

COMPREHENSIVE ANNUAL FINANCIAL
REPORT

OF

**NORTH SHORE SCHOOL DISTRICT
112**

HIGHLAND PARK, IL

As of and for the Year Ended June 30, 2015

Officials Issuing Report

Mohsin Dada
Chief Financial Officer

Department Issuing Report

Business Office

NORTH SHORE SCHOOL DISTRICT 112

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Highland Park, Illinois 60035
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October 29, 2015

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, 2015, is attached. The report was prepared by the Chief Financial Officer. The report date on the underlying financial statements is October 15, 2015, 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.

The District provides educational instruction to children residing in the City of Highland Park, the City of Highland, Fort Sheridan and a portion of Deerfield. The District's operations are funded primarily

through local property taxes. The District operates under guidelines and restrictions set forth in the Illinois School Code and various federal statutes.

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

Accounting Systems and Budgetary Control

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

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

The District's independent auditors run tests to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the tests for the fiscal year ended June 30, 2015 did indicate a few instances of material weaknesses in the internal control structure, but plans are already in place to correct these concerns. No significant violations of applicable laws and regulations were noted.

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

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

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

General Governmental Activities

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

Property taxes are the most significant revenue source of the District. The three factors that affect property tax revenues are assessed valuation, the tax multiplier and the tax rate. The equalized assessed

valuation of the District of \$2,107,297,808 represents a decrease in the tax base of 0.5% over the prior year. The tax multiplier is determined by a state agency which attempts to equalize the assessment on real property in order to determine the property value for taxing purposes. This value is referred to as the equalized assessed valuation (EAV).

Economic Condition and Outlook

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

The 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.

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, 2015, 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.

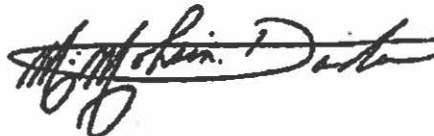
Awards and Acknowledgments

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, 2014.

Respectfully submitted,



Dr. Michael Bregy
Superintendent of Schools



Mohsin Dada
Chief Financial Officer and Treasurer

Association of School Business Officials International



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

North Shore School District 112

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

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 "Mark C. Pepera", written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
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**

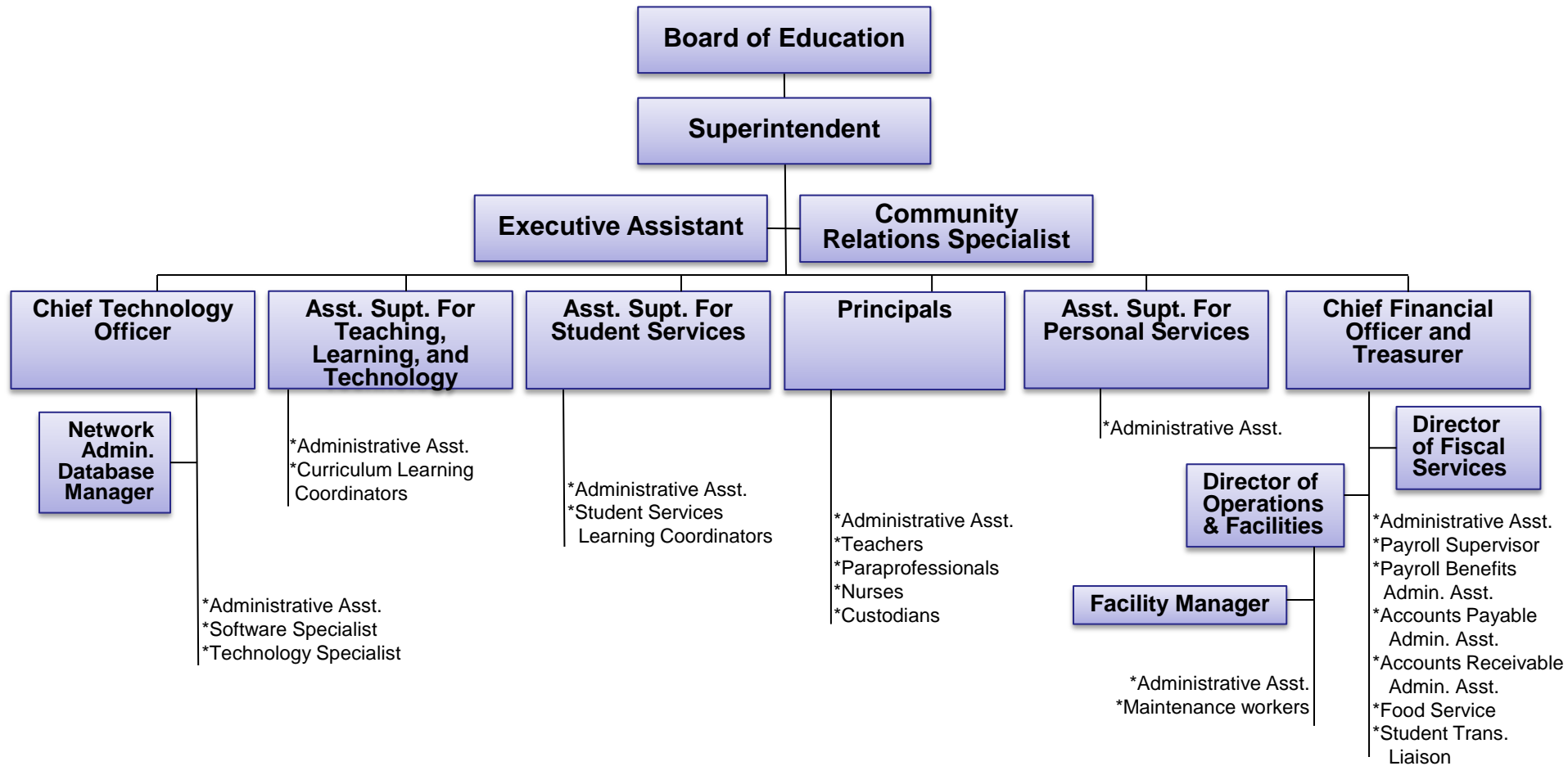
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Organization Chart

