1995 Capital Appreciation Bonds</u>			
<u>Fiscal Year Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 923,812	\$ 3,176,188	\$ 4,100,000
2014	888,251	3,416,749	4,305,000
2015	854,009	3,665,991	4,520,000
2016	<u>875,481</u>	<u>4,184,519</u>	<u>5,060,000</u>
Total	<u>\$ 3,541,553</u>	<u>\$ 14,443,447</u>	<u>\$ 17,985,000</u>

Denomination	\$5,000
Bonds due each year	December 1st
Interest date	December 1st
Interest rate	9%
Total original issue	\$16,358,467

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

Issue February 1, 2001
General Obligation Limited Tax Bond, Series 2001A

<u>Fiscal Year Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 80,000	\$ 37,820	\$ 117,820
2014	85,000	33,940	118,940
2015	85,000	29,860	114,860
2016	90,000	25,660	115,660
2017	90,000	21,250	111,250
2018	90,000	16,750	106,750
2019	95,000	12,125	107,125
2020	95,000	7,375	102,375
2021	<u>100,000</u>	<u>2,500</u>	<u>102,500</u>
Total	<u>\$ 810,000</u>	<u>\$ 187,280</u>	<u>\$ 997,280</u>

Denomination	\$5,000
Bonds due each year	December 1st
Interest dates	December 1st and June 1st
Interest rates	3.5% - 5.0%
Total original issue	\$1,625,000

Issue - February 15, 2001
General Obligation Limited Tax Bond, Series 2001B

<u>Fiscal Year Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	50,054	40,221	90,275
2014	47,670	42,748	90,418
2015	47,670	47,418	95,088
2016	45,287	49,713	95,000
2017	41,980	54,985	96,965
2018	41,980	60,292	102,272
2019	40,230	63,144	103,374
2020	38,480	65,812	104,292
2021	<u>36,730</u>	<u>68,268</u>	<u>104,998</u>
Total	<u>\$ 390,081</u>	<u>\$ 492,601</u>	<u>\$ 882,682</u>

**LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

Denomination	\$5,000
Bonds due each year	December 1st
Interest date	December 1st
Interest rates	3.5% - 5.0%
Total original issue	\$1,068,071

Issue February 15, 2001
General Obligation Capital Appreciation School Bonds, Series 2001D

<u>Fiscal Year Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,814,204	\$ 2,440,796	\$ 4,255,000
2018	1,754,728	2,590,272	4,345,000
2019	1,836,096	2,963,904	4,800,000
2020	<u>1,082,294</u>	<u>1,792,706</u>	<u>2,875,000</u>
Total	<u>\$ 6,487,322</u>	<u>\$ 9,787,678</u>	<u>\$ 16,275,000</u>

Denomination	\$5,000
Bonds due each year	December 1st
Interest date	December 1st
Interest rates	5.00% - 5.29%
Total original issue	\$6,914,760

Issue January 9, 2002
General Obligation Capital Appreciation School Bonds, Series 2002

<u>Fiscal Year Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 705,490	\$ 1,319,510	\$ 2,025,000
2021	1,733,181	3,271,819	5,005,000
2022	<u>1,897,718</u>	<u>3,767,282</u>	<u>5,665,000</u>
Total	<u>\$ 4,336,389</u>	<u>\$ 8,358,611</u>	<u>\$ 12,695,000</u>

Denomination	\$5,000
Bonds due each year	December 1st
Interest date	December 1st
Interest rates	5.2% - 5.3%
Original issue	\$4,336,389

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

\$3,960,056 is available in the Debt Services Fund to service the above bonds payable.

Total annual debt service requirements to maturity for all debt outstanding are as follows:

<u>Fiscal Year Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,053,866	\$ 3,254,229	\$ 4,308,095
2014	1,020,921	3,493,437	4,514,358
2015	986,679	3,743,269	4,729,948
2016	1,010,768	4,259,892	5,270,660
2017	1,946,184	2,517,031	4,463,215
2018	1,886,708	2,667,314	4,554,022
2019	1,971,326	3,039,173	5,010,499
2020	1,921,264	3,185,403	5,106,667
2021	1,869,911	3,342,587	5,212,498
2022	<u>1,897,718</u>	<u>3,767,282</u>	<u>5,665,000</u>
Total	<u>\$ 15,565,345</u>	<u>\$ 33,269,617</u>	<u>\$ 48,834,962</u>

Long-term liability activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Capital appreciation bonds	\$ 15,710,037	\$ -	\$ 954,692	\$ 14,755,345	\$ 973,866
General obligation bond	890,000	-	80,000	810,000	80,000
Accreted interest - capital appreciation bonds	19,380,121	2,560,569	2,759,457	19,181,233	3,216,410
Transportation grant audit payable	589,661	-	109,652	480,009	196,554
Compensated absences	271,701	31,377	39,919	263,159	22,868
Other postemployment benefits obligation	<u>389,912</u>	<u>288,579</u>	<u>83,863</u>	<u>594,628</u>	<u>-</u>
Total	<u>\$ 37,231,432</u>	<u>\$ 2,880,525</u>	<u>\$ 4,027,583</u>	<u>\$ 36,084,374</u>	<u>\$ 4,489,698</u>

**LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

E. Fund Balances

As of June 30, 2012, fund balances were comprised of the following:

	<u>General Fund</u>	<u>Debt Services Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Restricted:				
Operations and maintenance	\$ 1,385,574	\$ -	\$ -	\$ 1,385,574
Debt service	-	3,947,527	-	3,947,527
Transportation	-	-	365,056	365,056
Illinois Municipal Retirement	-	-	<u>206,790</u>	<u>206,790</u>
Total restricted	<u>1,385,574</u>	<u>3,947,527</u>	<u>571,846</u>	<u>5,904,947</u>
Assigned:				
Debt service	-	12,529	-	12,529
Transportation	-	-	69,846	69,846
Illinois Municipal Retirement	-	-	<u>82,441</u>	<u>82,441</u>
Total assigned	<u>-</u>	<u>12,529</u>	<u>152,287</u>	<u>164,816</u>
Unassigned	<u>(9,160)</u>	<u>-</u>	<u>-</u>	<u>(9,160)</u>
Total fund balances	<u>\$ 1,376,414</u>	<u>\$ 3,960,056</u>	<u>\$ 724,133</u>	<u>\$ 6,060,603</u>

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; and workers' compensation. The District has purchased commercial insurance to cover all risks of loss related to general liability, auto liability, property damage, theft and workers' compensation. The amount of coverage has not decreased nor have the amount of settlements exceeded coverage in the current year or any of the past three years.

