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

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2012**

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

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  
Lake County, Illinois

as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

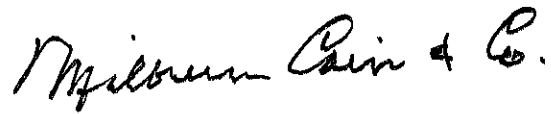
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bannockburn School District No. 106 as of June 30, 2012, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2012 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 5-9 and 33-40, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States

of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 financial information on pages 41-50 is presented for purposes of additional analysis and is not a required part of 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 charge, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Milburn Cain & Co.".

MILBURN CAIN & CO.  
Certified Public Accountants

Gurnee, Illinois  
August 17, 2012

MILBURN CAIN & CO.  
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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 the financial statements of

BANNOCKBURN SCHOOL DISTRICT NO. 106  
Lake County, Illinois

as of and for the year ended June 30, 2012, and have issued our report thereon dated August 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of Bannockburn School District No. 106 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Bannockburn School District No. 106's (the District's) internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

*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 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.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bannockburn School District No. 106's financial statements are free of material misstatement, we performed tests on its compliance with certain provisions of laws, regulations, contracts and grants agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Education, management, Illinois State Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



MILBURN CAIN & CO.  
Certified Public Accountants

Gurnee, Illinois  
August 17, 2012

REQUIRED SUPPLEMENTARY INFORMATION



# BANNOCKBURN SCHOOL DISTRICT NO. 106

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

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, 2012. 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 at June 30, 2012 by \$15,946,065 (net assets). Of this amount, \$6,686,519 (unrestricted net assets) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net assets increased by \$2,067,542. Substantially all of this increase represents the degree to which increases in ongoing revenues exceeded similar increases in ongoing expenses.
- At June 30, 2012 the District's governmental funds reported combined ending fund balances of \$8,001,402, an increase of \$2,109,887 in comparison with the prior year. \$6,503,631 of this is available for spending at the District's discretion (unassigned fund balance).
- At June 30, 2012 the unassigned fund balance for the General Fund was \$6,503,631, or 156% 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 Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the fiscal year being reported. All changes in net assets 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 six 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, Debt Services, 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 32 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 33 through 40 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$15,946,065 at the close of the most recent fiscal year.

The following table presents a summary of the District's net assets for the years ended June 30, 2012 and 2011:

Bannockburn School District No. 106's Net Assets as Year-End

	Governmental Activities	
	FY 2012	FY 2011
Current and Other Assets	\$ 14,559,278	\$ 12,714,816
Capital Assets	7,944,663	7,987,698
Total Assets	<u>\$ 22,503,941</u>	<u>\$ 20,702,514</u>
Other Liabilities	\$ 6,557,876	\$ 6,823,301
Long-Term Debt Outstanding	-	690
Total Liabilities	<u>\$ 6,557,876</u>	<u>\$ 6,823,991</u>
Invested in Capital Assets, net of related debt	\$ 7,944,663	\$ 7,987,008
Restricted	1,314,883	1,243,173
Unrestricted	6,686,519	4,648,342
Total Net Assets	<u>\$ 15,946,065</u>	<u>\$ 13,878,523</u>

The investment in capital assets, net of related debt (50% of total net assets) 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 assets (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$6,686,519) 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 assets.

The District's net assets increased by \$2,067,542 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 assets by \$2,067,542. Key elements of this increase are as follows:

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

	Governmental Activities	
	FY 2012	FY 2011
Revenues:		
Program Revenues		
Charges for Services	\$ 61,397	\$ 56,923
Operating Grants and Contributions	648,291	684,915
General Revenues:		
Property Taxes	6,237,922	6,100,509
Other Taxes	25,540	28,958
Other	138,907	111,372
Total Revenues	<u>\$ 7,112,057</u>	<u>\$ 6,982,677</u>
Expenses:		
Instruction	\$ 1,802,162	\$ 2,104,051
Support Services	1,612,530	1,609,755
Other	1,629,823	1,477,122
Total Expenses	<u>\$ 5,044,515</u>	<u>\$ 5,190,928</u>
Increase in Net Assets	\$ 2,067,542	\$ 1,791,749
Net Assets - Beginning	13,878,523	12,086,774
Net Assets - Ending	<u>\$ 15,946,065</u>	<u>\$ 13,878,523</u>

- For the most part, revenues and expenses remained similar to the prior fiscal year.

### 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 six governmental funds reported combined ending fund balances of \$8,001,402, an increase of \$2,109,887.

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, 2012 the General Fund had an unassigned fund balance of \$6,503,631. This unassigned fund balance represents 156% of total General Fund expenditures.

The remaining five funds had combined fund balances of \$1,468,750 at June 30, 2012.

### General Fund Budgetary Highlights

The District did not amend the budget during the year ended June 30, 2012; 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 \$98,547 (favorable).
- The difference between budgeted expenditures and actual expenditures was \$660,126 (favorable).

**Capital Asset and Debt Administration**

**Capital Assets.** At June 30, 2012 the District had invested \$7,944,663 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 \$271,467.

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

- Improvements to the building and grounds in the amount of \$107,042.

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

	Governmental Activities	
	2012	2011
Land	\$ 382,477	\$ 382,477
Building and Building Improvements	6,740,477	6,838,597
Site Improvements and Infrastructure	610,820	580,016
Capitalized Equipment	202,333	186,608
Construction in Progress	8,555	-
Total	<u>\$ 7,944,662</u>	<u>\$ 7,987,698</u>

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

**Long-Term Debt.** At June 30, 2012 the District had no long-term debt.

Bannockburn School District No. 106's Outstanding Debt

	Governmental Activities	
	2012	2011
Lease/Purchase Agreements	\$ -	\$ 690
Total	<u>\$ -</u>	<u>\$ 690</u>

Principal payments on all lease/purchase agreements were \$690 for the current fiscal year.

Additional information on the District's long-term debt can be found in note 4 on page 24 of this report.

