COOPERATIVE ASSOCIATION
FOR SPECIAL EDUCATION

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED

JUNE 30, 2015
AND
INDEPENDENT AUDITORS' REPORT

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION

TABLE OF CONTENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

	Page(s)
Independent Auditors' Report	1 - 3
Required Supplementary Information	
Management's Discussion and Analysis (MD&A) - Unaudited	4 - 9
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet - Governmental Funds	12
Reconciliation of the Governmental Fund - Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Governmental Fund - Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	15
Statement of Fiduciary Assets and Liabilities - Agency Fund	16
Notes to Basic Financial Statements	17 - 36
Required Supplementary Information	
Illinois Municipal Retirement Fund - Schedule of Changes in the District's Net Pension Liability and Related Ratios	37
Illinois Municipal Retirement Fund - Schedule of District Contributions	38
Teachers' Retirement System - Schedule of the District's Proportionate Share of the Collective Net Pension Liability and Schedule of District Contributions	39
Schedule of Funding Progress For Retirees' Health Plan	40
General and Major Special Revenue Funds - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual	
General Fund	41 - 45
Notes to Required Supplementary Information	46
Supplementary Information	
Schedule of Changes in Assets and Liabilities - Agency Funds	47

BAKER TILLY

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

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Cooperative Association for Special Education
Glen Ellyn, IL

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Cooperative Association for Special Education, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Cooperative Association for Special Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

To the Board of Education
Cooperative Association for Special Education

Opinions

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

Emphasis of Matter

As discussed in Note 3, the Cooperative Association for Special Education adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pension - an Amendment of GASB Statement No. 27,* effective July 1, 2014. Net position as of June 30, 2014 has been restated as a result. Our opinions are not modified with respect to this matter.

Also, as discussed in Note 3, the Cooperative Association for Special Education adopted the provisions of GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68,* effective July 1, 2014. Net position as of June 30, 2014 has been restated as a result. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cooperative Association for Special Education's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Board of Education
Cooperative Association for Special Education

Prior-Year Comparative Information

We have previously audited the Cooperative Association for Special Education's 2014 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the major fund, and the aggregate remaining fund information in our report dated October 14, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2015 on our consideration of the Cooperative Association for Special Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cooperative Association for Special Education's internal control over financial reporting and compliance.

Oak Brook, Illinois
October 8, 2015

Baker Tilly Virchow Krause, LLP

Cooperative Association for Special Education
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2015

The discussion and analysis of Cooperative Association for Special Education's (the "Cooperative") financial performance provides an overall review of the Cooperative's financial activities as of and for the year ended June 30, 2015. The management of the Cooperative encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the Cooperative's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

> The net position increased $2.1, which is due primarily to four factors:

a.) After removing the impact of the state's TRS "on-behalf" contributions; CASE expensed less than the budgeted expenditures.

b.) CASE's desire to prepare for possible loss of Special Education Personnel Reimbursement which is currently $1.5M.

c.) CASE's desire to maintain an appropriate fund balance so that cash flow is sufficient during critical times of the fiscal year.

d.) CASE's desire to prepare for the shift of pension expenses from the State to CASE.

> Program specific revenues in the form of charges for services and fees and grants accounted for $27.1 or 100% of total revenues.

> The Cooperative had $25.0 in expenses related to government activities, while $27.1 of these expenses were offset by program specific charges and grants.

Overview of the Financial Statements

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

> Government-wide financial statements,

> Fund financial statements, and

> Notes to basic financial statements.

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

Government-wide financial statements

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

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

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

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

Fund financial statements

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

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

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

The Association maintains one fund, the General Fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund.

The Cooperative adopts an annual budget for the General Fund A budgetary comparison schedule has been provided to demonstrate compliance with this budget.

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

Notes to basic financial statements

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

Other information

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

Government-Wide Financial Analysis

The Cooperative's combined net position was higher on June 30, 2015, than it was the year before, increasing 17% to $5.3.

Table 1
Condensed Statements of Net Position
(in millions of dollars)

	2014*	2015
Assets:		
Current and other assets	$ 4.7	$ 6.5
Capital Assets	0.6	0.6
Total assets	5.3	7.1
Total deferred outflows of resources	-	0.9
Liabilities:		
Current liabilities	0.3	0.1
Long-term liabilities	0.5	2.4
Total liabilities	0.8	2.5
Total deferred inflows of resources	-	0.2
Net position:		
Net investment in capital assets	0.6	0.6
Unrestricted	3.9	4.7
Total net position	$ 4.5	$ 5.3