North Shore School District 112



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

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

Officers and Officials

Board of Education

		<u>Term Expires</u> (April)
Michael Cohn	President	2019
Samantha Stolberg	Vice-President	2017
Jacqueline Denham	Member	2017
Eric Ephraim	Member	2019
Karla Livney	Member	2017
Yumi Ross	Member	2019
Jane Solmor-Mordini	Member	2017

District Administration

Michael Bregy, Ph.D.
Superintendent of Schools

Official Issuing Report

Mohsin Dada, CFP®
Chief Financial Officer and Treasurer

Department Issuing Report

Business Office

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North Shore School District 112, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise North Shore School District 112's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of North Shore School District 112 as of June 30, 2015 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Education
North Shore School District 112

Emphasis of Matter

As discussed in Note 3, North Shore School District 112 adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pension - an Amendment of GASB Statement No. 27*, effective July 1, 2014. Net position as of June 30, 2014 has been restated as a result. Our opinions are not modified with respect to this matter.

Also, as discussed in Note 3, North Shore School District 112 adopted the provisions of GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, effective July 1, 2014. Net position as of June 30, 2014 has been restated as a result. Our opinions are not modified with respect to this matter.

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, 2015 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, 2015 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, 2015, 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, 2015.

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, 2014 (not presented herein), and have issued our report thereon dated December 4, 2014, 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, 2014 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 2014 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2014 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, 2014.

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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited North Shore School District 112's 2014 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 December 4, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, 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 29, 2015 on our consideration of North Shore School District 112's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Shore School District 112's internal control over financial reporting and compliance.

Oak Brook, Illinois
October 29, 2015

Robert Kelly Vrethaus Khoue, LLP

North Shore School District 112

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2015

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, 2015. 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 (after restatement for GASB 68 and GASB 71) increased by \$3.9. This represents a 4% increase from 2014 restated net position (see note 14).
- General revenues accounted for \$67.0 in revenue or 73% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$25.3 or 27% of total revenues of \$92.3.
- The District had \$88.4 in expenses related to government activities. However, only \$25.3 of these expenses were offset by program specific charges and grants.
- During the year, \$1.6 of capital projects were completed.
- The District continued to pay down its long-term debt retiring \$5.0 in fiscal 2015.
- Due to the current market conditions, interest income again was a nominal portion of the revenue stream. Over the past year, the District worked with PMA Financial, Wells Fargo & JP Morgan Chase to obtain the best rates possible.