B. Employee Retirement Systems and Plans

1. Teachers' Retirement System of the State of Illinois

The District (employer) 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.

**LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

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 State of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2012 was 9.4 percent of creditable earnings. The same contribution applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by their employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2011 and 2010.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2012, State of Illinois contributions were based on 24.91 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$2,074,700 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2011 and 2010, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.10 percent (\$2,030,853) and 23.38 percent (\$2,710,916), respectively.

The District makes other types of employer contributions directly to TRS:

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2012 were \$48,101. Contributions for the years ended June 30, 2011 and 2010 were \$50,475 and \$67,251, respectively.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS.

For the year ended June 30, 2012, the employer pension contribution was 24.91 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2011 and 2010, the employer contribution was 23.10 and 23.38 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2012, salaries totaling \$110,169 were paid from federal and special trust funds that required employer contributions of \$27,443. For the years ended June 30, 2011 and 2010, required District contributions were \$12,103 and \$19,261, respectively.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

Early Retirement Option (ERO). The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

The maximum employer ERO contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2012, the District paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2011 and 2010, the District paid \$80,089 and \$0 in employer ERO contributions, respectively.

Salary increases over 6 percent and excess sick leave. If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2012, the District paid \$3,446 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2011 and 2010, the District paid \$2,355 and \$45,480 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.83 percent of salary during the year ended June 30, 2012).

For the year ended June 30, 2012, the District paid \$1,479 to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2011 and 2010, the District paid \$0 and \$4,116 in employer contributions granted for sick leave days, respectively.

Further information on TRS. TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2011. The report for the year ended June 30, 2012 is expected to be available in late 2012.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at <http://trs.illinois.gov>.

**LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012**

2. Illinois Municipal Retirement Fund

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

Funding Policy. As set by statute, the District's plan members are required to contribute 4.5 percent 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 employer annual required contribution rate for calendar year 2011 was 11.29 percent. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for fiscal year 2012 was \$258,120.

Three-Year Trend Information for the Regular Plan.

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/12	\$ 258,120	100	\$ -
6/30/11	234,843	100	-
6/30/10	280,281	100	-

The required contribution for fiscal year 2012 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 76.53 percent funded. The actuarial accrued liability for benefits was \$6,043,920 and the actuarial value of assets was \$4,625,291, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,418,629. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$2,292,023 and the ratio of the UAAL to the covered payroll was 62 percent.

**LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012**

The schedule of funding progress, presented as required supplementary information following the notes to basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

3. Social Security

Employees not qualifying for coverage under the Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$183,895, the total required contribution for the current year.

4. Postretirement Health Plan

Plan Description. The Postretirement Health Plan (PHP) is a single-employer defined benefit healthcare plan administered by the District. The District provides limited health care and life insurance coverage for its eligible retired employees. Such coverage is provided for retired employees until they reach age 65. The District does not issue a stand alone report for PHP.

Funding Policy. The contribution requirements are established by the District, using an actuarial study that is based on projected pay-as-you-go financing. For fiscal year 2012, the District contributed \$83,863 to the plan. Plan members receiving benefits contributed \$0.

Annual OPEB Cost and Net OPEB Obligation. The District's annual other postemployment benefits (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to PHP:

Annual required contribution	\$ 279,191
Interest on net OPEB obligation	11,697
Adjustment to annual required contribution	<u>(2,309)</u>
Annual OPEB cost (expense)	288,579
Contributions made	<u>83,863</u>
Change in net OPEB obligation	204,716
Net OPEB obligation at beginning of year	<u>389,912</u>
Net OPEB obligation at end of year	<u>\$ 594,628</u>

**LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012**

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three most recent fiscal years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/12	\$ 288,579	29.06	\$ 594,628
06/30/11	287,349	32.15	389,912
06/30/10	279,191	30.17	194,956

Funded Status and Funding Progress. As of July 1, 2009, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$1,806,943, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,806,943. The covered payroll (annual payroll of active employees covered by the plan) and the ratio of the UAAL to covered payroll were not available at July 1, 2009.

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

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

In the July 1, 2009 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 3 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 6 percent initially, reduced by decrements to an ultimate rate of 5 percent. The UAAL is being amortized as a level percentage of projected pay on an open basis. The remaining amortization period at July 1, 2009 was 30 years.

**LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

5. Teacher Health Insurance Security Fund

The District (employer) participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment 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 may participate in the State administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by 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 make a contribution to THIS Fund.

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

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.88 percent of pay during the year ended June 30, 2012. State of Illinois contributions were \$71,777, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2011 and 2010 were 0.88 and 0.84 percent of pay, respectively. State contributions on behalf of District employees were \$76,548 and \$97,398, respectively.

Employer contributions to THIS Fund. The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.66 percent during the year ended June 30, 2012 and 2011, and 0.63 percent during the year ended June 30, 2010. For the year ended June 30, 2012, the District paid \$53,833 to the THIS Fund. For the years ended June 30, 2011 and 2010, the District paid \$57,411 and \$73,049 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further information on THIS Fund. The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

**LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

C. Tort Immunity Expenditures

Tort immunity expenditures for the year ended June 30, 2012 are summarized as follows:

Unemployment compensation	\$	154,661
Workers' compensation		114,898
Liability insurance		<u>69,389</u>
Total	\$	<u>338,948</u>

D. Concentration

Substantially all nonmanagement employees are covered under a collective bargaining agreement that expires in June, 2013.

E. Subsequent Events

Management has evaluated subsequent events through September 28, 2012, which is the date the financial statements were available to be issued.

