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CERTIFIED PUBLIC ACCOUNTANTS

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

ANNUAL FINANCIAL REPORT

JUNE 30, 2014

BANNOCKBURN SCHOOL DISTRICT NO. 106

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BANNOCKBURN SCHOOL DISTRICT NO. 106

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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, 2014, 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, 2014, 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.

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 funding progress, and budgetary comparison information on pages 5 through 9 and 32 through 40 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.

As discussed in Note 17 to the financial statements, the District implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2014 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
September 16, 2014



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of 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, 2014, 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 September 16, 2014.

Internal Control Over Financial Reporting

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

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

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.

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
September 16, 2014

REQUIRED SUPPLEMENTARY INFORMATION

BANNOCKBURN SCHOOL DISTRICT NO. 106

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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, 2014. 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 of the District exceeded its liabilities and deferred inflows of resources at June 30, 2014 by \$19,494,542 (net position). Of this amount, \$9,814,271 (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 \$1,723,166. Substantially all of this increase represents the degree to which increases in ongoing revenues exceeded similar increases in ongoing expenses.
- At June 30, 2014 the District's governmental funds reported combined ending fund balances of \$11,809,073, an increase of \$1,812,612 in comparison with the prior year. \$7,310,110 of this is available for spending at the District's discretion (unassigned fund balance).
- At June 30, 2014 the unassigned fund balance for the General Fund was \$7,310,110, or 154% 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 10 and 11 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 12 through 15 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 16 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 17 through 31 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 32 through 40 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 exceeded liabilities by \$19,494,542 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, 2014 and 2013:

Bannockburn School District No. 106's Net Position at Year-End		
	Governmental Activities	
	FY 2014	FY 2013
Assets		
Current and Other Assets	\$ 18,443,637	\$ 16,531,910
Capital Assets	7,685,469	7,774,915
Total Assets	\$ 26,129,106	\$ 24,306,825
Liabilities		
Other Liabilities	\$ 272,305	\$ 230,478
Unearned Revenue	60,732	
Total Liabilities	\$ 333,037	\$ 230,478
Deferred Inflows of Resources		
Deferred Inflow of Resources	\$ 6,301,527	\$ 6,304,971
Total Deferred Inflow of Resources	\$ 6,301,527	\$ 6,304,971
Net Position		
Net Investment in Capital Assets	\$ 7,685,469	\$ 7,774,915
Restricted	1,994,802	1,558,817
Unrestricted	9,814,271	8,437,644
Total Net Position	\$ 19,494,542	\$ 17,771,376

The net investment in capital assets (39% 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 (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$9,814,271) 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 \$1,723,166 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 \$1,723,166. Key elements of this increase are as follows:

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

	Governmental Activities	
	FY 2014	FY 2013
Revenues:		
Program Revenues		
Charges for Services	\$ 86,663	\$ 52,544
Operating Grants and Contributions	811,874	687,518
General Revenues:		
Property Taxes	6,303,155	6,334,256
Other Taxes	28,329	27,031
Other	128,874	103,513
Total Revenues	<u>\$ 7,358,895</u>	<u>\$ 7,204,862</u>
Expenses:		
Instruction	\$ 1,944,157	\$ 1,773,963
Support Services	1,859,893	1,692,604
Other	1,831,679	1,912,984
Total Expenses	<u>\$ 5,635,729</u>	<u>\$ 5,379,551</u>
Increase in Net Position	\$ 1,723,166	\$ 1,825,311
Net Position - Beginning	<u>17,771,376</u>	<u>15,946,065</u>
Net Position - Ending	<u>\$ 19,494,542</u>	<u>\$ 17,771,376</u>

The District started an extended day Kindergarten program which was the main contributing factor in the increase to Charge for Services. Also, the Teachers Retirement System payments made on the District's behalf increased \$110,526 which was the main factor of the increase in the Operating Grants and Contributions.

In fiscal year 2013, two teachers retired however their bonuses of \$55,000 were paid out in fiscal year 2014. Also, the District made an additional payment of \$145,000 to IMRF in fiscal year 2014 to pay down the District's unfunded liability. These two items were the main factors in the increase to Instruction and Support Services.

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 \$11,809,073, an increase of \$1,812,612.

General Fund – The greatest variety and the largest volume of transactions shall be recorded in the General Fund because the General Fund covers transactions that are not specifically covered in another fund. Certain expenditures that must be charged to this fund include the direct costs of instructional, health and attendance services, lunch programs, all costs of administration, and related insurance costs. Certain revenues that must be credited to this fund include educational and working cash tax levies, tuition, and textbook rentals.

- At June 30, 2014 the General Fund had an unassigned fund balance of \$7,310,110. This unassigned fund balance represents 154% of total General Fund expenditures.

The remaining four funds had combined fund balances of \$4,469,461 at June 30, 2014.

General Fund Budgetary Highlights

The District did not amend the budget during the year ended June 30, 2014; 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 \$10,521 (favorable).
- The difference between budgeted expenditures and actual expenditures was \$494,449 (favorable) due to lower than expected payments to special education programs and capital outlay expenditures.

Capital Asset and Debt Administration

Capital Assets. At June 30, 2014 the District had invested \$7,685,469 (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 \$308,936.

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

- Purchase of new Gym Lighting in building the amount of \$20,200.
- Purchase of new computers, smart boards and iPads in equipment in the amount of \$199,290.

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

	Governmental Activities	
	2014	2013
Land	\$ 382,477	\$ 382,477
Building and Building Improvements	6,347,174	6,533,978
Site Improvements and Infrastructure	555,406	596,588
Capitalized Equipment	400,412	261,872
Total	<u>\$ 7,685,469</u>	<u>\$ 7,774,915</u>

Additional information on the District's capital assets can be found in note 3 on pages 23 and 24 of this report.

Long-Term Debt. At June 30, 2014 the District had no long-term debt.