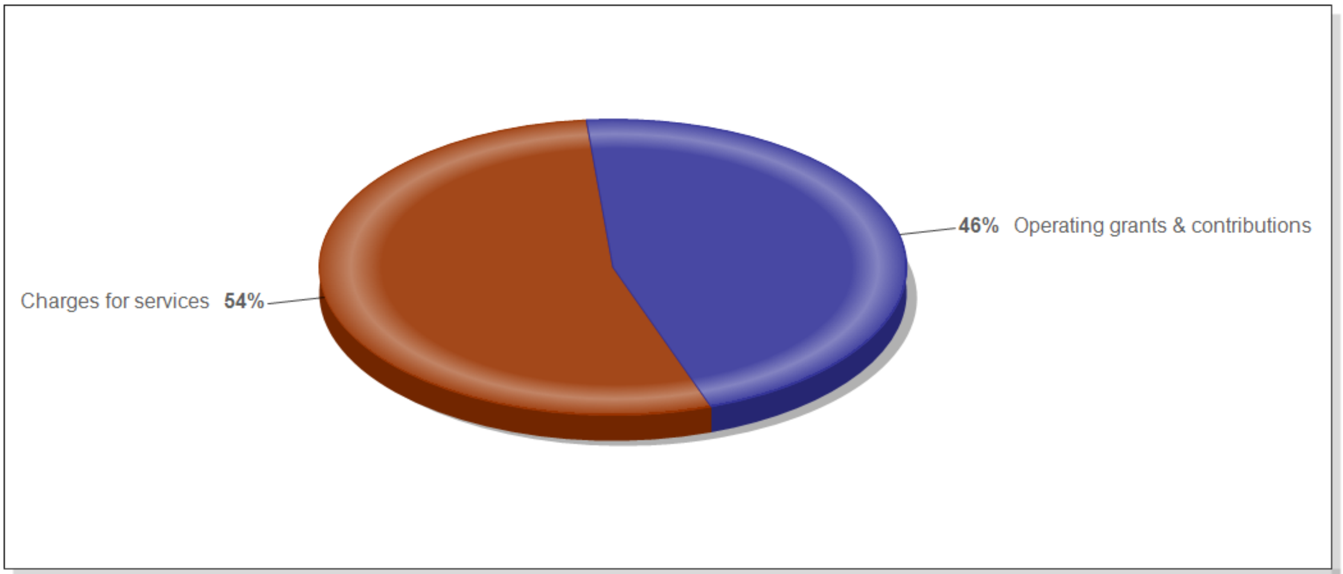
* Prior year information has not been updated for the Cooperative's implementation of GASB Statements Nos. 68 and 71 in fiscal year 2015.

Revenues in the governmental activities of the Cooperative of $27.1 exceeded expenditures by $2.1. This was attributable primarily to expending only 92% of budgeted expenditures as previously mentioned.

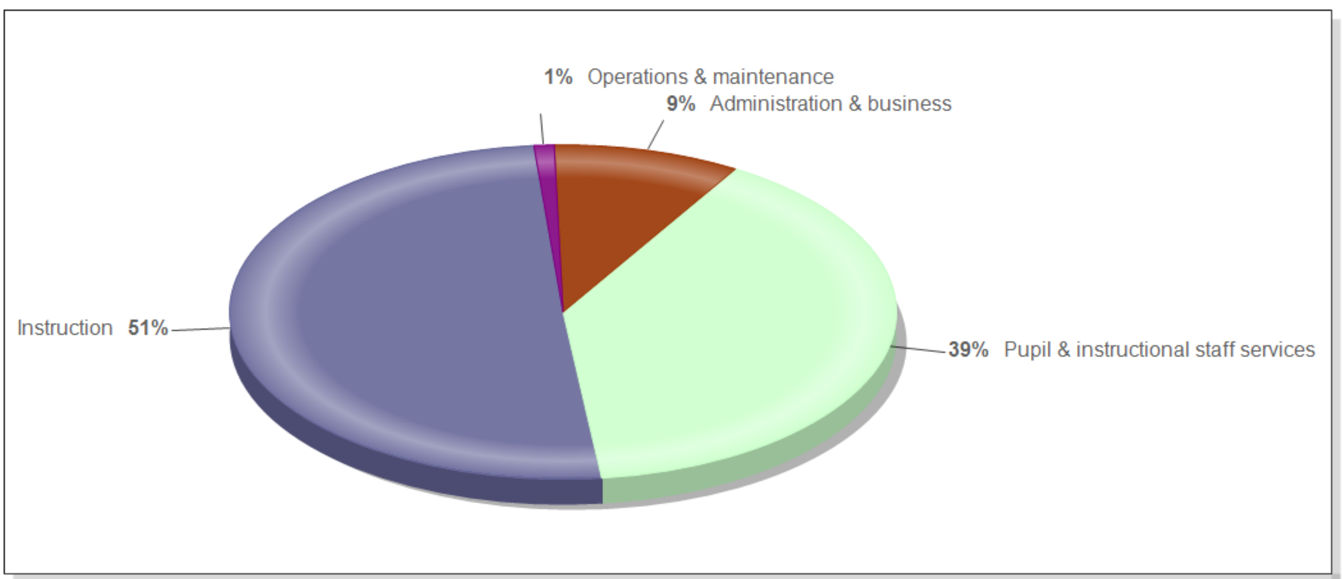
Table 2 *Changes in Net Position* *(in millions of dollars)*	2014	2015
Revenues:		
Program revenues:		
Charges for services	$ 12.9	$ 14.5
Operating grants & contributions	9.4	12.6
Total revenues	22.3	27.1
Expenses:		
Instruction	9.9	12.6
Pupil & instructional staff services	10.1	9.8
Administration & business	2.2	2.2
Operations & maintenance	0.4	0.3
Other	0.1	0.1
Total expenses	22.7	25.0
Increase (decrease) in net position	$ (0.4)	$ 2.1

The revenues came from state and federal grants as well as contributions from districts for services provided. The total cost of all the Cooperative's programs was $25.0, mainly related to instructing and caring for the students and student transportation, which accounts for 90% of all costs.