September 28, 2012

Superintendent of Schools and Board of Education
Lemont-Bromberek Combined School District 113A
Lemont, Illinois

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the fiduciary fund of Lemont-Bromberek Combined School District 113A for the year ended June 30, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated February 17, 2010. Professional standards also require that we provide you with the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Lemont-Bromberek Combined School District 113A are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2012. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's calculation of depreciation expense is based on the estimated useful lives of the capital assets. The actual useful lives of the assets may vary from these estimates.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.



Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached journal entries were proposed as a result of audit procedures and were agreed to by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 28, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the combining and individual fund financial statements and schedules, supplementary information, and schedule of expenditures of federal awards accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. With respect to the information included in the introductory section, we read the information and did not identify any material inconsistencies with the audited financial statements.

This information is intended solely for the use of the Superintendent of Schools, the Board of Education and management of Lemont-Bromberek Combined School District 113A and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Mulcahy, Pawitech, Salvador. Co., Ltd.

Lemont-Bromberek Combined School District 113A

Year End: June 30, 2012

Adjusting Journal Entries

Date: 7/1/2011 To 6/30/2012

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence
1	6/30/2012	Lease payments	40-00-2550-300-0000			228,837.00		
1	6/30/2012	Equipment	40-00-2550-550-0000				228,837.00	
		To reclass lease payments						
2	6/30/2012	CASH	10-00-0101-001-0000			4,373.00		
2	6/30/2012	CASH	10-00-0101-001-0000				252,208.00	
2	6/30/2012	CASH	10-00-0101-001-0000			226,410.00		
2	6/30/2012	General Levy Education Cook	10-00-1110-000-1110			5,112,787.00		
2	6/30/2012	General Levy Education DuPage	10-00-1110-000-1120			1,432,282.00		
2	6/30/2012	General Levy Prior Yr Ed Cook	10-00-1110-000-1210				4,860,581.00	
2	6/30/2012	General Levy Prior Yrs DuPage	10-00-1110-000-1220				1,436,655.00	
2	6/30/2012	Special Ed Levy Cook	10-00-1140-000-1110				90,809.00	
2	6/30/2012	Special Ed Levy DuPage	10-00-1140-000-1120				23,276.00	
2	6/30/2012	Special Ed Levy Pr Yr Cook	10-00-1140-000-1210				91,281.00	
2	6/30/2012	Special Ed Levy Pr Yr DuPage	10-00-1140-000-1220				21,244.00	
2	6/30/2012	CASH	20-00-0101-001-0000				188,689.00	
2	6/30/2012	General Levy O & M Cook	20-00-1111-000-1110			1,028,947.00		
2	6/30/2012	General Levy O & M DuPage	20-00-1111-000-1120			278,990.00		
2	6/30/2012	General Levy	20-11-1111-000-0000				908,880.00	
2	6/30/2012	General Levy	20-12-1111-000-0000				210,368.00	
2	6/30/2012	CASH	30-00-0101-001-0000			148,804.00		
2	6/30/2012	General Levy Debt Serv Cook	30-00-1112-000-1110			1,428,546.00		
2	6/30/2012	General Levy Debt Serv DuPage	30-00-1112-000-1120			403,131.00		
2	6/30/2012	General Levy Debt Pr Yr Cook	30-00-1112-000-1210				1,558,641.00	
2	6/30/2012	General Levy Prior Yr DuPage	30-00-1112-000-1220				417,840.00	
2	6/30/2012	CASH	40-00-0101-001-0000			94,458.00		
2	6/30/2012	General Levy Cook	40-00-1113-000-1110			103,331.00		
2	6/30/2012	General Levy DuPage	40-00-1113-000-1120			25,867.00		
2	6/30/2012	General Levy Transport Pr Yr Cook	40-00-1113-000-1210				181,580.00	
2	6/30/2012	General Levy Transport Pr Yr DuPage	40-00-1113-000-1220				42,074.00	
2	6/30/2012	CASH	50-00-0101-001-0000				31,148.00	
2	6/30/2012	Social Security	50-00-1114-000-1110			9,980.00		
2	6/30/2012	Current year levy	50-00-1114-000-1120			5,594.00		
2	6/30/2012	IMRF	50-00-1150-000-1110			9,980.00		
2	6/30/2012	Social Security	50-00-1150-000-1120			5,594.00		
		To reallocate property tax revenue						
3	6/30/2012	Property Tax Receivable	10-00-0200-000-0000				275,535.00	
3	6/30/2012	Deferred Property Taxes	10-00-0405-000-0000			55,338.00		
3	6/30/2012	General Levy Education Cook	10-00-1110-000-1110			171,754.00		
3	6/30/2012	General Levy Education DuPage	10-00-1110-000-1120			48,443.00		
3	6/30/2012	Property tax receivable	20-00-0110-000-0000				232,201.00	
3	6/30/2012	Deferred property taxes	20-00-0474-000-0000			198,032.00		
3	6/30/2012	General Levy O & M Cook	20-00-1111-000-1110			26,652.00		
3	6/30/2012	General Levy O & M DuPage	20-00-1111-000-1120			7,517.00		
3	6/30/2012	Property tax receivable	30-00-0110-000-0000			76,581.00		
3	6/30/2012	Deferred property tax	30-00-0474-000-0000				145,032.00	
3	6/30/2012	General Levy Debt Serv Cook	30-00-1112-000-1110			53,407.00		
3	6/30/2012	General Levy Debt Serv DuPage	30-00-1112-000-1120			15,064.00		
3	6/30/2012	Property tax receivable	40-00-0110-000-0000			94,730.00		
3	6/30/2012	Deferred property tax	40-00-0474-000-0000				103,967.00	
3	6/30/2012	General Levy Cook	40-00-1113-000-1110			7,205.00		
3	6/30/2012	General Levy DuPage	40-00-1113-000-1120			2,032.00		
3	6/30/2012	Property tax receivable	50-00-0110-000-0000				24,233.00	
3	6/30/2012	Deferred property tax	50-00-0474-000-0000			13,163.00		
3	6/30/2012	Social Security	50-00-1114-000-1110			8,635.00		
3	6/30/2012	Current year levy	50-00-1114-000-1120			2,435.00		
		To adjust property tax receivable and deferral						
4	6/30/2012	Student Activities	96-00-0101-000-0000	20-01		170,475.00		
4	6/30/2012	Student activities - increases	96-00-0200-000-0000	20-01		148,080.00		
4	6/30/2012	Student activities - increases	96-00-0200-000-0000	20-01		8,975.00		
4	6/30/2012	Student activities - increases	96-00-0200-000-0000	20-01		57.00		
4	6/30/2012	Student activities - decreases	96-00-0201-000-0000	20-01			119,512.00	