**Economic Factors and Next Year's Budget**

- The assessed valuation for 2011 is \$234,241,842, a decrease of \$6,817,276 (3%) 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 ASSETS  
 JUNE 30, 2012

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,945,880
Investments, at Fair Value	9,280,105
Accrued Interest Receivable, net of allowance of \$0	28,577
Property Taxes Receivable, net of allowance of \$31,941	3,162,162
Due from Other Governments, net of allowance of \$0	91,248
Prepaid Expenses	51,306
Capital Assets (Note 3):	
Land	382,477
Construction in Progress	8,555
Depreciable Buildings, Property, and Equipment, net of depreciation	7,553,631
<b>Total Assets</b>	<b>\$ 22,503,941</b>
<b>LIABILITIES</b>	
Accounts Payable and Accrued Expenses	\$ 242,072
Payroll Liabilities	2,986
Deferred Revenue	6,312,818
<b>Total Liabilities</b>	<b>\$ 6,557,876</b>
<b>NET ASSETS</b>	
Invested in Capital Assets, net of related debt	\$ 7,944,663
Restricted for:	
Operations and Maintenance	781,183
Transportation	381,574
Retirement	152,126
Unrestricted/(Deficit)	6,686,519
<b>Total Net Assets</b>	<b>\$ 15,946,065</b>

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, 2012

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Functions/Programs</b>				
<b>Governmental Activities</b>				
<b>Instruction</b>				
Regular Programs	\$ 1,592,950	\$ 25,851	\$ 57,423	\$ (1,509,676)
Special Education Programs	143,782	-	102,975	(40,807)
Other Instructional Programs	65,430	31,811	-	(33,619)
<b>Support Services</b>				
Pupils	81,203	-	-	(81,203)
Instructional Staff	435,903	-	-	(435,903)
General Administration	338,806	-	-	(338,806)
School Administration	158,355	-	-	(158,355)
Business	99,219	-	-	(99,219)
Facilities Acquisition and Construction	1,920	-	-	(1,920)
Operations and Maintenance	387,463	-	-	(387,463)
Transportation	100,343	-	74,053	(26,290)
Food Services	9,318	3,735	3,450	(2,133)
<b>Payments to Other Districts and Governmental Units</b>				
	947,966	-	-	(947,966)
On-Behalf Retirement Contributions	410,390	-	410,390	-
Depreciation - Unallocated	271,467	-	-	(271,467)
<b>Total Governmental Activities</b>	<b>\$ 5,044,515</b>	<b>\$ 61,397</b>	<b>\$ 648,291</b>	<b>\$ (4,334,827)</b>
<b>General Revenues</b>				
<b>Taxes</b>				
Property Taxes, Levied for General Purposes				\$ 6,237,922
Personal Property Replacement Taxes				25,540
Grants and Contributions not Restricted to Specific Activities				53,704
Unrestricted Investment Earnings				49,916
Miscellaneous Income				35,287
<b>Total General Revenues</b>				<b>\$ 6,402,369</b>
<b>Change in Net Assets</b>				<b>\$ 2,067,542</b>
<b>Net Assets - July 1, 2011</b>				<b>13,878,523</b>
<b>Net Assets - June 30, 2012</b>				<b>\$ 15,946,065</b>

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, 2012

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,596,238	\$ 224,213	\$ -	\$ 74,200
Investments, at Fair Value	7,612,626	1,069,294	-	353,868
Accrued Interest Receivable, net of allowance of \$0	23,442	3,293	-	1,090
Property Taxes Receivable, net of allowance of \$31,941	2,566,103	501,018	-	69,227
Due from Other Governments, net of allowance of \$0	54,563	-	-	36,685
Prepaid Expenses	29,021	22,285	-	-
<b>Total Assets</b>	<b><u>\$ 11,881,993</u></b>	<b><u>\$ 1,820,103</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 535,070</u></b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable and Accrued Expenses	\$ 226,472	\$ 5,305	\$ -	\$ 10,295
Payroll Liabilities	-	-	-	-
Deferred Revenue	5,122,869	1,000,213	-	138,203
<b>Total Liabilities</b>	<b><u>\$ 5,349,341</u></b>	<b><u>\$ 1,005,518</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 148,498</u></b>
<b>FUND BALANCE</b>				
<b>Nonspendable</b>				
Prepaid Expenses	\$ 29,021	\$ 22,285	\$ -	\$ -
<b>Restricted</b>				
Operations and Maintenance	-	781,183	-	-
Transportation	-	-	-	381,574
Illinois Municipal Retirement Fund	-	-	-	-
Social Security	-	-	-	-
<b>Assigned</b>				
Operations and Maintenance	-	11,117	-	-
Transportation	-	-	-	4,998
Illinois Municipal Retirement Fund/Social Security	-	-	-	-
Capital Projects	-	-	-	-
<b>Unassigned</b>	<b>6,503,631</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balance</b>	<b><u>\$ 6,532,652</u></b>	<b><u>\$ 814,585</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 386,572</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 11,881,993</u></b>	<b><u>\$ 1,820,103</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 535,070</u></b>

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

Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
\$ 31,659	\$ 19,570	\$ 1,945,880
150,984	93,333	9,280,105
465	287	28,577
25,814	-	3,162,162
-	-	91,248
-	-	51,306
<u>\$ 208,922</u>	<u>\$ 113,190</u>	<u>\$ 14,559,278</u>

\$ -	\$ -	\$ 242,072
2,986	-	2,986
51,533	-	6,312,818
<u>\$ 54,519</u>	<u>\$ -</u>	<u>\$ 6,557,876</u>

\$ -	\$ -	\$ 51,306
-	-	781,183
-	-	381,574
38,223	-	38,223
113,903	-	113,903
-	-	11,117
-	-	4,998
2,277	-	2,277
-	113,190	113,190
-	-	6,503,631
<u>\$ 154,403</u>	<u>\$ 113,190</u>	<u>\$ 8,001,402</u>
<u>\$ 208,922</u>	<u>\$ 113,190</u>	<u>\$ 14,559,278</u>

BANNOCKBURN SCHOOL DISTRICT NO. 106  
 FUND FINANCIAL STATEMENTS  
 RECONCILIATION OF THE BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 JUNE 30, 2012

Total Fund Balances - Governmental Funds		\$ 8,001,402
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Capital Assets	\$ 10,514,120	
Accumulated Depreciation on Capital Assets	<u>(2,569,457)</u>	
		<u>7,944,663</u>
Net Assets of Governmental Activities		<u>\$ 15,946,065</u>

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

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BANNOCKBURN SCHOOL DISTRICT NO. 106  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2012

