



Highland Park, Illinois

Comprehensive Annual Financial Report

For the fiscal year ended
June 30, 2017

“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, a 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.”

COMPREHENSIVE ANNUAL FINANCIAL
REPORT

OF

**NORTH SHORE SCHOOL DISTRICT
112**

HIGHLAND PARK, IL

As of and for the Year Ended June 30, 2017

Officials Issuing Report

Christopher Wildman
Chief Financial Officer/Treasurer/CSBO

Department Issuing Report

Business Office

NORTH SHORE SCHOOL DISTRICT 112

TABLE OF CONTENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

	<u><i>Page(s)</i></u>
<i>Introductory Section</i>	
Transmittal Letter	i - viii
ASBO Certificate	ix
GFOA Certificate	x
Organizational Chart	xi
Principal Officers and Advisors	xii
<i>Financial Section</i>	
Independent Auditors' Report	1 - 3
Required Supplementary Information	
Management's Discussion and Analysis (MD&A) - Unaudited	4 - 10
Basic Financial Statements	
<u>Government-Wide Financial Statements</u>	
Statement of Net Position	11
Statement of Activities	12
<u>Fund Financial Statements</u>	
Balance Sheet - Governmental Funds	13 - 14
Reconciliation of the Governmental Funds - Balance Sheet to the Statement of Net Position	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16 - 17
Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	18
Statement of Fiduciary Assets and Liabilities - Agency Fund	19
Notes to Basic Financial Statements	20 - 41
Required Supplementary Information	
<u>Historical Pension Information</u>	
Illinois Municipal Retirement Fund - Schedule of Changes in the District's Net Pension Liability and Related Ratios	42
Illinois Municipal Retirement Fund - Schedule of Employer Contributions	43
Teachers' Retirement System - Schedule of the District's Proportionate Share of the Collective Net Pension Liability and Schedule of District Contributions	44

NORTH SHORE SCHOOL DISTRICT 112

TABLE OF CONTENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Page(s)

Required Supplementary Information - (Continued)

General and Major Special Revenue Funds - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

General Fund	45 - 52
Operations and Maintenance Fund	53 - 54
Transportation Fund	55
Municipal Retirement/Social Security Fund	56 - 57
Notes to Required Supplementary Information	58

Supplementary Information

Major Debt Service and Major Capital Projects Funds - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

Debt Service Fund	59
Fire Prevention and Life Safety Fund	60
General Fund - Combining Balance Sheet	61
General Fund - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	62
General Fund Accounts - <u>Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual</u>	
Educational Accounts	63 - 70
Tort Immunity and Judgment Accounts	71
Working Cash Accounts	72
Schedule of Changes in Assets and Liabilities - Agency Funds	73

Statistical Section

Net Position by Component	74 - 75
Changes in Net Position	76 - 77
Fund Balances - Governmental Funds	78 - 79
Governmental Funds Revenues	80 - 81
Governmental Funds Expenditures and Debt Service Ratio	82 - 83
Other Financing Sources and Uses and Net Change in Fund Balances - Governmental Funds	84 - 85
Assessed Value and Estimated Actual Value of Taxable Property	86
Property Tax Rates - All Direct and Overlapping Governments	87
Principal Taxpayers	88
Property Tax Levies and Collections	89

NORTH SHORE SCHOOL DISTRICT 112

TABLE OF CONTENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

	<u><i>Page(s)</i></u>
<i>Statistical Section - (Continued)</i>	
Outstanding Debt by Type	90
Computation of Direct and Overlapping Debt	91
Legal Debt Margin Information	92 - 93
Demographic and Economic Statistics	94
Principal Employers	95
Full-Time Equivalent District Employees by Type	96
Operating Statistics - Last Ten Fiscal Years	97
Operating Indicators by Function	98
School Building Information	99



1936 Green Bay Road
Highland Park, Illinois 60035
Phone: 224-765-3000
www.nssd112.org

October 10, 2017

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, 2017, is attached. The report was prepared by the Chief Financial Officer. The report date on the underlying financial statements is October 10, 2017, 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.

Other information on the District's financial results can be obtained from the Management Discussion & Analysis included with this CAFR.

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. According to the U.S. Census Bureau, as of July 1, 2016, the population demographics for Highland Park, IL was 29,641, and the population demographics for Highwood, IL was 5,324.

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 does not have any charter school within its boundaries.

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. The District's projection enrollment for the fiscal year 2017 is 4,059.

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. 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 \$2,238,725,260 represents an increase in the tax base of 6% 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 recent 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 fund balance reserves to help sustain reasonably reduced operations and overall negative economic impacts.

Age of School Buildings

The following table shows the Age of the School Buildings at District 112.

Name of School	Address	Year Constructed	Square Footage	*Student Enrollment	Grades Served
Braeside Elementary School	150 Pierce Road, Highland Park	1929	43,636	265	K-5
Edgewood Middle School	929 Edgewood Road, Highland Park	1951	136,492	517	6-8
Elm Place Middle School	2031 Sheridan Road, Highland Park	1924	113,493	349	6-8
Green Bay Preschool	1936 Green Bay Road, Highland Park	1929	60,808	219	Pre-K
Indian Trail Elementary School	2075 St. Johns Avenue, Highland Park	1955	65,403	318	K-5
Lincoln Elementary School	711 Lincoln Avenue W, Highland Park	1909	48,471	210	K-5
Northwood Junior High School	945 North Avenue, Highland Park	1959	83,826	479	6-8
Oak Terrace Elementary School	240 Prairie Avenue, Highwood	2001	85,000	523	K-5
Ravinia Elementary School	763 Dean Avenue, Highland Park	1913	51,634	243	K-5
Red Oak Elementary School	530 Red Oak Lane, Highland Park	1958	57,153	327	K-5
Sherwood Elementary School	1900 Stratford Road, Highland Park	1961	50,863	291	K-5
Wayne Thomas Elementary School	2939 Summit Avenue, Highland Park	1957	56,221	286	K-5
* ISBE - End of the Year Report for 2017					

Major Initiatives in Fiscal Year 2017

- Continuation of one-to-one Chromebook initiative to enhance teaching and learning in District 112.
- The District launched a new website, with a modern, cleaner look and improved functionality to better serve teachers, parents, and the local community.
- Elementary FOSS Science Resources were implemented to engage and to prepare students in an increasingly complex scientific and technological world.
- The District continued Health Life Safety work, focusing on large roof replacements and safety vestibules at eight schools.

Long-Term Financial Planning

- Working with Forecast5 Analytics to establish and maintain long-term forecasting projections to make better business decisions.
- To continue integrating technology to ensure that students are successful in learning and understanding of the curriculum to help students in the future.

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, 2017, and the year then ended was performed by, the independent certified public accounting firm of, Baker Tilly Virchow Krause, LLP. The unmodified 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, 2016.

Respectfully submitted,



Ed Rafferty
Superintendent of Schools



Christopher Wildman
Chief Financial Officer and Treasurer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

North Shore School District 112

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

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, 2016



Executive Director/CEO

Organizational Chart

North Shore School District 112

Board of Education

Superintendents

Executive Assistant

Chief Technology Officer

- Database Manager
- Network Administrator
- Software Specialist
- Student Information Manager
- System Specialist
- Administrative Assistant
- Technology Specialists

Asst. Supt. for Teaching, Learning, and Technology

- Director of Curriculum & Instruction
- Director of Languages
- Curriculum Learning Coordinators
- Biliteracy Coach
- Executive Assistant
- Administrative Assistant

Asst. Supt. for Student Services

- Student Services Learning Coordinators
- Associate Principals
- Executive Assistant
- Administrative Assistant

Asst. Supt. for Personnel Services

- Director of Communications
- Digital Media Specialist
- Personnel Manager
- Teacher on Special Assignment
- Executive Assistant
- Administrative Assistant

Chief Financial Officer and Treasurer

- Director of Operations, Facilities and Transportation
- Assistant Director of Operations and Facilities
- Transportation Manager
- Administrative Assistant
- Clerk
- Maintenance Workers
- Custodians
- Director of Fiscal Services
- Accounting Manager
- Payroll Manager
- Executive Assistant
- Bookkeeper
- Payroll and Insurance
- Accounts Payable

Principals

- Teaching Staff
- Related Services
- Classified Staff

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

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017

Officers and Officials

Board of Education

		<u>Term Expires</u> (April)
Eric Ephraim	President	2019
Adam Kornblatt	Vice-President	2019
Bennett Lasko	Secretary	2021
Alexander Brunk	Member	2021
Dan Jenks	Member	2021
Art Kessler	Member	2021
Yumi Ross	Member	2019

District Administration

Dr. Jane Westerhold & Mr. Edward Rafferty
Superintendents of Schools

Official Issuing Report

Christopher Wildman, CPA
Chief Financial Officer / Treasurer / CSBO

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, 2017, 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.

To the Board of Education
North Shore School District 112

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, 2017 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information 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 for the year ended June 30, 2017 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 for the year ended June 30, 2017 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 for the year ended June 30, 2017, 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 for the year ended June 30, 2017.

To the Board of Education
North Shore School District 112

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of North Shore School District 112 as of and for the year ended June 30, 2016 (not presented herein), and have issued our report thereon dated November 2, 2016, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The supplementary information for the year ended June 30, 2016 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 2016 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2016 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those 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 for the year ended June 30, 2016.

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 is presented for purposes of additional analysis and is 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.

Prior-Year Comparative Information

We have previously audited North Shore School District 112's 2016 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated November 2, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2017 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.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
October 10, 2017

North Shore School District 112

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2017

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, 2017. 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 \$7.0. This represents a 7% increase from 2016 and is driven mainly by increase in capital assets and increase in the District's deferred outflows related to pensions.
- General revenues accounted for \$69.9 in revenue or 65% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$37.7 or 35% of total revenues of \$107.6.
- The District had \$100.6 in expenses related to government activities. However, only \$37.7 of these expenses were offset by program specific charges and grants.
- During the year, \$6.0 of capital projects were completed.
- 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, Fifth Third & 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, 2017

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, 2017

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, 2017, than it was the year before, increasing 7% to \$114.5.

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

	<u>2016</u>	<u>2017</u>
Assets:		
Current and other assets	\$ 119.1	\$ 124.4
Capital Assets	<u>68.0</u>	<u>70.7</u>
Total assets	<u>187.1</u>	<u>195.1</u>
Total deferred outflows of resources	<u>3.9</u>	<u>7.1</u>
Liabilities:		
Current liabilities	7.0	6.8
Long-term debt outstanding	<u>7.0</u>	<u>11.2</u>
Total liabilities	<u>14.0</u>	<u>18.0</u>
Total deferred inflows of resources	<u>69.6</u>	<u>69.6</u>
Net position:		
Net investment in capital assets	68.0	70.7
Restricted	6.4	5.0
Unrestricted	<u>33.1</u>	<u>38.8</u>
Total net position	<u>\$ 107.5</u>	<u>\$ 114.5</u>

Revenues in the governmental activities of the District of \$107.6 exceeded expenses by \$7.0. This was attributable primarily to the deferral of maintenance and capital spending.

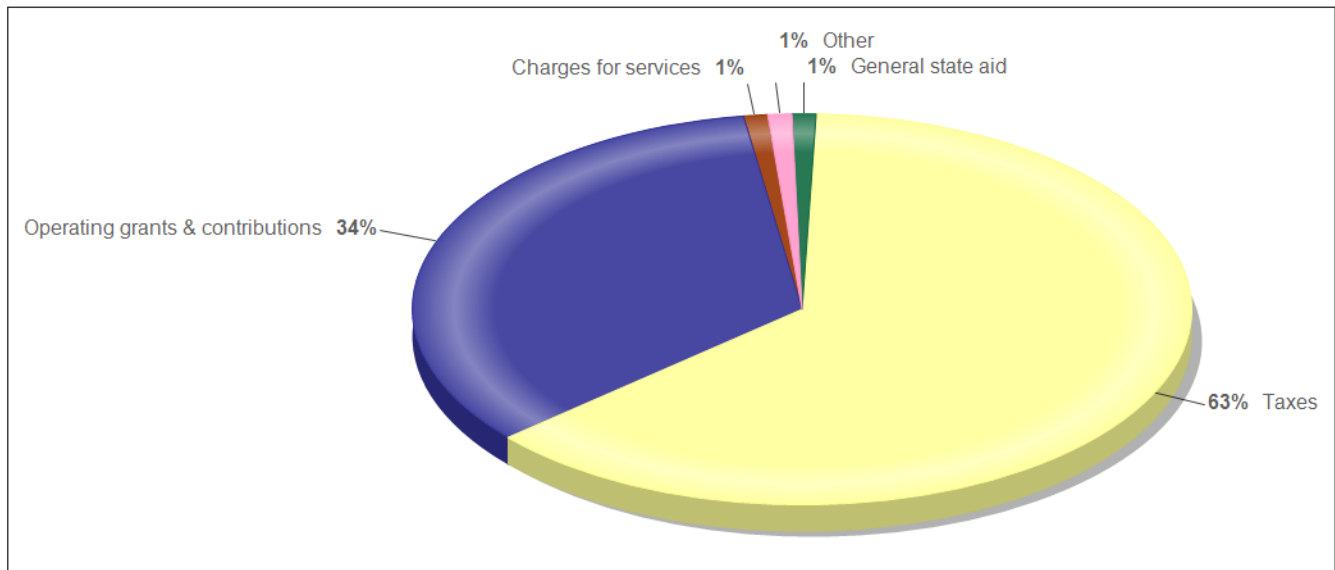
North Shore School District 112
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2017

Table 2 Changes in Net Position (in millions of dollars)		
	<u>2016</u>	<u>2017</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 1.1	\$ 1.3
Operating grants & contributions	26.7	36.4
<i>General revenues:</i>		
Taxes	66.8	68.0
General state aid	1.2	1.3
Other	0.3	0.6
Total revenues	<u>96.1</u>	<u>107.6</u>
Expenses:		
Instruction	61.1	70.0
Pupil & instructional staff services	9.9	10.9
Administration & business	6.5	6.2
Transportation	2.9	2.8
Operations & maintenance	7.6	9.3
Other	1.1	1.4
Total expenses	<u>89.1</u>	<u>100.6</u>
Increase (decrease) in net position	<u><u>\$ 7.0</u></u>	<u><u>\$ 7.0</u></u>

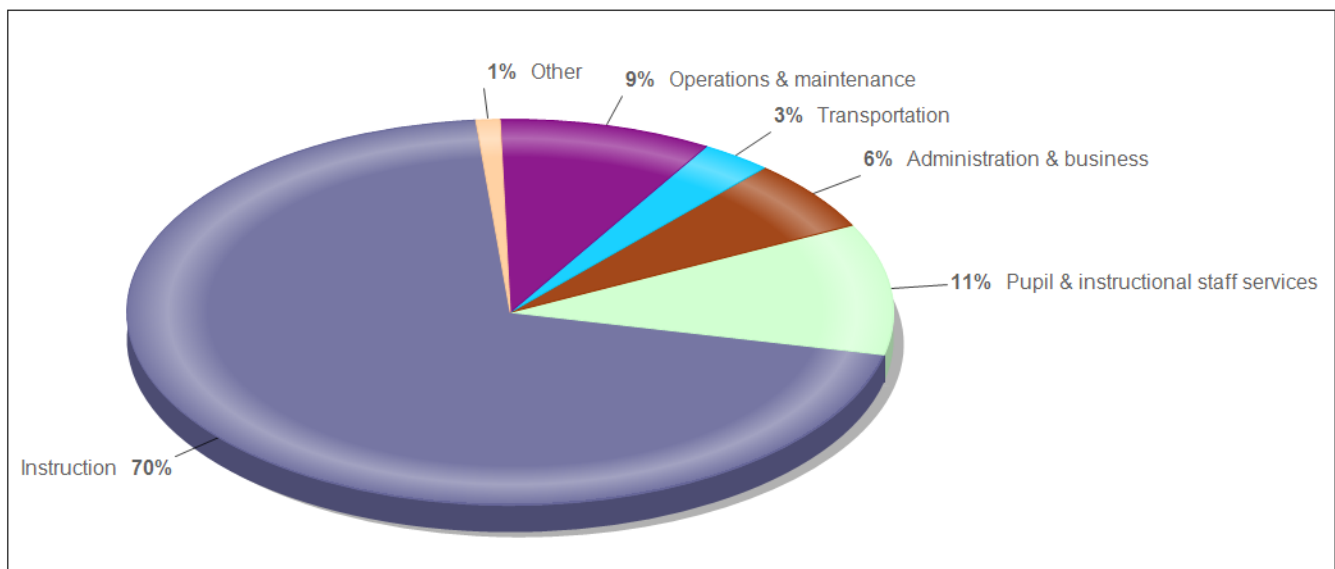
Property taxes accounted for the largest portion of the District's revenues, contributing 63%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$100.6, mainly related to instructing and caring for the students and student transportation at 83%.

