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

ANNUAL FINANCIAL REPORT

JUNE 30, 2015

eder, casella & co.

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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, 2015, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bannockburn School District No. 106 as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 16 to the financial statements, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to these matters.

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 9, 2015 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 9, 2015

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, 2015, 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 9, 2015.

Internal Control Over Financial Reporting

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

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

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 deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 9, 2015

REQUIRED SUPPLEMENTARY INFORMATION

BANNOCKBURN SCHOOL DISTRICT NO. 106

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

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, 2015. 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, 2015 by \$21,224,701 (net position). Of this amount, \$10,534,844 (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 \$1,844,498. Substantially all of this increase represents the degree to which increases in ongoing revenues exceeded similar increases in ongoing expenses.
- At June 30, 2015 the District's governmental funds reported combined ending fund balances of \$13,146,023, an increase of \$1,336,950 in comparison with the prior year. \$8,986,188 of this is available for spending at the District's discretion (unassigned fund balance).
- At June 30, 2015 the unassigned fund balance for the General Fund was \$8,986,188, or 189% 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 resident's 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 \$21,224,701 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, 2015 and 2014:

| | Governmental Activities | |
|----------------------------------|-------------------------|----------------------|
| | FY 2015 | FY 2014 |
| Assets | | |
| Current and Other Assets | \$ 19,855,346 | \$ 18,443,637 |
| Capital Assets | 8,238,332 | 7,685,469 |
| Total Assets | \$ 28,093,678 | \$ 26,129,106 |
| Deferred Outflows of Resources | \$ 91,493 | \$ - |
| Liabilities | | |
| Other Liabilities | \$ 873,216 | \$ 272,305 |
| Unearned Revenue | 37,701 | 60,732 |
| Total Liabilities | \$ 910,917 | \$ 333,037 |
| Deferred Inflows of Resources | \$ 6,049,553 | \$ 6,301,527 |
| Net Position | | |
| Net Investment in Capital Assets | \$ 8,238,332 | \$ 7,685,469 |
| Restricted | 2,451,525 | 1,994,802 |
| Unrestricted | 10,534,844 | 9,814,271 |
| Total Net Position | \$ 21,224,701 | \$ 19,494,542 |

The net investment in capital assets (38% 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 (12%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$10,534,844) 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 \$1,844,498 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 \$1,844,498. Key elements of this increase are as follows:

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

| | Governmental Activities | |
|------------------------------------|-------------------------|----------------------|
| | FY 2015 | FY 2014 |
| Revenues: | | |
| Program Revenues | | |
| Charges for Services | \$ 124,752 | \$ 86,663 |
| Operating Grants and Contributions | 1,041,937 | 811,874 |
| General Revenues: | | |
| Property Taxes | 6,202,206 | 6,303,155 |
| Other Taxes | 29,652 | 28,329 |
| Other | 204,767 | 128,874 |
| Total Revenues | <u>\$ 7,603,314</u> | <u>\$ 7,358,895</u> |
| Expenses: | | |
| Instruction | \$ 2,046,759 | \$ 1,944,157 |
| Support Services | 1,644,699 | 1,859,893 |
| Other | 2,067,358 | 1,831,679 |
| Total Expenses | <u>\$ 5,758,816</u> | <u>\$ 5,635,729</u> |
| Increase in Net Position | \$ 1,844,498 | \$ 1,723,166 |
| Net Position - Beginning | 19,494,542 | 17,771,376 |
| Net Position Adjustment | (114,339) | - |
| Net Position - Ending | <u>\$ 21,224,701</u> | <u>\$ 19,494,542</u> |

The District started an extended day Kindergarten program which was the main contributing factor in the increase to Charges for Services. Also, On-Behalf Payments increased \$233,508 which was the main factor of the increase in the Operating Grants and Contributions.

Support Services decreased mainly due to the District moving one employee's salary and benefits to Instruction. Also, On-Behalf Payments increased \$233,508 which was the main factor of the increase in the Other Expenses.

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 \$13,146,023, an increase of \$1,336,950.

The General Fund is the chief operating fund of the District. At June 30, 2015, unassigned fund balance was \$8,986,188. 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 811,592 189% of total General Fund expenditures. The General Fund's fund balance increased by \$1,679,100 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 fund balance increased by \$399,483 in comparison with the prior year. This increase is due to a decrease in the number and scale of repair projects during the fiscal year.

The Transportation Fund's fund balance increased by \$52,054 in comparison with the prior year. This increase is due to a decrease of transportation needs during the fiscal year.

The Illinois Municipal Retirement/Social Security Fund's fund balance increased by \$20,005 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 fund balance decreased by \$813,692 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, 2015; 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 \$289,899 (favorable) and was mainly due to an increase in On-Behalf Payments.
- The difference between budgeted expenditures and actual expenditures was \$449,182 (favorable) due to lower than expected payments to special education programs.

Capital Asset and Debt Administration

Capital Assets. At June 30, 2015 the District had invested \$8,238,332 (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 \$332,712.

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

- The District began a large renovation and addition to the building. The addition includes a new administrative office. The large renovations consisted of conversion of old administrative offices to classrooms and renovating the library.

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

| | Governmental Activities | |
|--------------------------------------|-------------------------|---------------------|
| | 2015 | 2014 |
| Land | \$ 382,477 | \$ 382,477 |
| Building and Building Improvements | 6,139,665 | 6,347,174 |
| Site Improvements and Infrastructure | 514,223 | 555,406 |
| Capitalized Equipment | 379,049 | 400,412 |
| Construction in Progress | 822,918 | - |
| Total | <u>\$ 8,238,332</u> | <u>\$ 7,685,469</u> |

Additional information on the District's capital assets can be found in note 3 on pages 25 and 26 of this report.

Long-Term Debt. At June 30, 2015 the District had no long-term debt.

Economic Factors and Next Year's Budget

- The assessed valuation 2014 is \$197,838,290, a decrease of \$3,815,381 (1.89%) 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, 2015

| | Governmental Activities |
|--|----------------------------|
| ASSETS | |
| Cash and Cash Equivalents | \$ 3,422,041 |
| Investments, at Fair Value | 13,258,798 |
| Accrued Interest Receivable, net of allowance of \$0 | 51,281 |
| Property Taxes Receivable, net of allowance of \$22,369 | 2,960,163 |
| Due from Other Governments, net of allowance of \$0 | 41,945 |
| Prepaid Items | 55,664 |
| Net Pension Asset - IMRF | 65,454 |
| Capital Assets (Note 3): | |
| Land | 382,477 |
| Construction in Progress | 822,918 |
| Depreciable Buildings, Property, and Equipment, net of depreciation | 7,032,937 |
| Total Assets | \$ 28,093,678 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension Expense/Contributions - IMRF | \$ 79,653 |
| Pension Expense/Contributions - TRS | 11,840 |
| Total Deferred Outflows of Resources | \$ 91,493 |
| LIABILITIES | |
| Accounts Payable and Accrued Expenses | \$ 679,191 |
| Payroll Liabilities | 3,657 |
| Net Pension Liability - TRS | 190,368 |
| Unearned Revenue - Registration Fees | 37,701 |
| Total Liabilities | \$ 910,917 |
| DEFERRED INFLOWS OF RESOURCES | |
| Unavailable Revenue - Property Taxes | \$ 5,923,320 |
| Pension Expense/Contributions - TRS | 48,288 |
| Pension Expense/Contributions - IMRF | 77,945 |
| Total Deferred Inflows of Resources | \$ 6,049,553 |
| NET POSITION | |
| Net Investment in Capital Assets | \$ 8,238,332 |
| Restricted for: | |
| Operations and Maintenance | 1,790,717 |
| Transportation | 506,019 |
| Retirement | 154,789 |
| Unrestricted/(Deficit) | 10,534,844 |
| Total Net Position | \$ 21,224,701 |