Economic Factors and Next Year's Budget

- The assessed valuation for 2013 is \$201,653,671, a decrease of \$7,927,869 (4%) 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, 2014

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 2,002,731
Investments, at Fair Value	13,141,250
Accrued Interest Receivable, net of allowance of \$0	26,046
Property Taxes Receivable, net of allowance of \$24,348	3,222,083
Prepaid Items	51,527
Capital Assets (Note 3):	
Land	382,477
Depreciable Buildings, Property, and Equipment, net of depreciation	<u>7,302,992</u>
Total Assets	<u>\$ 26,129,106</u>
LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 269,023
Payroll Liabilities	3,282
Unearned Revenue - Registration Fees	<u>60,732</u>
Total Liabilities	<u>\$ 333,037</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	<u>\$ 6,301,527</u>
Total Deferred Inflows of Resources	<u>\$ 6,301,527</u>
NET POSITION	
Net Investment in Capital Assets	\$ 7,685,469
Restricted for:	
Operations and Maintenance	1,402,452
Transportation	456,745
Retirement	135,605
Unrestricted/(Deficit)	<u>9,814,271</u>
Total Net Position	<u><u>\$ 19,494,542</u></u>

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

BANNOCKBURN SCHOOL DISTRICT NO. 106
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2014

	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	\$ 1,703,785	\$ 33,675	\$ 33,616	\$ (1,636,494)
Special Education Programs	157,825	-	75,868	(81,957)
Other Instructional Programs	82,547	49,017	-	(33,530)
Support Services				
Pupils	91,411	-	-	(91,411)
Instructional Staff	500,162	-	-	(500,162)
General Administration	355,761	-	-	(355,761)
School Administration	214,963	-	-	(214,963)
Business	135,665	-	-	(135,665)
Operations and Maintenance	446,347	-	-	(446,347)
Transportation	105,562	-	102,973	(2,589)
Food Services	10,022	3,971	3,843	(2,208)
Payments to Other Districts and Governmental Units	927,169	-	-	(927,169)
On-Behalf Retirement Contributions	595,574	-	595,574	-
Depreciation - Unallocated	308,936	-	-	(308,936)
Total Governmental Activities	\$ 5,635,729	\$ 86,663	\$ 811,874	\$ (4,737,192)
General Revenues				
Taxes				
Property Taxes, Levied for General Purposes				\$ 6,303,155
Personal Property Replacement Taxes				28,329
Grants and Contributions not Restricted to Specific Activities				65,267
Unrestricted Investment Earnings				40,029
Miscellaneous Income				23,578
Total General Revenues				\$ 6,460,358
Change in Net Position				\$ 1,723,166
Net Position - July 1, 2013				17,771,376
Net Position - June 30, 2014				\$ 19,494,542

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, 2014

	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	\$ 1,342,561	\$ 239,707	\$ 73,962	\$ 27,047	\$ 319,454	\$ 2,002,731
Investments, at Fair Value	8,809,435	1,572,880	485,313	177,470	2,096,152	13,141,250
Accrued Interest Receivable, net of allowance of \$0	17,460	3,117	962	352	4,155	26,046
Property Taxes Receivable, net of allowance of \$24,348	2,673,599	391,334	91,414	65,736	-	3,222,083
Prepaid Items	29,502	22,025	-	-	-	51,527
Total Assets	\$ 12,872,557	\$ 2,229,063	\$ 651,651	\$ 270,605	\$ 2,419,761	\$ 18,443,637
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable and Accrued Expenses	\$ 243,372	\$ 17,948	\$ 7,703	\$ -	\$ -	\$ 269,023
Payroll Liabilities	-	-	-	3,282	-	3,282
Unearned Revenue - Registration Fees	60,732	-	-	-	-	60,732
Total Liabilities	\$ 304,104	\$ 17,948	\$ 7,703	\$ 3,282	\$ -	\$ 272,305
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	\$ 5,228,841	\$ 765,343	\$ 178,781	\$ 128,562	\$ -	\$ 6,301,527
Total Deferred Inflows of Resources	\$ 5,228,841	\$ 765,343	\$ 178,781	\$ 128,562	\$ -	\$ 6,301,527
FUND BALANCE						
Nonspendable						
Prepaid Items	\$ 29,502	\$ 22,025	\$ -	\$ -	\$ -	\$ 51,527
Restricted						
Operations and Maintenance	-	1,402,452	-	-	-	1,402,452
Transportation	-	-	456,745	-	-	456,745
Illinois Municipal Retirement Fund	-	-	-	51,736	-	51,736
Social Security	-	-	-	83,869	-	83,869
Assigned						
Operations and Maintenance	-	21,295	-	-	-	21,295
Transportation	-	-	8,422	-	-	8,422
Illinois Municipal Retirement Fund/Social Security	-	-	-	3,156	-	3,156
Capital Projects	-	-	-	-	2,419,761	2,419,761
Unassigned	7,310,110	-	-	-	-	7,310,110
Total Fund Balance	\$ 7,339,612	\$ 1,445,772	\$ 465,167	\$ 138,761	\$ 2,419,761	\$ 11,809,073
Total Liabilities and Fund Balance	\$ 12,872,557	\$ 2,229,063	\$ 651,651	\$ 270,605	\$ 2,419,761	\$ 18,382,905

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, 2014

Total Fund Balances - Governmental Funds \$ 11,809,073

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

Capital assets used in governmental activities are not financial resources
 and therefore are not reported in the funds.

