

ANNUAL FINANCIAL REPORT

**BANNOCKBURN
SCHOOL DISTRICT NO. 106
BANNOCKBURN, IL
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

BANNOCKBURN SCHOOL DISTRICT NO. 106
TABLE OF CONTENTS
JUNE 30, 2021

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report		1
Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards		3
Required Supplementary Information:		
Management's Discussion and Analysis		5
Basic Financial Statements:		
Government-Wide Financial Statements		
Statement of Net Position	A	12
Statement of Activities	B	13
Fund Financial Statements		
Balance Sheet – Governmental Funds	C	14
Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds	D	17
Notes to the Basic Financial Statements		20
Required Supplementary Information:		
Schedule of Changes in Net Pension Liability and Related Ratios – Illinois Municipal Retirement Fund (IMRF)		43
Schedule of Employer Contributions – Illinois Municipal Retirement Fund (IMRF)		45
Schedule of the Employer's Proportionate Share of the Net Pension Liability – Teachers' Retirement System (TRS) of the State of Illinois		46
Schedule of Employer Contributions – Teachers' Retirement System (TRS) of the State of Illinois		48
Schedule of the Employer's Proportionate Share of the THIS Liability – Other Post-Employment Benefits (OPEB) – Teachers' Health Insurance Security (THIS) Fund		50
Schedule of Employer Contributions – Other Post-Employment Benefits (OPEB) – Teachers' Health Insurance Security (THIS) Fund		51
	<u>Schedule</u>	
Combining Balance Sheet – General Fund	1	52

BANNOCKBURN SCHOOL DISTRICT NO. 106
TABLE OF CONTENTS
JUNE 30, 2021

	<u>Schedule</u>	<u>Page</u>
<i>General and Major Special Revenue Funds – Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual</i>		
General Fund	2	53
Operations and Maintenance Fund	3	54
Transportation Fund	4	55
Municipal Retirement Fund	5	56
Notes to Required Supplementary Information		57
Supplementary Information:		
<i>General Fund Accounts – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual</i>		
Educational Account	7	59
Working Cash Account	8	64
<i>Major Capital Projects Funds – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual</i>		
Capital Projects Fund	10	65
Schedule of Revenues, Expenditures and Fund Balance – Student Activities	12	66
Schedule of Assessed Valuation, Tax Extensions and Collections	13	67
Schedule of Per Capita Tuition Charge and Average Daily Attendance	14	68



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INDEPENDENT AUDITOR'S REPORT

Board of Education
Bannockburn School District No. 106
Bannockburn, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Bannockburn School District No. 106, Bannockburn, Illinois (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2021, 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.

Change in Accounting Principle

As discussed in Note 13 to the financial statements, in 2021 the District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 District'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. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2021, on our consideration of the District'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 District's internal control over financial reporting and compliance.

Evans, Marshall & Pease, P.C.

Evans, Marshall & Pease, P.C.
Certified Public Accountants

October 5, 2021
Rolling Meadows, IL
(5)



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Education
Bannockburn School District No. 106
Bannockburn, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Bannockburn School District No. 106 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Bannockburn School District No. 106's financial statements, and have issued our report thereon dated October 7, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bannockburn School District No. 106's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bannockburn School District No. 106's internal control. Accordingly, we do not express an opinion on the effectiveness of Bannockburn School District No. 106's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bannockburn School District No. 106's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Evans, Marshall & Pease, P.C.

Evans, Marshall and Pease, P.C.
Certified Public Accountants

October 7, 2021
Rolling Meadows, IL

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

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BANNOCKBURN SCHOOL DISTRICT NO. 106
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The discussion and analysis of Bannockburn School District No. 106's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2021. The District management encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

Certain comparative information between the current year and the prior year is required to be presented in this management discussion and analysis (MD&A). The information is presented throughout the report to illustrate the differences in the District's results between the two years.

Financial Highlights

- The audit is conducted using the accrual basis of accounting. Under this basis, revenues are recognized in the period in which they are earned and become measurable, and expenses are recognized when incurred. The following information should be viewed with this in mind.
- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2021, by \$20,444,280 (net position).
- The District's total net position decreased by \$999,221.
- The District had capital outlay additions in the amount of \$3,365,482 for land, various improvements and equipment. The District had capital outlay disposals in the amount \$153,394 for equipment.
- Fund balances totaled \$10,447,193, which is a decrease of \$3,031,709 [\$(3,032,228) net change in fund balances and \$519 student activities prior period adjustment] in comparison to the previous year.
- The District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*.

Overview of the Financial Statements

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

- Government-Wide financial statements
- Fund financial statements
- Notes to the financial statements

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

This report also contains required supplementary information and supplementary information in addition to the basic financial statements. Included as revenue and expense in the Educational Account is the annual "on-behalf" payment by the State to the Teachers' Retirement System (TRS) and the Teachers' Health Insurance Security (THIS) fund discussed elsewhere in this audit report. This is money over which the District has no control and never sees on its books. In fact, the State does not always make this contribution, or make it on time. This contribution by the State must be shown in the audit, but it should be kept in mind that to get a true picture of the District's revenue, expenses and balances, this contribution must be discounted.

BANNOCKBURN SCHOOL DISTRICT NO. 106
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Major Features of the Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not fiduciary, such as general fund	Instances in which District administers resources on behalf of someone else, such as student activity monies
Required financial statements	Statement of net position	Balance sheet	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures, and changes in fund balance	Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, but they can
Type of deferred inflows/outflows of resources information	All deferred inflows and outflows of resources, financial, short-term and long-term	Generally deferred outflows of resources to be used up and deferred inflows that come due during the year or soon thereafter; no capital or debt included	Not applicable
Type of inflow/outflow information	All revenues and expenses during the year, regardless of dates of actual cash transactions	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Government-Wide Financial Statements

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

The statement of net position presents information on all of the District's assets, deferred inflows of resources, deferred outflows of resources and liabilities, with the difference between the two 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 District is improving or declining.

The statement of activities presents information showing how the District's net position changed during the fiscal year being reported. It includes a description of the expenses and revenues for all governmental activities for the fiscal year. Revenues from specific programs and grants are identified by the functions that they support.

BANNOCKBURN SCHOOL DISTRICT NO. 106
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District's governmental activities include instructional services (regular education, special education and other) and supporting services, including operation and maintenance of facilities.

Fund Financial Statements

A fund is a self-balancing group of accounts with its own assets, liabilities, revenues and expenditures. Each fund is used to maintain control over resources and expenditures that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one category governmental funds (the District maintains no fiduciary and 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, where the focus is on the government as a whole, governmental fund financial statements focus their reporting on individually significant funds.

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 District maintains eight governmental funds during the year. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund (Educational and Working Cash Accounts), and the major funds which are the Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund and Capital Projects Fund.

The District adopts an annual budget for each of the funds. A budgetary comparison statement is provided for the General Fund and each major fund in the basic financial statements as other information to demonstrate compliance with this budget.

Notes to the financial statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* concerning the District's operations presented to supplement the basic financial statements and progress in funding related to the Teachers' Retirement System (TRS), Illinois Municipal Retirement Fund (IMRF), and Teachers' Health Insurance Security (THIS) Fund. The *Supplementary Information* provides additional analysis derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

BANNOCKBURN SCHOOL DISTRICT NO. 106
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Government-Wide Financial Analysis

Statement of Net Position: The following summary data is compared with data from the preceding year. The following provides a summary of the District's Statement of Net Position as of June 30, 2021 and 2020:

	2021	(Restated)* 2020	% Change
	Other assets	\$ 15,301,553	
Non-current assets	13,062,162	10,992,929	18.82%
Total Assets	<u>28,363,715</u>	<u>29,817,930</u>	-4.88%
Total Deferred Outflows of Resources	<u>386,380</u>	<u>335,655</u>	15.11%
Other liabilities	19,120	461,507	-95.86%
Non-current liabilities	2,624,719	2,922,091	-10.18%
Total Liabilities	<u>2,643,839</u>	<u>3,383,598</u>	-21.86%
Total Deferred Inflows of Resources	<u>5,661,976</u>	<u>5,326,486</u>	6.30%
Net investment in capital assets	13,062,162	10,992,929	18.82%
Restricted	2,752,575	3,985,027	-30.93%
Unrestricted	<u>4,629,543</u>	<u>6,465,545</u>	-28.40%
Total Net Position	<u>\$ 20,444,280</u>	<u>\$ 21,443,501</u>	-4.66%

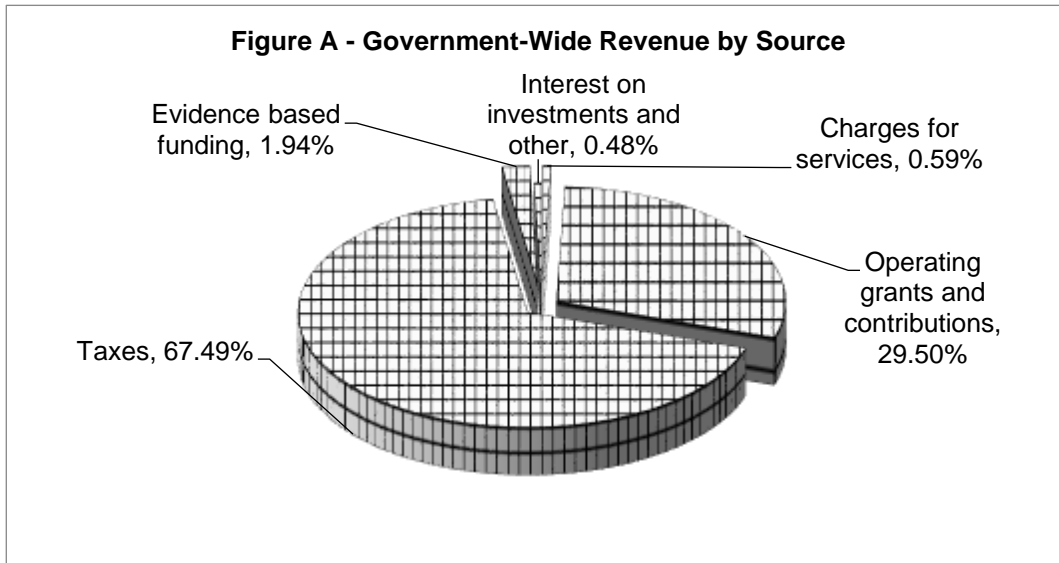
*See page 10 for further explanation.