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund
<b>REVENUES</b>				
Property Taxes	\$ 5,259,092	\$ 792,794	\$ -	\$ 135,948
Payments in Lieu of Taxes	23,540	-	-	-
Earnings on Investments	41,245	5,191	-	2,199
Food Service	3,735	-	-	-
District/School Activity Income	57,662	-	-	-
Other Local Sources	35,287	-	-	-
State Aid	149,300	-	-	74,053
Federal Aid	68,252	-	-	-
On-Behalf Payments	410,390	-	-	-
	<u>\$ 6,048,503</u>	<u>\$ 797,985</u>	<u>\$ -</u>	<u>\$ 212,200</u>
<b>EXPENDITURES</b>				
Current				
Instruction				
Regular Programs	\$ 1,569,448	\$ -	\$ -	\$ -
Special Education Programs	134,089	-	-	-
Other Instructional Programs	64,704	-	-	-
Support Services				
Pupils	79,955	-	-	-
Instructional Staff	417,725	-	-	-
General Administration	335,726	-	-	-
School Administration	140,828	-	-	-
Business	85,051	-	-	-
Facilities Acquisition and Construction	-	-	-	-
Operations and Maintenance	-	375,510	-	-
Transportation	-	-	-	100,343
Food Services	9,121	-	-	-
Payments to Other Districts and Governmental Units	831,581	-	-	116,385
Debt Service				
Principal	-	-	690	-
Capital Outlay	84,885	143,547	-	-
On-Behalf Payments	410,390	-	-	-
	<u>\$ 4,163,503</u>	<u>\$ 519,057</u>	<u>\$ 690</u>	<u>\$ 216,728</u>
<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 1,885,000</b>	<b>\$ 278,928</b>	<b>\$ (690)</b>	<b>\$ (4,528)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund Transfers	(690)	-	690	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 1,884,310</b>	<b>\$ 278,928</b>	<b>\$ -</b>	<b>\$ (4,528)</b>
FUND BALANCES - JULY 1, 2011	4,648,342	535,657	-	391,100
FUND BALANCES - JUNE 30, 2012	<u>\$ 6,532,652</u>	<u>\$ 814,585</u>	<u>\$ -</u>	<u>\$ 386,572</u>

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

Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
\$ 50,088	\$ -	\$ 6,237,922
2,000	-	25,540
792	489	49,916
-	-	3,735
-	-	57,662
-	-	35,287
-	-	223,353
-	-	68,252
-	-	410,390
<u>\$ 52,880</u>	<u>\$ 489</u>	<u>\$ 7,112,057</u>
\$ 23,502	\$ -	\$ 1,592,950
9,693	-	143,782
726	-	65,430
1,248	-	81,203
18,178	-	435,903
3,080	-	338,806
17,527	-	158,355
14,168	-	99,219
-	1,920	1,920
11,953	-	387,463
-	-	100,343
197	-	9,318
-	-	947,966
-	-	690
-	-	228,432
-	-	410,390
<u>\$ 100,272</u>	<u>\$ 1,920</u>	<u>\$ 5,002,170</u>
\$ (47,392)	\$ (1,431)	\$ 2,109,887
-	-	-
<u>\$ (47,392)</u>	<u>\$ (1,431)</u>	<u>\$ 2,109,887</u>
201,795	114,621	5,891,515
<u>\$ 154,403</u>	<u>\$ 113,190</u>	<u>\$ 8,001,402</u>

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, 2012

Net Change in Fund Balances - Total Governmental Funds \$ 2,109,887

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	\$ (271,467)	
Capital Outlays	<u>228,432</u>	
		(43,035)

Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Assets and is therefore not reported in the Statement of Activities.

Repayment of Long-Term Debt		<u>690</u>
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Change in Net Assets of Governmental Activities		<u><u>\$ 2,067,542</u></u>
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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, 2012

	<u>Agency Fund - Student Activity Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 865
Total Assets	<u>\$ 865</u>
<b>LIABILITIES</b>	
Due to Activity Funds	\$ 865
Total Liabilities	<u>\$ 865</u>

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



BANNOCKBURN SCHOOL DISTRICT NO. 106  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

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 responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more 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 Assets, 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 assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. 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,

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 assets 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.

Debt Services Fund – The Debt Services Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the periodic payment of principal, interest, and related fees on general long-term debt.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Governmental Funds (Continued)

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 assets and changes in net assets and is reported using generally accepted accounting principles.

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. An exception was made to the 60 day recognition period for

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Basis of Accounting* (Continued)

2. Modified Accrual (Continued)

state aid payments due to delayed payments from the State of Illinois. The exception was made to preserve the consistency of revenue recognition between years. Property tax revenues are recognized in the period for which levied provided they are available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

E. *Cash and Cash Equivalents and Investments*

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

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

No District fund had a cash overdraft at June 30, 2012.

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. *Interfund Activity*

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

J. *Capital Assets*

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

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

K. *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.

L. *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 Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

M. *Government-Wide Fund Net Assets*

Government-wide fund net assets are divided into three components:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. *Government-Wide Fund Net Assets* (Continued)

- Invested in capital assets, net of related debt – consist 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 assets – consist of net assets that are 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 – all other net assets are reported in this category.

N. *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. All assigned fund balances are the residual amounts of the fund.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. *Governmental Fund Balances (Continued)*

- 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.

O. *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 2011 tax levy was passed by the Board on December 14, 2011. 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.

P. *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, 2012, 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	\$ 2,186,310	\$ 2,186,310	\$ -	\$ -	\$ -

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, 2012, the District's investments were rated as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

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

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
<b>Governmental Activities</b>				
Capital Assets not being depreciated				
Land	\$ 382,477	\$ -	\$ -	\$ 382,477
Construction in Progress	-	8,555	-	8,555
Total Capital Assets not being depreciated	<u>\$ 382,477</u>	<u>\$ 8,555</u>	<u>\$ -</u>	<u>\$ 391,032</u>
<b>Other Capital Assets</b>				
Building and Building Improvements	\$ 8,421,916	\$ 107,042	\$ -	\$ 8,528,958
Site Improvements and Infrastructure	758,494	68,977	-	827,471
Capitalized Equipment	722,801	43,858	-	766,659
Total Other Capital Assets at historical cost	<u>\$ 9,903,211</u>	<u>\$ 219,877</u>	<u>\$ -</u>	<u>\$ 10,123,088</u>
<b>Less Accumulated Depreciation for</b>				
Building and Improvements	\$ 1,583,319	\$ 205,161	\$ -	\$ 1,788,480
Site Improvements and Infrastructure	178,478	38,173	-	216,651
Capitalized Equipment	536,193	28,133	-	564,326
Total Accumulated Depreciation	<u>\$ 2,297,990</u>	<u>\$ 271,467</u>	<u>\$ -</u>	<u>\$ 2,569,457</u>
Other Capital Assets, Net	<u>\$ 7,605,221</u>	<u>\$ (51,590)</u>	<u>\$ -</u>	<u>\$ 7,553,631</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,987,698</u>	<u>\$ (43,035)</u>	<u>\$ -</u>	<u>\$ 7,944,663</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
Unallocated	\$ 271,467
Total Governmental Activities Depreciation Expense	<u>\$ 271,467</u>

NOTE 4 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2012 was as follows:

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012	Amounts Due Within One Year
<b>Governmental Activities</b>					
Lease/Purchase Agreements	\$ 690	\$ -	\$ 690	\$ -	\$ -

On September 25, 2006 the District entered into a five year lease/purchase agreement for a copier for \$20,700. The balance due on this lease/purchase agreement at June 30, 2012 is \$0.