Lemont-Bromberek Combined School District 113A

Year End: June 30, 2012

Adjusting Journal Entries

Date: 7/1/2011 To 6/30/2012

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence
4	6/30/2012	Amtl due to activities fund	96-00-0202-000-0000	20-01			208,055.00	
		To record student activity						
5	6/30/2012	Accrued Payroll	10-00-0403-000-0000	CC-01		1,367,750.00		
5	6/30/2012	Cert Salary	10-00-1110-110-0000	CC-01			916,222.00	
5	6/30/2012	Cert Sal Spec Ed	10-00-1200-110-0000	CC-01			222,464.00	
5	6/30/2012	Salaries Bilingual Teachers	10-00-1800-110-0000	CC-01			31,619.00	
5	6/30/2012	Salaries Social Worker	10-00-2110-110-0000	CC-01			36,978.00	
5	6/30/2012	Guidance Salaries	10-00-2120-110-0000	CC-01			11,784.00	
5	6/30/2012	Paraprof Nurse	10-00-2130-111-0000	CC-01			35,401.00	
5	6/30/2012	Cert Salary Psych Serv	10-00-2140-110-0000	CC-01			28,906.00	
5	6/30/2012	Speech Salary	10-00-2150-110-0000	CC-01			35,011.00	
5	6/30/2012	Cert Salary	10-00-2210-110-0000	CC-01			10,557.00	
5	6/30/2012	Cert Sal Educ Media Serv	10-00-2220-110-0000	CC-01			36,809.00	
5	6/30/2012	FICA PAYABLE BD	50-00-0457-000-0000	CC-01		104,633.00		
5	6/30/2012	Cert Salary	50-00-1110-212-0000	CC-01			70,244.00	
5	6/30/2012	Noncert Sal	50-00-1200-212-0000	CC-01			17,016.00	
5	6/30/2012	Cert. Salary	50-00-1810-214-0000	CC-01			2,419.00	
5	6/30/2012	Cert Salary	50-00-2110-214-0000	CC-01			2,829.00	
5	6/30/2012	Cert Salary	50-00-2120-214-0000	CC-01			902.00	
5	6/30/2012	Noncert sal Health Serv IMRF	50-00-2130-212-0000	CC-01			2,708.00	
5	6/30/2012	Cert Sal Psych Medicare Only	50-00-2140-214-0000	CC-01			2,211.00	
5	6/30/2012	Speech and Audio Medicare Only	50-00-2150-214-0000	CC-01			2,678.00	
5	6/30/2012	PD Extra Curr	50-00-2210-214-0000	CC-01			808.00	
5	6/30/2012	Noncert IMRF	50-00-2220-212-0000	CC-01			2,816.00	
		To reverse PY accrued payroll and accrued payroll taxes						
6	6/30/2012	Accrued Payroll	10-00-0403-000-0000	CC-01			1,285,111.00	
6	6/30/2012	Cert Salary	10-00-1110-110-0000	CC-01		912,124.00		
6	6/30/2012	Cert Sal Spec Ed	10-00-1200-110-0000	CC-01		200,274.00		
6	6/30/2012	Salaries Bilingual Teachers	10-00-1800-110-0000	CC-01		32,214.00		
6	6/30/2012	Salaries Social Worker	10-00-2110-110-0000	CC-01		21,206.00		
6	6/30/2012	Paraprof Nurse	10-00-2130-111-0000	CC-01		20,388.00		
6	6/30/2012	Cert Salary Psych Serv	10-00-2140-110-0000	CC-01		28,906.00		
6	6/30/2012	Speech Salary	10-00-2150-110-0000	CC-01		35,010.00		
6	6/30/2012	Cert Salary	10-00-2210-110-0000	CC-01		13,167.00		
6	6/30/2012	Cert Sal Educ Media Serv	10-00-2220-110-0000	CC-01		21,822.00		
6	6/30/2012	FICA PAYABLE BD	50-00-0457-000-0000	CC-01			98,309.00	
6	6/30/2012	Cert Salary	50-00-1110-212-0000	CC-01		69,777.00		
6	6/30/2012	Noncert Sal	50-00-1200-212-0000	CC-01		15,321.00		
6	6/30/2012	Cert. Salary	50-00-1810-214-0000	CC-01		2,464.00		
6	6/30/2012	Cert Salary	50-00-2110-214-0000	CC-01		1,622.00		
6	6/30/2012	Noncert sal Health Serv IMRF	50-00-2130-212-0000	CC-01		1,560.00		
6	6/30/2012	Cert Sal Psych Medicare Only	50-00-2140-214-0000	CC-01		2,211.00		
6	6/30/2012	Speech and Audio Medicare Only	50-00-2150-214-0000	CC-01		2,678.00		
6	6/30/2012	PD Extra Curr	50-00-2210-214-0000	CC-01		1,007.00		
6	6/30/2012	Noncert IMRF	50-00-2220-212-0000	CC-01		1,669.00		
		To record CY accrued payroll and accrued payroll taxes						
								Reversing
7	6/30/2012	On behalf contributions revenue	10-99-9999-000-0000			2,146,478.00		
7	6/30/2012	On behalf contributions expenses	10-99-9999-001-0000				2,146,478.00	
		To record on behalf contributions at 6.30.12						
8	6/30/2012	CASH	10-00-0101-001-0000	20-07.01			1,064.00	
8	6/30/2012	Interest Earnings	10-00-1510-000-0000	20-07.01		1,064.00		
8	6/30/2012	CASH	20-00-0101-001-0000	20-07.01		1,606.00		
8	6/30/2012	Interest income	20-10-1510-000-0000	20-07.01			1,606.00	
8	6/30/2012	CASH	30-00-0101-001-0000	20-07.01			1,111.00	
8	6/30/2012	Interest earnings	30-00-1510-000-0000	20-07.01		1,111.00		
8	6/30/2012	CASH	40-10-0101-001-0000	20-07.01		223.00		
8	6/30/2012	Interest income	40-10-1510-000-0000	20-07.01			223.00	
8	6/30/2012	CASH	50-00-0101-001-0000	20-07.01		346.00		