Changes in Net Position: The following is a summary of the District's changes in net position for the year ending June 30, 2021, and 2020:

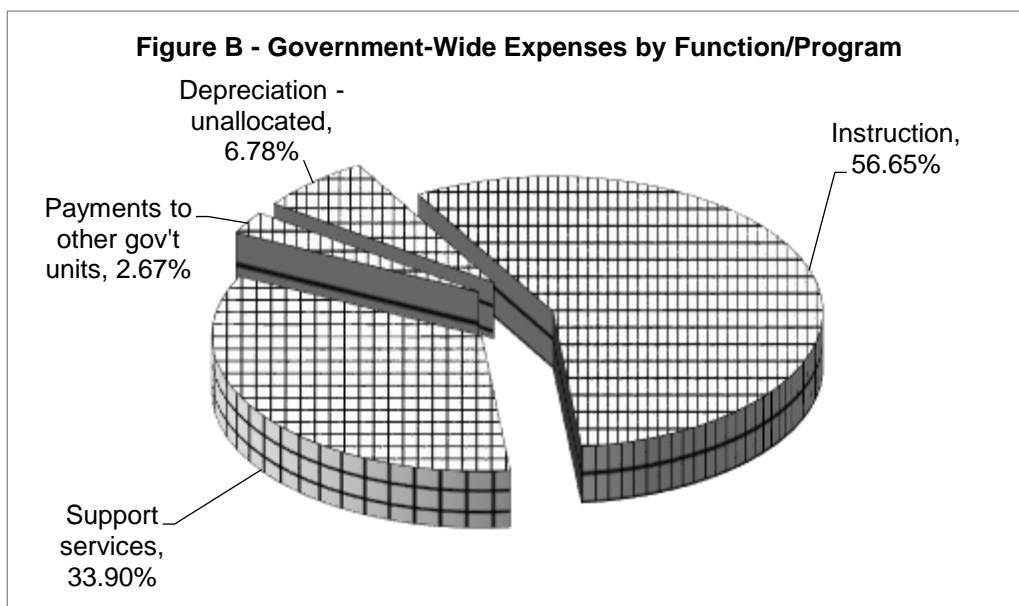
	2021	2020	% Change
Revenues			
Program revenues			
Charges for services	\$ 42,819	\$ 28,267	51.48%
Operating grants and contributions	2,142,213	1,925,291	11.27%
General revenues			
Taxes	4,901,706	4,896,871	0.10%
Evidence based funding	140,593	140,593	0.00%
Interest on investments and other	35,040	378,716	-90.75%
Total Revenues	<u>7,262,371</u>	<u>7,369,738</u>	-1.46%
Expenses			
Instruction	4,680,257	4,350,478	7.58%
Support services	2,800,741	2,470,258	13.38%
Payments to other governmental units	220,587	323,646	-31.84%
Depreciation - unallocated	560,007	441,576	26.82%
Total Expenses	<u>8,261,592</u>	<u>7,585,958</u>	8.91%
Change in Net Position	<u>(999,221)</u>	<u>(216,220)</u>	
Net Position - Beginning - as previously reported	21,442,982	21,659,202	
Prior Period Adjustment	519	-	
Net Position - Beginning - as restated	<u>21,443,501</u>	<u>21,659,202</u>	
Net Position - Ending	<u>\$ 20,444,280</u>	<u>\$ 21,442,982</u>	

BANNOCKBURN SCHOOL DISTRICT NO. 106
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Revenues by Source: Taxes, including personal property taxes, in the amount of \$4,901,706 accounted for 67.49% of total revenues, operating grants and contributions in the amount of \$2,142,213 accounted for 29.50%, charges for services in the amount of \$42,819 accounted for 0.59%, evidence based funding in the amount of \$140,593 accounted for 1.94%, and interest on investments and other in the amount of \$35,040 accounted for 0.48% (Figure A).



Expenses by Function: Expenses for instruction in the amount of \$4,680,257 accounted for 56.65% of total expenses, while support services in the amount of \$2,800,741 accounted for 33.90%, payments to other governmental units in the amount of \$220,587 accounted for 2.67%, and unallocated depreciation in the amount of \$560,007 accounted for 6.78% (Figure B).



BANNOCKBURN SCHOOL DISTRICT NO. 106
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Financial Analysis of the District's Funds

The financial performance of the District reflects the financial climate of the country as a whole and Illinois in particular. Expenditures and revenues are monitored carefully. Financial updates and projections are shared with the Board of Education regularly. Account balances for all funds are at positive levels for the year ended June 30, 2021. Fund balances totaled \$10,447,193, which is a decrease of \$3,031,709 [\$(3,032,228) net change in fund balances and \$519 student activities prior period adjustment] in comparison to the previous year.

General Fund (Educational and Working Cash Accounts)

- Fund balance decreased by \$1,799,776, resulting in an ending fund balance of \$7,695,137.
- Fund balance was restated by \$519 to \$9,494,913 because of the newly adopted accounting guidance, *GASB Statement No. 84, Fiduciary Activities*.
- On-behalf payments increased from \$1,758,755 to \$1,898,698, an increase of to \$139,943.

Operations and Maintenance Fund

- Fund balance increased by \$383,434, resulting in an ending fund balance of \$1,884,450.

Transportation Fund

- Fund balance increased by \$102,859, resulting in an ending fund balance of \$312,964.

Municipal Retirement/Social Security Fund

- Fund balance increased by \$21,807, resulting in an ending fund balance of \$275,686.

Capital Projects Fund

- Fund balance decreased by \$1,740,552, resulting in an ending fund balance of \$278,956.

Capital Assets and Long-term Liabilities

Capital Assets

By the end of fiscal year 2021, the District had invested \$13,062,162 (net of depreciation) in a broad range of capital assets, including various buildings, improvements, equipment and vehicles.

	2021	2020	% Change
Land	\$ 900,482	\$ 382,477	135.43%
Construction in progress	-	706,272	-100.00%
Buildings and improvements	11,171,810	8,751,943	27.65%
Site improvements	724,714	795,514	-8.90%
Equipment and vehicles	265,156	356,723	-25.67%
Total	\$ 13,062,162	\$ 10,992,929	18.82%

Additional information on the District's capital assets can be found in Note 5 to the financial statements.

BANNOCKBURN SCHOOL DISTRICT NO. 106
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Long-term Liabilities

At June 30, 2021, the District had total long-term liabilities of \$2,624,719.

	2021	2020	% Change
Pensions	\$ 315,371	\$ 492,308	-35.94%
Other post-employment benefits	2,309,348	2,429,783	-4.96%
Total	\$ 2,624,719	\$ 2,922,091	-10.18%

Additional information on the District's long-term liabilities can be found in Note 6 to the financial statements.

Budgetary Analysis

For the year ended June 30, 2021, the District operated within the confined of the budget.

Factors Affecting the District's Future

With the COVID-19 pandemic, the District's first priority remains the health and safety of staff, students, and the community. The District continues working closely with public health guidance to achieve the best plan. As the situation evolves, the District will need to be flexible; to listen; and to understand to change course as needed. The District will take it one day, one week, and one month at a time.

The District's financial status is impacted by tax cap limitations, property tax appeals, and the current state of the economy.

Pension obligations for certificated employees, including teachers and administrators, are funded by the state and active members of the Illinois Teachers' Retirement System. The State of Illinois continues its' long-standing debate on pensions and the need for funding reforms to address an increasing unfunded liability in the system. Currently, employers are mandated to contribute 0.58% of all creditable salary earnings to the Teachers' Retirement System. Due to the complexities of the pension system and various funding reform issues being discussed in the legislature, added employer contributions may be a future consideration.

The persistent climate of the State's economy is a continual concern. The State's ability to properly fund education is more questionable now than at any time in recent years.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact the Director of Business Services, *Lisa Pease*: Bannockburn School District No. 106, 2165 Telegraph Road, Bannockburn, IL 60015.

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BASIC FINANCIAL STATEMENTS

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BANNOCKBURN SCHOOL DISTRICT NO. 106
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
ASSETS	
Cash	\$ 11,661,774
Receivables (net of allowance for uncollectibles)	
Interest	4,307
Property taxes	3,519,023
Replacement taxes	7,790
Intergovernmental	7,890
Prepaid items	100,769
Capital assets not being depreciated	
Land	900,482
Capital assets, net of accumulated depreciation	
Buildings and improvements	11,171,810
Site improvements	724,714
Equipment and vehicles	265,156
	28,363,715
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	178,608
Other post-employment benefits	207,772
	386,380
LIABILITIES	
Accounts payable	9,108
Flex plan payable	10,012
Non-current liabilities	
Due in more than one year	2,624,719
	2,643,839
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	4,835,240
Pensions	343,190
Other post-employment benefits	483,546
	5,661,976
NET POSITION	
Net investment in capital assets	13,062,162
Restricted	2,752,575
Unrestricted	4,629,543
	20,444,280
	\$ 20,444,280

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

BANNOCKBURN SCHOOL DISTRICT NO. 106
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense)/ Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Instruction	\$ 4,680,257	\$ 40,117	\$ 2,076,002	\$ (2,564,138)
Support services	2,800,741	2,702	66,211	(2,731,828)
Payments to other governmental units	220,587	-	-	(220,587)
Depreciation - unallocated	560,007	-	-	(560,007)
Total Governmental Activities	<u>\$ 8,261,592</u>	<u>\$ 42,819</u>	<u>\$ 2,142,213</u>	<u>(6,076,560)</u>
General Revenues				
Taxes				
Real estate taxes, levied for general purposes				4,855,804
Personal property replacement taxes				45,902
Evidence based funding formula				140,593
Investment earnings				65,010
(Loss) on capital asset disposals				(29,970)
Total General Revenues				<u>5,077,339</u>
Change in Net Position				(999,221)
Net Position - Beginning - as previously reported				<u>21,442,982</u>
Prior Period Adjustments				
Student activities reclassification				519
Net Position - Beginning - as restated				<u>21,443,501</u>
Net Position - Ending				<u>\$ 20,444,280</u>