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, 2015

| | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|--|-------------------------|--|---|
| Expenses | Charges for Services | Operating Grants and Contributions | Governmental Activities |
| Functions/Programs | | | |
| Governmental Activities | | | |
| Instruction | | | |
| Regular Programs | \$ 1,778,332 | \$ 40,354 | \$ 45,676 |
| Special Education Programs | 169,200 | - | 85,256 |
| Other Instructional Programs | 99,227 | 80,627 | - |
| Support Services | | | |
| Pupils | 97,449 | - | - |
| Instructional Staff | 394,986 | - | - |
| General Administration | 368,141 | - | - |
| School Administration | 161,758 | - | - |
| Business | 142,398 | - | - |
| Operations and Maintenance | 369,585 | - | - |
| Transportation | 99,296 | - | 78,292 |
| Food Services | 11,084 | 3,771 | 3,631 |
| Payments to Other Districts and Governmental Units | 905,564 | - | - |
| On-Behalf Retirement Contributions | 829,082 | - | 829,082 |
| Depreciation - Unallocated | 332,712 | - | - |
| Total Governmental Activities | \$ 5,758,814 | \$ 124,752 | \$ 1,041,937 |
| General Revenues | | | |
| Taxes | | | |
| Property Taxes, Levied for General Purposes | | | \$ 6,202,206 |
| Personal Property Replacement Taxes | | | 29,652 |
| Grants and Contributions not Restricted to Specific Activities | | | 71,722 |
| Unrestricted Investment Earnings | | | 72,995 |
| Miscellaneous Income | | | 60,048 |
| Total General Revenues | | | \$ 6,436,623 |
| Change in Net Position | | | \$ 1,844,498 |
| Net Position - July 1, 2014 | | | 19,494,542 |
| Net Position Adjustment (Note 16) | | | (114,339) |
| Net Position - June 30, 2015 | | | \$ 21,224,701 |

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, 2015

| | 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 | \$ 2,359,435 | \$ 502,667 | \$ 122,065 | \$ 46,360 | \$ 391,514 | \$ 3,422,041 |
| Investments, at Fair Value | 9,141,701 | 1,859,723 | 472,943 | 179,624 | 1,604,807 | 13,258,798 |
| Accrued Interest Receivable, net of allowance of \$0 | 35,357 | 7,193 | 1,829 | 695 | 6,207 | 51,281 |
| Property Taxes Receivable, net of allowance of \$22,369 | 2,264,820 | 541,734 | 89,354 | 64,255 | - | 2,960,163 |
| Due from Other Governments, net of allowance of \$0 | 22,864 | - | 19,081 | - | - | 41,945 |
| Prepaid Items | 32,524 | 23,140 | - | - | - | 55,664 |
| Total Assets | \$ 13,856,701 | \$ 2,934,457 | \$ 705,272 | \$ 290,934 | \$ 2,002,528 | \$ 19,789,892 |
| LIABILITIES AND FUND BALANCE | | | | | | |
| LIABILITIES | | | | | | |
| Accounts Payable and Accrued Expenses | \$ 268,257 | \$ 5,222 | \$ 9,253 | \$ - | \$ 396,459 | \$ 679,191 |
| Payroll Liabilities | 100 | (37) | - | 3,594 | - | 3,657 |
| Unearned Revenue - Registration Fees | 37,701 | - | - | - | - | 37,701 |
| Total Liabilities | \$ 306,058 | \$ 5,185 | \$ 9,253 | \$ 3,594 | \$ 396,459 | \$ 720,549 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable Revenue - Property Taxes | \$ 4,531,931 | \$ 1,084,017 | \$ 178,798 | \$ 128,574 | \$ - | \$ 5,923,320 |
| Total Deferred Inflows of Resources | \$ 4,531,931 | \$ 1,084,017 | \$ 178,798 | \$ 128,574 | \$ - | \$ 5,923,320 |
| FUND BALANCE | | | | | | |
| Nonspendable | | | | | | |
| Prepaid Items | \$ 32,524 | \$ 23,140 | \$ - | \$ - | \$ - | \$ 55,664 |
| Restricted | | | | | | |
| Operations and Maintenance | - | 1,790,717 | - | - | - | 1,790,717 |
| Transportation | - | - | 506,019 | - | - | 506,019 |
| Illinois Municipal Retirement Fund | - | - | - | 54,102 | - | 54,102 |
| Social Security | - | - | - | 100,687 | - | 100,687 |
| Assigned | | | | | | |
| Operations and Maintenance | - | 31,398 | - | - | - | 31,398 |
| Transportation | - | - | 11,202 | - | - | 11,202 |
| Illinois Municipal Retirement Fund/Social Security | - | - | - | 3,977 | - | 3,977 |
| Capital Projects | - | - | - | - | 1,606,069 | 1,606,069 |
| Unassigned | 8,986,188 | - | - | - | - | 8,986,188 |
| Total Fund Balance | \$ 9,018,712 | \$ 1,845,255 | \$ 517,221 | \$ 158,766 | \$ 1,606,069 | \$ 13,146,023 |
| Total Liabilities and Fund Balance | \$ 13,856,701 | \$ 2,934,457 | \$ 705,272 | \$ 290,934 | \$ 2,002,528 | \$ 19,789,892 |

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, 2015

| | | |
|--|--------------------|-----------------------------|
| Total Fund Balances - Governmental Funds | | \$ 13,146,023 |
| <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 | 1,708 | |
| Pension Expenses/Contributions - TRS | <u>(36,448)</u> | (34,740) |
| <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p> | | |
| Capital Assets | \$ 11,455,180 | |
| Accumulated Depreciation on Capital Assets | <u>(3,216,848)</u> | 8,238,332 |
| <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 | \$ (190,368) | |
| Net Pension Liability/(Asset) - IMRF | <u>65,454</u> | (124,914) |
| Net Position of Governmental Activities | | <u><u>\$ 21,224,701</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, 2015

| | General Fund | Operations and Maintenance Fund | Transportation Fund | Illinois Municipal Retirement/ Social Security Fund | Capital Projects Fund | Total Governmental Funds |
|---|---------------------|---------------------------------------|------------------------|--|-----------------------------|--------------------------------|
| REVENUES | | | | | | |
| Property Taxes | \$ 5,146,510 | \$ 753,088 | \$ 176,097 | \$ 126,511 | \$ - | \$ 6,202,206 |
| Payments in Lieu of Taxes | 27,652 | - | - | 2,000 | - | 29,652 |
| Earnings on Investments | 50,065 | 10,104 | 2,781 | 819 | 9,226 | 72,995 |
| Food Service | 3,771 | - | - | - | - | 3,771 |
| District/School Activity Income | 120,981 | - | - | - | - | 120,981 |
| Other Local Sources | 60,048 | - | - | - | - | 60,048 |
| State Aid | 131,436 | - | 78,292 | - | - | 209,728 |
| Federal Aid | 74,849 | - | - | - | - | 74,849 |
| On-Behalf Payments | 829,082 | - | - | - | - | 829,082 |
| | <u>\$ 6,444,394</u> | <u>\$ 763,192</u> | <u>\$ 257,170</u> | <u>\$ 129,330</u> | <u>\$ 9,226</u> | <u>\$ 7,603,312</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Instruction | | | | | | |
| Regular Programs | \$ 1,736,823 | \$ - | \$ - | \$ 26,932 | \$ - | \$ 1,763,755 |
| Special Education Programs | 151,735 | - | - | 12,806 | - | 164,541 |
| Other Instructional Programs | 97,185 | - | - | 1,383 | - | 98,568 |
| Support Services | | | | | | |
| Pupils | 95,612 | - | - | 1,468 | - | 97,080 |
| Instructional Staff | 371,444 | - | - | 17,229 | - | 388,673 |
| General Administration | 362,820 | - | - | 3,257 | - | 366,077 |
| School Administration | 138,033 | - | - | 17,321 | - | 155,354 |
| Business | 116,503 | - | - | 15,625 | - | 132,128 |
| Operations and Maintenance | - | 356,334 | - | 13,251 | - | 369,585 |
| Transportation | - | - | 99,296 | - | - | 99,296 |
| Food Services | 11,031 | - | - | 53 | - | 11,084 |
| Payments to Other Districts and Governmental Units | 799,744 | - | 105,820 | - | - | 905,564 |
| Capital Outlay | 55,282 | 7,375 | - | - | 822,918 | 885,575 |
| On-Behalf Payments | 829,082 | - | - | - | - | 829,082 |
| | <u>\$ 4,765,294</u> | <u>\$ 363,709</u> | <u>\$ 205,116</u> | <u>\$ 109,325</u> | <u>\$ 822,918</u> | <u>\$ 6,266,362</u> |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 1,679,100 | \$ 399,483 | \$ 52,054 | \$ 20,005 | \$ (813,692) | \$ 1,336,950 |
| OTHER FINANCING SOURCES (USES) | - | - | - | - | - | - |
| NET CHANGE IN FUND BALANCES | \$ 1,679,100 | \$ 399,483 | \$ 52,054 | \$ 20,005 | \$ (813,692) | \$ 1,336,950 |
| FUND BALANCES - JULY 1, 2014 | 7,339,612 | 1,445,772 | 465,167 | 138,761 | 2,419,761 | 11,809,073 |
| FUND BALANCES - JUNE 30, 2015 | <u>\$ 9,018,712</u> | <u>\$ 1,845,255</u> | <u>\$ 517,221</u> | <u>\$ 158,766</u> | <u>\$ 1,606,069</u> | <u>\$ 13,146,023</u> |