District-Wide Revenues by Source



District-Wide Expenses by Function



Financial Analysis of the Cooperative's Funds

The Cooperative's Governmental Funds balance increased from $4.4 to $4.6.

Capital Assets

By the end of 2015, the Cooperative had compiled a total investment of $1.5 ($0.6 net of accumulated depreciation) in capital assets, which consisted of equipment. Total depreciation expense for the year was $0.2. More detailed information about capital assets can be found in Note 5 of the basic financial statements.

Table 3 *Capital Assets (net of depreciation)* *(in millions of dollars)*	*2014*	*2015*
Equipment	$ 0.6	$ 0.6
Total	$ 0.6	$ 0.6

Factors Bearing on the Cooperative's Future

At the time these financial statements were prepared and audited, the Cooperative was not aware of any circumstances that will significantly affect financial operations in the future.

Requests for Information

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

Jerome Brendel, Business Manager
Cooperative Association for Special Education
22W600 Butterfield Road
Glen Ellyn, IL 60137

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION

STATEMENT OF NET POSITION

AS OF JUNE 30, 2015

	GOVERNMENTAL ACTIVITIES
Assets	
Cash	$ 3,851,500
Receivables (net of allowance for uncollectibles):	
Intergovernmental	2,558,367
Capital assets:	
Depreciable buildings, property and equipment, net	627,071
Total assets	7,036,938
Deferred outflows of resources	
Deferred outflows related to pensions	880,688
Total deferred outflows of resources	880,688
Liabilities	
Accounts payable	102,574
Payroll deductions payable	45,418
Long-term liabilities:	
Other long-term liabilities - due within one year	20,876
Other long-term liabilities - due after one year	2,247,031
Total liabilities	2,415,899
Deferred inflows of resources	
Deferred inflows related to pensions	241,649
Total deferred inflows of resources	241,649
Net position	
Net investment in capital assets	627,071
Unrestricted	4,633,007
Total net position	$ 5,260,078

See Notes to Basic Financial Statements

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE: CHARGES FOR SERVICES	PROGRAM REVENUE: OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION: GOVERNMENTAL ACTIVITIES
Governmental activities				
Instruction:				
Special programs	$ 6,826,091	$ 4,553,027	$ 2,934,482	$ 661,418
Other instructional programs	562,013	374,865	241,605	54,457
State retirement contributions	5,199,533	-	5,199,533	-
Support Services:				
Pupils	9,206,941	6,141,063	3,957,990	892,112
Instructional staff	550,463	367,161	236,640	53,338
General administration	1,318,141	1,542,172	-	224,031
School administration	208,506	243,944	-	35,438
Business	627,952	734,679	-	106,727
Operations and maintenance	312,489	365,600	-	53,111
Central	140,579	164,472	-	23,893
Other supporting services	-	13,918	-	13,918
Community services	11,896	-	-	(11,896)
Total governmental activities	$ 24,964,604	$ 14,500,901	$ 12,570,250	2,106,547
General revenues:				
Taxes:				
Investment income				403
Miscellaneous				28,268
Total general revenues				28,671
Change in net position				2,135,218
Net position, beginning of year (as restated)				3,124,860
Net position, end of year				$ 5,260,078

See Notes to Basic Financial Statements

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015
WITH COMPARATIVE TOTALS AS OF JUNE 30, 2014

	GENERAL FUND	TOTAL 2015	TOTAL 2014
Assets			
Cash and investments	$ 3,851,500	$ 3,851,500	$ 2,277,164
Receivables			
Intergovernmental	2,558,367	2,558,367	2,447,871
Total assets	$ 6,409,867	$ 6,409,867	$ 4,725,035
Liabilities, deferred inflows of resources, and fund balance			
Liabilities			
Accounts payable	$ 102,574	$ 102,574	$ 109,556
Payroll deductions payable	45,418	45,418	189,556
Total liabilities	147,992	147,992	299,112
Deferred inflows of resources			
Unavailable tuition billings	1,691,978	1,691,978	-
Total deferred inflows of resources	1,691,978	1,691,978	-
Fund balance			
Unassigned	4,569,897	4,569,897	4,425,923
Total fund balance	4,569,897	4,569,897	4,425,923
Total liabilities, deferred inflows of resources, and fund balance	$ 6,409,867	$ 6,409,867	$ 4,725,035

See Notes to Basic Financial Statements

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2015

Total fund balances - governmental funds		$ 4,569,897
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.		627,071
Certain revenues receivable by the District and recognized in the Statement of Net Position do not provide current financial resources and are included as deferred inflows of resources in the Governmental Funds Balance Sheet, as follows:		
Unavailable tuition billings	$ 1,691,978	
		1,691,978
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		880,688
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(241,649)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.		
Balances at June 30, 2015 are:		
Net other post employment obligation	$ (504,794)	
Net pension liability	(1,742,237)	
Compensated absences	(20,876)	
		(2,267,907)
Net position of governmental activities		$ 5,260,078