Assets purchased under capital leases as of June 30, 2012 totals \$34,180 and is recorded on the Statement of Net Assets as capitalized equipment. Accumulated depreciation as of June 30, 2012 on these assets is \$20,147.

NOTE 5 - INTERFUND LOANS

There are no interfund loans at June 30, 2012.



NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - DEFICIT FUND BALANCE

No District fund had a deficit fund balance at June 30, 2012.

NOTE 7 - PROPERTY TAXES

Property taxes receivable and deferred revenue recorded in these financial statements are from the 2011 tax levy. The deferred revenue is 100% of the 2011 tax levy net of estimated uncollectible amounts. These taxes are deferred 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 2012. The District has determined that 100% of the amounts collected for the 2010 levy are allocable for use in fiscal year 2012. Therefore, 100% of the amounts collected for the 2010 and prior levies (\$6,237,922) are recorded in these financial statements as property tax revenue. A summary of the assessed valuations and extensions for tax years 2011, 2010, and 2009 is as follows:

ASSESSED VALUATION	2011		2010		2009	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
	\$234,241,842		\$241,059,118		\$254,436,660	
Educational	2.1680	\$ 5,078,363	2.1560	\$ 5,197,235	1.9220	\$ 4,890,273
Operations and Maintenance	0.4270	1,000,213	0.3330	802,727	0.2780	707,334
Transportation	0.0590	138,203	0.0570	137,404	0.0730	185,739
Municipal Retirement	0.0220	51,533	0.0210	50,622	0.0220	55,976
Social Security	-	-	-	-	0.0420	106,863
Working Cash	0.0190	44,506	0.0500	120,529	0.0500	127,218
	<u>2.6950</u>	<u>\$ 6,312,818</u>	<u>2.6170</u>	<u>\$ 6,308,517</u>	<u>2.3870</u>	<u>\$ 6,073,403</u>

NOTE 8 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2012, the expenditures of the following fund exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
Transportation Fund	\$ 206,000	\$ 216,728	\$ 10,728

NOTE 9 - 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.

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, 2012 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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - RETIREMENT FUND COMMITMENTS (Continued)

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

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, 2011 and 2010.

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, 2012, State of Illinois contributions were based on 24.91% of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$396,349 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2011 and June 30, 2010, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.10% (\$370,428) and 23.38% (\$333,617), 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, 2012 were \$9,254. Contributions for the years ended June 30, 2011 and June 30, 2010 were \$9,321 and \$8,294, 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.

For the year ended June 30, 2012, the employer pension contribution was 24.91% of salaries paid from federal and special trust funds. For the years ended June 30, 2011 and June 30, 2010, the employer contribution was 23.10% and 23.38% of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2012, salaries totaling \$4,411 were paid from federal and special trust funds that required employer contributions of \$1,099. For the years ended June 30, 2011 and June 30, 2010, required District contributions were \$809 and \$701, 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.

The maximum employer ERO contribution is 117.5% and applies when the member is age 55 at retirement.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - RETIREMENT FUND COMMITMENTS (Continued)

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

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

For the year ended June 30, 2012, the District paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2011 and June 30, 2010, the District paid \$0 and \$0 in employer ERO contributions, 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, 2012, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6%. For the years ended June 30, 2011 and June 30, 2010, the District paid \$0 and \$0 to TRS for employer contributions due on salary increases in excess of 6%, 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 used to calculate final average salary, and the TRS total normal cost rate (17.83% of salary during the year ended June 30, 2012).

For the year ended June 30, 2012, 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, 2011 and June 30, 2010, the District paid \$0 and \$0 in employer contributions granted for sick leave days, respectively.

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, 2011. The report for the year ended June 30, 2012 is expected to be available in late 2012.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Plan Description** (Continued)

Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained on-line at [www.imrf.org](http://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 2011 was 10.19%. 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 2011 was \$44,482.

Three Year Trend Information for the Regular Plan

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2011	\$ 44,482	100%	\$ -
12/31/2010	43,291	100%	-
12/31/2009	29,636	100%	-

The required contribution for 2011 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 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, 2009 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, 2011, the most recent actuarial valuation date, the Regular plan was 79.48% funded. The actuarial accrued liability for benefits was \$894,852 and the actuarial value of assets was \$711,255, resulting in an

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Funded Status and Funding Progress** (Continued)

underfunded actuarial accrued liability (UAAL) of \$183,597. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$436,530 and the ratio of the UAAL to the covered payroll was 42%.

This schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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)
12/31/2011	\$ 711,255	\$ 894,852	\$ 183,597	79.48%	\$ 436,530	42.06%
12/31/2010	876,131	1,031,588	155,457	84.93%	429,473	36.20%
12/31/2009	769,063	907,071	138,008	84.79%	405,413	34.04%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$683,723. On a market basis, the funded ratio would be 76.41%.

C. *Social Security*

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

NOTE 10 - POST EMPLOYMENT BENEFIT COMMITMENTS

*Teacher Health Insurance Security Fund (THIS)*

The District participates in the Teacher Health Insurance Security (THIS) Fund (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 may participate in the state administered participating provider option plan or choose from several managed care options.

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. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the Plan with the cooperation of TRS. Effective July 1, 2012, in accordance

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - POST EMPLOYMENT BENEFIT COMMITMENTS (Continued)

*Teacher Health Insurance Security Fund (THIS) (Continued)*

with Executive Order 12-01, the plan is administered by CMS with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the State 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 0.88% of pay during the year ended June 30, 2012. State of Illinois contributions were \$14,041, 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, 2011 and June 30, 2010 were 0.88% and 0.84% of pay, respectively. State contributions on behalf of District employees were \$14,142 and \$12,011, respectively.

➤ **Employer contributions to THIS Fund**

The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.66% during the years ended June 30, 2012 and June 30, 2011, and 0.63% during the year ended June 30, 2010. For the year ended June 30, 2012, the District paid \$10,531 to the THIS Fund. For the years ended June 30, 2011 and June 30, 2010, the District paid \$10,607 and \$9,009 to the THIS Fund, respectively, which was 100% of the required contribution.

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

NOTE 11 - INTERFUND TRANSFERS

The following funds were transfers for the year ended June 30, 2012:

<u>Transfer from</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Debt Services Fund	\$ 690

The transfer to the Debt Services Fund was made to fund payments on a capital lease.