Capital Assets	\$ 10,813,057	
Accumulated Depreciation on Capital Assets	<u>(3,127,588)</u>	<u>7,685,469</u>

Net Position of Governmental Activities: \$ 19,494,542

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, 2014

	General Fund	Operations and Maintenance Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
REVENUES						
Property Taxes	\$ 5,183,106	\$ 798,313	\$ 188,051	\$ 133,685	\$ -	\$ 6,303,155
Payments in Lieu of Taxes	26,329	-	-	2,000	-	28,329
Earnings on Investments	28,201	4,942	1,654	396	4,836	40,029
Food Service	3,971	-	-	-	-	3,971
District/School Activity Income	82,692	-	-	-	-	82,692
Other Local Sources	23,577	-	-	-	-	23,577
State Aid	117,349	-	102,973	-	-	220,322
Federal Aid	61,245	-	-	-	-	61,245
On-Behalf Payments	595,574	-	-	-	-	595,574
	<u>\$ 6,122,044</u>	<u>\$ 803,255</u>	<u>\$ 292,678</u>	<u>\$ 136,081</u>	<u>\$ 4,836</u>	<u>\$ 7,358,894</u>
EXPENDITURES						
Current						
Instruction						
Regular Programs	\$ 1,676,146	\$ -	\$ -	\$ 27,639	\$ -	\$ 1,703,785
Special Education Programs	148,528	-	-	9,297	-	157,825
Other Instructional Programs	82,041	-	-	506	-	82,547
Support Services						
Pupils	90,017	-	-	1,394	-	91,411
Instructional Staff	482,113	-	-	18,049	-	500,162
General Administration	352,685	-	-	3,076	-	355,761
School Administration	196,295	-	-	18,668	-	214,963
Business	120,329	-	-	15,336	-	135,665
Operations and Maintenance	-	433,136	-	13,211	-	446,347
Transportation	-	-	105,562	-	-	105,562
Food Services	9,930	-	-	92	-	10,022
Payments to Other Districts and Governmental Units	816,908	-	110,260	-	-	927,168
Capital Outlay	187,290	32,200	-	-	-	219,490
On-Behalf Payments	595,574	-	-	-	-	595,574
	<u>\$ 4,757,856</u>	<u>\$ 465,336</u>	<u>\$ 215,822</u>	<u>\$ 107,268</u>	<u>\$ -</u>	<u>\$ 5,546,282</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,364,188	\$ 337,919	\$ 76,856	\$ 28,813	\$ 4,836	\$ 1,812,612
OTHER FINANCING SOURCES (USES)						
Interfund Transfers	(2,000,000)	-	-	-	2,000,000	-
NET CHANGE IN FUND BALANCES	\$ (635,812)	\$ 337,919	\$ 76,856	\$ 28,813	\$ 2,004,836	\$ 1,812,612
FUND BALANCES - JULY 1, 2013	7,975,424	1,107,853	388,311	109,948	414,925	9,996,461
FUND BALANCES - JUNE 30, 2014	<u>\$ 7,339,612</u>	<u>\$ 1,445,772</u>	<u>\$ 465,167</u>	<u>\$ 138,761</u>	<u>\$ 2,419,761</u>	<u>\$ 11,809,073</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, 2014

Net Change in Fund Balances - Total Governmental Funds \$ 1,812,612

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	\$ (308,936)	
Capital Outlays	<u>219,490</u>	
		<u>(89,446)</u>

Change in Net Position of Governmental Activities \$ 1,723,166

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

BANNOCKBURN SCHOOL DISTRICT NO. 106
 FUND FINANCIAL STATEMENTS
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 JUNE 30, 2014

	<u>Agency Fund - Student Activity Fund</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 1,800</u>
Total Assets	<u><u>\$ 1,800</u></u>
LIABILITIES	
Due to Activity Funds	<u>\$ 1,800</u>
Total Liabilities	<u><u>\$ 1,800</u></u>

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

BANNOCKBURN SCHOOL DISTRICT NO. 106
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

No District fund had a cash overdraft at June 30, 2014.

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:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. *Capital Assets* (Continued)

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

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

O. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

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 2013 tax levy was passed by the Board on December 18, 2013. 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, 2014, the District had the following investments and maturities:

Investment	Fair Value	Investment Maturities (n Years)			
		Less Than 1	1-5	5-10	More Than 10
State Investment Pools	\$ 2,010,157	\$ 2,010,157	\$ -	\$ -	\$ -

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, 2014, the District's investments were rated as follows:

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

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
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	\$ 8,528,958	\$ 20,200	\$ -	\$ 8,549,158
Site Improvements and Infrastructure	853,136	-	-	853,136
Capitalized Equipment	828,996	199,290	-	1,028,286
Total Other Capital Assets at historical cost	\$ 10,211,090	\$ 219,490	\$ -	\$ 10,430,580
Less Accumulated Depreciation for				
Building and Improvements	\$ 1,994,980	\$ 207,004	\$ -	\$ 2,201,984
Site Improvements and Infrastructure	256,548	41,182	-	297,730
Capitalized Equipment	567,124	60,750	-	627,874
Total Accumulated Depreciation	\$ 2,818,652	\$ 308,936	\$ -	\$ 3,127,588
Other Capital Assets, Net	\$ 7,392,438	\$ (89,446)	\$ -	\$ 7,302,992
Governmental Activities Capital Assets, Net	\$ 7,774,915	\$ (89,446)	\$ -	\$ 7,685,469

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities	
Unallocated	\$ 308,936
Total Governmental Activities Depreciation Expense	<u>\$ 308,936</u>

NOTE 4 - INTERFUND LOANS

There were no interfund loans at June 30, 2014.

NOTE 5 - DEFICIT FUND BALANCE

No District fund had a deficit fund balance at June 30, 2014.

NOTE 6 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2013 tax levy. The unavailable revenue is 100% of the 2013 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 2014. The District has determined that 100% of the amounts collected for the 2012 levy are allocable for use in fiscal year 2014. Therefore, 100% of the amounts collected for the 2012 and prior levies (\$6,303,155) are recorded in these financial statements as property tax revenue. A summary of the assessed valuations and extensions for tax years 2013, 2012, and 2011 is as follows:

ASSESSED VALUATION	2013		2012		2011	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
		\$201,653,671		\$209,581,540		\$234,241,842
Educational	2.5550	\$ 5,152,251	2.4350	\$ 5,103,311	2.1680	\$ 5,078,363
Operations and Maintenance	0.3810	768,301	0.3820	800,601	0.4270	1,000,213
Transportation	0.0890	179,472	0.0900	188,623	0.0590	138,203
Municipal Retirement	0.0250	50,413	0.0250	52,395	0.0220	51,533
Social Security	0.0390	78,645	0.0390	81,737	-	-
Working Cash	0.0480	96,794	0.0450	94,312	0.0190	44,506
	<u>3.1370</u>	<u>\$ 6,325,876</u>	<u>3.0160</u>	<u>\$ 6,320,979</u>	<u>2.6950</u>	<u>\$ 6,312,818</u>

NOTE 7 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2014, no fund had expenditures over the budgeted amount.