See Notes to Basic Financial Statements

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

		TOTAL	
	GENERAL FUND	2015	2014
Revenues			
Payments from school districts	$ 12,837,190	$ 12,837,190	$ 12,920,903
State aid	6,805,643	6,805,643	4,371,263
Federal aid	5,764,606	5,764,606	4,982,439
Investment income	405	405	430
Total revenues	25,407,844	25,407,844	22,275,035
Expenditures			
Current:			
Instruction:			
Special programs	6,866,977	6,866,977	6,207,491
Other instructional programs	566,655	566,655	504,296
State retirement contributions	5,199,533	5,199,533	2,838,261
Support Services:			
Pupils	9,178,531	9,178,531	9,206,707
Instructional staff	548,401	548,401	838,515
General administration	1,337,719	1,337,719	1,313,535
School administration	208,872	208,872	203,989
Business	645,701	645,701	638,236
Operations and maintenance	310,197	310,197	363,671
Central	140,579	140,579	73,841
Community services	11,896	11,896	31,779
Payments to other districts and gov't units	90,249	90,249	111,746
Capital outlay	158,560	158,560	168,552
Total expenditures	25,263,870	25,263,870	22,500,619
Net change in fund balance	143,974	143,974	(225,584)
Fund balance, beginning of year	4,425,923	4,425,923	4,651,507
Fund balance, end of year	$ 4,569,897	$ 4,569,897	$ 4,425,923

See Notes to Basic Financial Statements

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds		$ 143,974
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense in the current period exceeds current year net capital outlay.		(34,414)
The impact of adjusting capital asset balances to the amount from the appraisal increased net position.		72,623
Certain revenues included in the Statement of Activities do not provide current financial resources and, therefore, are included as deferred inflows of resources in the fund statements:		
Unavailable tuition billings	$ 1,691,978	
		1,691,978
In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:		
Compensated absences	$ 6,618	
Other post employment benefits	(65,774)	
Net pension liability	(71,615)	
Deferred outflows of resources due to pensions	626,668	
Deferred inflows of resources due to pensions	(234,840)	
		261,057
Change in net position of governmental activities		$ 2,135,218

See Notes to Basic Financial Statements

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2015

	AGENCY STUDENT ACTIVITY FUND
Assets	
Cash and investments	$ 9,367
Total assets	$ 9,367
Liabilities	
Due to student organizations and employees	$ 9,367
Total liabilities	$ 9,367

See Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cooperative Association for Special Education (the "Cooperative") provides special education services to seven member districts. and is governed by an appointed Executive Board. The accounting policies of the Cooperative conform to the accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the Cooperative:

Reporting Entity

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

Basis of Presentation

Government-wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) amounts paid by the recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Governmental Funds Financial Statements

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

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

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

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus, while the fiduciary fund statements do not have a measurement focus. The government-wide financial statements and the fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Cooperative considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Major Governmental Funds

General Fund - the general operating fund of the Cooperative. It accounts for all financial resources. This fund is primarily used for the instructional and administrative aspects of the Cooperative's operations. Revenues consist largely of state and federal government aid and tuition revenue.

Other Fund Types

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

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

On-behalf payments (payments made by a third party for the benefit of the district, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

Certain state and federal aid and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the Cooperative and recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

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

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and Investments

State statutes authorize the Cooperative to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

Capital Assets

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

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

Assets	*Years*
Furniture, equipment and vehicles	5-10 years

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

Deferred Outflows of Resources

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

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2015 are determined on the basis of current salary rates and include salary related payments.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

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

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

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

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

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

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

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

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

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

Assigned - includes general fund amounts constrained for a specific purpose by the Executive Board or by an official that has been delegated authority to assign amounts. The Executive Board has declared that the Business Manager may assign amounts for a specific purpose. The Executive Board may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

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

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

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

Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2014, from which such summarized information was derived.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Budget

For the year ended June 30, 2015, expenditures exceeded budget in the General Fund by $2,302,830. This excess is due to the change in calculation of TRS on-behalf payments. It is funded by an equal contribution made on-behalf of CASE by the State of Illinois.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27.* The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This standard was implemented effective July 1, 2014.

In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68.* The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This standard was implemented effective July 1, 2014.

NOTE 4 - DEPOSITS AND INVESTMENTS

At year end, the Cooperative's cash and investments was comprised of the following:

	Government-wide	*Fiduciary*	*Total*
Cash and investments	$ 3,851,500	$ 9,367	$ 3,860,867
Total	$ 3,851,500	$ 9,367	$ 3,860,867

For disclosure purposes, this amount is segregated into the following components:

	Cash and investments
Cash on hand	$ 350
PMA-ISDLAF+	3,860,517
Total	$ 3,860,867

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The Cooperative is restricted to investing funds in specific types of investment instruments.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAm and are valued at share price, which is the price for which the investment could be sold.

NOTE 5 - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Appraisal Adjustment	Ending Balance
Capital assets being depreciated:					
Equipment	1,271,440	177,424	-	48,825	1,497,689
Total capital assets being depreciated	1,271,440	177,424	-	48,825	1,497,689
Less Accumulated Depreciation for:					
Equipment	682,578	211,838	-	(23,798)	870,618
Total accumulated depreciation	682,578	211,838	-	(23,798)	870,618
Net capital assets being depreciated	588,862	(34,414)	-	72,623	627,071
Net governmental activities capital assets	$ 588,862	$ (34,414)	$ -	$ 72,623	$ 627,071

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

Governmental Activities	Depreciation
Special programs	$ 132,684
Pupils	32,534
Instructional staff	8,600
General administration	766
School administration	33,767
Operations and maintenance	3,487
Total depreciation expense - governmental activities	$ 211,838

NOTE 6 - OPERATING LEASES

The Cooperative leases building and office facilities under noncancelable operating leases. Total costs for such leases were $294,623 for the year ended June 30, 2015. At June 30, 2015, future minimum lease payments for these leases are as follows:

Year Ending June 30,	*Amount*
2016	$ 312,801
2017	276,219
2018	277,845
2019	41,322
2020	42,148
Total	$ 950,335

NOTE 7 - RISK MANAGEMENT

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

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

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

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

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

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were $101,833, and the District recognized revenues and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2014 and June 30, 2013 were 0.97 and 0.92 percent of pay, respectively. For these years, state contributions on behalf of District employees were $75,677 and $91,945, respectively.