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, 2015

Net Change in Fund Balances - Total Governmental Funds \$ 1,336,950

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 | \$ (332,712) | |
| Capital Outlays | <u>885,575</u> | 552,863 |

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 | | (100,969) |
|-----------------|--|-----------|

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>55,654</u> |
|--|--|---------------|

| | | |
|---|--|----------------------------|
| Change in Net Position of Governmental Activities | | <u><u>\$ 1,844,498</u></u> |
|---|--|----------------------------|

BANNOCKBURN SCHOOL DISTRICT NO. 106
 FUND FINANCIAL STATEMENTS
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 JUNE 30, 2015

| | Agency Fund - Student Activity Fund |
|---------------------------|---|
| ASSETS | |
| Cash and Cash Equivalents | \$ 3,181 |
| Total Assets | \$ 3,181 |
| LIABILITIES | |
| Due to Activity Funds | \$ 3,181 |
| Total Liabilities | \$ 3,181 |

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

BANNOCKBURN SCHOOL DISTRICT NO. 106
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015.

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 2014 tax levy was passed by the Board on December 17, 2014. 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, 2015, 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 | \$ 3,445,550 | \$ 3,445,550 | \$ - | \$ - | \$ - |

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, 2015, the District's investments were rated as follows:

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

NOTE 3 - CAPITAL ASSETS

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

| | Balance July 1, 2014 | Increases | Decreases | Balance June 30, 2015 |
|---|-------------------------|------------|------------|--------------------------|
| 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 | \$ - | \$ - | \$ 8,549,158 |
| Site Improvements and Infrastructure | 853,136 | - | 28,811 | 824,325 |
| Capitalized Equipment | 1,028,286 | 62,657 | 214,641 | 876,302 |
| Construction in Progress | - | 822,918 | - | 822,918 |
| Total Other Capital Assets at historical cost | \$ 10,430,580 | \$ 885,575 | \$ 243,452 | \$ 11,072,703 |
| Less Accumulated Depreciation for | | | | |
| Building and Improvements | \$ 2,201,984 | \$ 207,509 | \$ - | \$ 2,409,493 |
| Site Improvements and Infrastructure | 297,730 | 41,182 | 28,810 | 310,102 |
| Capitalized Equipment | 627,874 | 84,021 | 214,642 | 497,253 |
| Total Accumulated Depreciation | \$ 3,127,588 | \$ 332,712 | \$ 243,452 | \$ 3,216,848 |
| Other Capital Assets, Net | \$ 7,302,992 | \$ 552,863 | \$ - | \$ 7,855,855 |
| Governmental Activities Capital Assets, Net | \$ 7,685,469 | \$ 552,863 | \$ - | \$ 8,238,332 |

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

| | |
|--|-------------------|
| Governmental Activities | |
| Unallocated | \$ 332,712 |
| Total Governmental Activities Depreciation Expense | <u>\$ 332,712</u> |

NOTE 4 - INTERFUND LOANS

There were no interfund loans at June 30, 2015.

NOTE 5 - DEFICIT FUND BALANCE

No District fund had a deficit fund balance at June 30, 2015.

NOTE 6 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2014 tax levy. The unavailable revenue is 100% of the 2014 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 2015. The District has determined that 100% of the amounts collected for the 2013 levy are allocable for use in fiscal year 2015. Therefore, 100% of the amounts collected for the 2013 and prior levies (\$6,202,206) are recorded in these financial statements as property tax revenue. A summary of the assessed valuations and extensions for tax years 2014, 2013, and 2012 is as follows:

| ASSESSED VALUATION | 2014 | | 2013 | | 2012 | |
|----------------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|
| | Rates | Extensions | Rates | Extensions | Rates | Extensions |
| | | \$197,838,290 | | \$201,653,671 | | \$209,581,540 |
| Educational | 2.2505 | \$ 4,452,252 | 2.5550 | \$ 5,152,251 | 2.4350 | \$ 5,103,311 |
| Operations and Maintenance | 0.5500 | 1,088,111 | 0.3810 | 768,301 | 0.3820 | 800,601 |
| Transportation | 0.0907 | 179,473 | 0.0890 | 179,472 | 0.0900 | 188,623 |
| Municipal Retirement | 0.0255 | 50,413 | 0.0250 | 50,413 | 0.0250 | 52,395 |
| Social Security | 0.0398 | 78,647 | 0.0390 | 78,645 | 0.0390 | 81,737 |
| Working Cash | 0.0489 | 96,794 | 0.0480 | 96,794 | 0.0450 | 94,312 |
| | <u>3.0053</u> | <u>\$ 5,945,690</u> | <u>3.1370</u> | <u>\$ 6,325,876</u> | <u>3.0160</u> | <u>\$ 6,320,979</u> |

NOTE 7 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2015, no fund had expenditures over the budgeted amount.

NOTE 8 - 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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)

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

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

○ **Plan Description** (Continued)

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.

○ **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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)

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

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

○ **Contributions** (Continued)

June 30, 2015 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, 2015, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$811,592 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, 2015 were \$9,945, and are deferred because they were paid after the June 30, 2014 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, 2015, the District pension contribution was 33.00% of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$5,436 were paid from federal and special trust funds that required District contributions of \$1,794. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

▪ **Employer Retirement Cost Contributions**

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the 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, 2015, the District paid \$0 to TRS for employer ERO contributions.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - 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** (Continued)

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

| | |
|---|-----------------------------|
| State's proportionate share of the net pension liability | \$ 10,080,564 |
| District's proportionate share of the net pension liability | <u>190,368</u> |
| Total Net Pension Liability | <u><u>\$ 10,270,932</u></u> |

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 and rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2014, the District's proportion was 0.0003128%.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013 actuarial valuation without any roll-up. The District's proportion of the net pension liability as of June 30, 2013 was based on the District's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2013, the District's proportion was 0.00038961%.