NOTE 8 - RETIREMENT FUND COMMITMENTS

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

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.

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the Plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains the primary responsibility for funding the Plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2014 was 9.4% of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4% for the years ended June 30, 2013 and 2012.

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

➤ **On-behalf contributions to TRS**

The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2014, State of Illinois contributions were based on 35.41% of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$579,649 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2013 and June 30, 2012, the contribution rates were 28.05% (\$469,604) and 24.91% (396,349), respectively.

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

➤ **2.2 formula contributions**

Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2014 were \$9,522. Contributions for the years ended June 30, 2013 and June 30, 2012 were \$9,737 and \$9,254 respectively.

➤ **Federal and special trust fund contributions**

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

For the year ended June 30, 2014, the employer pension contribution was 35.41% of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and June 30, 2012, the employer contribution was 28.05% and 24.91%, respectively. For the year ended June 30, 2014, salaries totaling \$4,755 were paid from federal and special trust funds that required employer contributions of \$1,684. For the years ended June 30, 2013 and June 30, 2012, required District contributions were \$1,283 and \$1,099, respectively.

➤ **Early Retirement Option (ERO)**

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)

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

➤ **Early Retirement Option (ERO)** (Continued)

The maximum employer ERO contribution is 146.5% and applies when the member is age 55 at retirement.

For the year ended June 30, 2014, the District paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2013 and June 30, 2012, the District paid \$0 and \$0, respectively.

➤ **Salary increases over 6% and excess sick leave**

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

For the year ended June 30, 2014, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6%. For the years ended June 30, 2013 and June 30, 2012, the District paid \$0 and \$0, respectively.

- If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29% of salary during the year ended June 30, 2014).

For the year ended June 30, 2014, the District paid \$0 to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2013 and June 30, 2012, the District paid \$0 and \$0, respectively.

Further Information on TRS

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2013. The report for the year ended June 30, 2014 is expected to be available in late 2014.

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

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 affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Plan Description** (Continued)

Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained on-line at www.imrf.org.

➤ **Funding Policy**

As set by statute, the District's Regular plan members are required to contribute 4.50% 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 required contribution rate for calendar year 2013 was 10.71%. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

➤ **Annual Pension Cost**

The required contribution for calendar year 2013 was \$45,692.

Three Year Trend Information for the Regular Plan

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2013	\$ 45,692	100%	\$ -
12/31/2012	43,767	100%	-
12/31/2011	44,482	100%	-

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

➤ **Funded Status and Funding Progress**

As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 93.00% funded. The actuarial accrued liability for benefits was \$1,050,794 and the actuarial value of assets was \$977,194, resulting in an underfunded actuarial accrued liability (UAAL) of \$73,600. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$426,626 and the ratio of the UAAL to the covered payroll was 17%.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)

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 (Plan), a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of 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. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

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

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

➤ **On behalf contributions to THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.97% of pay during the year ended June 30, 2014. State of Illinois contributions were \$15,925, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2013 and June 30, 2012 were 0.92% and .88% of pay, respectively. State contributions on behalf of District employees were \$15,444 and \$14,041, respectively.

➤ **Employer contributions to THIS Fund**

The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.72% during the year ended June 30, 2014, and 0.69% and 0.66% during the years ended June 30, 2013 and June 30, 2012, respectively. For the year ended June 30, 2014, the District paid \$11,820 to the THIS Fund. For the years ended June 30, 2013 and June 30, 2012, the District paid \$11,583 and \$10,531 to the THIS Fund, respectively, which was 100% of the required contribution.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - POST EMPLOYMENT BENEFIT COMMITMENTS (Continued)

Further information on the THIS Fund

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

NOTE 10 - INTERFUND TRANSFERS

The following funds were transfers for the year ended June 30, 2014:

<u>Transfer from</u>	<u>Transfer To</u>	<u>Amount</u>
Education Fund	Capital Projects Fund	\$ 2,000,000

The transfer to the Capital Projects Fund was made to fund a future capital project anticipated for fiscal year 2015.

NOTE 11 - 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, 2013 (most recent information available) is as follows:

Assets	\$ 24,903,549
Liabilities	\$ 809,220
Net Position	24,094,329
	<u>\$ 24,903,549</u>
Revenues Received	\$ 46,400,878
Expenditures Disbursed	45,210,056
Net Increase/(Decrease) in Net Position	<u>\$ 1,190,822</u>

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

NOTE 12 - RISK MANAGEMENT

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 - RISK MANAGEMENT (Continued)

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, 2014, 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 13 - SELF INSURANCE

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

NOTE 14 - CONTINGENCIES

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

NOTE 15 - LEGAL DEBT LIMITATION

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

2013 EAV	\$ 201,653,671
Rate	<u>6.90%</u>
Debt Margin	\$ 13,914,103
Current Debt	<u>-</u>
Remaining Debt Margin	<u>\$ 13,914,103</u>

NOTE 16 - SUBSEQUENT EVENTS

The District has evaluated subsequent events through September 16, 2014, the date on which the financial statements were available to be issued.

NOTE 17 - CHANGE IN ACCOUNTING PRINCIPLE

Effective in the year ended June 30, 2014, the District has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* which amends or supersedes the accounting and financial reporting guidance for certain items previously required to be

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 17 - CHANGE IN ACCOUNTING PRINCIPLE (Continued)

reported as assets or liabilities. The objective is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expense) or inflow of resources (revenues).