Overview of the Financial Statements

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

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

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

Government-wide financial statements

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

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

North Shore School District 112

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2015

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, 2015

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, 2015, than it was the year before, increasing \$3.9 to \$100.4, after considering effect of restatement.

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

	<u>2014*</u>	<u>2015</u>
Assets:		
Current and other assets	\$ 106.4	\$ 109.0
Capital Assets	<u>69.8</u>	<u>68.7</u>
Total assets	<u>176.2</u>	<u>177.7</u>
Total deferred outflows of resources	<u>0.4</u>	<u>3.2</u>
Liabilities:		
Current liabilities	6.1	6.0
Long-term debt outstanding	<u>5.1</u>	<u>8.1</u>
Total liabilities	<u>11.2</u>	<u>14.1</u>
Total deferred inflows of resources	<u>64.9</u>	<u>66.4</u>
Net position:		
Net investment in capital assets	64.8	68.7
Restricted	9.8	5.4
Unrestricted	<u>25.9</u>	<u>26.3</u>
Total net position	<u>\$ 100.5</u>	<u>\$ 100.4</u>

* Prior year information has not been restated for the District's implementation of GASB Statement No. 68 and 71 in fiscal year 2015.

Revenues in the governmental activities of the District of \$92.3 exceeded expenses by \$3.9. This was attributable primarily to a reduction in deferral of maintenance and capital spending as well as lower than expected insurance costs (health, workers comp & property insurance).

North Shore School District 112
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2015

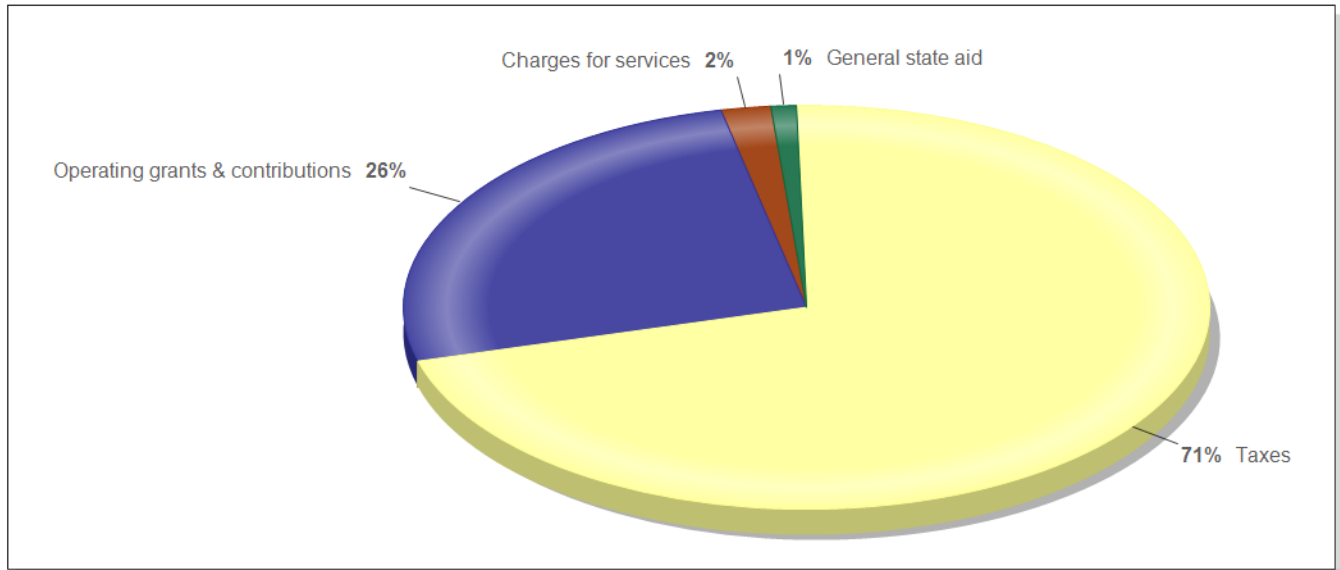
Table 2 Changes in Net Position (in millions of dollars)		
	<u>2014*</u>	<u>2015</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 1.3	\$ 1.5
Operating grants & contributions	18.7	23.8
<i>General revenues:</i>		
Taxes	66.1	65.5
General state aid	1.2	1.2
Other	<u>0.3</u>	<u>0.3</u>
Total revenues	<u>87.6</u>	<u>92.3</u>
Expenses:		
Instruction	54.6	60.3
Pupil & instructional staff services	8.2	9.5
Administration & business	6.3	6.4
Transportation	2.5	2.6
Operations & maintenance	7.6	8.2
Other	<u>1.1</u>	<u>1.4</u>
Total expenses	<u>80.3</u>	<u>88.4</u>
Excess (deficiency) of revenues over expenses	<u>\$ 7.3</u>	<u>\$ 3.9</u>