Lemont-Bromberek Combined School District 113A

Year End: June 30, 2012
 Adjusting Journal Entries
 Date: 7/1/2011 To 6/30/2012

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence
8	6/30/2012	Interest income	50-10-1510-000-0000	20-07.01			348.00	
		To re-allocated interest income between funds						
9	6/30/2012	ACCOUNTS PAYABLE	10-00-0402-000-0000	BB-02		226,145.00		
9	6/30/2012	Health Ins Regular Programs	10-00-1110-222-0000	BB-02			198.00	
9	6/30/2012	Health Ins Regular Programs	10-00-1110-222-0000	BB-02			210,256.00	
9	6/30/2012	Title I Supplies	10-00-1110-410-4300	BB-02			70.00	
9	6/30/2012	General Supplies ARRA	10-00-1200-410-4857	BB-02			404.00	
9	6/30/2012	Tuition to Other Ed Agencies	10-00-1200-670-0000	BB-02			3,034.00	
9	6/30/2012	IDEA 11	10-00-1200-690-4820	BB-02			246.00	
9	6/30/2012	Warriors Prof Serv Officials	10-00-1520-310-4100	BB-02			988.00	
9	6/30/2012	Nurses Prof Serv	10-00-2130-310-0000	BB-02			1,537.00	
9	6/30/2012	ARRA Preschool Nurs Serv	10-00-2130-310-4858	BB-02			109.00	
9	6/30/2012	ARRA NURSING PROF SERV	10-00-2130-310-4857	BB-02			1,017.00	
9	6/30/2012	SUPPLIES ARRA	10-00-2140-410-4857	BB-02			503.00	
9	6/30/2012	Legal Services	10-00-2310-318-0000	BB-02			264.00	
9	6/30/2012	Legal Services	10-00-2310-318-0000	BB-02			1,476.00	
9	6/30/2012	Legal Services	10-00-2310-318-0000	BB-02			4,475.00	
9	6/30/2012	Travel/Conferences	10-00-2310-332-0000	BB-02			1,440.00	
9	6/30/2012	Postage	10-00-2310-342-0000	BB-02			18.00	
9	6/30/2012	Payments to Spec Ed Coop	10-00-4120-670-0000	BB-02			110.00	
9	6/30/2012	Accounts Payable	20-00-0431-000-0000	BB-02		27,256.00		
9	6/30/2012	Health Insurance	20-00-2540-222-0000	BB-02			21,282.00	
9	6/30/2012	Pest Control RV	20-00-2540-322-2000	BB-02			56.00	
9	6/30/2012	Pest Control CE	20-00-2540-322-3000	BB-02			48.00	
9	6/30/2012	Repairs OQ	20-00-2540-323-4000	BB-02			400.00	
9	6/30/2012	Telephones	20-00-2540-340-0000	BB-02			4,085.00	
9	6/30/2012	Cell Phones	20-00-2540-340-0341	BB-02			305.00	
9	6/30/2012	Water CE	20-00-2540-370-3000	BB-02			494.00	
9	6/30/2012	Health Screenings	20-00-2540-396-0000	BB-02			260.00	
9	6/30/2012	Supplies District	20-00-2540-410-0000	BB-02			28.00	
9	6/30/2012	Supplies CE	20-00-2540-410-3000	BB-02			36.00	
9	6/30/2012	Supplies OQ	20-00-2540-410-4000	BB-02			36.00	
9	6/30/2012	Natural Gas Mant Bldg	20-00-2540-485-5000	BB-02			83.00	
9	6/30/2012	General Supplies	20-00-2543-410-0000	BB-02			183.00	
9	6/30/2012	Accounts Payable	40-00-0431-000-0000	BB-02		7,940.00		
9	6/30/2012	Health Insurance	40-00-2550-222-0000	BB-02			4,725.00	
9	6/30/2012	Bus Repairs	40-00-2550-323-0000	BB-02			995.00	
9	6/30/2012	Transp Software Service	40-00-2550-390-0000	BB-02			33.00	
9	6/30/2012	Health Screenings	40-00-2550-396-0000	BB-02			115.00	
9	6/30/2012	Gas/Diesel	40-00-2550-464-0000	BB-02			2,072.00	
		To reverse AP at 6.30.11						
10	6/30/2012	ACCOUNTS PAYABLE	10-00-0402-000-0000	BB-02			200,861.00	
10	6/30/2012	Health Ins Regular Programs	10-00-1110-222-0000	BB-02		125,249.00		
10	6/30/2012	Health Ins Regular Programs	10-00-1110-222-0000	BB-02		1,281.00		
10	6/30/2012	Dental Ins Regular Programs	10-00-1110-223-0000	BB-02		9,853.00		
10	6/30/2012	Prof Services	10-00-1110-310-0000	BB-02		285.00		
10	6/30/2012	Prof Services	10-00-1110-310-0000	BB-02		325.00		
10	6/30/2012	Conf/Travel	10-00-1110-332-0000	BB-02		364.00		
10	6/30/2012	Registration Reimbursement	10-00-1110-450-0000	BB-02		220.00		
10	6/30/2012	Spec Ed Prof Serv IDEA	10-00-1200-310-4820	BB-02		2,500.00		
10	6/30/2012	Tuition to Other Ed Agencies	10-00-1200-670-0000	BB-02		6,044.00		
10	6/30/2012	Tuition to Other Ed Agencies	10-00-1200-670-0000	BB-02		2,788.00		
10	6/30/2012	Warriors Prof Serv Officials	10-00-1520-310-4100	BB-02			35.00	
10	6/30/2012	Supplies Summer Pro Title I	10-00-1600-410-4300	BB-02		4,844.00		
10	6/30/2012	Supplies Summer Pro Title I	10-00-1600-410-4300	BB-02		4,844.00		
10	6/30/2012	Supplies Summer Pro Title I	10-00-1600-410-4300	BB-02		30.00		
10	6/30/2012	Supplies Summer Pro Title I	10-00-1600-410-4300	BB-02		2,500.00		
10	6/30/2012	Student Lunches	10-00-1611-000-0000	BB-02		59.00		
10	6/30/2012	Student Lunches	10-00-1611-000-0000	BB-02		54.00		
10	6/30/2012	Bilingual Supplies LIPLEP	10-00-1800-410-4809	BB-02		2,831.00		
10	6/30/2012	Nursing Serv IDEA	10-00-2130-310-4820	BB-02		1,984.00		
10	6/30/2012	Nursing Serv IDEA	10-00-2130-310-4820	BB-02		2,775.00		
10	6/30/2012	Nursing Serv IDEA	10-00-2130-310-4820	BB-02		750.00		
10	6/30/2012	Prof Serv IDEA	10-00-2210-310-4620	BB-02		650.00		

