



815.344.1300 mchenry
847.382.3366 barrington
www.edercasella.com

**BANNOCKBURN SCHOOL DISTRICT NO. 106
LAKE COUNTY, ILLINOIS**

ANNUAL FINANCIAL REPORT

JUNE 30, 2016

eder, casella & co.

BANNOCKBURN SCHOOL DISTRICT NO. 106
TABLE OF CONTENTS
JUNE 30, 2016

	PAGE
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 <i>GOVERNMENT AUDITING STANDARDS</i>	4
REQUIRED SUPPLEMENTARY INFORMATION	
Management's Discussion and Analysis	6
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements	
Balance Sheet – Governmental Funds	14
Reconciliation of the Balance Sheet to the Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	17
Statement of Fiduciary Assets and Liabilities	18
Notes to Financial Statements	19
REQUIRED SUPPLEMENTARY INFORMATION	
Illinois Municipal Retirement Fund – Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	40
Illinois Municipal Retirement Fund – Schedule of Employer Contribution	41
Teachers' Retirement System of the State of Illinois – Schedule of the Employer's Proportionate Share of the Net Pension Liability	42

BANNOCKBURN SCHOOL DISTRICT NO. 106
 TABLE OF CONTENTS
 JUNE 30, 2016

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION (Continued)	
Teachers' Retirement System of the State of Illinois – Schedule of Employer Contribution	43
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	44
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – Operations and Maintenance Fund	47
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – Transportation Fund	48
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – Illinois Municipal Retirement/Social Security Fund	49
Notes to Required Supplementary Information	51
SUPPLEMENTAL FINANCIAL INFORMATION	
Combining Balance Sheet – General Fund	52
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund	53
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund – Educational Fund	54
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund – Working Cash Fund	57
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund	58
Schedule of Changes in Fiduciary Assets and Liabilities – Activity Funds	59
Computation of Operating Expense Per Pupil and Per Capita Tuition Charge	60



815.344.1300 mchenry
847.382.3366 barrington
www.edercasella.com

INDEPENDENT AUDITOR'S REPORT

To the 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

as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 District'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 District'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.

eder,
casella
&
co.

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 Bannockburn School District No. 106 as of June 30, 2016 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 17 to the financial statements, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. 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 the Management's Discussion and Analysis, Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Schedules of Employer Contribution, Schedule of the Employer's Proportionate Share of the Net Pension Liability, and budgetary comparison information on pages 6 through 11, and 40 through 51 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bannockburn School District No. 106's basic financial statements. The supplemental 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 supplemental information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the average daily attendance figure included in the computation of operating expense per pupil and per capita tuition charges, 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 supplemental 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 8, 2016 on our consideration of Bannockburn School District No. 106'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 Bannockburn School District No. 106's internal control over financial reporting and compliance.

Eder, Casella & Co.
EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 8, 2016



815.344.1300 mchenry
847.382.3366 barrington
www.edercasella.com

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

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

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

Bannockburn School District No. 106

as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Bannockburn School District No. 106's basic financial statements, and have issued our report thereon dated October 8, 2016.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness and another deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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

eder, casey & co.

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.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 8, 2016

REQUIRED SUPPLEMENTARY INFORMATION

BANNOCKBURN SCHOOL DISTRICT NO. 106

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

The Management's Discussion and Analysis of Bannockburn School District No. 106's (District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2016. The management of the District 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.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2016 by \$22,710,629 (net position). Of this amount, \$10,451,734 (unrestricted net position) may be used at the District's discretion and has not been restricted for specific purposes.
- The District's total net position increased by \$1,485,928. This increase is due to the District completing a construction project, and purchasing new furniture and computers during the fiscal year.
- At June 30, 2016, the District's governmental funds reported combined ending fund balances of \$12,325,514, a decrease of \$820,509 in comparison with the prior year. This is due to the District completing a major construction project during the fiscal year and starting a new project which will be completed next fiscal year. Of this, \$10,126,182 is available for spending at the District's discretion (unassigned fund balance).
- At June 30, 2016, the unassigned fund balance for the General Fund was \$10,126,182, or 210% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, less its liabilities and deferred inflows of resources, with the difference 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 deteriorating.

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

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

The government-wide financial statements can be found on pages 12 and 13 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District'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 five individual governmental funds. 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; Operations and Maintenance; Transportation; Illinois Municipal Retirement/Social Security; and Capital Projects Funds, all of which are considered to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

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

The basic fiduciary fund financial statement can be found on page 18 of this report.

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.

The notes to the financial statements can be found on pages 19 through 39 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in meeting its obligation to provide, as fully adequate as possible, educational services and extracurricular activities to all of its residents' students.

Required supplementary information can be found on pages 40 through 51 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$22,710,629 at the close of the most recent fiscal year.

The following table presents a summary of the District's net position for the years ended June 30, 2016 and 2015:

Bannockburn School District No. 106's Net Position at Year-End

	Governmental Activities	
	FY 2016	FY 2015
Assets		
Current and Other Assets	\$ 18,551,479	\$ 19,855,346
Capital Assets	10,649,084	8,238,332
Total Assets	<u>\$ 29,200,563</u>	<u>\$ 28,093,678</u>
Deferred Outflows of Resources	\$ 211,669	\$ 91,493
Liabilities		
Other Liabilities	\$ 865,185	\$ 873,216
Unearned Revenue	17,517	37,701
Total Liabilities	<u>\$ 882,702</u>	<u>\$ 910,917</u>
Deferred Inflows of Resources	\$ 5,818,901	\$ 6,049,553
Net Position		
Net Investment in Capital Assets	\$ 10,649,084	\$ 8,238,332
Restricted	1,609,811	2,451,525
Unrestricted	10,451,734	10,534,844
Total Net Position	<u>\$ 22,710,629</u>	<u>\$ 21,224,701</u>

The net investment in capital assets (46% of total net position) represents assets such as land, buildings, and equipment, less any related debt used to acquire those assets that is still outstanding. The District uses its assets to provide educational services and extracurricular activities for the students of the local community. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$10,451,734) may be used to meet the District's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net position.

The District's net position increased by \$1,485,928 during the current fiscal year. Substantially all of this increase represents the degree to which increases in ongoing revenues exceeded similar increases in ongoing expenses.

Governmental Activities. Governmental activities increased the District's net position by \$1,485,928. Key elements of this increase are as follows:

Bannockburn School District No. 106's Change in Net Position

	Governmental Activities	
	FY 2016	FY 2015
Revenues:		
Program Revenues		
Charges for Services	\$ 92,502	\$ 124,752
Operating Grants and Contributions	1,181,500	1,041,937
General Revenues:		
Property Taxes	5,851,619	6,202,206
Other Taxes	27,298	29,652
Other	255,986	204,767
Total Revenues	<u>\$ 7,408,905</u>	<u>\$ 7,603,314</u>
Expenses:		
Instruction	\$ 2,128,181	\$ 2,046,759
Support Services	1,762,093	1,644,699
Other	2,032,703	2,067,358
Total Expenses	<u>\$ 5,922,977</u>	<u>\$ 5,758,816</u>
Increase in Net Position	\$ 1,485,928	\$ 1,844,498
Net Position - Beginning	21,224,701	19,494,542
Net Position Adjustment	-	(114,339)
Net Position - Ending	<u>\$ 22,710,629</u>	<u>\$ 21,224,701</u>

The District has lowered its property tax levy about \$380,000, which is the cause of the lower property taxes received. Also, On-Behalf Payments increased \$99,334, which was the main factor of the increase in the Operating Grants and Contributions.

The majority of the increase in Instruction and Support Services was due to the increase in the IMRF and TRS Net Pension Expense. The Pension expense increased \$61,056 from fiscal year 2015 to 2016.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's five governmental funds reported combined ending fund balances of \$12,325,514, a decrease of \$820,509.

The General Fund is the chief operating fund of the District. At June 30, 2016, unassigned fund balance was \$10,126,182. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 210% of total General Fund expenditures. The General Fund's balance increased by \$1,135,917 in comparison with the prior year. This increase is mainly due to a decrease in transfers to other funds during the fiscal year.

The Operations and Maintenance Fund's balance increased by \$605,854 in comparison with the prior year. This increase is due to an increase in the property tax revenue reported in the current fiscal year.

The Transportation Fund's fund balance increased by \$56,985 in comparison with the prior year. This increase is due to a decrease of transportation needs during the fiscal year, as well as a slight increase in State Aid received.

The Illinois Municipal Retirement/Social Security Fund's balance increased by \$19,656 in comparison with the prior year. This increase is consistent with prior years and is due to an increase in property tax revenue.