REQUIRED SUPPLEMENTARY INFORMATION

BANNOCKBURN SCHOOL DISTRICT NO. 106
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2013	\$ 977,194	\$ 1,050,794	\$ 73,600	93.00%	\$ 426,626	17.25%
12/31/2012	840,136	985,104	144,968	85.28%	426,992	33.95%
12/31/2011	711,255	894,852	183,597	79.48%	436,530	42.06%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$1,141,857. On a market basis, the funded ratio would be 108.67%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

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, 2014

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts
REVENUES		
Property Taxes	\$ 5,197,623	\$ 5,183,106
Payments in Lieu of Taxes	23,000	26,329
Earnings on Investments	29,000	28,201
Food Service	3,600	3,971
District/School Activity Income	74,000	82,692
Other Local Sources	-	23,577
State Aid		
General State Aid	39,000	65,267
Special Education	58,300	51,332
Other Restricted Revenue from State Source	-	750
Federal Aid		
Food Service	2,200	3,843
Title I	24,000	26,047
Federal Special Education	25,000	24,536
Title II - Teacher Quality	6,800	6,819
On-Behalf Payments	629,000	595,574
Total Revenues	<u>\$ 6,111,523</u>	<u>\$ 6,122,044</u>
EXPENDITURES		
Instruction		
Regular Programs		
Salaries	\$ 1,339,387	\$ 1,297,787
Employee Benefits	270,467	242,907
Purchased Services	40,000	23,455
Supplies and Material	112,000	111,997
	<u>\$ 1,761,854</u>	<u>\$ 1,676,146</u>
Special Education Programs		
Salaries	\$ 126,307	\$ 95,840
Employee Benefits	54,015	52,688
	<u>\$ 180,322</u>	<u>\$ 148,528</u>
Interscholastic Programs		
Salaries	\$ 12,379	\$ 9,226
Employee Benefits	160	100
Purchased Services	27,000	16,900
Supplies and Material	7,000	2,991
	<u>\$ 46,539</u>	<u>\$ 29,217</u>
Gifted Programs		
Salaries	\$ 39,473	\$ 39,796
Employee Benefits	13,645	13,028
	<u>\$ 53,118</u>	<u>\$ 52,824</u>
Total Instruction	<u>\$ 2,041,833</u>	<u>\$ 1,906,715</u>
Support Services		
Pupils		
Guidance Services		
Salaries	\$ 33,024	\$ 41,284
	<u>\$ 33,024</u>	<u>\$ 41,827</u>
Health Services		
Salaries	\$ 2,122	\$ 2,122
	<u>\$ 2,122</u>	<u>\$ 2,122</u>
Speech Pathology and Audiology Service		
Salaries	\$ 43,887	\$ 43,887
Employee Benefits	2,221	2,181
	<u>\$ 46,108</u>	<u>\$ 46,068</u>
Total Support Services - Pupils	<u>\$ 81,254</u>	<u>\$ 90,017</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, 2014

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Instructional Staff		
Improvement of Instruction Service		
Purchased Services:	\$ 62,000	\$ 45,218
	<u>\$ 62,000</u>	<u>\$ 45,218</u>
Educational Media Service:		
Salaries:	\$ 230,226	\$ 229,698
Employee Benefit:	36,075	65,126
Purchased Services:	59,852	4,808
Supplies and Material:	51,660	56,035
Other Objects:	-	61,601
Non-Capitalized Equipment:	-	19,627
	<u>\$ 377,813</u>	<u>\$ 436,895</u>
Total Support Services - Instructional Staff:	<u>\$ 439,813</u>	<u>\$ 482,113</u>
General Administration		
Board of Education Service:		
Purchased Services:	\$ 118,000	\$ 78,748
	<u>\$ 118,000</u>	<u>\$ 78,748</u>
Executive Administration Service:		
Salaries:	\$ 220,000	\$ 214,723
Employee Benefit:	51,102	44,532
Purchased Services:	6,000	7,984
Supplies and Material:	4,000	6,698
	<u>\$ 281,102</u>	<u>\$ 273,937</u>
Total Support Services - General Administration:	<u>\$ 399,102</u>	<u>\$ 352,685</u>
School Administration		
Office of the Principal Service:		
Salaries:	\$ 134,951	\$ 140,645
Employee Benefit:	23,472	55,650
	<u>\$ 158,423</u>	<u>\$ 196,295</u>
Total Support Services - School Administration:	<u>\$ 158,423</u>	<u>\$ 196,295</u>
Business		
Fiscal Services:		
Salaries:	\$ 84,415	\$ 84,415
Employee Benefit:	1,710	31,315
Purchased Services:	5,000	4,599
	<u>\$ 91,125</u>	<u>\$ 120,329</u>
Total Support Services - Business:	<u>\$ 91,125</u>	<u>\$ 120,329</u>
Food Services:		
Salaries:	\$ 8,000	\$ 4,069
Employee Benefit:	-	46
Supplies and Material:	8,000	5,815
	<u>\$ 16,000</u>	<u>\$ 9,930</u>
Total Support Services - Food Services:	<u>\$ 16,000</u>	<u>\$ 9,930</u>
Total Support Services:	<u>\$ 1,185,717</u>	<u>\$ 1,251,369</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, 2014

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Payments to Other Districts and Governmental Unit		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Program		
Purchased Services	\$ 1,042,630	\$ 816,908
Total Payments to Other Districts and Governmental Units (In-State)	\$ 1,042,630	\$ 816,908
Total Payments to Other Districts and Governmental Units	\$ 1,042,630	\$ 816,908
Capital Outlay		
Instruction		
Regular Programs	\$ 100,000	\$ -
Support Services		
Instructional Staff	203,125	187,290
	\$ 303,125	\$ 187,290
Provision for Contingencies	\$ 50,000	\$ -
On-Behalf Payments	\$ 629,000	\$ 595,574
Total Expenditures	\$ 5,252,305	\$ 4,757,856
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 859,218	\$ 1,364,188
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	\$ -	\$ (2,000,000)
Other Uses	(121,075)	-
	\$ (121,075)	\$ (2,000,000)
NET CHANGE IN FUND BALANCE	\$ 738,143	\$ (635,812)
FUND BALANCE - JULY 1, 2013	6,532,652	7,975,424
FUND BALANCE - JUNE 30, 2014	\$ 7,270,795	\$ 7,339,612

