

COMPREHENSIVE ANNUAL FINANCIAL  
REPORT

OF

**NORTH SHORE SCHOOL DISTRICT  
112**

**HIGHLAND PARK, IL**

As of and for the Year Ended June 30, 2014

Officials Issuing Report

Mohsin Dada  
Chief Financial Officer

Department Issuing Report

Business Office

# NORTH SHORE SCHOOL DISTRICT 112

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[www.nssd112.org](http://www.nssd112.org)

December 4, 2014

President and Members of the Board of Education  
North Shore School District 112  
Highland Park, IL 60035

The Comprehensive Annual Financial Report (CAFR) of North Shore School District 112 (District 112), Highland Park, Illinois, for the fiscal year ended June 30, 2014, is attached. The report was prepared by the Chief Financial Officer. The report date on the underlying financial statements is December 4, 2014, and an unmodified auditors' opinion on the financial statements has been issued.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to present the financial position and results of operations of the District fairly. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

#### Financial Statements

The CAFR includes all funds that are controlled by or dependent on the Board of Education of the District, and is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the District's organizational chart, a list of principal officials, the Certificate of Excellence and the Certificate of Achievement for Excellence in Financial Reporting. The financial section includes Management's Discussion and Analysis (MD&A) of the District's financial performance for the year, the basic financial statements, and the fund financial statements and schedules, as well as the auditors' report on the financial statements and schedules and the notes to the financial statements. The statistical section includes selected unaudited financial and demographic information, generally presented on a multiyear basis.

The District does not have financial accountability over any other entity, and, thus, does not include any other entity as a component unit in this report. Additionally, the District is an independent entity, not includable as a component unit of any other reporting entity.

#### History of the District

The District was organized on July 1, 1993, and is governed by an elected seven-member Board of Education. The District maintains grades kindergarten through eighth in eight elementary school buildings and three middle school buildings. Pre-kindergarten and certain special education programs are also provided in the District's administrative building.

The District provides educational instruction to children residing in the City of Highland Park, the City of Highwood, Fort Sheridan and a portion of Deerfield. The District's operations are funded primarily through local property taxes. The District operates under guidelines and restrictions set forth in the Illinois School Code and various federal statutes.

The District's year over year enrollment is relatively stable, with some fluctuation during the year generated by military housing in the Fort Sheridan Army base. Absent a growth spurt related to the completion of the new military housing in fiscal 2009, typically the District has experienced minor annual or aggregate volatility in enrollment over the previous ten years. Over the next year, the District does not expect significant enrollment fluctuation.

#### Accounting Systems and Budgetary Control

The District has complete responsibility for the preparation and modification of its annual budget and is solely accountable for its fiscal matters, including surpluses and deficits, assignments of management, and issuance of debt. The District's administration is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and that (2) the valuation of costs and benefits requires estimates and judgments by management.

The District's independent auditors run tests to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the tests for the fiscal year ended June 30, 2014 did indicate a few instances of material weaknesses in the internal control structure, but plans are already in place to correct these concerns. No significant violations of applicable laws and regulations were noted.

The District maintains sound budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the District's Board of Education.

Monthly, the business office provides the Board with a variance report based on changes to the approved budget. The Board is also provided with other monthly financial information including revenue and expenditure detail, check registers and cash, receivable and investment summaries. Other financial information is routinely provided as needed.

Activities of the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds are included in the annual budget. The level of budgetary control is established at the individual fund level. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

#### General Governmental Activities

The general governmental activities include all services provided by the District. Included are the general, special revenue, debt service and capital project funds. The activities include all instructional, maintenance, and administrative costs of the district.

Property taxes are the most significant revenue source of the District. The three factors that affect property tax revenues are assessed valuation, the tax multiplier and the tax rate. The equalized assessed valuation of the District of \$2,118,854,337 represents a decrease in the tax base of 5% over the prior year. The tax multiplier is determined by a state agency which attempts to equalize the assessment on real



property in order to determine the property value for taxing purposes. This value is referred to as the equalized assessed valuation (EAV).

### Economic Condition and Outlook

The District is located in the northeastern part of the state in a mature “built out” community. The District’s tax base is primarily made up of residential communities, with some retail businesses and little industry. The economic condition of the Highland Park and Highwood areas is relatively stable. Assessed property values in the District’s community, as with virtually all nationally, have declined. The District’s property value decline for existing unimproved properties has been approximately 7% aggregately per year, over the past two years. While being an unfavorable trend, the decline has been far less than other Chicago area communities, some of which have been impacted by double digit annual declines in assessed values. The prospect of continuing the current level and receiving some additional property tax revenue is good.

The current downturn in the financial and real estate markets has also had a generally negative impact on housing values. However, under current or any proposed modified “tax cap” legislation, this factor does not currently have a significant effect on the property tax revenues allocated to the District. Changes in relative housing values primarily reallocate taxes due to the District among community taxpayers. The District’s community also continues to demonstrate its ability to pay taxes owed. This financial profile is expected to continue. However, if the aggregate property values declined so significantly that tax rates exceeded authorized maximums, revenues could decline; an event not considered probable. In addition, compared to other community locations, any related negative financial impacts in relative terms are anticipated to continue to be less.

Like all districts in the state, District 112 has fiscal challenges provided by current global economic conditions that will negatively impact future operations and the ability to maintain balanced budgets. Unlike most other districts, however, District 112 has substantial fund balance reserves to help sustain reasonably reduced operations and overall negative economic impacts.

## **STRATEGIC PLAN, MISSION, BELIEFS, PARAMETERS, OBJECTIVES, AND STRATEGIES**

### **Mission Statement**

*The mission statement is a clear and concise expression of the District’s identity, purpose and means. It is the keystone of the Strategic Plan.*

The mission of North Shore School District 112, a community partnership committed to a world-class education, is to nurture every child to become an inspired learner, well-rounded individual and contributing member of a global community by striving for excellence within an environment that fosters innovation, respect, engagement and intellectual inquiry.

### **Beliefs**

*The beliefs are the driving force of the entire Strategic Plan. They can be described as the non-negotiable principles that underlie the entire plan and reflect our most deep and abiding convictions.*

*We Believe That...*

- All individuals have inherent value.
- Hard work, self-confidence and determination increase the probability of achieving full potential.
- Individuals are responsible for their own decisions and actions.
- Any community benefits when people willingly contribute to the well-being of others.

- Everyone can be a successful learner.
- Effective education enhances the quality of life.
- Understanding diversity is essential for people to thrive in an interdependent world.
- Honesty and integrity build trusting relationships.
- Effective education is a partnership among school, family and the broader community.
- Change involves risk and is necessary for continuous improvement in a dynamic world.

### **Parameters**

*The parameters of the Strategic Plan are absolute pronouncements that establish the boundaries to prevent the overzealous pursuit of the Mission. The parameters are self-imposed limitations that are applied throughout the strategic planning process and the development of the Strategic Plan.*

1. We will always provide safe, supportive and nurturing learning and working environments.
2. We will not tolerate behavior that is disrespectful or demeaning to any individual or group.
3. No new program or service will be accepted unless:
  - It is consistent with the strategic plan
  - Its benefits justify costs, and
  - Provisions are made for professional development and program evaluation.
4. No program or service will be retained unless it makes an optimal contribution to the mission and benefits continue to justify the cost.
5. We practice fiscal responsibility while maintaining an operating fund balance of at least 25%.
6. The scope of our programming will always attend to the social, emotional and physical well-being of our students.
7. The School Improvement Plans will always be consistent with the District's Strategic Plan.
8. We will always consider the environmental impact of our decisions as we pursue our Mission.

### **Objectives**

*The objectives of the Strategic Plan are the School District's commitment to achieve specific and measurable end results. The objectives are tied very closely to the mission statement and are derived from and define the mission.*

- Every student will achieve personal academic excellence by demonstrating growth as measured by North Shore School District 112 standards and assessments.
- Every child will develop, understand and consistently demonstrate the character attributes of respect, responsibility, trustworthiness, caring, fairness and citizenship at school and in the community.

### **Strategies**

*The strategies of the Strategic Plan describe the broad statements of how the School District's resources will be deployed to achieve our mission and objectives. The strategies are directly related to the mission and objectives and are designed to close the gap between what is and what could be. These strategies will provide focus and total system concentration of our effort and resources.*

1. We will continue to align our curriculum and develop standards and student assessments in all curricular areas.
2. We will ensure our educators have the support necessary to utilize effective instructional strategies and interventions to inspire creativity and intellectual curiosity for each student to grow to academic excellence.
3. We will develop and implement plans to ensure the sustainability of the District's financial and human resources and their equitable distribution.
4. We will develop and implement plans to ensure we have the facilities and technology infrastructure needed to achieve our mission and objectives.



5. We will develop plans to unify our district and community by improving understanding of the benefits of its rich diversity and engaging it as a critical partner in the education of our children.
6. (Combined with Strategy 2, May 2013)
7. We will model, integrate, recognize, reinforce and develop means to assess the character traits of responsibility, respect, fairness, caring, citizenship and trustworthiness throughout the District.

### **Strategy 1**

We will continue to align our curriculum, standards, and student assessments in all curricular areas.

- Plan 1: Operationalize a system that collects, stores, and analyzes student information and performance data from multiple sources.
- Plan 2: Communicate the District's adopted curriculum and its development process to all stakeholders.
- Plan 3: We will implement Common Core State Standards with fidelity as part of the established curricular and programmatic review cycles.
- Plan 4: Improve vertical and horizontal content collaboration focused on student learning.
- Plan 5: Identify and implement unit assessments in the Common Core State Standard areas.
- Plan 6: Ensure differentiated staff professional development to address various stages of curriculum development and assessments.
- Plan 7: Develop an elementary standards-based report card on adopted District standards.
- Plan 8: Embed diversity themes and activities District-adopted curricula.

### **Strategy 2**

We will ensure our educators have the support necessary to utilize effective instructional strategies and interventions to inspire creativity and intellectual curiosity for each student to grow to academic excellence.

- Plan 1: Ensure academic excellence for all North Shore School District 112 students by providing interventions and advanced learning opportunities in addition to Tier I/Core instruction when students demonstrate need.
- Plan 2: All District staff will participate in professional development opportunities based on identified needs related to curriculum (Common Core State Standards, Power Standards), instruction (Differentiation, Response to Intervention, English Language Learners, principles of effective, intentional teaching, technology integration), and assessment (formative, summative).
- Plan 3: We will increase awareness and access to all instructional programs, resources, tools, and community partnerships available to the North Shore School District 112 faculty.

### **Strategy 3**

We will develop and implement plans to ensure the sustainability of the District's financial and human resources and their equitable distribution.

- Plan 1: The District will maximize the efficient, effective equitable delivery of personnel, programs and services. (Special Ed Program Realignment, Language Acquisition Programs, Custodial Services) (Diversity)
- Plan 2: The District will improve the efficient and equitable use of the facilities and property (physical) assets.
- Plan 3: The District will improve upon the statistical reporting so the district can measure equitable distribution of financial and human resources.

### **Strategy 4**

We will develop and implement plans to ensure we have the facilities and technology infrastructure needed to achieve our Mission and Objectives.

- Plan 1: Secure our buildings to make them a safer learning environment.
- Plan 2: Decrease power usage and material waste by 20%.
- Plan 3: Develop a common model for disposal (removal) of outdated and/or unneeded District equipment.
- Plan 4: Study and recommend a district model for facilities PreK-8.
- Plan 5: Create technology standards for teachers.
- Plan 6: Standardize software applications.
- Plan 7: Implement a plan to increase Internet bandwidth to industry best.
- Plan 8: Complete Promethean Board deployment.
- Plan 9: Improve computer-to-student ratio.

### **Strategy 5**

We will develop plans to unify our district and community by improving understanding of the benefits of its rich diversity and engaging it as a critical partner in the education of our children.

- Plan 1: Newly-hired District 112 employees will examine and broaden their understanding of diversity so they can meet the needs of District 112's diverse community.
- Plan 2: The District will increase awareness of existing community events to increase stakeholder participation.
- Plan 3: North Shore School District 112 will develop and implement communications plans that highlight the diversity across the District and promote the Community – School partnership.

### **Strategy 6**

Embedded in Strategy 2.

### **Strategy 7**

Model, integrate, recognize and develop the means to assess the character traits of trustworthiness, respect, responsibility, fairness, caring and citizenship throughout the District.

- Plan 1: Develop a consistent framework for expectations of good character for students, parents, staff and community members.
- Plan 2: Create an organizational culture within each school that supports the District's character framework and nurtures the social emotional growth of each student.
- Plan 2: Create an organizational culture within each school that supports the District's character framework and nurtures the social emotional growth of each student.
- Plan 4: The District will create and implement a communication plan regarding its character programs and activities ("character plan").
- Plan 5: The District will develop partnerships with various organizations to strengthen character strengths of students, parents, staff and community members.
- Plan 6: Develop ways to celebrate good character.

## **OTHER INFORMATION**

### ***Independent Audit***

State statutes require an annual audit of the books of accounts, financial records, and transactions of all funds of the District. The financial statements audit as of June 30, 2014, and the year then ended was performed by, the independent certified public accounting firm of, Baker Tilly Virchow Krause, LLP. The unqualified auditors' report is included in the financial section of this report.

### ***Awards and Acknowledgments***

We wish to thank the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner. We also wish to thank the efficient and dedicated business office staff for their assistance in the timely preparation of this report. Their service was instrumental in our receiving CAFR awards for both ASBO & GFOA for the year ended June 30, 2013.

Respectfully submitted,



Dr. Michael Bregy  
Superintendent of Schools



Mohsin Dada  
Chief Financial Officer and Treasurer

# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

**North Shore School District 112**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading "Terrie S. Simmons".

**Terrie S. Simmons, RSBA, CSBO**  
President

A handwritten signature in black ink, reading "John D. Musso".

**John D. Musso, CAE, RSBA**  
Executive Director





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**North Shore School District 112  
Illinois**

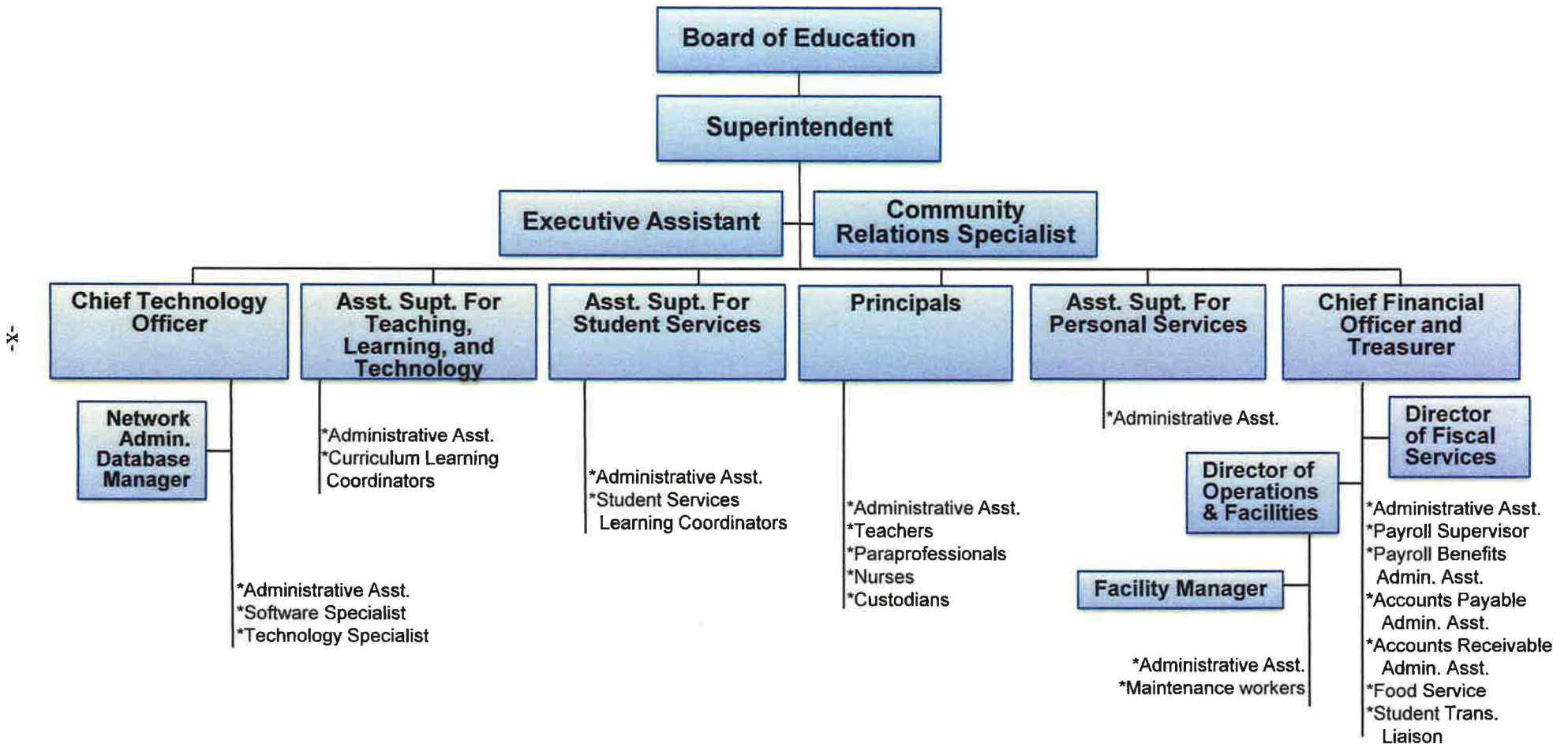
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

# Organization Chart

## North Shore School District 112



**NORTH SHORE SCHOOLS DISTRICT 112  
1936 Green Bay Road  
Highland Park, IL 60035**

**Comprehensive Annual Financial Report**

**For the Fiscal Year Ended June 30, 2014**

**Officers and Officials**

**Board of Education**

		<u>Term Expires</u> (April)
Bruce Hyman	President	2015
Michael Cohn	Vice-President	2015
Eric Ephraim	Member	2015
Karla Livney	Member	2017
Yumi Ross	Member	2015
Jane Solmor-Mordini	Member	2017
Samantha Stolberg	Member	2017

**District Administration**

Dr Michael Bregy  
Superintendent of Schools

**Official Issuing Report**

Mohsin Dada, CFP®  
Chief Financial Officer and Treasurer

**Department Issuing Report**

Business Office

## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
North Shore School District 112  
Highland Park, IL

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North Shore School District 112, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise North Shore School District 112's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to North Shore School District 112's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of North Shore School District 112's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of North Shore School District 112 as of June 30, 2014 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



To the Board of Education  
North Shore School District 112

### ***Emphasis of Matter***

As discussed in Note 2, North Shore School District 112 adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective July 1, 2013. Our opinions are not modified with respect to this matter.

As described in Note 13 to the financial statements, the 2013 financial statements have been restated in order to correct an error. Our opinions are not modified with respect to this matter.

### ***Other Matters***

The financial statements of North Shore School District 112 as of and for the year ended June 30, 2013, prior to restatement, were audited by other auditors whose report dated December 6, 2013, expressed unmodified opinions on those statements.