NOTE 12 - 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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 12 - JOINT VENTURE - NORTHERN SUBURBAN SPECIAL EDUCATION DISTRICT (NSSD) (Continued)

A summary of financial condition (modified cash basis) of NSSD at June 30, 2011 (most recent information available) is as follows:

Assets	<u>\$ 18,141,322</u>
Liabilities	\$ 1,151,060
Net Assets	<u>16,990,262</u>
	<u>\$ 18,141,322</u>
Revenues Received	\$ 42,439,290
Expenditures Disbursed	<u>43,074,421</u>
Net Increase/(Decrease) in Net Assets	<u>\$ (635,131)</u>

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

### NOTE 13 - RISK MANAGEMENT

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

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

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

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

As of June 30, 2012, 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 14 - 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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 14 - SELF INSURANCE (Continued)

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 15 - CONTINGENCIES

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

NOTE 16 - 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:

NOTE 17 - CONSTRUCTION COMMITMENTS

At June 30, 2012 the District had begun a project to rewire a server room for air conditioning. The cost of this project is expected to be \$25,665. \$8,555 has been spent as of June 30, 2012.

NOTE 18 - SUBSEQUENT EVENTS

The District has evaluated subsequent events through August 17, 2012, the date on which the financial statements were available to be issued.



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REQUIRED SUPPLEMENTARY INFORMATION

BANNOCKBURN SCHOOL DISTRICT NO. 106  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
<b>REVENUES</b>		
Property Taxes	\$ 5,317,765	\$ 5,259,092
Payments in Lieu of Taxes	21,000	23,540
Earnings on Investments	27,300	41,245
Food Service	3,600	3,735
District/School Activity Income	48,500	57,662
Other Local Sources	-	35,287
State Aid		
General State Aid	39,000	53,704
Special Education	47,200	64,117
School Safety and Educational Improvement Block Grant	1,500	-
Other Restricted Revenue from State Sources	100	31,479
Federal Aid		
Food Service	2,500	3,450
Title I	19,600	19,053
Federal Special Education	28,000	38,785
Other ARRA Funds	-	73
Title II - Eisenhower Professional Development Formula	6,891	-
Title II - Teacher Quality	-	6,891
On-Behalf Payments	387,000	410,390
<b>Total Revenues</b>	<u>\$ 5,949,956</u>	<u>\$ 6,048,503</u>
<b>EXPENDITURES</b>		
Instruction		
Regular Programs		
Salaries	\$ 1,322,115	\$ 1,229,020
Employee Benefits	271,435	227,647
Purchased Services	33,085	20,326
Supplies and Materials	110,000	92,050
Other Objects	-	405
	<u>\$ 1,736,635</u>	<u>\$ 1,569,448</u>
Special Education Programs		
Salaries	\$ 192,000	\$ 114,775
Employee Benefits	45,165	19,314
	<u>\$ 237,165</u>	<u>\$ 134,089</u>
Interscholastic Programs		
Salaries	\$ 11,000	\$ 9,700
Employee Benefits	137	105
Purchased Services	27,000	23,849
Supplies and Materials	7,000	2,657
	<u>\$ 45,137</u>	<u>\$ 36,311</u>
Gifted Programs		
Salaries	\$ 30,000	\$ 26,753
Employee Benefits	1,915	1,640
	<u>\$ 31,915</u>	<u>\$ 28,393</u>
<b>Total Instruction</b>	<u>\$ 2,050,852</u>	<u>\$ 1,768,241</u>
Support Services		
Pupils		
Guidance Services		
Salaries	\$ 33,100	\$ 32,631
	<u>\$ 33,100</u>	<u>\$ 32,631</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, 2012

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Pupils (Continued)		
Health Services		
Salaries	\$ 2,000	\$ 1,996
	<u>\$ 2,000</u>	<u>\$ 1,996</u>
Speech Pathology and Audiology Services		
Salaries	\$ 43,500	\$ 43,367
Employee Benefits	2,097	1,961
	<u>\$ 45,597</u>	<u>\$ 45,328</u>
Total Support Services - Pupils	<u>\$ 80,697</u>	<u>\$ 79,955</u>
Instructional Staff		
Improvement of Instruction Services		
Purchased Services	\$ 62,000	\$ 37,053
	<u>\$ 62,000</u>	<u>\$ 37,053</u>
Educational Media Services		
Salaries	\$ 206,595	\$ 201,511
Employee Benefits	44,588	45,000
Purchased Services	61,876	43,839
Supplies and Materials	54,460	48,269
Non-Capitalized Equipment	-	42,053
	<u>\$ 367,519</u>	<u>\$ 380,672</u>
Total Support Services - Instructional Staff	<u>\$ 429,519</u>	<u>\$ 417,725</u>
General Administration		
Board of Education Services		
Purchased Services	\$ 90,000	\$ 63,329
	<u>\$ 90,000</u>	<u>\$ 63,329</u>
Executive Administration Services		
Salaries	\$ 223,995	\$ 223,970
Employee Benefits	37,862	40,700
Purchased Services	5,000	4,299
Supplies and Materials	4,000	3,428
	<u>\$ 270,857</u>	<u>\$ 272,397</u>
Total Support Services - General Administration	<u>\$ 360,857</u>	<u>\$ 335,726</u>
School Administration		
Office of the Principal Services		
Salaries	\$ 118,185	\$ 118,206
Employee Benefits	21,365	22,622
	<u>\$ 139,550</u>	<u>\$ 140,828</u>
Total Support Services - School Administration	<u>\$ 139,550</u>	<u>\$ 140,828</u>
Business		
Fiscal Services		
Salaries	\$ 79,430	\$ 79,430
Employee Benefits	1,611	1,675
Purchased Services	5,000	3,946
	<u>\$ 86,041</u>	<u>\$ 85,051</u>
Total Support Services - Business	<u>\$ 86,041</u>	<u>\$ 85,051</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, 2012

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Support Services (Continued)		
Food Services		
Salaries	\$ 8,000	\$ 2,580
Supplies and Materials	8,000	6,541
	\$ 16,000	\$ 9,121
Total Support Services - Food Services	\$ 16,000	\$ 9,121
Total Support Services	\$ 1,112,664	\$ 1,068,406
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ 1,026,951	\$ 831,581
Total Payments to Other Districts and Governmental Units (In-State)	\$ 1,026,951	\$ 831,581
Total Payments to Other Districts and Governmental Units	\$ 1,026,951	\$ 831,581
Capital Outlay		
Instruction		
Regular Programs	\$ 120,000	\$ 54,795
Support Services		
Instructional Staff	76,162	30,090
	\$ 196,162	\$ 84,885
Provision for Contingencies	\$ 50,000	\$ -
On-Behalf Payments	\$ 387,000	\$ 410,390
Total Expenditures	\$ 4,823,629	\$ 4,163,503
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,126,327	\$ 1,885,000
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	\$ (6,915)	\$ (690)
Other Sources	20,000	-
	\$ 13,085	\$ (690)
NET CHANGE IN FUND BALANCE	\$ 1,139,412	\$ 1,884,310
FUND BALANCE - JULY 1, 2011	4,648,343	4,648,342
FUND BALANCE - JUNE 30, 2012	\$ 5,787,755	\$ 6,532,652