The Capital Projects Fund's balance decreased by \$2,638,921 in comparison with the prior year. This decrease was the result of the District starting a renovation project in the current fiscal year and not transferring monies to the fund.

General Fund Budgetary Highlights

The District did not amend the budget during the year ended June 30, 2016; therefore, there are no differences between the original and final budget.

Significant differences between budgeted and actual revenues and expenditures are summarized as follows:

- The difference between budgeted revenues and actual revenues was \$414,598 (favorable) and was mainly due to an increase in On-Behalf Payments, as well as proceeds from a settlement with the company that installed a faulty geo-thermal system at the District.
- The difference between budgeted expenditures and actual expenditures was \$437,053 (favorable) due to lower than expected payments to special education programs, salaries and benefits for special education programs, and capital expenses.

Capital Asset and Debt Administration

Capital Assets. At June 30, 2016 the District had invested \$10,649,084 (net of accumulated depreciation) in a broad range of capital assets, including land, building and building improvements, site improvements and infrastructure, capitalized equipment, and construction in progress. Total depreciation expense for the year was \$386,914.

Major capital asset events during the current fiscal year included the following:

- The District began a large renovation and addition to the building in fiscal year 2015 which was completed in fiscal year 2016. The addition includes a new administrative office, moving and renovating a few classrooms, and renovating the library. The total for this project increased the building asset by \$3,016,620.
- The District purchased new computers and furniture for their newly renovated STEM lab, as well as new administrative furniture for a total of \$243,816.
- The District began another large renovation project at the end of fiscal year 2016 to restore the exterior brick and install a new playground. This project will be completed in fiscal year 2017.

Bannockburn School District No. 106's Capital Assets at Year-End
(net of depreciation)

	Governmental Activities	
	2016	2015
Land	\$ 382,477	\$ 382,477
Building and Building Improvements	8,911,068	6,139,665
Site Improvements and Infrastructure	475,368	514,223
Capitalized Equipment	594,450	379,049
Construction in Progress	285,721	822,918
Total	\$ 10,649,084	\$ 8,238,332

Additional information on the District's capital assets can be found in note 4 on page 26 of this report.

Long-Term Debt. At June 30, 2016 the District had no long-term debt.

Economic Factors and Next Year's Budget

- The assessed valuation 2015 is \$203,985,999, an increase of \$6,147,709 (3.11%) over the prior year.

Requests for Information

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

Bannockburn School District No. 106
2165 Telegraph Road
Bannockburn, IL 60015

BASIC FINANCIAL STATEMENTS

BANNOCKBURN SCHOOL DISTRICT NO. 106
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION
 JUNE 30, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 2,616,720
Investments, at Fair Value	12,827,460
Accrued Interest Receivable, net of allowance of \$0	80,191
Property Taxes Receivable, net of allowance of \$44,059	2,893,218
Due from Other Governments, net of allowance of \$0	69,134
Prepaid Items	64,756
Capital Assets (Note 4):	
Land	382,477
Construction in Progress	285,721
Depreciable Buildings, Property, and Equipment, net of depreciation	9,980,886
Total Assets	<u>\$ 29,200,563</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Expense/Contributions - IMRF	\$ 180,373
Pension Expense/Contributions - TRS	31,296
Total Deferred Outflows of Resources	<u>\$ 211,669</u>
LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 423,079
Payroll Liabilities	3,730
Net Pension Liability - TRS	219,865
Net Pension Liability - IMRF	218,511
Unearned Revenue - Registration Fees	17,517
Total Liabilities	<u>\$ 882,702</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	\$ 5,781,639
Pension Expense/Contributions - TRS	37,262
Total Deferred Inflows of Resources	<u>\$ 5,818,901</u>
NET POSITION	
Net Investment in Capital Assets	\$ 10,649,084
Restricted for:	
Operations and Maintenance	888,128
Transportation	548,800
Retirement	172,883
Unrestricted/(Deficit)	<u>10,451,734</u>
Total Net Position	<u><u>\$ 22,710,629</u></u>

The Notes to Financial Statements are an integral part of this statement.

BANNOCKBURN SCHOOL DISTRICT NO. 106
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
Instruction				
Regular Programs	\$ 1,811,446	\$ 43,828	\$ 70,814	\$ (1,696,804)
Special Education Programs	215,803	-	93,233	(122,570)
Other Instructional Programs	100,932	45,373	-	(55,559)
Support Services				
Pupils	104,090	-	-	(104,090)
Instructional Staff	428,276	-	-	(428,276)
General Administration	379,092	-	-	(379,092)
School Administration	198,259	-	-	(198,259)
Business	151,322	-	-	(151,322)
Facilities Acquisition and Construction	5,207	-	-	(5,207)
Operations and Maintenance	385,021	-	-	(385,021)
Transportation	101,457	-	86,281	(15,176)
Food Services	9,369	3,301	2,756	(3,312)
Payments to Other Districts and Governmental Units	717,373	-	-	(717,373)
On-Behalf Retirement Contributions	928,416	-	928,416	-
Depreciation - Unallocated	386,914	-	-	(386,914)
Total Governmental Activities	<u>\$ 5,922,977</u>	<u>\$ 92,502</u>	<u>\$ 1,181,500</u>	<u>\$ (4,648,975)</u>
General Revenues				
Taxes				
Property Taxes, Levied for General Purposes				\$ 5,851,619
Personal Property Replacement Taxes				27,298
Grants and Contributions not Restricted to Specific Activities				75,012
Unrestricted Investment Earnings				84,369
Gain/(Loss) on Sale of Capital Assets				(19,470)
Miscellaneous Income				116,075
Total General Revenues				<u>\$ 6,134,903</u>
Change in Net Position				\$ 1,485,928
Net Position - July 1, 2015				21,224,701
Net Position - June 30, 2016				<u>\$ 22,710,629</u>

The Notes to Financial Statements are an integral part of this statement.

BANNOCKBURN SCHOOL DISTRICT NO. 106
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2016

	General Fund	Operations and Maintenance Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 2,122,743	\$ 245,685	\$ 103,875	\$ 41,473	\$ 102,944	\$ 2,616,720
Investments, at Fair Value	10,405,927	1,204,375	509,208	203,305	504,645	12,827,460
Accrued Interest Receivable, net of allowance of \$0	64,694	7,488	3,166	1,264	3,579	80,191
Property Taxes Receivable, net of allowance of \$44,059	2,235,357	529,464	64,301	64,096	-	2,893,218
Due from Other Governments, net of allowance of \$0	47,481	-	21,653	-	-	69,134
Prepaid Items	28,447	25,900	10,409	-	-	64,756
Total Assets	\$ 14,904,649	\$ 2,012,912	\$ 712,612	\$ 310,138	\$ 611,168	\$ 18,551,479
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable and Accrued Expenses	\$ 265,395	\$ 3,753	\$ 9,911	\$ -	\$ 144,020	\$ 423,079
Payroll Liabilities	100	-	-	3,630	-	3,730
Unearned Revenue - Registration Fees	17,517	-	-	-	-	17,517
Total Liabilities	\$ 283,012	\$ 3,753	\$ 9,911	\$ 3,630	\$ 144,020	\$ 444,326
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	\$ 4,467,008	\$ 1,058,050	\$ 128,495	\$ 128,086	\$ -	\$ 5,781,639
Total Deferred Inflows of Resources	\$ 4,467,008	\$ 1,058,050	\$ 128,495	\$ 128,086	\$ -	\$ 5,781,639
FUND BALANCE						
Nonspendable						
Prepaid Items	\$ 28,447	\$ 25,900	\$ 10,409	\$ -	\$ -	\$ 64,756
Restricted						
Operations and Maintenance	-	888,128	-	-	-	888,128
Transportation	-	-	548,800	-	-	548,800
Illinois Municipal Retirement Fund	-	-	-	58,508	-	58,508
Social Security	-	-	-	114,375	-	114,375
Assigned						
Operations and Maintenance	-	37,081	-	-	-	37,081
Transportation	-	-	14,997	-	-	14,997
Illinois Municipal Retirement Fund/Social Security	-	-	-	5,539	-	5,539
Capital Projects	-	-	-	-	467,148	467,148
Unassigned	10,126,182	-	-	-	-	10,126,182
Total Fund Balance	\$ 10,154,629	\$ 951,109	\$ 574,206	\$ 178,422	\$ 467,148	\$ 12,325,514
Total Liabilities and Fund Balance	\$ 14,904,649	\$ 2,012,912	\$ 712,612	\$ 310,138	\$ 611,168	\$ 18,551,479

The Notes to Financial Statements are an integral part of this statement.