As part of our audit of the 2014 financial statements, we also audited the adjustment described in Note 13 that was applied to restate the 2013 financial statements to correct errors. In our opinion, the adjustment is appropriate and has been properly applied. We were not engaged to audit, review, or apply any procedures to the 2013 financial statements of North Shore School District 112 other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2013 financial statements as a whole.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information (restated for the correction noted in Note 13) as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise North Shore School District 112's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Board of Education  
North Shore School District 112

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise North Shore School District 112's basic financial statements. The introductory and statistical section (restated for the correction noted in Note 13) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2014 on our consideration of North Shore School District 112's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Shore School District 112's internal control over financial reporting and compliance.

Oak Brook, Illinois  
December 4, 2014

*Baker Tilly Unchak Krause, LLP*

# **North Shore School District 112**

## **Management's Discussion and Analysis (Unaudited)**

### **As of and for the Year Ended June 30, 2014**

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The discussion and analysis of North Shore School District 112's (the "District") financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2014. The management of the District encourages readers to consider the information presented herein in conjunction with the transmittal letter found in the introductory section and the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

#### **Financial Highlights**

- In total, net position increased by \$7.3. This represents an 8% increase from 2013.
- General revenues accounted for \$67.6 in revenue or 77% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$20.0 or 23% of total revenues of \$87.6.
- The District had \$80.3 in expenses related to government activities. However, only \$20.0 of these expenses were offset by program specific charges and grants.
- During the year, \$1.5 million of capital projects were completed.
- The District continued to pay down its long-term debt retiring \$3.0 million in fiscal 2014.
- Due to the current market conditions, interest income again was a nominal portion of the revenue stream. Over the past year, the District worked with PMA Financial, Wells Fargo & JP Morgan Chase to obtain the best rates possible.

#### **Overview of the Financial Statements**

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

- Government-wide financial statements,
- Fund financial statements, and
- Notes to basic financial statements.

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

#### *Government-wide financial statements*

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

The statement of net position presents information on all of the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

# **North Shore School District 112**

## **Management's Discussion and Analysis (Unaudited)**

### **As of and for the Year Ended June 30, 2014**

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

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

#### *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 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 school district'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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 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 Fund, Operations and Maintenance Fund, Transportation Fund, IMRF/Social Security Fund, Debt Service Fund, and Fire Prevention and Safety Fund, 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 schedule has been provided for each fund to demonstrate compliance with this budget.

Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statement 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.



# North Shore School District 112

## Management's Discussion and Analysis (Unaudited)

### As of and for the Year Ended June 30, 2014

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#### *Notes to basic financial statements*

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

#### *Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its non-certified employees.

#### **Government-Wide Financial Analysis**

The District's combined net position was higher on June 30, 2014, than it was the year before, increasing 8% to \$100.5.

**Table 1**  
**Condensed Statements of Net Position**  
**(in millions of dollars)**

	<u>2013*</u>	<u>2014</u>
<b>Assets:</b>		
Current and other assets	\$ 101.2	\$ 106.4
Capital Assets	<u>71.2</u>	<u>69.8</u>
Total assets	<u>172.4</u>	<u>176.2</u>
Total deferred outflows of resources	<u>-</u>	<u>0.4</u>
<b>Liabilities:</b>		
Current liabilities	71.4	6.1
Long-term debt outstanding	<u>7.8</u>	<u>5.1</u>
Total liabilities	<u>79.2</u>	<u>11.2</u>
Total deferred inflows of resources	<u>-</u>	<u>64.9</u>
<b>Net position:</b>		
Net investment in capital assets	63.1	64.8
Restricted	6.3	9.8
Unrestricted	<u>23.8</u>	<u>25.9</u>
Total net position as restated	<u>\$ 93.2</u>	<u>\$ 100.5</u>

\* Prior year information has not been updated for the District's implementation of GASB Statement No. 65 in fiscal year 2014 but has been restated for the correction of the error noted in Note 13.

Revenues in the governmental activities of the District of \$87.6 exceeded expenses by \$7.3. This was attributable primarily to a reduction in deferral of maintenance and capital spending as well as higher than expected property tax revenues.

**North Shore School District 112**  
**Management's Discussion and Analysis (Unaudited)**  
**As of and for the Year Ended June 30, 2014**

<b>Table 2</b> <b>Changes in Net Position</b> <b>(in millions of dollars)</b>		
	<u><b>2013*</b></u>	<u><b>2014</b></u>
<b>Revenues:</b>		
<i>Program revenues:</i>		
Charges for services	\$ 1.0	\$ 1.3
Operating grants & contributions	15.5	18.7
<i>General revenues:</i>		
Taxes	68.0	66.1
General state aid	1.8	1.2
Other	<u>1.5</u>	<u>0.3</u>
Total revenues	<u>87.8</u>	<u>87.6</u>
<b>Expenses:</b>		
Instruction	51.2	54.6
Pupil & instructional staff services	8.6	8.2
Administration & business	7.1	6.3
Transportation	2.5	2.5
Operations & maintenance	7.3	7.6
Other	<u>3.6</u>	<u>1.1</u>
Total expenses	<u>80.3</u>	<u>80.3</u>
Excess (deficiency) of revenues over expenses before special items	<u>7.5</u>	<u>7.3</u>
<b>Increase (decrease) in net position as restated</b>	<u><b>\$ 7.5</b></u>	<u><b>\$ 7.3</b></u>

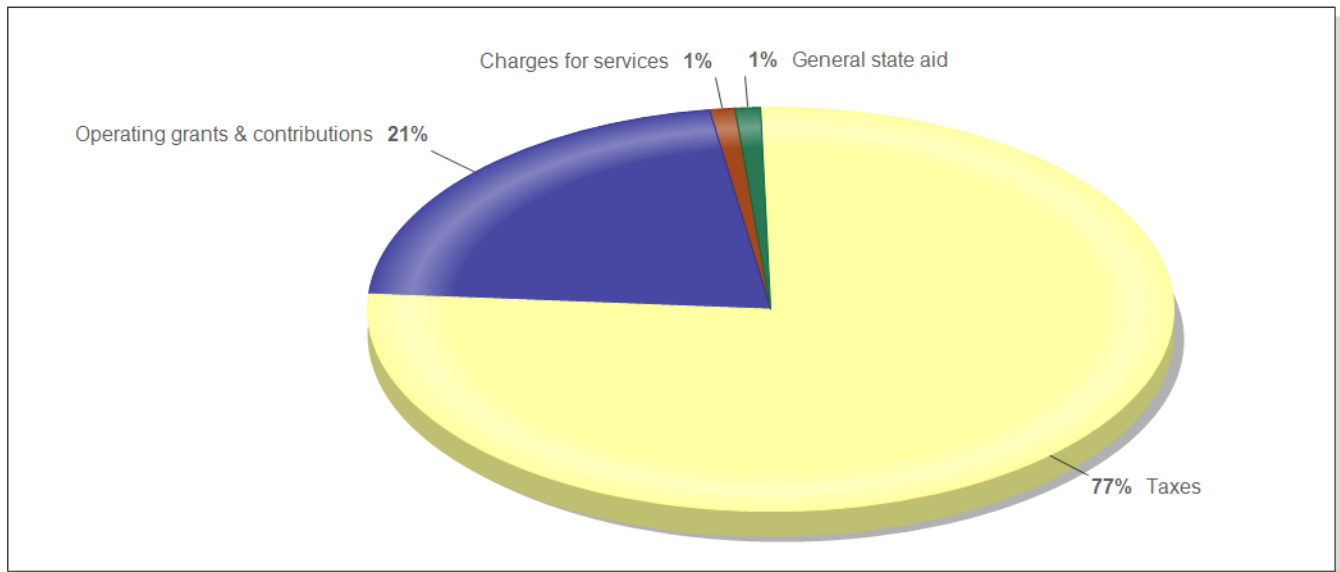
\*Prior year Net Position was restated for the correction of the error noted in Note 13 of the accompanying notes to the financial statements.

Property taxes accounted for the largest portion of the District's revenues, contributing 77%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$80.3, mainly related to instructing and caring for the students and student transportation at 82%.

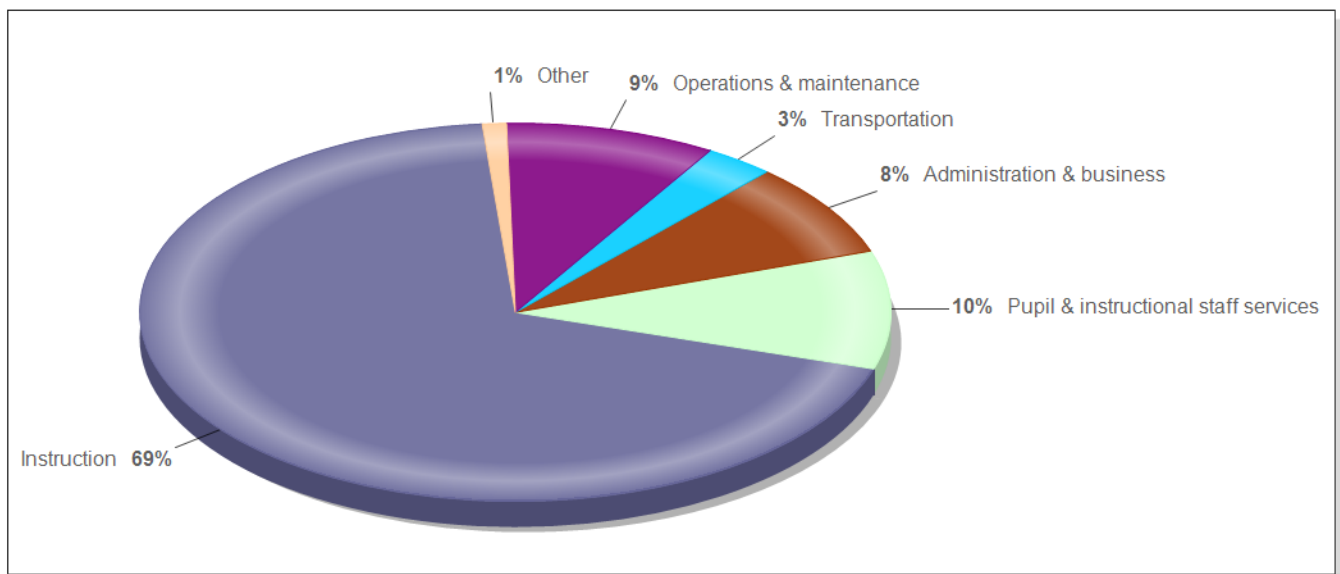
**North Shore School District 112**  
**Management's Discussion and Analysis (Unaudited)**  
**As of and for the Year Ended June 30, 2014**

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**District-Wide Revenues by Source**



**District-Wide Expenses by Function**



**Financial Analysis of the District's Funds**

The District's Governmental Funds balance increased from \$29.8 to \$35.5. Higher than expected property tax revenue and deferral of maintenance/capital spending contributed on this increase.

# North Shore School District 112

## Management's Discussion and Analysis (Unaudited)

### As of and for the Year Ended June 30, 2014

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#### General Fund Budgetary Highlights

Excluding the neutral effect of an equal amount of revenues and expenditures related to the on-behalf payments for TRS pension funding, operating fund revenues were under budget by \$0.4 million, and expenditures were under budget by \$4.8 million. Local revenues were slightly lower than expected, while the decrease in expenditures is primarily due to aggressive cost management and the postponement of capital projects.

#### Capital Assets and Debt Administration

##### *Capital assets*

By the end of 2014, the District had compiled a total investment of \$113.5 (\$69.8 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$3.0. More detailed information about capital assets can be found in Note 4 of the basic financial statements.

**Table 3**  
**Capital Assets (net of depreciation)**  
**(in millions of dollars)**

	<u>2013</u>	<u>2014</u>
Land	\$ 3.8	\$ 3.8
Land improvements	0.3	0.3
Buildings and building improvements	62.0	61.6
Furniture, equipment, and vehicles	<u>5.1</u>	<u>4.1</u>
Total	<u>\$ 71.2</u>	<u>\$ 69.8</u>

##### *Long-term debt*

The District retired \$2.9 in general obligation bonds in 2014. Capital leases and other were reduced by \$0.3. At the end of fiscal 2014, the District had a debt margin of \$141.2. More detailed information on long-term debt can be found in Note 6 of the basic financial statements.

**Table 4**  
**Outstanding Long-Term Debt**  
**(in millions of dollars)**

	<u>2013</u>	<u>2014</u>
General Obligation Bonds	\$ 7.8	\$ 4.9
Capital leases and other	<u>0.5</u>	<u>0.2</u>
Total	<u>\$ 8.3</u>	<u>\$ 5.1</u>

# **North Shore School District 112**

## **Management's Discussion and Analysis (Unaudited)**

### **As of and for the Year Ended June 30, 2014**

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#### **Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that will significantly affect financial operations in the future:

The District's buildings are aging and will require considerable repair/maintenance expense over the next 5-10 years. At this time, the District is planning a referendum to issue bonds to allow for the reconfiguration of the District, which would involve additions to existing buildings as well as new construction. Should the community approve this referendum, the District's financial operations would obviously be significantly impacted.

#### **Requests for Information**

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

Mohsin Dada  
North Shore School District 112  
1936 Green Bay Road  
Highland Park, IL 60035

# NORTH SHORE SCHOOL DISTRICT 112

## STATEMENT OF NET POSITION

AS OF JUNE 30, 2014

	GOVERNMENTAL ACTIVITIES
<b>Assets</b>	
Cash	\$ 73,615,896
Receivables (net of allowance for uncollectibles):	
Property taxes	32,448,910
Replacement taxes	114,857
Intergovernmental	261,796
Capital assets:	
Land	3,844,995
Depreciable buildings, property and equipment, net	<u>65,938,842</u>
Total assets	<u>176,225,296</u>
<b>Deferred outflows of resources</b>	
Deferred charge on refunding	<u>357,892</u>
Total deferred outflows of resources	<u>357,892</u>
<b>Liabilities</b>	
Accounts payable	1,064,351
Salaries and wages payable	4,116,957
Unearned student fees	204,962
Health claims payable	669,574
Long-term liabilities:	
Other long-term liabilities - due within one year	1,332,870
Other long-term liabilities - due after one year	<u>3,801,680</u>
Total liabilities	<u>11,190,394</u>
<b>Deferred inflows of resources</b>	
Property taxes levied for a future period	<u>64,850,078</u>
Total deferred inflows of resources	<u>64,850,078</u>
<b>Net position</b>	
Net investment in capital assets	64,808,837
Restricted for:	
Tort immunity	203,055
Operations and maintenance	4,147,494
Student transportation	1,346,866
Retirement benefits	1,942,691
Debt service	643,106
Capital projects	1,547,521
Unrestricted	<u>25,903,146</u>
Total net position	<u>\$ 100,542,716</u>

See Notes to Basic Financial Statements

# NORTH SHORE SCHOOL DISTRICT 112

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2014

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND
				GOVERNMENTAL
				CHANGES IN NET POSITION
<b>Governmental activities</b>				
Instruction:				
Regular programs	\$ 23,536,690	\$ 1,202,464	\$ 324,403	\$ (22,009,823)
Special programs	13,059,882	-	3,609,722	(9,450,160)
Other instructional programs	5,004,500	15,697	279,400	(4,709,403)
State retirement contributions	12,958,399	-	12,958,399	-
Support Services:				
Pupils	4,491,877	-	-	(4,491,877)
Instructional staff	3,723,817	-	73,232	(3,650,585)
General administration	1,616,177	-	-	(1,616,177)
School administration	3,330,904	-	-	(3,330,904)
Business	1,381,477	33,947	366,893	(980,637)
Transportation	2,458,682	110	1,047,278	(1,411,294)
Operations and maintenance	7,566,338	53,316	-	(7,513,022)
Central	613,487	-	-	(613,487)
Other supporting services	94,014	-	-	(94,014)
Community services	47,647	-	-	(47,647)
Interest and fees	343,964	-	-	(343,964)
Total governmental activities	\$ 80,227,855	\$ 1,305,534	\$ 18,659,327	(60,262,994)

### General revenues:

#### Taxes:

Real estate taxes, levied for general purposes	51,877,387
Real estate taxes, levied for specific purposes	11,697,841
Real estate taxes, levied for debt service	1,813,276
Personal property replacement taxes	676,619
State aid-formula grants	1,192,276
Investment income	146,699
Miscellaneous	157,063

Total general revenues 67,561,161

Change in net position 7,298,167

Net position, beginning of year as restated 93,244,549

Net position, end of year \$ 100,542,716

See Notes to Basic Financial Statements

**NORTH SHORE SCHOOL DISTRICT 112**  
**GOVERNMENTAL FUNDS**  
BALANCE SHEET  
AS OF JUNE 30, 2014

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
<b>Assets</b>				
Cash	\$ 57,548,451	\$ 7,881,706	\$ 2,600,840	\$ 2,666,536
Receivables (net allowance for uncollectibles):				
Property taxes	26,541,437	3,417,896	970,513	801,728
Replacement taxes	-	11,486	18,377	84,994
Intergovernmental	<u>261,796</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 84,351,684</u>	<u>\$ 11,311,088</u>	<u>\$ 3,589,730</u>	<u>\$ 3,553,258</u>
<b>Liabilities, deferred inflows of resources, and fund balance</b>				
<b>Liabilities</b>				
Accounts payable	\$ 731,288	\$ 151,356	\$ 181,307	\$ -
Salaries and wages payable	4,116,957	-	-	-
Unearned student fees	196,862	-	8,100	-
Health claims payable	<u>669,574</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,714,681</u>	<u>151,356</u>	<u>189,407</u>	<u>-</u>
<b>Deferred inflows of resources</b>				
Property taxes levied for a future period	<u>53,043,821</u>	<u>6,830,763</u>	<u>1,939,599</u>	<u>1,602,278</u>
Total deferred inflows of resources	<u>53,043,821</u>	<u>6,830,763</u>	<u>1,939,599</u>	<u>1,602,278</u>
<b>Fund balance</b>				
Restricted	203,055	4,147,494	1,346,866	1,942,691
Assigned	2,945	181,475	113,858	8,289
Unassigned	<u>25,387,182</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>25,593,182</u>	<u>4,328,969</u>	<u>1,460,724</u>	<u>1,950,980</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 84,351,684</u>	<u>\$ 11,311,088</u>	<u>\$ 3,589,730</u>	<u>\$ 3,553,258</u>

See Notes to Basic Financial Statements



DEBT SERVICE FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL
\$ 653,938	\$ 2,264,425	\$ 73,615,896
-	717,336	32,448,910
-	-	114,857
-	-	261,796
<u>\$ 653,938</u>	<u>\$ 2,981,761</u>	<u>\$ 106,441,459</u>

\$ 400	\$ -	\$ 1,064,351
-	-	4,116,957
-	-	204,962
-	-	669,574
<u>400</u>	<u>-</u>	<u>6,055,844</u>

-	1,433,617	64,850,078
-	1,433,617	64,850,078

643,106	1,547,521	9,830,733
10,432	623	317,622
-	-	25,387,182
<u>653,538</u>	<u>1,548,144</u>	<u>35,535,537</u>
<u>\$ 653,938</u>	<u>\$ 2,981,761</u>	<u>\$ 106,441,459</u>

**NORTH SHORE SCHOOL DISTRICT 112**  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
AS OF JUNE 30, 2014

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Total fund balances - governmental funds		\$ 35,535,537
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.		69,783,837
Deferred charge on refunding included in the Statement of Net Position is not available to pay for current period expenditures and, therefore, is not included in the Governmental Funds Balance Sheet.		357,892
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.		
Balances at June 30, 2014 are:		
Bonds payable	\$ (4,975,000)	
Unamortized bond premium	(66,681)	
Compensated absences	<u>(92,869)</u>	
		<u>(5,134,550)</u>
Net position of governmental activities		<u>\$ 100,542,716</u>