*Prior year information has not been restated for the District's implementation of GASB Statement No. 68 and 71 in fiscal year 2015.

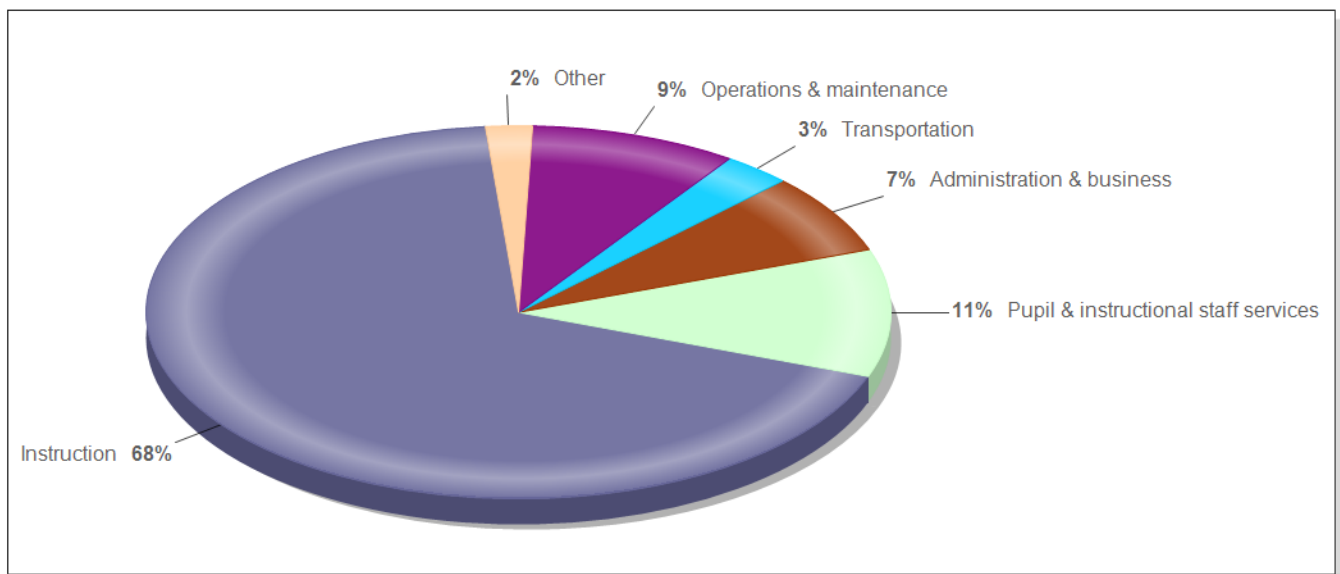
Property taxes accounted for the largest portion of the District's revenues, contributing 71%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$88.4, mainly related to instructing and caring for the students and student transportation at 82%.

North Shore School District 112
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2015

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 \$35.5 to \$36.8. Deferral of maintenance/capital spending and lower than expected insurance costs contributed to this increase.

North Shore School District 112

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2015

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 aggressive cost management and the postponement of capital projects.

Capital Assets and Debt Administration

Capital assets

By the end of 2015, the District had compiled a total investment of \$115.1 (\$68.7 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$2.9. More detailed information about capital assets can be found in Note 5 of the basic financial statements.