BANNOCKBURN SCHOOL DISTRICT NO. 106
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2016

Total Fund Balances - Governmental Funds		\$ 12,325,514
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds</p>		
Pension Expenses/Contributions - IMRF	\$ 180,373	
Pension Expenses/Contributions - TRS	<u>(5,966)</u>	174,407
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Capital Assets	\$ 14,250,204	
Accumulated Depreciation on Capital Assets	<u>(3,601,120)</u>	10,649,084
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Net Pension Liability/(Asset) - TRS	\$ (219,865)	
Net Pension Liability/(Asset) - IMRF	<u>(218,511)</u>	<u>(438,376)</u>
Net Position of Governmental Activities		<u><u>\$ 22,710,629</u></u>

The Notes to Financial Statements are an integral part of this statement.

BANNOCKBURN SCHOOL DISTRICT NO. 106
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2016

	General Fund	Operations and Maintenance Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
REVENUES						
Property Taxes	\$ 4,477,017	\$ 1,070,866	\$ 176,604	\$ 127,132	\$ -	\$ 5,851,619
Payments in Lieu of Taxes	25,298	-	-	2,000	-	27,298
Earnings on Investments	73,328	5,685	3,795	1,561	-	84,369
Food Service	3,301	-	-	-	-	3,301
District/School Activity Income	89,201	-	-	-	-	89,201
Other Local Sources	116,071	4	-	-	-	116,075
State Aid	138,755	-	86,281	-	-	225,036
Federal Aid	103,060	-	-	-	-	103,060
On-Behalf Payments	928,416	-	-	-	-	928,416
	<u>\$ 5,954,447</u>	<u>\$ 1,076,555</u>	<u>\$ 266,680</u>	<u>\$ 130,693</u>	<u>\$ -</u>	<u>\$ 7,428,375</u>
EXPENDITURES						
Current						
Instruction						
Regular Programs	\$ 1,756,454	\$ -	\$ -	\$ 28,538	\$ -	\$ 1,784,992
Special Education Programs	191,526	-	-	12,508	-	204,034
Other Instructional Programs	98,840	-	-	1,089	-	99,929
Support Services						
Pupils	101,021	-	-	1,580	-	102,601
Instructional Staff	394,247	-	-	17,497	-	411,744
General Administration	373,003	-	-	3,168	-	376,171
School Administration	163,455	-	-	17,888	-	181,343
Business	120,956	-	-	15,612	-	136,568
Facilities Acquisition and Construction	-	-	-	-	5,207	5,207
Operations and Maintenance	-	359,596	-	13,050	-	372,646
Transportation	-	-	101,457	-	-	101,457
Food Services	9,160	-	-	107	-	9,267
Payments to Other Districts and Governmental Units	609,135	-	108,238	-	-	717,373
Capital Outlay	72,317	111,105	-	-	2,633,714	2,817,136
On-Behalf Payments	928,416	-	-	-	-	928,416
	<u>\$ 4,818,530</u>	<u>\$ 470,701</u>	<u>\$ 209,695</u>	<u>\$ 111,037</u>	<u>\$ 2,638,921</u>	<u>\$ 8,248,884</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,135,917	\$ 605,854	\$ 56,985	\$ 19,656	\$ (2,638,921)	\$ (820,509)
OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ 1,135,917	\$ (894,146)	\$ 56,985	\$ 19,656	\$ (1,138,921)	\$ (820,509)
FUND BALANCES - JULY 1, 2015	9,018,712	1,845,255	517,221	158,766	1,606,069	13,146,023
FUND BALANCES - JUNE 30, 2016	\$ 10,154,629	\$ 951,109	\$ 574,206	\$ 178,422	\$ 467,148	\$ 12,325,514

The Notes to Financial Statements are an integral part of this statement.

BANNOCKBURN SCHOOL DISTRICT NO. 106
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2016

Net Change in Fund Balances - Total Governmental Funds \$ (820,509)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (386,914)	
Capital Outlays	<u>2,817,136</u>	2,430,222

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the undepreciated balance of the capital assets sold.

Gain/(Loss) on Sale of Capital Assets		(19,470)
---------------------------------------	--	----------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Pension Expense		(162,025)
-----------------	--	-----------

Employer pension contributions are expensed in the fund financial statements but treated as a reduction in the Net Pension Liability on the government-wide financial statements.

		<u>57,710</u>
--	--	---------------

Change in Net Position of Governmental Activities		<u><u>\$ 1,485,928</u></u>
---	--	----------------------------

BANNOCKBURN SCHOOL DISTRICT NO. 106
 FUND FINANCIAL STATEMENTS
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 JUNE 30, 2016

	Agency Fund - Student Activity Fund
ASSETS	
Cash and Cash Equivalents	\$ 2,270
Total Assets	\$ 2,270
LIABILITIES	
Due to Activity Funds	\$ 2,270
Total Liabilities	\$ 2,270

The Notes to Financial Statements are an integral part of this statement.

BANNOCKBURN SCHOOL DISTRICT NO. 106
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bannockburn School District No. 106's (District) 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. *Reporting Entity*

The accompanying financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, 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. *Basic Financial Statements – Government-Wide Financial Statements*

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund (reporting the District's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the District as governmental activities. The District does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis, and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function (regular programs, special education programs, payments to other districts and governmental units, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. *Basic Financial Statements – Government-Wide Financial Statements (Continued)*

The net costs (by function) are normally covered by general revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.).

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures of all governmental funds) for the determination of major funds. The District electively made all governmental funds major funds.

The following fund types are used by the District:

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

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 levies 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.

2. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and is reported using generally accepted accounting principles.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Basic Financial Statements – Fund Financial Statements (Continued)*

2. Fiduciary Funds (Continued)

The District's fiduciary fund is presented in the fiduciary fund financial statement by type (agency). Since by definition these assets are being held for the benefit of a third party (student organizations) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

The following is a description of the fiduciary fund of the District:

Agency Fund – The Agency Fund (Student Activity Fund) accounts for assets held by the District as an agent for the student organizations. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to student organizations are equal to the assets.

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses when incurred.

2. Modified Accrual

The governmental funds' financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Property tax revenues are recognized in the period for which levied provided they are available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

E. *Cash and Cash Equivalents and Investments*

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

Occasionally certain of the funds participating in the common bank accounts will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans which have not been authorized by School Board action.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. *Cash and Cash Equivalents and Investments* (Continued)

No District fund had a cash overdraft at June 30, 2016.

The District has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Items*

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

H. *Inventories*

No inventory accounts are maintained to reflect the values of resale or supply items on hand. Instead, the costs of such items are charged to expense when purchased. The value of the District's inventories is not deemed to be material.

I. *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.

J. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and Building Improvements	20-40 years
Site Improvements and Infrastructure	20 years
Capitalized Equipment	5-20 years

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the balance sheet(s) and statement(s) of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resource until that time.

L. *Compensated Absences*

Vacation benefits are granted to employees in varying amounts to specified maximums depending on tenure with the District. Vacation is required to be used by the time school starts and there is no allowance for carryover. Sick leave is accumulated from year to year without limit, but is not paid upon termination. No compensated absence accrual is recorded because vacation benefits do not accumulate from year to year and sick leave is not paid upon termination.

M. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds on a straight-line basis. Bond issuance costs are reported as debt service expenditures. Bonds payable are reported net of the applicable bond premium or discount and deferred losses on refunding.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt 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.

N. *Government-Wide Fund Net Position*

Government-wide fund net position is divided into three components:

- Net investment in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position – consists of net position that is restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted net position – all other net position is reported in this category.

O. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. *Governmental Fund Balances (Continued)*

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

- **Restricted** – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- **Committed** – Committed fund balances are amounts that can only be used for specific purposes as a result of a resolution of the Board of Education. Committed amounts cannot be used for any other purpose unless the Board of Education removes those constraints by way of resolution. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- **Assigned** – Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Education has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, or debt service fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District itself.

- **Unassigned** – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash. This classification is also used to represent negative fund balances in special revenue funds, the debt services fund, and capital projects funds.

The District permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

P. *Property Tax Calendar and Revenues*

Property taxes are levied each calendar year on all taxable real property located in the District on or before the last Tuesday in December. The 2015 tax levy was passed by the Board on December 15, 2015. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts approximately one month after these dates.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. *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.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the District's name.

The District is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 30, Section 235/2 and 6; and Chapter 105, Section 5/8-7. As of June 30, 2016, the District had the following investments and maturities:

Investment	Fair Value	Investment Maturities (n Years)			
		Less Than 1	1-5	5-10	More Than 10
State Investment Pools	\$ 2,667,556	\$ 2,667,556	\$ -	\$ -	\$ -

The fair value of investments in the State Investment Pools is the same as the value of pool shares. The State Investment Pools are not SEC-registered, but do have regulatory oversight through the State of Illinois.