See Notes to Basic Financial Statements

# NORTH SHORE SCHOOL DISTRICT 112

## GOVERNMENTAL FUNDS

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2014

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
<b>Revenues</b>				
Property taxes	\$ 52,032,178	\$ 6,700,276	\$ 1,901,729	\$ 1,547,918
Corporate personal property replacement taxes	-	67,663	108,259	500,697
State aid	16,731,797	-	1,047,278	-
Federal aid	2,072,528	-	-	-
Investment income	213,451	33,646	5,489	8,289
Other	1,098,075	307,602	110	-
Total revenues	<u>72,148,029</u>	<u>7,109,187</u>	<u>3,062,865</u>	<u>2,056,904</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	22,402,040	-	-	308,742
Special programs	10,220,335	-	-	397,737
Other instructional programs	5,375,161	-	-	145,020
State retirement contributions	12,958,399	-	-	-
Support Services:				
Pupils	3,934,865	-	-	123,489
Instructional staff	3,690,281	-	-	98,874
General administration	1,586,704	-	-	27,618
School administration	3,179,169	-	-	150,166
Business	1,241,573	-	-	123,194
Transportation	-	-	2,440,506	15,304
Operations and maintenance	-	5,514,740	-	227,606
Central	537,346	-	-	74,773
Other supporting services	93,687	-	-	327
Community services	46,442	-	-	1,205
Payments to other districts and gov't units	1,837,749	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>319,678</u>	<u>1,299,254</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>67,423,429</u>	<u>6,813,994</u>	<u>2,440,506</u>	<u>1,694,055</u>
Excess (deficiency) of revenues over expenditures	<u>4,724,600</u>	<u>295,193</u>	<u>622,359</u>	<u>362,849</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	(37,845)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(37,845)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	4,724,600	257,348	622,359	362,849
Fund balance, beginning of year	<u>20,868,582</u>	<u>4,071,621</u>	<u>838,365</u>	<u>1,588,131</u>
Fund balance, end of year	<u>\$ 25,593,182</u>	<u>\$ 4,328,969</u>	<u>\$ 1,460,724</u>	<u>\$ 1,950,980</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL
\$ 1,813,276	\$ 1,393,127	\$ 65,388,504
-	-	676,619
-	-	17,779,075
-	-	2,072,528
10,432	623	271,930
-	-	1,405,787
<u>1,823,708</u>	<u>1,393,750</u>	<u>87,594,443</u>
-	-	22,710,782
-	-	10,618,072
-	-	5,520,181
-	-	12,958,399
-	-	4,058,354
-	-	3,789,155
-	-	1,614,322
-	-	3,329,335
-	-	1,364,767
-	-	2,455,810
-	-	5,742,346
-	-	612,119
-	-	94,014
-	-	47,647
-	-	1,837,749
3,076,748	-	3,076,748
388,212	-	388,212
-	-	1,618,932
<u>3,464,960</u>	<u>-</u>	<u>81,836,944</u>
<u>(1,641,252)</u>	<u>1,393,750</u>	<u>5,757,499</u>
37,845	-	37,845
-	-	(37,845)
<u>37,845</u>	<u>-</u>	<u>-</u>
(1,603,407)	1,393,750	5,757,499
<u>2,256,945</u>	<u>154,394</u>	<u>29,778,038</u>
<u>\$ 653,538</u>	<u>\$ 1,548,144</u>	<u>\$ 35,535,537</u>

**NORTH SHORE SCHOOL DISTRICT 112**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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Net change in fund balances - total governmental funds	\$ 5,757,499
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds current year net capital outlay.	(1,447,402)
Certain revenues included in the Statement of Activities do not provide current financial resources and, therefore, are included as deferred inflows of resources in the fund statements:	
Interest revenue	(125,231)
The issuance of long-term debt (bonds, capital leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which current year principal payments exceeded proceeds from current year long-term financing arrangements. .	3,076,748
Governmental funds report the effects of premiums, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the Statement of Activities. This is the amount of the current year, net effect of these differences.	(24,869)
In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:	
Interest payable	\$ 125,927
Compensated absences	(16,519)
Other post employment benefits asset	<u>(47,986)</u>
	<u>61,422</u>
Change in net position of governmental activities	<u>\$ 7,298,167</u>

See Notes to Basic Financial Statements

**NORTH SHORE SCHOOL DISTRICT 112**  
**AGENCY FUND**  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2014

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AGENCY  
STUDENT  
ACTIVITY  
FUND

---

**Assets**

Cash and investments	\$ <u>231,235</u>
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**Liabilities**

Due to student groups	\$ <u>231,235</u>
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See Notes to Basic Financial Statements

# **NORTH SHORE SCHOOL DISTRICT 112**

## **NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

North Shore School District 112 (the "District") operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to the accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

#### **Reporting Entity**

This report includes all of the funds of the District. The District is located in Lake County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all personnel, budgeting, taxing, and debt matters. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

#### **Basis of Presentation**

##### ***Government-wide Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) amounts paid by the recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

##### ***Governmental Funds Financial Statements***

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for all governmental funds and fiduciary funds; the fiduciary funds are excluded from the government-wide financial statements.

# NORTH SHORE SCHOOL DISTRICT 112

## NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

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### Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus, while the fiduciary fund statements do not have a measurement focus. The government-wide financial statements and the fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

### Major Governmental Funds

General Fund - the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Funds.

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

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

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

Debt Service Fund - accounts for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

Capital Project Fund - accounts for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

*Fire Prevention and Life Safety Fund* - accounts for State-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.



## NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

#### *Other Fund Types*

Fiduciary Funds - account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

*Agency Funds* - include Student Activity Funds, Convenience Accounts and Other Agency Funds. These funds are custodial in nature and do not present results of operations or have a measurement focus. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes. Convenience Accounts account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

On-behalf payments (payments made by a third party for the benefit of the district, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

#### *All Financial Statements*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity**

#### *Deposits and Investments*

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

#### *Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

## **NORTH SHORE SCHOOL DISTRICT 112**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

#### ***Unearned Revenue***

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

#### ***Property Tax Revenues***

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2013 levy resolution was approved during the December 17, 2013 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2013 and 2012 tax levies were 1.7% and 3.0%, respectively.

Property taxes are collected by the County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments: the first due on June 1 and the second due on September 1. Property taxes are normally collected by the District within 60 days of the respective installment dates.

The 2013 property tax levy is recognized as a receivable in fiscal 2014, net of estimated uncollectible amounts approximately 0.5% and less amounts already received. The District considers that the 2013 levy is to be used to finance operations in fiscal 2015. Therefore, the entire 2013 levy, including amounts collected in fiscal 2014, has been recognized as a deferred inflow of resources, in the accompanying financial statements.

#### ***Personal Property Replacement Taxes***

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

#### ***Capital Assets***

Capital assets, which include land, land improvements, buildings and building improvements, and furniture, equipment and vehicles are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$500 for furniture and equipment and \$100,000 for buildings and improvements, with an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

# NORTH SHORE SCHOOL DISTRICT 112

## NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

<i>Assets</i>	<i>Years</i>
Buildings and building improvements	40
Land improvements	20
Furniture, equipment, and vehicles	5-10

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

#### *Deferred Outflows of Resources*

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide statements.

#### *Compensated Absences*

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2014 are determined on the basis of current salary rates and include salary related payments.

Employees who work a twelve-month year are entitled to be compensated for vacation time. Employees have six months to use their vacation time after it is earned or allotted.

#### *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

## NORTH SHORE SCHOOL DISTRICT 112

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

##### *Deferred Inflows of Resources*

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

##### *Equity Classifications*

Equity is classified as net position in the government-wide financial statements and displayed in three components:

*Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less than any unspent debt proceeds.

*Restricted net position* - Consists of net position with constraints placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

*Unrestricted net position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources.

Equity is classified as fund balance in the fund financial statements and displayed in five components:

*Nonspendable* - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory, pre-paid items, permanent scholarships).

*Restricted* - includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds).

*Committed* - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education board that originally created the commitment.

## NORTH SHORE SCHOOL DISTRICT 112

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

*Assigned* - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. The Board of Education has declared that the Superintendent, may assign amounts for a specific purpose. The Board of Education may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

*Unassigned* - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended in all funds is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

The District has a formal minimum fund balance policy. The policy states that unrestricted reserves in the operating funds shall be maintained at a level equal to approximately 25% of the current year expenditures and transfers exclusive of on-behalf payments. The operating budget is comprised of the Educational Accounts and Working Cash Accounts within the General Fund, Operations and Maintenance, and the Transportation Fund.

Governmental fund balances reported on the fund financial statements at June 30, 2014 are as follows:

The restricted fund balance in the General Fund is comprised of \$203,055 for the unspent portion of the restricted tax levy for tort immunity. The assigned fund balance in the General Fund is comprised of \$2,945 of interest assigned for tort immunity. The remaining restricted and assigned fund balances are for the purposes of the respective funds as described above in the Major Governmental Funds section.

#### ***Eliminations and Reclassifications***

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

#### **NOTE 2 - CHANGES IN ACCOUNTING PRINCIPLES**

In March 2012, the GASB issued statement No. 65 - *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This standard was implemented effective July 1, 2013.

**NORTH SHORE SCHOOL DISTRICT 112**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

**NOTE 3 - DEPOSITS AND INVESTMENTS**

At year end, the District's cash and investments was comprised of the following:

	<b>Government- wide</b>	<b>Fiduciary</b>	<b>Total</b>
Cash and investments	\$ 73,615,896	\$ -	\$ 73,615,896
Cash	<u>-</u>	<u>231,235</u>	<u>231,235</u>
Total	<u>\$ 73,615,896</u>	<u>\$ 231,235</u>	<u>\$ 73,847,131</u>

For disclosure purposes, this amount is segregated into the following components as follows:

	<b>Cash and investments</b>
Cash on hand	\$ 1,400
Deposits with financial institutions	54,483,728
State money market pools:	
Illinois Funds	416,928
ISDLAF+	2,023
Money market mutual funds	11,287,076
Other investments	<u>7,655,976</u>
Total	<u>\$ 73,847,131</u>

At year end, the District had the following investments:

	<b>Fair Value</b>	<b>Investment Maturity (In Years)</b>				
		<b>Less than one</b>	<b>1-5</b>	<b>6-10</b>	<b>More than 10</b>	
Negotiable Certificate of Deposits	\$ 3,031,184	\$ 2,137,781	\$ 893,403	\$ -	\$ -	
Federal Home Loan Mortgage Corporation Notes	347,450	-	347,450	-	-	
Federal Farm Credit Bank Notes	121,212	-	121,212	-	-	
Federal Home Loan Bank Bonds	225,689	225,689	-	-	-	
Federal Farm Credit Bank Bonds	32,810	-	32,810	-	-	
U.S. Treasury Strips	<u>3,897,631</u>	<u>1,967,249</u>	<u>1,930,382</u>	<u>-</u>	<u>-</u>	
Total	<u>\$ 7,655,976</u>	<u>\$ 4,330,719</u>	<u>\$ 3,325,257</u>	<u>\$ -</u>	<u>\$ -</u>	

## NORTH SHORE SCHOOL DISTRICT 112

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

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#### NOTE 3 - DEPOSITS AND INVESTMENTS - (CONTINUED)

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District's investment policy seeks to ensure preservation of capital in the District's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The policy does not limit investment maturities as a means for managing its exposure to fair value losses arising from increasing interest rates. However, the policy requires the District's investment portfolio to be sufficiently liquid to enable the District to meet all operating requirements as they come due. A portion of the portfolio is required to be invested in readily available funds to ensure appropriate liquidity.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District's investment policy does not specifically address credit risk. The District's investments in the money market mutual fund consist of investments in the JP Morgan U.S. Government Money Market Fund. The fund invests exclusively in high-quality, short-term securities that are issued or guaranteed by the U.S. government or by U.S. government agencies and instrumentalities. The JP Morgan U.S. Government Money Market Fund was rated Aaa-mf by Moody's Investor Services and AAAm by Standards and Poor. The District's investments in FHLB Notes/Bonds and FFCB Notes/Bonds were also rated AAA by Moody's Investors Service and AA+ by Standard and Poor's. Ratings were not available for the U.S. Treasury Strips and Negotiable Certificates of Deposit.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. It is not registered with the SEC as an investment company. Investments are rated AAAm and are valued at share price, which is the price for which the investment could be sold.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are rated AAAm and are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Treasurer to meet the District's ongoing need for safety, liquidity, and rate of return.

*Custodial Credit Risk - Deposits.* With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2014, the bank balance of the District's deposit with financial institutions totaled \$46,409,614; of this amount, \$75,369 was uncollateralized and uninsured.

*Custodial Credit Risk - Investments.* With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring all investments be secured by FDIC or collateral.

**NORTH SHORE SCHOOL DISTRICT 112**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

**NOTE 3 - DEPOSITS AND INVESTMENTS - (CONTINUED)**

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

**NOTE 4 - CAPITAL ASSETS**

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

	<i><b>Beginning Balance</b></i>	<i><b>Increases</b></i>	<i><b>Decreases</b></i>	<i><b>Ending Balance</b></i>
<b><u>Capital assets not being depreciated:</u></b>				
Land	\$ 3,844,995	\$ -	\$ -	\$ 3,844,995
Total capital assets not being depreciated	<u>3,844,995</u>	<u>-</u>	<u>-</u>	<u>3,844,995</u>
<b><u>Capital assets being depreciated:</u></b>				
Land improvements	1,191,776	-	-	1,191,776
Buildings and improvements	94,050,850	1,214,974	-	95,265,824
Furniture, equipment, and vehicles	<u>13,351,234</u>	<u>302,506</u>	<u>431,487</u>	<u>13,222,253</u>
Total capital assets being depreciated	<u>108,593,860</u>	<u>1,517,480</u>	<u>431,487</u>	<u>109,679,853</u>
<b><u>Less Accumulated Depreciation for:</u></b>				
Land improvements	945,681	25,038	-	970,719
Buildings and improvements	31,982,367	1,686,076	-	33,668,443
Furniture, equipment, and vehicles	<u>8,279,568</u>	<u>1,253,768</u>	<u>431,487</u>	<u>9,101,849</u>
Total accumulated depreciation	<u>41,207,616</u>	<u>2,964,882</u>	<u>431,487</u>	<u>43,741,011</u>
Net capital assets being depreciated	<u>67,386,244</u>	<u>(1,447,402)</u>	<u>-</u>	<u>65,938,842</u>
Net governmental activities capital assets	<u>\$ 71,231,239</u>	<u>\$ (1,447,402)</u>	<u>\$ -</u>	<u>\$ 69,783,837</u>

Depreciation expense was recognized in the operating activities of the District as follows:

<i><b>Governmental Activities</b></i>	<i><b>Depreciation</b></i>
Regular programs	\$ 825,908
Special programs	23,875
Pupils	433,523
General administration	1,855
School administration	1,569
Business	3,246
Transportation	2,872
Operations and maintenance	1,658,569
Central	7,239
Food	<u>6,226</u>
Total depreciation expense - governmental activities	<u>\$ 2,964,882</u>



**NORTH SHORE SCHOOL DISTRICT 112**NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**NOTE 5 - OPERATING LEASES**

The District leases building and office facilities and other equipment under noncancelable operating leases. Total costs for such leases were \$45,824 for the year ended June 30, 2014. At June 30, 2014, future minimum lease payments for these leases are as follows:

<i>Year Ending June 30,</i>	<i>Amount</i>
2015	\$ 137,472
2016	137,472
2017	<u>91,648</u>
Total	<u>\$ 366,592</u>

**NOTE 6 - LONG TERM LIABILITIES**

*Changes in General Long-term Liabilities.* The following is the long-term liability activity for the District for the year ended June 30, 2014:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
Alternative revenue bonds	\$ 7,850,000	\$ -	\$ 2,910,000	\$ 4,940,000	\$ 1,205,000
Unamortized premium	<u>151,266</u>	<u>-</u>	<u>84,586</u>	<u>66,680</u>	<u>-</u>
Total bonds payable	<u>8,001,266</u>	<u>-</u>	<u>2,994,586</u>	<u>5,006,680</u>	<u>1,205,000</u>
Debt certificates	70,000	-	35,000	35,000	35,000
Capital leases	188,558	-	188,558	-	-
Compensated absences	<u>76,351</u>	<u>271,961</u>	<u>255,442</u>	<u>92,870</u>	<u>92,870</u>
Total long-term liabilities - governmental activities	<u>\$ 8,336,175</u>	<u>\$ 271,961</u>	<u>\$ 3,473,586</u>	<u>\$ 5,134,550</u>	<u>\$ 1,332,870</u>

The obligations for the compensated absences will be repaid from the General Fund.

**NORTH SHORE SCHOOL DISTRICT 112**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

**NOTE 6 - LONG TERM LIABILITIES - (CONTINUED)**

*Alternate Revenue Bonds.* The obligations for the alternative revenue bonds will be repaid from the Debt Service Fund. The District has pledged future property tax revenues, net of specific operating expenses, to repay \$9,865,000 million in alternative revenue bonds issued in 2005. Proceeds from the bonds provided financing for various life safety projects of the District. The bonds are payable solely from property tax revenues and are payable through June 1, 2018. The total principal and interest remaining to be paid on the bonds is \$5,326,800, with annual requirements ranging from \$1,071,200 to \$1,303,800. Principal and interest paid for the current year and total property tax revenues were \$1,487,200 and \$65,388,504, respectively.

Alternate Revenue bonds currently outstanding are as follows:

<b><i>Purpose</i></b>	<b><i>Interest Rates</i></b>	<b><i>Carrying Amount</i></b>
Series 2005 Alternative Revenue Bonds dated May 5, 2005 are due in annual installments through June 1, 2018	3.0% - 4.00%	\$ 4,940,000
Total		<u>\$ 4,940,000</u>

Annual debt service requirements to maturity for alternative revenue bonds are as follows for governmental type activities:

	<b><i>Principal</i></b>	<b><i>Interest</i></b>	<b><i>Total</i></b>
2015	\$ 1,205,000	\$ 98,800	\$ 1,303,800
2016	1,300,000	149,400	1,449,400
2017	1,405,000	97,400	1,502,400
2018	<u>1,030,000</u>	<u>41,200</u>	<u>1,071,200</u>
Total	<u>\$ 4,940,000</u>	<u>\$ 386,800</u>	<u>\$ 5,326,800</u>

*Debt Certificates* The obligations for the debt certificates will be repaid from the Debt Service Fund with funding provided by the Operations and Maintenance Fund. Debt certificates currently outstanding are as follows:

<b><i>Purpose</i></b>	<b><i>Interest Rates</i></b>	<b><i>Original Indebtedness</i></b>	<b><i>Carrying Amount</i></b>
Series 2004 General Obligation Limited Tax Debt Certificates dated November 1, 2004 are due in annual installments through June 1, 2015	3.25%	\$ 300,000	\$ 35,000
Total		<u>\$ 300,000</u>	<u>\$ 35,000</u>

**NORTH SHORE SCHOOL DISTRICT 112**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

**NOTE 6 - LONG TERM LIABILITIES - (CONTINUED)**

Annual debt service requirements to maturity for debt certificates are as follows for governmental type activities:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2015	\$ 35,000	\$ 1,138	\$ 36,138
Total	<u>\$ 35,000</u>	<u>\$ 1,138</u>	<u>\$ 36,138</u>

**NOTE 7 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the following public entity risk pool: Collective Liability Insurance Cooperative (CLIC) The District pays annual premiums to the pool for insurance coverage. The arrangements with the pool provides that it will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

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

The District is self-insured for medical and dental coverage that is provided to District personnel. A third party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third party administrator for payment of employee health claims and administration fees. The District's liability will not exceed \$175,000 per employee as provided by stop-loss provisions incorporated in the plan.