Table 3 Capital Assets (net of depreciation) (in millions of dollars)		
	<u>2014</u>	<u>2015</u>
Land	\$ 3.8	\$ 3.8
Land improvements	0.3	0.2
Buildings and building improvements	61.6	60.5
Furniture, equipment, and vehicles	<u>4.1</u>	<u>4.2</u>
Total	<u>\$ 69.8</u>	<u>\$ 68.7</u>

Long-term debt

The District retired \$5.0 in general obligation bonds in 2015. Due to the implementation of Governmental Accounting Standard Board pronouncements 68 and 71 the District was required to record the net pension liability attributable to the District's proportionate share of the Teacher's Retirement System of \$5.7 in addition to the net pension liability attributable to the District's Illinois Municipal Retirement System of \$2.2. At the end of fiscal 2015, the District had a debt margin of \$145.4. More detailed information on long-term debt can be found in Note 7 of the basic financial statements.

Table 4 Outstanding Long-Term Debt (in millions of dollars)		
	<u>2014*</u>	<u>2015</u>
General obligation bonds	\$ 4.9	\$ -
Compensated absences and other	0.2	0.2
Net pension liability	<u>-</u>	<u>7.9</u>
Total	<u>\$ 5.1</u>	<u>\$ 8.1</u>

*Prior year information has not been restated for the District's implementation of GASB Statement No. 68 and 71 in fiscal year 2015.

North Shore School District 112
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2015

Factors Bearing on the District's Future

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

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

Requests for Information

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

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

NORTH SHORE SCHOOL DISTRICT 112

STATEMENT OF NET POSITION

AS OF JUNE 30, 2015

	GOVERNMENTAL ACTIVITIES
Assets	
Cash and investments	\$ 75,127,172
Receivables (net of allowance for uncollectibles):	
Property taxes	32,840,616
Replacement taxes	119,452
Intergovernmental	889,942
Prepaid items	16,897
Capital assets:	
Land	3,844,995
Depreciable buildings, property and equipment, net	<u>64,835,542</u>
Total assets	<u>177,674,616</u>
Deferred outflows of resources	
Deferred outflows related to pensions	<u>3,215,447</u>
Total deferred outflows of resources	<u>3,215,447</u>
Liabilities	
Accounts payable	1,080,767
Salaries and wages payable	4,225,803
Unearned student fees	204,962
Health claims payable	549,106
Long-term liabilities:	
Other long-term liabilities - due within one year	137,232
Other long-term liabilities - due after one year	<u>7,934,372</u>
Total liabilities	<u>14,132,242</u>
Deferred inflows of resources	
Property taxes levied for a future period	66,085,010
Deferred inflows related to pensions	<u>286,122</u>
Total deferred inflows of resources	<u>66,371,132</u>
Net position	
Net investment in capital assets	68,680,537
Restricted for:	
Operations and maintenance	1,729,994
Student transportation	1,802,912
Retirement benefits	1,813,653
Debt service	2,406
Capital projects	80,089
Unrestricted	<u>26,277,098</u>
Total net position	<u>\$ 100,386,689</u>

See Notes to Basic Financial Statements

NORTH SHORE SCHOOL DISTRICT 112

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

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	\$ 24,437,351	\$ 1,322,665	\$ 327,342	\$ (22,787,344)
Special programs	12,141,245	-	3,702,270	(8,438,975)
Other instructional programs	5,558,022	560	212,786	(5,344,676)
State retirement contributions	18,144,483	-	18,144,483	-
Support Services:				
Pupils	5,617,111	-	-	(5,617,111)
Instructional staff	3,930,168	-	20,885	(3,909,283)
General administration	1,584,879	-	-	(1,584,879)
School administration	3,390,702	-	-	(3,390,702)
Business	1,457,453	32,969	350,420	(1,074,064)
Transportation	2,568,430	-	1,059,844	(1,508,586)
Operations and maintenance	8,140,562	67,965	-	(8,072,597)
Central	1,008,172	-	-	(1,008,172)
Other supporting services	6,723	-	-	(6,723)
Community services	23,205	-	-	(23,205)
Interest and fees	392,481	-	-	(392,481)
Total governmental activities	\$ 88,400,987	\$ 1,424,159	\$ 23,818,030	(63,158,798)