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

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BANNOCKBURN SCHOOL DISTRICT NO. 106
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Operations and Maintenance Fund	Transportation Fund
ASSETS			
Cash	\$ 8,647,855	\$ 2,072,826	\$ 352,130
Receivables (net of allowance for uncollectibles)			
Interest	3,069	666	108
Property taxes	2,711,911	588,021	126,095
Replacement taxes	7,790	-	-
Intergovernmental	-	-	7,890
Prepaid items	67,135	33,634	-
Total Assets	<u>\$ 11,437,760</u>	<u>\$ 2,695,147</u>	<u>\$ 486,223</u>
LIABILITIES			
Accounts payable	\$ 6,368	2,740	\$ -
Flexible spending payable	10,012	-	-
Total Liabilities	<u>16,380</u>	<u>2,740</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	3,726,243	807,957	173,259
Total Deferred Inflows of Resources	<u>3,726,243</u>	<u>807,957</u>	<u>173,259</u>
FUND BALANCES			
Nonspendable	67,135	33,634	-
Restricted	519	1,850,816	312,964
Unassigned	7,627,483	-	-
Total Fund Balances	<u>7,695,137</u>	<u>1,884,450</u>	<u>312,964</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,437,760</u>	<u>\$ 2,695,147</u>	<u>\$ 486,223</u>

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

Municipal Retirement Fund	Capital Projects Fund	Total
\$ 310,366	\$ 278,597	\$ 11,661,774
105	359	4,307
92,996	-	3,519,023
-	-	7,790
-	-	7,890
-	-	100,769
<u>\$ 403,467</u>	<u>\$ 278,956</u>	<u>\$ 15,301,553</u>
\$ -	\$ -	\$ 9,108
-	-	10,012
-	-	19,120
<u>127,781</u>	<u>-</u>	<u>4,835,240</u>
<u>127,781</u>	<u>-</u>	<u>4,835,240</u>
-	-	100,769
275,686	278,956	2,718,941
-	-	7,627,483
<u>275,686</u>	<u>278,956</u>	<u>10,447,193</u>
<u>\$ 403,467</u>	<u>\$ 278,956</u>	<u>\$ 15,301,553</u>

(Continued)

BANNOCKBURN SCHOOL DISTRICT NO. 106
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total fund balances-governmental funds (Exhibit C)		\$ 10,447,193
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.		
Capital assets	\$ 18,657,578	
Less: Accumulated depreciation	<u>(5,595,416)</u>	13,062,162
Deferred outflows of resources do not relate to current financial resources and are not included in the governmental funds balance sheet.		
Pensions	178,608	
Other post-employment benefits	<u>207,772</u>	386,380
Deferred inflows of resources do not relate to current financial resources and are not included in the governmental funds balance sheet.		
Pensions	(343,190)	
Other post-employment benefits	<u>(483,546)</u>	(826,736)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. All liabilities, both current and long-term, are reported in the statement of net position.		
Balances as of June 30, 2021 were:		
Pensions	(315,371)	
Other post-employment benefits	<u>(2,309,348)</u>	<u>(2,624,719)</u>
Total net position of governmental activities (Exhibit A)		<u>\$ 20,444,280</u>

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

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BANNOCKBURN SCHOOL DISTRICT NO. 106
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General Fund	Operations and Maintenance Fund	Transportation Fund
REVENUES			
Property taxes	\$ 3,366,599	\$ 1,139,015	\$ 201,576
Corporate personal property replacement taxes	43,902	-	-
Interest on investments	47,145	19,189	2,673
Other local sources	40,921	1,894	-
State sources	141,343	-	32,247
State on-behalf retirement revenues	1,898,698	-	-
Federal sources	178,080	32,438	-
Total Revenues	5,716,688	1,192,536	236,496
EXPENDITURES			
Current			
Instruction	2,652,324	-	-
State on-behalf retirement expenditures	1,898,698	-	-
Support services	1,649,812	694,402	133,637
Payments to other governmental units	220,587	-	-
Capital outlay	20,043	114,700	-
Total Expenditures	6,441,464	809,102	133,637
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(724,776)	383,434	102,859
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,075,000	-
Transfers out	(1,075,000)	(1,075,000)	-
Total Other Financing Sources (Uses)	(1,075,000)	-	-
NET CHANGE IN FUND BALANCES	(1,799,776)	383,434	102,859
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	9,494,394	1,501,016	210,105
PRIOR PERIOD ADJUSTMENT			
Student activities reclassification	519	-	-
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED	9,494,913	1,501,016	210,105
FUND BALANCES, END OF YEAR	\$ 7,695,137	\$ 1,884,450	\$ 312,964

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

Municipal Retirement Fund	Capital Projects Fund	Total
\$ 148,614	\$ -	\$ 4,855,804
2,000	-	45,902
2,888	(6,885)	65,010
-	4	42,819
-	-	173,590
-	-	1,898,698
-	-	210,518
<u>153,502</u>	<u>(6,881)</u>	<u>7,292,341</u>
42,939	-	2,695,263
-	-	1,898,698
88,756	284,204	2,850,811
-	-	220,587
<u>-</u>	<u>2,524,467</u>	<u>2,659,210</u>
<u>131,695</u>	<u>2,808,671</u>	<u>10,324,569</u>
<u>21,807</u>	<u>(2,815,552)</u>	<u>(3,032,228)</u>
-	1,075,000	2,150,000
<u>-</u>	<u>-</u>	<u>(2,150,000)</u>
<u>-</u>	<u>1,075,000</u>	<u>-</u>
<u>21,807</u>	<u>(1,740,552)</u>	<u>(3,032,228)</u>
253,879	2,019,508	13,478,902
<u>-</u>	<u>-</u>	<u>519</u>
<u>253,879</u>	<u>2,019,508</u>	<u>13,479,421</u>
<u>\$ 275,686</u>	<u>\$ 278,956</u>	<u>\$ 10,447,193</u>

(Continued)

BANNOCKBURN SCHOOL DISTRICT NO. 106
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Total net change in fund balances-governmental funds (Exhibit D) \$ (3,032,228)

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in the governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlays for items below the District's capitalization limits are expensed.

Depreciation expense	\$ (560,007)	
Capital outlay over capitalization limits	<u>2,659,210</u>	2,099,203

The net effect of various miscellaneous transactions involving capital assets in the Statement of Net Position.

Loss on disposals	(29,970)
-------------------	----------

Some amounts are reported in the statement of activities do not require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds. These amounts include the changes in:

Pensions	50,856	
Other post-employment benefits	<u>(87,082)</u>	<u>(36,226)</u>

Change in net position of governmental activities (Exhibit B) \$ (999,221)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bannockburn School District No. 106 (the “District”) operates as a public-school system governed by the school board. The District is organized under the School Code of the State of Illinois. The District’s accounting policies conform to generally accepted accounting principles as applicable to local education agencies.

The District’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies established in GAAP and used by the District are discussed below.

A. The Reporting Entity

The accompanying financial statements comply with the provisions of GASB statements in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization’s governing body and either (1) the District’s ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units. In addition, the District is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. 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 District. The effect of interfund activity has been removed from these statements. The District’s operating activities are all considered “governmental activities”, that is, activities normally supported by taxes and intergovernmental revenues. The District 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. Taxes and 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 District’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, liabilities, 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. The District has no fiduciary funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing or related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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 District considers all revenues available if they are collected within 30 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.

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 [TRS] and Teachers’ Health Insurance Security [THIS] Fund) have been recognized in the financial statements.

Property taxes, replacement taxes, 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 District 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 deferred revenues until earned.

The funds of the District are described below:

Governmental Funds

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The Educational and Working Cash Accounts are included in this fund.

Special Revenue Funds – The Special Revenue Funds (Operations and Maintenance Fund, Transportation Fund, and Illinois Municipal Retirement/Social Security Fund) are used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of major capital facilities.

Proprietary Fund Types (not included in governmental-wide statements)

There are no Proprietary Fund Types.

Fiduciary Funds (not included in governmental-wide statements)

There are no Fiduciary Fund Types.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Major and Non-major Funds

An emphasis is placed on major funds with the governmental and proprietary categories.

A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues and expenditures of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and:
- b. Total assets, liabilities, revenues or expenditures of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The District has elected to treat all funds as major funds.

The funds classified as major are as follows:

General Fund – See above for description.

Operations and Maintenance Fund – accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes and state aid.

Transportation Fund – accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement Fund – accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

Capital Projects Fund – accounts for the financial resources to be used for the acquisition or construction of, and/or additions to, major capital facilities.

Assets, Deferred Outflows/Inflows of Resources and Liabilities

Cash and Deposits

Deposits are considered to be cash on hand, cash with financial institutions, savings deposit accounts and non-negotiable certificates of deposit.

Receivables

All receivables are reported net of estimated uncollectible amounts.

Prepaid Items

The District's prepaid amount is accounted for using the consumption method. At June 30, 2021, \$100,769 is from certain payments to vendors that reflect costs applicable to future accounting periods recorded as prepaid items in both government-wide and fund financial statements. This amount is reported as non-spendable fund balance in the governmental funds.

BANNOCKBURN SCHOOL DISTRICT NO. 106
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, site improvements, equipment, equipment and vehicles are reported in the government-wide financial statements. Capital assets are defined by the District as an initial individual cost of more than \$5,000, with an estimated useful life of 1 year or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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
Buildings and improvements	20-40
Site improvements	20
Equipment and vehicles	5-20

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.

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year incurred.

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

Deferred outflows

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualifies for this category. The two items are pensions and other post-employment benefits reported in the government-wide statement of position. These results are from differences between expected and actual experience, the net differences projected and actual investment earnings on plan investments, changes of assumptions, and changes in proportion and differences between contributions and proportion share of contributions.

Deferred inflows

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. The first is unavailable revenue; it is reported in both the government-wide statement of position and in the governmental funds balance sheet. The item for unavailable revenue is from property taxes. The second

BANNOCKBURN SCHOOL DISTRICT NO. 106
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

and third items are pensions and other post-employment benefits. These results are from differences between expected and actual experience, the net differences projected and actual investment earnings on plan investments, changes of assumptions, and changes in proportion and differences between contributions and proportion share of contributions. These items amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2020 levy resolution was approved during the December 15, 2020 board meeting. The District's 2019 levy resolution was approved during the December 17, 2019 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year. The District's annual property tax levy is subject to two statutory limitations: Individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELA).