At June 30, 2014, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$669,574. The estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other nonincremental costs to the claims liability. For the two years ended June 30, 2013 and June 30, 2014, changes in the liability reported in the General Fund for unpaid claims are summarized as follows:

	<i>Claims Payable Beginning of Year</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Claims Payments</i>	<i>Claims Payable End of Year</i>
Fiscal Year 2013	<u>\$ 509,605</u>	<u>\$ 5,769,050</u>	<u>\$ 6,034,607</u>	<u>\$ 244,048</u>
Fiscal Year 2014	<u>\$ 244,048</u>	<u>\$ 5,274,955</u>	<u>\$ 4,849,429</u>	<u>\$ 669,574</u>

## NORTH SHORE SCHOOL DISTRICT 112

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

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#### NOTE 8 - JOINT AGREEMENTS

The District is a member of Northern Suburban Special Education District (NSSD), a joint agreement that provides certain special education services to residents of many school districts. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

#### NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

##### Teachers' Health Insurance Security

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

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

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

*On Behalf Contributions to THIS Fund.* The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$346,130, and the District recognized revenues and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2013 and June 30, 2012 were 0.92 and 0.88 percent of pay, respectively. For these years, state contributions on behalf of District employees were \$319,115 and \$311,209, respectively.

*Employer Contributions to THIS Fund.* The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.72 percent during the year ended June 30, 2014 and 0.66 and 0.69 percent during the years ended June 30, 2013 and 2012, respectively. For the years ended June 30, 2014, 2013 and 2012 the District paid \$256,921, \$239,336 and \$233,406 to the THIS Fund, respectively, which was 100 percent of the required contribution for those years.

## NORTH SHORE SCHOOL DISTRICT 112

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

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#### **NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)**

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The 2014 and 2013 reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

#### **NOTE 10 - RETIREMENT SYSTEMS**

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

##### **Teachers' Retirement System**

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

*On Behalf Contributions.* The State of Illinois also makes contributions directly to TRS on behalf of the District's TRS-covered employees. For the year ended June 30, 2014, State of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$12,612,269 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2013 and 2012, the State of Illinois contributions rates as percentages of creditable earnings not paid from federal funds were 28.05 percent (\$9,688,978) and 24.91 percent (\$8,765,067), respectively.

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

*2.2 Formula Contributions.* For the years ended June 30, 2014, 2013 and 2012, the District contributed 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for those years were \$206,964, \$201,181 and \$205,115, respectively.

## NORTH SHORE SCHOOL DISTRICT 112

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

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#### NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

*Federal and 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 additional TRS contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in 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, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer pension contribution was 28.05 and 24.91 percent of salaries paid from those funds, respectively. For the year ended June 30, 2014, salaries totaling \$65,643 were paid from federal and special trust funds that required employer contributions of \$23,244, which was equal to the District's actual contribution. For the years ended June 30, 2013 and 2012, required District contributions were \$40,549 and \$44,257, respectively.

*Early Retirement Option.* 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 146.5 percent and applies when the member is age 55 at retirement. For the year ending June 30, 2014, the District did not pay any contributions to TRS under the ERO program. For the years ended June 30, 2013, the District paid \$66,401 in ERO contributions. For the year ending June 30, 2012, the District did not pay any contributions to TRS under the ERO program.

*Salary increases over 6 percent and excess sick leave.* If an employer grants salary increases over 6 percent 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 percent. For the years ended June 30, 2014, 2013 and 2012, the District paid \$1,549, \$5,342 and \$15,031, respectively, to TRS for employer contributions due on salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, 2014). For the years ended June 30, 2014, 2013 and 2012, the District did not pay TRS for sick leave days granted in excess of the normal annual allotment.

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

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

# NORTH SHORE SCHOOL DISTRICT 112

## NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

### NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

#### Illinois Municipal Retirement Fund

*Plan Description.* The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's contribution rate for calendar year 2013 was 12.53 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2013 was 12.53 percent. 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 and Net Pension Obligation.* The District's required contribution for calendar year 2013 was \$727,890. The District's annual pension cost, percentage of annual pension cost contributed, and net pension obligation for for the current year and each of the two preceding years were as follows:

<i>Fiscal Year Ended</i>	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
June 30, 2014	\$ 727,890	100 %	\$ -
June 30, 2013	744,966	100 %	-
June 30, 2012	718,628	100 %	-

The required contribution for fiscal year 2014 was determined as part of the December 31, 2011, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% 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 District plan assets was determined using techniques that smooth 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 unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funded Status and Funding Progress.* As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 78.15 percent funded. The actuarial accrued liability for benefits was \$14,062,227 and the actuarial value of assets was \$10,989,479, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,072,748. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$5,809,178 and the ratio of the UAAL to the covered payroll was 52.89 percent.

# NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

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## NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

The schedule of funding progress, presented as RSI following the notes to the financial statements, 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.

## NOTE 11 - CONTINGENT LIABILITIES

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

## NOTE 12 - STATE AND FEDERAL AID CONTINGENCIES

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grants. Management believes such disallowance, if any, would be immaterial.

## NOTE 13 - RESTATEMENT

As noted in Note 1, the District recognizes revenue in the governmental-wide financial statements when revenue is earned. The District considers the first and second installment of the annual property tax levy adopted during the fiscal year to be utilized in the subsequent fiscal year. Hence, the entire levy is deferred for use in the subsequent fiscal year. In the prior year the District erroneously recognized a portion of the 2012 levy in the government-wide financial statements. The entire levy should have been deferred. As such, the beginning net position in the government-wide financial statements has been restated (decreased by \$3,085,741) and properly reflected in accordance with the District's revenue recognition policy.

	<b><i>Governmental Activities</i></b>
Net position as previously reported, June 30, 2013	\$ 96,330,290
Less: previously recognized property tax revenue	<u>(3,085,741)</u>
Net position as restated, June 30, 2013	<u>\$ 93,244,549</u>
	<b><i>Governmental Activities</i></b>
Changes in net position for the year ended June 30, 2013, (as previously reported)	\$ 7,423,955
Adjustment to property tax revenue	<u>108,820</u>
Change in net position as restated, June 30, 2013	<u>\$ 7,532,775</u>

The change had no effect on the Governmental Funds as of or for the year then ended June 30, 2013.



## **NORTH SHORE SCHOOL DISTRICT 112**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

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### **NOTE 14 - EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, Statement No. 69, *Government Combinations and Disposals of Government Operations*, and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. Application of these standards may restate portions of these financial statements.

### **NOTE 15 - INTERFUND TRANSFERS**

During the year, the District transferred \$37,845 of fund balance from the Operations and Maintenance Fund to the Debt Service Fund. The purpose of this transfer was to provide a funding source to the Debt Service Fund for the payment of the scheduled principal and interest payments due on the outstanding 2004 Debt Certificates.

State law allows for the above transfers.

**NORTH SHORE SCHOOL DISTRICT 112**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND ANALYSIS OF FUNDING PROGRESS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$ 727,890	100%	\$ -
12/31/12	744,966	100%	-
12/31/11	718,628	100%	-

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)
12/31/13	\$ 10,989,479	\$ 14,062,227	\$ 3,072,748	78.15%	\$ 5,809,178	52.89%
12/31/12	9,726,003	13,849,921	4,123,918	70.22%	6,081,355	67.81%
12/31/11	8,925,116	13,618,480	4,693,364	65.54%	6,232,678	75.30%
12/31/10	8,010,596	12,579,866	4,569,270	63.68%	6,182,915	73.90%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$13,703,612. On a market basis, the funded ratio would be 97.45%

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with North Shore SD 112. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

See Auditors' Report and Notes to Required Supplementary Information

**NORTH SHORE SCHOOL DISTRICT 112****GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 50,773,760	\$ 51,435,124	\$ 661,364
Tort immunity levy	75,000	88,452	13,452
Special education levy	542,442	508,602	(33,840)
Summer school - tuition from pupils or parents (in state)	-	15,697	15,697
Investment income	67,560	213,451	145,891
Sales to pupils - lunch	-	33,947	33,947
Contributions and donations from private sources	90,700	31,603	(59,097)
Refund of prior years' expenditures	5,000	-	(5,000)
Other local fees	682,500	703,171	20,671
Other	<u>1,286,000</u>	<u>313,657</u>	<u>(972,343)</u>
Total local sources	<u>53,522,962</u>	<u>53,343,704</u>	<u>(179,258)</u>
<b>State sources</b>			
General state aid	1,182,300	1,192,276	9,976
Special education - private facility tuition	291,244	207,412	(83,832)
Special education - extraordinary	601,832	527,880	(73,952)
Special education - personnel	1,200,635	1,202,045	1,410
Special education - summer school	7,354	4,607	(2,747)
Bilingual education - downstate - TPI	313,535	203,362	(110,173)
State free lunch & breakfast	8,566	7,889	(677)
Early childhood - block grant	427,927	427,927	-
On behalf payment to TRS from the state	<u>9,000,000</u>	<u>12,958,399</u>	<u>3,958,399</u>
Total state sources	<u>13,033,393</u>	<u>16,731,797</u>	<u>3,698,404</u>
<b>Federal sources</b>			
Federal impact aid	200,000	306,327	106,327
National school lunch program	126,218	241,994	115,776
Special milk program	17,936	26,434	8,498
School breakfast program	30,515	90,576	60,061
Fresh fruits & vegetables	24,733	-	(24,733)
Title I - Low income	439,495	222,340	(217,155)
Federal - special education - preschool flow-through	23,753	25,681	1,928
Federal - special education - IDEA - flow-through/low incident	610,391	626,235	15,844
Federal - special education - IDEA - room & board	238,546	140,492	(98,054)
Title III - English language acquisition	98,250	76,038	(22,212)
Title II - Teacher quality	122,141	73,232	(48,909)
Medicaid matching funds - administrative outreach	68,915	60,268	(8,647)
Medicaid matching funds - fee-for-service program	60,543	164,835	104,292
Other restricted revenue from federal sources	<u>-</u>	<u>18,076</u>	<u>18,076</u>
Total federal sources	<u>2,061,436</u>	<u>2,072,528</u>	<u>11,092</u>
Total revenues	<u>68,617,791</u>	<u>72,148,029</u>	<u>3,530,238</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

# NORTH SHORE SCHOOL DISTRICT 112

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Expenditures</b>			
<b>Instruction</b>			
<b>Regular programs</b>			
Salaries	\$ 19,831,840	\$ 19,467,068	\$ 364,772
Employee benefits	3,124,014	1,786,365	1,337,649
On-behalf payments to TRS from the state	9,000,000	12,958,399	(3,958,399)
Purchased services	474,199	414,709	59,490
Supplies and materials	478,694	733,898	(255,204)
Capital outlay	146,817	18,728	128,089
Total	<u>33,055,564</u>	<u>35,379,167</u>	<u>(2,323,603)</u>
<b>Special education programs</b>			
Salaries	6,739,041	6,590,796	148,245
Employee benefits	1,916,442	1,545,154	371,288
Purchased services	81,135	84,646	(3,511)
Supplies and materials	121,915	182,821	(60,906)
Capital outlay	141,351	78,978	62,373
Other objects	1,250	-	1,250
Total	<u>9,001,134</u>	<u>8,482,395</u>	<u>518,739</u>
<b>Special education programs Pre-K</b>			
Salaries	326,132	326,235	(103)
Employee benefits	70,816	57,556	13,260
Purchased services	-	251	(251)
Supplies and materials	11,200	11,142	58
Total	<u>408,148</u>	<u>395,184</u>	<u>12,964</u>
<b>Remedial and supplemental programs K - 12</b>			
Salaries	960,762	607,282	353,480
Employee benefits	138,628	109,149	29,479
Total	<u>1,099,390</u>	<u>716,431</u>	<u>382,959</u>
<b>Remedial and supplemental programs Pre - K</b>			
Salaries	424,856	402,765	22,091
Employee benefits	101,976	82,780	19,196
Purchased services	7,142	3,320	3,822
Capital outlay	840	-	840
Total	<u>534,814</u>	<u>488,865</u>	<u>45,949</u>
<b>Summer school programs</b>			
Salaries	120,462	92,106	28,356
Employee benefits	852	10,884	(10,032)
Purchased services	11,980	-	11,980
Supplies and materials	5,000	1,146	3,854
Total	<u>138,294</u>	<u>104,136</u>	<u>34,158</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

# NORTH SHORE SCHOOL DISTRICT 112

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Gifted programs</b>			
Salaries	\$ 844,901	\$ 754,580	\$ 90,321
Employee benefits	<u>112,873</u>	<u>114,727</u>	<u>(1,854)</u>
Total	<u>957,774</u>	<u>869,307</u>	<u>88,467</u>
<b>Bilingual programs</b>			
Salaries	3,484,843	3,373,477	111,366
Employee benefits	635,081	515,779	119,302
Purchased services	40,474	18,902	21,572
Supplies and materials	27,800	4,695	23,105
Capital outlay	<u>600</u>	<u>-</u>	<u>600</u>
Total	<u>4,188,798</u>	<u>3,912,853</u>	<u>275,945</u>
<b>Truant's alternative and optional programs</b>			
<b>Special education programs K -12 - private tuition</b>			
Other objects	<u>828,302</u>	<u>705,303</u>	<u>122,999</u>
Total	<u>828,302</u>	<u>705,303</u>	<u>122,999</u>
Total instruction	<u>50,212,218</u>	<u>51,053,641</u>	<u>(841,423)</u>
<b>Support services</b>			
<b>Pupils</b>			
<b>Attendance and social work services</b>			
Salaries	<u>-</u>	<u>4,500</u>	<u>(4,500)</u>
Total	<u>-</u>	<u>4,500</u>	<u>(4,500)</u>
<b>Guidance services</b>			
Salaries	1,128,881	1,048,137	80,744
Employee benefits	209,697	169,694	40,003
Purchased services	<u>500</u>	<u>-</u>	<u>500</u>
Total	<u>1,339,078</u>	<u>1,217,831</u>	<u>121,247</u>
<b>Health services</b>			
Salaries	540,665	498,131	42,534
Employee benefits	161,374	130,383	30,991
Purchased services	5,565	51,639	(46,074)
Supplies and materials	12,205	5,625	6,580
Capital outlay	<u>2,422</u>	<u>2,421</u>	<u>1</u>
Total	<u>722,231</u>	<u>688,199</u>	<u>34,032</u>
<b>Psychological services</b>			
Salaries	666,217	571,520	94,697
Employee benefits	124,592	100,184	24,408
Purchased services	10,000	6,605	3,395
Supplies and materials	<u>8,803</u>	<u>10,640</u>	<u>(1,837)</u>
Total	<u>809,612</u>	<u>688,949</u>	<u>120,663</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

**NORTH SHORE SCHOOL DISTRICT 112****GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Speech pathology and audiology services</b>			
Salaries	\$ 1,175,804	\$ 1,008,389	\$ 167,415
Employee benefits	225,134	181,083	44,051
Purchased services	1,200	143,052	(141,852)
Supplies and materials	4,050	2,943	1,107
Capital outlay	<u>2,500</u>	<u>1,718</u>	<u>782</u>
Total	<u>1,408,688</u>	<u>1,337,185</u>	<u>71,503</u>
<b>Other support services - pupils</b>			
Supplies and materials	<u>3,000</u>	<u>2,340</u>	<u>660</u>
Total	<u>3,000</u>	<u>2,340</u>	<u>660</u>
Total pupils	<u>4,282,609</u>	<u>3,939,004</u>	<u>343,605</u>
<b>Instructional staff</b>			
<b>Improvement of instructional services</b>			
Salaries	604,461	509,667	94,794
Employee benefits	148,982	103,399	45,583
Purchased services	345,524	297,831	47,693
Supplies and materials	580,865	609,295	(28,430)
Capital outlay	3,500	187	3,313
Other objects	<u>7,525</u>	<u>5,795</u>	<u>1,730</u>
Total	<u>1,690,857</u>	<u>1,526,174</u>	<u>164,683</u>
<b>Educational media services</b>			
Salaries	1,272,701	1,196,756	75,945
Employee benefits	247,116	203,454	43,662
Purchased services	443,505	389,132	54,373
Supplies and materials	55,040	374,952	(319,912)
Capital outlay	685,860	214,228	471,632
Other objects	<u>1,600</u>	<u>-</u>	<u>1,600</u>
Total	<u>2,705,822</u>	<u>2,378,522</u>	<u>327,300</u>
<b>Assessment and testing</b>			
Purchased services	<u>39,450</u>	<u>-</u>	<u>39,450</u>
Total	<u>39,450</u>	<u>-</u>	<u>39,450</u>
Total instructional staff	<u>4,436,129</u>	<u>3,904,696</u>	<u>531,433</u>
<b>General administration</b>			
<b>Board of education services</b>			
Salaries	-	47,282	(47,282)
Purchased services	390,062	354,778	35,284
Supplies and materials	5,300	4,459	841
Capital outlay	-	2,050	(2,050)
Other objects	<u>15,000</u>	<u>19,470</u>	<u>(4,470)</u>
Total	<u>410,362</u>	<u>428,039</u>	<u>(17,677)</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

# NORTH SHORE SCHOOL DISTRICT 112

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Executive administration services</b>			
Salaries	\$ 330,663	\$ 335,484	\$ (4,821)
Employee benefits	125,279	123,309	1,970
Purchased services	14,400	5,668	8,732
Supplies and materials	1,500	1,040	460
Capital outlay	800	-	800
Other objects	<u>4,050</u>	<u>1,012</u>	<u>3,038</u>
Total	<u>476,692</u>	<u>466,513</u>	<u>10,179</u>
<b>Tort immunity services</b>			
Purchased services	<u>563,366</u>	<u>694,202</u>	<u>(130,836)</u>
Total	<u>563,366</u>	<u>694,202</u>	<u>(130,836)</u>
Total general administration	<u>1,450,420</u>	<u>1,588,754</u>	<u>(138,334)</u>
<b>School administration</b>			
<b>Office of the principal services</b>			
Salaries	2,467,183	2,459,638	7,545
Employee benefits	797,126	714,436	82,690
Purchased services	<u>14,400</u>	<u>5,095</u>	<u>9,305</u>
Total	<u>3,278,709</u>	<u>3,179,169</u>	<u>99,540</u>
<b>Other support services - school administration</b>			
Employee benefits	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Total	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Total school administration	<u>3,284,709</u>	<u>3,179,169</u>	<u>105,540</u>
<b>Business</b>			
<b>Direction of business support services</b>			
Salaries	169,744	281,147	(111,403)
Employee benefits	46,157	62,941	(16,784)
Purchased services	7,150	13,998	(6,848)
Supplies and materials	1,000	-	1,000
Capital outlay	500	-	500
Other objects	<u>4,000</u>	<u>2,230</u>	<u>1,770</u>
Total	<u>228,551</u>	<u>360,316</u>	<u>(131,765)</u>
<b>Fiscal services</b>			
Salaries	362,927	306,245	56,682
Employee benefits	105,127	84,578	20,549
Purchased services	191,731	91,648	100,083
Supplies and materials	6,600	6,593	7
Other objects	<u>1,200</u>	<u>519</u>	<u>681</u>
Total	<u>667,585</u>	<u>489,583</u>	<u>178,002</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