General revenues:

Taxes:

Real estate taxes, levied for general purposes	52,815,394
Real estate taxes, levied for specific purposes	11,987,220
Personal property replacement taxes	727,678
State aid-formula grants	1,186,814
Investment income	265,139
Miscellaneous	35,513

Total general revenues 67,017,758

Change in net position 3,858,960

Net position, beginning of year (as restated) 96,527,729

Net position, end of year \$ 100,386,689

See Notes to Basic Financial Statements

NORTH SHORE SCHOOL DISTRICT 112
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015
WITH COMPARATIVE TOTALS AS OF JUNE 30, 2014

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Assets				
Cash and investments	\$ 62,096,293	\$ 3,855,231	\$ 2,927,084	\$ 3,109,954
Receivables (net allowance for uncollectibles):				
Property taxes	26,625,401	3,693,938	1,090,155	709,419
Replacement taxes	-	11,945	19,112	88,395
Intergovernmental	631,625	-	258,317	-
Loan to fire prevention and life safety fund	-	2,300,000	-	-
Prepaid items	16,897	-	-	-
Total assets	<u>\$ 89,370,216</u>	<u>\$ 9,861,114</u>	<u>\$ 4,294,668</u>	<u>\$ 3,907,768</u>
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Accounts payable	\$ 849,984	\$ 177,652	\$ 53,131	\$ -
Salaries and wages payable	4,225,803	-	-	-
Loan from operations and maintenance fund	-	-	-	-
Unearned student fees	196,862	-	8,100	-
Health claims payable	549,106	-	-	-
Total liabilities	<u>5,821,755</u>	<u>177,652</u>	<u>61,231</u>	<u>-</u>
Deferred inflows of resources				
Property taxes levied for a future period	<u>53,578,164</u>	<u>7,433,292</u>	<u>2,193,715</u>	<u>1,427,559</u>
Total deferred inflows of resources	<u>53,578,164</u>	<u>7,433,292</u>	<u>2,193,715</u>	<u>1,427,559</u>
Fund balance				
Nonspendable	16,897	-	-	-
Restricted	-	1,729,994	1,802,912	2,461,140
Assigned	-	520,176	236,810	19,069
Unassigned	<u>29,953,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>29,970,297</u>	<u>2,250,170</u>	<u>2,039,722</u>	<u>2,480,209</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 89,370,216</u>	<u>\$ 9,861,114</u>	<u>\$ 4,294,668</u>	<u>\$ 3,907,768</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
		2015	2014
\$ 26,395	\$ 3,112,215	\$ 75,127,172	\$ 73,615,896
-	721,703	32,840,616	32,448,910
-	-	119,452	114,857
-	-	889,942	261,796
-	-	2,300,000	-
-	-	16,897	-
<u>\$ 26,395</u>	<u>\$ 3,833,918</u>	<u>\$ 111,294,079</u>	<u>\$ 106,441,459</u>

\$ -	\$ -	\$ 1,080,767	\$ 1,064,351
-	-	4,225,803	4,116,957
-	2,300,000	2,300,000	-
-	-	204,962	204,962
-	-	549,106	669,574
<u>-</u>	<u>2,300,000</u>	<u>8,360,638</u>	<u>6,055,844</u>
<u>-</u>	<u>1,452,280</u>	<u>66,085,010</u>	<u>64,850,078</u>
<u>-</u>	<u>1,452,280</u>	<u>66,085,010</u>	<u>64,850,078</u>
-	-	16,897	-
2,406	80,089	6,076,541	9,830,733
23,989	1,549	801,593	317,622
-	-	29,953,400	25,387,182
<u>26,395</u>	<u>81,638</u>	<u>36,848,431</u>	<u>35,535,537</u>
<u>\$ 26,395</u>	<u>\$ 3,833,918</u>	<u>\$ 111,294,079</u>	<u>\$ 106,441,459</u>

NORTH SHORE SCHOOL DISTRICT 112
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2015