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 - OPERATIONS AND MAINTENANCE FUND
YEAR ENDED JUNE 30, 2014

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 800,601	\$ 798,313
Earnings on Investments	3,000	4,942
Total Revenues	\$ 803,601	\$ 803,255
EXPENDITURES		
Support Services		
Operations and Maintenance		
Salaries	\$ 75,648	\$ 75,648
Employee Benefits	21,535	45,512
Purchased Services	201,500	222,086
Supplies and Materials	100,000	85,208
Non-Capitalized Equipment	-	4,682
Total Support Services - Operations and Maintenance	\$ 398,683	\$ 433,136
Total Support Services	\$ 398,683	\$ 433,136
Capital Outlay		
Support Services		
Operations and Maintenance	\$ 265,000	\$ 32,200
	\$ 265,000	\$ 32,200
Provision for Contingencies	\$ 20,000	\$ -
Total Expenditures	\$ 683,683	\$ 465,336
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 119,918	\$ 337,919
OTHER FINANCING SOURCES (USES)		
Other Uses	(23,925)	-
NET CHANGE IN FUND BALANCE	\$ 95,993	\$ 337,919
FUND BALANCE - JULY 1, 2013	814,585	1,107,853
FUND BALANCE - JUNE 30, 2014	\$ 910,578	\$ 1,445,772

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, 2014

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 188,623	\$ 188,051
Earnings on Investments	1,400	1,654
State Aid		
Transportation	76,800	102,973
Total Revenues	\$ 266,823	\$ 292,678
EXPENDITURES		
Support Services		
Transportation		
Purchased Services	\$ 104,000	\$ 105,562
Total Support Services - Transportation	\$ 104,000	\$ 105,562
Total Support Services	\$ 104,000	\$ 105,562
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	\$ 110,260
Total Payments to Other Districts and Governmental Units (In-State)	\$ 125,000	\$ 110,260
Total Payments to Other Districts and Governmental Units	\$ 125,000	\$ 110,260
Provision for Contingencies	\$ 5,000	\$ -
Total Expenditures	\$ 234,000	\$ 215,822
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 32,823	\$ 76,856
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ 32,823	\$ 76,856
FUND BALANCE - JULY 1, 2013	386,572	388,311
FUND BALANCE - JUNE 30, 2014	\$ 419,395	\$ 465,167

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, 2014

	Budgeted Amounts	Actual Amounts
	Original and Final	
REVENUES		
Property Taxes	\$ 134,132	\$ 133,685
Payments in Lieu of Taxes	2,000	2,000
Earnings on Investments	800	396
Total Revenues	\$ 136,932	\$ 136,081
EXPENDITURES		
Instruction		
Regular Programs		
Employee Benefits	\$ 27,695	\$ 27,639
Special Education Programs		
Employee Benefits	14,615	9,297
Interscholastic Programs		
Employee Benefits	530	387
Gifted Programs		
Employee Benefits	575	119
Total Instruction	\$ 43,415	\$ 37,442
Support Services		
Pupils		
Guidance Services		
Employee Benefits	\$ 500	\$ 596
Health Services		
Employee Benefits	170	162
Speech Pathology and Audiology Services		
Employee Benefits	700	636
Total Support Services - Pupils	\$ 1,370	\$ 1,394
Instructional Staff		
Educational Media Services		
Employee Benefits	\$ 18,090	\$ 18,049
Total Support Services - Instructional Staff	\$ 18,090	\$ 18,049
General Administration		
Executive Administration Services		
Employee Benefits	\$ 3,250	\$ 3,076
Total Support Services - General Administration	\$ 3,250	\$ 3,076
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 18,800	\$ 18,668
Total Support Services - School Administration	\$ 18,800	\$ 18,668
Business		
Fiscal Services		
Employee Benefits	\$ 15,425	\$ 15,336
Total Support Services - Business	\$ 15,425	\$ 15,336

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, 2014

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Support Services (Continued)		
Operations and Maintenance		
Employee Benefits	\$ 13,800	\$ 13,211
Total Support Services - Operations and Maintenance	\$ 13,800	\$ 13,211
Food Services		
Employee Benefits	\$ 365	\$ 92
Total Support Services - Food Services	\$ 365	\$ 92
Total Support Services	\$ 71,100	\$ 69,826
Total Expenditures	\$ 114,515	\$ 107,268
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 22,417	\$ 28,813
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ 22,417	\$ 28,813
FUND BALANCE - JULY 1, 2013	154,403	109,948
FUND BALANCE - JUNE 30, 2014	\$ 176,820	\$ 138,761

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

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 21, 2013. 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, 2014, 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, 2014

	<u>Educational Fund</u>	<u>Working Cash Fund</u>	<u>Total General Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,101,522	\$ 241,039	\$ 1,342,561
Investments, at Fair Value	7,227,816	1,581,619	8,809,435
Accrued Interest Receivable, net of allowance of \$0	14,325	3,135	17,460
Property Taxes Receivable, net of allowance of \$20,204	2,624,297	49,302	2,673,599
Prepaid Items	<u>29,502</u>	<u>-</u>	<u>29,502</u>
 Total Assets	 <u><u>\$ 10,997,462</u></u>	 <u><u>\$ 1,875,095</u></u>	 <u><u>\$ 12,872,557</u></u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 243,372	\$ -	\$ 243,372
Total Liabilities	<u>\$ 243,372</u>	<u>\$ -</u>	<u>\$ 243,372</u>
 DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue	\$ 5,193,152	\$ 96,421	\$ 5,289,573
Total Deferred Revenue	<u>\$ 5,193,152</u>	<u>\$ 96,421</u>	<u>\$ 5,289,573</u>
 FUND BALANCE			
Nonspendable			
Prepaid Items	\$ 29,502	\$ -	\$ 29,502
Unassigned	5,531,436	1,778,674	7,310,110
Total Fund Balance	<u>\$ 5,560,938</u>	<u>\$ 1,778,674</u>	<u>\$ 7,339,612</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 10,997,462</u></u>	 <u><u>\$ 1,875,095</u></u>	 <u><u>\$ 12,872,557</u></u>