North Shore School District 112
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2017

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 \$44.4 to \$48.8.

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, and expenditures were under budget by \$4.8. Local revenues were slightly lower than expected, while the decrease in expenditures is primarily due to the postponement of capital projects.

North Shore School District 112

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2017

Capital Assets and Debt Administration

Capital assets

By the end of 2017, the District had compiled a total investment of \$122.4 (\$70.7 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$2.7. 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>2016</u>	<u>2017</u>
Land	\$ 3.8	\$ 3.8
Construction in progress	0.7	5.0
Land improvements	0.2	0.1
Buildings and building improvements	59.6	58.7
Furniture, equipment, and vehicles	3.7	3.1
Total	<u>\$ 68.0</u>	<u>\$ 70.7</u>

Long-term debt

At the end of fiscal 2017, the District had a debt margin of \$164.0. 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>2016</u>	<u>2017</u>
Compensated absences and other	\$ 0.1	\$ 0.1
Net pension liability	6.9	11.1
Total	<u>\$ 7.0</u>	<u>\$ 11.2</u>

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. The District anticipates significant capital spending starting with the 2017-2018 school year to complete needed repairs and maintenance.

North Shore School District 112
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2017

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:

Christopher Wildman
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, 2017

	GOVERNMENTAL ACTIVITIES
Assets	
Cash and investments	\$ 88,528,821
Receivables (net of allowance for uncollectibles):	
Property taxes	33,514,889
Replacement taxes	116,261
Intergovernmental	2,180,295
Accounts	34,284
Prepaid items	21,722
Capital assets:	
Land	3,844,995
Construction in progress	5,079,159
Depreciable buildings, property and equipment, net	<u>61,814,983</u>
Total assets	<u>195,135,409</u>
Deferred outflows of resources	
Deferred outflows related to pensions	<u>7,071,983</u>
Total deferred outflows of resources	<u>7,071,983</u>
Liabilities	
Accounts payable	1,490,587
Salaries and wages payable	4,274,497
Other current liabilities	2,776
Unearned student fees	91,425
Due to other governments	84,735
Health claims payable	895,845
Long-term liabilities:	
Other long-term liabilities - due within one year	110,459
Other long-term liabilities - due after one year	<u>11,136,803</u>
Total liabilities	<u>18,087,127</u>
Deferred inflows of resources	
Property taxes levied for a future period	67,693,607
Deferred inflows related to pensions	<u>1,914,114</u>
Total deferred inflows of resources	<u>69,607,721</u>
Net position	
Net investment in capital assets	70,739,137
Restricted for:	
Operations and maintenance	1,334,784
Student transportation	2,188,423
Retirement benefits	1,409,808
Debt service	33,708
Unrestricted	<u>38,806,684</u>
Total net position	<u>\$ 114,512,544</u>

See Notes to Basic Financial Statements

NORTH SHORE SCHOOL DISTRICT 112

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2017

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND
				GOVERNMENTAL
				CHANGES IN NET POSITION
Governmental activities				
Instruction:				
Regular programs	\$ 24,769,383	\$ 1,099,583	\$ 416,939	\$ (23,252,861)
Special programs	10,005,498	-	4,651,419	(5,354,079)
Other instructional programs	5,660,559	38,018	458,534	(5,164,007)
State retirement contributions	29,596,726	-	29,596,726	-
Support Services:				
Pupils	6,239,677	-	-	(6,239,677)
Instructional staff	4,615,680	-	172,027	(4,443,653)
General administration	1,551,617	-	-	(1,551,617)
School administration	3,142,361	-	-	(3,142,361)
Business	1,510,867	54,116	348,792	(1,107,959)
Transportation	2,820,331	34,813	718,150	(2,067,368)
Operations and maintenance	9,298,769	97,997	-	(9,200,772)
Central	1,175,479	-	-	(1,175,479)
Other supporting services	22,484	-	-	(22,484)
Community services	61,748	-	-	(61,748)
Payments to other districts and gov't units - excluding special education	<u>65,168</u>	<u>-</u>	<u>12,000</u>	<u>(53,168)</u>
Total governmental activities	<u>\$ 100,536,347</u>	<u>\$ 1,324,527</u>	<u>\$ 36,374,587</u>	<u>(62,837,233)</u>

General revenues:

Taxes:

Real estate taxes, levied for general purposes	53,066,862
Real estate taxes, levied for specific purposes	14,206,003
Personal property replacement taxes	735,781
State aid-formula grants	1,267,676
Investment income	452,122
Miscellaneous	<u>147,386</u>

Total general revenues 69,875,830

Change in net position 7,038,597

Net position, beginning of year 107,473,947

Net position, end of year \$ 114,512,544

See Notes to Basic Financial Statements

NORTH SHORE SCHOOL DISTRICT 112

GOVERNMENTAL FUNDS

BALANCE SHEET

AS OF JUNE 30, 2017

WITH COMPARATIVE TOTALS AS OF JUNE 30, 2016

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Assets				
Cash and investments	\$ 72,216,160	\$ 9,333,773	\$ 3,496,534	\$ 3,446,090
Receivables (net allowance for uncollectibles):				
Property taxes	25,944,803	5,922,772	1,074,118	573,196
Replacement taxes	-	11,626	18,602	86,033
Intergovernmental	1,766,488	-	413,807	-
Accounts	17,766	15,881	-	637
Prepaid items	21,722	-	-	-
Total assets	<u>\$ 99,966,939</u>	<u>\$ 15,284,052</u>	<u>\$ 5,003,061</u>	<u>\$ 4,105,956</u>
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Accounts payable	\$ 625,112	\$ 746,948	\$ 118,527	\$ -
Salaries and wages payable	4,274,497	-	-	-
Payroll deductions payable	-	-	-	-
Other current liabilities	2,669	-	-	107
Unearned student fees	83,325	-	8,100	-
Due to other governments	-	8,474	13,558	62,703
Health claims payable	895,845	-	-	-
Total liabilities	<u>5,881,448</u>	<u>755,422</u>	<u>140,185</u>	<u>62,810</u>
Deferred inflows of resources				
Property taxes levied for a future period	52,403,494	11,962,856	2,169,510	1,157,747
Unavailable state and federal aid receivable	863,766	-	206,904	-
Total deferred inflows of resources	<u>53,267,260</u>	<u>11,962,856</u>	<u>2,376,414</u>	<u>1,157,747</u>
Fund balance				
Nonspendable	21,722	-	-	-
Restricted	-	1,334,784	1,981,519	2,843,063
Assigned	-	1,230,990	504,943	42,336
Unassigned	40,796,509	-	-	-
Total fund balance	<u>40,818,231</u>	<u>2,565,774</u>	<u>2,486,462</u>	<u>2,885,399</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 99,966,939</u>	<u>\$ 15,284,052</u>	<u>\$ 5,003,061</u>	<u>\$ 4,105,956</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
		2017	2016
\$ 36,264	\$ -	\$ 88,528,821	\$ 84,649,083
-	-	33,514,889	33,126,441
-	-	116,261	119,944
-	-	2,180,295	1,174,343
-	-	34,284	-
-	-	21,722	34,422
<u>\$ 36,264</u>	<u>\$ -</u>	<u>\$ 124,396,272</u>	<u>\$ 119,104,233</u>

\$ -	\$ -	\$ 1,490,587	\$ 1,847,356
-	-	4,274,497	4,278,599
-	-	-	(1,068)
-	-	2,776	2,896
-	-	91,425	91,425
-	-	84,735	84,735
-	-	895,845	658,358
-	-	6,839,865	6,962,301

-	-	67,693,607	66,966,594
-	-	1,070,670	789,106
-	-	68,764,277	67,755,700

-	-	21,722	34,422
33,708	-	6,193,074	7,861,364
2,556	-	1,780,825	1,245,808
-	-	40,796,509	35,244,638
36,264	-	48,792,130	44,386,232
<u>\$ 36,264</u>	<u>\$ -</u>	<u>\$ 124,396,272</u>	<u>\$ 119,104,233</u>

NORTH SHORE SCHOOL DISTRICT 112
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2017

Total fund balances - governmental funds		\$ 48,792,130
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.		70,739,137
Certain state and federal aid revenues receivable by the District and recognized in the Statement of Net Position do not provide current financial resources and are included as deferred inflows of resources in the Governmental Funds Balance Sheet.		1,070,670
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		7,071,983
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(1,914,114)
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, 2017 are:		
Net pension liability	\$ (11,136,803)	
Compensated absences	<u>(110,459)</u>	
		<u>(11,247,262)</u>
Net position of governmental activities		<u>\$ 114,512,544</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, 2017

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Revenues				
Property taxes	\$ 53,076,797	\$ 10,126,373	\$ 2,120,217	\$ 1,231,461
Corporate personal property replacement taxes	-	73,578	117,726	544,477
State aid	33,616,943	-	756,876	-
Federal aid	2,974,880	-	-	-
Investment income	375,016	33,264	14,817	15,537
Other	<u>1,203,717</u>	<u>245,383</u>	<u>34,813</u>	<u>-</u>
Total revenues	<u>91,247,353</u>	<u>10,478,598</u>	<u>3,044,449</u>	<u>1,791,475</u>
Expenditures				
Current:				
Instruction:				
Regular programs	23,455,323	-	-	304,327
Special programs	7,846,494	-	-	308,441
Other instructional programs	5,579,867	-	-	138,954
State retirement contributions	29,596,726	-	-	-
Support Services:				
Pupils	5,623,261	-	-	130,949
Instructional staff	4,332,515	-	-	133,804
General administration	1,575,696	-	-	23,776
School administration	3,058,132	-	-	141,264
Business	1,390,824	-	-	129,183
Transportation	-	-	2,798,914	14,555
Operations and maintenance	-	6,985,984	-	240,039
Central	1,092,007	-	-	75,713
Other supporting services	17,776	-	-	3,386
Community services	61,766	-	-	-
Payments to other districts and gov't units	1,823,781	-	-	-
Capital outlay	<u>254,014</u>	<u>3,479,749</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>85,708,182</u>	<u>10,465,733</u>	<u>2,798,914</u>	<u>1,644,391</u>
Net change in fund balance	5,539,171	12,865	245,535	147,084
Fund balance, beginning of year	<u>35,279,060</u>	<u>2,552,909</u>	<u>2,240,927</u>	<u>2,738,315</u>
Fund balance, end of year	<u>\$ 40,818,231</u>	<u>\$ 2,565,774</u>	<u>\$ 2,486,462</u>	<u>\$ 2,885,399</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
		2017	2016
\$ -	\$ 718,017	\$ 67,272,865	\$ 66,281,835
-	-	735,781	581,440
-	-	34,373,819	24,301,045
-	-	2,974,880	2,854,473
150	13,338	452,122	221,497
-	-	1,483,913	1,212,656
150	731,355	107,293,380	95,452,946
-	-	23,759,650	24,908,073
-	-	8,154,935	8,845,182
-	-	5,718,821	4,653,924
-	-	29,596,726	20,192,502
-	-	5,754,210	5,351,221
-	-	4,466,319	3,871,885
-	-	1,599,472	1,727,553
-	-	3,199,396	3,452,753
-	-	1,520,007	1,321,923
-	-	2,813,469	2,845,174
-	-	7,226,023	6,257,255
-	-	1,167,720	955,930
-	-	21,162	18,785
-	-	61,766	38,471
-	-	1,823,781	1,503,862
-	2,270,262	6,004,025	1,970,652
-	2,270,262	102,887,482	87,915,145
150	(1,538,907)	4,405,898	7,537,801
36,114	1,538,907	44,386,232	36,848,431
\$ 36,264	\$ -	\$ 48,792,130	\$ 44,386,232

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, 2017

Net change in fund balances - total governmental funds		\$	4,405,898
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 net capital outlay exceeds current year depreciation expense.			2,740,670
Certain state and federal aid 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.			281,564
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:			
Compensated absences	\$	17,193	
Net pension liability		(4,302,151)	
Deferred outflows of resources due to pensions		3,185,648	
Deferred inflows of resources due to pensions		<u>709,775</u>	
			<u>(389,535)</u>
Change in net position of governmental activities		\$	<u><u>7,038,597</u></u>

See Notes to Basic Financial Statements

NORTH SHORE SCHOOL DISTRICT 112
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2017

	<u>AGENCY STUDENT ACTIVITY FUND</u>
<hr/>	
Assets	
Cash and investments	\$ <u>255,549</u>
Total assets	\$ <u><u>255,549</u></u>
Liabilities	
Due to student groups	\$ <u>255,549</u>
Total liabilities	\$ <u><u>255,549</u></u>

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, 2017

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, 2017

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

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 assigned 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.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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

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.

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.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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

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.

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2016 levy resolution was approved during the November 15, 2016 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 lessor 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 2016 and 2015 tax levies were 0.7% and 0.8%, 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 2016 property tax levy is recognized as a receivable in fiscal 2017, net of estimated uncollectible amounts approximately 0.5% and less amounts already received. The District considers that the 2016 levy is to be used to finance operations in fiscal 2018. Therefore, the entire 2016 levy, including amounts collected in fiscal 2017, 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.

Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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

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.

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.

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, 2017 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, 2017

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. These include items such as property taxes levied for future periods and the District's deferred inflows related to its net pension liabilities.

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, 2017

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, 2017 are as follows:

The nonspendable fund balance in the General Fund is comprised of \$21,722 for prepaid expenditures. The remaining restricted fund balances are for the purposes of the respective funds as described above in the Major Governmental Funds section.

Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2016, from which such summarized information was derived.

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 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Budget

For the year ended June 30, 2017, expenditures exceeded budget in the General Fund (Educational Accounts), the IMRF Fund, and the Fire Prevention and Life Safety Fund by \$16,931,864, \$15,831, and \$2,270,262, respectively. These excesses were funded by available fund balances.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 3 - DEPOSITS AND INVESTMENTS

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

	Government- wide	Fiduciary	Total
Cash and investments	\$ 88,528,821	\$ 255,549	\$ 88,784,370
Total	<u>\$ 88,528,821</u>	<u>\$ 255,549</u>	<u>\$ 88,784,370</u>

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

	Cash and investments
Cash on hand	\$ 1,400
Deposits with financial institutions	31,284,962
ISDLAF+	32,121,665
Money market mutual funds	736,931
Other investments	<u>24,639,412</u>
Total	<u>\$ 88,784,370</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments detailed in the interest rate risk table below are measured using the market valuation method and Level 2 valuation inputs.

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.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 3 - DEPOSITS AND INVESTMENTS - (CONTINUED)

At year end, the District had the following investments subject to interest rate risk:

	Fair Value	Investment Maturity (In Years)			
		Less than one	1-5	5-10	More than 10
Federal Home Loan Mortgage Corporation	\$ 2,394,177	\$ 2,394,177	\$ -	\$ -	\$ -
Negotiable Certificates of Deposit	5,003,843	2,397,408	2,606,435	-	-
U.S. Treasury Notes	10,268,246	-	10,268,246	-	-
U.S. Treasury Strips	3,606,052	-	3,606,052	-	-
Corporate Bond	989,596	989,596	-	-	-
Municipal Bond	2,377,498	-	2,377,498	-	-
Total	<u>\$ 24,639,412</u>	<u>\$ 5,781,181</u>	<u>\$ 18,858,231</u>	<u>\$ -</u>	<u>\$ -</u>

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's. The District's investments in FHLM Corporate Notes were also rated Aaa by Moody's Investors Service and AA+ by Standard and Poor's. The corporate bonds were rated P.1 by Moody's Investors Services and A.1 by Standard and Poor's. Ratings were not available for the 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.