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, 2012

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 802,727	\$ 792,794
Earnings on Investments	3,465	5,191
Total Revenues	\$ 806,192	\$ 797,985
EXPENDITURES		
Support Services		
Operations and Maintenance		
Salaries	\$ 71,170	\$ 71,168
Employee Benefits	20,710	22,404
Purchased Services	185,500	199,102
Supplies and Materials	112,000	64,127
Non-Capitalized Equipment	-	18,709
Total Support Services - Operations and Maintenance	\$ 389,380	\$ 375,510
Total Support Services	\$ 389,380	\$ 375,510
Capital Outlay		
Support Services		
Operations and Maintenance	\$ 200,000	\$ 143,547
	\$ 200,000	\$ 143,547
Provision for Contingencies	\$ 20,000	\$ -
Total Expenditures	\$ 609,380	\$ 519,057
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 196,812	\$ 278,928
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ 196,812	\$ 278,928
FUND BALANCE - JULY 1, 2011	535,657	535,657
FUND BALANCE - JUNE 30, 2012	\$ 732,469	\$ 814,585

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, 2012

	Budgeted Amounts	Actual Amounts
	<u>Original and Final</u>	<u></u>
REVENUES		
Property Taxes	\$ 137,404	\$ 135,948
Earnings on Investments	1,890	2,199
State Aid		
Transportation	69,500	74,053
Total Revenues	<u>\$ 208,794</u>	<u>\$ 212,200</u>
EXPENDITURES		
Support Services		
Transportation		
Purchased Services	\$ 94,000	\$ 100,343
Total Support Services - Transportation	<u>\$ 94,000</u>	<u>\$ 100,343</u>
Total Support Services	<u>\$ 94,000</u>	<u>\$ 100,343</u>
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ 107,000	\$ 116,385
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 107,000</u>	<u>\$ 116,385</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 107,000</u>	<u>\$ 116,385</u>
Provision for Contingencies	<u>\$ 5,000</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 206,000</u>	<u>\$ 216,728</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2,794	\$ (4,528)
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 2,794	\$ (4,528)
FUND BALANCE - JULY 1, 2011	<u>391,101</u>	<u>391,100</u>
FUND BALANCE - JUNE 30, 2012	<u>\$ 393,895</u>	<u>\$ 386,572</u>

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
 YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>
<b>REVENUES</b>		
Property Taxes	\$ 50,622	\$ 50,088
Payments in Lieu of Taxes	2,000	2,000
Earnings on Investments	1,120	792
<b>Total Revenues</b>	<u>\$ 53,742</u>	<u>\$ 52,880</u>
<b>EXPENDITURES</b>		
Instruction		
Regular Programs		
Employee Benefits	\$ 26,500	\$ 23,502
Special Education Programs		
Employee Benefits	14,600	9,693
Interscholastic Programs		
Employee Benefits	600	338
Gifted Programs		
Employee Benefits	500	388
<b>Total Instruction</b>	<u>\$ 42,200</u>	<u>\$ 33,921</u>
Support Services		
Pupils		
Guidance Services		
Employee Benefits	\$ 500	\$ 466
Health Services		
Employee Benefits	160	153
Speech Pathology and Audiology Services		
Employee Benefits	700	629
<b>Total Supports Services - Pupils</b>	<u>\$ 1,360</u>	<u>\$ 1,248</u>
Instructional Staff		
Educational Media Services		
Employee Benefits	\$ 19,520	\$ 18,178
<b>Total Support Services - Instructional Staff</b>	<u>\$ 19,520</u>	<u>\$ 18,178</u>
General Administration		
Executive Administration Services		
Employee Benefits	\$ 3,300	\$ 3,080
<b>Total Support Services - General Administration</b>	<u>\$ 3,300</u>	<u>\$ 3,080</u>
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 17,900	\$ 17,527
<b>Total Support Services - School Administration</b>	<u>\$ 17,900</u>	<u>\$ 17,527</u>
Business		
Fiscal Services		
Employee Benefits	\$ 14,260	\$ 14,168
<b>Total Support Services - Business</b>	<u>\$ 14,260</u>	<u>\$ 14,168</u>

See Accompanying Independent Auditor's Report



BANNOCKBURN SCHOOL DISTRICT NO. 106  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
 YEAR ENDED JUNE 30, 2012

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Support Services (Continued)		
Operations and Maintenance		
Employee Benefits	\$ 12,795	\$ 11,953
Total Support Services - Operations and Maintenance	\$ 12,795	\$ 11,953
Food Services		
Employee Benefits	\$ 650	\$ 197
Total Support Services - Food Services	\$ 650	\$ 197
Total Support Services	\$ 69,785	\$ 66,351
Total Expenditures	\$ 111,985	\$ 100,272
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (58,243)	\$ (47,392)
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (58,243)	\$ (47,392)
FUND BALANCE - JULY 1, 2011	201,796	201,795
FUND BALANCE - JUNE 30, 2012	\$ 143,553	\$ 154,403

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 JUNE 30, 2012

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 24, 2011. 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, 2012, the following fund presented as Required Supplementary Information had expenditures that exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
Transportation Fund	\$ 206,000	\$ 216,728	\$ 10,728

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SUPPLEMENTAL FINANCIAL INFORMATION

BANNOCKBURN SCHOOL DISTRICT NO. 106  
 COMBINING BALANCE SHEET  
 GENERAL FUND  
 JUNE 30, 2012

	Educational Fund	Working Cash Fund	Total General Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,310,673	\$ 285,565	\$ 1,596,238
Investments, at Fair Value	6,250,738	1,361,888	7,612,626
Accrued Interest Receivable, net of allowance of \$0	19,248	4,194	23,442
Property Taxes Receivable, net of allowance of \$25,920	2,543,809	22,294	2,566,103
Due from Other Governments, net of allowance of \$0	54,563	-	54,563
Prepaid Expenses	29,021	-	29,021
	<u>\$ 10,208,052</u>	<u>\$ 1,673,941</u>	<u>\$ 11,881,993</u>
<b>Total Assets</b>	<b>\$ 10,208,052</b>	<b>\$ 1,673,941</b>	<b>\$ 11,881,993</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	\$ 226,472	\$ -	\$ 226,472
Deferred Revenue	5,078,363	44,506	5,122,869
Total Liabilities	<u>\$ 5,304,835</u>	<u>\$ 44,506</u>	<u>\$ 5,349,341</u>
<b>FUND BALANCE</b>			
Nonspendable			
Prepaid Expenses	\$ 29,021	\$ -	\$ 29,021
Unassigned	4,874,196	1,629,435	6,503,631
Total Fund Balance	<u>\$ 4,903,217</u>	<u>\$ 1,629,435</u>	<u>\$ 6,532,652</u>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 10,208,052</b>	<b>\$ 1,673,941</b>	<b>\$ 11,881,993</b>