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GENERAL FUND
 YEAR ENDED JUNE 30, 2014

	Educational Fund	Working Cash Fund	Total General Fund
REVENUES			
Property Taxes	\$ 5,089,129	\$ 93,977	\$ 5,183,106
Payments in Lieu of Taxes	26,329	-	26,329
Earnings on Investments	23,471	4,730	28,201
Food Service	3,971	-	3,971
District/School Activity Income	82,692	-	82,692
Other Local Sources	23,577	-	23,577
State Aid	117,349	-	117,349
Federal Aid	61,245	-	61,245
On-Behalf Payments	595,574	-	595,574
	<u>\$ 6,023,337</u>	<u>\$ 98,707</u>	<u>\$ 6,122,044</u>
EXPENDITURES			
Current			
Instruction			
Regular Programs	\$ 1,676,146	\$ -	\$ 1,676,146
Special Education Programs	148,528	-	148,528
Other Instructional Programs	82,041	-	82,041
Support Services			
Pupils	90,017	-	90,017
Instructional Staff	482,113	-	482,113
General Administration	352,685	-	352,685
School Administration	196,295	-	196,295
Business	120,329	-	120,329
Food Services	9,930	-	9,930
Payments to Other Districts and Governmental Units	816,908	-	816,908
Capital Outlay	187,290	-	187,290
On-Behalf Payments	595,574	-	595,574
	<u>\$ 4,757,856</u>	<u>\$ -</u>	<u>\$ 4,757,856</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,265,481	\$ 98,707	\$ 1,364,188
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	<u>(2,000,000)</u>	<u>-</u>	<u>(2,000,000)</u>
NET CHANGE IN FUND BALANCES	\$ (734,519)	\$ 98,707	\$ (635,812)
FUND BALANCE - JULY 1, 2013	<u>6,295,457</u>	<u>1,679,967</u>	<u>7,975,424</u>
FUND BALANCE - JUNE 30, 2014	<u>\$ 5,560,938</u>	<u>\$ 1,778,674</u>	<u>\$ 7,339,612</u>

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND - EDUCATIONAL FUND
 YEAR ENDED JUNE 30, 2014

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts
REVENUES		
Property Taxes	\$ 5,103,311	\$ 5,089,129
Payments in Lieu of Taxes	23,000	26,329
Earnings on Investments	23,000	23,471
Food Service	3,600	3,971
District/School Activity Income	74,000	82,692
Other Local Sources	-	23,577
State Aid		
General State Aid	39,000	65,267
Special Education	58,300	51,332
Other Restricted Revenue from State Source	-	750
Federal Aid		
Food Service	2,200	3,843
Title I	24,000	26,047
Federal Special Education	25,000	24,536
Title II - Teacher Quality	6,800	6,819
On-Behalf Payments	<u>629,000</u>	<u>595,574</u>
Total Revenues	<u>\$ 6,011,211</u>	<u>\$ 6,023,337</u>
EXPENDITURES		
Instruction		
Regular Programs:		
Salaries	\$ 1,339,387	\$ 1,297,787
Employee Benefits	270,467	242,907
Purchased Services	40,000	23,455
Supplies and Material:	<u>112,000</u>	<u>111,997</u>
	<u>\$ 1,761,854</u>	<u>\$ 1,676,146</u>
Special Education Program:		
Salaries	\$ 126,307	\$ 95,840
Employee Benefits	<u>54,015</u>	<u>52,688</u>
	<u>\$ 180,322</u>	<u>\$ 148,528</u>
Interscholastic Programs:		
Salaries	\$ 12,379	\$ 9,226
Employee Benefits	160	100
Purchased Services	27,000	16,900
Supplies and Material:	<u>7,000</u>	<u>2,991</u>
	<u>\$ 46,539</u>	<u>\$ 29,217</u>
Gifted Programs:		
Salaries	\$ 39,473	\$ 39,796
Employee Benefits	<u>13,645</u>	<u>13,028</u>
	<u>\$ 53,118</u>	<u>\$ 52,824</u>
Total Instruction	<u>\$ 2,041,833</u>	<u>\$ 1,906,715</u>
Support Services		
Pupils		
Guidance Services:		
Salaries	\$ 33,024	\$ 41,284
Employee Benefits	-	543
	<u>\$ 33,024</u>	<u>\$ 41,827</u>
Health Services:		
Salaries	\$ 2,122	\$ 2,122
	<u>\$ 2,122</u>	<u>\$ 2,122</u>
Speech Pathology and Audiology Service:		
Salaries	\$ 43,887	\$ 43,887
Employee Benefits	<u>2,221</u>	<u>2,181</u>
	<u>\$ 46,108</u>	<u>\$ 46,068</u>
Total Support Services - Pupil:	<u>\$ 81,254</u>	<u>\$ 90,017</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, 2014