Lemont-Bromberek Combined School District 113A

Year End: June 30, 2012

Adjusting Journal Entries

Date: 7/1/2011 To 6/30/2012

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence
10	6/30/2012	Computers	10-00-2213-550-0000	BB-02		11,899 00		
10	6/30/2012	Prof Serv	10-00-2310-310-0000	BB-02		7,000 00		
10	6/30/2012	Legal Services	10-00-2310-318-0000	BB-02		1,200 00		
10	6/30/2012	Legal Services	10-00-2310-318-0000	BB-02		918 00		
10	6/30/2012	Legal Services	10-00-2310-318-0000	BB-02		1,201 00		
10	6/30/2012	Legal Services	10-00-2310-318-0000	BB-02		1,827 00		
10	6/30/2012	Legal Services	10-00-2310-318-0000	BB-02		2,270 00		
10	6/30/2012	Postage	10-00-2310-342-0000	BB-02		53 00		
10	6/30/2012	Other Objects	10-00-2310-890-0000	BB-02		283 00		
10	6/30/2012	Title 1 Non Public	10-00-3700-130-8430	BB-02		93 00		
10	6/30/2012	Title 1 Non Public	10-00-3700-130-8430	BB-02		155 00		
10	6/30/2012	Supplies Title II	10-00-3700-410-4932	BB-02		505 00		
10	6/30/2012	Payments to Spec Ed Coop	10-00-4120-870-0000	BB-02		3,162 00		
10	6/30/2012	Accounts Payable	20-00-0431-000-0000	BB-02			39,180 00	
10	6/30/2012	Health Insurance	20-00-2540-222-0000	BB-02		12,666 00		
10	6/30/2012	Dental Insurance	20-00-2540-223-0000	BB-02		1,007 00		
10	6/30/2012	Sanitation	20-00-2540-321-0000	BB-02		131 00		
10	6/30/2012	Sanitation RV	20-00-2540-321-2000	BB-02		1,046 00		
10	6/30/2012	Sanitation OQ	20-00-2540-321-4000	BB-02		942 00		
10	6/30/2012	Pest Control OW	20-00-2540-322-1000	BB-02		55 00		
10	6/30/2012	Pest Control OW	20-00-2540-322-1000	BB-02		59 00		
10	6/30/2012	Pest Control RV	20-00-2540-322-2000	BB-02		56 00		
10	6/30/2012	Pest Control RV	20-00-2540-322-2000	BB-02		56 00		
10	6/30/2012	Pest Control RV	20-00-2540-322-2000	BB-02		59 00		
10	6/30/2012	Pest Control OQ	20-00-2540-322-4000	BB-02		77 00		
10	6/30/2012	Pest Control OQ	20-00-2540-322-4000	BB-02		82 00		
10	6/30/2012	Telephones	20-00-2540-340-0000	BB-02		2,799 00		
10	6/30/2012	Water CE	20-00-2540-370-3000	BB-02		55 00		
10	6/30/2012	Natural Gas OW	20-00-2540-485-1000	BB-02		214 00		
10	6/30/2012	Natural Gas OW	20-00-2540-485-1000	BB-02		25 00		
10	6/30/2012	Natural Gas OW	20-00-2540-485-1000	BB-02		199 00		
10	6/30/2012	Natural Gas RV	20-00-2540-485-2000	BB-02		315 00		
10	6/30/2012	Natural Gas RV	20-00-2540-485-2000	BB-02		214 00		
10	6/30/2012	Natural Gas CE	20-00-2540-485-3000	BB-02		2,855 00		
10	6/30/2012	Natural Gas CE	20-00-2540-485-3000	BB-02		128 00		
10	6/30/2012	Natural Gas OQ	20-00-2540-485-4000	BB-02		138 00		
10	6/30/2012	Natural Gas OQ	20-00-2540-485-4000	BB-02		5,987 00		
10	6/30/2012	Natural Gas Mant Bldg	20-00-2540-485-5000	BB-02		82 00		
10	6/30/2012	Electricity OW	20-00-2540-488-1000	BB-02		9,933 00		
10	6/30/2012	Accounts Payable	40-00-0431-000-0000	BB-02			14,974 00	
10	6/30/2012	Health Insurance	40-00-2550-222-0000	BB-02		2,814 00		
10	6/30/2012	Dental Insurance	40-00-2550-223-0000	BB-02		224 00		
10	6/30/2012	Special Ed Contracted Serv	40-00-2550-331-3510	BB-02		6,721 00		
10	6/30/2012	Gas/Diesel	40-00-2550-484-0000	BB-02		5,215 00		
		To record CY accounts payable at 6/30/12						Reversing
11	6/30/2012	Miscellaneous	10-00-0459-002-0000			357 00		
11	6/30/2012	Other	10-00-1990-000-0000				357 00	
		To reclass other income						
12	6/30/2012	Interest Exp TAW	10-00-5110-820-0000				31,350 00	
12	6/30/2012	TAW issuance costs	10-00-5110-820-1000			31,350 00		
		To reclass issuance costs						
SA1	7/1/2011	Grant Revenue Receivable	10-00-0300-000-0000				740,018 00	
SA1	7/1/2011	Sped Private Facility	10-00-3100-000-0000			73,984 00		
SA1	7/1/2011	Sped Extraordinary	10-00-3105-000-0000			169,594 00		
SA1	7/1/2011	Spec Ed Personnel	10-00-3110-000-0000			178,222 00		
SA1	7/1/2011	Bilingual Ed	10-00-3305-000-0000			43,993 00		
SA1	7/1/2011	State Lunch Aid	10-00-3360-000-0000			324 00		
SA1	7/1/2011	Title I Low Income	10-00-4300-000-0000			59,122 00		
SA1	7/1/2011	IDEA Preschool	10-00-4600-000-0000			3,556 00		
SA1	7/1/2011	IDEA Flow Through	10-00-4620-000-0000			160,687 00		
SA1	7/1/2011	ARRA IDEA Preschool	10-00-4858-000-0000			5,740 00		