For the year ended June 30, 2015, the District recognized pension expense of \$811,592 and revenue of \$811,592 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - 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)

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Outflows of Resources |
|--|--------------------------------------|-------------------------------------|---------------------------------|
| Changes in proportion and differences between contributions and proportionate share of contributions | \$ - | \$ (38,720) | \$ (38,720) |
| Net differences projected and actual investment earnings on plan investments | - | (9,567) | (9,567) |
| Differences between expected and actual experience | 101 | - | 101 |
| Employer contributions subsequent to the measurement date | 11,739 | - | 11,739 |
| | <u>\$ 11,840</u> | <u>\$ (48,287)</u> | <u>\$ (36,447)</u> |

\$11,739 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, 2016. 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 | |
|------------------------|------------------|
| 2016 | \$ 11,766 |
| 2017 | 11,766 |
| 2018 | 11,766 |
| 2019 | 11,766 |
| 2020 | 1,122 |
| | <u>\$ 48,186</u> |

○ **Actuarial Assumptions**

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|--|
| Inflation | 3.00% |
| Salary Increases | 5.75%, average including inflation |
| Investment Rate of Return | 7.5%, net of pension plan investment expenses, including inflation |

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - 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 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% | 8.23% |
| Global equity excluding U.S. | 18.0% | 8.58% |
| Aggregate bonds | 16.0% | 2.27% |
| U.S. TIPS | 2.0% | 3.52% |
| NCREIF | 11.0% | 5.81% |
| Opportunistic real estate | 4.0% | 9.79% |
| ARS | 8.0% | 3.27% |
| Risk Parity | 8.0% | 5.57% |
| Diversified inflation strategy | 1.0% | 3.96% |
| Private Equity | 14.0% | 13.03% |
| Total | 100.0% | |

○ **Discount Rate**

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

○ **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 7.5%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point-higher (8.5%) than the current rate.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - 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)

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

| | 1% Decrease 6.50% | Current Discount Rate 7.50% | 1% Increase 8.50% |
|--|----------------------|-----------------------------------|----------------------|
| Employer's proportionate share of the net pension liability | \$ 235,095 | \$ 190,368 | \$ 153,329 |

○ **TRS Fiduciary Net Position**

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

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. 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.

➤ **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.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Benefits Provided** (Continued)

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. At December 31, 2014, the measurement date, the District's membership consisted of:

| | |
|--|----|
| Retirees and beneficiaries currently receiving benefits | 8 |
| Inactive plan members entitled to but not yet receiving benefits | 24 |
| Active plan members | 11 |
| Total | 43 |

➤ **Contributions**

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2014 was 9.85%. For the fiscal year ended June 30, 2015, the District contributed \$43,915 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, 2014, calculated in accordance with GASB Statement No. 68, were as follows:

| | |
|--|--------------|
| Total Pension Liability/(Asset) | \$ 1,645,224 |
| IMRF Fiduciary Net Pension | 1,710,678 |
| District's Net Pension Liability/(Asset) | (65,454) |
| IMRF Fiduciary Net Pension as a Percentage of the Total Pension Liability | 103.98% |

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Actuarial Assumptions**

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2014 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 | 7.50% |
| Asset Valuation Method | Market value of assets |
| Projected Retirement Age | Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013. |

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

➤ **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 | 63.2% | 7.60% |
| International Equities | 2.6% | 7.80% |
| Fixed Income | 23.5% | 3.00% |
| Real Estate | 4.3% | 6.15% |
| Alternatives | 4.5% | |
| Private Equity | | 8.50% |
| Hedge Funds | | 5.25% |
| Commodities | | 2.75% |
| Cash | 1.9% | 2.25% |
| | <u>100.0%</u> | |

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **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 3.56%; and resulting single discount rate is 7.50%.

➤ **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 7.50% 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

| | 1% Decrease 6.50% | Current Discount Rate 7.50% | 1% Increase 8.50% |
|-------------------------------|----------------------|-----------------------------------|----------------------|
| Net Pension Liability/(Asset) | \$ 129,712 | \$ (65,454) | \$ (230,419) |

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

For the year ended June 30, 2015, the District recognized pension expense of \$95,341. At June 30, 2015, 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 | \$ - | \$ 77,945 | \$ (77,945) |
| Assumption changes | 40,423 | - | 40,423 |
| Net difference between projected and actual earnings on pension investments | 16,102 | - | 16,102 |
| Total deferred amounts to be recognized in pension expense in future periods | \$ 56,525 | \$ 77,945 | \$ (21,420) |
| Pension contributions made subsequent to the measurement date | 23,128 | - | 23,128 |
| Total deferred amounts related to pensions | <u>\$ 79,653</u> | <u>\$ 77,945</u> | <u>\$ 1,708</u> |

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - 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**

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 |
|----------------------------|--|
| 2015 | \$ (33,497) |
| 2016 | 4,025 |
| 2017 | 4,025 |
| 2018 | 4,027 |
| 2019 | - |
| Thereafter | - |
| | <u>\$ (21,420)</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 9 - 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. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - POST EMPLOYMENT BENEFIT COMMITMENTS (Continued)

Teacher Health Insurance Security Fund (THIS) (Continued)

➤ **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 1.02% of pay during the year ended June 30, 2015. State of Illinois contributions were \$17,490, 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 0.76% during the year ended June 30, 2015. For the year ended June 30, 2015, the District paid \$13,032 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 10 - JOINT VENTURE – NORTHERN SUBURBAN SPECIAL EDUCATION DISTRICT (NSSD)

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 NSSD at June 30, 2014 (most recent information available) is as follows:

| | |
|---|----------------------|
| Assets | \$ 24,716,265 |
| Liabilities | \$ 1,171,496 |
| Net Position | 23,544,769 |
| | <u>\$ 24,716,265</u> |
| Revenues Received | \$ 45,365,894 |
| Expenditures Disbursed | 45,915,454 |
| Net Increase/(Decrease) in Net Position | <u>\$ (549,560)</u> |

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

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - RISK MANAGEMENT (Continued)

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.

As of June 30, 2015, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

The District is also a member of the Workers' Compensation Self Insurance Trust (WCSIT), a joint risk management pool of school districts through which workers' compensation coverage is provided.

NOTE 12 - 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 13 - CONTINGENCIES

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

NOTE 14 - 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:

| | | |
|-----------------------|----|-------------------|
| 2014 EAV | \$ | 197,838,290 |
| Rate | | <u>6.90%</u> |
| Debt Margin | \$ | 13,650,842 |
| Current Debt | | <u>-</u> |
| Remaining Debt Margin | \$ | <u>13,650,842</u> |

NOTE 15 - SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 9, 2015, the date on which the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 16 - CHANGE IN ACCOUNTING PRINCIPLE

Effective in the year ended June 30, 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The effects on net position due to the change in accounting principle are as follows:

| | |
|--|-------------------|
| Adjustments to update 6/30/2015 net position balances: | |
| Record TRS beginning Net Pension Liability | \$ 244,088 |
| Record IMRF beginning Net Pension Liability | (94,319) |
| Record TRS pension contributions for 2014 | (11,161) |
| Record IMRF pension contributions from 1/1/14 to 6/30/14 | <u>(24,269)</u> |
| Total Net Position Adjustment | <u>\$ 114,339</u> |

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, 2015

| | 6/30/2015 * |
|---|------------------|
| TOTAL PENSION LIABILITY | |
| Service Cost | \$ 57,780 |
| Interest | 121,017 |
| Differences Between Expected and Actual Experience | (170,793) |
| Changes in Assumptions | 88,575 |
| Benefit Payments, Including Refunds of Member Contributions | (72,063) |
| Net Change in Total Pension Liability | \$ 24,516 |
| Total Pension Liability - Beginning | 1,620,708 |
| Total Pension Liability - Ending | \$ 1,645,224 |
| PLAN FIDUCIARY NET POSITION | |
| Contributions - Employer | \$ 45,056 |
| Contributions - Member | 20,584 |
| Net Investment Income | 104,421 |
| Benefit Payments, Including Refunds of Member Contributions | (72,063) |
| Other | (102,347) |
| Net Change in Plan Fiduciary Net Position | \$ (4,349) |
| Plan Net Position - Beginning | 1,715,027 |
| Plan Net Position - Ending | \$ 1,710,678 |
| District's Net Pension Liability | \$ (65,454) |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 103.98% |
| Covered-Employee Payroll | \$ 457,426 |
| Employer's Net Pension Liability as a percentage of Covered-Employee Payroll | -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, 2015