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Instructional Staff		
Improvement of Instruction Service		
Purchased Services:	\$ 62,000	\$ 45,218
	<u>\$ 62,000</u>	<u>\$ 45,218</u>
Educational Media Service:		
Salaries:	\$ 230,226	\$ 229,698
Employee Benefit:	36,075	65,126
Purchased Services:	59,852	4,808
Supplies and Material:	51,660	56,035
Other Objects:	-	61,601
Non-Capitalized Equipment:	-	19,627
	<u>\$ 377,813</u>	<u>\$ 436,895</u>
 Total Support Services - Instructional Staff	 <u>\$ 439,813</u>	 <u>\$ 482,113</u>
 General Administration		
Board of Education Service:		
Purchased Services:	\$ 118,000	\$ 78,748
	<u>\$ 118,000</u>	<u>\$ 78,748</u>
Executive Administration Service:		
Salaries:	\$ 220,000	\$ 214,723
Employee Benefit:	51,102	44,532
Purchased Services:	6,000	7,984
Supplies and Material:	4,000	6,698
	<u>\$ 281,102</u>	<u>\$ 273,937</u>
 Total Support Services - General Administration	 <u>\$ 399,102</u>	 <u>\$ 352,685</u>
 School Administration		
Office of the Principal Service:		
Salaries:	\$ 134,951	\$ 140,645
Employee Benefit:	23,472	55,650
	<u>\$ 158,423</u>	<u>\$ 196,295</u>
 Total Support Services - School Administration	 <u>\$ 158,423</u>	 <u>\$ 196,295</u>
 Business		
Fiscal Services:		
Salaries:	\$ 84,415	\$ 84,415
Employee Benefit:	1,710	31,315
Purchased Services:	5,000	4,599
	<u>\$ 91,125</u>	<u>\$ 120,329</u>
 Total Support Services - Business:	 <u>\$ 91,125</u>	 <u>\$ 120,329</u>
 Food Services		
Salaries:	\$ 8,000	\$ 4,069
Employee Benefit:	-	46
Supplies and Material:	8,000	5,815
	<u>\$ 16,000</u>	<u>\$ 9,930</u>
 Total Support Services - Food Services	 <u>\$ 16,000</u>	 <u>\$ 9,930</u>
 Total Support Services:	 <u>\$ 1,185,717</u>	 <u>\$ 1,251,369</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, 2014

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts
EXPENDITURES (Continued)		
Payments to Other Districts and Governmental Unit		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Program		
Purchased Services	\$ 1,042,630	\$ 816,908
Total Payments to Other Districts and Governmental Units (In-State)	\$ 1,042,630	\$ 816,908
Total Payments to Other Districts and Governmental Units	\$ 1,042,630	\$ 816,908
Capital Outlay		
Instruction		
Regular Programs	\$ 100,000	\$ -
Support Services		
Instructional Staff	203,125	187,290
	\$ 303,125	\$ 187,290
Provision for Contingencies	\$ 50,000	\$ -
On-Behalf Payments	\$ 629,000	\$ 595,574
Total Expenditures	\$ 5,252,305	\$ 4,757,856
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 758,906	\$ 1,265,481
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	\$ -	\$ (2,000,000)
Other Uses	(121,075)	-
	\$ (121,075)	\$ (2,000,000)
NET CHANGE IN FUND BALANCE	\$ 637,831	\$ (734,519)
FUND BALANCE - JULY 1, 2013	4,903,217	6,295,457
FUND BALANCE - JUNE 30, 2014	\$ 5,541,048	\$ 5,560,938

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 - WORKING CASH FUND
 YEAR ENDED JUNE 30, 2014

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
REVENUES		
Property Taxes	\$ 94,312	\$ 93,977
Earnings on Investments	6,000	4,730
Total Revenues	<u>\$ 100,312</u>	<u>\$ 98,707</u>
EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 100,312	\$ 98,707
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 100,312	\$ 98,707
FUND BALANCE - JULY 1, 2013	<u>1,629,435</u>	<u>1,679,967</u>
FUND BALANCE - JUNE 30, 2014	<u>\$ 1,729,747</u>	<u>\$ 1,778,674</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, 2014

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Earnings on Investments	\$ 800	\$ 4,836
Total Revenues	\$ 800	\$ 4,836
EXPENDITURES		
Capital Outlay		
Support Services		
Facilities Acquisition and Construction	\$ 414,000	\$ -
	\$ 414,000	\$ -
Total Expenditures	\$ 414,000	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (413,200)	\$ 4,836
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	-	2,000,000
NET CHANGE IN FUND BALANCE	\$ (413,200)	\$ 2,004,836
FUND BALANCE - JULY 1, 2013	413,500	414,925
FUND BALANCE - JUNE 30, 2014	\$ 300	\$ 2,419,761

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, 2014

	BALANCE JULY 1, 2013	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2014
ASSETS				
Cash and Cash Equivalents	\$ 72	\$ 7,247	\$ 5,519	\$ 1,800
 LIABILITIES				
Amount Due to Activity				
Yearbook	\$ 101	\$ 5,093	\$ 3,877	\$ 1,317
Sunshine Club	(115)	974	962	(103)
Student Council	86	1,180	680	586
	\$ 72	\$ 7,247	\$ 5,519	\$ 1,800

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, 2014

OPERATING EXPENSE PER PUPIL

EXPENDITURES:

ED	Total Expenditures	\$ 4,162,282
O&M	Total Expenditures	465,336
TR	Total Expenditures	215,822
MR/SS	Total Expenditures	107,268
	Total Expenditures	\$ 4,950,708

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

ED	Total Payments to Other District & Govt Units	\$ 816,908
ED	Capital Outlay	187,290
ED	Non-Capitalized Equipment	19,627
O&M	Capital Outlay	32,200
O&M	Non-Capitalized Equipment	4,682
TR	Total Payments to Other Dist & Govt Units	110,260
	Total Deductions	\$ 1,170,967
	Total Operating Expenses (Regular K-12)	3,779,741
	9 Mo ADA (See the General State Aid Claim for 2013-2014 (ISBE 54-33, L12))	168.20
	Estimated OEPP *	\$ 22,471.71

PER CAPITA TUITION CHARGE

LESS OFFSETTING RECEIPTS/REVENUES:

ED	Total Food Service	\$ 3,971
ED-O&M	Total District/School Activity Income	82,692
ED-O&M-TR	Total Special Education	51,332
ED-O&M-TR-MR/SS	Total Transportation	102,972
ED-O&M-DS-TR-MR/SS-Tort	Other Restricted Revenue from State Sources	750
ED-MR/SS	Total Food Service	3,843
ED-O&M-TR-MR/SS	Total Title I	26,047
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Flow Through/Low Incidence	24,536
ED-O&M-TR-MR/SS	Title II - Teacher Quality	6,819
	Total Allowance for PCTC Computation	\$ 302,962
	Net Operating Expense for PCTC Computation	3,476,779
	Total Depreciation Allowance (from page 27, Col I)	267,021
	Total Allowance for PCTC Computation	3,743,800
	9 Mo ADA	168.20
	Total Estimated PCTC *	\$ 22,258.03

Unaudited