Lemont-Bromberek Combined School District 113A

Year End: June 30, 2012

Adjusting Journal Entries

Date: 7/1/2011 To 6/30/2012

Number	Date	Name	Account No	Reference Annotation	Debit	Credit	Recurrence
SA1	7/1/2011	IDEA Part B Flow Thru ARRA	10-00-4857-000-0000		39,919.00		
SA1	7/1/2011	Title III LIIPLEP	10-00-4909-000-0000		4,877.00		
SA1	7/1/2011	Grant Revenue Receivable	40-00-0300-000-0000			342,449.00	
SA1	7/1/2011	State Trans Regular Reimb	40-00-3500-000-0000		175,683.00		
SA1	7/1/2011	State Spec Ed Trans Reimb	40-00-3510-000-0000		166,766.00		
To reverse prior year							
SA2	7/1/2011	Deferred Grant Revenue	10-00-0406-000-0000		9,526.00		
SA2	7/1/2011	Title I Low Income	10-00-4300-000-0000			1,443.00	
SA2	7/1/2011	Title III LIIPLEP	10-00-4909-000-0000			7,066.00	
SA2	7/1/2011	Title II	10-00-4932-000-0000			1,017.00	
To Reverse Deferred Grant Revenue from 6/30/11							
SA3	6/30/2012	Grant Revenue Receivable	10-00-0300-000-0000		436,198.00		
SA3	6/30/2012	Sped Private Facility	10-00-3100-000-0000			53,349.00	
SA3	6/30/2012	Sped Extraordinary	10-00-3105-000-0000			164,810.00	
SA3	6/30/2012	Spec Ed Personnel	10-00-3110-000-0000			77,421.00	
SA3	6/30/2012	State Lunch Aid	10-00-3360-000-0000			598.00	
SA3	6/30/2012	Title I Low Income	10-00-4300-000-0000			32,287.00	
SA3	6/30/2012	IDEA Preschool	10-00-4600-000-0000			5,167.00	
SA3	6/30/2012	IDEA Flow Through	10-00-4620-000-0000			89,004.00	
SA3	6/30/2012	Title III LIIPLEP	10-00-4909-000-0000			13,552.00	
SA3	6/30/2012	Grant Revenue Receivable	40-00-0300-000-0000		202,667.00		
SA3	6/30/2012	State Trans Regular Reimb	40-00-3500-000-0000			125,917.00	
SA3	6/30/2012	State Spec Ed Trans Reimb	40-00-3510-000-0000			76,950.00	
To accrue grant revenue receivable at 6/30/2012							
Reversing							
SA4	6/30/2012	Deferred Grant Revenue	10-00-0406-000-0000			10,172.00	
SA4	6/30/2012	Title II	10-00-4932-000-0000		10,172.00		
To defer grant revenue at 6/30/2012							
Reversing							
SA5	6/30/2012	Sped Private Facility	10-00-3100-000-0000			28,211.00	
SA5	6/30/2012	Sped Extraordinary	10-00-3105-000-0000		28,211.00		
SA5	6/30/2012	IDEA Flow Through	10-00-4620-000-0000		36,862.00		
SA5	6/30/2012	Medicaid Match Admin	10-00-4991-000-0000		18,608.00		
SA5	6/30/2012	Medicaid Match Fees	10-00-4992-000-0000			18,608.00	
SA5	6/30/2012	IDEA Part B Flow Through	10-40-4454-049-0000			36,862.00	
To reclass a misposting							
GASB 34	6/30/2012	Land	80-100		1,507,280.00		
GASB 34	6/30/2012	Land Improvements	80-110		35,637.00		
GASB 34	6/30/2012	Building and improvements	80-120		38,499,118.00		
GASB 34	6/30/2012	Equipment	80-130		5,307,443.00		
GASB 34	6/30/2012	Transportation equipment	80-140		260,713.00		
GASB 34	6/30/2012	A/D - Land improvements	80-200			25,098.00	
GASB 34	6/30/2012	A/D - Building and improvements	80-210			11,083,529.00	
GASB 34	6/30/2012	A/D - Equipment	80-220			5,031,183.00	
GASB 34	6/30/2012	A/D - Transportation equipment	80-230			222,574.00	
GASB 34	6/30/2012	Net asset beginning	80-290			29,267,808.00	
To record beginning of the year fixed assets							
GASB 34	6/30/2012	Long term debt	80-250			16,600,037.00	
GASB 34	6/30/2012	OPEB Obligation	80-255			389,912.00	
GASB 34	6/30/2012	Long term liability	80-260			589,661.00	
GASB 34	6/30/2012	Net asset beginning	80-290		16,989,949.00		
GASB 34	6/30/2012	Net asset beginning	80-290		589,661.00		
To record beginning of the year							