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

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2014 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: 29-year closed 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, 2012 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, 2015

| | 6/30/2015 * |
|--|---------------|
| Employer's proportion of the Net Pension Liability | 0.0003128% |
| Employer's proportionate share of the Net Pension Liability | \$ 190,368 |
| State's proportionate share of the Net Pension Liability associated with the employer | 10,080,564 |
| Total | \$ 10,270,932 |
| Employer's Covered-Employee Payroll | \$ 1,641,720 |
| Employer's proportionate share of the Net Pension Liability as a percentage of Covered-Employee Payroll | 11.60% |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 43.00% |

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

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

BANNOCKBURN SCHOOL DISTRICT NO. 106
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTION
 JUNE 30, 2015

| | <u>6/30/2015 *</u> |
|---|--------------------|
| Contractually-Required Contribution | \$ 11,206 |
| Contributions in relation to the Contractually - Required Contribution | 11,206 |
| Contribution Deficiency/(Excess) | \$ - |
| Employer's Covered-Employee Payroll | \$ 1,641,720 |
| Contributions as a percentage of Covered-Employee Payroll | 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, 2015

| | Budgeted Amounts <u>Original and Final</u> | Actual Amounts |
|---|--|---------------------|
| REVENUES | | |
| Property Taxes | \$ 5,249,045 | \$ 5,146,510 |
| Payments in Lieu of Taxes | 25,000 | 27,652 |
| Earnings on Investments | 34,800 | 50,065 |
| Food Service | 6,000 | 3,771 |
| District/School Activity Income | 100,500 | 120,981 |
| Other Local Sources | - | 60,048 |
| State Aid | | |
| General State Aid | 58,000 | 71,722 |
| Special Education | 54,350 | 58,964 |
| Other Restricted Revenue from State Sources | - | 750 |
| Federal Aid | | |
| Food Service | 2,000 | 3,631 |
| Title I | 32,000 | 44,926 |
| Federal Special Education | 25,000 | 26,292 |
| Title II - Teacher Quality | 6,800 | - |
| On-Behalf Payments | 561,000 | 829,082 |
| Total Revenues | \$ 6,154,495 | \$ 6,444,394 |
| EXPENDITURES | | |
| Instruction | | |
| Regular Programs | | |
| Salaries | \$ 1,406,356 | \$ 1,355,559 |
| Employee Benefits | 279,500 | 251,036 |
| Purchased Services | 40,000 | 27,926 |
| Supplies and Materials | 112,000 | 102,302 |
| | <u>\$ 1,837,856</u> | <u>\$ 1,736,823</u> |
| Special Education Programs | | |
| Salaries | \$ 145,051 | \$ 126,755 |
| Employee Benefits | 67,500 | 24,980 |
| | <u>\$ 212,551</u> | <u>\$ 151,735</u> |
| Interscholastic Programs | | |
| Salaries | \$ 13,522 | \$ 15,129 |
| Employee Benefits | 185 | 148 |
| Purchased Services | 25,000 | 25,060 |
| Supplies and Materials | 6,000 | 4,749 |
| | <u>\$ 44,707</u> | <u>\$ 45,086</u> |
| Gifted Programs | | |
| Salaries | \$ 41,446 | \$ 39,061 |
| Employee Benefits | 13,744 | 13,038 |
| | <u>\$ 55,190</u> | <u>\$ 52,099</u> |
| Total Instruction | \$ 2,150,304 | \$ 1,985,743 |
| Support Services | | |
| Pupils | | |
| Guidance Services | | |
| Salaries | \$ 43,343 | \$ 44,740 |
| Employee Benefits | 1,645 | 1,613 |
| | <u>\$ 44,988</u> | <u>\$ 46,353</u> |
| Health Services | | |
| Salaries | \$ 2,228 | \$ 2,214 |
| | <u>\$ 2,228</u> | <u>\$ 2,214</u> |
| Speech Pathology and Audiology Services | | |
| Salaries | \$ 46,081 | \$ 44,809 |
| Employee Benefits | 2,266 | 2,236 |
| | <u>\$ 48,347</u> | <u>\$ 47,045</u> |
| Total Support Services - Pupils | \$ 95,563 | \$ 95,612 |

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, 2015

| | 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 | \$ 39,259 |
| | <u>\$ 62,000</u> | <u>\$ 39,259</u> |
| Educational Media Services | | |
| Salaries | \$ 183,126 | \$ 173,235 |
| Employee Benefits | 26,372 | 26,370 |
| Purchased Services | 68,100 | - |
| Supplies and Materials | 55,200 | 48,112 |
| Other Objects | - | 63,844 |
| Non-Capitalized Equipment | - | 20,624 |
| | <u>\$ 332,798</u> | <u>\$ 332,185</u> |
| Total Support Services - Instructional Staff | <u>\$ 394,798</u> | <u>\$ 371,444</u> |
| General Administration | | |
| Board of Education Services | | |
| Purchased Services | \$ 208,500 | \$ 82,282 |
| | <u>\$ 208,500</u> | <u>\$ 82,282</u> |
| Executive Administration Services | | |
| Salaries | \$ 235,199 | \$ 235,619 |
| Employee Benefits | 36,714 | 35,343 |
| Purchased Services | 7,000 | 7,874 |
| Supplies and Materials | 4,500 | 1,702 |
| | <u>\$ 283,413</u> | <u>\$ 280,538</u> |
| Total Support Services - General Administration | <u>\$ 491,913</u> | <u>\$ 362,820</u> |
| School Administration | | |
| Office of the Principal Services | | |
| Salaries | \$ 126,530 | \$ 124,496 |
| Employee Benefits | 19,575 | 13,537 |
| | <u>\$ 146,105</u> | <u>\$ 138,033</u> |
| Total Support Services - School Administration | <u>\$ 146,105</u> | <u>\$ 138,033</u> |
| Business | | |
| Fiscal Services | | |
| Salaries | \$ 89,480 | \$ 89,480 |
| Employee Benefits | 22,231 | 22,230 |
| Purchased Services | 6,000 | 4,793 |
| | <u>\$ 117,711</u> | <u>\$ 116,503</u> |
| Total Support Services - Business | <u>\$ 117,711</u> | <u>\$ 116,503</u> |
| Food Services | | |
| Salaries | \$ 8,000 | \$ 3,612 |
| Employee Benefits | 53 | 48 |
| Supplies and Materials | 7,500 | 7,371 |
| | <u>\$ 15,553</u> | <u>\$ 11,031</u> |
| Total Support Services - Food Services | <u>\$ 15,553</u> | <u>\$ 11,031</u> |
| Total Support Services | <u>\$ 1,261,643</u> | <u>\$ 1,095,443</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
YEAR ENDED JUNE 30, 2015

| | 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 | \$ 1,021,648 | \$ 653,215 |
| Total Payments to Other Districts and Governmental Units (In-State) | \$ 1,021,648 | \$ 653,215 |
| Payments to Other Districts and Governmental Units-Tuition (In-State) | | |
| Other Objects | | |
| Payments for Special Education Programs | \$ - | \$ 146,529 |
| Total Payments to Other Districts and Governmental Units-Tuition (In-State) | \$ - | \$ 146,529 |
| Total Payments to Other Districts and Governmental Units | \$ 1,021,648 | \$ 799,744 |
| Capital Outlay | | |
| Instruction | | |
| Regular Programs | \$ 100,000 | \$ - |
| Support Services | | |
| Instructional Staff | 69,881 | 55,282 |
| | \$ 169,881 | \$ 55,282 |
| Provision for Contingencies | \$ 50,000 | \$ - |
| On-Behalf Payments | \$ 561,000 | \$ 829,082 |
| Total Expenditures | \$ 5,214,476 | \$ 4,765,294 |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 940,019 | \$ 1,679,100 |
| OTHER FINANCING SOURCES (USES) | - | - |
| NET CHANGE IN FUND BALANCE | \$ 940,019 | \$ 1,679,100 |
| FUND BALANCE - JULY 1, 2014 | 7,400,343 | 7,339,612 |
| FUND BALANCE - JUNE 30, 2015 | \$ 8,340,362 | \$ 9,018,712 |