# NORTH SHORE SCHOOL DISTRICT 112

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Operation and maintenance of plant services</b>			
<b>Food services</b>			
Purchased services	\$ 484,388	\$ 369,534	\$ 114,854
Supplies and materials	1,250	17,208	(15,958)
Capital outlay	31,000	-	31,000
Total	516,638	386,742	129,896
<b>Internal services</b>			
Purchased services	-	28	(28)
Supplies and materials	4,386	4,904	(518)
Total	4,386	4,932	(546)
Total business	1,417,160	1,241,573	175,587
<b>Central</b>			
<b>Direction of central support services</b>			
<b>Planning, research, development and evaluation services</b>			
Purchased services	2,043	-	2,043
Supplies and materials	4,948	1,842	3,106
Total	6,991	1,842	5,149
<b>Information services</b>			
Salaries	80,000	80,000	-
Employee benefits	32,241	26,728	5,513
Purchased services	28,958	19,974	8,984
Supplies and materials	600	5,335	(4,735)
Capital outlay	1,000	-	1,000
Other objects	999	499	500
Total	143,798	132,536	11,262
<b>Staff services</b>			
Salaries	259,981	262,679	(2,698)
Employee benefits	80,463	89,014	(8,551)
Purchased services	84,991	48,456	36,535
Supplies and materials	3,400	2,459	941
Capital outlay	-	1,368	(1,368)
Other objects	85	360	(275)
Total	428,920	404,336	24,584
Total central	579,709	538,714	40,995
<b>Other supporting services</b>			
Salaries	1,380	1,638	(258)
Purchased services	86,549	90,744	(4,195)
Supplies and materials	1,305	1,305	-
Total	89,234	93,687	(4,453)
Total support services	15,539,970	14,485,597	1,054,373

See Auditors' Report and Notes to Required Supplementary Information

(Continued)



**NORTH SHORE SCHOOL DISTRICT 112****GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Community services</b>			
Salaries	\$ 1,344	\$ 12,904	\$ (11,560)
Employee benefits	-	555	(555)
Purchased services	14,399	6,741	7,658
Supplies and materials	<u>2,500</u>	<u>26,242</u>	<u>(23,742)</u>
Total community services	<u>18,243</u>	<u>46,442</u>	<u>(28,199)</u>
<b>Payments to other districts and governmental units</b>			
<b>Payments for special education programs</b>			
Purchased services	<u>1,473,190</u>	<u>979,948</u>	<u>493,242</u>
Total	<u>1,473,190</u>	<u>979,948</u>	<u>493,242</u>
<b>Payments for special education programs - tuition</b>			
Other objects	<u>997,694</u>	<u>857,801</u>	<u>139,893</u>
Total	<u>997,694</u>	<u>857,801</u>	<u>139,893</u>
Total payments to other districts and governmental units	<u>2,470,884</u>	<u>1,837,749</u>	<u>633,135</u>
Total expenditures	<u>68,241,315</u>	<u>67,423,429</u>	<u>817,886</u>
Net change in fund balance	<u>\$ 376,476</u>	4,724,600	<u>\$ 4,348,124</u>
Fund balance, beginning of year		<u>20,868,582</u>	
Fund balance, end of year		<u>\$ 25,593,182</u>	

**NORTH SHORE SCHOOL DISTRICT 112****OPERATIONS AND MAINTENANCE FUND**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 6,867,229	\$ 6,700,276	\$ (166,953)
Corporate personal property replacement taxes	25,000	67,663	42,663
Investment income	9,893	33,646	23,753
Rentals	52,667	53,316	649
Impact fees from municipal or county governments	5,000	68,650	63,650
Other	<u>187,436</u>	<u>185,636</u>	<u>(1,800)</u>
Total local sources	<u>7,147,225</u>	<u>7,109,187</u>	<u>(38,038)</u>
Total revenues	<u>7,147,225</u>	<u>7,109,187</u>	<u>(38,038)</u>
<b>Expenditures</b>			
<b>Support services</b>			
<b>Business</b>			
<b>Operation and maintenance of plant services</b>			
Salaries	1,192,947	1,133,962	58,985
Employee benefits	226,764	188,931	37,833
Purchased services	2,982,111	2,961,198	20,913
Supplies and materials	1,225,167	1,230,649	(5,482)
Capital outlay	<u>1,813,000</u>	<u>1,299,254</u>	<u>513,746</u>
Total	<u>7,439,989</u>	<u>6,813,994</u>	<u>625,995</u>
Total business	<u>7,439,989</u>	<u>6,813,994</u>	<u>625,995</u>
Total support services	<u>7,439,989</u>	<u>6,813,994</u>	<u>625,995</u>
Total expenditures	<u>7,439,989</u>	<u>6,813,994</u>	<u>625,995</u>
Excess (deficiency) of revenues over expenditures	<u>(292,764)</u>	<u>295,193</u>	<u>587,957</u>
<b>Other financing sources (uses)</b>			
Transfer to debt service fund to pay principal on debt certificates	-	(35,000)	(35,000)
Transfer to debt service fund to pay interest on debt certificates	<u>-</u>	<u>(2,845)</u>	<u>(2,845)</u>
Total other financing sources (uses)	<u>-</u>	<u>(37,845)</u>	<u>(37,845)</u>
Net change in fund balance	<u>\$ (292,764)</u>	<u>257,348</u>	<u>\$ 550,112</u>
Fund balance, beginning of year		<u>4,071,621</u>	
Fund balance, end of year		<u>\$ 4,328,969</u>	

See Auditors' Report and Notes to Required Supplementary Information

**NORTH SHORE SCHOOL DISTRICT 112****TRANSPORTATION FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 1,980,000	\$ 1,901,729	\$ (78,271)
Corporate personal property replacement taxes	100,000	108,259	8,259
Regular transportation fees from pupils or parents (in state)	50,000	110	(49,890)
Investment income	<u>1,508</u>	<u>5,489</u>	<u>3,981</u>
Total local sources	<u>2,131,508</u>	<u>2,015,587</u>	<u>(115,921)</u>
<b>State sources</b>			
Transportation - regular/vocational	26,048	29,350	3,302
Transportation - special education	<u>687,285</u>	<u>1,017,928</u>	<u>330,643</u>
Total state sources	<u>713,333</u>	<u>1,047,278</u>	<u>333,945</u>
Total revenues	<u>2,844,841</u>	<u>3,062,865</u>	<u>218,024</u>
<b>Expenditures</b>			
<b>Support Services</b>			
<b>Business</b>			
<b>Pupil transportation services</b>			
Salaries	70,310	70,374	(64)
Employee benefits	17,768	16,391	1,377
Purchased services	2,680,752	2,352,848	327,904
Supplies and materials	<u>15,000</u>	<u>893</u>	<u>14,107</u>
Total	<u>2,783,830</u>	<u>2,440,506</u>	<u>343,324</u>
Total business	<u>2,783,830</u>	<u>2,440,506</u>	<u>343,324</u>
Total support services	<u>2,783,830</u>	<u>2,440,506</u>	<u>343,324</u>
Total expenditures	<u>2,783,830</u>	<u>2,440,506</u>	<u>343,324</u>
Net change in fund balance	<u>\$ 61,011</u>	622,359	<u>\$ 561,348</u>
Fund balance, beginning of year		<u>838,365</u>	
Fund balance, end of year		<u>\$ 1,460,724</u>	

See Auditors' Report and Notes to Required Supplementary Information

**NORTH SHORE SCHOOL DISTRICT 112**  
**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 788,456	\$ 773,959	\$ (14,497)
Social security/medicare only levy	788,456	773,959	(14,497)
Corporate personal property replacement taxes	400,000	500,697	100,697
Investment income	<u>3,334</u>	<u>8,289</u>	<u>4,955</u>
Total local sources	<u>1,980,246</u>	<u>2,056,904</u>	<u>76,658</u>
Total revenues	<u>1,980,246</u>	<u>2,056,904</u>	<u>76,658</u>
<b>Expenditures</b>			
<b>Instruction</b>			
Regular programs	355,470	308,742	46,728
Special education programs	397,233	380,694	16,539
Special education programs Pre-K	8,888	8,541	347
Remedial and supplemental programs K - 12	13,944	8,502	5,442
Remedial and supplemental programs Pre - K	32,029	26,816	5,213
Summer school programs	4,197	4,342	(145)
Gifted programs	12,265	9,821	2,444
Bilingual programs	<u>105,796</u>	<u>104,041</u>	<u>1,755</u>
Total instruction	<u>929,822</u>	<u>851,499</u>	<u>78,323</u>
<b>Support services</b>			
<b>Pupils</b>			
Attendance and social work services	-	344	(344)
Guidance services	17,222	14,103	3,119
Health services	95,212	86,276	8,936
Psychological services	10,228	8,711	1,517
Speech pathology and audiology services	<u>17,067</u>	<u>14,055</u>	<u>3,012</u>
Total pupils	<u>139,729</u>	<u>123,489</u>	<u>16,240</u>
<b>Instructional staff</b>			
Improvement of instructional staff	29,141	23,020	6,121
Educational media services	<u>87,321</u>	<u>75,854</u>	<u>11,467</u>
Total instructional staff	<u>116,462</u>	<u>98,874</u>	<u>17,588</u>
<b>General administration</b>			
Board of education services	-	9,566	(9,566)
Executive administration services	<u>24,743</u>	<u>18,052</u>	<u>6,691</u>
Total general administration	<u>24,743</u>	<u>27,618</u>	<u>(2,875)</u>

See Auditors' Report and Notes to Required Supplementary Information

**NORTH SHORE SCHOOL DISTRICT 112**  
**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>School administration</b>			
Office of the principal services	\$ 151,901	\$ 150,166	\$ 1,735
Total school administration	<u>151,901</u>	<u>150,166</u>	<u>1,735</u>
<b>Business</b>			
Direction of business support services	36,382	60,775	(24,393)
Fiscal services	74,035	62,419	11,616
Operations and maintenance of plant services	240,825	227,606	13,219
Pupil transportation services	<u>14,896</u>	<u>15,304</u>	<u>(408)</u>
Total business	<u>366,138</u>	<u>366,104</u>	<u>34</u>
<b>Central</b>			
Information services	16,873	16,780	93
Staff services	<u>53,976</u>	<u>57,993</u>	<u>(4,017)</u>
Total central	<u>70,849</u>	<u>74,773</u>	<u>(3,924)</u>
<b>Other supporting services</b>	<u>278</u>	<u>327</u>	<u>(49)</u>
Total support services	<u>870,100</u>	<u>841,351</u>	<u>28,749</u>
<b>Community services</b>	<u>-</u>	<u>1,205</u>	<u>(1,205)</u>
Total expenditures	<u>1,799,922</u>	<u>1,694,055</u>	<u>105,867</u>
Net change in fund balance	<u>\$ 180,324</u>	362,849	<u>\$ 182,525</u>
Fund balance, beginning of year		<u>1,588,131</u>	
Fund balance, end of year		<u>\$ 1,950,980</u>	

See Auditors' Report and Notes to Required Supplementary Information

**NORTH SHORE SCHOOL DISTRICT 112**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

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**STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Data**

The budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

The Board of Education follows these procedures in establishing the budgetary data reflected in the general purpose financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of an resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

**NORTH SHORE SCHOOL DISTRICT 112****DEBT SERVICE FUND**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 1,784,044	\$ 1,813,276	\$ 29,232
Investment income	<u>6,827</u>	<u>10,432</u>	<u>3,605</u>
Total local sources	<u>1,790,871</u>	<u>1,823,708</u>	<u>32,837</u>
Total revenues	<u>1,790,871</u>	<u>1,823,708</u>	<u>32,837</u>
<b>Expenditures</b>			
<b>Debt services</b>			
<b>Payments on long term debt</b>			
Interest on long term debt	534,769	388,212	146,557
Principal payments on long term debt	<u>2,945,000</u>	<u>3,076,748</u>	<u>(131,748)</u>
Total	<u>3,479,769</u>	<u>3,464,960</u>	<u>14,809</u>
Total debt services	<u>3,479,769</u>	<u>3,464,960</u>	<u>14,809</u>
Total expenditures	<u>3,479,769</u>	<u>3,464,960</u>	<u>14,809</u>
Excess (deficiency) of revenues over expenditures	<u>(1,688,898)</u>	<u>(1,641,252)</u>	<u>47,646</u>
<b>Other financing sources (uses)</b>			
Transfer to debt service to pay principal on debt certificates	-	35,000	35,000
Transfer to debt service to pay interest on debt certificates	<u>-</u>	<u>2,845</u>	<u>2,845</u>
Total other financing sources (uses)	<u>-</u>	<u>37,845</u>	<u>37,845</u>
Net change in fund balance	<u>\$ (1,688,898)</u>	<u>(1,603,407)</u>	<u>\$ 85,491</u>
Fund balance, beginning of year		<u>2,256,945</u>	
Fund balance, end of year		<u>\$ 653,538</u>	

**NORTH SHORE SCHOOL DISTRICT 112****FIRE PREVENTION AND LIFE SAFETY FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 1,444,830	\$ 1,393,127	\$ (51,703)
Investment income	<u>1,156</u>	<u>623</u>	<u>(533)</u>
Total local sources	<u>1,445,986</u>	<u>1,393,750</u>	<u>(52,236)</u>
Total revenues	<u>1,445,986</u>	<u>1,393,750</u>	<u>(52,236)</u>
<b>Expenditures</b>			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 1,445,986</u>	1,393,750	<u>\$ (52,236)</u>
Fund balance, beginning of year		<u>154,394</u>	
Fund balance, end of year		<u>\$ 1,548,144</u>	



**NORTH SHORE SCHOOL DISTRICT 112****GENERAL FUND****COMBINING BALANCE SHEET**

AS OF JUNE 30, 2014

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
<b>Assets</b>				
Cash	\$ 44,568,049	\$ 258,668	\$ 12,721,734	\$ 57,548,451
Receivables (net allowance for uncollectibles):				
Property taxes	26,446,496	52,745	42,196	26,541,437
Intergovernmental	<u>261,796</u>	<u>-</u>	<u>-</u>	<u>261,796</u>
Total assets	<u>\$ 71,276,341</u>	<u>\$ 311,413</u>	<u>\$ 12,763,930</u>	<u>\$ 84,351,684</u>
<b>Liabilities, deferred inflows of resources, and fund balance</b>				
<b>Liabilities</b>				
Accounts payable	\$ 731,288	\$ -	\$ -	\$ 731,288
Salaries and wages payable	4,116,957	-	-	4,116,957
Unearned student fees	196,862	-	-	196,862
Health claims payable	<u>669,574</u>	<u>-</u>	<u>-</u>	<u>669,574</u>
Total liabilities	<u>5,714,681</u>	<u>-</u>	<u>-</u>	<u>5,714,681</u>
<b>Deferred inflows of resources</b>				
Property taxes levied for a future period	<u>52,854,078</u>	<u>105,413</u>	<u>84,330</u>	<u>53,043,821</u>
Total deferred inflows of resources	<u>52,854,078</u>	<u>105,413</u>	<u>84,330</u>	<u>53,043,821</u>
<b>Fund balance</b>				
Restricted	-	203,055	-	203,055
Assigned	-	2,945	-	2,945
Unassigned	<u>12,707,582</u>	<u>-</u>	<u>12,679,600</u>	<u>25,387,182</u>
Total fund balance	<u>12,707,582</u>	<u>206,000</u>	<u>12,679,600</u>	<u>25,593,182</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 71,276,341</u>	<u>\$ 311,413</u>	<u>\$ 12,763,930</u>	<u>\$ 84,351,684</u>

# NORTH SHORE SCHOOL DISTRICT 112

## GENERAL FUND

### COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2014

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
<b>Revenues</b>				
Property taxes	\$ 51,877,387	\$ 88,452	\$ 66,339	\$ 52,032,178
State aid	16,731,797	-	-	16,731,797
Federal aid	2,072,528	-	-	2,072,528
Investment income	97,930	2,945	112,576	213,451
Other	<u>1,098,075</u>	<u>-</u>	<u>-</u>	<u>1,098,075</u>
Total revenues	<u>71,877,717</u>	<u>91,397</u>	<u>178,915</u>	<u>72,148,029</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	22,402,040	-	-	22,402,040
Special programs	10,220,335	-	-	10,220,335
Other instructional programs	5,375,161	-	-	5,375,161
State retirement contributions	12,958,399	-	-	12,958,399
Support Services:				
Pupils	3,934,865	-	-	3,934,865
Instructional staff	3,690,281	-	-	3,690,281
General administration	1,075,550	511,154	-	1,586,704
School administration	3,179,169	-	-	3,179,169
Business	1,241,573	-	-	1,241,573
Central	537,346	-	-	537,346
Other supporting services	93,687	-	-	93,687
Community services	46,442	-	-	46,442
Payments to other districts and gov't units	1,837,749	-	-	1,837,749
Capital outlay	<u>319,678</u>	<u>-</u>	<u>-</u>	<u>319,678</u>
Total expenditures	<u>66,912,275</u>	<u>511,154</u>	<u>-</u>	<u>67,423,429</u>
Excess (deficiency) of revenues over expenditures	<u>4,965,442</u>	<u>(419,757)</u>	<u>178,915</u>	<u>4,724,600</u>
Net change in fund balance	4,965,442	(419,757)	178,915	4,724,600
Fund balance, beginning of year	<u>7,742,140</u>	<u>625,757</u>	<u>12,500,685</u>	<u>20,868,582</u>
Fund balance, end of year	<u>\$ 12,707,582</u>	<u>\$ 206,000</u>	<u>\$ 12,679,600</u>	<u>\$ 25,593,182</u>

**NORTH SHORE SCHOOL DISTRICT 112****EDUCATIONAL ACCOUNTS****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 50,716,289	\$ 51,368,785	\$ 652,496
Special education levy	542,442	508,602	(33,840)
Summer school - tuition from pupils or parents (in state)	-	15,697	15,697
Investment income	49,122	97,930	48,808
Sales to pupils - lunch	-	33,947	33,947
Contributions and donations from private sources	90,700	31,603	(59,097)
Refund of prior years' expenditures	5,000	-	(5,000)
Other local fees	682,500	703,171	20,671
Other	<u>1,286,000</u>	<u>313,657</u>	<u>(972,343)</u>
Total local sources	<u>53,372,053</u>	<u>53,073,392</u>	<u>(298,661)</u>
<b>State sources</b>			
General state aid	1,182,300	1,192,276	9,976
Special education - private facility tuition	291,244	207,412	(83,832)
Special education - extraordinary	601,832	527,880	(73,952)
Special education - personnel	1,200,635	1,202,045	1,410
Special education - summer school	7,354	4,607	(2,747)
Bilingual education - downstate - TPI	313,535	203,362	(110,173)
State free lunch & breakfast	8,566	7,889	(677)
Early childhood - block grant	427,927	427,927	-
On behalf payment to TRS from the state	<u>9,000,000</u>	<u>12,958,399</u>	<u>3,958,399</u>
Total state sources	<u>13,033,393</u>	<u>16,731,797</u>	<u>3,698,404</u>
<b>Federal sources</b>			
Federal impact aid	200,000	306,327	106,327
National school lunch program	126,218	241,994	115,776
Special milk program	17,936	26,434	8,498
School breakfast program	30,515	90,576	60,061
Fresh fruits & vegetables	24,733	-	(24,733)
Title I - Low income	439,495	222,340	(217,155)
Federal - special education - preschool flow-through	23,753	25,681	1,928
Federal - special education - IDEA - flow-through/low incident	610,391	626,235	15,844
Federal - special education - IDEA - room & board	238,546	140,492	(98,054)
Title III - English language acquisition	98,250	76,038	(22,212)
Title II - Teacher quality	122,141	73,232	(48,909)
Medicaid matching funds - administrative outreach	68,915	60,268	(8,647)
Medicaid matching funds - fee-for-service program	60,543	164,835	104,292
Other restricted revenue from federal sources	<u>-</u>	<u>18,076</u>	<u>18,076</u>
Total federal sources	<u>2,061,436</u>	<u>2,072,528</u>	<u>11,092</u>
Total revenues	<u>68,466,882</u>	<u>71,877,717</u>	<u>3,410,835</u>