Interest Rate Risk. The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments based on credit risk. The District's investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided. As of June 30, 2016, the District's investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pools	AAAm	Standard and Poor's

NOTE 3 - FAIR VALUE MEASUREMENT

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2016:

- State Investment Pools of \$2,667,556 are valued using quoted market prices (Level 1 inputs)

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - CAPITAL ASSETS (Continued)

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 382,477	\$ -	\$ -	\$ 382,477
Total Capital Assets not being depreciated	\$ 382,477	\$ -	\$ -	\$ 382,477
Other Capital Assets				
Building and Building Improvements	\$ 8,549,158	\$ 3,016,620	\$ -	\$ 11,565,778
Site Improvements and Infrastructure	824,325	13,530	13,212	824,643
Capitalized Equipment	876,302	315,283	-	1,191,585
Construction in Progress	822,918	285,718	822,915	285,721
Total Other Capital Assets at historical cost	\$ 11,072,703	\$ 3,631,151	\$ 836,127	\$ 13,867,727
Less Accumulated Depreciation for				
Building and Improvements	\$ 2,409,493	\$ 245,217	\$ -	\$ 2,654,710
Site Improvements and Infrastructure	310,102	41,815	2,642	349,275
Capitalized Equipment	497,253	99,882	-	597,135
Total Accumulated Depreciation	\$ 3,216,848	\$ 386,914	\$ 2,642	\$ 3,601,120
Other Capital Assets, Net	\$ 7,855,855	\$ 3,244,237	\$ 833,485	\$ 10,266,607
Governmental Activities Capital Assets, Net	\$ 8,238,332	\$ 3,244,237	\$ 833,485	\$ 10,649,084

Depreciation expense was charged to functions as follows:

Governmental Activities	
Unallocated	\$ 386,914
Total Governmental Activities Depreciation Expense	\$ 386,914

NOTE 5 - INTERFUND LOANS

There were no interfund loans at June 30, 2016.

NOTE 6 - DEFICIT FUND BALANCE

No District fund had a deficit fund balance at June 30, 2016.

NOTE 7- PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2015 tax levy. The unavailable revenue is 100% of the 2015 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 2016. The District has determined that 100% of the amounts collected for the 2014 levy are allocable for use in fiscal year 2016. Therefore, 100% of the amounts collected for the 2014 and prior levies (\$5,851,619) are recorded in these financial statements as property tax revenue. A summary of the assessed valuations and extensions for tax years 2015, 2014, and 2013 is as follows:

ASSESSED VALUATION	2015 \$203,985,999		2014 \$197,838,290		2013 \$201,653,671	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
Educational	2.1826	\$ 4,452,253	2.2505	\$ 4,452,252	2.5550	\$ 5,152,251
Operations and Maintenance	0.5226	1,066,112	0.5500	1,088,111	0.3810	768,301
Transportation	0.0635	129,474	0.0907	179,473	0.0890	179,472
Municipal Retirement	0.0247	50,413	0.0255	50,413	0.0250	50,413
Social Security	0.0386	78,649	0.0398	78,647	0.0390	78,645
Working Cash	0.0239	48,795	0.0489	96,794	0.0480	96,794
	<u>2.8559</u>	<u>\$ 5,825,697</u>	<u>3.0053</u>	<u>\$ 5,945,690</u>	<u>3.1370</u>	<u>\$ 6,325,876</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2016, the Capital Projects fund had expenditures over budget.

Fund	Budget	Actual	Excess of Actual Over Budget
Capital Projects Fund	\$ 2,358,070	\$ 2,638,921	\$ 280,851

NOTE 9 - RETIREMENT FUND COMMITMENTS

A. *Teachers' Retirement System of the State of Illinois*

➤ **General Information About the Pension Plan**

○ **Plan Description**

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

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

○ **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 ten 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 ten 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% of final average salary up to a maximum of 75% with 34 years of service. Disability and death benefits are also provided.

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

Essentially all Tier I retirees receive an annual 3% 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 3% of the original benefit or ½% 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.

NOTE 9 - RETIREMENT FUND COMMITMENTS (Continued)

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

➤ **General Information About the Pension Plan** (Continued)

○ **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% of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016 was 9.4% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

▪ **On-Behalf Contributions to TRS**

The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2016, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$909,626 in pension contributions from the State of Illinois.

▪ **2.2 Formula Contributions**

Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2016 were \$10,185, and are deferred because they were paid after the June 30, 2015 measurement date.

▪ **Federal and Special Trust Fund Contributions**

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

For the year ended June 30, 2016, the District pension contribution was 36.06% of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$5,587 were paid from federal and special trust funds that required District contributions of \$2,015. These contributions are deferred because they were paid after the June 30, 2015 measurement date.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - RETIREMENT FUND COMMITMENTS (Continued)

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

➤ **General Information About the Pension Plan** (Continued)

○ **Contributions** (Continued)

▪ **Employer Retirement Cost Contributions**

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5% and applies when the member is age 55 at retirement. For the year ended June 30, 2016, the District paid \$0 to TRS for employer ERO contributions.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2016, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6% and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 219,865
State's proportionate share of the net pension liability associated with the District	11,102,694
Total Net Pension Liability	<u>\$ 11,322,559</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2015, the District's proportion was 0.00033565%, which was an increase of .0000228 from its proportion measured as of June 30, 2014.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - RETIREMENT FUND COMMITMENTS (Continued)

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

➤ **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

For the year ended June 30, 2016, the District recognized pension expense of \$909,626 and revenue of \$909,626 for support provided by the State. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 82	\$ (241)	\$ (159)
Net difference between projected and actual earnings on pension plan investments	4,354	(7,699)	(3,345)
Changes of assumptions	3,041	-	3,041
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,619	(29,322)	(17,703)
Employer contributions subsequent to the measurement date	12,200	-	12,200
	<u>\$ 31,296</u>	<u>\$ (37,262)</u>	<u>\$ (5,966)</u>

\$12,200 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	
2017	\$ (7,181)
2018	(7,181)
2019	(7,181)
2020	3,376
2021	-
	<u>\$ (18,167)</u>

○ **Actuarial Assumptions**

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

Inflation	3.00%
Salary Increases	varies by amount of service credit
Investment Rate of Return	7.5%, net of pension plan investment expenses, including inflation

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - RETIREMENT FUND COMMITMENTS (Continued)

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

➤ **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

○ **Actuarial Assumptions** (Continued)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	18.0%	7.53%
Global equity excluding U.S.	18.0%	7.88%
Aggregate bonds	16.0%	1.57%
U.S. TIPS	2.0%	2.82%
NCREIF	11.0%	5.11%
Opportunistic real estate	4.0%	9.09%
ARS	8.0%	2.57%
Risk Parity	8.0%	4.87%
Diversified inflation strategy	1.0%	3.26%
Private Equity	14.0%	12.33%
Total	100.0%	

○ **Discount Rate**

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

Based on those assumptions, TRS's fiduciary net position at June 30, 2015 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - RETIREMENT FUND COMMITMENTS (Continued)

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

➤ **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

○ **Discount Rate** (Continued)

higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

○ **Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

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

	1% Decrease 6.47%	Current Discount Rate 7.47%	1% Increase 8.47%
Employer's proportionate share of the net pension liability	\$ 271,699	\$ 219,865	\$ 177,360

○ **TRS Fiduciary Net Position**

Detailed information about the TRS's fiduciary net position as of June 30, 2015 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

B. *Illinois Municipal Retirement Fund*

➤ **Plan Description**

The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is 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. That report may be obtained on line at www.imrf.org.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Benefits Provided**

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

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

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2015, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	9
Inactive plan members entitled to but not yet receiving benefits	27
Active plan members	12
Total	<u>48</u>

➤ **Contributions**

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Contributions** (Continued)

coverage of its own employees. The District's annual contribution rate for calendar year 2015 was 9.30%. For the fiscal year ended June 30, 2016, the District contributed \$22,820 to the Plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

➤ **Net Pension Liability**

The components of the net pension liability of the IMRF as of December 31, 2015, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability/(Asset)	\$	1,873,938
IMRF Fiduciary Net Position		1,655,427
District's Net Pension Liability/(Asset)		218,511
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability		88.34%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the Plan.

➤ **Actuarial Assumptions**

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2015 using the following actuarial methods and assumptions.