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.76 percent during the year ended June 30, 2015 and 0.72 and 0.66 percent during the years ended June 30, 2014 and 2013, respectively. For the years ended June 30, 2015, 2014 and 2013 the District paid $75,875, $56,172 and $68,958 to the THIS Fund, respectively, which was 100 percent of the required contribution for those years.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp. The 2014 and 2013 reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

Retirees' Health Plan

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

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the board and the union. The retiree is responsible for paying the full monthly premium. However, the Cooperative provides an annual reimbursement toward the premium cost at established rates. Effective August, 2009, the Cooperative will provide an annual stipend of $2,700 toward substantiated health insurance for 6 years. Retirees prior to August, 2009 receive $2,400 annually for 5 years. IMRF retirees are offered access to the active plan, where premiums are wholly paid by the retiree. Executive Directors receive 100% C.A.S.E.-paid benefits - including family coverage - on the Cooperative's health plan for a period of 5 years after retirement. For fiscal year 2015, the Cooperative contributed $15,089 to the plan.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The Cooperative's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 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 Cooperative's annual OPEB cost for the year, the amount actually contributed to the Retirees' Health Plan, and changes in the Cooperative's net OPEB obligation to the Retirees' Health Plan:

Annual required contribution	$ 85,896
Interest on net OPEB obligation	18,662
Adjustment to annual required contribution	(23,695)
Annual OPEB cost	80,863
Contributions made	(15,089)
Increase in net OPEB obligation (asset)	65,774
Net OPEB Obligation (Asset) - Beginning of Year	439,020
Net OPEB Obligation (Asset) - End of Year	$ 504,794

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Retirees' Health Plan, and the net OPEB obligation for June 30, 2015 and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2015	$ 80,863	18.66 %	$ 504,794
June 30, 2014	80,863	18.66 %	439,020
June 30, 2013	123,188	27.43 %	373,246

The funded status of the Retirees' Health Plan as of July 1, 2013, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	$ 662,854
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	$ 662,854
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	$ 13,562,165
UAAL as a percentage of covered payroll	4.89%

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

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

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

In the July 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 5 percent investment rate of return and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after six years. Both rates include a 2 percent inflation assumption. The actuarial value of the Retirees' Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The Retirees' Health Plan's unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015 is 30 years.

NOTE 9 - RETIREMENT SYSTEMS

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

Teachers' Retirement System

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

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

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

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

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

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

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

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

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2015, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of $5,097,700 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2015, were $58,566, and are deferred because they were paid after the June 30, 2014 measurement date.

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

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

For the year ended June 30, 2015, the District pension contribution was 33.00 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2015, were $368,001, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

E*xcess sick leave*. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, the District paid $148 to TRS for sick leave days granted in excess of the normal annual allotment.

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

Net Pension Liability. At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	$ 1,021,526
State's proportionate share of the collective net pension liability associated with the District	63,317,122
Total	$ 64,338,648

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the District's proportion was 0.00167853 percent.

The net pension liability as of the beginning of the measurement period was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The District's proportion of the net pension liability as of June 30, 2013, was based on the District's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the District's proportion was 0.00204360 percent.

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

Actuarial Assumptions. The assumptions used to measure the total pension liability in the June 30, 2014 actuarial valuation included (a) 7.50% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases of 5.75%, average, including inflation, and (c) inflation of 3.00%.

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	18.00 %	8.23 %
Global equity excluding U.S.	18.00 %	8.58 %
Aggregate bonds	16.00 %	2.27 %
U.S. TIPS	2.00 %	3.52 %
NCREIF	11.00 %	5.81 %
Opportunistic real estate	4.00 %	9.79 %
ARS	8.00 %	3.27 %
Risk parity	8.00 %	5.57 %
Diversified inflation strategy	1.00 %	3.96 %
Private equity	14.00 %	13.03 %

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

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

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	$ 1,261,535	$ 1,021,526	$ 822,772

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2015, the District recognized pension expense of 115,503 and on-behalf revenue of $5,097,700 for support provided by the state. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 540	$ -
Net difference between projected and actual earnings on pension plan investments	-	51,339
Changes in proportion and differences between District contributions and proportionate share of contributions	-	184,041
District contributions subsequent to the measurement date	426,567	-
Total	$ 427,107	$ 235,380

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2016. The remaining amounts reported as deferred outflows and inflows of resources related to pensions ($(234,840)) will be recognized in pension expense as follows:

Year Ending June 30,	***Amount***
2016	$ (57,374)
2017	(57,374)
2018	(57,374)
2019	(57,374)
2020	(5,344)
Total	$ (234,840)

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.