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. The District had no investments exposed to concentration of credit risk.

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, 2017, the bank balance of the District's deposit with financial institutions totaled \$26,757,924 which was completely collateralized.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 3 - DEPOSITS AND INVESTMENTS - (CONTINUED)

Custodial Credit Risk - Investments. With respect to investments, custodial credit risk is the risk that, in the even 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.

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, 2017, was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<u>Capital assets not being depreciated:</u>				
Land	\$ 3,844,995	\$ -	\$ -	\$ 3,844,995
Construction in progress	<u>743,846</u>	<u>5,128,709</u>	<u>793,396</u>	<u>5,079,159</u>
Total capital assets not being depreciated	<u>4,588,841</u>	<u>5,128,709</u>	<u>793,396</u>	<u>8,924,154</u>
<u>Capital assets being depreciated:</u>				
Land improvements	1,191,776	-	-	1,191,776
Buildings and improvements	96,664,775	849,064	-	97,513,839
Furniture, equipment, and vehicles	<u>14,780,587</u>	<u>260,527</u>	<u>287,558</u>	<u>14,753,556</u>
Total capital assets being depreciated	<u>112,637,138</u>	<u>1,109,591</u>	<u>287,558</u>	<u>113,459,171</u>
<u>Less Accumulated Depreciation for:</u>				
Land improvements	1,020,389	24,760	-	1,045,149
Buildings and improvements	37,068,471	1,735,374	-	38,803,845
Furniture, equipment, and vehicles	<u>11,138,652</u>	<u>944,100</u>	<u>287,558</u>	<u>11,795,194</u>
Total accumulated depreciation	<u>49,227,512</u>	<u>2,704,234</u>	<u>287,558</u>	<u>51,644,188</u>
Net capital assets being depreciated	<u>63,409,626</u>	<u>(1,594,643)</u>	<u>-</u>	<u>61,814,983</u>
Net governmental activities capital assets	<u>\$ 67,998,467</u>	<u>\$ 3,534,066</u>	<u>\$ 793,396</u>	<u>\$ 70,739,137</u>

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 4 - CAPITAL ASSETS - (CONTINUED)

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

<i>Governmental Activities</i>	<i>Depreciation</i>
Regular programs	\$ 753,301
Special programs	21,776
Pupils	395,411
General administration	1,692
School administration	1,431
Business	2,961
Transportation	2,620
Operations and maintenance	1,512,762
Central	6,601
Food	5,679
Total depreciation expense - governmental activities	<u>\$ 2,704,234</u>

NOTE 5 - OPERATING LEASES

The District leases building and office facilities and other equipment under noncancelable operating leases. Total costs for such leases were \$102,631 for the year ended June 30, 2017. At June 30, 2017, the leases were paid in full and had no future lease payments.

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, 2017:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
Net pension liability - IMRF	\$ 3,947,549	\$ 579,896	\$ 668,374	\$ 3,859,071	\$ -
Net pension liability - TRS	2,887,103	5,511,129	1,120,500	7,277,732	-
Compensated absences	<u>127,652</u>	<u>629,757</u>	<u>646,950</u>	<u>110,459</u>	<u>110,459</u>
Total long-term liabilities - governmental activities	<u>\$ 6,962,304</u>	<u>\$ 6,720,782</u>	<u>\$ 2,435,824</u>	<u>\$ 11,247,262</u>	<u>\$ 110,459</u>

The obligations for the compensated absences will be repaid from the General Fund and the obligations for the net pension liabilities will be repaid from the General Fund and the Municipal Retirement/Social Security Fund.

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2017, the statutory debt limit for the District was \$164,049,784, providing a debt margin of \$164,049,784.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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, 2017, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$895,845. 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, 2016 and June 30, 2017, 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 2016	<u>\$ 549,106</u>	<u>\$ 4,662,484</u>	<u>\$ 4,553,232</u>	<u>\$ 658,358</u>
Fiscal Year 2017	<u>\$ 658,358</u>	<u>\$ 5,012,303</u>	<u>\$ 4,774,816</u>	<u>\$ 895,845</u>

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.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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

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

The percentage of employer required contributions in the future will not exceed 105 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 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$398,429, 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, 2016 and June 30, 2015 were 1.07 and 1.02 percent of pay, respectively. For these years, state contributions on behalf of District employees were \$400,075 and \$381,199, respectively.

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.84 percent during the year ended June 30, 2017 and 0.80 and 0.76 percent during the years ended June 30, 2016 and 2015, respectively. For the years ended June 30, 2017, 2016 and 2015 the District paid \$297,891, \$299,121 and \$284,030 to the THIS Fund, respectively, which was 100 percent of the required contribution for those years.

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

NOTE 10 - 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.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Teachers' Retirement System

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

TRS issues a publicly available financial report that can be obtained at <http://trs.il.org/pubs/cafr.htm>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided. TRS provides retirement, disability, and death benefits. *Tier I* members have TRS or reciprocal system service prior to January 1, 2011. *Tier I* members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for *Tier II* are identical to those of *Tier I*. Death benefits are payable under a formula that is different from *Tier I*.

Essentially all *Tier I* retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. *Tier II* annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Contributions. The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016 was 9.4 percent of creditable earnings. On July 1, 2016 the rate dropped to 9.0 percent of pay due to the expiration of the Early Retirement Option (ERO). The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2017, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$29,171,297 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2017, were \$215,973, and are deferred because they were paid after the June 30, 2016 measurement date.

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

For the year ended June 30, 2017, the District pension contribution was 38.54 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2017, were \$261,865, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

Salary increases over 6 percent. The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. For the year ended June 30, 2017, the District paid \$3,539 to TRS for employer contributions due on salary increases in excess of 6 percent.

TRS Fiduciary Net Position. Detailed information about the TRS's fiduciary net position as of June 30, 2016 is available in the separately issued TRS Comprehensive Annual Financial Report.

Net Pension Liability. At June 30, 2017, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 7,277,732
State's proportionate share of the collective net pension liability associated with the District	<u>297,041,611</u>
Total	<u>\$ 304,319,343</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2016 and 2015, the District's proportion was 0.00921978 percent and 0.00440711 percent, respectively.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Summary of Significant Accounting Policies. For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TRS and additions to/deductions from TRS fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the June 30, 2016 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit, and (c) inflation of 2.50%.

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.50 percent to 7.00 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.40 %	6.94 %
U.S. equities small/mid cap	3.60 %	8.09 %
International equities developed	14.40 %	7.46 %
Emerging market equities	3.60 %	10.15 %
U.S. bonds core	10.70 %	2.44 %
International debt developed	5.30 %	1.70 %
Real estate	15.00 %	5.44 %
Commodities (real return)	11.00 %	4.28 %
Hedge funds (absolute return)	8.00 %	4.16 %
Private equity	14.00 %	10.63 %

Discount Rate. At June 30, 2016, the discount rate used to measure the total pension liability was a blended rate of 6.83 percent, which was a change from the June 30, 2015 rate of 7.47 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Based on those assumptions, TRS's fiduciary net position at June 30, 2016 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2015, the discount rate used to measure the total pension liability was 7.47 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well because TRS's fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

Discount Rate Sensitivity. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.83 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.83 percent) or 1-percentage-point higher (7.83 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	\$ 8,900,961	\$ 7,277,732	\$ 5,951,984

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2017, the District recognized pension expense of \$1,002,506 and on-behalf revenue of \$29,171,297 for support provided by the state. At June 30, 2017, the District's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 53,812	\$ 4,936
Net difference between projected and actual earnings on pension plan investments	205,609	-
Assumption changes	625,049	-
Changes in proportion and differences between District contributions and proportionate share of contributions	3,253,182	1,878,501
District contributions subsequent to the measurement date	<u>477,837</u>	<u>-</u>
Total	<u>\$ 4,615,489</u>	<u>\$ 1,883,437</u>

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2018. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$2,254,215) will be recognized in pension expense as follows:

<i>Year Ending June 30,</i>	<i>Amount</i>
2018	\$ 485,571
2019	485,571
2020	308,309
2021	816,736
2022	<u>158,028</u>
Total	<u>\$ 2,254,215</u>

Illinois Municipal Retirement Fund

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer pension 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.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under *Regular Tier 2*, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Plan Membership. At December 31, 2016, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	272
Inactive, non-retired members	394
Active members	145
Total	<u>811</u>

Contributions. 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 actuarially determined contribution rate for calendar year 2016 was 11.68 percent of annual covered payroll. 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.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies. For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2016 annual actuarial valuation included (a) 7.50% investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) price inflation of 2.75%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Mortality. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	38.00 %	8.30 %	6.85 %
International equities	17.00 %	8.45 %	6.75 %
Fixed income	27.00 %	3.05 %	3.00 %
Real estate	8.00 %	6.90 %	5.75 %
Alternatives	9.00 %		
Private equity		12.45 %	7.35 %
Hedge funds		5.35 %	5.25 %
Commodities		4.25 %	2.65 %
Cash equivalents	1.00 %	2.25 %	2.25 %

Discount Rate. The discount rate used to measure the total pension liability for IMRF was 7.50%. The discount rate calculated using the December 31, 2015 measurement date was 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.50% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 39,557,940	\$ 35,529,036	\$ 32,200,141
Plan fiduciary net position	31,669,965	31,669,965	31,669,965
Net pension liability/(asset)	<u>\$ 7,887,975</u>	<u>\$ 3,859,071</u>	<u>\$ 530,176</u>

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Changes in Net Pension Liability/(Asset). The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2016 was as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at December 31, 2015	\$ 33,283,014	\$ 29,335,465	\$ 3,947,549
Service cost	650,206	-	650,206
Interest on total pension liability	2,438,032	-	2,438,032
Differences between expected and actual experience of the total pension liability	1,260,509	-	1,260,509
Change of assumptions	(74,501)	-	(74,501)
Benefit payments, including refunds of employee contributions	(2,028,224)	(2,028,224)	-
Contributions - employer	-	668,374	(668,374)
Contributions - employee	-	259,568	(259,568)
Net investment income	-	2,021,493	(2,021,493)
Other (net transfer)	-	1,413,289	(1,413,289)
Balances at December 31, 2016	<u>\$ 35,529,036</u>	<u>\$ 31,669,965</u>	<u>\$ 3,859,071</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2017, the District recognized pension expense of \$635,530. The District's deferred outflows and inflows of resources related to pension were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 519,033	\$ -
Assumption changes	-	30,677
Net difference between projected and actual earnings on pension plan investments	1,547,538	-
Contributions subsequent to the measurement date	<u>389,922</u>	<u>-</u>
Total	<u>\$ 2,456,493</u>	<u>\$ 30,677</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2018. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$2,035,894) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2017	\$ 1,018,445
2018	530,089
2019	449,279
2020	<u>38,081</u>
Total	<u>\$ 2,035,894</u>

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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 - EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, GASB Statement No. 83, *Asset Retirement Obligations*, GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 85, *Omnibus 2017*, GASB Statement No. 86, *Certain Debt Extinguishment Issues*, and GASB Statement No. 87, *Leases*. Application of these standards may restate portions of these financial statements.

NOTE 14 - CONSTRUCTION COMMITMENTS

As of June 30, 2017, the District is committed to approximately \$6,971,789 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances and future revenue collections.

NORTH SHORE SCHOOL DISTRICT 112
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY
AND RELATED RATIOS
Three Most Recent Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability			
Service cost	\$ 650,206	\$ 667,664	\$ 718,390
Interest	2,438,032	2,331,010	2,122,147
Differences between expected and actual experience	1,260,509	418,802	526,739
Changes of assumptions	(74,501)	35,695	1,345,471
Benefit payments, including refunds of member contributions	<u>(2,028,224)</u>	<u>(1,915,914)</u>	<u>(1,806,182)</u>
Net change in total pension liability	2,246,022	1,537,257	2,906,565
Total pension liability - beginning	<u>33,283,014</u>	<u>31,745,757</u>	<u>28,839,192</u>
Total pension liability - ending (a)	<u>\$ 35,529,036</u>	<u>\$ 33,283,014</u>	<u>\$ 31,745,757</u>
Plan fiduciary net position			
Employer contributions	\$ 668,374	\$ 645,638	\$ 693,937
Employee contributions	259,568	285,528	271,543
Net investment income	2,021,493	145,061	1,698,754
Benefit payments, including refunds of member contributions	(2,028,224)	(1,915,914)	(1,806,182)
Other (net transfer)	<u>1,413,289</u>	<u>670,656</u>	<u>377,670</u>
Net change in plan fiduciary net position	2,334,500	(169,031)	1,235,722
Plan fiduciary net position - beginning	<u>29,335,465</u>	<u>29,504,496</u>	<u>28,268,774</u>
Plan fiduciary net position - ending (b)	<u>\$ 31,669,965</u>	<u>\$ 29,335,465</u>	<u>\$ 29,504,496</u>
Employer's net pension liability - ending (a) - (b)	<u>\$ 3,859,071</u>	<u>\$ 3,947,549</u>	<u>\$ 2,241,261</u>
Plan fiduciary net position as a percentage of the total pension liability	89.14%	88.14%	92.94%
Covered-employee payroll	\$ 5,722,380	\$ 5,751,951	\$ 5,795,851
Employer's net pension liability as a percentage of covered-employee payroll	67.44%	68.63%	38.67%

Notes to Schedule:

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Actuary valuations are as of December 31st, which is 6 months prior to the end of the fiscal year.

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Three Most Recent Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 668,374	\$ 652,271	\$ 690,286
Contributions in relation to the actuarially determined contribution	<u>(668,374)</u>	<u>(645,638)</u>	<u>(693,937)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 6,633</u>	<u>\$ (3,651)</u>
Covered-employee payroll	\$ 5,722,380	\$ 5,751,951	\$ 5,795,851
Contributions as a percentage of covered-employee payroll	11.68%	11.22%	11.97%

Notes to Schedule:

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	27 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Inflation	3.50%
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2014 Employee Mortality Table, adjusted to match

Other information:

There were no benefit changes during the year.