Assumptions	
Inflation	3.50%
Price Inflation	2.75%
Salary Increases	3.75% - 14.50% including inflation
Interest Rate	7.47%
Asset Valuation Method	Market value of assets

Projected Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
--------------------------	---

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Long-Term Expected Rate of Return**

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

Asset Class	Target Allocation	Projected Return
Equities	38.0%	7.39%
International Equities	17.0%	7.59%
Fixed Income	27.0%	3.00%
Real Estate	8.0%	6.00%
Alternatives	9.0%	
Private Equity		8.15%
Hedge Funds		5.25%
Commodities		2.75%
Cash	1.0%	2.25%
	100.0%	

➤ **Single Discount Rate**

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 (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this discount rate, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57%; and resulting single discount rate is 7.47%.

➤ **Discount Rate Sensitivity**

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.47% as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.47%) or 1-percentage-point higher (8.47%) than the current rate:

	1% Decrease 6.47%	Current Discount Rate 7.47%	1% Increase 8.47%
Net Pension Liability/(Asset)	\$ 437,177	\$ 218,511	\$ 33,511

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2016, the District recognized pension expense of \$150,788. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Expense in Future Periods	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 48,844	\$ -	\$ 48,844
Assumption changes	2,752	-	2,752
Net difference between projected and actual earnings on pension investments	105,957	-	105,957
Total deferred amounts to be recognized in pension expense in future periods	\$ 157,553	\$ -	\$ 157,553
Pension contributions made subsequent to the measurement date	22,820	-	22,820
Total deferred amounts related to pensions	<u>\$ 180,373</u>	<u>\$ -</u>	<u>\$ 180,373</u>

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 December 31	Net Deferred Outflows of Resources
2016	\$ 79,091
2017	27,495
2018	27,497
2019	23,470
2020	-
Thereafter	-
	<u>\$ 157,553</u>

C. *Social Security*

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid the total required contribution for the current fiscal year.

NOTE 10 - POST EMPLOYMENT BENEFIT COMMITMENTS

Teacher Health Insurance Security Fund (THIS)

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - POST EMPLOYMENT BENEFIT COMMITMENTS (Continued)

Teacher Health Insurance Security Fund (THIS) (Continued)

Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

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

➤ **On behalf contributions to the THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.07% of pay during the year ended June 30, 2016. State of Illinois contributions were \$18,790, and the District recognized revenue and expenditures of this amount during the year.

➤ **Employer contributions to the THIS Fund**

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.80% during the year ended June 30, 2016. For the year ended June 30, 2016, the District paid \$14,049 to the THIS Fund, which was 100% of the required contribution.

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 11 - JOINT VENTURE – NORTHERN SUBURBAN SPECIAL EDUCATION DISTRICT (NSSSED)

The District and eighteen other districts within the North Shore suburbs of Chicago have 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.

A summary of financial condition (modified cash basis) of NSSSED at June 30, 2015 (most recent information available) is as follows:

Assets	\$ 25,009,870
Liabilities	\$ 1,120,620
Net Position	23,889,250
	<u>\$ 25,009,870</u>
Revenues Received	\$ 45,862,186
Expenditures Disbursed	45,517,705
Net Increase/(Decrease) in Net Position	<u>\$ 344,481</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; and injuries to employees.

The District is a member of the Collective Liability Insurance Cooperative (CLIC), a joint risk management pool of school districts through which property, general liability, automobile liability, crime, excess property, excess liability, and boiler and machinery coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

The relationship between the District and CLIC is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The District is contractually obligated to make all annual and supplementary contributions for CLIC, to report claims on a timely basis, cooperate with CLIC, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by CLIC. Members have a contractual obligation to fund any deficit of CLIC attributable to a membership year during which they were a member.

CLIC is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. CLIC also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

The District is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experiences. Adjustments in premiums are recorded when paid or received.

During the year ended June 30, 2016, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage for each of the past three years, including the current year. During the year ended June, 30, 2016, there were no significant adjustments in premiums based on actual experience.

NOTE 13 - SELF INSURANCE

The District is a member of COOP 90, a cooperative for self-insurance of employee health plans comprised of several governmental entities. Members pay into the trust certain specific amounts (including amounts collected from employees) established by the trust's insurance consultants. The trust pays all claims and maintains reserves for claims incurred but not submitted. The trust also carries excess claims insurance. Consequently, the District's administration believes there is little likelihood that additional amounts for past policy years would be required under these self-insurance agreements.

NOTE 14 - CONTINGENCIES

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

NOTE 15 - LEGAL DEBT LIMITATION

The Illinois School Code limits the amount of indebtedness to 6.9% of the most recent available equalized assessed valuation (EAV) of the District. The District's legal debt limitation is as follows:

2015 EAV	\$	203,985,999
Rate		<u>6.90%</u>
Debt Margin	\$	14,075,034
Current Debt		<u>-</u>
Remaining Debt Margin	\$	<u>14,075,034</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 16 - SUBSEQUENT EVENTS

After year-end the District was informed by the State that a portion of their fiscal year 2016 special education expenses needed to be paid from the general state aid funding in order to ensure that the State properly demonstrated maintenance of fiscal effort for IDEA Part B Flow Through. For the year ended June 30, 2016, \$393 of the District's special education expenses (in State expense line item 1200) was paid with general state aid.

The District has evaluated subsequent events through October 8, 2016, the date on which the financial statements were available to be issued.

NOTE 17 - CHANGE IN ACCOUNTING PRINCIPLE

Effective in the year ended June 30, 2016, the District has implemented GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement further clarifies how the fair value is determined for assets and liabilities. The Statement also requires additional disclosures about the fair value measurement of the investments held by the District (see Note 3).

REQUIRED SUPPLEMENTARY INFORMATION

BANNOCKBURN SCHOOL DISTRICT NO. 106
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
JUNE 30, 2016

	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
TOTAL PENSION LIABILITY		
Service Cost	\$ 57,278	\$ 57,780
Interest	123,054	121,017
Differences Between Expected and Actual Experience	108,549	(170,793)
Changes in Assumptions	6,115	88,575
Benefit Payments, Including Refunds of Member Contributions	<u>(66,282)</u>	<u>(72,063)</u>
Net Change in Total Pension Liability	\$ 228,714	\$ 24,516
Total Pension Liability - Beginning	<u>1,645,224</u>	<u>1,620,708</u>
Total Pension Liability - Ending	<u>\$ 1,873,938</u>	<u>\$ 1,645,224</u>
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ 45,796	\$ 45,056
Contributions - Member	22,159	20,584
Net Investment Income	8,558	104,421
Benefit Payments, Including Refunds of Member Contributions	(66,282)	(72,063)
Other	<u>(65,482)</u>	<u>(102,347)</u>
Net Change in Plan Fiduciary Net Position	\$ (55,251)	\$ (4,349)
Plan Net Position - Beginning	<u>1,710,678</u>	<u>1,715,027</u>
Plan Net Position - Ending	<u>\$ 1,655,427</u>	<u>\$ 1,710,678</u>
District's Net Pension Liability	<u>\$ 218,511</u>	<u>\$ (65,454)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	88.34%	103.98%
Covered-Employee Payroll	\$ 492,427	\$ 457,426
Employer's Net Pension Liability as a percentage of Covered-Employee Payroll	44.37%	-14.31%

* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

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

BANNOCKBURN SCHOOL DISTRICT NO. 106
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2016

	6/30/2016 *	6/30/2015 *
Actuarial Determined Contribution	\$ 45,796	\$ 45,057
Contributions in relation to Actuarially Determined Contribution	45,796	45,056
Contribution Deficiency/(Excess)	\$ -	\$ 1
Covered-Employee Payroll	\$ 492,427	\$ 457,426
Contributions as a percentage of Covered-Employee Payroll	9.30%	9.85%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2015 Contribution Rate *

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.

Actuarial Cost Method: Aggregate entry age = normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 28-year closed period until remaining period reaches 15 years (then 15-year rolling period)

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 4%

Price Inflation: 3%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 4.40% to 16%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.

Mortality: RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward ten years.

*Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation; note two year lag between valuation and rate setting.

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

BANNOCKBURN SCHOOL DISTRICT NO. 106
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
 OF THE NET PENSION LIABILITY
 JUNE 30, 2016

	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Employer's proportion of the Net Pension Liability	0.0003356%	0.0003128%
Employer's proportionate share of the Net Pension Liability	\$ 219,865	\$ 190,368
State's proportionate share of the Net Pension Liability associated with the employer	<u>11,102,694</u>	<u>10,080,564</u>
Total	<u>\$ 11,322,559</u>	<u>\$ 10,270,932</u>
Employer's Covered-Employee Payroll	\$ 1,714,691	\$ 1,641,720
Employer's proportionate share of the Net Pension Liability as a percentage of Covered-Employee Payroll	12.82%	11.60%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	41.50%	43.00%

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

Changes of Assumptions: Amounts reported in 2015 reflect an investment rate of return of 7.5%, an inflation rate of 3.0% and real return of 4.5%, and salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.5%, an inflation rate of 3.0% and real return of 4.5%, and salary increases of 5.75%.