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation.

Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement Fund, and the balance is allocated to the remaining funds at the discretion of the District.

Program Revenues

Amounts reported as program revenues include 1) Tuition and fees and 2) Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, are reported as general revenues rather than as program revenues.

Interfund Activity

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

BANNOCKBURN SCHOOL DISTRICT NO. 106
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – NET POSITION AND FUND BALANCE REPORTING

Net position is displayed in three components; Net investment in capital assets, restricted net position, and unrestricted net position.

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 bonds, mortgages, 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 their 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. The Restricted Net Position consists of Student Activities, \$519; the Operations and Maintenance Fund, \$1,884,450; the Transportation Fund, \$312,964; the Municipal Retirement Fund, \$275,686; and the Capital Projects Fund, \$278,956; totaling \$2,752,575.

Unrestricted net position – All other net position that do 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 District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Governmental Fund Balance Reporting

Governmental fund balances are to be classified into five major classifications; Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable – the nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

Restricted – the restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the District. Items such as restrictions imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories:

- *Student Activities* – revenues and the related expenditures are accounted for in the Educational Account. At June 30, 2021, the restricted balance is \$519.
- *Special Education* – revenues and the related expenditures of this restricted tax levy are accounted for in the Educational Account. Expenditures exceeded revenues for this purpose, resulting in no restricted fund balance.
- *State Grants* – proceeds from state grants and the related expenditures have been included in the Educational and Transportation Funds. At June 30, 2021, expenditures exceeded revenues from state grants, resulting in no restricted balance.
- *Federal Grants* – proceeds from federal grants and the related expenditures have been included in the Educational Account. At June 30, 2021, expenditures exceeded revenues from federal grants, resulting in no restricted balance.
- *Social Security* – expenditures and the related expenditures of this restricted tax levy are accounted for in the Municipal Retirement Fund. Expenditures disbursed exceeded revenue received, resulting in no restricted balance.

BANNOCKBURN SCHOOL DISTRICT NO. 106
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 2 – NET POSITION AND FUND BALANCE REPORTING (CONT'D)

Committed – the committed fund balance refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school board. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. There are no committed fund balance designations.

Assigned – the assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Assignments make take place after the end of the reporting period. There are no assigned fund balance designations

Unassigned – the unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund.

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

NOTE 3 – CASH AND DEPOSITS

Deposits are considered to be cash on hand, cash with financial institutions, savings deposit accounts, and non-negotiable certificates of deposit. The District has adopted a formal cash management policy. The financial institutions in which accounts are made must be approved by the Board of Education.

Separate cash and deposit accounts are not maintained for all District funds; instead, the individual funds maintain their balances in the common accounts, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

At June 30, 2021, the carrying amount of the District's deposits totaled \$11,661,774 and bank balances totaled \$11,909,925.

For disclosure purposes, the amounts are classified as follows:

Cash and Deposits	Amount	Maturities		
		Less Than Six Months	Six Months to One Year	One Year to Three Years
Cash with Financial Institutions	\$ 19,834	\$ 19,834	\$ -	\$ -
Savings Deposit Accounts	8,407,391	8,407,391	-	-
Non-negotiable Certificates of Deposits	3,482,700	2,735,300	747,400	-
Total	\$ 11,909,925	\$ 11,162,525	\$ 747,400	\$ -

Interest Rate Risk. The District limits its exposure to losses arising from increasing interest rates by limiting the amount of cash held for a period longer than one year. The weighted average of the portfolio maturity was 121.93 days and the weighted portfolio yield was 0.16%.

BANNOCKBURN SCHOOL DISTRICT NO. 106
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – CASH AND DEPOSITS (CONT'D)

Credit Risk. The District is allowed to invest in securities as authorized by Chapter 30, Sections 23 5/2, and 23 5/6, and Chapter 105, Section 5/8-7 of the *Illinois Compiled Statutes*. These Statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. Agencies' accounts and any other investments constituting direct obligations of any bank as defined by the Illinois Bank Act, certain short-term commercial paper, accounts of federally insured savings and loans, and the state treasurers' investment pool. The District has no cash policy that would further limit its cash choices.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+), the Illinois Institutional Investors Fund (IIIT), and the Illinois Funds are not-for-profit investment trust funds formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. These funds are not registered with the SEC as an investment company, but do operate in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments are valued at net asset value (NAV) per share price, which is the price at which the investment could be sold, as determined by the pool.

Custodial Risk. Custodial credit risk is the risk that, in the event of the failure of the bank or the counterparty, the District will not be able to recover the value of its deposits that are in the possession of an outside party. The bank balances of \$11,909,925 are as follows:

Depository Account	Bank Balance
FDIC Insured	\$ 3,502,534
Uncollateralized*	8,407,391
Total	\$ 11,909,925

*Invested in accordance with the Public Treasurer's Investment Pool created under Section 17 of the State Treasurer's Act.

NOTE 4 – PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2019 tax levy. The unavailable revenue is 100% of the 2020 tax levy, net of estimated uncollectible amounts. These taxes are unavailable as only a portion of the taxes are collected near the end of the fiscal year and the District does not consider the amounts to be available and does not budget for their use in fiscal year 2021. The District has determined that 100% of the amounts collected for the 2019 levy are allocable for use in fiscal year 2021. Therefore, 100% of the amounts collected for the 2019 and prior levies are recorded in these financial statements as property tax revenue. A summary of the assessed valuations and extensions for the past three years' are as follows:

Tax Year	2020		2019		2018	
Equalized Assessed Valuation	\$216,097,600		\$223,248,668		\$220,876,484	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
Educational	1.7132	\$3,702,258	1.5464	\$3,452,257	1.7441	\$3,852,256
Working cash	0.0285	61,625	0.0500	111,624	0.0221	48,800
Operations and maintenance	0.3777	816,119	0.4552	1,016,116	0.4600	1,016,116
Transportation	0.0810	175,009	0.0784	175,007	0.0679	150,006
Municipal retirement	0.0233	50,418	0.0226	50,416	0.0228	50,415
Social security	0.0364	78,653	0.0352	78,653	0.0356	78,652
Total	2.2601	\$4,884,082	2.1878	\$4,884,073	2.3525	\$5,196,245

BANNOCKBURN SCHOOL DISTRICT NO. 106
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 382,477	\$ 518,005	\$ -	\$ 900,482
Construction in progress	706,272	-	706,272	-
Total capital assets not being depreciated	<u>1,088,749</u>	<u>518,005</u>	<u>706,272</u>	<u>900,482</u>
Capital assets being depreciated				
Buildings and improvements	12,589,537	2,789,908	-	15,379,445
Site improvements	1,378,454	-	-	1,378,454
Equipment and vehicles	1,095,022	57,569	153,394	999,197
Total capital assets being depreciated	<u>15,063,013</u>	<u>2,847,477</u>	<u>153,394</u>	<u>17,757,096</u>
Less accumulated depreciation for				
Buildings and improvements	3,837,594	370,041	-	4,207,635
Site improvements	582,940	70,800	-	653,740
Equipment and vehicles	738,299	119,166	123,424	734,041
Total accumulated depreciation	<u>5,158,833</u>	<u>560,007</u>	<u>123,424</u>	<u>5,595,416</u>
Net capital assets being depreciated	<u>9,904,180</u>	<u>2,287,470</u>	<u>29,970</u>	<u>12,161,680</u>
Net governmental activities capital assets	<u>\$ 10,992,929</u>	<u>\$ 2,805,475</u>	<u>\$ 736,242</u>	<u>\$ 13,062,162</u>

Depreciation expense was unallocated in the operating activities of the District.

NOTE 6 – LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2021:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Pensions	\$ 492,308	\$ 22	\$ 176,959	\$ 315,371	\$ -
Other post-employment benefits	2,429,783	-	120,435	2,309,348	-
Total	<u>\$ 2,922,091</u>	<u>\$ 22</u>	<u>\$ 297,394</u>	<u>\$ 2,624,719</u>	<u>\$ -</u>

Legal Debt Margin

Based on the 2020 assessed valuation of \$216,097,600, the legal debt margin of 6.9% is \$14,910,734. At June 30, 2021, the outstanding debt to which the legal debt margin applies is \$-0-, leaving an available borrowing power of \$14,910,734.

NOTE 6 – RETIREMENT SYSTEMS

A. Illinois Municipal Retirement Fund (IMRF)

IMRF Plan Description

The employer’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 employer’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information (RSI). The report is available for download at www.imrf.org.

Benefits Provided

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

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

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

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

Employees Covered by Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

December 31,	<u>2020</u>
Retirees and Beneficiaries currently receiving benefits	15
Inactive Plan Members entitled to but not yet receiving benefits	31
Active Plan Members	<u>8</u>
Total	<u><u>54</u></u>

NOTE 6 – RETIREMENT SYSTEMS (CONT'D)

Contributions

As set by statute, the employer's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer's annual required contribution rate for calendar year 2020 was 11.99%. For the fiscal year ended June 30, 2021, the employer contributed \$57,604 to the plan. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The employer's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- For Non-Disabled Retirees, the Pub-2010, Amounted-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- For Disabled Retirees, the Pub-2010, Amounted-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For Active Members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP- 2020.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

BANNOCKBURN SCHOOL DISTRICT NO. 106
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – RETIREMENT SYSTEMS (CONT'D)

Asset Class	Target Allocation	Return 12/31/2020	Projected Returns/Risk	
			One Year Arithmetic	Ten Year Geometric
Equities	37%	22.07%	6.35%	5.00%
International Equities	18%	13.52%	7.65%	6.00%
Fixed Income	28%	7.87%	1.40%	1.30%
Real Estate	9%	4.20%	7.10%	6.20%
Alternatives	7%			
Private Equity		N/A	10.35%	6.95%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	3.90%	2.85%
Cash Equivalents	1%	2.56%	0.70%	0.70%
Total	<u>100%</u>			