(Continued)

# NORTH SHORE SCHOOL DISTRICT 112

## EDUCATIONAL ACCOUNTS

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Expenditures</b>			
<b>Instruction</b>			
<b>Regular programs</b>			
Salaries	\$ 19,831,840	\$ 19,467,068	\$ 364,772
Employee benefits	3,124,014	1,786,365	1,337,649
On-behalf payments to TRS from the state	9,000,000	12,958,399	(3,958,399)
Purchased services	474,199	414,709	59,490
Supplies and materials	478,694	733,898	(255,204)
Capital outlay	146,817	18,728	128,089
Total	<u>33,055,564</u>	<u>35,379,167</u>	<u>(2,323,603)</u>
<b>Special education programs</b>			
Salaries	6,739,041	6,590,796	148,245
Employee benefits	1,916,442	1,545,154	371,288
Purchased services	81,135	84,646	(3,511)
Supplies and materials	121,915	182,821	(60,906)
Capital outlay	141,351	78,978	62,373
Other objects	1,250	-	1,250
Total	<u>9,001,134</u>	<u>8,482,395</u>	<u>518,739</u>
<b>Special education programs Pre-K</b>			
Salaries	326,132	326,235	(103)
Employee benefits	70,816	57,556	13,260
Purchased services	-	251	(251)
Supplies and materials	11,200	11,142	58
Total	<u>408,148</u>	<u>395,184</u>	<u>12,964</u>
<b>Remedial and supplemental programs K - 12</b>			
Salaries	960,762	607,282	353,480
Employee benefits	138,628	109,149	29,479
Total	<u>1,099,390</u>	<u>716,431</u>	<u>382,959</u>
<b>Remedial and supplemental programs Pre - K</b>			
Salaries	424,856	402,765	22,091
Employee benefits	101,976	82,780	19,196
Purchased services	7,142	3,320	3,822
Capital outlay	840	-	840
Total	<u>534,814</u>	<u>488,865</u>	<u>45,949</u>
<b>Summer school programs</b>			
Salaries	120,462	92,106	28,356
Employee benefits	852	10,884	(10,032)
Purchased services	11,980	-	11,980
Supplies and materials	5,000	1,146	3,854
Total	<u>138,294</u>	<u>104,136</u>	<u>34,158</u>

(Continued)

# NORTH SHORE SCHOOL DISTRICT 112

## EDUCATIONAL ACCOUNTS

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Gifted programs</b>			
Salaries	\$ 844,901	\$ 754,580	\$ 90,321
Employee benefits	<u>112,873</u>	<u>114,727</u>	<u>(1,854)</u>
Total	<u>957,774</u>	<u>869,307</u>	<u>88,467</u>
<b>Bilingual programs</b>			
Salaries	3,484,843	3,373,477	111,366
Employee benefits	635,081	515,779	119,302
Purchased services	40,474	18,902	21,572
Supplies and materials	27,800	4,695	23,105
Capital outlay	<u>600</u>	<u>-</u>	<u>600</u>
Total	<u>4,188,798</u>	<u>3,912,853</u>	<u>275,945</u>
<b>Special education programs K -12 - private tuition</b>			
Other objects	<u>828,302</u>	<u>705,303</u>	<u>122,999</u>
Total	<u>828,302</u>	<u>705,303</u>	<u>122,999</u>
Total instruction	<u>50,212,218</u>	<u>51,053,641</u>	<u>(841,423)</u>
<b>Support services</b>			
<b>Pupils</b>			
<b>Attendance and social work services</b>			
Salaries	<u>-</u>	<u>4,500</u>	<u>(4,500)</u>
Total	<u>-</u>	<u>4,500</u>	<u>(4,500)</u>
<b>Guidance services</b>			
Salaries	1,128,881	1,048,137	80,744
Employee benefits	209,697	169,694	40,003
Purchased services	<u>500</u>	<u>-</u>	<u>500</u>
Total	<u>1,339,078</u>	<u>1,217,831</u>	<u>121,247</u>
<b>Health services</b>			
Salaries	540,665	498,131	42,534
Employee benefits	161,374	130,383	30,991
Purchased services	5,565	51,639	(46,074)
Supplies and materials	12,205	5,625	6,580
Capital outlay	<u>2,422</u>	<u>2,421</u>	<u>1</u>
Total	<u>722,231</u>	<u>688,199</u>	<u>34,032</u>
<b>Psychological services</b>			
Salaries	666,217	571,520	94,697
Employee benefits	124,592	100,184	24,408
Purchased services	10,000	6,605	3,395
Supplies and materials	<u>8,803</u>	<u>10,640</u>	<u>(1,837)</u>
Total	<u>809,612</u>	<u>688,949</u>	<u>120,663</u>

(Continued)

# NORTH SHORE SCHOOL DISTRICT 112

## EDUCATIONAL ACCOUNTS

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Speech pathology and audiology services</b>			
Salaries	\$ 1,175,804	\$ 1,008,389	\$ 167,415
Employee benefits	225,134	181,083	44,051
Purchased services	1,200	143,052	(141,852)
Supplies and materials	4,050	2,943	1,107
Capital outlay	<u>2,500</u>	<u>1,718</u>	<u>782</u>
Total	<u>1,408,688</u>	<u>1,337,185</u>	<u>71,503</u>
<b>Other support services - pupils</b>			
Supplies and materials	<u>3,000</u>	<u>2,340</u>	<u>660</u>
Total	<u>3,000</u>	<u>2,340</u>	<u>660</u>
Total pupils	<u>4,282,609</u>	<u>3,939,004</u>	<u>343,605</u>
<b>Instructional staff</b>			
<b>Improvement of instructional services</b>			
Salaries	604,461	509,667	94,794
Employee benefits	148,982	103,399	45,583
Purchased services	345,524	297,831	47,693
Supplies and materials	580,865	609,295	(28,430)
Capital outlay	3,500	187	3,313
Other objects	<u>7,525</u>	<u>5,795</u>	<u>1,730</u>
Total	<u>1,690,857</u>	<u>1,526,174</u>	<u>164,683</u>
<b>Educational media services</b>			
Salaries	1,272,701	1,196,756	75,945
Employee benefits	247,116	203,454	43,662
Purchased services	443,505	389,132	54,373
Supplies and materials	55,040	374,952	(319,912)
Capital outlay	685,860	214,228	471,632
Other objects	<u>1,600</u>	<u>-</u>	<u>1,600</u>
Total	<u>2,705,822</u>	<u>2,378,522</u>	<u>327,300</u>
<b>Assessment and testing</b>			
Purchased services	<u>39,450</u>	<u>-</u>	<u>39,450</u>
Total	<u>39,450</u>	<u>-</u>	<u>39,450</u>
Total instructional staff	<u>4,436,129</u>	<u>3,904,696</u>	<u>531,433</u>
<b>General administration</b>			
<b>Board of education services</b>			
Salaries	-	47,282	(47,282)
Purchased services	390,062	354,778	35,284
Supplies and materials	5,300	4,459	841
Capital outlay	-	2,050	(2,050)
Other objects	<u>15,000</u>	<u>19,470</u>	<u>(4,470)</u>
Total	<u>410,362</u>	<u>428,039</u>	<u>(17,677)</u>

(Continued)

**NORTH SHORE SCHOOL DISTRICT 112**  
**EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Executive administration services</b>			
Salaries	\$ 330,663	\$ 335,484	\$ (4,821)
Employee benefits	125,279	123,309	1,970
Purchased services	14,400	5,668	8,732
Supplies and materials	1,500	1,040	460
Capital outlay	800	-	800
Other objects	<u>4,050</u>	<u>1,012</u>	<u>3,038</u>
Total	<u>476,692</u>	<u>466,513</u>	<u>10,179</u>
<b>Tort immunity services</b>			
Purchased services	<u>63,000</u>	<u>183,048</u>	<u>(120,048)</u>
Total	<u>63,000</u>	<u>183,048</u>	<u>(120,048)</u>
Total general administration	<u>950,054</u>	<u>1,077,600</u>	<u>(127,546)</u>
<b>School administration</b>			
<b>Office of the principal services</b>			
Salaries	2,467,183	2,459,638	7,545
Employee benefits	797,126	714,436	82,690
Purchased services	<u>14,400</u>	<u>5,095</u>	<u>9,305</u>
Total	<u>3,278,709</u>	<u>3,179,169</u>	<u>99,540</u>
<b>Other support services - school administration</b>			
Employee benefits	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Total	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Total school administration	<u>3,284,709</u>	<u>3,179,169</u>	<u>105,540</u>
<b>Business</b>			
<b>Direction of business support services</b>			
Salaries	169,744	281,147	(111,403)
Employee benefits	46,157	62,941	(16,784)
Purchased services	7,150	13,998	(6,848)
Supplies and materials	1,000	-	1,000
Capital outlay	500	-	500
Other objects	<u>4,000</u>	<u>2,230</u>	<u>1,770</u>
Total	<u>228,551</u>	<u>360,316</u>	<u>(131,765)</u>
<b>Fiscal services</b>			
Salaries	362,927	306,245	56,682
Employee benefits	105,127	84,578	20,549
Purchased services	191,731	91,648	100,083
Supplies and materials	6,600	6,593	7
Other objects	<u>1,200</u>	<u>519</u>	<u>681</u>
Total	<u>667,585</u>	<u>489,583</u>	<u>178,002</u>

(Continued)

# NORTH SHORE SCHOOL DISTRICT 112

## EDUCATIONAL ACCOUNTS

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Operation and maintenance of plant services</b>			
<b>Food services</b>			
Purchased services	\$ 484,388	\$ 369,534	\$ 114,854
Supplies and materials	1,250	17,208	(15,958)
Capital outlay	31,000	-	31,000
Total	<u>516,638</u>	<u>386,742</u>	<u>129,896</u>
<b>Internal services</b>			
Purchased services	-	28	(28)
Supplies and materials	4,386	4,904	(518)
Total	<u>4,386</u>	<u>4,932</u>	<u>(546)</u>
Total business	<u>1,417,160</u>	<u>1,241,573</u>	<u>175,587</u>
<b>Central</b>			
<b>Planning, research, development and evaluation services</b>			
Purchased services	2,043	-	2,043
Supplies and materials	4,948	1,842	3,106
Total	<u>6,991</u>	<u>1,842</u>	<u>5,149</u>
<b>Information services</b>			
Salaries	80,000	80,000	-
Employee benefits	32,241	26,728	5,513
Purchased services	28,958	19,974	8,984
Supplies and materials	600	5,335	(4,735)
Capital outlay	1,000	-	1,000
Other objects	999	499	500
Total	<u>143,798</u>	<u>132,536</u>	<u>11,262</u>
<b>Staff services</b>			
Salaries	259,981	262,679	(2,698)
Employee benefits	80,463	89,014	(8,551)
Purchased services	84,991	48,456	36,535
Supplies and materials	3,400	2,459	941
Capital outlay	-	1,368	(1,368)
Other objects	85	360	(275)
Total	<u>428,920</u>	<u>404,336</u>	<u>24,584</u>
Total central	<u>579,709</u>	<u>538,714</u>	<u>40,995</u>
<b>Other supporting services</b>			
Salaries	1,380	1,638	(258)
Purchased services	86,549	90,744	(4,195)
Supplies and materials	1,305	1,305	-
Total	<u>89,234</u>	<u>93,687</u>	<u>(4,453)</u>
Total support services	<u>15,039,604</u>	<u>13,974,443</u>	<u>1,065,161</u>

(Continued)



**NORTH SHORE SCHOOL DISTRICT 112****EDUCATIONAL ACCOUNTS****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Community services</b>			
Salaries	\$ 1,344	\$ 12,904	\$ (11,560)
Employee benefits	-	555	(555)
Purchased services	14,399	6,741	7,658
Supplies and materials	<u>2,500</u>	<u>26,242</u>	<u>(23,742)</u>
Total community services	<u>18,243</u>	<u>46,442</u>	<u>(28,199)</u>
<b>Payments to other districts and governmental units</b>			
<b>Payments for special education programs</b>			
Purchased services	<u>1,473,190</u>	<u>979,948</u>	<u>493,242</u>
Total	<u>1,473,190</u>	<u>979,948</u>	<u>493,242</u>
<b>Payments for special education programs - tuition</b>			
Other objects	<u>997,694</u>	<u>857,801</u>	<u>139,893</u>
Total	<u>997,694</u>	<u>857,801</u>	<u>139,893</u>
Total payments to other districts and governmental units	<u>2,470,884</u>	<u>1,837,749</u>	<u>633,135</u>
Total expenditures	<u>67,740,949</u>	<u>66,912,275</u>	<u>828,674</u>
Net change in fund balance	<u>\$ 725,933</u>	4,965,442	<u>\$ 4,239,509</u>
Fund balance, beginning of year		<u>7,742,140</u>	
Fund balance, end of year		<u>\$ 12,707,582</u>	

**NORTH SHORE SCHOOL DISTRICT 112****TORT IMMUNITY AND JUDGMENT ACCOUNTS**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
Tort immunity levy	\$ 75,000	\$ 88,452	\$ 13,452
Investment income	<u>-</u>	<u>2,945</u>	<u>2,945</u>
Total local sources	<u>75,000</u>	<u>91,397</u>	<u>16,397</u>
Total revenues	<u>75,000</u>	<u>91,397</u>	<u>16,397</u>
<b>Expenditures</b>			
<b>Support Services</b>			
<b>General administration</b>			
<b>Workers' compensation or workers' occupational disease act payments</b>			
Purchased services	<u>302,928</u>	<u>312,952</u>	<u>(10,024)</u>
Total	<u>302,928</u>	<u>312,952</u>	<u>(10,024)</u>
<b>Insurance payments (regular or self-insurance)</b>			
Purchased services	<u>12,875</u>	<u>13,639</u>	<u>(764)</u>
Total	<u>12,875</u>	<u>13,639</u>	<u>(764)</u>
<b>Legal services</b>			
<b>Property insurance (buildings and grounds)</b>			
Purchased services	<u>184,563</u>	<u>184,563</u>	<u>-</u>
Total	<u>184,563</u>	<u>184,563</u>	<u>-</u>
Total general administration	<u>500,366</u>	<u>511,154</u>	<u>(10,788)</u>
Total expenditures	<u>500,366</u>	<u>511,154</u>	<u>(10,788)</u>
Net change in fund balance	<u>\$ (425,366)</u>	<u>(419,757)</u>	<u>\$ 5,609</u>
Fund balance, beginning of year		<u>625,757</u>	
Fund balance, end of year		<u>\$ 206,000</u>	

**NORTH SHORE SCHOOL DISTRICT 112****WORKING CASH ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 57,471	\$ 66,339	\$ 8,868
Investment income	<u>18,438</u>	<u>112,576</u>	<u>94,138</u>
Total local sources	<u>75,909</u>	<u>178,915</u>	<u>103,006</u>
Total revenues	<u>75,909</u>	<u>178,915</u>	<u>103,006</u>
<b>Expenditures</b>			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 75,909</u>	178,915	<u>\$ 103,006</u>
Fund balance, beginning of year		<u>12,500,685</u>	
Fund balance, end of year		<u>\$ 12,679,600</u>	

**NORTH SHORE SCHOOL DISTRICT 112**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND - STUDENT ACTIVITY FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	BALANCE JULY 1, 2013	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2014
<b>Assets</b>				
Cash and Investments	<u>\$ 235,854</u>	<u>\$ 303,702</u>	<u>\$ (308,321)</u>	<u>\$ 231,235</u>
<b>Liabilities</b>				
<b>Due to student groups</b>				
Braeside	\$ 739	\$ 11,726	\$ (10,391)	\$ 2,074
Edgewood	10,354	72,877	(75,648)	7,584
Elm Place	20,501	67,780	(64,590)	23,691
Indian Trail	5,257	6,085	(6,664)	4,678
Lincoln	62,165	8,412	(21,056)	49,521
Northwood	20,182	65,908	(66,839)	19,251
Oak Terrace	5,127	10,577	(13,972)	1,732
Ravinia	28,341	15,877	(10,337)	33,880
Red Oak	4,436	5,963	(7,198)	3,201
Sherwood	48,566	24,304	(17,407)	55,464
Green Bay	6,941	5,542	(5,079)	7,404
Wayne Thomas	<u>23,245</u>	<u>8,650</u>	<u>(9,140)</u>	<u>22,755</u>
Total Liabilities	<u>\$ 235,854</u>	<u>\$ 303,702</u>	<u>\$ (308,321)</u>	<u>\$ 231,235</u>

## Statistical Section

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding of what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	66 - 67
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	78 - 81
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	82 - 85
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	86 - 89
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
<b>Operating Information</b>	90 - 92
These schedules contain information about the District's services and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

# NORTH SHORE SCHOOL DISTRICT 112

Net Position by Component  
Last Ten Fiscal Years

	Fiscal Year				
	<u>2014</u>	<u>2013*</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental Activities:					
Net investment in capital assets	\$ 64,808,837	\$ 63,122,681	\$ 57,079,378	\$ 54,337,116	\$ 46,989,074
Restricted					
Operations and maintenance	4,147,494	4,071,621	2,512,058	-	-
Student transportation	1,346,866	-	587,395	749,893	758,970
Retirement benefits	1,942,691	1,592,970	1,129,517	953,535	947,398
Capital projects	1,547,521	154,394	142,468	179,587	583,189
Tort immunity	203,055	625,757	826,292	776,297	779,928
Debt service	643,106	2,137,013	2,026,575	2,097,395	2,262,779
Unrestricted	<u>25,903,146</u>	<u>21,540,113</u>	<u>24,602,652</u>	<u>24,968,047</u>	<u>26,998,898</u>
Total net position	<u>\$100,542,716</u>	<u>\$ 93,244,549</u>	<u>\$ 88,906,335</u>	<u>\$ 84,061,870</u>	<u>\$ 79,320,236</u>

Note: Due to the implementation of GASB Statement No. 63 during fiscal year ended June 30, 2013, the District is now required to report net assets as net position.