BANNOCKBURN SCHOOL DISTRICT NO. 106
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTION
 JUNE 30, 2016

	6/30/2016 *	6/30/2015 *
Statutorily-required contribution	\$ 11,739	\$ 11,206
Contributions in relation to the statutorily-required contribution	11,739	11,206
Contribution Deficiency/(Excess)	\$ -	\$ -
Employer's Covered-Employee Payroll	\$ 1,714,691	\$ 1,641,720
Contributions as a percentage of Covered-Employee Payroll	0.68%	0.68%

* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

BANNOCKBURN SCHOOL DISTRICT NO. 106
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts
REVENUES		
Property Taxes	\$ 4,549,046	\$ 4,477,017
Payments in Lieu of Taxes	23,000	25,298
Earnings on Investments	38,000	73,327
Food Service	6,000	3,301
District/School Activity Income	81,400	89,202
Other Local Sources	-	116,071
State Aid		
General State Aid	65,000	75,012
Special Education	55,350	62,993
Other Restricted Revenue from State Sources	750	750
Federal Aid		
Food Service	3,000	2,756
Title I	35,000	56,587
Federal Special Education	25,000	30,240
Title II - Teacher Quality	11,000	13,477
On-Behalf Payments	647,303	928,416
Total Revenues	\$ 5,539,849	\$ 5,954,447
EXPENDITURES		
Instruction		
Regular Programs		
Salaries	\$ 1,414,654	\$ 1,357,532
Employee Benefits	319,506	266,128
Purchased Services	40,000	25,761
Supplies and Materials	112,800	107,033
	<u>\$ 1,886,960</u>	<u>\$ 1,756,454</u>
Special Education Programs		
Salaries	\$ 226,477	\$ 150,576
Employee Benefits	72,794	40,950
	<u>\$ 299,271</u>	<u>\$ 191,526</u>
Interscholastic Programs		
Salaries	\$ 14,847	\$ 14,744
Employee Benefits	205	177
Purchased Services	25,000	23,784
Supplies and Materials	6,000	2,331
	<u>\$ 46,052</u>	<u>\$ 41,036</u>
Gifted Programs		
Salaries	\$ 44,103	\$ 44,706
Employee Benefits	13,751	13,098
	<u>\$ 57,854</u>	<u>\$ 57,804</u>
Total Instruction	\$ 2,290,137	\$ 2,046,820
Support Services		
Pupils		
Guidance Services		
Salaries	\$ 46,420	\$ 46,420
Employee Benefits	1,616	1,614
	<u>\$ 48,036</u>	<u>\$ 48,034</u>
Health Services		
Salaries	\$ 2,310	\$ 2,772
	<u>\$ 2,310</u>	<u>\$ 2,772</u>
Speech Pathology and Audiology Services		
Salaries	\$ 47,916	\$ 47,916
Employee Benefits	2,313	2,299
	<u>\$ 50,229</u>	<u>\$ 50,215</u>
Total Support Services - Pupils	\$ 100,575	\$ 101,021

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Support Services (Continued)		
Instructional Staff		
Improvement of Instruction Services		
Purchased Services	\$ 62,000	\$ 46,342
	\$ 62,000	\$ 46,342
Educational Media Services		
Salaries	\$ 194,386	\$ 194,386
Employee Benefits	26,527	26,476
Purchased Services	72,630	63,911
Supplies and Materials	60,150	42,893
Other Objects	-	3,341
Non-Capitalized Equipment	-	16,898
	\$ 353,693	\$ 347,905
 Total Support Services - Instructional Staff	 \$ 415,693	 \$ 394,247
 General Administration		
Board of Education Services		
Purchased Services	\$ 202,000	\$ 82,409
	\$ 202,000	\$ 82,409
Executive Administration Services		
Salaries	\$ 239,108	\$ 233,441
Employee Benefits	37,683	36,116
Purchased Services	9,000	16,240
Supplies and Materials	5,000	4,797
	\$ 290,791	\$ 290,594
 Total Support Services - General Administration	 \$ 492,791	 \$ 373,003
 School Administration		
Office of the Principal Services		
Salaries	\$ 141,804	\$ 142,705
Employee Benefits	19,770	20,750
	\$ 161,574	\$ 163,455
 Total Support Services - School Administration	 \$ 161,574	 \$ 163,455
 Business		
Fiscal Services		
Salaries	\$ 94,849	\$ 94,849
Employee Benefits	22,178	22,240
Purchased Services	6,000	3,867
	\$ 123,027	\$ 120,956
 Total Support Services - Business	 \$ 123,027	 \$ 120,956
 Food Services		
Salaries	\$ 8,000	\$ 1,400
Employee Benefits	55	-
Supplies and Materials	7,500	7,760
	\$ 15,555	\$ 9,160
 Total Support Services - Food Services	 \$ 15,555	 \$ 9,160
 Total Support Services	 \$ 1,309,215	 \$ 1,161,842

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ -	\$ 403,927
Total Payments to Other Districts and Governmental Units (In-State)	\$ -	\$ 403,927
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Other Objects		
Payments for Special Education Programs	\$ -	\$ 205,208
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	\$ -	\$ 205,208
Total Payments to Other Districts and Governmental Units	\$ 779,028	\$ 609,135
Capital Outlay		
Instruction		
Regular Programs	\$ 100,000	\$ -
Support Services		
Instructional Staff	79,900	72,317
	\$ 179,900	\$ 72,317
Provision for Contingencies	\$ 50,000	\$ -
On-Behalf Payments	\$ 647,303	\$ 928,416
Total Expenditures	\$ 5,255,583	\$ 4,818,530
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 284,266	\$ 1,135,917
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ 284,266	\$ 1,135,917
FUND BALANCE - JULY 1, 2015	9,018,712	9,018,712
FUND BALANCE - JUNE 30, 2016	\$ 9,302,978	\$ 10,154,629

BANNOCKBURN SCHOOL DISTRICT NO. 106
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 1,088,111	\$ 1,070,866
Earnings on Investments	6,000	5,685
Total Revenues	\$ 1,094,111	\$ 1,076,555
EXPENDITURES		
Support Services		
Operations and Maintenance		
Salaries	\$ 82,349	\$ 82,349
Employee Benefits	21,542	21,603
Purchased Services	200,500	174,294
Supplies and Materials	90,000	75,992
Non-Capitalized Equipment	-	5,358
Total Support Services - Operations and Maintenance	\$ 394,391	\$ 359,596
Total Support Services	\$ 394,391	\$ 359,596
Capital Outlay		
Support Services		
Operations and Maintenance	\$ 265,000	\$ 111,105
	\$ 265,000	\$ 111,105
Provision for Contingencies	\$ 20,000	\$ -
Total Expenditures	\$ 679,391	\$ 470,701
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 414,720	\$ 605,854
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (335,280)	\$ (894,146)
FUND BALANCE - JULY 1, 2015	1,845,255	1,845,255
FUND BALANCE - JUNE 30, 2016	\$ 1,509,975	\$ 951,109

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 179,473	\$ 176,604
Earnings on Investments	2,500	3,795
State Aid		
Transportation	81,500	86,281
Total Revenues	\$ 263,473	\$ 266,680
EXPENDITURES		
Support Services		
Transportation		
Purchased Services	\$ 108,000	\$ 101,457
Total Support Services - Transportation	\$ 108,000	\$ 101,457
Total Support Services	\$ 108,000	\$ 101,457
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ 110,000	\$ 108,238
Total Payments to Other Districts and Governmental Units (In-State)	\$ 110,000	\$ 108,238
Total Payments to Other Districts and Governmental Units	\$ 110,000	\$ 108,238
Provision for Contingencies	\$ 5,000	\$ -
Total Expenditures	\$ 223,000	\$ 209,695
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 40,473	\$ 56,985
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ 40,473	\$ 56,985
FUND BALANCE - JULY 1, 2015	527,220	517,221
FUND BALANCE - JUNE 30, 2016	\$ 567,693	\$ 574,206