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.00%; and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	\$ 2,566,141	\$ 2,297,961	\$ 268,180
Changes for the year			
Service Cost	45,436	-	45,436
Interest on the Total Pension Liability	182,727	-	182,727
Differences Between Expected and Actual Experience	31,752	-	31,752
Changes of Assumptions	(3,780)	-	(3,780)
Contributions - Employer	-	56,612	(56,612)
Contributions - Employees	-	21,248	(21,248)
Net Investment Income	-	343,461	(343,461)
Benefits Payments and Refunds	(136,964)	(136,964)	-
Other (Net Transfer)	-	11,773	(11,773)
Net Changes	<u>119,171</u>	<u>296,130</u>	<u>(176,959)</u>
Balances at December 31, 2020	<u>\$ 2,685,312</u>	<u>\$ 2,594,091</u>	<u>\$ 91,221</u>

BANNOCKBURN SCHOOL DISTRICT NO. 106
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 6 – RETIREMENT SYSTEMS (CONT'D)

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.25%)	Current Single Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 372,818	\$ 91,221	\$ (151,886)

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

For the year ended June 30, 2021, the employer recognized pension expense/(income) of \$(50,856). At June 30, 2021, the employer reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 11,568	\$ -
Changes of assumptions	-	1,377
Net difference between projected and actual earnings on pension plan investments	106,580	313,934
Total deferred amounts to be recognized in pension expense in future periods	118,148	315,311
<i>Pension contributions made subsequent to the measurement date</i>		
	29,073	-
Total	\$ 147,221	\$ 315,311

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

Year Ending December 31	Net Deferred Outflows (Inflows) of Resources
2021	\$ (53,566)
2022	(27,297)
2023	(80,585)
2024	(35,715)
2025	-
Thereafter	-
Total	\$ (197,163)

NOTE 6 – RETIREMENT SYSTEMS (CONT'D)

B. Teachers' Retirement System (TRS) of the State of Illinois

General Information about the Pension Plan

Plan Description

The employer participates in the Teachers' Retirement System (TRS) of the State of Illinois. 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 <https://www.trsil.org>; by writing to TRS at 2815 W. Washington Street, P. O. Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

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 highest four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

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.

BANNOCKBURN SCHOOL DISTRICT NO. 106
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – RETIREMENT SYSTEMS (CONT'D)

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, 2021 was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2020 (measurement date), State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$1,869,789 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, 2021, were \$13,522, and are deferred because they were paid after the June 30, 2020, measurement date.

Federal and special trust fund contributions

When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2021, the employer pension contribution was 10.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, salaries totaling \$-0- were paid from federal and special trust funds that required employer contributions of \$-0-. These contributions are deferred because they were paid after the June 30, 2020, measurement date.

Employer retirement contributions

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2021, the employer paid \$ -0- to TRS for employer contributions due on salary increases in excess of 6 percent, \$-0- for excess of governor's statutory salary contributions, and \$-0- for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2020, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

BANNOCKBURN SCHOOL DISTRICT NO. 106
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – RETIREMENT SYSTEMS (CONT'D)

Employer's proportionate share of the net pension liability	\$ 224,150
State's proportionate share of the net pension liability associated with the employer	<u>17,556,592</u>
Total	<u><u>\$ 17,780,742</u></u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2020, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2020, the employer's proportion was 0.0002599888 percent and at June 30, 2019 was 0.0002763320 percent.

For the year ended June 30, 2021, the employer recognized pension expense of \$1,869,789 and revenue of \$1,870,575 for support provided by the state. At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 2,172	\$ 60
Changes of assumptions	918	2,352
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,082	25,467
Net difference between projected and actual earnings on pension plan investments	<u>6,693</u>	<u>-</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>17,865</u>	<u>27,879</u>
<i>Pension contributions made subsequent to the measurement date</i>	<u>13,522</u>	<u>-</u>
Total	<u><u>\$ 31,387</u></u>	<u><u>\$ 27,879</u></u>

\$13,522 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2022	\$ (7,393)
2023	157
2024	(341)
2025	(1,425)
2026	<u>(1,011)</u>
Total	<u><u>\$ (10,013)</u></u>

BANNOCKBURN SCHOOL DISTRICT NO. 106
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 6 – RETIREMENT SYSTEMS (CONT'D)

Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

In the June 30, 2020, actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2017. The same assumptions were used in the June 30, 2019, actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

The long-term (20-year) 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	16.5%	6.1%
U.S. equities small/mid cap	2.3%	7.2%
International equities developed	12.2%	7.0%
Emerging market equities	3.0%	9.4%
U.S. bonds core	7.0%	2.2%
U.S. bonds high yield	2.5%	4.1%
International debt developed	3.1%	1.5%
Emerging international debt	3.2%	4.5%
Real estate	16.0%	5.7%
Private debt	5.2%	6.3%
Hedge funds	10.0%	4.3%
Private equity	15.0%	10.5%
Infrastructure	4.0%	6.2%
Total	<u>100.0%</u>	

Discount Rate

At June 30, 2020, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2019 rate. 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.

BANNOCKBURN SCHOOL DISTRICT NO. 106
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 6 – RETIREMENT SYSTEMS (CONT'D)

Based on those assumptions, TRS’s fiduciary net position at June 30, 2020, 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. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the employer’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer’s proportionate share of the net pension liability	\$ 272,077	\$ 224,150	\$ 184,692

TRS Fiduciary Net Position

Detailed information about the TRS’s fiduciary net position as of June 30, 2020, is available in the separately issued TRS *Comprehensive Annual Financial Report*.

A. Aggregate Pension Amounts

For the year ended June 30, 2021, aggregate pension amounts are as follows:

	IMRF	TRS	Total
Deferred Outflows of Resources	\$ 147,221	\$ 31,387	\$ 178,608
Net Pension Liability*	91,221	224,150	315,371
Deferred Inflows of Resources	315,311	27,879	343,190
Pension (Revenue), Net of State Support	(50,070)	(786)	(50,856)

*The Net Pension Liability is recorded in Long-Term Liabilities due in more than one year.

B. Social Security/Medicare

Employees not qualifying for coverage under the Illinois Teacher’s Retirement System or the Illinois Municipal Retirement Fund are considered “nonparticipating employees”. These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS

A. Teachers' Health Insurance Security (THIS) Fund

General Information about the Plan

Plan Description

The employer participates in the Teachers' 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.

Benefits Provided

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 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.

Contributions

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

On-Behalf Contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.24 percent of pay during the year ended June 30, 2021. State of Illinois contributions were \$28,909 and the employer recognized revenue and expenditures of this amount during the year.

Employer Contributions to the THIS Fund

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2021. For the year ended June 30, 2021, the employer paid \$21,449 to the THIS Fund, which was 100 percent of the required contribution. The contributions are deferred because they were paid after the June 30, 2020, measurement date.

THIS Liabilities, THIS Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to THIS

At June 30, 2020, the employer reported a liability for its proportionate share of the net THIS liability (first amount shown below). The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net THIS liability, the related state support, and the total portion of the net THIS liability that was associated with the employer were as follows:

BANNOCKBURN SCHOOL DISTRICT NO. 106
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (CONT'D)

Employer's proportionate share of the net THIS liability*	\$	2,309,348
State's proportionate share of the net THIS liability associated with the employer		3,128,538
Total	\$	5,437,886

*The Net THIS Liability is recorded in Long-term liabilities due after one year.

The net THIS liability was measured as of June 30, 2020, and the total THIS liability used to calculate the net THIS liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. The employer's proportion of the net THIS liability was based on the employer's share of contributions to THIS for the measurement year ended June 30, 2020, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2020, the employer's proportion was 0.008638 percent and at June 30, 2019 was 0.008779 percent.

For the year ended June 30, 2021, the employer recognized THIS expense of \$115,971 and revenue of \$28,909 for support provided by the state. At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to THIS from the following sources:

Deferred Amounts Related to THIS	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in THIS expense in future periods</i>		
Differences between expected and actual experience	\$ -	\$ 61,357
Changes of assumptions	782	380,924
Changes in proportion and differences between employer contributions and proportionate share of contributions	185,541	41,199
Net difference between projected and actual earnings on THIS plan investments	-	66
	186,323	483,546
Total deferred amounts to be recognized in THIS expense in future periods		
<i>THIS contributions made subsequent to the measurement date</i>	21,449	-
Total	\$ 207,772	\$ 483,546

\$21,449 reported as deferred outflows of resources related to THIS resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the THIS OPEB liability in the reporting year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to THIS will be recognized in THIS expense as follows:

BANNOCKBURN SCHOOL DISTRICT NO. 106
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (CONT'D)

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2021	\$ (55,691)
2022	(55,687)
2023	(55,679)
2024	(43,070)
2025	(24,070)
Thereafter	(41,577)
Total	\$ (275,774)

Actuarial Assumptions

The total THIS liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation	2.50 percent
Salary increases	varies by amount of service credit
Investment rate of return	0.00 percent, net of THIS plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2020. For fiscal years on and after 2021, trend starts at 8.25% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend rate of 4.25%.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for experience. For disabled annuitant's mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return assumption was set at zero.

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on THIS plan investments (to the extent that the plan fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since THIS is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.56% as of June 30, 2017, 3.62% as of June 30, 2018, 3.13% as of June 30, 2019, and 2.45% as of June 30, 2020.

BANNOCKBURN SCHOOL DISTRICT NO. 106
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (CONT'D)

Sensitivity of the Employer's Proportionate Share of the Net THIS Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net THIS liability calculated using the discount rate of 2.45 percent, as well as what the employer's proportionate share of the net THIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current rate.

	1% Lower (1.45%)	Current Discount Rate (2.45%)	1% Higher (3.45%)
Net THIS Liability	\$ 2,775,630	\$ 2,309,348	\$ 1,940,115

Sensitivity of the Employer's Proportionate Share of the Net THIS Liability to Changes in the Health Care Trend Rate

The following presents the employer's proportionate share of the net THIS liability calculated using the health care trend rate of 8.25 percent, as well as what the employer's proportionate share of the net THIS liability would be if it were calculated using a health care trend rate that is 1-percentage-point lower (7.25 percent) or 1-percentage-point higher (9.25 percent) than the current rate.

	1% Lower (7.25%)	Current Discount Rate (8.25%)	1% Higher (9.25%)
Net THIS Liability	\$ 1,857,500	\$ 2,309,348	\$ 2,920,397

Further information on the THIS Fund

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

NOTE 9 – INTERFUND TRANSFERS

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to fund that statute or budget requires to expend them and (2) move amounts between funds as required by state regulations and local ordinances.