\* Net Position by component adjusted in 2013 due to restatement identified during fiscal year 2014 audit. Prior years not restated

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<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 41,886,079	\$ 34,219,363	\$ 29,587,025	\$ 25,667,659	\$ 19,922,233
-	-	-	-	-
2,132,920	859,717	-	-	-
947,214	901,737	-	-	-
545,152	722,691	1,828,715	-	-
673,017	631,766	583,401	497,800	911,182
1,921,610	4,532,157	1,852,125	506,460	863,515
<u>24,929,591</u>	<u>24,070,644</u>	<u>23,900,065</u>	<u>27,451,907</u>	<u>32,342,294</u>
<u>\$ 73,035,583</u>	<u>\$ 65,938,075</u>	<u>\$ 57,751,331</u>	<u>\$ 54,123,826</u>	<u>\$ 54,039,224</u>

# NORTH SHORE SCHOOL DISTRICT 112

Change in Net Position  
Last Ten Fiscal Years

Expenses	Fiscal Year					
	2014	2013*	2012	2011	2010	2009
<b>Governmental Activities:</b>						
Instruction						
Regular Programs	\$23,536,690	\$23,352,715	\$24,826,055	\$23,853,551	\$26,341,612	\$24,626,115
Special Programs	13,059,882	12,521,987	13,420,182	12,793,825	13,884,555	11,303,473
Other Programs	5,004,500	5,298,953	5,693,955	5,317,007	2,552,792	2,482,796
State On-behalf Contributions to TRS	12,958,399	10,008,093	9,076,276	8,210,912	8,103,609	5,789,778
Support services						
Pupils	4,491,877	4,020,115	4,078,422	4,527,464	3,806,825	3,774,210
Instructional Staff	3,723,817	4,541,275	4,008,660	4,642,304	5,085,905	4,565,034
District Administration	1,616,177	1,409,685	1,269,129	1,240,978	1,523,559	1,663,220
School Administration	3,330,904	3,269,095	3,474,934	3,214,570	3,188,089	3,172,189
Business	1,381,477	2,366,492	2,162,251	2,511,464	2,212,965	1,809,075
Transportation	2,458,682	2,492,615	2,621,684	2,608,868	2,844,479	2,752,630
Facilities Acquisition and Construction	-	-	-	-	-	-
Operations and Maintenance	7,566,338	7,342,641	6,163,719	6,602,845	6,063,593	-
Food Service	-	-	-	-	-	-
Central	613,487	2,987,918	855,004	738,645	747,685	675,482
Other Supporting Services	94,014	83,705	28,781	-	-	-
Community Services	47,647	20,061	18,557	6,747	20,053	-
Nonprogrammed Charges	-	-	-	-	203	-
Interest on Debt	343,964	569,191	910,012	1,314,640	1,346,203	1,570,951
Total Governmental Expenses	80,227,855	80,284,541	78,607,621	77,583,820	77,722,127	64,184,953
<b>Program Revenues</b>						
<b>Governmental Activities</b>						
Charges for Services:						
Instruction						
Regular Programs	1,202,464	672,824	691,713	687,257	874,280	704,283
Special Programs	-	-	-	-	95,920	119,207
Other Programs	15,697	51,413	45,348	35,166	149,926	125,306
Support Services						
Transportation	110	26,325	36,732	2,361	76,035	103,072
Business	33,947	101,509	118,296	128,973	135,407	150,975
Operations and Maintenance	53,316	162,261	159,076	150,977	146,219	158,149
Operating Grants and Contributions:						
Instruction						
Regular Programs	324,403	838,148	904,366	892,656	925,559	715,089
Special Programs	3,609,722	3,175,049	3,396,087	3,364,133	3,973,873	2,766,350
Other Programs	279,400	318,105	311,794	430,644	580,787	544,831
Support services						
Pupils	-	-	(351)	-	9,768	10,125
Instructional Staff	73,232	124,531	124,845	114,354	257,964	217,666
Operations and Maintenance	-	-	-	-	-	-
Transportation	1,047,278	690,014	560,947	688,970	915,830	943,493
Business	366,893	366,409	390,063	313,853	355,763	455,812
Capital Grants and Contributions:						
Instruction						
Regular Programs	-	-	-	-	-	-
Special Programs	-	-	-	-	-	-
Other Programs	-	-	-	-	-	-
Support services						
Instructional Staff	-	-	-	-	-	-
Business	-	-	-	-	-	-
Operations and Maintenance	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Food Service	-	-	-	-	-	-
State On-behalf Contributions to TRS	12,958,399	10,008,093	9,076,276	8,210,912	8,103,609	5,789,778
Total Government Program Revenues	19,964,861	16,534,681	15,815,192	15,020,256	16,600,940	12,804,136
Net (Expense) Revenue	(60,262,994)	(63,749,860)	(62,792,429)	(62,563,564)	(61,121,187)	(51,380,817)
<b>General Revenues:</b>						
<b>Governmental Activities:</b>						
Taxes						
Property Taxes	\$65,388,504	\$67,303,032	\$63,775,733	\$63,984,815	\$62,981,918	\$59,650,168
Replacement Taxes	676,619	668,843	654,610	711,587	548,718	678,274
General State Aid	1,192,276	1,161,746	1,181,508	1,170,390	896,632	1,011,851
Investment Earnings	146,699	273,817	254,898	301,277	754,156	1,715,954
Other General Revenues	157,063	1,875,197	1,770,145	1,137,129	2,224,416	1,431,328
Total General Revenues	67,561,161	71,282,635	67,636,894	67,305,198	67,405,840	64,487,575
Change in Net Position	\$ 7,298,167	\$ 7,532,775	\$ 4,844,465	\$ 4,741,634	\$ 6,284,653	\$13,106,758

\*Property tax revenues adjusted for 2013 due to restatement identified during fiscal year 2014 audit.



Fiscal Year			
2008	2007	2006	2005
\$22,711,221	\$24,796,600	\$25,771,477	\$23,345,745
10,799,877	7,632,994	6,880,004	6,069,855
1,707,831	1,882,377	1,762,988	1,701,687
3,934,895	3,192,342	2,261,955	3,447,147
3,305,016	2,919,075	3,063,407	2,624,114
4,818,297	3,662,683	3,216,985	2,861,031
1,481,027	1,663,875	2,038,644	1,447,111
2,994,651	3,052,486	2,642,844	2,625,966
1,901,447	573,492	553,390	658,698
2,531,292	2,655,297	2,720,410	3,129,272
-	569,943	1,196,574	-
6,224,724	6,237,146	4,646,476	5,413,270
-	378,633	383,226	357,755
710,784	672,974	512,050	629,997
-	-	-	-
-	-	49,067	3,504
-	3,823,487	4,114,321	3,683,228
1,822,138	2,062,130	1,901,115	2,163,360
64,943,200	65,775,534	63,714,933	60,161,740
1,124,990	818,121	719,375	426,845
-	-	92,783	128,764
-	-	-	-
88,390	70,179	100,879	99,299
131,982	244,043	98,832	355,856
-	-	-	-
705,190	532,302	614,453	775,145
2,555,034	2,141,642	2,610,136	2,585,516
454,492	452,393	-	-
9,640	-	9,645	-
166,923	-	-	-
-	-	693,307	424,319
997,708	-	1,066,454	1,305,640
419,923	-	253,585	5,874
-	-	11,933	88,131
-	-	-	-
-	-	-	-
-	174,462	3,263	50,031
-	382,222	-	-
-	-	136,516	115,513
-	1,096,719	-	-
-	-	-	-
3,934,895	3,192,342	2,261,955	3,447,147
10,589,167	9,104,425	8,673,116	9,808,080
(54,354,033)	(56,671,109)	(55,041,817)	(50,353,660)
\$57,220,044	\$54,379,286	\$51,193,332	\$48,792,541
775,373	725,053	664,496	593,582
967,936	957,072	959,346	964,876
2,600,033	2,836,795	2,029,625	1,095,120
977,391	1,400,408	724,885	287,418
62,540,777	60,298,614	55,571,684	51,733,537
\$ 8,186,744	\$ 3,627,505	\$ 529,867	\$ 1,379,877

# NORTH SHORE SCHOOL DISTRICT 112

## Fund Balances - Governmental Funds Last Ten Fiscal Years

	Fiscal Year			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund***				
Nonspendable	\$ -	\$ 82,219	\$ 154,790	\$ 217,023
Restricted	203,055	625,757	826,292	776,297
Assigned	2,945	14,398,654	16,568,067	16,334,417
Unassigned	25,387,182	5,761,952	2,754,039	1,579,274
Reserved				
Prepaid Items	-	-	-	-
Self Insurance	-	-	-	-
Tort Immunity **	-	-	-	-
Unreserved				
Designated for self-insurance	-	-	-	-
Undesignated	-	-	-	-
Total General Fund	<u>\$ 25,593,182</u>	<u>\$ 20,868,582</u>	<u>\$ 20,303,188</u>	<u>\$ 18,907,011</u>
All Other Governmental Funds:				
Working Cash ***	\$ -	\$ -	\$ -	\$ -
Fire Prevention and Safety *	-	-	-	-
Nonspendable, reported in:				
Special revenue funds	-	11,549	-	-
Debt service funds	-	259,857	282,945	303,432
Restricted, reported in:				
Special revenue funds	7,437,051	4,080,248	3,638,526	3,079,894
Debt service funds	643,106	1,997,088	1,900,890	1,831,646
Capital projects fund	1,547,521	154,394	140,896	179,135
Assigned, reported in:				
Special revenue funds	303,622	2,406,320	2,073,906	2,309,576
Debt service funds	10,432	-	-	-
Capital projects fund	623	-	-	-
Reserved				
Prepaid Items	-	-	-	-
Debt Service	-	-	-	-
Unreserved				
Special Revenue	-	-	-	-
Capital Projects	-	-	-	-
Total All Other Governmental Funds	<u>\$ 9,942,355</u>	<u>\$ 8,909,456</u>	<u>\$ 8,037,163</u>	<u>\$ 7,703,683</u>

\* - Only in years considered major, otherwise fund balance combined into nonmajor governmental funds - capital projects.

\*\* - Tort immunity and judgment became a special revenue fund for fiscal year 2009.

\*\*\* Working Cash and Tort Immunity and Judgment Funds are included in the General Fund starting in fiscal year 2011, due to the implementation of GASB Statement No. 54

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<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,500	382,016	382,504	393,491	382,147	6,500
-	-	1,503,653	-	796,287	750,948
-	-	631,766	583,401	497,800	911,182
794,620	1,051,970	1,503,653	-	-	-
<u>9,884,211</u>	<u>9,530,580</u>	<u>7,508,670</u>	<u>7,536,180</u>	<u>7,053,461</u>	<u>8,197,152</u>
<u>\$ 10,691,331</u>	<u>\$ 10,964,566</u>	<u>\$ 11,530,246</u>	<u>\$ 8,513,072</u>	<u>\$ 8,729,695</u>	<u>\$ 9,865,782</u>
\$ 12,036,648	\$ 12,008,214	\$ 11,789,915	\$ 9,961,125	\$ 9,090,866	\$ 10,695,478
583,189	545,152	690,916	1,788,786	-	9,556,945
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	245,395	-
2,079,049	1,921,610	1,706,750	1,511,377	1,009,688	1,134,825
2,468,476	2,460,545	1,761,454	1,860,329	1,883,240	1,799,737
<u>-</u>	<u>-</u>	<u>31,775</u>	<u>39,929</u>	<u>6,230,775</u>	<u>421,233</u>
<u>\$ 17,167,362</u>	<u>\$ 16,935,521</u>	<u>\$ 15,980,810</u>	<u>\$ 15,161,546</u>	<u>\$ 18,459,964</u>	<u>\$ 23,608,218</u>

## NORTH SHORE SCHOOL DISTRICT 112

### Governmental Funds Revenues Last Ten Fiscal Years

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	Fiscal Years				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Local Sources	\$ 67,742,840	\$ 70,359,572	\$ 67,154,365	\$ 67,232,922	\$ 66,615,748
State Sources	4,820,676	4,554,132	4,625,659	4,661,872	4,800,845
Federal Sources	2,072,528	2,769,780	2,588,358	2,817,685	3,781,072
On-behalf Sources	<u>12,958,399</u>	<u>10,008,093</u>	<u>9,076,276</u>	<u>8,210,912</u>	<u>8,103,609</u>
Total revenues	<u>\$ 87,594,443</u>	<u>\$ 87,691,577</u>	<u>\$ 83,444,658</u>	<u>\$ 82,923,391</u>	<u>\$ 83,301,274</u>

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<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 64,209,963	\$ 62,918,203	\$ 60,504,973	\$ 56,162,348	\$ 51,787,154
4,581,238	4,496,510	4,331,178	4,388,436	4,247,844
2,175,492	1,780,336	1,405,184	1,431,809	1,807,617
<u>5,789,778</u>	<u>3,934,895</u>	<u>3,192,342</u>	<u>2,261,955</u>	<u>3,447,147</u>
<u>\$ 76,756,471</u>	<u>\$ 73,129,944</u>	<u>\$ 69,433,677</u>	<u>\$ 64,244,548</u>	<u>\$ 61,289,762</u>

# NORTH SHORE SCHOOL DISTRICT 112

## Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Current:</b>				
Instruction				
Regular programs	22,710,782	22,511,288		
Special programs	10,618,072	9,224,801		
Other instructional programs	5,520,181	5,647,562		
State retirement contributions	<u>12,958,399</u>	<u>10,008,093</u>		
Total instruction	<u>51,807,434</u>	<u>47,391,744</u>		
Supporting services				
Pupils	4,058,354	3,598,777		
Instructional staff	3,789,155	4,009,771		
General administration	1,614,322	1,407,882		
School administration	3,329,335	3,267,570		
Business	1,364,767	1,351,630		
Transportation	2,455,810	2,489,603		
Operations and maintenance	5,742,346	6,199,475		
Central	612,119	2,980,883		
Other supporting services	<u>94,014</u>	<u>83,705</u>		
Total supporting services	<u>23,060,222</u>	<u>25,389,296</u>		
Community services	<u>47,647</u>	<u>20,061</u>		
Payments to other districts and gov't units	<u>1,837,749</u>	<u>2,925,373</u>		
Total current expenditures	<u>76,753,052</u>	<u>75,726,474</u>	<u>\$ 75,159,901</u>	<u>\$ 74,021,481</u>
Capital outlay	<u>1,618,932</u>	<u>3,306,410</u>	<u>1,619,351</u>	<u>2,691,637</u>
Debt service				
Principal	3,076,748	6,687,036	3,905,000	6,480,399
Interest	<u>388,212</u>	<u>533,970</u>	<u>1,030,749</u>	<u>977,873</u>
Total debt service	<u>3,464,960</u>	<u>7,221,006</u>	<u>4,935,749</u>	<u>7,458,272</u>
Total expenditures	<u>\$ 81,836,944</u>	<u>\$ 86,253,890</u>	<u>\$ 81,715,001</u>	<u>\$ 84,171,390</u>
Debt service required as a percentage of noncapital expenditures	4.32%	8.71%	6.16%	9.15%
Debt service as a percentage of total expenditures	4.23%	8.37%	6.04%	8.86%



# **NORTH SHORE SCHOOL DISTRICT 112**

Net Change in Fund Balances  
Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

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	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 5,757,499	\$ 1,437,687	\$ 1,729,657	\$ (1,247,999)
Other financing sources (uses)				
Transfers in	37,845	1,703,788	1,628,369	2,195,670
Bond proceeds	-	-	-	-
Premium on bonds sold	-	-	-	-
Accrued interest on bonds sold	-	-	-	-
Proceeds from capital lease	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers out	<u>(37,845)</u>	<u>(1,703,788)</u>	<u>(1,628,369)</u>	<u>(2,195,670)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 5,757,499</u>	<u>\$ 1,437,687</u>	<u>\$ 1,729,657</u>	<u>\$ (1,247,999)</u>



<b>Fiscal Year</b>					
<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ (679,886)	\$ (203,103)	\$ 3,542,599	\$ (3,835,041)	\$ (4,227,304)	\$ (1,381,318)
3,062,261	3,362,067	1,199,991	1,536,597	3,776,175	4,620,000
-	-	-	-	-	10,165,000
-	-	-	-	-	226,134
-	-	-	-	-	32,365
638,492	590,334	293,839	-	-	1,773,481
-	1,800	-	-	-	-
<u>(3,062,261)</u>	<u>(3,362,067)</u>	<u>(1,199,991)</u>	<u>(1,536,597)</u>	<u>(3,776,175)</u>	<u>(4,620,000)</u>
<u>638,492</u>	<u>592,134</u>	<u>293,839</u>	<u>-</u>	<u>-</u>	<u>12,196,980</u>
<u>\$ (41,394)</u>	<u>\$ 389,031</u>	<u>\$ 3,836,438</u>	<u>\$ (3,835,041)</u>	<u>\$ (4,227,304)</u>	<u>\$ 10,815,662</u>

## NORTH SHORE SCHOOL DISTRICT 112

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Tax Levy Years

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<u>Tax Levy Year</u>	<u>Assessed Valuation</u>		<u>Total</u>	<u>Actual</u>	<u>Total</u>
	<u>Residential</u>	<u>Railroad</u>	<u>Equalized Assessed Value</u>	<u>Estimated Value</u>	<u>Direct Rate</u>
2013	\$ 2,116,481,601	\$ 2,372,736	\$ 2,118,854,337	\$ 6,420,770,718	3.076%
2012	2,221,715,371	1,960,279	2,223,675,650	6,738,411,061	2.957%
2011	2,388,796,816	1,563,287	2,390,360,103	7,243,515,464	2.818%
2010	2,621,114,126	1,665,690	2,622,779,816	7,947,817,624	2.437%
2009	2,774,384,409	1,373,833	2,775,758,242	8,411,388,612	2.313%
2008	2,848,937,065	1,175,928	2,850,112,993	8,636,706,039	2.215%
2007	NA	NA	2,740,389,897	8,304,211,809	2.186%
2006	NA	NA	2,577,404,428	7,810,316,448	2.225%
2005	NA	NA	2,354,422,964	7,134,615,042	2.312%
2004	NA	NA	2,101,536,614	6,368,292,770	2.457%

Source: Lake County Clerk's Office

Note: The county assesses property at approximately 33.3% of actual value for all types of real property. Estimated actual value is calculated by dividing assessed value by that percentage. Tax rates are per \$100 of assessed value.