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112
TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY AND DISTRICT CONTRIBUTIONS
Three Most Recent Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.92197824%	0.44071134%	0.00935470%
District's proportionate share of the net pension liability	\$ 7,277,732	\$ 2,887,103	\$ 5,693,111
State's proportionate share of the net pension liability	<u>297,041,611</u>	<u>241,581,897</u>	<u>220,632,818</u>
Total net pension liability	<u>\$ 304,319,343</u>	<u>\$ 244,469,000</u>	<u>\$ 226,325,929</u>
Covered-employee payroll	\$ 37,236,364	\$ 37,390,153	\$ 37,372,407
District's proportionate share of the net pension liability as a percentage of covered payroll	19.54%	7.72%	15.23%
Plan fiduciary net position as a percentage of the total pension liability	36.40%	41.50%	43.00%
Contractually required contribution	\$ 418,881	\$ 356,851	\$ 257,839
Contributions in relation to the contractually required contribution	<u>(477,837)</u>	<u>(356,851)</u>	<u>(257,960)</u>
Contribution deficiency (excess)	<u>\$ (58,956)</u>	<u>\$ -</u>	<u>\$ (121)</u>
Contributions as a percentage of covered employee payroll	1.2833%	0.9544%	0.6902%

Notes to Schedule:

The District implemented GASB 68 in 2015. Information for fiscal years prior to 2015 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Key Assumptions:

Long-term expected rate of return	7.00%	7.50%	7.50%
Municipal bond index	2.85%	3.73%	N/A
Single equivalent discount rate	6.83%	7.47%	7.50%
Inflation rate	2.50%	3.00%	3.00%
Projected salary increases	3.25% to 9.25%	3.75% to 9.75%	5.75%
	varying by service	varying by service	

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, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 52,154,142	\$ 52,514,354	\$ 360,212	\$ 53,190,391
Special education levy	548,262	562,443	14,181	547,349
Summer school - tuition from pupils or parents (in state)	-	11,945	11,945	8,105
Investment income	167,692	375,016	207,324	167,256
Sales to pupils - lunch	-	54,116	54,116	48,458
Contributions and donations from private sources	75,020	-	(75,020)	-
Refund of prior years' expenditures	5,000	-	(5,000)	25,000
Payment from other LEA's	-	26,073	26,073	-
Other local fees	734,400	656,916	(77,484)	767,404
Other	276,436	442,667	166,231	124,888
Total local sources	<u>53,960,952</u>	<u>54,643,530</u>	<u>682,578</u>	<u>54,878,851</u>
Flow-through revenue from one LEA to another LEA				
Other flow-through	-	12,000	12,000	-
Total flow-through	<u>-</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
State sources				
General state aid	1,207,676	1,267,676	60,000	1,207,820
Special education - private facility tuition	291,244	318,197	26,953	240,341
Special education - extraordinary	505,919	510,199	4,280	386,828
Special education - personnel	1,315,689	1,340,529	24,840	1,012,384
Special education - orphanage - individual	-	44,153	44,153	68,171
Special education - summer school	7,354	-	(7,354)	3,415
Bilingual education - downstate - TPI	282,182	179,021	(103,161)	-
State free lunch & breakfast	8,566	1,665	(6,901)	2,519
Early childhood - block grant	427,927	358,777	(69,150)	451,380
Other restricted revenue from state sources	-	-	-	2,540
On behalf payment to TRS from the state	9,450,000	29,596,726	20,146,726	20,192,502
Total state sources	<u>13,496,557</u>	<u>33,616,943</u>	<u>20,120,386</u>	<u>23,567,900</u>

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, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Federal sources				
Federal impact aid	\$ 200,000	\$ 383,314	\$ 183,314	\$ 341,497
National school lunch program	126,218	259,410	133,192	242,832
Special milk program	17,936	24,422	6,486	22,567
School breakfast program	30,515	60,079	29,564	42,997
Fresh fruits & vegetables	24,733	-	(24,733)	-
Title I - Low income	439,395	523,216	83,821	752,188
Federal - special education - preschool flow-through	24,792	33,921	9,129	32,333
Federal - special education - IDEA - flow-through/low incident	633,294	816,660	183,366	776,872
Federal - special education - IDEA - room & board	59,235	188,823	129,588	63,492
Title III - English language acquisition	98,250	46,525	(51,725)	99,384
Title II - Teacher quality	122,141	172,027	49,886	128,787
Medicaid matching funds - administrative outreach	68,915	58,061	(10,854)	55,761
Medicaid matching funds - fee-for-service program	60,543	374,797	314,254	269,141
Other restricted revenue from federal sources	-	33,625	33,625	26,622
Total federal sources	<u>1,905,967</u>	<u>2,974,880</u>	<u>1,068,913</u>	<u>2,854,473</u>
Total revenues	<u>69,363,476</u>	<u>91,247,353</u>	<u>21,883,877</u>	<u>81,301,224</u>
Expenditures				
Instruction				
Regular programs				
Salaries	20,739,295	19,776,559	962,736	20,732,835
Employee benefits	2,544,980	2,811,695	(266,715)	2,736,007
On-behalf payments to TRS from the state	9,450,000	29,596,726	(20,146,726)	20,192,502
Purchased services	376,521	220,479	156,042	417,515
Supplies and materials	622,001	644,525	(22,524)	691,085
Capital outlay	44,335	17,020	27,315	13,245
Other objects	-	2,065	(2,065)	-
Total	<u>33,777,132</u>	<u>53,069,069</u>	<u>(19,291,937)</u>	<u>44,783,189</u>
Special education programs				
Salaries	6,078,870	5,353,049	725,821	5,745,169
Employee benefits	883,743	705,469	178,274	753,593
Purchased services	160,762	146,846	13,916	126,720
Supplies and materials	211,250	77,219	134,031	197,522
Capital outlay	42,000	5,400	36,600	25,556
Other objects	1,200	1,268	(68)	784
Total	<u>7,377,825</u>	<u>6,289,251</u>	<u>1,088,574</u>	<u>6,849,344</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, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Special education programs Pre-K				
Salaries	\$ 258,086	\$ 15,000	\$ 243,086	\$ 237,194
Employee benefits	37,385	74,302	(36,917)	76,261
Purchased services	306	474	(168)	386
Supplies and materials	11,424	10,063	1,361	20,986
Capital outlay	-	-	-	1,546
Total	<u>307,201</u>	<u>99,839</u>	<u>207,362</u>	<u>336,373</u>
Remedial and supplemental programs K - 12				
Salaries	728,736	590,891	137,845	568,649
Employee benefits	<u>106,049</u>	<u>83,614</u>	<u>22,435</u>	<u>84,823</u>
Total	<u>834,785</u>	<u>674,505</u>	<u>160,280</u>	<u>653,472</u>
Remedial and supplemental programs Pre - K				
Salaries	100,275	114,263	(13,988)	110,929
Employee benefits	14,756	11,779	2,977	12,751
Purchased services	<u>6,741</u>	<u>1,739</u>	<u>5,002</u>	<u>5,294</u>
Total	<u>121,772</u>	<u>127,781</u>	<u>(6,009)</u>	<u>128,974</u>
Summer school programs				
Salaries	128,186	144,254	(16,068)	151,187
Employee benefits	17,787	15,143	2,644	15,247
Purchased services	11,307	-	11,307	-
Supplies and materials	<u>5,100</u>	<u>955</u>	<u>4,145</u>	<u>612</u>
Total	<u>162,380</u>	<u>160,352</u>	<u>2,028</u>	<u>167,046</u>
Gifted programs				
Salaries	749,875	766,752	(16,877)	747,253
Employee benefits	<u>109,016</u>	<u>89,112</u>	<u>19,904</u>	<u>90,942</u>
Total	<u>858,891</u>	<u>855,864</u>	<u>3,027</u>	<u>838,195</u>
Bilingual programs				
Salaries	3,962,313	3,959,799	2,514	2,924,414
Employee benefits	573,216	466,062	107,154	460,898
Purchased services	11,000	945	10,055	155
Supplies and materials	<u>10,000</u>	<u>9,064</u>	<u>936</u>	<u>9,800</u>
Total	<u>4,556,529</u>	<u>4,435,870</u>	<u>120,659</u>	<u>3,395,267</u>
Truant's alternative and optional programs				
Special education programs K -12 - private tuition				
Other objects	<u>1,345,000</u>	<u>788,299</u>	<u>556,701</u>	<u>709,971</u>
Total	<u>1,345,000</u>	<u>788,299</u>	<u>556,701</u>	<u>709,971</u>
Total instruction	<u>49,341,515</u>	<u>66,500,830</u>	<u>(17,159,315)</u>	<u>57,861,831</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, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Support services				
Pupils				
Guidance services				
Salaries	\$ 1,234,257	\$ 1,308,018	\$ (73,761)	\$ 1,243,919
Employee benefits	252,114	182,611	69,503	179,661
Total	1,486,371	1,490,629	(4,258)	1,423,580
Health services				
Salaries	525,231	438,472	86,759	447,029
Employee benefits	68,683	55,861	12,822	55,967
Purchased services	52,400	146,578	(94,178)	116,637
Supplies and materials	15,000	4,040	10,960	6,413
Capital outlay	1,235	2,221	(986)	-
Total	662,549	647,172	15,377	626,046
Psychological services				
Salaries	557,990	776,766	(218,776)	692,516
Employee benefits	88,152	69,063	19,089	69,278
Purchased services	-	33,488	(33,488)	-
Supplies and materials	20,000	11,655	8,345	11,437
Total	666,142	890,972	(224,830)	773,231
Speech pathology and audiology services				
Salaries	1,239,654	1,591,519	(351,865)	1,413,427
Employee benefits	181,729	151,149	30,580	171,057
Purchased services	-	-	-	1,875
Supplies and materials	10,000	10,277	(277)	6,203
Total	1,431,383	1,752,945	(321,562)	1,592,562
Other support services - pupils				
Salaries	630,478	684,125	(53,647)	649,112
Employee benefits	98,345	159,639	(61,294)	158,624
Total	728,823	843,764	(114,941)	807,736
Total pupils	4,975,268	5,625,482	(650,214)	5,223,155
Instructional staff				
Improvement of instructional services				
Salaries	584,797	703,624	(118,827)	622,661
Employee benefits	124,651	289,533	(164,882)	267,344
Purchased services	251,573	258,365	(6,792)	187,417
Supplies and materials	334,500	409,398	(74,898)	459,177
Capital outlay	-	5,540	(5,540)	17,970
Other objects	6,000	5,774	226	9,282
Total	1,301,521	1,672,234	(370,713)	1,563,851

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, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Educational media services				
Salaries	\$ 1,283,290	\$ 1,416,124	\$ (132,834)	\$ 1,286,958
Employee benefits	185,497	176,793	8,704	173,230
Purchased services	626,392	672,848	(46,456)	383,205
Supplies and materials	327,600	389,628	(62,028)	349,276
Capital outlay	1,034,760	223,833	810,927	437,764
Other objects	1,600	355	1,245	99
Total	3,459,139	2,879,581	579,558	2,630,532
Assessment and testing				
Purchased services	-	9,337	(9,337)	11,634
Supplies and materials	-	736	(736)	19,466
Total	-	10,073	(10,073)	31,100
Total instructional staff	4,760,660	4,561,888	198,772	4,225,483
General administration				
Board of education services				
Salaries	48,960	27,654	21,306	50,078
Employee benefits	6,539	5,189	1,350	5,242
Purchased services	434,316	486,081	(51,765)	630,001
Supplies and materials	6,120	19,997	(13,877)	17,669
Other objects	21,200	23,144	(1,944)	15,947
Total	517,135	562,065	(44,930)	718,937
Executive administration services				
Salaries	296,469	407,568	(111,099)	305,131
Employee benefits	119,513	81,558	37,955	94,573
Purchased services	14,400	4,608	9,792	7,540
Supplies and materials	5,500	8,018	(2,518)	1,593
Capital outlay	816	-	816	-
Other objects	4,050	1,926	2,124	2,281
Total	440,748	503,678	(62,930)	411,118
Tort immunity services				
Purchased services	712,283	509,953	202,330	572,136
Total	712,283	509,953	202,330	572,136
Total general administration	1,670,166	1,575,696	94,470	1,702,191
School administration				
Office of the principal services				
Salaries	2,698,828	2,495,440	203,388	2,689,606
Employee benefits	476,426	551,739	(75,313)	607,533
Purchased services	14,436	10,953	3,483	11,467
Total	3,189,690	3,058,132	131,558	3,308,606

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, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Other support services - school administration				
Employee benefits	\$ 6,000	\$ -	\$ 6,000	\$ -
Total	6,000	-	6,000	-
Total school administration	3,195,690	3,058,132	137,558	3,308,606
Business				
Direction of business support services				
Salaries	391,880	473,106	(81,226)	395,943
Employee benefits	89,927	66,754	23,173	110,332
Purchased services	9,100	5,875	3,225	5,474
Supplies and materials	1,000	45	955	6
Capital outlay	510	-	510	-
Other objects	4,000	3,330	670	3,300
Total	496,417	549,110	(52,693)	515,055
Fiscal services				
Salaries	223,026	249,907	(26,881)	239,659
Employee benefits	34,634	43,587	(8,953)	35,624
Purchased services	152,131	111,986	40,145	43,347
Supplies and materials	6,600	7,352	(752)	5,424
Capital outlay	2,730	-	2,730	552
Other objects	1,272	1,263	9	619
Total	420,393	414,095	6,298	325,225
Operation and maintenance of plant services				
Purchased services	-	-	-	15,886
Total	-	-	-	15,886
Food services				
Purchased services	492,067	387,667	104,400	328,850
Supplies and materials	1,275	35,324	(34,049)	29,557
Capital outlay	31,620	-	31,620	-
Total	524,962	422,991	101,971	358,407
Internal services				
Supplies and materials	4,474	4,628	(154)	4,074
Total	4,474	4,628	(154)	4,074
Total business	1,446,246	1,390,824	55,422	1,218,647
Central				
Direction of central support services				
Employee benefits	-	17,251	(17,251)	23,594
Total	-	17,251	(17,251)	23,594

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, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Planning, research, development and evaluation services				
Purchased services	\$ 1,928	\$ -	\$ 1,928	\$ -
Supplies and materials	11,891	38	11,853	6,359
Total	13,819	38	13,781	6,359
Information services				
Salaries	255,816	139,896	115,920	216,073
Employee benefits	37,716	38,355	(639)	48,064
Purchased services	41,698	183,356	(141,658)	55,314
Supplies and materials	500	1,643	(1,143)	2,694
Capital outlay	1,020	-	1,020	921
Other objects	1,100	5,764	(4,664)	2,344
Total	337,850	369,014	(31,164)	325,410
Staff services				
Salaries	384,871	526,864	(141,993)	418,614
Employee benefits	108,525	77,637	30,888	69,878
Purchased services	84,671	96,259	(11,588)	37,326
Supplies and materials	3,400	4,944	(1,544)	3,069
Other objects	405	-	405	-
Total	581,872	705,704	(123,832)	528,887
Total central	933,541	1,092,007	(158,466)	884,250
Other supporting services				
Salaries	24,500	17,526	6,974	15,224
Employee benefits	188	148	40	150
Purchased services	71,676	-	71,676	-
Supplies and materials	1,000	102	898	524
Capital outlay	-	-	-	10,072
Total	97,364	17,776	79,588	25,970
Total support services	17,078,935	17,321,805	(242,870)	16,588,302
Community services				
Salaries	6,707	-	6,707	360
Employee benefits	2,721	707	2,014	719
Purchased services	22,997	5,000	17,997	-
Supplies and materials	3,509	56,059	(52,550)	37,387
Total community services	35,934	61,766	(25,832)	38,466
Payments to other districts and governmental units				
Payments for special education programs				
Purchased services	1,500,000	811,647	688,353	845,687
Total	1,500,000	811,647	688,353	845,687

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, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Other payments to in-state governmental units				
Other objects	\$ -	\$ 65,168	\$ (65,168)	\$ -
Total	-	65,168	(65,168)	-
Payments for special education programs - tuition				
Other objects	819,934	946,966	(127,032)	658,175
Total	819,934	946,966	(127,032)	658,175
Total payments to other districts and governmental units	2,319,934	1,823,781	496,153	1,503,862
Total expenditures	68,776,318	85,708,182	(16,931,864)	75,992,461
Net change in fund balance	<u>\$ 587,158</u>	5,539,171	<u>\$ 4,952,013</u>	5,308,763
Fund balance, beginning of year		35,279,060		29,970,297
Fund balance, end of year		<u>\$ 40,818,231</u>		<u>\$ 35,279,060</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, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 10,054,944	\$ 10,126,373	\$ 71,429	\$ 7,455,431
Corporate personal property replacement taxes	31,811	73,578	41,767	58,143
Investment income	28,476	33,264	4,788	31,005
Rentals	50,500	97,997	47,497	46,906
Contributions and donations from private sources	-	-	-	10,708
Impact fees from municipal or county governments	5,000	147,386	142,386	46,888
Other	187,436	-	(187,436)	131,675
Total local sources	10,358,167	10,478,598	120,431	7,780,756
Total revenues	10,358,167	10,478,598	120,431	7,780,756
Expenditures				
Support services				
Business				
Direction of business support services				
Supplies and materials	-	-	-	759
Total	-	-	-	759
Operation and maintenance of plant services				
Salaries	1,285,277	1,275,350	9,927	1,202,865
Employee benefits	189,325	165,236	24,089	156,583
Purchased services	3,795,289	4,447,884	(652,595)	3,590,748
Supplies and materials	1,207,885	1,097,514	110,371	1,064,036
Capital outlay	6,551,245	3,479,749	3,071,496	1,463,026
Total	13,029,021	10,465,733	2,563,288	7,477,258
Total business	13,029,021	10,465,733	2,563,288	7,478,017
Total support services	13,029,021	10,465,733	2,563,288	7,478,017
Total expenditures	13,029,021	10,465,733	2,563,288	7,478,017
Excess (deficiency) of revenues over expenditures	(2,670,854)	12,865	2,683,719	302,739