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, 2015

| | Budgeted Amounts Original and Final | Actual Amounts |
|---|---|-------------------|
| REVENUES | | |
| Property Taxes | \$ 768,300 | \$ 753,088 |
| Earnings on Investments | 5,500 | 10,104 |
| Total Revenues | \$ 773,800 | \$ 763,192 |
| EXPENDITURES | | |
| Support Services | | |
| Operations and Maintenance | | |
| Salaries | \$ 75,648 | \$ 78,924 |
| Employee Benefits | 21,597 | 21,593 |
| Purchased Services | 203,500 | 192,000 |
| Supplies and Materials | 98,000 | 63,817 |
| Total Support Services - Operations and Maintenance | \$ 398,745 | \$ 356,334 |
| Total Support Services | \$ 398,745 | \$ 356,334 |
| Capital Outlay | | |
| Support Services | | |
| Operations and Maintenance | \$ 265,000 | \$ 7,375 |
| | \$ 265,000 | \$ 7,375 |
| Provision for Contingencies | \$ 20,000 | \$ - |
| Total Expenditures | \$ 683,745 | \$ 363,709 |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 90,055 | \$ 399,483 |
| OTHER FINANCING SOURCES (USES) | - | - |
| NET CHANGE IN FUND BALANCE | \$ 90,055 | \$ 399,483 |
| FUND BALANCE - JULY 1, 2014 | 1,445,772 | 1,445,772 |
| FUND BALANCE - JUNE 30, 2015 | \$ 1,535,827 | \$ 1,845,255 |

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, 2015

| | Budgeted Amounts Original and Final | Actual Amounts |
|---|---|-------------------|
| REVENUES | | |
| Property Taxes | \$ 179,472 | \$ 176,097 |
| Earnings on Investments | 2,000 | 2,781 |
| State Aid | | |
| Transportation | 91,500 | 78,292 |
| Total Revenues | \$ 272,972 | \$ 257,170 |
| EXPENDITURES | | |
| Support Services | | |
| Transportation | | |
| Purchased Services | \$ 108,000 | \$ 99,296 |
| Total Support Services - Transportation | \$ 108,000 | \$ 99,296 |
| Total Support Services | \$ 108,000 | \$ 99,296 |
| Payments to Other Districts and Governmental Units | | |
| Payments to Other Districts and Governmental Units (In-State) | | |
| Payments for Special Education Programs | | |
| Purchased Services | \$ 125,000 | \$ 105,820 |
| Total Payments to Other Districts and Governmental Units (In-State) | \$ 125,000 | \$ 105,820 |
| Total Payments to Other Districts and Governmental Units | \$ 125,000 | \$ 105,820 |
| Provision for Contingencies | \$ 5,000 | \$ - |
| Total Expenditures | \$ 238,000 | \$ 205,116 |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 34,972 | \$ 52,054 |
| OTHER FINANCING SOURCES (USES) | - | - |
| NET CHANGE IN FUND BALANCE | \$ 34,972 | \$ 52,054 |
| FUND BALANCE - JULY 1, 2014 | 465,167 | 465,167 |
| FUND BALANCE - JUNE 30, 2015 | \$ 500,139 | \$ 517,221 |

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, 2015

| | Budgeted Amounts | Actual Amounts |
|--|---------------------------|-------------------|
| | <u>Original and Final</u> | <u></u> |
| REVENUES | | |
| Property Taxes | \$ 129,058 | \$ 126,511 |
| Payments in Lieu of Taxes | 2,000 | 2,000 |
| Earnings on Investments | 700 | 819 |
| Total Revenues | <u>\$ 131,758</u> | <u>\$ 129,330</u> |
| EXPENDITURES | | |
| Instruction | | |
| Regular Programs | | |
| Employee Benefits | \$ 29,300 | \$ 26,932 |
| Special Education Programs | | |
| Employee Benefits | 17,350 | 12,806 |
| Interscholastic Programs | | |
| Employee Benefits | 696 | 875 |
| Gifted Programs | | |
| Employee Benefits | 601 | 508 |
| Total Instruction | <u>\$ 47,947</u> | <u>\$ 41,121</u> |
| Support Services | | |
| Pupils | | |
| Guidance Services | | |
| Employee Benefits | \$ 628 | \$ 649 |
| Health Services | | |
| Employee Benefits | 171 | 169 |
| Speech Pathology and Audiology Services | | |
| Employee Benefits | 668 | 650 |
| Total Supports Services - Pupils | <u>\$ 1,467</u> | <u>\$ 1,468</u> |
| Instructional Staff | | |
| Educational Media Services | | |
| Employee Benefits | \$ 17,480 | \$ 17,229 |
| Total Support Services - Instructional Staff | <u>\$ 17,480</u> | <u>\$ 17,229</u> |
| General Administration | | |
| Executive Administration Services | | |
| Employee Benefits | \$ 3,410 | \$ 3,257 |
| Total Support Services - General Administration | <u>\$ 3,410</u> | <u>\$ 3,257</u> |
| School Administration | | |
| Office of the Principal Services | | |
| Employee Benefits | \$ 17,575 | \$ 17,321 |
| Total Support Services - School Administration | <u>\$ 17,575</u> | <u>\$ 17,321</u> |
| Business | | |
| Fiscal Services | | |
| Employee Benefits | \$ 15,690 | \$ 15,625 |
| Total Support Services - Business | <u>\$ 15,690</u> | <u>\$ 15,625</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, 2015

| | Budgeted Amounts Original and Final | Actual Amounts |
|---|---|-------------------|
| EXPENDITURES (Continued) | | |
| Support Services (Continued) | | |
| Operations and Maintenance | | |
| Employee Benefits | \$ 13,929 | \$ 13,251 |
| Total Support Services - Operations and Maintenance | \$ 13,929 | \$ 13,251 |
| Food Services | | |
| Employee Benefits | \$ 306 | \$ 53 |
| Total Support Services - Food Services | \$ 306 | \$ 53 |
| Total Support Services | \$ 69,857 | \$ 68,204 |
| Total Expenditures | \$ 117,804 | \$ 109,325 |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 13,954 | \$ 20,005 |
| OTHER FINANCING SOURCES (USES) | - | - |
| NET CHANGE IN FUND BALANCE | \$ 13,954 | \$ 20,005 |
| FUND BALANCE - JULY 1, 2014 | 138,760 | 138,761 |
| FUND BALANCE - JUNE 30, 2015 | \$ 152,714 | \$ 158,766 |

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

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 20, 2014. 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, 2015, no fund presented as Required Supplementary Information had expenditures over the budgeted amount.