The District made the following interfund transfers during the fiscal year ended June 30, 2021:

- From the Educational Account to the Operations and Maintenance Fund in the amount of \$1,075,000; from the Operations and Maintenance Fund to the Capital Projects Fund in the amount of \$1,075,000 for capital improvements.

NOTE 10 – JOINT VENTURE

The District has entered into a joint agreement to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the management council. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

BANNOCKBURN SCHOOL DISTRICT NO. 106
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 – JOINT VENTURE (CONT'D)

Complete financial statements for NSSD can be obtained from the Administrative Offices at 760 Red Oak Lane, Highland Park, IL 60035-3899.

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in a public entity risk pool, the Collective Liability Insurance Cooperative (CLIC). The District pays annual premiums to the pool 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 pool. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District believes that because it does not control the selection of the above governing authorities, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

NOTE 12 – CONTINGENCIES

The District is not aware of any litigation which might have a material adverse effect on the District's financial position.

NOTE 13 – CHANGE IN ACCOUNTING PRINCIPLE

In 2021, the District adopted new accounting guidance *GASB Statement No. 84, Fiduciary Activities*. Both the Government-Wide Financial Statements and Fund Financial Statements at July 1, 2020 was increased by \$519, due to student activities carrying amount recognition previously unrecognized.

NOTE 14 – PRIOR PERIOD ADJUSTMENT

The District corrected its Government-Wide Financial Statements and Fund Financial Statements at July 1, 2020, in the amount of \$519 for the recognition of student activities carrying amount under the newly adopted standards.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

There have been no recognized or non-recognized subsequent events that have occurred between June 30, 2021, and the date of this audit report requiring disclosure in the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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BANNOCKBURN SCHOOL DISTRICT NO. 106
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)
MOST RECENT CALENDAR YEARS

Calendar year ending December 31,	2020	2019	2018
Total pension liability			
Service cost	\$ 45,436	\$ 54,100	\$ 49,459
Interest on the total pension liability	182,727	170,072	153,395
Differences between expected and actual experience	31,752	79,599	134,520
Changes of assumptions	(3,780)	-	58,325
Benefit payments and refunds	<u>(136,964)</u>	<u>(112,790)</u>	<u>(82,150)</u>
Net change in pension liability	119,171	190,981	313,549
Total pension liability - beginning	<u>2,566,141</u>	<u>2,375,160</u>	<u>2,061,611</u>
Total pension liability - ending (A)	<u>\$ 2,685,312</u>	<u>\$ 2,566,141</u>	<u>\$ 2,375,160</u>
Plan fiduciary net position			
Contributions - employer	\$ 56,612	\$ 43,626	\$ 50,801
Contributions - employees	21,248	22,359	21,834
Net investment income	343,461	364,621	(112,966)
Benefit payments and refunds	(136,964)	(112,790)	(82,150)
Other (net transfer)	<u>11,773</u>	<u>44,153</u>	<u>14,529</u>
Net change in plan fiduciary net position	296,130	361,969	(107,952)
Plan fiduciary net position - beginning	<u>2,297,961</u>	<u>1,935,992</u>	<u>2,043,944</u>
Plan fiduciary net position - ending (B)	<u>\$ 2,594,091</u>	<u>\$ 2,297,961</u>	<u>\$ 1,935,992</u>
Net pension liability/(asset) - ending (A) - (B)	<u>\$ 91,221</u>	<u>\$ 268,180</u>	<u>\$ 439,168</u>
Plan fiduciary net position as a percentage of total pension liability	96.60%	89.55%	81.51%
Covered valuation payroll	\$ 472,171	\$ 496,864	\$ 485,204
Net pension liability as a percentage of covered valuation payroll	19.32%	53.97%	90.51%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

2017	2016	2015	2014
\$ 52,834	\$ 61,951	\$ 57,278	\$ 57,780
148,115	138,945	123,054	121,017
5,258	14,703	108,549	(170,793)
(48,096)	(6,398)	6,115	88,575
<u>(89,901)</u>	<u>(89,738)</u>	<u>(66,282)</u>	<u>(72,063)</u>
68,210	119,463	228,714	24,516
<u>1,993,401</u>	<u>1,873,938</u>	<u>1,645,224</u>	<u>1,620,708</u>
<u>\$ 2,061,611</u>	<u>\$ 1,993,401</u>	<u>\$ 1,873,938</u>	<u>\$ 1,645,224</u>
\$ 47,649	\$ 42,262	\$ 45,796	\$ 45,056
21,188	22,374	22,159	20,584
313,434	113,258	8,558	104,421
(89,901)	(89,738)	(66,282)	(72,063)
<u>(14,810)</u>	<u>22,801</u>	<u>(65,482)</u>	<u>(102,347)</u>
277,560	110,957	(55,251)	(4,349)
<u>1,766,384</u>	<u>1,655,427</u>	<u>1,710,678</u>	<u>1,715,027</u>
<u>\$ 2,043,944</u>	<u>\$ 1,766,384</u>	<u>\$ 1,655,427</u>	<u>\$ 1,710,678</u>
<u>\$ 17,667</u>	<u>\$ 227,017</u>	<u>\$ 218,511</u>	<u>\$ (65,454)</u>
99.14%	88.61%	88.34%	103.98%
\$ 470,845	\$ 497,207	\$ 492,427	\$ 486,982
3.75%	45.66%	44.37%	-13.44%

BANNOCKBURN SCHOOL DISTRICT NO. 106
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)
 MOST RECENT CALENDAR YEARS

Calendar Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2020	\$ 56,613	\$ 56,612	\$ 1	\$ 472,171	11.99%
2019	43,625	43,626	(1)	496,864	8.78%
2018	50,801	50,801	-	485,204	10.47%
2017	47,650	47,649	1	470,845	10.12%
2016	42,263	42,262	1	497,207	8.50%
2015	45,796	45,796	-	492,427	9.30%
2014	47,968	45,056	2,912	486,982	9.25%

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2020 Contribution Rates

Actuarial Cost Method: Aggregate entry age = normal
Amortization Method: Level percentage of payroll, closed
Remaining Amortization Period: Non-Taxing bodies: 10 year rolling period.
 Taxing bodies (Regular, SLEP and ECO groups): 23 year closed period
 Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
 SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).
Asset Valuation Method: 5-year smoothed market; 20% corridor
Wage Growth: 3.25%
Price Inflation: 2.50%
Salary Increases: 3.35% to 14.25%, including inflation
Investment Rate of Return: 7.25%
Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2018, actuarial valuation

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

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BANNOCKBURN SCHOOL DISTRICT NO. 106
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS' RETIREMENT SYSTEM (TRS) OF THE STATE OF ILLINOIS
 MOST RECENT FISCAL YEARS

Fiscal year ending June 30,*	<u>2021</u>	<u>2020</u>	<u>2019</u>
Employer's proportion of the net pension liability	0.0003%	0.0003%	0.0003%
Employer's proportionate share of the net pension liability	\$ 224,150	\$ 224,128	\$ 226,611
State's proportionate share of the net pension liability associated with the employer	<u>17,556,592</u>	<u>15,950,933</u>	<u>15,523,804</u>
Total	<u>\$ 17,780,742</u>	<u>\$ 16,175,061</u>	<u>\$ 15,750,415</u>
Employer's covered-employee payroll	\$ 2,185,182	\$ 2,157,842	\$ 2,082,700
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.26%	10.39%	10.88%
Plan fiduciary net position as a percentage of the total pension liability	37.80%	39.60%	40.00%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0003%	0.0003%	0.0003%	0.0003%
\$ 203,251	\$ 248,304	\$ 219,865	\$ 190,368
<u>13,992,437</u>	<u>13,914,439</u>	<u>11,102,694</u>	<u>10,080,564</u>
<u>\$ 14,195,688</u>	<u>\$ 14,162,743</u>	<u>\$ 11,322,559</u>	<u>\$ 10,270,932</u>
\$ 1,888,151	\$ 1,756,092	\$ 1,714,691	\$ 1,641,720
10.76%	14.14%	12.82%	11.60%
39.30%	36.40%	41.50%	43.00%

BANNOCKBURN SCHOOL DISTRICT NO. 106
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 TEACHERS' RETIREMENT SYSTEM (TRS) OF THE STATE OF ILLINOIS
 MOST RECENT FISCAL YEARS

Fiscal year ending June 30,	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually-required contribution	\$ 13,522	\$ 12,515	\$ 12,080
Contributions in relation to the contractually-required contribution	<u>13,522</u>	<u>12,515</u>	<u>12,080</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	\$ 2,331,365	\$ 2,185,182	\$ 2,157,842
Contributions as a percentage of covered-employee payroll	0.58%	0.57%	0.56%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 10,951	\$ 12,200	\$ 11,739	\$ 11,206
<u>10,951</u>	<u>12,200</u>	<u>11,739</u>	<u>11,206</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,082,700	\$ 1,888,151	\$ 1,756,092	\$ 1,714,691
0.53%	0.65%	0.67%	0.65%

BANNOCKBURN SCHOOL DISTRICT NO. 106
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE THIS LIABILITY
 OTHER POST-EMPLOYMENT BENEFITS - TEACHERS' HEALTH INSURANCE SECURITY (THIS) FUND
 MOST RECENT FISCAL YEARS

Fiscal year ending June 30,*	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employer's proportion of the net THIS liability	0.0086%	0.0088%	0.0088%	0.0003%
Employer's proportionate share of the net THIS liability	\$ 2,309,348	\$ 2,429,783	\$ 2,314,728	\$ 1,957,536
State's proportionate share of the net THIS liability associated with the employer	<u>3,128,538</u>	<u>3,290,246</u>	<u>3,108,208</u>	<u>2,131,827</u>
Total	<u>\$ 5,437,886</u>	<u>\$ 5,720,029</u>	<u>\$ 5,422,936</u>	<u>\$ 4,089,363</u>
Employer's covered-employee payroll	\$ 2,185,182	\$ 2,157,842	\$ 2,082,700	\$ 1,888,151
Employer's proportionate share of the net THIS liability as a percentage of its covered-employee payroll	105.68%	112.60%	111.14%	103.67%
Plan fiduciary net position as a percentage of the total THIS liability	0.70%	0.25%	-0.07%	-0.17%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