See Auditors' Report and Notes to Required Supplementary Information

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, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Other financing sources (uses)				
Permanent transfer of excess accumulated fire prevention & safety tax proceeds & interest earnings	\$ 715,974	\$ -	\$ (715,974)	\$ -
Total other financing sources (uses)	715,974	-	(715,974)	-
Net change in fund balance	<u>\$ (1,954,880)</u>	12,865	<u>\$ 1,967,745</u>	302,739
Fund balance, beginning of year		2,552,909		2,250,170
Fund balance, end of year		<u>\$ 2,565,774</u>		<u>\$ 2,552,909</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, 2017
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 2,105,261	\$ 2,120,217	\$ 14,956	\$ 2,200,249
Corporate personal property replacement taxes	106,038	117,726	11,688	93,030
Regular transportation fees from pupils or parents (in state)	50,000	34,813	(15,187)	2,624
Investment income	4,703	14,817	10,114	5,123
Total local sources	<u>2,266,002</u>	<u>2,287,573</u>	<u>21,571</u>	<u>2,301,026</u>
State sources				
Transportation - regular/vocational	26,048	23,816	(2,232)	12,024
Transportation - special education	687,285	733,060	45,775	721,121
Total state sources	<u>713,333</u>	<u>756,876</u>	<u>43,543</u>	<u>733,145</u>
Total revenues	<u>2,979,335</u>	<u>3,044,449</u>	<u>65,114</u>	<u>3,034,171</u>
Expenditures				
Support Services				
Business				
Pupil transportation services				
Salaries	73,747	73,145	602	60,710
Employee benefits	20,153	12,405	7,748	11,885
Purchased services	2,826,820	2,713,035	113,785	2,756,849
Supplies and materials	16,291	329	15,962	3,522
Total	<u>2,937,011</u>	<u>2,798,914</u>	<u>138,097</u>	<u>2,832,966</u>
Total business	<u>2,937,011</u>	<u>2,798,914</u>	<u>138,097</u>	<u>2,832,966</u>
Total support services	<u>2,937,011</u>	<u>2,798,914</u>	<u>138,097</u>	<u>2,832,966</u>
Total expenditures	<u>2,937,011</u>	<u>2,798,914</u>	<u>138,097</u>	<u>2,832,966</u>
Net change in fund balance	<u>\$ 42,324</u>	245,535	<u>\$ 203,211</u>	201,205
Fund balance, beginning of year		<u>2,240,927</u>		<u>2,039,722</u>
Fund balance, end of year		<u>\$ 2,486,462</u>		<u>\$ 2,240,927</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, 2017
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 611,388	\$ 615,732	\$ 4,344	\$ 715,905
Social security/medicare only levy	611,388	615,729	4,341	715,905
Corporate personal property replacement taxes	424,151	544,477	120,326	430,267
Investment income	<u>7,102</u>	<u>15,537</u>	<u>8,435</u>	<u>7,730</u>
Total local sources	<u>1,654,029</u>	<u>1,791,475</u>	<u>137,446</u>	<u>1,869,807</u>
Total revenues	<u>1,654,029</u>	<u>1,791,475</u>	<u>137,446</u>	<u>1,869,807</u>
Expenditures				
Instruction				
Regular programs	355,111	304,327	50,784	330,631
Special education programs	345,593	299,641	45,952	311,520
Special education programs Pre-K	7,647	888	6,759	4,017
Remedial and supplemental programs K - 12	8,469	7,912	557	7,587
Remedial and supplemental programs Pre - K	19,889	5,160	14,729	5,043
Summer school programs	241	5,907	(5,666)	6,616
Gifted programs	10,234	10,915	(681)	10,633
Bilingual programs	<u>125,018</u>	<u>116,972</u>	<u>8,046</u>	<u>102,150</u>
Total instruction	<u>872,202</u>	<u>751,722</u>	<u>120,480</u>	<u>778,197</u>
Support services				
Pupils				
Guidance services	15,229	17,782	(2,553)	17,418
Health services	80,202	68,787	11,415	71,172
Psychological services	8,941	11,910	(2,969)	11,105
Speech pathology and audiology services	16,012	21,511	(5,499)	17,903
Other support services - pupils	<u>930</u>	<u>10,959</u>	<u>(10,029)</u>	<u>10,468</u>
Total pupils	<u>121,314</u>	<u>130,949</u>	<u>(9,635)</u>	<u>128,066</u>
Instructional staff				
Improvement of instructional staff	21,868	29,505	(7,637)	26,964
Educational media services	<u>78,606</u>	<u>104,299</u>	<u>(25,693)</u>	<u>75,172</u>
Total instructional staff	<u>100,474</u>	<u>133,804</u>	<u>(33,330)</u>	<u>102,136</u>
General administration				
Board of education services	9,358	5,105	4,253	9,607
Executive administration services	<u>12,975</u>	<u>18,671</u>	<u>(5,696)</u>	<u>15,755</u>
Total general administration	<u>22,333</u>	<u>23,776</u>	<u>(1,443)</u>	<u>25,362</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, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
School administration				
Office of the principal services	\$ 142,572	\$ 141,264	\$ 1,308	\$ 144,147
Total school administration	<u>142,572</u>	<u>141,264</u>	<u>1,308</u>	<u>144,147</u>
Business				
Direction of business support services	66,849	79,860	(13,011)	72,396
Fiscal services	40,975	49,323	(8,348)	46,559
Operations and maintenance of plant services	196,951	240,039	(43,088)	227,137
Pupil transportation services	<u>13,853</u>	<u>14,555</u>	<u>(702)</u>	<u>12,208</u>
Total business	<u>318,628</u>	<u>383,777</u>	<u>(65,149)</u>	<u>358,300</u>
Central				
Information services	24,553	28,664	(4,111)	44,202
Staff services	<u>26,198</u>	<u>47,049</u>	<u>(20,851)</u>	<u>28,399</u>
Total central	<u>50,751</u>	<u>75,713</u>	<u>(24,962)</u>	<u>72,601</u>
Other supporting services	<u>286</u>	<u>3,386</u>	<u>(3,100)</u>	<u>2,887</u>
Total support services	<u>756,358</u>	<u>892,669</u>	<u>(136,311)</u>	<u>833,499</u>
Community services	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
Total expenditures	<u>1,628,560</u>	<u>1,644,391</u>	<u>(15,831)</u>	<u>1,611,701</u>
Net change in fund balance	<u>\$ 25,469</u>	147,084	<u>\$ 121,615</u>	258,106
Fund balance, beginning of year		<u>2,738,315</u>		<u>2,480,209</u>
Fund balance, end of year		<u>\$ 2,885,399</u>		<u>\$ 2,738,315</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, 2017

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.

Excess of Expenditures over Budget

For the year ended June 30, 2017, expenditures exceeded budget in the General Fund (Educational Accounts) and the IMRF Fund by \$16,961,846 and \$15,831 respectively. These excesses were funded by available fund balances.

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, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

WWW.COMPTONREPUBLICANACCOUNTS.FOR.THE.YEAR.ENDED.JUNE.30,2019

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
Investment income	\$ 6,827	\$ 150	\$ (6,677)	\$ 9,719
Total local sources	6,827	150	(6,677)	9,719
Total revenues	6,827	150	(6,677)	9,719
Expenditures				
Total expenditures	-	-	-	-
Net change in fund balance	\$ 6,827	150	\$ (6,677)	9,719
Fund balance, beginning of year		36,114		26,395
Fund balance, end of year		\$ 36,264		\$ 36,114

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, 2017
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 712,952	\$ 718,017	\$ 5,065	\$ 1,456,605
Investment income	-	13,338	13,338	664
Total local sources	712,952	731,355	18,403	1,457,269
Total revenues	712,952	731,355	18,403	1,457,269
Expenditures				
Support services				
Business				
Facilities acquisition and construction service				
Capital outlay	-	2,270,262	(2,270,262)	-
Total	-	2,270,262	(2,270,262)	-
Total business	-	2,270,262	(2,270,262)	-
Total support services	-	2,270,262	(2,270,262)	-
Total expenditures	-	2,270,262	(2,270,262)	-
Excess (deficiency) of revenues over expenditures	712,952	(1,538,907)	(2,251,859)	1,457,269
Other financing sources (uses)				
Permanent transfer of excess accumulated fire prevention & safety tax proceeds & interest earnings	(715,974)	-	715,974	-
Total other financing sources (uses)	(715,974)	-	715,974	-
Net change in fund balance	\$ (3,022)	(1,538,907)	\$ (1,535,885)	1,457,269
Fund balance, beginning of year		1,538,907		81,638
Fund balance, end of year		\$ -		\$ 1,538,907

NORTH SHORE SCHOOL DISTRICT 112**GENERAL FUND**

COMBINING BALANCE SHEET

AS OF JUNE 30, 2017

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Assets			
Cash and investments	\$ 58,627,005	\$ 13,589,155	\$ 72,216,160
Receivables (net allowance for uncollectibles):			
Property taxes	24,948,771	996,032	25,944,803
Intergovernmental	1,766,488	-	1,766,488
Accounts	17,766	-	17,766
Prepaid items	<u>21,722</u>	<u>-</u>	<u>21,722</u>
Total assets	<u>\$ 85,381,752</u>	<u>\$ 14,585,187</u>	<u>\$ 99,966,939</u>
Liabilities, deferred inflows of resources, and fund balance			
Liabilities			
Accounts payable	\$ 625,112	\$ -	\$ 625,112
Salaries and wages payable	4,274,497	-	4,274,497
Other current liabilities	2,669	-	2,669
Unearned student fees	83,325	-	83,325
Health claims payable	<u>895,845</u>	<u>-</u>	<u>895,845</u>
Total liabilities	<u>5,881,448</u>	<u>-</u>	<u>5,881,448</u>
Deferred inflows of resources			
Property taxes levied for a future period	50,904,563	1,498,931	52,403,494
Deferred revenue	<u>863,766</u>	<u>-</u>	<u>863,766</u>
Total deferred inflows of resources	<u>51,768,329</u>	<u>1,498,931</u>	<u>53,267,260</u>
Fund balance			
Nonspendable	21,722	-	21,722
Unassigned	<u>27,710,253</u>	<u>13,086,256</u>	<u>40,796,509</u>
Total fund balance	<u>27,731,975</u>	<u>13,086,256</u>	<u>40,818,231</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 85,381,752</u>	<u>\$ 14,585,187</u>	<u>\$ 99,966,939</u>

NORTH SHORE SCHOOL DISTRICT 112

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2017

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Revenues			
Property taxes	\$ 53,066,862	\$ 9,935	\$ 53,076,797
State aid	33,616,943	-	33,616,943
Federal aid	2,974,880	-	2,974,880
Investment income	229,570	145,446	375,016
Other	<u>1,203,717</u>	<u>-</u>	<u>1,203,717</u>
Total revenues	<u>91,091,972</u>	<u>155,381</u>	<u>91,247,353</u>
Expenditures			
Current:			
Instruction:			
Regular programs	23,455,323	-	23,455,323
Special programs	7,846,494	-	7,846,494
Other instructional programs	5,579,867	-	5,579,867
State retirement contributions	29,596,726	-	29,596,726
Support Services:			
Pupils	5,623,261	-	5,623,261
Instructional staff	4,332,515	-	4,332,515
General administration	1,575,696	-	1,575,696
School administration	3,058,132	-	3,058,132
Business	1,390,824	-	1,390,824
Central	1,092,007	-	1,092,007
Other supporting services	17,776	-	17,776
Community services	61,766	-	61,766
Payments to other districts and gov't units	1,823,781	-	1,823,781
Capital outlay	<u>254,014</u>	<u>-</u>	<u>254,014</u>
Total expenditures	<u>85,708,182</u>	<u>-</u>	<u>85,708,182</u>
Net change in fund balance	5,383,790	155,381	5,539,171
Fund balance, beginning of year	<u>22,348,185</u>	<u>12,930,875</u>	<u>35,279,060</u>
Fund balance, end of year	<u>\$ 27,731,975</u>	<u>\$ 13,086,256</u>	<u>\$ 40,818,231</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, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 52,144,277	\$ 52,504,419	\$ 360,142	\$ 53,131,885
Special education levy	548,262	562,443	14,181	547,349
Summer school - tuition from pupils or parents (in state)	-	11,945	11,945	8,105
Investment income	92,621	229,570	136,949	103,610
Sales to pupils - lunch	-	54,116	54,116	48,458
Contributions and donations from private sources	75,020	-	(75,020)	-
Refund of prior years' expenditures	5,000	-	(5,000)	25,000
Payment from other LEA's	-	26,073	26,073	-
Other local fees	734,400	656,916	(77,484)	767,404
Other	276,436	442,667	166,231	124,888
Total local sources	53,876,016	54,488,149	612,133	54,756,699
Flow-through revenue from one LEA to another LEA				
Other flow-through	-	12,000	12,000	-
Total flow-through	-	12,000	12,000	-
State sources				
General state aid	1,207,676	1,267,676	60,000	1,022,725
Special education - private facility tuition	291,244	318,197	26,953	240,341
Special education - extraordinary	505,919	510,199	4,280	386,828
Special education - personnel	1,315,689	1,340,529	24,840	1,012,384
Special education - orphanage - individual	-	44,153	44,153	68,171
Special education - summer school	7,354	-	(7,354)	3,415
Bilingual education - downstate - TPI	282,182	179,021	(103,161)	-
State free lunch & breakfast	8,566	1,665	(6,901)	2,519
Early childhood - block grant	427,927	358,777	(69,150)	451,380
Other restricted revenue from state sources	-	-	-	2,540
On behalf payment to TRS from the state	9,450,000	29,596,726	20,146,726	20,192,502
Total state sources	13,496,557	33,616,943	20,120,386	23,382,805

(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, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Federal sources				
Federal impact aid	\$ 200,000	\$ 383,314	\$ 183,314	\$ 341,497
National school lunch program	126,218	259,410	133,192	242,832
Special milk program	17,936	24,422	6,486	22,567
School breakfast program	30,515	60,079	29,564	42,997
Fresh fruits & vegetables	24,733	-	(24,733)	-
Title I - Low income	439,395	523,216	83,821	752,188
Federal - special education - preschool flow-through	24,792	33,921	9,129	32,333
Federal - special education - IDEA - flow-through/low incident	633,294	816,660	183,366	776,872
Federal - special education - IDEA - room & board	59,235	188,823	129,588	63,492
Title III - English language acquisition	98,250	46,525	(51,725)	99,384
Title II - Teacher quality	122,141	172,027	49,886	128,787
Medicaid matching funds - administrative outreach	68,915	58,061	(10,854)	55,761
Medicaid matching funds - fee-for-service program	60,543	374,797	314,254	269,141
Other restricted revenue from federal sources	-	33,625	33,625	26,622
Total federal sources	1,905,967	2,974,880	1,068,913	2,854,473
Total revenues	69,278,540	91,091,972	21,813,432	80,993,977