SUPPLEMENTAL FINANCIAL INFORMATION

BANNOCKBURN SCHOOL DISTRICT NO. 106
 COMBINING BALANCE SHEET
 GENERAL FUND
 JUNE 30, 2015

| | Educational Fund | Working Cash Fund | Total General Fund |
|---|----------------------|----------------------|--------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 1,964,646 | \$ 394,789 | \$ 2,359,435 |
| Investments, at Fair Value | 7,612,080 | 1,529,621 | 9,141,701 |
| Accrued Interest Receivable, net of allowance of \$0 | 29,441 | 5,916 | 35,357 |
| Property Taxes Receivable, net of allowance of \$17,115 | 2,216,629 | 48,191 | 2,264,820 |
| Due from Other Governments, net of allowance of \$0 | 22,864 | - | 22,864 |
| Prepaid Items | 32,524 | - | 32,524 |
| | <u>\$ 11,878,184</u> | <u>\$ 1,978,517</u> | <u>\$ 13,856,701</u> |
| Total Assets | \$ 11,878,184 | \$ 1,978,517 | \$ 13,856,701 |
| LIABILITIES AND FUND BALANCE | | | |
| LIABILITIES | | | |
| Accounts Payable and Accrued Expenses | \$ 268,257 | \$ - | \$ 268,257 |
| Payroll Liabilities | 100 | - | 100 |
| Unearned Revenue - Registration Fees | 37,701 | | 37,701 |
| Total Liabilities | <u>\$ 306,058</u> | <u>\$ -</u> | <u>\$ 306,058</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable Revenue - Property Taxes | \$ 4,435,501 | \$ 96,430 | \$ 4,531,931 |
| Total Deferred Revenue | <u>\$ 4,435,501</u> | <u>\$ 96,430</u> | <u>\$ 4,531,931</u> |
| FUND BALANCE | | | |
| Nonspendable | | | |
| Prepaid Items | \$ 32,524 | \$ - | \$ 32,524 |
| Unassigned | 7,104,101 | 1,882,087 | 8,986,188 |
| Total Fund Balance | <u>\$ 7,136,625</u> | <u>\$ 1,882,087</u> | <u>\$ 9,018,712</u> |
| Total Liabilities and Fund Balance | \$ 11,878,184 | \$ 1,978,517 | \$ 13,856,701 |

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, 2015

| | Educational Fund | Working Cash Fund | Total General Fund |
|---|----------------------------|----------------------------|----------------------------|
| REVENUES | | | |
| Property Taxes | \$ 5,051,552 | \$ 94,958 | \$ 5,146,510 |
| Payments in Lieu of Taxes | 27,652 | - | 27,652 |
| Earnings on Investments | 41,610 | 8,455 | 50,065 |
| Food Service | 3,771 | - | 3,771 |
| District/School Activity Income | 120,981 | - | 120,981 |
| Other Local Sources | 60,048 | - | 60,048 |
| State Aid | 131,436 | - | 131,436 |
| Federal Aid | 74,849 | - | 74,849 |
| On-Behalf Payments | 829,082 | - | 829,082 |
| | <u>\$ 6,340,981</u> | <u>\$ 103,413</u> | <u>\$ 6,444,394</u> |
| EXPENDITURES | | | |
| Current | | | |
| Instruction | | | |
| Regular Programs | \$ 1,736,823 | \$ - | \$ 1,736,823 |
| Special Education Programs | 151,735 | - | 151,735 |
| Other Instructional Programs | 97,185 | - | 97,185 |
| Support Services | | | |
| Pupils | 95,612 | - | 95,612 |
| Instructional Staff | 371,444 | - | 371,444 |
| General Administration | 362,820 | - | 362,820 |
| School Administration | 138,033 | - | 138,033 |
| Business | 116,503 | - | 116,503 |
| Food Services | 11,031 | - | 11,031 |
| Payments to Other Districts and Governmental Units | 799,744 | - | 799,744 |
| Capital Outlay | 55,282 | - | 55,282 |
| On-Behalf Payments | 829,082 | - | 829,082 |
| | <u>\$ 4,765,294</u> | <u>\$ -</u> | <u>\$ 4,765,294</u> |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 1,575,687 | \$ 103,413 | \$ 1,679,100 |
| OTHER FINANCING SOURCES (USES) | - | - | - |
| NET CHANGE IN FUND BALANCES | \$ 1,575,687 | \$ 103,413 | \$ 1,679,100 |
| FUND BALANCE - JULY 1, 2014 | <u>5,560,938</u> | <u>1,778,674</u> | <u>7,339,612</u> |
| FUND BALANCE - JUNE 30, 2015 | <u><u>\$ 7,136,625</u></u> | <u><u>\$ 1,882,087</u></u> | <u><u>\$ 9,018,712</u></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, 2015

| | Budgeted Amounts | Actual Amounts |
|---|---------------------|---------------------|
| | Original and Final | Original and Final |
| REVENUES | | |
| Property Taxes | \$ 5,152,251 | \$ 5,051,552 |
| Payments in Lieu of Taxes | 25,000 | 27,652 |
| Earnings on Investments | 29,000 | 41,610 |
| Food Service | 6,000 | 3,771 |
| District/School Activity Income | 100,500 | 120,981 |
| Other Local Sources | - | 60,048 |
| State Aid | | |
| General State Aid | 58,000 | 71,722 |
| Special Education | 54,350 | 58,964 |
| Other Restricted Revenue from State Sources | - | 750 |
| Federal Aid | | |
| Food Service | 2,000 | 3,631 |
| Title I | 32,000 | 44,926 |
| Federal Special Education | 25,000 | 26,292 |
| Title II - Teacher Quality | 6,800 | - |
| On-Behalf Payments | 561,000 | 829,082 |
| Total Revenues | \$ 6,051,901 | \$ 6,340,981 |
| EXPENDITURES | | |
| Instruction | | |
| Regular Programs | | |
| Salaries | \$ 1,406,356 | \$ 1,355,559 |
| Employee Benefits | 279,500 | 251,036 |
| Purchased Services | 40,000 | 27,926 |
| Supplies and Materials | 112,000 | 102,302 |
| | <u>\$ 1,837,856</u> | <u>\$ 1,736,823</u> |
| Special Education Programs | | |
| Salaries | \$ 145,051 | \$ 126,755 |
| Employee Benefits | 67,500 | 24,980 |
| | <u>\$ 212,551</u> | <u>\$ 151,735</u> |
| Interscholastic Programs | | |
| Salaries | \$ 13,522 | \$ 15,129 |
| Employee Benefits | 185 | 148 |
| Purchased Services | 25,000 | 25,060 |
| Supplies and Materials | 6,000 | 4,749 |
| | <u>\$ 44,707</u> | <u>\$ 45,086</u> |
| Gifted Programs | | |
| Salaries | \$ 41,446 | \$ 39,061 |
| Employee Benefits | 13,744 | 13,038 |
| | <u>\$ 55,190</u> | <u>\$ 52,099</u> |
| Total Instruction | \$ 2,150,304 | \$ 1,985,743 |
| Support Services | | |
| Pupils | | |
| Guidance Services | | |
| Salaries | \$ 43,343 | \$ 44,740 |
| Employee Benefits | 1,645 | 1,613 |
| | <u>\$ 44,988</u> | <u>\$ 46,353</u> |
| Health Services | | |
| Salaries | \$ 2,228 | \$ 2,214 |
| | <u>\$ 2,228</u> | <u>\$ 2,214</u> |
| Speech Pathology and Audiology Services | | |
| Salaries | \$ 46,081 | \$ 44,809 |
| Employee Benefits | 2,266 | 2,236 |
| | <u>\$ 48,347</u> | <u>\$ 47,045</u> |
| Total Support Services - Pupils | \$ 95,563 | \$ 95,612 |