NA - not available

## NORTH SHORE SCHOOL DISTRICT 112

Property Tax Rates - Direct and Overlapping Governments

Last Ten Tax Levy Years

District Direct Rates												
Tax Levy Year	NSSD 112	Highland		HSD 113	Highland		Lake County			South Lake		Total Tax Rate
		Park	County		Park	Park	North	Forest	Township of	College of	Mosquito	
					District	Sanitary		Preserve	Moraine	Lake County	Abatement	Overlapping Government
2013	3.076	0.785	0.663	2.364	0.497	0.164		0.218	0.070	0.296	0.007	5.064
2012	2.957	0.709	0.608	2.178	0.445	0.150		0.212	0.066	0.272	0.015	4.655
2011	2.818	0.643	0.554	2.167	0.410	0.150		0.201	0.059	0.240	0.014	4.438
2010	2.437	0.586	0.505	1.921	0.379	0.136		0.198	0.052	0.218	0.013	4.008
2009	2.313	0.536	0.464	1.748	0.394	0.124		0.200	0.047	0.200	0.012	3.725
2008	2.215	0.515	0.453	1.660	0.380	0.121		0.199	0.045	0.020	0.011	3.404
2007	2.186	0.517	0.444	1.619	0.377	0.120		0.201	0.044	0.192	0.011	3.525
2006	2.225	0.532	0.450	1.635	0.378	0.125		0.204	0.044	0.195	0.012	3.575
2005	2.312	0.561	0.454	1.686	0.397	0.132		0.210	0.045	0.197	0.012	3.694
2004	2.457	0.624	0.465	1.758	0.422	0.139		0.219	0.047	0.200	0.012	3.886

Source: Lake County Clerk's Office

Note: Tax rates are per \$100 of assessed value

# NORTH SHORE SCHOOL DISTRICT 112

Principal Taxpayers  
Tax Levy Year 2013 and Ten Years Ago

<u>Taxpayer</u>	<u>2013</u>		<u>2003</u>	
	Equalized Assessed <u>Valuation</u>	Percentage of <u>Total</u>	Equalized Assessed <u>Valuation</u>	Percentage of <u>Total</u>
Metzler I Renaissance Place LP	\$ 9,930,977	0.47%	\$ -	0.00%
Midwest Family Housing LLC	8,983,717	0.42%	-	0.00%
Federal Realty Invst Trst	6,535,843	0.31%	-	0.00%
Chicago Title Land Trust Co.	5,179,691	0.24%	-	0.00%
Highland Park Associates II, LLC	4,340,741	0.20%	-	0.00%
Klairmont Family Associates LP	4,296,505	0.20%	2,570,514	0.13%
Americana Apartments	3,921,248	0.19%	4,385,084	0.22%
Morningside Highwood LLC	3,909,844	0.18%	-	0.00%
Lake Forest Bank and Trust	3,673,976	0.17%	-	0.00%
Sunset Food Mart, Inc.	3,599,737	0.17%	2,763,241	0.14%
Renessaince Place	-	0.00%	9,779,569	0.50%
Crossroads Shopping Center	-	0.00%	5,733,300	0.29%
Target Corporation	-	0.00%	3,823,888	0.19%
North Shore Estates	-	0.00%	3,499,650	0.18%
Port Clinton Square	-	0.00%	3,489,180	0.18%
Dominicks	-	0.00%	2,468,977	0.13%
Michael and Juanita Jordan	-	0.00%	2,425,744	0.12%
LaSalle Bank National Association	-	0.00%	2,042,243	0.10%
Esses House Condominiums	-	0.00%	1,950,525	0.10%
Michael Babel	-	0.00%	1,888,425	0.10%
Total Principal Taxpayers in District	<u>54,372,279</u>	<u>2.55%</u>	<u>46,820,340</u>	<u>2.38%</u>
Other Taxpayers in District	<u>2,064,482,058</u>	<u>97.44%</u>	<u>1,915,371,664</u>	<u>97.60%</u>
Total	<u>\$ 2,118,854,337</u>	<u>100.00%</u>	<u>\$ 1,962,192,004</u>	<u>99.98%</u>

Source: Moraine Township Assessor (2003)  
Office of the County Clerk - Lake County (2012)

# NORTH SHORE SCHOOL DISTRICT 112

## Property Tax Levies and Collections

### Last Ten Tax Levy Years

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Tax Levy Year	Taxes Levied for the Fiscal Year		Collected Within the Fiscal Year of the Levy		Total Collections to Date	
			Amount	Percentage of Levy	Amount	Percentage of Levy
2013	\$	65,175,159	\$ 32,401,169	49.71%	\$ 32,401,169	49.71%
2012		65,754,089	32,840,980	49.95%	65,388,506	99.44%
2011		67,944,380	33,643,832	49.52%	67,193,572	98.89%
2010		64,111,980	31,646,316	49.36%	63,776,428	99.48%
2009		64,688,542	32,669,441	50.50%	64,429,788	99.60%
2008		59,796,475	32,302,057	54.02%	59,646,983	99.75%
2007		59,904,923	29,095,538	48.57%	59,650,168	99.57%
2006		57,347,249	28,254,769	49.27%	57,219,695	99.78%
2005		54,434,260	26,996,516	49.59%	54,310,786	99.77%
2004		51,634,754	25,463,574	49.31%	51,193,332	99.15%

# NORTH SHORE SCHOOL DISTRICT 112

Outstanding Debt by Type  
Last Ten Fiscal Years

Government Activities							
Fiscal Year	General Obligation Bonds and Certificates	Capital Leases	Total Primary Government	Equalized Assessed Valuation	Ratio of General Bonded Debt to Actual Estimated Value	Percentage of Personal Income*	Debt Outstanding per Capita
2014	\$ 5,041,680	\$ -	\$ 5,041,680	\$ 2,118,854,337	0.07%	NA	\$ 143
2013	7,920,000	188,558	8,108,558	2,223,675,650	0.11%	NA	231
2012	14,370,000	425,594	14,795,594	2,390,360,103	0.18%	NA	403
2011	18,275,000	666,867	18,941,867	2,622,779,816	0.22%	0.05%	513
2010	24,440,000	982,266	25,422,266	2,775,758,242	0.28%	0.07%	689
2009	30,080,000	1,036,889	31,116,889	2,850,112,993	0.36%	0.08%	879
2008	34,975,000	941,630	35,916,630	2,740,389,897	0.45%	0.09%	1,012
2007	40,897,706	1,382,706	42,280,412	2,577,404,428	0.57%	0.11%	1,191
2006	43,820,000	1,400,079	45,220,079	2,354,422,964	0.69%	0.12%	1,274
2005	47,560,000	1,773,481	49,333,481	2,101,536,614	0.80%	0.14%	1,389

NA - not available

\* See the schedule of Demographic Statistics on page 89 for personal income and population data.

## NORTH SHORE SCHOOL DISTRICT 112

### Computation of Direct and Overlapping Debt

June 30, 2014

<u>Taxing Authority</u>	Gross Bonded Debt <u>Outstanding</u>	Overlapping <u>Percent</u>	Applicable to District
Lake County	\$0 (1)	9.225%	\$ -
Lake County Forest Preserve	288,495,000 (2)	9.225%	26,613,664
City of Highland Park	9,000,000 (3)	97.537% %	8,778,330
City of Highwood	5,830,000 (1)	100.000%	5,830,000
Township High School District 113	91,715,000	56.399%	51,726,343
Community College #532	<u>19,510,000</u> (1)(2)	9.728%	<u>1,897,933</u>
Total Overlapping Bonded Debt	\$414,550,000		94,846,270
Direct Debt			
North Shore Schools - District 112	<u>-</u> (1)	100.000% %	<u>-</u>
Total Overlapping and Direct Debt	<u>\$414,550,000</u>		<u>\$ 94,846,270</u>

Source of Information - Office of Lake County Clerk

- (1) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.
- (2) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.
- (3) Excludes self-supporting bonds for which abatements are filed annually.
- (4) Excludes outstanding Debt Certificates

Note: Percent applicable to School District is calculated using assessed valuation of the School District area value contained within the noted governmental unit divided by assessed valuation of the governmental unit.

# NORTH SHORE SCHOOL DISTRICT 112

## Legal Debt Margin Information

Last Ten Fiscal Years

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	Fiscal Year			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assessed Valuation	\$ 2,118,854,337	\$ 2,223,675,650	\$ 2,390,360,103	\$ 2,622,779,816
Statutory Debt Limitation (6.9% of assessed valuation)	146,200,949	153,433,620	164,934,847	180,971,807
Bonded Debt June 30	<u>4,975,000</u>	<u>8,108,558</u>	<u>14,795,594</u>	<u>18,941,867</u>
Legal Bonded Debt Margin	<u>\$ 141,225,949</u>	<u>\$ 145,325,062</u>	<u>\$ 150,139,253</u>	<u>\$ 162,029,940</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>3.40%</u>	<u>5.28%</u>	<u>8.97%</u>	<u>10.47%</u>



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<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 2,775,758,242	\$ 2,850,112,993	\$ 2,740,389,897	\$ 2,577,404,428	\$ 2,354,422,964	\$ 2,101,536,614
191,527,319	196,657,797	189,086,903	177,840,906	162,455,185	145,006,026
<u>25,422,266</u>	<u>31,116,889</u>	<u>36,213,016</u>	<u>40,897,706</u>	<u>43,961,996</u>	<u>48,198,656</u>
<u>\$ 166,105,053</u>	<u>\$ 165,540,908</u>	<u>\$ 152,873,887</u>	<u>\$ 136,943,200</u>	<u>\$ 118,493,189</u>	<u>\$ 96,807,370</u>
<u>13.27%</u>	<u>15.82%</u>	<u>19.15%</u>	<u>23.00%</u>	<u>27.06%</u>	<u>33.24%</u>

# NORTH SHORE SCHOOL DISTRICT 112

## Demographic and Economic Statistics

Last Ten Calendar Years

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Calendar Year	Population		Unemployment Rate		Personal	Per Capita
	Highland		Highland		Income	Personal
	<u>Park</u>	<u>Highwood</u>	<u>Park</u>	<u>Highwood</u>	<u>(in thousands)</u>	<u>Income</u>
2013	29,902	5,338	6.3	7.8	NA	NA
2012	29,914	5,354	6.0	8.7	NA	NA
2011	29,763	5,405	8.6	8.6	\$39,305,689	55,656
2010	32,557	4,150	5.9	10.5	37,975,785	53,905
2009	31,516	5,382	2.3	5.6	37,167,898	53,018
2008	31,457	5,414	4.5	6.6	40,846,663	58,573
2007	29,772	5,645	2.9	1.4	38,655,981	55,781
2006	31,365	4,143	2.8	NA	37,259,357	54,008
2005	31,365	4,143	3.1	NA	34,703,800	50,705
2004	31,365	4,143	3.8	NA	33,162,739	48,932

Source of Information:

\* Population: Quickfacts.Census.Gov

\* Unemployment Rate: Homefacts.com

Prior years: U.S. Census Data, Sperling's Best places website

Personal Income and Per Capital Personal Income:

Bureau of Economic Analysis.gov

Note: The personal income figure is for the entire County.

NA - not available

# NORTH SHORE SCHOOL DISTRICT 112

Principal Employers  
Current Year and Four Years Ago

<u>Employer</u>	<u>Type of Business or Property</u>	<u>2014</u>		<u>Percentage of Total Employment</u>	<u>2010</u>	
		<u>Number Employed</u>	<u>Source</u>		<u>Employees</u>	<u>Percentage of Total Employment</u>
Northshore Highland Park Hospital	Hospital, Div of North Shore University Health System	1,200	(1)	7.1%	1,200	6.9 %
Highland Park Park District	Community recreation and fitness	820	(3)	4.9%	-	-
Township High School District 113	Highland Park & Deerfield Public High Schools	691	(2)	4.1%	-	-
School District No. 112	Elementary school district	611	(3)	3.6%	-	-
Ravina Festival	Music Festival	575	(2)	3.4%	620	3.6
North Suburban Special Education District	Special education district	550	(2)	3.3%		
City of Highland Park	Government Services	279	(4)	1.7%		
Target	Retail super store	224	(3)	1.3%		
Jewel Osco	Grocery and pharmacy	200	(3)	1.2%		
Northmoor Golf Course	Golf course/country club	200	(3)	1.2%		
J II Inc.		-		-	182	1.1
Opportunity Medical		-		-	165	1.0
Pickus Construction Company		-		-	100	0.6
Skokie Valley Laundry & Cleaners		-		-	91	0.5

\* Includes full-time and part-time or seasonal employees.

Sources: (1) 2014 Illinois Services Directory

(2) Phone Canvass

(3) ReferenceUSA

(4) Company/Organization Official Website

(5) Illinois Department of Employment Security: 2013 total number employed is 16,797: Highland Park - 14,336; Highwood - 2,461

\* The directories listed above actually list the number of employees in 2013 in their 2014 books.

## NORTH SHORE SCHOOL DISTRICT 112

Full-time Equivalent District Employees by Type  
Last Ten Fiscal Years

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	Full-time Equivalent Employees as of June 30									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Instruction										
Total instruction	<u>462</u>	<u>465</u>	<u>482</u>	<u>477</u>	<u>486</u>	<u>461</u>	<u>443</u>	<u>451</u>	<u>435</u>	<u>428</u>
Support Services										
Total support services	<u>155</u>	<u>155</u>	<u>149</u>	<u>153</u>	<u>158</u>	<u>155</u>	<u>144</u>	<u>135</u>	<u>146</u>	<u>148</u>
Community Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>2</u>
Total	<u>617</u>	<u>620</u>	<u>631</u>	<u>630</u>	<u>644</u>	<u>616</u>	<u>587</u>	<u>586</u>	<u>582</u>	<u>578</u>

Source of Information: North Shore School District Personnel Department  
(Categorization revised to conform with 2010 presentation)

# NORTH SHORE SCHOOL DISTRICT 112

## Operating Statistics Last Ten Fiscal Years

Fiscal Year	Average Daily Attendance	Operating Expenditures	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio
2014	3,843	\$ 60,564,282	15,760	2.04%	\$ 68,878,545	17,923	-6.74%	428	9.0
2013	3,967	\$ 61,278,220	15,446	-0.83%	\$ 76,245,797	19,220	4.96%	433	9.2
2012	3,961	61,703,864	15,577	2.16%	72,540,834	18,314	-4.11%	482	8.2
2011	3,935	59,998,244	15,247	5.19%	75,153,235	19,099	3.50%	477	8.3
2010	4,073	59,038,008	14,495	2.79%	75,159,464	18,453	7.60%	459	8.9
2009	4,109	57,944,941	14,102	-0.87%	70,466,445	17,149	1.56%	428	9.6
2008	3,815	54,268,458	14,226	0.18%	64,412,553	16,886	0.56%	424	9.0
2007	3,917	55,624,748	14,201	-0.65%	65,775,534	16,792	1.76%	421	9.3
2006	3,861	55,187,860	14,294	13.43%	63,714,933	16,502	12.46%	410	9.4
2005	3,929	49,509,540	12,601	6.27%	57,654,848	14,674	1.94%	409	9.6

Source of Information: District Personnel Department records  
Annual Financial Report 2005-2014 (ISBE Form SD50-35/JA50-60)

# **NORTH SHORE SCHOOL DISTRICT 112**

## **Operating Indicators by Function**

June 30, 2014

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Function	
Instruction	
Regular and Special student enrollment	4,422
Support Services	
Pupil	
% of student population from Non-English Language Background	24
School Administration	
Average daily attendance	3,843
Fiscal	
Purchase Orders Processed	4,080
Maintenance	
District Square Footage Maintained by Custodians and Maintenance Staff	853,000
District Acreage Maintained by Grounds Staff	96
Transportation	
Avg. number of regular pupils transported per year	2,574
Avg. number of regular bus runs to/from school	59
Extra Curricular Activities	
Number of competitive sports	11
Number of student clubs	34
% of Students eligible to file for Federally funded Free or Reduced Lunches	22.10%

### Source of Information:

1. ISBE End-of-Year Report
2. District Records

# NORTH SHORE SCHOOL DISTRICT 112

## School Building Information Last Ten Fiscal Years

	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
<b>Elementary Schools -</b>										
Braeside										
Square Feet ***	43,636	43,636	43,636	43,636	43,636	43,636	43,636	43,636	43,636	43,636
Enrollment ****	266	262	276	269	279	287	293	298	277	285
Indian Trail										
Square Feet	65,403	65,403	65,403	65,403	65,403	65,403	65,403	65,403	65,403	65,403
Enrollment	400	395	379	387	392	390	411	414	427	436
Lincoln										
Square Feet	48,471	48,471	48,471	48,471	48,471	48,471	48,471	48,471	48,471	48,471
Enrollment	248	261	270	271	288	282	279	275	269	283
Oak Terrace										
Square Feet	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Enrollment	534	501	489	502	516	547	531	506	493	495
Ravinia										
Square Feet	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634
Enrollment	301	302	309	325	313	307	302	318	297	302
Red Oak										
Square Feet	57,153	57,153	57,153	57,153	57,153	57,153	57,153	57,153	57,153	57,153
Enrollment	289	320	341	325	336	353	409	386	371	366
Sherwood										
Square Feet	50,863	50,863	50,863	50,863	50,863	50,863	50,863	50,863	50,863	50,863
Enrollment	338	358	358	371	386	389	403	390	405	410
Wayne Thomas										
Square Feet	56,221	56,221	56,221	56,221	56,221	56,221	56,221	56,221	56,221	56,221
Enrollment	327	349	355	342	357	367	343	336	334	371
Green Bay**										
Square Feet	60,808	60,808	60,808	60,808	60,808	60,808	60,808	60,808	60,808	60,808
Enrollment	239	218	232	204	210	215	72	67	46	34
<b>Totals - Elementary</b>										
Square Feet	519,189	519,189	519,189	519,189	519,189	519,189	519,189	519,189	519,189	519,189
Enrollment	2,942	2,966	3,009	2,996	3,077	3,137	3,043	2,990	2,919	2,982
<b>Middle Schools -</b>										
Edgewood										
Square Feet	136,492	136,492	136,492	136,492	136,492	136,492	136,492	136,492	136,492	136,492
Enrollment	615	607	579	573	599	584	567	563	601	568
Elm Place										
Square Feet	113,493	113,493	113,493	113,493	113,493	113,493	113,493	113,493	113,493	113,493
Enrollment	374	410	439	467	479	493	497	489	468	461
Northwood										
Square Feet	83,826	83,826	83,826	83,826	83,826	83,826	83,826	83,826	83,826	83,826
Enrollment	491	471	443	450	434	418	405	365	366	404
<b>Totals - Middle Schools</b>										
Square Feet	333,811	333,811	333,811	333,811	333,811	333,811	333,811	333,811	333,811	333,811
Enrollment	1,480	1,488	1,461	1,490	1,512	1,495	1,469	1,417	1,435	1,433
<b>District Totals:</b>										
Square Feet	853,000	853,000	853,000	853,000	853,000	853,000	853,000	853,000	853,000	853,000
Enrollment	4,422	4,454	4,470	4,486	4,589	4,632	4,512	4,407	4,354	4,415

\*\*Green Bay School reopened to house Pre-K programs in 2003-04 School Year.

\*\*\* Square footage represents the total square footage of the building. In 2008-09 two mobile classroom units with an aggregate square footage of 1680 were added to Northwood. These figures do not represent usable space. The determination of operating capacity is dependent on factors unique to a district and its current needs and operating guidelines. Industry wide maximum capacity reporting guidelines are not meaningful.

\*\*\*\*Enrollment data from ISBE End of Year Report for FY04 through FY14.

Source of Information:

1. Architect/Engineer Data
2. ISBE End-of-Year Report

## NORTH SHORE SCHOOL DISTRICT 112

Teacher Base Salaries  
Last Ten Fiscal Years

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Fiscal Year	Total Teacher FTE	Avg. Teacher Experience (Years)	Teachers with		Minimum Matrix Salary	Maximum Matrix Salary	District Average Salary
			Master's Degree (%)				
2014	428	11.1	85	\$	41,149	\$ 112,446	\$ 69,233
2013	407	11.5	84		41,149	111,446	71,718
2012	361	11.9	80.5		41,149	110,446	71,254
2011	364	11.5	75.2		40,521	107,699	71,267
2010	374	11	72		40,001	105,329	67,226
2009	354	11	71		39,507	103,062	68,840
2008	333	11	70		38,566	100,611	66,080
2007	328	14	76		37,594	99,202	74,909
2006	326	14	76		36,103	96,318	74,169
2005	326	14	72		34,827	93,513	67,874

Source:    1. Professional Agreement between the Board of Education of the North Shore School  
                 District 112 and the North Shore Education Association  
                 2. Illinois Board of Education State Report Card Website