Expenditures

Instruction

Regular programs

Salaries	20,739,295	19,776,559	962,736	20,732,835
Employee benefits	2,544,980	2,811,695	(266,715)	2,736,007
On-behalf payments to TRS from the state	9,450,000	29,596,726	(20,146,726)	20,192,502
Purchased services	376,521	220,479	156,042	417,515
Supplies and materials	622,001	644,525	(22,524)	691,085
Capital outlay	44,335	17,020	27,315	13,245
Other objects	-	2,065	(2,065)	-
Total	<u>33,777,132</u>	<u>53,069,069</u>	<u>(19,291,937)</u>	<u>44,783,189</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, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Special education programs				
Salaries	\$ 6,078,870	\$ 5,353,049	\$ 725,821	\$ 5,745,169
Employee benefits	883,743	705,469	178,274	753,593
Purchased services	160,762	146,846	13,916	126,720
Supplies and materials	211,250	77,219	134,031	197,522
Capital outlay	42,000	5,400	36,600	25,556
Other objects	1,200	1,268	(68)	784
Total	7,377,825	6,289,251	1,088,574	6,849,344
Special education programs Pre-K				
Salaries	258,086	15,000	243,086	237,194
Employee benefits	37,385	74,302	(36,917)	76,261
Purchased services	306	474	(168)	386
Supplies and materials	11,424	10,063	1,361	20,986
Capital outlay	-	-	-	1,546
Total	307,201	99,839	207,362	336,373
Remedial and supplemental programs K - 12				
Salaries	728,736	590,891	137,845	568,649
Employee benefits	106,049	83,614	22,435	84,823
Total	834,785	674,505	160,280	653,472
Remedial and supplemental programs Pre - K				
Salaries	100,275	114,263	(13,988)	110,929
Employee benefits	14,756	11,779	2,977	12,751
Purchased services	6,741	1,739	5,002	5,294
Total	121,772	127,781	(6,009)	128,974
Summer school programs				
Salaries	128,186	144,254	(16,068)	151,187
Employee benefits	17,787	15,143	2,644	15,247
Purchased services	11,307	-	11,307	-
Supplies and materials	5,100	955	4,145	612
Total	162,380	160,352	2,028	167,046
Gifted programs				
Salaries	749,875	766,752	(16,877)	747,253
Employee benefits	109,016	89,112	19,904	90,942
Total	858,891	855,864	3,027	838,195
Bilingual programs				
Salaries	3,962,313	3,959,799	2,514	2,924,414
Employee benefits	573,216	466,062	107,154	460,898
Purchased services	11,000	945	10,055	155
Supplies and materials	10,000	9,064	936	9,800
Total	4,556,529	4,435,870	120,659	3,395,267

(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, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Special education programs K -12 - private tuition				
Other objects	\$ 1,345,000	\$ 788,299	\$ 556,701	\$ 709,971
Total	1,345,000	788,299	556,701	709,971
Total instruction	49,341,515	66,500,830	(17,159,315)	57,861,831
Support services				
Pupils				
Guidance services				
Salaries	1,234,257	1,308,018	(73,761)	1,243,919
Employee benefits	252,114	182,611	69,503	179,661
Total	1,486,371	1,490,629	(4,258)	1,423,580
Health services				
Salaries	525,231	438,472	86,759	447,029
Employee benefits	68,683	55,861	12,822	55,967
Purchased services	52,400	146,578	(94,178)	116,637
Supplies and materials	15,000	4,040	10,960	6,413
Capital outlay	1,235	2,221	(986)	-
Total	662,549	647,172	15,377	626,046
Psychological services				
Salaries	557,990	776,766	(218,776)	692,516
Employee benefits	88,152	69,063	19,089	69,278
Purchased services	-	33,488	(33,488)	-
Supplies and materials	20,000	11,655	8,345	11,437
Total	666,142	890,972	(224,830)	773,231
Speech pathology and audiology services				
Salaries	1,239,654	1,591,519	(351,865)	1,413,427
Employee benefits	181,729	151,149	30,580	171,057
Purchased services	-	-	-	1,875
Supplies and materials	10,000	10,277	(277)	6,203
Total	1,431,383	1,752,945	(321,562)	1,592,562
Other support services - pupils				
Salaries	630,478	684,125	(53,647)	649,112
Employee benefits	98,345	159,639	(61,294)	158,624
Total	728,823	843,764	(114,941)	807,736
Total pupils	4,975,268	5,625,482	(650,214)	5,223,155

(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, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Instructional staff				
Improvement of instructional services				
Salaries	\$ 584,797	\$ 703,624	\$ (118,827)	\$ 622,661
Employee benefits	124,651	289,533	(164,882)	267,344
Purchased services	251,573	258,365	(6,792)	187,417
Supplies and materials	334,500	409,398	(74,898)	459,177
Capital outlay	-	5,540	(5,540)	17,970
Other objects	6,000	5,774	226	9,282
Total	1,301,521	1,672,234	(370,713)	1,563,851
Educational media services				
Salaries	1,283,290	1,416,124	(132,834)	1,286,958
Employee benefits	185,497	176,793	8,704	173,230
Purchased services	626,392	672,848	(46,456)	383,205
Supplies and materials	327,600	389,628	(62,028)	349,276
Capital outlay	1,034,760	223,833	810,927	437,764
Other objects	1,600	355	1,245	99
Total	3,459,139	2,879,581	579,558	2,630,532
Assessment and testing				
Purchased services	-	9,337	(9,337)	11,634
Supplies and materials	-	736	(736)	19,466
Total	-	10,073	(10,073)	31,100
Total instructional staff	4,760,660	4,561,888	198,772	4,225,483
General administration				
Board of education services				
Salaries	48,960	27,654	21,306	50,078
Employee benefits	6,539	5,189	1,350	5,242
Purchased services	434,316	486,081	(51,765)	630,001
Supplies and materials	6,120	19,997	(13,877)	17,669
Other objects	21,200	23,144	(1,944)	15,947
Total	517,135	562,065	(44,930)	718,937
Executive administration services				
Salaries	296,469	407,568	(111,099)	305,131
Employee benefits	119,513	81,558	37,955	94,573
Purchased services	14,400	4,608	9,792	7,540
Supplies and materials	5,500	8,018	(2,518)	1,593
Capital outlay	816	-	816	-
Other objects	4,050	1,926	2,124	2,281
Total	440,748	503,678	(62,930)	411,118

(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, 2017
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Tort immunity services				
Purchased services	\$ 712,283	\$ 509,953	\$ 202,330	\$ 572,136
Total	712,283	509,953	202,330	572,136
Total general administration	1,670,166	1,575,696	94,470	1,702,191
School administration				
Office of the principal services				
Salaries	2,698,828	2,495,440	203,388	2,689,606
Employee benefits	476,426	551,739	(75,313)	607,533
Purchased services	14,436	10,953	3,483	11,467
Total	3,189,690	3,058,132	131,558	3,308,606
Other support services - school administration				
Employee benefits	6,000	-	6,000	-
Total	6,000	-	6,000	-
Total school administration	3,195,690	3,058,132	137,558	3,308,606
Business				
Direction of business support services				
Salaries	391,880	473,106	(81,226)	395,943
Employee benefits	89,927	66,754	23,173	110,332
Purchased services	9,100	5,875	3,225	5,474
Supplies and materials	1,000	45	955	6
Capital outlay	510	-	510	-
Other objects	4,000	3,330	670	3,300
Total	496,417	549,110	(52,693)	515,055
Fiscal services				
Salaries	223,026	249,907	(26,881)	239,659
Employee benefits	34,634	43,587	(8,953)	35,624
Purchased services	152,131	111,986	40,145	43,347
Supplies and materials	6,600	7,352	(752)	5,424
Capital outlay	2,730	-	2,730	552
Other objects	1,272	1,263	9	619
Total	420,393	414,095	6,298	325,225

(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, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Operation and maintenance of plant services				
Purchased services	\$ -	\$ -	\$ -	\$ 15,886
Total	-	-	-	15,886
Food services				
Purchased services	492,067	387,667	104,400	328,850
Supplies and materials	1,275	35,324	(34,049)	29,557
Capital outlay	31,620	-	31,620	-
Total	524,962	422,991	101,971	358,407
Internal services				
Supplies and materials	4,474	4,628	(154)	4,074
Total	4,474	4,628	(154)	4,074
Total business	1,446,246	1,390,824	55,422	1,218,647
Central				
Employee benefits	-	17,251	(17,251)	23,594
Total	-	17,251	(17,251)	23,594
Planning, research, development and evaluation services				
Purchased services	1,928	-	1,928	-
Supplies and materials	11,891	38	11,853	6,359
Total	13,819	38	13,781	6,359
Information services				
Salaries	255,816	139,896	115,920	216,073
Employee benefits	37,716	38,355	(639)	48,064
Purchased services	41,698	183,356	(141,658)	55,314
Supplies and materials	500	1,643	(1,143)	2,694
Capital outlay	1,020	-	1,020	921
Other objects	1,100	5,764	(4,664)	2,344
Total	337,850	369,014	(31,164)	325,410
Staff services				
Salaries	384,871	526,864	(141,993)	418,614
Employee benefits	108,525	77,637	30,888	69,878
Purchased services	84,671	96,259	(11,588)	37,326
Supplies and materials	3,400	4,944	(1,544)	3,069
Other objects	405	-	405	-
Total	581,872	705,704	(123,832)	528,887
Total central	933,541	1,092,007	(158,466)	884,250

(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, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Other supporting services				
Salaries	\$ 24,500	\$ 17,526	\$ 6,974	\$ 15,224
Employee benefits	188	148	40	150
Purchased services	71,676	-	71,676	-
Supplies and materials	1,000	102	898	524
Capital outlay	-	-	-	10,072
Total	<u>97,364</u>	<u>17,776</u>	<u>79,588</u>	<u>25,970</u>
Total support services	<u>17,078,935</u>	<u>17,321,805</u>	<u>(242,870)</u>	<u>16,588,302</u>
Community services				
Salaries	6,707	-	6,707	360
Employee benefits	2,721	707	2,014	719
Purchased services	22,997	5,000	17,997	-
Supplies and materials	<u>3,509</u>	<u>56,059</u>	<u>(52,550)</u>	<u>37,387</u>
Total community services	<u>35,934</u>	<u>61,766</u>	<u>(25,832)</u>	<u>38,466</u>
Payments to other districts and governmental units				
Payments for special education programs				
Purchased services	<u>1,500,000</u>	<u>811,647</u>	<u>688,353</u>	<u>845,687</u>
Total	<u>1,500,000</u>	<u>811,647</u>	<u>688,353</u>	<u>845,687</u>
Other payments to in-state governmental units				
Other objects	<u>-</u>	<u>65,168</u>	<u>(65,168)</u>	<u>-</u>
Total	<u>-</u>	<u>65,168</u>	<u>(65,168)</u>	<u>-</u>
Payments for special education programs - tuition				
Other objects	<u>819,934</u>	<u>946,966</u>	<u>(127,032)</u>	<u>658,175</u>
Total	<u>819,934</u>	<u>946,966</u>	<u>(127,032)</u>	<u>658,175</u>
Total payments to other districts and governmental units	<u>2,319,934</u>	<u>1,823,781</u>	<u>496,153</u>	<u>1,503,862</u>
Total expenditures	<u>68,776,318</u>	<u>85,708,182</u>	<u>(16,931,864)</u>	<u>75,992,461</u>
Net change in fund balance	<u>\$ 502,222</u>	<u>5,383,790</u>	<u>\$ 4,881,568</u>	<u>5,001,516</u>
Fund balance, beginning of year		<u>22,348,185</u>		<u>17,346,669</u>
Fund balance, end of year		<u>\$ 27,731,975</u>		<u>\$ 22,348,185</u>

(Concluded)

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, 2017
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
State sources				
General state aid	\$ -	\$ -	\$ -	\$ 185,095
Total state sources	-	-	-	185,095
Total revenues	-	-	-	185,095
Expenditures				
Total expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>	185,095
Fund balance (deficit), beginning of year		-		(185,095)
Fund balance, end of year		<u>\$ -</u>		<u>\$ -</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, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 9,865	\$ 9,935	\$ 70	\$ 58,506
Investment income	<u>75,071</u>	<u>145,446</u>	<u>70,375</u>	<u>63,646</u>
Total local sources	<u>84,936</u>	<u>155,381</u>	<u>70,445</u>	<u>122,152</u>
Total revenues	<u>84,936</u>	<u>155,381</u>	<u>70,445</u>	<u>122,152</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 84,936</u>	<u>155,381</u>	<u>\$ 70,445</u>	<u>122,152</u>
Fund balance, beginning of year		<u>12,930,875</u>		<u>12,808,723</u>
Fund balance, end of year		<u>\$ 13,086,256</u>		<u>\$ 12,930,875</u>

NORTH SHORE SCHOOL DISTRICT 112
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2017

	BALANCE 7/1/2016	ADDITIONS	DELETIONS	BALANCE 6/30/2017
Assets				
Cash and Investments	<u>\$ 207,700</u>	<u>\$ 145,326</u>	<u>\$ (97,476)</u>	<u>\$ 255,549</u>
Liabilities				
Due to student groups				
Braeside	\$ 301	\$ 5,379	\$ (301)	\$ 5,379
Edgewood	7,461	2,519	(1,808)	8,171
Elm Place	5,467	52,932	(38,017)	20,382
Indian Trail	10,460	3,974	(3,692)	10,742
Lincoln	41,062	826	(2,919)	38,969
Northwood	15,242	34,366	(29,836)	19,772
Oak Terrace	4,188	7,811	(2,979)	9,020
Ravinia	34,801	2,735	(2,312)	35,224
Red Oak	7,480	5,174	(3,795)	8,860
Sherwood	50,438	24,513	(9,394)	65,556
Green Bay	4,953	67	(940)	4,081
Wayne Thomas	25,847	2,077	(601)	27,322
Interest	-	431	-	431
Leadership Team	<u>-</u>	<u>2,522</u>	<u>(881)</u>	<u>1,641</u>
Total Liabilities	<u>\$ 207,700</u>	<u>\$ 145,326</u>	<u>\$ (97,476)</u>	<u>\$ 255,549</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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	74 - 85
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	86 - 89
Debt Capacity 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.	90 - 93
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	94 - 97
Operating Information 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	98 - 99

NORTH SHORE SCHOOL DISTRICT 112

Net Position by Component
Last Ten Fiscal Years

	Fiscal Year			
	<u>2017</u>	<u>2016</u>	<u>2015**</u>	<u>2014**</u>
Governmental Activities:				
Net investment in capital assets	\$ 70,739,137	\$ 67,998,467	\$ 68,680,537	\$ 64,808,837
Restricted				
Operations and maintenance	1,334,784	1,707,408	1,729,994	4,147,494
Student transportation	2,188,423	1,903,340	1,802,912	1,346,866
Retirement benefits	1,409,808	1,164,837	1,813,653	1,942,691
Capital projects	-	1,536,694	80,089	1,547,521
Tort immunity	-	-	-	203,055
Debt service	33,708	2,406	2,406	643,106
Unrestricted	<u>38,806,684</u>	<u>33,160,795</u>	<u>26,277,098</u>	<u>25,903,146</u>
Total net position	<u>\$ 114,512,544</u>	<u>\$ 107,473,947</u>	<u>\$ 100,386,689</u>	<u>\$ 100,542,716</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.