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, 2012

	Educational Fund	Working Cash Fund	Total General Fund
<b>REVENUES</b>			
Property Taxes	\$ 5,139,701	\$ 119,391	\$ 5,259,092
Payments in Lieu of Taxes	23,540	-	23,540
Earnings on Investments	33,298	7,947	41,245
Food Service	3,735	-	3,735
District/School Activity Income	57,662	-	57,662
Other Local Sources	35,287	-	35,287
State Aid	149,300	-	149,300
Federal Aid	68,252	-	68,252
On-Behalf Payments	410,390	-	410,390
	<u>\$ 5,921,165</u>	<u>\$ 127,338</u>	<u>\$ 6,048,503</u>
<b>EXPENDITURES</b>			
Current			
Instruction			
Regular Programs	\$ 1,569,448	\$ -	\$ 1,569,448
Special Education Programs	134,089	-	134,089
Other Instructional Programs	64,704	-	64,704
Support Services			
Pupils	79,955	-	79,955
Instructional Staff	417,725	-	417,725
General Administration	335,726	-	335,726
School Administration	140,828	-	140,828
Business	85,051	-	85,051
Food Services	9,121	-	9,121
Payments to Other Districts and Governmental Units	831,581	-	831,581
Capital Outlay	84,885	-	84,885
On-Behalf Payments	410,390	-	410,390
	<u>\$ 4,163,503</u>	<u>\$ -</u>	<u>\$ 4,163,503</u>
<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 1,757,662</b>	<b>\$ 127,338</b>	<b>\$ 1,885,000</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfers	(690)	-	(690)
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 1,756,972</b>	<b>\$ 127,338</b>	<b>\$ 1,884,310</b>
<b>FUND BALANCES - JULY 1, 2011</b>	<b>3,146,245</b>	<b>1,502,097</b>	<b>4,648,342</b>
<b>FUND BALANCES - JUNE 30, 2012</b>	<b><u>\$ 4,903,217</u></b>	<b><u>\$ 1,629,435</u></b>	<b><u>\$ 6,532,652</u></b>

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, 2012

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
<b>REVENUES</b>		
Property Taxes	\$ 5,197,235	\$ 5,139,701
Payments in Lieu of Taxes	21,000	23,540
Earnings on Investments	19,845	33,298
Food Service	3,600	3,735
District/School Activity Income	48,500	57,662
Other Local Sources	-	35,287
State Aid		
General State Aid	39,000	53,704
Special Education	47,200	64,117
School Safety and Educational Improvement Block Grant	1,500	-
Other Restricted Revenue from State Sources	100	31,479
Federal Aid		
Food Service	2,500	3,450
Title I	19,600	19,053
Federal Special Education	28,000	38,785
Other ARRA Funds	-	73
Title II - Eisenhower Professional Development Formula	6,891	-
Title II - Teacher Quality	-	6,891
On-Behalf Payments	387,000	410,390
<b>Total Revenues</b>	<b>\$ 5,821,971</b>	<b>\$ 5,921,165</b>
<b>EXPENDITURES</b>		
Instruction		
Regular Programs		
Salaries	\$ 1,322,115	\$ 1,229,020
Employee Benefits	271,435	227,647
Purchased Services	33,085	20,326
Supplies and Materials	110,000	92,050
Other Objects	-	405
	<u>\$ 1,736,635</u>	<u>\$ 1,569,448</u>
Special Education Programs		
Salaries	\$ 192,000	\$ 114,775
Employee Benefits	45,165	19,314
	<u>\$ 237,165</u>	<u>\$ 134,089</u>
Interscholastic Programs		
Salaries	\$ 11,000	\$ 9,700
Employee Benefits	137	105
Purchased Services	27,000	23,849
Supplies and Materials	7,000	2,657
	<u>\$ 45,137</u>	<u>\$ 36,311</u>
Gifted Programs		
Salaries	\$ 30,000	\$ 26,753
Employee Benefits	1,915	1,640
	<u>\$ 31,915</u>	<u>\$ 28,393</u>
<b>Total Instruction</b>	<b>\$ 2,050,852</b>	<b>\$ 1,768,241</b>
Support Services		
Pupils		
Guidance Services		
Salaries	\$ 33,100	\$ 32,631
	<u>\$ 33,100</u>	<u>\$ 32,631</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, 2012

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Support Services (Continued)		
Pupils (Continued)		
Health Services		
Salaries	\$ 2,000	\$ 1,996
	\$ 2,000	\$ 1,996
Speech Pathology and Audiology Services		
Salaries	\$ 43,500	\$ 43,367
Employee Benefits	2,097	1,961
	\$ 45,597	\$ 45,328
Total Support Services - Pupils	\$ 80,697	\$ 79,955
Instructional Staff		
Improvement of Instruction Services		
Purchased Services	\$ 62,000	\$ 37,053
	\$ 62,000	\$ 37,053
Educational Media Services		
Salaries	\$ 206,595	\$ 201,511
Employee Benefits	44,588	45,000
Purchased Services	61,876	43,839
Supplies and Materials	54,460	48,269
Non-Capitalized Equipment	-	42,053
	\$ 367,519	\$ 380,672
Total Support Services - Instructional Staff	\$ 429,519	\$ 417,725
General Administration		
Board of Education Services		
Purchased Services	\$ 90,000	\$ 63,329
	\$ 90,000	\$ 63,329
Executive Administration Services		
Salaries	\$ 223,995	\$ 223,970
Employee Benefits	37,862	40,700
Purchased Services	5,000	4,299
Supplies and Materials	4,000	3,428
	\$ 270,857	\$ 272,397
Total Support Services - General Administration	\$ 360,857	\$ 335,726
School Administration		
Office of the Principal Services		
Salaries	\$ 118,185	\$ 118,206
Employee Benefits	21,365	22,622
	\$ 139,550	\$ 140,828
Total Support Services - School Administration	\$ 139,550	\$ 140,828
Business		
Fiscal Services		
Salaries	\$ 79,430	\$ 79,430
Employee Benefits	1,611	1,675
Purchased Services	5,000	3,946
	\$ 86,041	\$ 85,051
Total Support Services - Business	\$ 86,041	\$ 85,051