Lemont-Bromberek Combined School District 113A

Year End: June 30, 2012

Adjusting Journal Entries

Date: 7/1/2011 To 6/30/2012

Number	Date	Name	Account No	Reference Annotation	Debit	Credit	Recurrence
long-term debt							
GASB 34:	6/30/2012	Long term debt	80-250		1,034,692.00		
GASB 34:	6/30/2012	Debt principal - offset	80-400			1,034,692.00	
To reclass debt payments							
GASB 34:	6/30/2012	Current portion on long term debt	80-252			4,293,144.00	
GASB 34:	6/30/2012	Current portion on long term debt	80-252			198,554.00	
GASB 34:	6/30/2012	Less current portion	80-253		4,293,144.00		
GASB 34:	6/30/2012	Less current portion	80-253		198,554.00		
To record current portion on debt							
GASB 34:	6/30/2012	Accrued vacation	80-254			20,410.00	
GASB 34:	6/30/2012	Accrued vacation	80-254			2,458.00	
GASB 34:	6/30/2012	Compensated absences	80-259			251,291.00	
GASB 34:	6/30/2012	Compensated absences	80-259		11,000.00		
GASB 34:	6/30/2012	Net asset beginning	80-290		271,701.00		
GASB 34:	6/30/2012	Accrued vacation - instruction	80-500		442.00		
GASB 34:	6/30/2012	Accrued Vacation - other support	80-501		541.00		
GASB 34:	6/30/2012	Accrued Vacation - admin support	80-502		1,475.00		
GASB 34:	6/30/2012	Compensated absences - instructional	80-503			5,940.00	
GASB 34:	6/30/2012	Comp Absences - other support	80-504			5,060.00	
To record and adjust accrued vacation and compensated absences							
GASB 34:	6/30/2012	A/D - Land improvements	80-200			1,425.00	
GASB 34:	6/30/2012	A/D - Building and improvements	80-210			769,982.00	
GASB 34:	6/30/2012	A/D - Equipment	80-220			88,500.00	
GASB 34:	6/30/2012	A/D - Transportation equipment	80-230			6,358.00	
GASB 34:	6/30/2012	Depreciation - instructional	80-415		550,294.00		
GASB 34:	6/30/2012	Depreciation - pupil support	80-420		45,683.00		
GASB 34:	6/30/2012	Depreciation - other support	80-430		258,717.00		
GASB 34:	6/30/2012	Depreciation - admin	80-435		11,571.00		
To record depreciation expense							
GASB 34:	6/30/2012	Equipment	80-130		35,804.00		
GASB 34:	6/30/2012	Capital assets offset - admin	80-410			35,804.00	
To record capital asset addition							
GASB 34:	6/30/2012	Accrued interest	80-256			24,525.00	
GASB 34:	6/30/2012	Accreted interest	80-258			19,380,121.00	
GASB 34:	6/30/2012	Net asset beginning	80-290		19,404,646.00		
To record PY accrued and accreted interest							
GASB 34:	6/30/2012	Accrued interest	80-256			2,243.00	
GASB 34:	6/30/2012	Accreted interest	80-258		198,888.00		
GASB 34:	6/30/2012	Interest Expense - offset	80-401			198,645.00	
To adjust for current year accrued interest and accretion							
GASB 34:	6/30/2012	OPEB Obligation	80-255			204,716.00	
GASB 34:	6/30/2012	OPEB obligation - offset	80-445		204,716.00		
To adjust OPEB							
GASB 34:	6/30/2012	Deferred tax offset	80-257		107,136.00		
GASB 34:	6/30/2012	Deferred tax offset	80-257			107,136.00	

Lemont-Bromberek Combined School District 113A

Year End: June 30, 2012

Adjusting Journal Entries

Date: 7/1/2011 To 6/30/2012

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence
GASB 34	6/30/2012	Net asset beginning	80-290				107,136.00	
GASB 34	6/30/2012	Tax Revenue offset	80-300			107,136.00		
		To record and reverse deferred revenue						
GASB 34	6/30/2012	Long term liability	80-260			109,652.00		
GASB 34	6/30/2012	Transportation offset	80-508				109,652.00	
		To record payment for transportation liability						
						109,065,678.00	109,065,678.00	
Net Income (Loss)			2,487,232.00					

Superintendent of Schools and Board of Education
Lemont-Bromberek Combined School District 113A
Lemont, Illinois

In planning and performing our audit of the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the fiduciary fund of Lemont-Bromberek Combined School District 113A as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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

Management relies on its audit firm to prepare full financial statements in accordance with GASB Statement 34.

Management's Response:

Management provides all necessary information to its auditor and retains decision making control for proposed year end adjusting journal entries to convert the books to GASB Statement 34 reporting. Due to cost/benefit considerations for staffing, management believes this approach to be adequate and that any corrective action is unnecessary.



The District's records are kept on the cash basis during the year and converted to accrual basis at year end with audit adjustments. Generally accepted accounting principles require records to be kept on the accrual basis of accounting.

Management's Response:

Management provides all necessary information to its auditor and retains decision making control for proposed year end adjusting journal entries to convert the books to accrual basis reporting. Due to cost/benefit considerations for staffing, management believes this approach to be adequate and that any corrective action is unnecessary.

The District's written responses to the significant deficiencies identified in our audit have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, the Superintendent of Schools, the Board of Education, and others within the District, and is not intended to be and should not be used by anyone other than these specified parties.

Mulcahy, Pawitoch, Salvador, Co., Ltd.

STRIEGEL KNOBLOCH & COMPANY, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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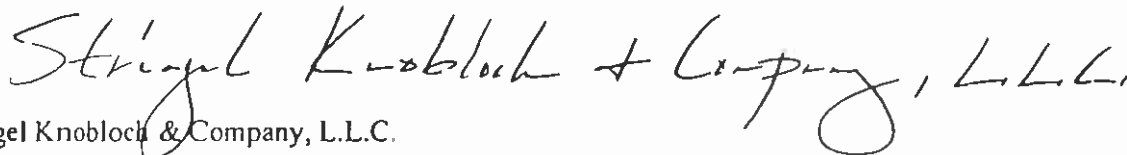
SYSTEM REVIEW REPORT

To the Partners of Mulcahy, Pauritsch, Salvador & Co., Ltd.
and the Peer Review Committee of the Illinois CPA Society

We have reviewed the system of quality control for the accounting and auditing practice of Mulcahy, Pauritsch, Salvador & Co., Ltd. (the firm) in effect for the year ended March 31, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on the review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under Government Auditing Standards and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Mulcahy, Pauritsch, Salvador & Co., Ltd. in effect for the year ended March 31, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Mulcahy, Pauritsch, Salvador & Co., Ltd. has received a peer review rating of pass.



Striegel Knobloch & Company, L.L.C.
May 26, 2010