**Net Position restated due to GASB Statement No. 68 implementation as of June 30, 2014. Prior years not restated.

Fiscal Year					
<u>2013*</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 63,122,681	\$ 57,079,378	\$ 54,337,116	\$ 46,989,074	\$ 41,886,079	\$ 34,219,363
4,071,621	2,512,058	-	-	-	-
-	587,395	749,893	758,970	2,132,920	859,717
1,592,970	1,129,517	953,535	947,398	947,214	901,737
154,394	142,468	179,587	583,189	545,152	722,691
625,757	826,292	776,297	779,928	673,017	631,766
2,137,013	2,026,575	2,097,395	2,262,779	1,921,610	4,532,157
<u>21,540,113</u>	<u>24,602,652</u>	<u>24,968,047</u>	<u>26,998,898</u>	<u>24,929,591</u>	<u>24,070,644</u>
<u>\$ 93,244,549</u>	<u>\$ 88,906,335</u>	<u>\$ 84,061,870</u>	<u>\$ 79,320,236</u>	<u>\$ 73,035,583</u>	<u>\$ 65,938,075</u>

NORTH SHORE SCHOOL DISTRICT 112

Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year				
	2017	2016	2015	2014	2013*
Expenses					
Governmental Activities:					
Instruction					
Regular Programs	\$ 24,769,383	\$ 25,768,271	\$ 24,437,351	\$ 23,536,690	\$ 23,352,715
Special Programs	10,005,498	10,618,189	12,141,245	13,059,882	12,521,987
Other Programs	5,662,970	4,489,402	5,558,022	5,004,500	5,298,953
State On-behalf Contributions to TRS	29,596,726	20,192,502	18,144,483	12,958,399	10,008,093
Support services					
Pupils	6,239,677	5,869,190	5,617,111	4,491,877	4,020,115
Instructional Staff	4,615,680	4,056,260	3,930,168	3,723,817	4,541,275
District Administration	1,551,617	1,731,554	1,584,879	1,616,177	1,409,685
School Administration	3,142,361	3,324,345	3,390,702	3,330,904	3,269,095
Business	1,510,867	1,467,777	1,457,453	1,381,477	2,366,492
Transportation	2,817,920	2,858,449	2,568,430	2,458,682	2,492,615
Facilities Acquisition and Construction	-	-	-	-	-
Operations and Maintenance	9,298,769	7,683,641	8,140,562	7,566,338	7,342,641
Food Service	-	-	-	-	-
Central	1,175,479	1,034,870	1,008,172	613,487	2,987,918
Other Supporting Services	22,484	22,307	6,723	94,014	83,705
Community Services	61,748	38,037	23,205	47,647	20,061
Payments to other Districts and Government Units- excluding Special Education	65,168	-	-	-	-
Nonprogrammed Charges	-	-	-	-	-
Interest on Debt	-	-	392,481	343,964	569,191
Total Governmental Expenses	<u>100,536,347</u>	<u>89,154,794</u>	<u>88,400,987</u>	<u>80,227,855</u>	<u>80,284,541</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
Instruction					
Regular Programs	1,099,583	1,023,967	1,322,665	1,202,464	672,824
Special Programs	-	-	-	-	-
Other Programs	38,018	8,105	560	15,697	51,413
Support Services					
Transportation	54,116	2,624	-	110	26,325
Business	34,813	48,458	32,969	33,947	101,509
Operations and Maintenance	97,997	46,906	67,965	53,316	162,261
Operating Grants and Contributions:					
Instruction					
Regular Programs	416,939	370,659	327,342	324,403	838,148
Special Programs	4,651,419	4,655,445	3,702,270	3,609,722	3,175,049
Other Programs	458,534	99,384	212,786	279,400	318,105
State On-behalf Contributions to TRS	29,596,726	20,192,502	18,144,483	12,958,399	10,008,093
Support services					
Pupils	-	-	-	-	-
Instructional Staff	172,027	128,787	20,885	73,232	124,531
Transportation	348,792	978,775	1,059,844	1,047,278	690,014
Business	718,150	311,252	350,420	366,893	366,409
Payments to other Districts and Government Units- excluding Special Education	12,000	-	-	-	-
Total Government Program Revenues	<u>37,699,114</u>	<u>27,866,864</u>	<u>25,242,189</u>	<u>19,964,861</u>	<u>16,534,681</u>
Net (Expense) Revenue	<u>(62,837,233)</u>	<u>(61,287,930)</u>	<u>(63,158,798)</u>	<u>(60,262,994)</u>	<u>(63,749,860)</u>
General Revenues:					
Governmental Activities:					
Taxes					
Property Taxes	\$ 67,272,865	\$ 66,281,835	\$ 64,802,614	\$ 65,388,504	\$ 67,303,032
Replacement Taxes	735,781.00	581,440	727,678	676,619	668,843
General State Aid	1,267,676.00	1,207,820	1,186,814	1,192,276	1,161,746
Investment Earnings	452,122.00	221,497	265,139	146,699	273,817
Other General Revenues	147,386	82,596	35,513	157,063	1,875,197
Total General Revenues	<u>69,875,830</u>	<u>68,375,188</u>	<u>67,017,758</u>	<u>67,561,161</u>	<u>71,282,635</u>
Change in Net Position	<u>\$ 7,038,597</u>	<u>\$ 7,087,258</u>	<u>\$ 3,858,960</u>	<u>\$ 7,298,167</u>	<u>\$ 7,532,775</u>

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

Fiscal Year				
<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 24,826,055	\$ 23,853,551	\$ 26,341,612	\$ 24,626,115	\$ 22,711,221
13,420,182	12,793,825	13,884,555	11,303,473	10,799,877
5,693,955	5,317,007	2,552,792	2,482,796	1,707,831
9,076,276	8,210,912	8,103,609	5,789,778	3,934,895
4,078,422	4,527,464	3,806,825	3,774,210	3,305,016
4,008,660	4,642,304	5,085,905	4,565,034	4,818,297
1,269,129	1,240,978	1,523,559	1,663,220	1,481,027
3,474,934	3,214,570	3,188,089	3,172,189	2,994,651
2,162,251	2,511,464	2,212,965	1,809,075	1,901,447
2,621,684	2,608,868	2,844,479	2,752,630	2,531,292
-	-	-	-	-
6,163,719	6,602,845	6,063,593	-	6,224,724
-	-	-	-	-
855,004	738,645	747,685	675,482	710,784
28,781	-	-	-	-
18,557	6,747	20,053	-	-
-	-	203	-	-
910,012	1,314,640	1,346,203	1,570,951	1,822,138
<u>78,607,621</u>	<u>77,583,820</u>	<u>77,722,127</u>	<u>64,184,953</u>	<u>64,943,200</u>
691,713	687,257	874,280	704,283	1,124,990
-	-	95,920	119,207	-
45,348	35,166	149,926	125,306	-
36,732	2,361	76,035	103,072	88,390
118,296	128,973	135,407	150,975	131,982
159,076	150,977	146,219	158,149	-
904,366	892,656	925,559	715,089	705,190
3,396,087	3,364,133	3,973,873	2,766,350	2,555,034
311,794	430,644	580,787	544,831	454,492
9,076,276	8,210,912	8,103,609	5,789,778	3,934,895
(351)	-	9,768	10,125	9,640
124,845	114,354	257,964	217,666	166,923
560,947	688,970	915,830	943,493	997,708
390,063	313,853	355,763	455,812	419,923
-	-	-	-	-
15,815,192	15,020,256	16,600,940	12,804,136	10,589,167
<u>(62,792,429)</u>	<u>(62,563,564)</u>	<u>(61,121,187)</u>	<u>(51,380,817)</u>	<u>(54,354,033)</u>
\$ 63,775,733	\$ 63,984,815	\$ 62,981,918	\$ 59,650,168	\$ 57,220,044
654,610	711,587	548,718	678,274	775,373
1,181,508	1,170,390	896,632	1,011,851	967,936
254,898	301,277	754,156	1,715,954	2,600,033
1,770,145	1,137,129	2,224,416	1,431,328	977,391
<u>67,636,894</u>	<u>67,305,198</u>	<u>67,405,840</u>	<u>64,487,575</u>	<u>62,540,777</u>
<u>\$ 4,844,465</u>	<u>\$ 4,741,634</u>	<u>\$ 6,284,653</u>	<u>\$ 13,106,758</u>	<u>\$ 8,186,744</u>

NORTH SHORE SCHOOL DISTRICT 112

Fund Balances - Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2017	2016	2015	2014
General Fund***				
Nonspendable	\$ 21,722	\$ 34,422	\$ 16,897	\$ -
Restricted		-	-	203,055
Assigned		-	-	2,945
Unassigned	40,796,509	35,244,638	29,953,400	25,387,182
Reserved				
Prepaid Items	-	-	-	-
Self Insurance	-	-	-	-
Tort Immunity **	-	-	-	-
Unreserved				
Designated for self-insurance	-	-	-	-
Undesignated	-	-	-	-
Total General Fund	<u>40,818,231</u>	<u>\$ 35,279,060</u>	<u>\$ 29,970,297</u>	<u>\$ 25,593,182</u>
All Other Governmental Funds:				
Working Cash ***	-	\$ -	\$ -	\$ -
Fire Prevention and Safety *	-	-	-	-
Nonspendable, reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Restricted, reported in:				
Special revenue funds	6,159,366	6,322,264	5,994,046	7,437,051
Debt service funds	33,708	2,406	2,406	643,106
Capital projects fund	-	1,536,694	80,089	1,547,521
Assigned, reported in:				
Special revenue funds	1,778,269	1,209,887	776,055	303,622
Debt service funds	2,556	33,708	23,989	10,432
Capital projects fund	-	2,213	1,549	623
Reserved				
Debt Service	-	-	-	-
Unreserved				
Special Revenue	-	-	-	-
Capital Projects	-	-	-	-
Total All Other Governmental Funds	<u>7,973,899</u>	<u>\$ 9,107,172</u>	<u>\$ 6,878,134</u>	<u>\$ 9,942,355</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

Fiscal Year					
<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 82,219	\$ 154,790	\$ 217,023	\$ -	\$ -	\$ -
625,757	826,292	776,297	-	-	-
14,398,654	16,568,067	16,334,417	-	-	-
5,761,952	2,754,039	1,579,274	-	-	-
-	-	-	12,500	382,016	382,504
-	-	-	-	-	1,503,653
-	-	-	-	-	631,766
-	-	-	794,620	1,051,970	1,503,653
-	-	-	9,884,211	9,530,580	7,508,670
<u>\$ 20,868,582</u>	<u>\$ 20,303,188</u>	<u>\$ 18,907,011</u>	<u>\$ 10,691,331</u>	<u>\$ 10,964,566</u>	<u>\$ 11,530,246</u>
\$ -	\$ -	\$ -	\$ 12,036,648	\$ 12,008,214	\$ 11,789,915
-	-	-	583,189	545,152	690,916
11,549	-	-	-	-	-
259,857	282,945	303,432	-	-	-
4,080,248	3,638,526	3,079,894	-	-	-
1,997,088	1,900,890	1,831,646	-	-	-
154,394	140,896	179,135	-	-	-
2,406,320	2,073,906	2,309,576	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,079,049	1,921,610	1,706,750
-	-	-	2,468,476	2,460,545	1,761,454
-	-	-	-	-	31,775
<u>\$ 8,909,456</u>	<u>\$ 8,037,163</u>	<u>\$ 7,703,683</u>	<u>\$ 17,167,362</u>	<u>\$ 16,935,521</u>	<u>\$ 15,980,810</u>

NORTH SHORE SCHOOL DISTRICT 112

Governmental Funds Revenues Last Ten Fiscal Years

					Fiscal
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Local Sources	\$ 69,944,681	\$ 68,297,428	\$ 67,255,103	\$ 67,742,840	\$ 70,359,572
State Sources	4,777,093	4,108,543	4,848,657	4,820,676	4,554,132
Federal Sources	2,974,880	2,854,473	2,011,704	2,072,528	2,769,780
On-behalf Sources	<u>29,596,726</u>	<u>20,192,502</u>	<u>18,144,483</u>	<u>12,958,399</u>	<u>10,008,093</u>
 Total revenues	 <u>\$ 107,293,380</u>	 <u>\$ 95,452,946</u>	 <u>\$ 92,259,947</u>	 <u>\$ 87,594,443</u>	 <u>\$ 87,691,577</u>

Years

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 67,154,365	\$ 67,232,922	\$ 66,615,748	\$ 64,209,963	\$ 62,918,203
4,625,659	4,661,872	4,800,845	4,581,238	4,496,510
2,588,358	2,817,685	3,781,072	2,175,492	1,780,336
<u>9,076,276</u>	<u>8,210,912</u>	<u>8,103,609</u>	<u>5,789,778</u>	<u>3,934,895</u>
<u>\$ 83,444,658</u>	<u>\$ 82,923,391</u>	<u>\$ 83,301,274</u>	<u>\$ 76,756,471</u>	<u>\$ 73,129,944</u>

NORTH SHORE SCHOOL DISTRICT 112

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Current:			
Instruction			
Regular programs	\$ 23,759,650	\$ 24,908,073	\$ 23,446,996
Special programs	8,154,935	8,845,182	9,992,820
Other instructional programs	5,718,821	4,653,924	5,678,753
State retirement contributions	29,596,726	20,192,502	18,144,483
Total instruction	67,230,132	58,599,681	57,263,052
Supporting services			
Pupils	5,754,210	5,351,221	5,077,790
Instructional staff	4,466,319	3,871,885	3,836,369
General administration	1,599,472	1,727,553	1,556,412
School administration	3,199,396	3,452,753	3,346,522
Business	1,520,007	1,321,923	1,382,542
Transportation	2,813,469	2,845,174	2,558,139
Operations and maintenance	7,226,023	6,257,255	6,419,905
Central	1,167,720	955,930	834,624
Other supporting services	21,162	18,785	6,601
Total supporting services	<u>27,767,778</u>	<u>25,802,479</u>	<u>25,018,904</u>
Community services	<u>61,766</u>	<u>38,471</u>	<u>18,536</u>
Payments to other districts and gov't units	<u>1,823,781</u>	<u>1,503,862</u>	<u>1,750,133</u>
Total current expenditures	<u>96,883,457</u>	<u>85,944,493</u>	<u>84,050,625</u>
Capital outlay	<u>6,004,025</u>	<u>1,970,652</u>	<u>1,820,159</u>
Debt service			
Principal	-	-	4,975,000
Interest	-	-	101,269
Total debt service	<u>-</u>	<u>-</u>	<u>5,076,269</u>
Total expenditures	<u>\$ 102,887,482</u>	<u>\$ 87,915,145</u>	<u>\$ 90,947,053</u>
Debt service required as a percentage of noncapital expenditures	0.00%	0.00%	5.70%
Debt service as a percentage of total expenditures	0.00%	0.00%	5.58%

Note: Expenditures by function not available before 2013.