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
REVENUES		
Property Taxes	\$ 129,060	\$ 49,931
FICA/Medicare Only Purposes Levies	-	77,201
Payments in Lieu of Taxes	2,000	2,000
Earnings on Investments	600	1,561
Total Revenues	<u>\$ 131,660</u>	<u>\$ 130,693</u>
EXPENDITURES		
Instruction		
Regular Programs		
Employee Benefits	\$ 32,375	\$ 28,538
Special Education Programs		
Employee Benefits	24,402	12,508
Interscholastic Programs		
Employee Benefits	965	506
Gifted Programs		
Employee Benefits	640	583
Total Instruction	<u>\$ 58,382</u>	<u>\$ 42,135</u>
Support Services		
Pupils		
Guidance Services		
Employee Benefits	\$ 675	\$ 673
Health Services		
Employee Benefits	180	212
Speech Pathology and Audiology Services		
Employee Benefits	695	695
Total Supports Services - Pupils	<u>\$ 1,550</u>	<u>\$ 1,580</u>
Instructional Staff		
Educational Media Services		
Employee Benefits	\$ 17,477	\$ 17,497
Total Support Services - Instructional Staff	<u>\$ 17,477</u>	<u>\$ 17,497</u>
General Administration		
Executive Administration Services		
Employee Benefits	\$ 3,467	\$ 3,168
Total Support Services - General Administration	<u>\$ 3,467</u>	<u>\$ 3,168</u>
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 18,385	\$ 17,888
Total Support Services - School Administration	<u>\$ 18,385</u>	<u>\$ 17,888</u>
Business		
Fiscal Services		
Employee Benefits	\$ 16,078	\$ 15,612
Facilities Acquisition and Construction Services		
Employee Benefits	13,370	-
Total Support Services - Business	<u>\$ 29,448</u>	<u>\$ 15,612</u>

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>
	<u>Original and Final</u>	<u></u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Operations and Maintenance		
Employee Benefits	\$ -	\$ 13,050
Total Support Services - Operations and Maintenance	<u>\$ -</u>	<u>\$ 13,050</u>
Food Services		
Employee Benefits	\$ 364	\$ 107
Total Support Services - Food Services	<u>\$ 364</u>	<u>\$ 107</u>
Total Support Services	<u>\$ 70,691</u>	<u>\$ 68,902</u>
Total Expenditures	<u>\$ 129,073</u>	<u>\$ 111,037</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2,587	\$ 19,656
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 2,587	\$ 19,656
FUND BALANCE - JULY 1, 2015	<u>158,766</u>	<u>158,766</u>
FUND BALANCE - JUNE 30, 2016	<u>\$ 161,353</u>	<u>\$ 178,422</u>

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

NOTE 1 - BUDGETARY PROCESS

The District follows procedures mandated by Illinois State law and District Board policy to establish the budgetary data reflected in its financial statements. The budget was passed on August 26, 2015. The modified accrual basis budgeted amounts in this report are the result of full compliance with the following procedures:

For each fund, total fund expenditures may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

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.
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.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2016, no District fund presented as Required Supplementary Information had expenditures that exceeded budget.

SUPPLEMENTAL FINANCIAL INFORMATION

BANNOCKBURN SCHOOL DISTRICT NO. 106
 COMBINING BALANCE SHEET
 GENERAL FUND
 JUNE 30, 2016

	Educational Fund	Working Cash Fund	Total General Fund
ASSETS			
Cash and Cash Equivalents	\$ 1,783,367	\$ 339,376	\$ 2,122,743
Investments, at Fair Value	8,742,265	1,663,662	10,405,927
Accrued Interest Receivable, net of allowance of \$0	54,351	10,343	64,694
Property Taxes Receivable, net of allowance of \$17,115	2,211,124	24,233	2,235,357
Due from Other Governments, net of allowance of \$0	47,481	-	47,481
Prepaid Items	28,447	-	28,447
	<u>\$ 12,867,035</u>	<u>\$ 2,037,614</u>	<u>\$ 14,904,649</u>
Total Assets	<u>\$ 12,867,035</u>	<u>\$ 2,037,614</u>	<u>\$ 14,904,649</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 265,395	\$ -	\$ 265,395
Payroll Liabilities	100	-	100
Unearned Revenue - Registration Fees	17,517	-	17,517
Total Liabilities	<u>\$ 283,012</u>	<u>\$ -</u>	<u>\$ 283,012</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	\$ 4,418,582	\$ 48,426	\$ 4,467,008
Total Deferred Revenue	<u>\$ 4,418,582</u>	<u>\$ 48,426</u>	<u>\$ 4,467,008</u>
FUND BALANCE			
Nonspendable			
Prepaid Items	\$ 28,447	\$ -	\$ 28,447
Unassigned	8,136,994	1,989,188	10,126,182
Total Fund Balance	<u>\$ 8,165,441</u>	<u>\$ 1,989,188</u>	<u>\$ 10,154,629</u>
Total Liabilities and Fund Balance	<u>\$ 12,867,035</u>	<u>\$ 2,037,614</u>	<u>\$ 14,904,649</u>

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GENERAL FUND
 YEAR ENDED JUNE 30, 2016

	Educational Fund	Working Cash Fund	Total General Fund
REVENUES			
Property Taxes	\$ 4,381,626	\$ 95,391	\$ 4,477,017
Payments in Lieu of Taxes	25,298	-	25,298
Earnings on Investments	61,618	11,710	73,328
Food Service	3,301	-	3,301
District/School Activity Income	89,201	-	89,201
Other Local Sources	116,071	-	116,071
State Aid	138,755	-	138,755
Federal Aid	103,060	-	103,060
On-Behalf Payments	928,416	-	928,416
	<u>\$ 5,847,346</u>	<u>\$ 107,101</u>	<u>\$ 5,954,447</u>
EXPENDITURES			
Current			
Instruction			
Regular Programs	\$ 1,756,454	\$ -	\$ 1,756,454
Special Education Programs	191,526	-	191,526
Other Instructional Programs	98,840	-	98,840
Support Services			
Pupils	101,021	-	101,021
Instructional Staff	394,247	-	394,247
General Administration	373,003	-	373,003
School Administration	163,455	-	163,455
Business	120,956	-	120,956
Food Services	9,160	-	9,160
Payments to Other Districts and Governmental Units	609,135	-	609,135
Capital Outlay	72,317	-	72,317
On-Behalf Payments	928,416	-	928,416
	<u>\$ 4,818,530</u>	<u>\$ -</u>	<u>\$ 4,818,530</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,028,816	\$ 107,101	\$ 1,135,917
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCES	\$ 1,028,816	\$ 107,101	\$ 1,135,917
FUND BALANCE - JULY 1, 2015	7,136,625	1,882,087	9,018,712
FUND BALANCE - JUNE 30, 2016	<u>\$ 8,165,441</u>	<u>\$ 1,989,188</u>	<u>\$ 10,154,629</u>

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND - EDUCATIONAL FUND
 YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts
	Original and Final	Original and Final
REVENUES		
Property Taxes	\$ 4,452,252	\$ 4,381,626
Payments in Lieu of Taxes	23,000	25,298
Earnings on Investments	31,000	61,618
Food Service	6,000	3,301
District/School Activity Income	81,400	89,201
Other Local Sources	-	116,071
State Aid		
General State Aid	65,000	75,012
Special Education	55,350	62,993
Other Restricted Revenue from State Sources	750	750
Federal Aid		
Food Service	3,000	2,756
Title I	35,000	56,587
Federal Special Education	25,000	30,240
Title II - Teacher Quality	11,000	13,477
On-Behalf Payments	647,303	928,416
Total Revenues	\$ 5,436,055	\$ 5,847,346
EXPENDITURES		
Instruction		
Regular Programs		
Salaries	\$ 1,414,654	\$ 1,357,532
Employee Benefits	319,506	266,128
Purchased Services	40,000	25,761
Supplies and Materials	112,800	107,033
	<u>\$ 1,886,960</u>	<u>\$ 1,756,454</u>
Special Education Programs		
Salaries	\$ 226,477	\$ 150,576
Employee Benefits	72,794	40,950
	<u>\$ 299,271</u>	<u>\$ 191,526</u>
Interscholastic Programs		
Salaries	\$ 14,847	\$ 14,744
Employee Benefits	205	177
Purchased Services	25,000	23,784
Supplies and Materials	6,000	2,331
	<u>\$ 46,052</u>	<u>\$ 41,036</u>
Gifted Programs		
Salaries	\$ 44,103	\$ 44,706
Employee Benefits	13,751	13,098
	<u>\$ 57,854</u>	<u>\$ 57,804</u>
Total Instruction	\$ 2,290,137	\$ 2,046,820
Support Services		
Pupils		
Guidance Services		
Salaries	\$ 46,420	\$ 46,420
Employee Benefits	1,616	1,614
	<u>\$ 48,036</u>	<u>\$ 48,034</u>
Health Services		
Salaries	\$ 2,310	\$ 2,772
	<u>\$ 2,310</u>	<u>\$ 2,772</u>
Speech Pathology and Audiology Services		
Salaries	\$ 47,916	\$ 47,916
Employee Benefits	2,313	2,299
	<u>\$ 50,229</u>	<u>\$ 50,215</u>
Total Support Services - Pupils	\$ 100,575	\$ 101,021