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

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

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate (average of the highest 48 consecutive months earnings during the last 10 years) of earnings for each year of credited service up to 15 years and 2% for each year thereafter. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service, or age 62 with 35 years of service are entitled to an annual retirement benefit as described above. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Plan Membership. At December 31, 2014, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	18
Inactive, non-retired members	99
Active members	79
Total	196

Contributions. As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2014 was 11.82 percent of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

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

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2014 annual actuarial valuation included (a) 7.50% investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) inflation of 3.50% and price inflation of 2.75%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Mortality. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

		Projected Returns/Risk	
Asset Class	Target Allocation	One Year Arithmetic	Ten Year Geometric
Equities	63.20 %	9.15 %	7.60 %
International equities	2.60 %	9.80 %	7.80 %
Fixed income	23.50 %	3.05 %	3.00 %
Real estate	4.30 %	7.35 %	6.15 %
Alternatives	4.50 %		
Private equity		13.55 %	8.50 %
Hedge funds		5.55 %	5.25 %
Commodities		4.40 %	2.75 %
Cash equivalents	1.90 %	2.25 %	2.25 %

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability for IMRF was 7.50%. The discount rate calculated using the December 31, 2013 measurement date was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.56% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2014 to arrive at a discount rate of 7.50% used to determine the total pension liability. The year ending December 31, 2102 is the last year in the 2015 to 2114 projection period for which projected benefit payments are fully funded.

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.50% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	$ 9,213,506	$ 7,920,612	$ 6,879,654
Plan fiduciary net position	7,199,901	7,199,901	7,199,901
Net pension liability/(asset)	$ 2,013,605	$ 720,711	$ (320,247)

Changes in Net Pension Liability/(Asset). The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2014 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at December 31, 2013	$ 6,839,642	$ 6,369,232	$ 470,410
Service cost	380,624	-	380,624
Interest on total pension liability	522,503	-	522,503
Differences between expected and actual experience of the total pension liability	(8,225)	-	(8,225)
Change of assumptions	312,551	-	312,551
Benefit payments, including refunds of employee contributions	(126,483)	(126,483)	-
Contributions - employer	-	403,164	(403,164)
Contributions - employee	-	159,986	(159,986)
Net investment income	-	401,841	(401,841)
Other (Net Transfer)	-	(7,839)	7,839
Balances at December 31, 2014	$ 7,920,612	$ 7,199,901	$ 720,711

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2015, the District recognized pension expense of $347,965. The District reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 6,269
Assumption changes	238,223	-
Net difference between projected and actual earnings on pension plan investments	73,546	-
Contributions subsequent to the measurement date	141,812	-
Total	$ 453,581	$ 6,269

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2016. The remaining amounts reported as deferred outflows and inflows of resources related to pensions ($305,500) will be recognized in pension expense as follows:

Year Ending December 31,	*Amount*
2015	$ 90,758
2016	90,758
2017	90,758
2018	33,226
Total	$ 305,500

NOTE 10 - STATE AND FEDERAL AID CONTINGENCIES

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

NOTE 11 - RESTATEMENT

Net position has been restated due to the implementation of GASB Statement No. 68 and GASB Statement No. 71. The restatement is necessary to record the prior year net pension liability as well as deferred outflows of resources related to employer contributions after the measurement date.

	Governmental Activities
Net position as previously reported, June 30, 2014	$ 4,548,271
Adjustment to record the net pension liability as of June 30, 2014	(1,671,162)
Adjustment to record deferred outflows of resources related to pensions as of June 30, 2014	247,751
Net position as restated, June 30, 2014	$ 3,124,860

NOTE 12 - EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 72, *Fair Value Measurement and Application,* GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,* GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* and GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* Application of these standards may restate portions of these financial statements.

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION

ILLINOIS MUNICIPAL RETIREMENT FUND

SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY
AND RELATED RATIOS
Most Recent Fiscal Year

	2015
Total pension liability	
Service cost	$ 380,624
Interest	522,503
Differences between expected and actual experience	(8,225)
Changes of assumptions	312,551
Benefit payments, including refunds of member contributions	(126,483)
Net change in total pension liability	1,080,970
Total pension liability - beginning	6,839,642
Total pension liability - ending (a)	$ 7,920,612
Plan fiduciary net position	
Employer contributions	$ 403,164
Employee contributions	159,986
Net investment income	401,841
Benefit payments, including refunds of member contributions	(126,483)
Other (net transfer)	(7,839)
Net change in plan fiduciary net position	830,669
Plan fiduciary net position - beginning	6,369,232
Plan fiduciary net position - ending (b)	$ 7,199,901
Employer's net pension liability - ending (a) - (b)	$ 720,711
Plan fiduciary net position as a percentage of the total pension liability	90.90%
Covered-employee payroll	$ 3,555,240
Employer's net pension liability as a percentage of covered-employee payroll	20.27%

Notes to Schedule:

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

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION

ILLINOIS MUNICIPAL RETIREMENT FUND

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Most Recent Fiscal Year

	2015
Actuarially determined contribution	$ 403,164
Contributions in relation to the actuarially determined contribution	(403,164)
Contribution deficiency (excess)	$ -
Covered-employee payroll	$ 3,555,240
Contributions as a percentage of covered-employee payroll	11.34%

Notes to Schedule:

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

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuation method	5-Year Smoothed Market
Inflation	3.00%
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 CHBCA

Other information:

There were no benefit changes during the year.