BANNOCKBURN SCHOOL DISTRICT NO. 106
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 OTHER POST-EMPLOYMENT BENEFITS - TEACHERS' HEALTH INSURANCE SECURITY (THIS) FUND
 MOST RECENT FISCAL YEARS

Fiscal year ending June 30,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually-required contribution	\$ 21,449	\$ 19,851	\$ 18,328	\$ 15,875
Contributions in relation to the contractually-required contribution	<u>21,449</u>	<u>19,852</u>	<u>18,328</u>	<u>15,860</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 15</u>
Employer's covered-employee payroll	\$ 2,331,365	\$ 2,185,182	\$ 2,157,842	\$ 2,082,700
Contributions as a percentage of covered-employee payroll	0.92%	0.91%	0.85%	0.76%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

BANNOCKBURN SCHOOL DISTRICT NO. 106
GENERAL FUND
COMBINING BALANCE SHEET
JUNE 30, 2021

	Educational Account	Working Cash Account	Total
ASSETS			
Cash	\$ 6,159,222	\$ 2,488,633	\$ 8,647,855
Receivables (net allowance for uncollectibles)			
Interest	2,247	822	3,069
Property taxes	2,667,510	44,401	2,711,911
Replacement taxes	7,790	-	7,790
Prepaid items	67,135	-	67,135
	<u>67,135</u>	<u>-</u>	<u>67,135</u>
Total Assets	<u>\$ 8,903,904</u>	<u>\$ 2,533,856</u>	<u>\$ 11,437,760</u>
LIABILITIES			
Accounts payable	\$ 6,368	\$ -	\$ 6,368
Flexible spending payable	10,012	-	10,012
	<u>10,012</u>	<u>-</u>	<u>10,012</u>
Total Liabilities	<u>16,380</u>	<u>-</u>	<u>16,380</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	3,665,235	61,008	3,726,243
	<u>3,665,235</u>	<u>61,008</u>	<u>3,726,243</u>
Total Deferred Inflows of Resources	<u>3,665,235</u>	<u>61,008</u>	<u>3,726,243</u>
FUND BALANCES			
Nonspendable	67,135	-	67,135
Restricted	519	-	519
Unassigned	5,154,635	2,472,848	7,627,483
	<u>5,154,635</u>	<u>2,472,848</u>	<u>7,627,483</u>
Total Fund Balances	<u>5,222,289</u>	<u>2,472,848</u>	<u>7,695,137</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,903,904</u>	<u>\$ 2,533,856</u>	<u>\$ 11,437,760</u>

BANNOCKBURN SCHOOL DISTRICT NO. 106
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	2021			
	Original and Final Budget	Educational Account	Working Cash Account	Total Actual
REVENUES				
Property taxes	\$ 3,545,840	\$ 3,245,673	\$ 120,926	\$ 3,366,599
Corporate personal property replacement taxes	21,000	43,902	-	43,902
Interest on investments	197,450	23,870	23,275	47,145
Other local sources	30,000	40,921	-	40,921
State sources	141,150	141,343	-	141,343
State on-behalf retirement revenues	1,731,874	1,898,698	-	1,898,698
Federal sources	79,860	178,080	-	178,080
Total Revenues	5,747,174	5,572,487	144,201	5,716,688
EXPENDITURES				
Current				
Instruction	3,078,620	2,652,324	-	2,652,324
State on-behalf retirement expenditures	1,731,874	1,898,698	-	1,898,698
Support services	1,848,520	1,649,812	-	1,649,812
Payments to other governmental units	210,000	220,587	-	220,587
Contingencies	100,000	-	-	-
Capital outlay	20,000	20,043	-	20,043
Total Expenditures	6,989,014	6,441,464	-	6,441,464
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,241,840)	(868,977)	144,201	(724,776)
OTHER FINANCING (USES)				
Transfers out	(1,150,000)	(1,075,000)	-	(1,075,000)
Total Other Financing (Uses)	(1,150,000)	(1,075,000)	-	(1,075,000)
NET CHANGE IN FUND BALANCES	\$ (2,391,840)	(1,943,977)	144,201	(1,799,776)
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED		7,165,747	2,328,647	9,494,394
PRIOR PERIOD ADJUSTMENT				
Student activities reclassification		519	-	519
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED		7,166,266	2,328,647	9,494,913
FUND BALANCE, END OF YEAR		\$ 5,222,289	\$ 2,472,848	\$ 7,695,137

BANNOCKBURN SCHOOL DISTRICT NO. 106
OPERATIONS AND MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	2021	
	Original and Final Budget	Actual
REVENUES		
Local Sources		
General tax levy	\$ 965,310	\$ 1,139,015
Interest on investments	30,175	19,189
Other	-	1,894
Total Local Sources	<u>995,485</u>	<u>1,160,098</u>
Federal Sources		
Other	<u>23,744</u>	<u>32,438</u>
Total Federal Sources	<u>23,744</u>	<u>32,438</u>
Total Revenues	<u>1,019,229</u>	<u>1,192,536</u>
EXPENDITURES		
Support Services		
Operation and Maintenance of Plant Services		
Salaries	108,480	106,777
Employee benefits	26,620	26,606
Purchased services	399,000	400,406
Supplies and materials	103,000	68,364
Capital outlay	165,000	114,700
Non-capitalized equipment	<u>100,000</u>	<u>92,249</u>
Total	<u>902,100</u>	<u>809,102</u>
Total Support Services	<u>902,100</u>	<u>809,102</u>
Contingencies	<u>100,000</u>	<u>-</u>
Total Expenditures	<u>1,002,100</u>	<u>809,102</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>17,129</u>	<u>383,434</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	1,150,000	1,075,000
Transfers out	<u>(1,150,000)</u>	<u>(1,075,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 17,129</u>	<u>\$ 383,434</u>
FUND BALANCE, BEGINNING OF YEAR		<u>1,501,016</u>
FUND BALANCE, END OF YEAR		<u>\$ 1,884,450</u>

BANNOCKBURN SCHOOL DISTRICT NO. 106
 TRANSPORTATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	2021	
	Original and Final Budget	Actual
REVENUES		
Local Sources		
General tax levy	\$ 154,385	\$ 201,576
Interest on investments	3,900	2,673
Total Local Sources	<u>158,285</u>	<u>204,249</u>
State Sources		
Transportation - regular	1,500	2,016
Transportation - special education	29,000	30,231
Total State Sources	<u>30,500</u>	<u>32,247</u>
Total Revenues	<u>188,785</u>	<u>236,496</u>
EXPENDITURES		
Support Services		
Pupil Transportation Services		
Purchased services	253,000	133,637
Total Support Services	<u>253,000</u>	<u>133,637</u>
Contingencies	20,000	-
Total Expenditures	<u>273,000</u>	<u>133,637</u>
NET CHANGE IN FUND BALANCES	<u>\$ (84,215)</u>	102,859
FUND BALANCE, BEGINNING OF YEAR		<u>210,105</u>
FUND BALANCE, END OF YEAR		<u>\$ 312,964</u>

BANNOCKBURN SCHOOL DISTRICT NO. 106
MUNICIPAL RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	2021	
	Original and Final Budget	Actual
REVENUES		
Local Sources		
General tax levy	\$ 47,900	\$ 58,050
Social Security/Medicare levy	74,720	90,564
Corporate personal property replacement taxes	2,000	2,000
Interest on investments	5,275	2,888
Total Local Sources	<u>129,895</u>	<u>153,502</u>
Total Revenues	<u>129,895</u>	<u>153,502</u>
EXPENDITURES		
Employee Benefits		
Instruction		
Regular programs	47,650	39,921
Special education programs	2,550	2,123
Interscholastic programs	1,040	7
Gifted programs	1,330	888
Total Instruction	<u>52,570</u>	<u>42,939</u>
Support Services		
Guidance services	125	-
Psychological services	910	902
Educational media services	16,210	13,969
Executive administration services	1,900	2,057
Office of the principal services	30,000	30,711
Fiscal services	21,000	20,652
Operation and maintenance of plant services	21,630	20,465
Food services	380	-
Total Support Services	<u>92,155</u>	<u>88,756</u>
Contingencies	<u>18,670</u>	<u>-</u>
Total Expenditures	<u>163,395</u>	<u>131,695</u>
NET CHANGE IN FUND BALANCES	<u>\$ (33,500)</u>	21,807
FUND BALANCE, BEGINNING OF YEAR		<u>253,879</u>
FUND BALANCE, END OF YEAR		<u>\$ 275,686</u>

NOTE 1 – TEACHERS’ RETIREMENT SYSTEM (TRS) OF THE STATE OF ILLINOIS

Changes of Assumptions

For the 2016-2020 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit and were consistent in 2019 and 2020. These actuarial assumptions were based on an experience study dated September 18, 2018.

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

NOTE 2 – TEACHERS’ HEALTH INSURANCE SECURITY (THIS) FUND

Changes of Assumptions

The discount rate was changed from 3.13 percent at June 30, 2019, to 2.45 percent at June 30, 2020. The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2019, projected plan cost for plan year end June 30, 2020, premium changes through plan year end 2021, and expectation of future trend increases after June 30, 2020. Since the Excise Tax was repealed, the Excise Tax trend adjustment was removed. Per capita claim costs for plan year end June 30, 2020, were updated based on projected claims and enrollment experience through June 30, 2020, and updated premium rates through plan year 2021. Healthcare plan participation rates by plan were updated based on observed experience.

Amounts reported in 2019 reflect an investment rate of return of 0.00 percent, an inflation rate of 2.50 percent and salary increases that vary by amount of service credit. Amounts reported in 2018 reflect an investment rate of return of 0.00 percent, an inflation rate of 2.50, and salary increases that vary by service credit. In 2017, assumptions used were an investment rate of return of 0.00 percent, and inflation rate of 2.75 percent, and salary increases that vary by amount of service. In 2016, assumptions used were an investment rate of return of 0.00 percent, and inflation rate of 2.75 percent, and salary increases that vary by amount of service. In 2015 and 2014, assumptions used were an investment rate of return of 4.50 percent, and inflation rate of 3.00 percent, and salary increases that vary by amount of service.

NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING

The District follows procedures mandated by Illinois State law and District Board policy to establish the budgetary data reflected in its financial statements. The original and final budget was passed September 29, 2020. The budget lapses at the end of each fiscal year.

The budgeted amounts in this report are the result of full compliance with the following procedures:

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.

BANNOCKBURN SCHOOL DISTRICT NO. 106
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING (CONT'D)

5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

EXPENDITURES IN EXCESS OF BUDGET

For the year ended June 30, 2021, the District operated within the confines of the budget.

SUPPLEMENTARY INFORMATION

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BANNOCKBURN SCHOOL DISTRICT NO. 106
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	2021	
	Original and Final Budget	Actual
REVENUES		
Local Sources		
General tax levy	\$ 3,469,640	\$ 3,245,673
Corporate personal property replacement taxes	21,000	43,902
Interest on investments	153,500	23,870
Sales to pupils - lunch	2,600	804
Fees	23,000	26,431
Other activity	2,900	-
Refund of prior years' expenditures	-	206
Other	1,500	13,480
Total Local Sources	3,674,140	3,354,366
State Sources		
Evidence based funding formula	140,400	140,593
On-behalf retirement	1,731,874	1,898,698
Other	750	750
Total State Sources	1,873,024	2,040,041
Federal Sources		
Special milk program	2,900	776
Title I - low income	25,000	29,883
Title IV - student support and academic enrichment	10,000	10,000
Special ed. - preschool flow through	1,443	1,518
Special ed. - IDEA flow through	35,717	37,549
Title II - teacher quality	4,800	5,383
Other	-	92,971
Total Federal Sources	79,860	178,080
Total Revenues	5,627,024	5,572,487
EXPENDITURES		
Instruction		
Regular Programs		
Salaries	2,123,500	1,863,198
Employee benefits	378,800	383,216
On-behalf retirement	1,731,874	1,898,698
Purchased services	38,000	17,295
Supplies and materials	120,000	111,594
Capital outlay	15,000	20,043
Non-capitalized equipment	25,000	5,055
Total	4,432,174	4,299,099

(Continued)

BANNOCKBURN SCHOOL DISTRICT NO. 106
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	2021	
	Original and Final Budget	Actual
EXPENDITURES (Cont'd)		
Instruction		
Special Education Programs		
Salaries	\$ 182,000	\$ 146,362
Employee benefits	45,360	28,912
Purchased services	2,500	(1,057)
Supplies and materials	2,000	532
Total	231,860	174,749
Interscholastic Programs		
Salaries	20,000	460
Employee benefits	305	7
Purchased services	22,500	3,145
Supplies and materials	4,000	38
Total	46,805	3,650
Gifted Programs		
Salaries	91,100	69,252
Employee benefits	23,555	24,315
Total	114,655	93,567
Total Instruction	4,825,494	4,571,065
Support Services		
Guidance Services		
Salaries	8,300	-
Employee benefits	325	287
Total	8,625	287
Health Services		
Purchased services	85,000	157,761
Supplies and materials	25,000	5,520
Total	110,000	163,281

(Continued)

BANNOCKBURN SCHOOL DISTRICT NO. 106
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	2021	
	Original and Final Budget	Actual
EXPENDITURES (Cont'd)		
Support Services		
Psychological Services		
Salaries	\$ 62,050	\$ 62,237
Employee benefits	11,245	12,182
Supplies and materials	5,000	1,284
Total	78,295	75,703
Speech Pathology and Audiology Services		
Supplies and materials	1,000	394
Total	1,000	394
Improvement of Instruction Services		
Employee benefits	20,000	22,434
Purchased services	64,850	20,168
Supplies and materials	3,000	-
Total	87,850	42,602
Educational Media Services		
Salaries	258,875	179,717
Employee benefits	41,240	34,030
Purchased services	92,300	66,934
Supplies and materials	52,150	74,325
Capital outlay	5,000	-
Non-capitalized equipment	65,650	38,264
Total	515,215	393,270
Board of Education Services		
Employee benefits	30,000	16,070
Purchased services	200,000	145,616
Supplies and materials	5,000	3,708
Total	235,000	165,394

(Continued)

BANNOCKBURN SCHOOL DISTRICT NO. 106
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	2021	
	Original and Final Budget	Actual
EXPENDITURES (Cont'd)		
Support Services		
Executive Administration Services		
Salaries	\$ 130,290	\$ 142,290
Employee benefits	30,795	30,785
Purchased services	22,000	14,928
Supplies and materials	30,000	12,261
Total	<u>213,085</u>	<u>200,264</u>
Office of the Principal Services		
Salaries	306,500	336,297
Employee benefits	63,610	68,750
Total	<u>370,110</u>	<u>405,047</u>
Fiscal Services		
Salaries	105,385	105,383
Employee benefits	33,170	33,162
Purchased services	32,500	21,456
Supplies and materials	2,500	461
Non-capitalized equipment	5,000	-
Total	<u>178,555</u>	<u>160,462</u>
Food Services		
Salaries	8,200	-
Employee benefits	65	-
Supplies and materials	29,000	21,752
Total	<u>37,265</u>	<u>21,752</u>
Information Services		
Purchased services	18,520	21,356
Total	<u>18,520</u>	<u>21,356</u>
Total Support Services	<u>1,853,520</u>	<u>1,649,812</u>

(Continued)

BANNOCKBURN SCHOOL DISTRICT NO. 106
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	2021	
	Original and Final Budget	Actual
Payments to Other Governmental Units		
Payments for Special Education Programs		
Purchased services	\$ 85,000	\$ 64,491
Total	85,000	64,491
Payments for Special Education Programs - Tuition		
Other objects	125,000	156,096
Total	125,000	156,096
Total Payments to Other Governmental Units	210,000	220,587
Contingencies	100,000	-
Total Expenditures	6,989,014	6,441,464
(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	(1,361,990)	(868,977)
OTHER FINANCING (USES)		
Transfers out	(1,150,000)	(1,075,000)
Total Other Financing (USES)	(1,150,000)	(1,075,000)
NET CHANGE IN FUND BALANCES	\$ (2,511,990)	(1,943,977)
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED		7,165,747
PRIOR PERIOD ADJUSTMENT		
Student activities reclassification		519
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY RESTATED		7,166,266
FUND BALANCE, END OF YEAR		\$ 5,222,289

BANNOCKBURN SCHOOL DISTRICT NO. 106
 WORKING CASH ACCOUNT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	2021	
	Original and Final Budget	Actual
REVENUES		
Local Sources		
General tax levy	\$ 76,200	\$ 120,926
Interest on investments	43,950	23,275
Total Local Sources	120,150	144,201
Total Revenues	120,150	144,201
EXPENDITURES		
Total Expenditures	-	-
NET CHANGE IN FUND BALANCES	\$ 120,150	144,201
FUND BALANCE, BEGINNING OF YEAR		2,328,647
FUND BALANCE, END OF YEAR		\$ 2,472,848

BANNOCKBURN SCHOOL DISTRICT NO. 106
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	2021	
	Original and Final Budget	Actual
REVENUES		
Local Sources		
Interest on investments	\$ 13,200	\$ (6,885)
Refund of prior years' expenditures	-	4
Total Local Sources	13,200	(6,881)
Total Revenues	13,200	(6,881)
EXPENDITURES		
Support Services		
Facilities acquisition and construction services		
Purchased services	570,000	284,204
Capital outlay	2,588,858	2,524,467
Total Support Services	3,158,858	2,808,671
Total Expenditures	3,158,858	2,808,671
(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	(3,145,658)	(2,815,552)
OTHER FINANCING SOURCES		
Transfers in	1,150,000	1,075,000
Total Other Financing Sources	1,150,000	1,075,000
NET CHANGE IN FUND BALANCES	\$ (1,995,658)	(1,740,552)
FUND BALANCE, BEGINNING OF YEAR		2,019,508
FUND BALANCE, END OF YEAR		\$ 278,956

BANNOCKBURN SCHOOL DISTRICT NO. 106
 STUDENT ACTIVITIES (INCLUDED WITHIN THE EDUCATIONAL ACCOUNT)
 SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCE
 YEAR ENDED JUNE 30, 2021

	<u>Beginning Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Balance</u>
Bannockburn School	\$ 519	\$ -	\$ -	\$ 519
Total	<u>\$ 519</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 519</u>

BANNOCKBURN SCHOOL DISTRICT NO. 106
SCHEDULE OF ASSESSED VALUATION, TAX EXTENSIONS
AND COLLECTIONS
MOST RECENT TAX YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>
ASSESSED VALUATION	<u>\$ 216,097,600</u>	<u>\$ 223,248,668</u>	<u>\$ 220,876,484</u>
TAX EXTENSIONS BY LEVY			
Educational	\$ 3,702,258	\$ 3,452,257	\$ 3,852,256
Working cash	61,625	111,624	48,800
Operations and maintenance	816,119	1,016,116	1,016,116
Transportation	175,009	175,007	150,006
Municipal retirement	50,418	50,416	50,415
Social security	<u>78,653</u>	<u>78,653</u>	<u>78,652</u>
Total	<u>\$ 4,884,082</u>	<u>\$ 4,884,073</u>	<u>\$ 5,196,245</u>
TAX COLLECTIONS			
Year Ended June 30,			
2019	\$ -	\$ -	\$ 2,330,881
2020	-	2,159,560	2,535,927
2021	<u>1,316,216</u>	<u>2,696,245</u>	<u>-</u>
Total	<u>\$ 1,316,216</u>	<u>\$ 4,855,805</u>	<u>\$ 4,866,808</u>
Percent of Total Levy Collected through June 30, 2021	<u>26.95%</u>	<u>99.42%</u>	<u>93.66%</u>

BANNOCKBURN SCHOOL DISTRICT NO. 106
SCHEDULE OF PER CAPITA TUITION CHARGE
AND AVERAGE DAILY ATTENDANCE
MOST RECENT FISCAL YEARS

	Year Ended June 30,		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Allowable Expenses	<u>\$ 5,435,582</u>	<u>\$ 4,804,594</u>	<u>\$ 4,614,270</u>
Average Daily Attendance	<u>148.30</u>	<u>140.50</u>	<u>138.30</u>
Per Capita Tuition Charge	<u>\$ 36,653</u>	<u>\$ 34,196</u>	<u>\$ 33,364</u>