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND - EDUCATIONAL FUND
 YEAR ENDED JUNE 30, 2016

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Instructional Staff		
Improvement of Instruction Services		
Purchased Services	\$ 62,000	\$ 46,342
	<u>\$ 62,000</u>	<u>\$ 46,342</u>
Educational Media Services		
Salaries	\$ 194,386	\$ 194,386
Employee Benefits	26,527	26,476
Purchased Services	72,630	63,911
Supplies and Materials	60,150	42,893
Other Objects	-	3,341
Non-Capitalized Equipment	-	16,898
	<u>\$ 353,693</u>	<u>\$ 347,905</u>
Total Support Services - Instructional Staff	<u>\$ 415,693</u>	<u>\$ 394,247</u>
General Administration		
Board of Education Services		
Purchased Services	\$ 202,000	\$ 82,409
	<u>\$ 202,000</u>	<u>\$ 82,409</u>
Executive Administration Services		
Salaries	\$ 239,108	\$ 233,441
Employee Benefits	37,683	36,116
Purchased Services	9,000	16,240
Supplies and Materials	5,000	4,797
	<u>\$ 290,791</u>	<u>\$ 290,594</u>
Total Support Services - General Administration	<u>\$ 492,791</u>	<u>\$ 373,003</u>
School Administration		
Office of the Principal Services		
Salaries	\$ 141,804	\$ 142,705
Employee Benefits	19,770	20,750
	<u>\$ 161,574</u>	<u>\$ 163,455</u>
Total Support Services - School Administration	<u>\$ 161,574</u>	<u>\$ 163,455</u>
Business		
Fiscal Services		
Salaries	\$ 94,849	\$ 94,849
Employee Benefits	22,178	22,240
Purchased Services	6,000	3,867
	<u>\$ 123,027</u>	<u>\$ 120,956</u>
Total Support Services - Business	<u>\$ 123,027</u>	<u>\$ 120,956</u>
Food Services		
Salaries	\$ 8,000	\$ 1,400
Employee Benefits	55	-
Supplies and Materials	7,500	7,760
	<u>\$ 15,555</u>	<u>\$ 9,160</u>
Total Support Services - Food Services	<u>\$ 15,555</u>	<u>\$ 9,160</u>
Total Support Services	<u>\$ 1,309,215</u>	<u>\$ 1,161,842</u>

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Regular Programs		
Purchased Services	\$ 779,028	\$ -
	\$ 779,028	\$ -
Payments for Special Education Programs		
Purchased Services	\$ -	\$ 403,927
Total Payments to Other Districts and Governmental Units (In-State)	\$ -	\$ 403,927
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Other Objects		
Payments for Special Education Programs	\$ -	\$ 205,208
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	\$ -	\$ 205,208
Total Payments to Other Districts and Governmental Units	\$ 779,028	\$ 609,135
Capital Outlay		
Instruction		
Regular Programs	\$ 100,000	\$ -
Support Services		
Instructional Staff	79,900	72,317
	\$ 179,900	\$ 72,317
Provision for Contingencies	\$ 50,000	\$ -
On-Behalf Payments	\$ 647,303	\$ 928,416
Total Expenditures	\$ 5,255,583	\$ 4,818,530
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 180,472	\$ 1,028,816
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ 180,472	\$ 1,028,816
FUND BALANCE - JULY 1, 2015	7,136,625	7,136,625
FUND BALANCE - JUNE 30, 2016	\$ 7,317,097	\$ 8,165,441

BANNOCKBURN SCHOOL DISTRICT NO. 106
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND - WORKING CASH FUND
 YEAR ENDED JUNE 30, 2016

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
REVENUES		
Property Taxes	\$ 96,794	\$ 95,391
Earnings on Investments	7,000	11,710
Total Revenues	<u>\$ 103,794</u>	<u>\$ 107,101</u>
EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 103,794	\$ 107,101
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 103,794	\$ 107,101
FUND BALANCE - JULY 1, 2015	<u>1,882,087</u>	<u>1,882,087</u>
FUND BALANCE - JUNE 30, 2016	<u>\$ 1,985,881</u>	<u>\$ 1,989,188</u>

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts
	<u>Original and Final</u>	<u></u>
REVENUES		
Earnings on Investments	\$ 2,000	\$ -
Total Revenues	<u>\$ 2,000</u>	<u>\$ -</u>
EXPENDITURES		
Support Services		
Facilities Acquisition and Construction		
Non-Capitalized Equipment	\$ -	\$ 5,207
Total Support Services - Facilities Acquisition and Construction	<u>\$ -</u>	<u>\$ 5,207</u>
Total Support Services	<u>\$ -</u>	<u>\$ 5,207</u>
Capital Outlay		
Support Services		
Facilities Acquisition and Construction	\$ 2,358,070	\$ 2,633,714
	<u>\$ 2,358,070</u>	<u>\$ 2,633,714</u>
Total Expenditures	<u>\$ 2,358,070</u>	<u>\$ 2,638,921</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (2,356,070)	\$ (2,638,921)
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	<u>750,000</u>	<u>1,500,000</u>
NET CHANGE IN FUND BALANCE	\$ (1,606,070)	\$ (1,138,921)
FUND BALANCE - JULY 1, 2015	<u>1,606,070</u>	<u>1,606,069</u>
FUND BALANCE - JUNE 30, 2016	<u>\$ -</u>	<u>\$ 467,148</u>

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106
 SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 ACTIVITY FUNDS
 YEAR ENDED JUNE 30, 2016

	<u>BALANCE</u> <u>JULY 1, 2015</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2016</u>
ASSETS				
Cash and Cash Equivalents	\$ 3,181	\$ 7,244	\$ 8,155	\$ 2,270
LIABILITIES				
Amount Due to Activity				
Yearbook	\$ 1,249	\$ 3,971	\$ 4,471	\$ 749
School Store	449	-	-	449
Sunshine Club	674	1,280	1,154	800
Student Council	809	1,993	2,530	272
	<u>\$ 3,181</u>	<u>\$ 7,244</u>	<u>\$ 8,155</u>	<u>\$ 2,270</u>

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106
 COMPUTATION OF OPERATING EXPENSE PER PUPIL
 AND PER CAPITA TUITION CHARGE
 YEAR ENDED JUNE 30, 2016

OPERATING EXPENSE PER PUPIL

EXPENDITURES:

ED	Total Expenditures	\$ 3,890,114
O&M	Total Expenditures	470,701
TR	Total Expenditures	209,695
MR/SS	Total Expenditures	111,037
	Total Expenditures	\$ 4,681,547

LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:

ED	Total Payments to Other Govt Units	609,135
ED	Capital Outlay	72,317
ED	Non-Capitalized Equipment	16,898
O&M	Capital Outlay	111,105
O&M	Non-Capitalized Equipment	5,358
TR	Total Payments to Other Govt Units	108,238
	Total Deductions for OEPP Computation (Sum of Lines 18 - 73)	\$ 923,051
	Total Operating Expenses Regular K-12 (Line 14 minus Line 75)	3,758,496
	9 Mo ADA from the General State Aid Claimable for 2015-2016 and Payable in 2016-2017 (ISBE 54-33), L12	161.03
	Estimated OEPP (Line 76 divided by Line 77)	\$ 23,340.35

PER CAPITA TUITION CHARGE

LESS OFFSETTING RECEIPTS/REVENUES:

ED	Total Food Service	3,301
ED-O&M	Total District/School Activity Income	89,201
ED-O&M-TR	Total Special Education	62,993
ED-O&M-TR-MR/SS	Total Transportation	86,281
ED-O&M-DS-TR-MR/SS-Tort	Other Restricted Revenue from State Sources	750
ED-MR/SS	Total Food Service	2,756
ED-O&M-TR-MR/SS	Total Title I	56,587
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Flow Through	30,240
ED-O&M-TR-MR/SS	Title II - Teacher Quality	13,477
	Total Deductions for PCTC Computation Line 83 through Line 173	\$ 345,586
	Net Operating Expense for Tuition Computation (Line 76 minus Line 175)	3,412,910
	Total Depreciation Allowance (from page 27, Col I)	313,440
	Total Allowance for PCTC Computation (Line 176 minus Line 177)	3,726,350
	9 Month ADA (from the GSA Claimable for 2015-2016 Payable in 2016-2017 (ISBE form 54-33, Line 12))	161.03
	Total Estimated PCTC (Line 178 divided by Line 179)	\$ 23,140.72

* The total OEPP/PCTC may change based on the data provided. The final amounts will be calculated by ISBE

Unaudited