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION

TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE

OF THE NET PENSION LIABILITY AND DISTRICT CONTRIBUTIONS

Most Recent Fiscal Year

	2015
District's proportion of the net pension liability	0.00167853%
District's proportionate share of the net pension liability	$ 1,021,526
State's proportionate share of the net pension liability	63,317,122
Total net pension liability	$ 64,338,648
Covered-employee payroll	$ 9,983,594
District's proportionate share of the net pension liability as a percentage of covered payroll	10.23%
Plan fiduciary net position as a percentage of the total pension liability	43.00%
Contractually required contribution	$ 426,567
Contributions in relation to the contractually required contribution	398,899
Contribution deficiency (excess)	$ 27,668
Contributions as a percentage of covered employee payroll	3.9955%

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

Notes to Schedule:

Amounts reported in 2014 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.0 percent, an inflation rate of 3.25 percent and real return of 4.75 percent, and salary increases of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION

SCHEDULE OF FUNDING PROGRESS FOR RETIREES' HEALTH PLAN

AS OF JUNE 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/13	$ -	$ 662,854	$ 662,854	N/A	$ 13,562,165	4.89%
7/1/11	-	774,906	774,906	N/A	12,181,419	4.89%
7/1/09	-	760,548	760,548	N/A	11,561,725	6.36%

Valuations must be performed every two years for OPEB plans with more than 200 members and at least every three years for plans with fewer than 200 members. As such, only one year's information is applicable.

See Auditors' Report and Notes to Required Supplementary Information

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
Revenues				
Local sources				
Summer school - tuition from other LEA's (in state)	$ 346,700	$ 321,408	$ (25,292)	$ 258,833
Special education - tuition from other LEA's (in state)	2,195,250	1,579,909	(615,341)	1,698,369
Investment income	1,200	405	(795)	430
Sales to pupils - lunch	500	728	228	995
Rentals - regular textbook	500	-	(500)	-
Services provided other LEA's	10,995,420	10,820,246	(175,174)	10,926,129
Refund of prior years' expenditures	10,500	28,268	17,768	14,427
Payment from other LEA's	5,000	-	(5,000)	-
Other local fees	2,500	-	(2,500)	-
Other	-	86,631	86,631	22,150
Total local sources	13,557,570	12,837,595	(719,975)	12,921,333
Flow-through revenue from one LEA to another LEA				
Flow-through revenue from federal sources	-	-	-	229,823
Total flow-though	-	-	-	229,823
State sources				
Special education - personnel	1,401,000	1,606,110	205,110	1,533,002
On behalf payment to TRS from the state	2,300,000	5,199,533	2,899,533	2,838,261
Total state sources	3,701,000	6,805,643	3,104,643	4,371,263
Federal sources				
Federal - special education - preschool flow-through	181,650	146,701	(34,949)	125,420
Federal - special education - IDEA - flow-through/low incident	5,044,500	5,229,278	184,778	3,894,416
Medicaid matching funds - administrative outreach	61,520	143,247	81,727	141,505
Medicaid matching funds - fee-for-service program	414,800	245,380	(169,420)	591,275
Total federal sources	5,702,470	5,764,606	62,136	4,752,616
Total revenues	22,961,040	25,407,844	2,446,804	22,275,035
Expenditures				
Instruction				
Regular programs				
On-behalf payments to TRS from the state	2,300,000	5,199,533	(2,899,533)	2,838,261
Total	2,300,000	5,199,533	(2,899,533)	2,838,261

See Auditors' Report and Notes to Required Supplementary Information

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
Special education programs				
Salaries	$ 4,643,540	$ 4,925,579	$ (282,039)	$ 4,740,691
Employee benefits	1,250,480	1,519,365	(268,885)	1,054,528
Purchased services	352,860	193,014	159,846	179,596
Supplies and materials	157,060	152,265	4,795	232,281
Capital outlay	85,000	103,076	(18,076)	79,702
Other objects	-	76,754	(76,754)	395
Total	6,488,940	6,970,053	(481,113)	6,287,193
CTE programs				
Salaries	152,030	146,682	5,348	146,956
Employee benefits	104,820	78,662	26,158	87,918
Purchased services	1,700	933	767	738
Total	258,550	226,277	32,273	235,612
Summer school programs				
Salaries	348,710	304,970	43,740	234,053
Employee benefits	17,930	14,613	3,317	11,305
Purchased services	28,050	10,499	17,551	10,000
Supplies and materials	4,000	4,486	(486)	6,488
Capital outlay	-	-	-	1,370
Total	398,690	334,568	64,122	263,216
Truant's alternative and optional programs				
Salaries	10,000	5,700	4,300	6,653
Employee benefits	1,100	110	990	185
Purchased services	500	-	500	-
Total	11,600	5,810	5,790	6,838
Total instruction	9,457,780	12,736,241	(3,278,461)	9,631,120
Support services				
Pupils				
Attendance and social work services				
Salaries	1,960,950	1,913,726	47,224	1,911,865
Employee benefits	312,870	245,134	67,736	238,535
Purchased services	4,400	1,804	2,596	2,468
Supplies and materials	8,000	549	7,451	11,080
Total	2,286,220	2,161,213	125,007	2,163,948