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, 2012

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Support Services (Continued)		
Food Services		
Salaries	\$ 8,000	\$ 2,580
Supplies and Materials	8,000	6,541
	\$ 16,000	\$ 9,121
Total Support Services - Food Services	\$ 16,000	\$ 9,121
Total Support Services	\$ 1,112,664	\$ 1,068,406
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ 1,026,951	\$ 831,581
Total Payments to Other Districts and Governmental Units (In-State)	\$ 1,026,951	\$ 831,581
Total Payments to Other Districts and Governmental Units	\$ 1,026,951	\$ 831,581
Capital Outlay		
Instruction		
Regular Programs	\$ 120,000	\$ 54,795
Support Services		
Instructional Staff	76,162	30,090
	\$ 196,162	\$ 84,885
Provision for Contingencies	\$ 50,000	\$ -
On-Behalf Payments	\$ 387,000	\$ 410,390
Total Expenditures	\$ 4,823,629	\$ 4,163,503
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 998,342	\$ 1,757,662
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	\$ (6,915)	\$ (690)
Other Sources	20,000	-
	\$ 13,085	\$ (690)
NET CHANGE IN FUND BALANCE	\$ 1,011,427	\$ 1,756,972
FUND BALANCE - JULY 1, 2011	3,146,246	3,146,245
FUND BALANCE - JUNE 30, 2012	\$ 4,157,673	\$ 4,903,217

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, 2012

	Budgeted Amounts	Actual Amounts
	<u>Original and Final</u>	<u></u>
REVENUES		
Property Taxes	\$ 120,530	\$ 119,391
Earnings on Investments	7,455	7,947
Total Revenues	<u>\$ 127,985</u>	<u>\$ 127,338</u>
EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 127,985	\$ 127,338
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 127,985	\$ 127,338
FUND BALANCE - JULY 1, 2011	<u>1,502,097</u>	<u>1,502,097</u>
FUND BALANCE - JUNE 30, 2012	<u>\$ 1,630,082</u>	<u>\$ 1,629,435</u>

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 DEBT SERVICES FUND  
 YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Debt Service		
Interest		
Other Interest on Long-Term Debt		
Other Objects	\$ 375	\$ -
Total Debt Service - Interest	<u>\$ 375</u>	<u>\$ -</u>
Debt Service - Payment of Principal on Long-Term Debt		
Other Objects	\$ 6,540	\$ 690
Total Debt Service - Payment of Principal on Long-Term Debt	<u>\$ 6,540</u>	<u>\$ 690</u>
Total Debt Service	<u>\$ 6,915</u>	<u>\$ 690</u>
Total Expenditures	<u>\$ 6,915</u>	<u>\$ 690</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (6,915)	\$ (690)
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	<u>6,915</u>	<u>690</u>
NET CHANGE IN FUND BALANCE	\$ -	\$ -
FUND BALANCE - JULY 1, 2011	<u>-</u>	<u>-</u>
FUND BALANCE - JUNE 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts	Actual Amounts
	Original and Final	
REVENUES		
Earnings on Investments	\$ 1,225	\$ 489
Total Revenues	\$ 1,225	\$ 489
EXPENDITURES		
Support Services		
Facilities Acquisition and Construction		
Purchased Services	\$ -	\$ 1,920
Total Support Services - Facilities Acquisition and Construction	\$ -	\$ 1,920
Total Support Services	\$ -	\$ 1,920
Capital Outlay		
Support Services		
Facilities Acquisition and Construction	\$ 115,668	\$ -
	\$ 115,668	\$ -
Total Expenditures	\$ 115,668	\$ 1,920
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (114,443)	\$ (1,431)
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (114,443)	\$ (1,431)
FUND BALANCE - JULY 1, 2011	114,621	114,621
FUND BALANCE - JUNE 30, 2012	\$ 178	\$ 113,190

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, 2012

	<u>BALANCE</u> <u>JULY 1, 2011</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2012</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 510	\$ 9,286	\$ 8,931	\$ 865
<b>LIABILITIES</b>				
Amount Due to Activity				
Yearbook	\$ 150	\$ 5,177	\$ 4,830	\$ 497
Sunshine Club	259	1,125	1,091	293
Student Council	101	2,984	3,010	75
	<u>\$ 510</u>	<u>\$ 9,286</u>	<u>\$ 8,931</u>	<u>\$ 865</u>

See Accompanying Independent Auditor's Report

BANNOCKBURN SCHOOL DISTRICT NO. 106  
 COMPUTATION OF OPERATING EXPENSE PER PUPIL  
 AND PER CAPITA TUITION CHARGE  
 YEAR ENDED JUNE 30, 2012

**EXPENDITURES:**

ED	Total Expenditures	\$ 3,753,113
O&M	Total Expenditures	519,057
DS	Total Expenditures	690
TR	Total Expenditures	216,728
MR/SS	Total Expenditures	100,272
	<b>Total Expenditures</b>	<b>\$ <u>4,589,860</u></b>

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

ED	Total Payments to Other District & Govt Units	\$ 831,581
ED	Capital Outlay	84,885
ED	Non-Capitalized Equipment	42,053
O&M	Capital Outlay	143,547
O&M	Non-Capitalized Equipment	18,709
DS	Debt Service - Payments of Principal on Long-Term Debt	690
TR	Total Payments to Other Dist & Govt Units	116,385
	<b>Total Deductions</b>	<b>\$ <u>1,237,850</u></b>
	<b>Total Operating Expenses (Regular K-12)</b>	<b>\$ <u>3,352,010</u></b>
	<b>9 Mo ADA (See the General State Aid Claim for 2011-2012 (ISBE 54-33, L12))</b>	<b><u>160.29</u></b>
	<b>Estimated OEPP</b>	<b>\$ <u>20,912.16</u></b>

<b>PER CAPITA TUITION CHARGE</b>
----------------------------------

**LESS OFFSETTING RECEIPTS/REVENUES:**

ED	Total Food Service	\$ 3,735
ED-O&M	Total District/School Activity Income	57,662
ED-O&M-TR	Total Special Education	64,117
ED-O&M-TR-MR/SS	Total Transportation	74,053
ED-O&M-DS-TR-MR/SS-Tort	Other Restricted Revenue from State Sources	31,479
ED-MR/SS	Total Food Service	3,450
ED-O&M-TR-MR/SS	Total Title I	19,053
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Flow Through/Low Incidence	22,746
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Room & Board	16,039
ED-O&M-TR-MR/SS-Tort	Other ARRA Funds XI	73
ED-O&M-TR-MR/SS	Title II - Teacher Quality	6,891
	<b>Total Allowance for PCTC Computation</b>	<b>\$ <u>299,298</u></b>
	<b>Net Operating Expense for PCTC Computation</b>	<b>\$ <u>3,052,712</u></b>
	<b>Total Depreciation Allowance (from page 27, Col I)</b>	<b><u>257,240</u></b>
	<b>Total Allowance for PCTC Computation</b>	<b>\$ <u>3,309,952</u></b>
	<b>9 Mo ADA</b>	<b><u>160.29</u></b>
	<b>Total Estimated PCTC</b>	<b>\$ <u>20,649.77</u></b>

Unaudited