Fiscal Year						
<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 22,710,782	\$ 22,511,288					
10,618,072	9,224,801					
5,520,181	5,647,562					
12,958,399	10,008,093					
51,807,434	47,391,744					
4,058,354	3,598,777					
3,789,155	4,009,771					
1,614,322	1,407,882					
3,329,335	3,267,570					
1,364,767	1,351,630					
2,455,810	2,489,603					
5,742,346	6,199,475					
612,119	2,980,883					
94,014	83,705					
<u>23,060,222</u>	<u>25,389,296</u>					
<u>47,647</u>	<u>20,061</u>					
<u>1,837,749</u>	<u>2,925,373</u>					
<u>76,753,052</u>	<u>75,726,474</u>	<u>\$ 75,159,901</u>	<u>\$ 74,021,481</u>	<u>\$ 73,858,060</u>	<u>\$ 66,892,815</u>	<u>\$ 61,286,127</u>
<u>1,618,932</u>	<u>3,306,410</u>	<u>1,619,351</u>	<u>2,691,637</u>	<u>2,612,000</u>	<u>3,052,079</u>	<u>1,653,614</u>
3,076,748	6,687,036	3,905,000	6,480,399	6,333,115	5,610,075	4,988,861
<u>388,212</u>	<u>533,970</u>	<u>1,030,749</u>	<u>977,873</u>	<u>1,177,985</u>	<u>1,404,605</u>	<u>1,658,743</u>
<u>3,464,960</u>	<u>7,221,006</u>	<u>4,935,749</u>	<u>7,458,272</u>	<u>7,511,100</u>	<u>7,014,680</u>	<u>6,647,604</u>
<u>\$ 81,836,944</u>	<u>\$ 86,253,890</u>	<u>\$ 81,715,001</u>	<u>\$ 84,171,390</u>	<u>\$ 83,981,160</u>	<u>\$ 76,959,574</u>	<u>\$ 69,587,345</u>
4.32%	8.71%	6.16%	9.15%	9.23%	9.49%	9.79%
4.23%	8.37%	6.04%	8.86%	8.94%	9.11%	9.55%

NORTH SHORE SCHOOL DISTRICT 112

Other Financing Sources and Uses and

Net Change in Fund Balances

Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 4,405,898	\$ 7,537,801	\$ 1,312,894	\$ 5,757,499
Other financing sources (uses)				
Transfers in		-	4,435,569	37,845
Proceeds from capital lease	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers out	-	-	(4,435,569)	(37,845)
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	<u>\$ 4,405,898</u>	<u>\$ 7,537,801</u>	<u>\$ 1,312,894</u>	<u>\$ 5,757,499</u>

Fiscal Year					
<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 1,437,687	\$ 1,729,657	\$ (1,247,999)	\$ (679,886)	\$ (203,103)	\$ 3,542,599
1,703,788	1,628,369	2,195,670	3,062,261	3,362,067	1,199,991
-	-	-	638,492	590,334	293,839
-	-	-	-	1,800	-
<u>(1,703,788)</u>	<u>(1,628,369)</u>	<u>(2,195,670)</u>	<u>(3,062,261)</u>	<u>(3,362,067)</u>	<u>(1,199,991)</u>
-	-	-	638,492	592,134	293,839
<u>\$ 1,437,687</u>	<u>\$ 1,729,657</u>	<u>\$ (1,247,999)</u>	<u>\$ (41,394)</u>	<u>\$ 389,031</u>	<u>\$ 3,836,438</u>

NORTH SHORE SCHOOL DISTRICT 112

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Tax Levy Years

Tax Levy Year	Equalized Assessed Valuation		Total Equalized Assessed Value	Actual Estimated Value	Total Direct Rate
	Real Estate	Railroad			
2016	\$ 2,374,567,316	\$ 2,965,779	\$ 2,377,533,095	\$ 7,204,645,742	2.862%
2015	2,235,806,902	2,918,358	2,238,725,260	6,784,015,939	3.006%
2014	2,104,832,545	2,465,263	2,107,297,808	6,385,750,933	3.150%
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%

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 - All Direct and Overlapping Governments
Last Ten Tax Levy Years

District Direct Rates												
Tax Levy Year	NSSD 112	Highland	Lake	Highland		Lake County			South Lake		Total	Total Tax Rate
		Park	County	HSD 113	Park District	Park	North Sanitary	Forest Preserve	Township of Moraine	College of Lake County	Mosquito Abatement	Overlapping Government
2016	2.862	0.737	0.632	2.187	0.529	0.157	0.193	0.056	0.285	0.012	4.788	7.649
2015	3.006	0.749	0.663	2.309	0.520	0.166	0.208	0.063	0.299	0.012	4.989	7.995
2014	3.152	0.795	0.682	2.421	0.508	0.169	0.210	0.066	0.306	0.013	5.171	8.323
2013	3.076	0.785	0.663	2.364	0.497	0.164	0.218	0.070	0.296	0.007	5.064	8.140
2012	2.957	0.709	0.608	2.178	0.445	0.150	0.212	0.066	0.272	0.015	4.655	7.612
2011	2.818	0.643	0.554	2.167	0.410	0.150	0.201	0.059	0.240	0.014	4.438	7.256
2010	2.437	0.586	0.505	1.921	0.379	0.136	0.198	0.052	0.218	0.013	4.008	6.445
2009	2.313	0.536	0.464	1.748	0.394	0.124	0.200	0.047	0.200	0.012	3.725	6.038
2008	2.215	0.515	0.453	1.660	0.380	0.121	0.199	0.045	0.020	0.011	3.404	5.619
2007	2.186	0.517	0.444	1.619	0.377	0.120	0.201	0.044	0.192	0.011	3.525	5.711

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 2016 and Nine Years Ago

<u>Taxpayer</u>	<u>2016</u>		<u>2007</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	\$ 12,436,842	0.52%	\$ 16,566,010	0.64%
Midwest Family Housing LLC	6,953,239	0.29%	-	0.00%
Federal Realty Invst Trst	6,906,411	0.29%	8,063,177	0.31%
Morningside Highwood LLC	5,648,943	0.24%	-	0.00%
Americana Apartments	5,035,806	0.21%	4,474,385	0.17%
Highland Park Associates II, LLC	4,586,851	0.19%	4,639,122	0.18%
Klairmont Family Associates LP	4,573,431	0.19%	5,226,915	0.20%
Keyes, Scott	3,845,373	0.16%	-	0.00%
LB & M Real Estate Management Inc.	3,131,208	0.13%	-	0.00%
Target Corporation	3,118,803	0.13%	3,980,310	0.15%
Sunset Food Mart, Inc.			5,061,218	0.20%
Leonardi Enterprises	-		3,721,332	0.14%
North Shore Estates, LLC	-		3,816,022	0.15%
Ernie D Semerski	-	-	3,660,137	0.14%
Total Principal Taxpayers in District	<u>56,236,907</u>	<u>2.37%</u>	<u>59,208,628</u>	<u>2.05%</u>
Other Taxpayers in District	<u>2,321,296,188</u>	<u>97.64%</u>	<u>2,518,195,800</u>	<u>97.95%</u>
District's Total EAV	<u>\$ 2,377,533,095</u>	<u>100.00%</u>	<u>\$ 2,577,404,428</u>	<u>100.00%</u>

Source: 2016 Information - Office of the County Clerk - Lake County, IL
Source: 2007 Information - Moraine Township Assessor (1998)

NORTH SHORE SCHOOL DISTRICT 112

Property Tax Levies and Collections

Last Ten Tax Levy Years

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
2016	\$	68,033,775	\$ 34,178,718	50.24%	\$ 34,178,718	50.24%
2015		67,303,111	33,840,154	50.28%	67,272,614	99.95%
2014		66,417,096	33,244,394	50.05%	66,281,835	99.80%
2013		65,175,159	32,401,169	49.71%	64,707,848	99.28%
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%

NORTH SHORE SCHOOL DISTRICT 112

Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Government Activities		Total Primary Government	Equalized Assessed Valuation	Ratio of General Bonded Debt to Actual Estimated Value	Percentage of Personal Income*	Debt Outstanding per Capita
	General Obligation Bonds and Certificates	Capital Leases					
2017	\$ -	\$ -	\$ -	\$ 2,377,533,095	0.00%	NA	-
2016	-	-	-	2,238,725,260	0.00%	NA	-
2015	-	-	-	2,107,297,808	0.00%	NA	-
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	221
2012	14,370,000	425,594	14,795,594	2,390,360,103	0.18%	NA	401
2011	18,275,000	666,867	18,941,867	2,622,779,816	0.22%	0.05%	514
2010	24,440,000	982,266	25,422,266	2,775,758,242	0.28%	0.07%	718
2009	30,080,000	1,036,889	31,116,889	2,850,112,993	0.36%	0.08%	876
2008	34,975,000	941,630	35,916,630	2,740,389,897	0.45%	0.09%	1,012

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, 2017

<u>Taxing Authority</u>	Gross Bonded Debt <u>Outstanding</u>	Overlapping <u>Percent</u>	Applicable to District
Lake County	- (1)	9.550%	\$0
Lake County Forest Preserve	270,760,000 (2)	9.550%	25,857,580
City of Highland Park	7,594,650 (3)	96.839%	7,354,583
City of Highwood	7,090,000 (1)	100.000%	7,090,000
Park District of Highland Park	10,880,000 (2)	95.552%	10,396,058
Township High School District 113	91,730,000	56.188%	51,541,252
Community College #532	15,985,000 (1)(2)	10.057%	<u>1,607,611</u>
Total Overlapping Bonded Debt			\$103,847,084
		%	
Direct Debt			
North Shore School District 112	- (1)	100.000%	-
Total Overlapping and Direct Debt	<u>\$404,039,650</u>		<u>\$103,847,084</u>

Source of Information - Office of Lake County Clerk

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) Excludes outstanding Debt Certificates

(3) Excludes self-supporting bonds for which abatements are filed annually.

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

	Fiscal				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Assessed Valuation	\$ 2,377,533,095	\$ 2,238,725,260	\$ 2,107,297,808	\$ 2,118,854,337	\$ 2,223,675,650
Statutory Debt Limitation (6.9% of assessed valuation)	164,049,784	154,472,043	145,403,549	146,200,949	153,433,620
Bonded Debt June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,975,000</u>	<u>8,108,558</u>
Legal Bonded Debt Margin	<u>\$ 164,049,784</u>	<u>\$ 154,472,043</u>	<u>\$ 145,403,549</u>	<u>\$ 141,225,949</u>	<u>\$ 145,325,062</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>3.40%</u>	<u>5.28%</u>

Year					
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
	\$ 2,390,360,103	\$ 2,622,779,816	\$ 2,775,758,242	\$ 2,850,112,993	\$ 2,740,389,897
	164,934,847	180,971,807	191,527,319	196,657,797	189,086,903
	<u>14,795,594</u>	<u>18,941,867</u>	<u>25,422,266</u>	<u>31,116,889</u>	<u>36,213,016</u>
	<u>\$ 150,139,253</u>	<u>\$ 162,029,940</u>	<u>\$ 166,105,053</u>	<u>\$ 165,540,908</u>	<u>\$ 152,873,887</u>
	<u>8.97%</u>	<u>10.47%</u>	<u>13.27%</u>	<u>15.82%</u>	<u>19.15%</u>

NORTH SHORE SCHOOL DISTRICT 112

Demographic and Economic Statistics

Last Ten Calendar Years

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>
2016	29,641	5,324	4.2	5.2	\$ 2,327,814	NA
2015	29,743	5,352	4.1	5.0	2,198,848	NA
2014	29,871	5,387	5.0	6.3	2,164,473	NA
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

Source of Information:

* Population: Quickfacts.Census.Gov

* Unemployment Rate: Illinois Department of Security

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 2011 and prior years is for the entire County. Personal income for 2014 is for the two applicable cities only.

NA - not available

NORTH SHORE SCHOOL DISTRICT 112

Principal Employers
Current Year and Seven Years Ago

<u>Employer</u>	<u>Type of Business or Property</u>	<u>2017</u>		<u>2010</u>	
		<u>Number Employed</u>	<u>Source</u>	<u>Percentage of Total Employment</u>	<u>Percentage of Total Employment</u>
Highland Park Hospital-North Shore University Health System	Highland Park	1200	(1)	7.09%	1,200 6.9%
North Shore Elementary School District #112	Highland Park	750	(3)	4.43%	- 0.0%
Highland Park - Park District	Highland Park	727	(3)	4.29%	- 0.0%
Ravinia Music Festival	Highland Park	690	(2)	4.08%	620 3.6%
Township High School District #113	Highland Park	400	(3)	2.36%	- 0.0%
North Suburban Special Education District	Highland Park	356	(3)	2.10%	- 0.0%
City of Highland Park	Highland Park	276	(3)	1.63%	- 0.0%
Sunset Foods	Highland Park	250	(2)	1.48%	- 0.0%
Target	Highland Park	224	(2)	1.32%	- 0.0%
Jewel-Osco	Highland Park	200	(2)	1.18%	- 0.0%
J II Inc.		-		-	182 1.1%
Opportunity Medical		-		-	165 0.1%
Pickus Construction Company		-		-	100 0.6%
Skokie Valley Laundry & Cleaners		-		-	91 0.5%

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

Sources:

- (1) 2017 Illinois Services Directory
- (2) reference USA.com Database
- (3) Employer Official Website / Financial Documents
- (4) 2010 Illinois Manufactures' News Directory
- (5) 2010 Illinois Services Directory
- (6) 2010 Harris Illinois Industrial Directory
- (7) Phone Canvass
- (8) Illinois Department of Employment Security

The Illinois Department of Security lists the number of employed in the district as 16,979 in 2015.

* The directories listed above actually list the number of employees in 2015 in their 2016 books.

Note: Information regarding principal employers was not available prior to 2010.

NORTH SHORE SCHOOL DISTRICT 112

Full-time Equivalent District Employees by Type

Last Ten Fiscal Years

Fiscal Year	Full-time Equivalent Employees									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Instruction										
Total instruction	<u>*452</u>	<u>*463</u>	<u>*464</u>	<u>*462</u>	<u>465</u>	<u>482</u>	<u>477</u>	<u>486</u>	<u>461</u>	<u>443</u>
Support Services										
Total support services	<u>*128</u>	<u>*134</u>	<u>*145</u>	<u>*155</u>	<u>155</u>	<u>149</u>	<u>153</u>	<u>158</u>	<u>155</u>	<u>144</u>
Community Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>580</u>	<u>597</u>	<u>609</u>	<u>617</u>	<u>620</u>	<u>631</u>	<u>630</u>	<u>644</u>	<u>616</u>	<u>587</u>

* as of September of that fiscal year

Source of Information:

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
2017	3,573	\$ 64,212,958	17,972	8.40%	\$ 77,696,654	21,745	21.73%	410	8.7
2016	3,791	62,853,161	16,580	2.43%	67,722,640	17,865	-5.07%	422	9.0
2015	3,868	62,617,698	16,189	2.73%	72,802,570	18,822	5.02%	427	9.1
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

Source of Information: District Personnel Department records
Annual Financial Report 2008-2017 (ISBE Form SD50-35/JA50-60)

NORTH SHORE SCHOOL DISTRICT 112

Operating Indicators by Function

June 30, 2017

Function	2017
Instruction	
Regular and Special student enrollment	4,027
Support Services	
Pupil	
% of student population from Non-English Language Background	27%
School Administration	
Average daily attendance	3,573
Fiscal	
Purchase Orders Processed	4,718
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	2,497
Avg. number of regular bus runs to/from school	149
Extra Curricular Activities	
Number of competitive sports	12
Number of student clubs	37
% of Students eligible to file for Federally funded Free or Reduced Lunches	25.09%

Source of Information:

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

NORTH SHORE SCHOOL DISTRICT 112

School Building Information Last Ten Fiscal Years

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Elementary Schools -										
Braeside										
Square Feet ***	43,636	43,636	43,636	43,636	43,636	43,636	43,636	43,636	43,636	43,636
Enrollment ****	265	283	265	266	262	276	269	279	287	293
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	318	356	389	400	395	379	387	392	390	411
Lincoln										
Square Feet	48,471	48,471	48,471	48,471	48,471	48,471	48,471	48,471	48,471	48,471
Enrollment	210	227	237	248	261	270	271	288	282	279
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	523	534	533	534	501	489	502	516	547	531
Ravinia										
Square Feet	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634
Enrollment	243	274	300	301	302	309	325	313	307	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	327	326	297	289	320	341	325	336	353	409
Sherwood										
Square Feet	50,863	50,863	50,863	50,863	50,863	50,863	50,863	50,863	50,863	50,863
Enrollment	291	302	318	338	358	358	371	386	389	403
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	286	298	316	327	349	355	342	357	367	343
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	219	268	255	239	218	232	204	210	215	72
Totals - Elementary										
Square Feet	519,189	519,189	519,189	519,189	519,189	519,189	519,189	519,189	519,189	519,189
Enrollment	2,682	2,868	2,910	2,942	2,966	3,009	2,996	3,077	3,137	3,043
Middle Schools -										
Edgewood										
Square Feet	136,492	136,492	136,492	136,492	136,492	136,492	136,492	136,492	136,492	136,492
Enrollment	517	569	617	615	607	579	573	599	584	567
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	349	374	376	374	410	439	467	479	493	497
Northwood										
Square Feet	83,826	83,826	83,826	83,826	83,826	83,826	83,826	83,826	83,826	83,826
Enrollment	479	511	512	491	471	443	450	434	418	405
Totals - Middle Schools										
Square Feet	333,811	333,811	333,811	333,811	333,811	333,811	333,811	333,811	333,811	333,811
Enrollment	1,345	1,454	1,505	1,480	1,488	1,461	1,490	1,512	1,495	1,469
District Totals:										
Square Feet	853,000	853,000	853,000	853,000	853,000	853,000	853,000	853,000	853,000	853,000
Enrollment	4,027	4,322	4,415	4,422	4,454	4,470	4,486	4,589	4,632	4,512

*** 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 FY08 through FY17.

Source of Information:

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