See Auditors' Report and Notes to Required Supplementary Information

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
Health services				
Salaries	$ 2,007,960	$ 2,282,693	$ (274,733)	$ 2,015,980
Employee benefits	666,680	720,775	(54,095)	656,292
Purchased services	122,450	191,087	(68,637)	130,653
Supplies and materials	21,200	21,591	(391)	20,545
Capital outlay	15,000	17,659	(2,659)	13,726
Total	2,833,290	3,233,805	(400,515)	2,837,196
Psychological services				
Salaries	1,777,500	1,502,414	275,086	1,809,799
Employee benefits	332,860	227,020	105,840	277,969
Purchased services	20,710	4,270	16,440	19,365
Supplies and materials	6,600	9,302	(2,702)	15,130
Total	2,137,670	1,743,006	394,664	2,122,263
Speech pathology and audiology services				
Salaries	1,640,560	1,743,188	(102,628)	1,547,411
Employee benefits	328,070	266,763	61,307	278,942
Purchased services	362,500	48,215	314,285	252,542
Supplies and materials	5,000	-	5,000	18,131
Capital outlay	20,000	21,476	(1,476)	6,863
Total	2,356,130	2,079,642	276,488	2,103,889
Total pupils	9,613,310	9,217,666	395,644	9,227,296
Instructional staff				
Improvement of instructional services				
Salaries	325,210	274,475	50,735	338,105
Employee benefits	96,350	74,155	22,195	76,791
Purchased services	314,000	171,504	142,496	368,879
Supplies and materials	78,250	20,377	57,873	52,774
Capital outlay	7,500	-	7,500	865
Other objects	9,100	7,890	1,210	1,966
Total	830,410	548,401	282,009	839,380
Total instructional staff	830,410	548,401	282,009	839,380
General administration				
Board of education services				
Salaries	-	105,033	(105,033)	109,240
Employee benefits	-	15,331	(15,331)	6,521
Total	-	120,364	(120,364)	115,761

See Auditors' Report and Notes to Required Supplementary Information

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
Executive administration services				
Salaries	$ 829,090	$ 831,322	$ (2,232)	$ 798,840
Employee benefits	301,710	349,675	(47,965)	358,586
Purchased services	36,260	19,039	17,221	18,866
Supplies and materials	12,000	16,696	(4,696)	20,220
Capital outlay	5,000	-	5,000	-
Other objects	2,800	623	2,177	1,262
Total	1,186,860	1,217,355	(30,495)	1,197,774
Total general administration	1,186,860	1,337,719	(150,859)	1,313,535
School administration				
Office of the principal services				
Salaries	200,800	196,062	4,738	192,342
Employee benefits	29,250	10,227	19,023	9,869
Purchased services	3,300	2,034	1,266	1,443
Supplies and materials	500	-	500	-
Other objects	-	549	(549)	335
Total	233,850	208,872	24,978	203,989
Total school administration	233,850	208,872	24,978	203,989
Business				
Direction of business support services				
Salaries	197,250	186,153	11,097	167,271
Employee benefits	58,410	45,420	12,990	44,285
Purchased services	324,110	363,111	(39,001)	386,385
Supplies and materials	42,990	51,017	(8,027)	40,295
Capital outlay	123,500	16,349	107,151	66,026
Total	746,260	662,050	84,210	704,262
Operation and maintenance of plant services				
Purchased services	408,390	307,396	100,994	359,329
Supplies and materials	10,000	2,801	7,199	4,342
Total	418,390	310,197	108,193	363,671
Total business	1,164,650	972,247	192,403	1,067,933
Central				
Direction of central support services				
Purchased services	131,990	139,181	(7,191)	73,508
Supplies and materials	5,000	1,398	3,602	333
Total	136,990	140,579	(3,589)	73,841
Total central	136,990	140,579	(3,589)	73,841
Total support services	13,166,070	12,425,484	740,586	12,725,974

See Auditors' Report and Notes to Required Supplementary Information

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
Community services				
Purchased services	$ 72,690	$ 10,874	$ 61,816	$ 28,021
Supplies and materials	-	1,022	(1,022)	3,758
Total community services	72,690	11,896	60,794	31,779
Payments to other districts and governmental units				
Payments for regular programs				
Purchased services	77,000	-	77,000	-
Total	77,000	-	77,000	-
Payments for special education programs				
Purchased services	22,500	90,249	(67,749)	111,746
Total	22,500	90,249	(67,749)	111,746
Payments for special education programs - transfers				
Other objects	165,000	-	165,000	-
Total	165,000	-	165,000	-
Total payments to other districts and governmental units	264,500	90,249	174,251	111,746
Total expenditures	22,961,040	25,263,870	(2,302,830)	22,500,619
Net change in fund balance	$ -	143,974	$ 143,974	(225,584)
Fund balance, beginning of year		4,425,923		4,651,507
Fund balance, end of year		$ 4,569,897		$ 4,425,923

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

The budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

The Board of Education follows these procedures in establishing the budgetary data reflected in the general purpose 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 an resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

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

Excess of Expenditures over Budget

For the year ended June 30, 2015, expenditures exceeded budget in the general fund by $2,302,830. This excess is due to the change in calculation of TRS on-behalf payments. It is funded by an equal contribution made on-behalf of CASE by the State of Illinois.

COOPERATIVE ASSOCIATION FOR SPECIAL EDUCATION
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	BALANCE JULY 1, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
Assets				
Cash and Investments	$ 8,080	$ 3,732	$ 2,445	$ 9,367
Liabilities				
Due to student organizations and employees	$ 8,080	$ 3,732	$ 11,812	$ 9,367