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, 2015

| | 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 | \$ 39,259 |
| | <u>\$ 62,000</u> | <u>\$ 39,259</u> |
| Educational Media Services | | |
| Salaries | \$ 183,126 | \$ 173,235 |
| Employee Benefits | 26,372 | 26,370 |
| Purchased Services | 68,100 | - |
| Supplies and Materials | 55,200 | 48,112 |
| Other Objects | - | 63,844 |
| Non-Capitalized Equipment | - | 20,624 |
| | <u>\$ 332,798</u> | <u>\$ 332,185</u> |
| Total Support Services - Instructional Staff | <u>\$ 394,798</u> | <u>\$ 371,444</u> |
| General Administration | | |
| Board of Education Services | | |
| Purchased Services | \$ 208,500 | \$ 82,282 |
| | <u>\$ 208,500</u> | <u>\$ 82,282</u> |
| Executive Administration Services | | |
| Salaries | \$ 235,199 | \$ 235,619 |
| Employee Benefits | 36,714 | 35,343 |
| Purchased Services | 7,000 | 7,874 |
| Supplies and Materials | 4,500 | 1,702 |
| | <u>\$ 283,413</u> | <u>\$ 280,538</u> |
| Total Support Services - General Administration | <u>\$ 491,913</u> | <u>\$ 362,820</u> |
| School Administration | | |
| Office of the Principal Services | | |
| Salaries | \$ 126,530 | \$ 124,496 |
| Employee Benefits | 19,575 | 13,537 |
| | <u>\$ 146,105</u> | <u>\$ 138,033</u> |
| Total Support Services - School Administration | <u>\$ 146,105</u> | <u>\$ 138,033</u> |
| Business | | |
| Fiscal Services | | |
| Salaries | \$ 89,480 | \$ 89,480 |
| Employee Benefits | 22,231 | 22,230 |
| Purchased Services | 6,000 | 4,793 |
| | <u>\$ 117,711</u> | <u>\$ 116,503</u> |
| Total Support Services - Business | <u>\$ 117,711</u> | <u>\$ 116,503</u> |
| Food Services | | |
| Salaries | \$ 8,000 | \$ 3,612 |
| Employee Benefits | 53 | 48 |
| Supplies and Materials | 7,500 | 7,371 |
| | <u>\$ 15,553</u> | <u>\$ 11,031</u> |
| Total Support Services - Food Services | <u>\$ 15,553</u> | <u>\$ 11,031</u> |
| Total Support Services | <u>\$ 1,261,643</u> | <u>\$ 1,095,443</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, 2015

| | 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 | \$ 1,021,648 | \$ 653,215 |
| Total Payments to Other Districts and Governmental Units (In-State) | \$ 1,021,648 | \$ 653,215 |
| Payments to Other Districts and Governmental Units-Tuition (In-State) | | |
| Other Objects | | |
| Payments for Special Education Programs | \$ - | \$ 146,529 |
| Total Payments to Other Districts and Governmental Units-Tuition (In-State) | \$ - | \$ 146,529 |
| Total Payments to Other Districts and Governmental Units | \$ 1,021,648 | \$ 799,744 |
| Capital Outlay | | |
| Instruction | | |
| Regular Programs | \$ 100,000 | \$ - |
| Support Services | | |
| Instructional Staff | 69,881 | 55,282 |
| | \$ 169,881 | \$ 55,282 |
| Provision for Contingencies | \$ 50,000 | \$ - |
| On-Behalf Payments | \$ 561,000 | \$ 829,082 |
| Total Expenditures | \$ 5,214,476 | \$ 4,765,294 |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 837,425 | \$ 1,575,687 |
| OTHER FINANCING SOURCES (USES) | - | - |
| NET CHANGE IN FUND BALANCE | \$ 837,425 | \$ 1,575,687 |
| FUND BALANCE - JULY 1, 2014 | 5,621,669 | 5,560,938 |
| FUND BALANCE - JUNE 30, 2015 | \$ 6,459,094 | \$ 7,136,625 |

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, 2015

| | Budgeted Amounts <u>Original and Final</u> | Actual Amounts <u></u> |
|---|--|------------------------------|
| REVENUES | | |
| Property Taxes | \$ 96,794 | \$ 94,958 |
| Earnings on Investments | 5,800 | 8,455 |
| Total Revenues | <u>\$ 102,594</u> | <u>\$ 103,413</u> |
| EXPENDITURES | <u>\$ -</u> | <u>\$ -</u> |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 102,594 | \$ 103,413 |
| OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | \$ 102,594 | \$ 103,413 |
| FUND BALANCE - JULY 1, 2014 | <u>1,778,674</u> | <u>1,778,674</u> |
| FUND BALANCE - JUNE 30, 2015 | <u>\$ 1,881,268</u> | <u>\$ 1,882,087</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, 2015

| | Budgeted Amounts Original and Final | Actual Amounts |
|---|---|-------------------|
| REVENUES | | |
| Earnings on Investments | \$ 2,000 | \$ 9,226 |
| Total Revenues | \$ 2,000 | \$ 9,226 |
| EXPENDITURES | | |
| Capital Outlay | | |
| Support Services | | |
| Facilities Acquisition and Construction | \$ 2,414,000 | \$ 822,918 |
| | \$ 2,414,000 | \$ 822,918 |
| Total Expenditures | \$ 2,414,000 | \$ 822,918 |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ (2,412,000) | \$ (813,692) |
| OTHER FINANCING SOURCES (USES) | - | - |
| NET CHANGE IN FUND BALANCE | \$ (2,412,000) | \$ (813,692) |
| FUND BALANCE - JULY 1, 2014 | 2,419,760 | 2,419,761 |
| FUND BALANCE - JUNE 30, 2015 | \$ 7,760 | \$ 1,606,069 |

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, 2015

| | <u>BALANCE</u> <u>JULY 1, 2014</u> | <u>ADDITIONS</u> | <u>DEDUCTIONS</u> | <u>BALANCE</u> <u>JUNE 30, 2015</u> |
|---------------------------|---------------------------------------|------------------|-------------------|--|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 1,800 | \$ 8,377 | \$ 6,996 | \$ 3,181 |
| LIABILITIES | | | | |
| Amount Due to Activity | | | | |
| Yearbook | \$ 1,317 | \$ 4,750 | \$ 4,818 | \$ 1,249 |
| School Store | - | 449 | - | 449 |
| Sunshine Club | (103) | 1,320 | 543 | 674 |
| Student Council | 586 | 1,858 | 1,635 | 809 |
| | <u>\$ 1,800</u> | <u>\$ 8,377</u> | <u>\$ 6,996</u> | <u>\$ 3,181</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, 2015

OPERATING EXPENSE PER PUPIL

EXPENDITURES:

| | | |
|-------|---------------------------|---------------------|
| ED | Total Expenditures | \$ 3,936,212 |
| O&M | Total Expenditures | 363,709 |
| TR | Total Expenditures | 205,116 |
| MR/SS | Total Expenditures | 109,325 |
| | Total Expenditures | \$ 4,614,362 |

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

| | | |
|-----|---|---------------------|
| ED | Total Payments to Other District & Govt Units | \$ 799,744 |
| ED | Capital Outlay | 55,282 |
| ED | Non-Capitalized Equipment | 20,624 |
| O&M | Capital Outlay | 7,375 |
| TR | Total Payments to Other Dist & Govt Units | 105,820 |
| | Total Deductions | \$ 988,845 |
| | Total Operating Expenses (Regular K-12) | 3,625,517 |
| | 9 Mo ADA (See the General State Aid Claim for 2013-2014 (ISBE 54-33, L12)) | 188.00 |
| | Estimated OEPP * | \$ 19,284.66 |

PER CAPITA TUITION CHARGE

LESS OFFSETTING RECEIPTS/REVENUES:

| | | |
|-------------------------|--|---------------------|
| ED | Total Food Service | \$ 3,771 |
| ED-O&M | Total District/School Activity Income | 120,982 |
| ED-O&M-TR | Total Special Education | 58,964 |
| ED-O&M-TR-MR/SS | Total Transportation | 78,292 |
| ED-O&M-DS-TR-MR/SS-Tort | Other Restricted Revenue from State Sources | 750 |
| ED-MR/SS | Total Food Service | 3,631 |
| ED-O&M-TR-MR/SS | Total Title I | 44,926 |
| ED-O&M-TR-MR/SS | Fed - Spec Education - IDEA - Flow Through/Low Incidence | 26,292 |
| | Total Allowance for PCTC Computation | \$ 337,608 |
| | Net Operating Expense for PCTC Computation | 3,287,909 |
| | Total Depreciation Allowance | 268,573 |
| | Total Net Expenditures for PCTC Computation | 3,556,482 |
| | 9 Mo ADA | 188.00 |
| | Total Estimated PCTC * | \$ 18,917.46 |

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

Unaudited