Total fund balances - governmental funds		\$ 36,848,431
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.		68,680,537
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		3,215,447
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(286,122)
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, 2015 are:		
Net pension liability	\$ (7,934,372)	
Compensated absences	<u>(137,232)</u>	
		<u>(8,071,604)</u>
Net position of governmental activities		<u>\$ 100,386,689</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, 2015

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Revenues				
Property taxes	\$ 53,004,998	\$ 6,825,763	\$ 1,938,179	\$ 1,601,106
Corporate personal property replacement taxes	-	72,767	116,428	538,483
State aid	21,933,296	-	1,059,844	-
Federal aid	2,011,704	-	-	-
Investment income	189,488	43,245	7,143	10,780
Other	<u>1,234,826</u>	<u>224,846</u>	<u>-</u>	<u>-</u>
Total revenues	<u>78,374,312</u>	<u>7,166,621</u>	<u>3,121,594</u>	<u>2,150,369</u>
Expenditures				
Current:				
Instruction:				
Regular programs	23,135,601	-	-	311,395
Special programs	9,637,227	-	-	355,593
Other instructional programs	5,534,412	-	-	144,341
State retirement contributions	18,144,483	-	-	-
Support Services:				
Pupils	4,942,940	-	-	134,850
Instructional staff	3,730,301	-	-	106,068
General administration	1,532,441	-	-	23,971
School administration	3,199,159	-	-	147,363
Business	1,268,459	-	-	114,083
Transportation	-	-	2,542,596	15,543
Operations and maintenance	-	6,205,233	-	214,672
Central	782,495	-	-	52,129
Other supporting services	6,278	-	-	323
Community services	17,727	-	-	809
Payments to other districts and gov't units	1,750,133	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>315,541</u>	<u>1,504,618</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>73,997,197</u>	<u>7,709,851</u>	<u>2,542,596</u>	<u>1,621,140</u>
Excess (deficiency) of revenues over expenditures	<u>4,377,115</u>	<u>(543,230)</u>	<u>578,998</u>	<u>529,229</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	<u>-</u>	<u>(1,535,569)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,535,569)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	4,377,115	(2,078,799)	578,998	529,229
Fund balance, beginning of year	<u>25,593,182</u>	<u>4,328,969</u>	<u>1,460,724</u>	<u>1,950,980</u>
Fund balance, end of year	<u>\$ 29,970,297</u>	<u>\$ 2,250,170</u>	<u>\$ 2,039,722</u>	<u>\$ 2,480,209</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
		2015	2014
\$ -	\$ 1,432,568	\$ 64,802,614	\$ 65,388,504
-	-	727,678	676,619
-	-	22,993,140	17,779,075
-	-	2,011,704	2,072,528
13,557	926	265,139	271,930
-	-	1,459,672	1,405,787
<u>13,557</u>	<u>1,433,494</u>	<u>92,259,947</u>	<u>87,594,443</u>
-	-	23,446,996	22,710,782
-	-	9,992,820	10,618,072
-	-	5,678,753	5,520,181
-	-	18,144,483	12,958,399
-	-	5,077,790	4,058,354
-	-	3,836,369	3,789,155
-	-	1,556,412	1,614,322
-	-	3,346,522	3,329,335
-	-	1,382,542	1,364,767
-	-	2,558,139	2,455,810
-	-	6,419,905	5,742,346
-	-	834,624	612,119
-	-	6,601	94,014
-	-	18,536	47,647
-	-	1,750,133	1,837,749
4,975,000	-	4,975,000	3,076,748
101,269	-	101,269	388,212
-	-	1,820,159	1,618,932
<u>5,076,269</u>	<u>-</u>	<u>90,947,053</u>	<u>81,836,944</u>
<u>(5,062,712)</u>	<u>1,433,494</u>	<u>1,312,894</u>	<u>5,757,499</u>
4,435,569	-	4,435,569	37,845
-	(2,900,000)	(4,435,569)	(37,845)
<u>4,435,569</u>	<u>(2,900,000)</u>	<u>-</u>	<u>-</u>
(627,143)	(1,466,506)	1,312,894	5,757,499
<u>653,538</u>	<u>1,548,144</u>	<u>35,535,537</u>	<u>29,778,038</u>
<u>\$ 26,395</u>	<u>\$ 81,638</u>	<u>\$ 36,848,431</u>	<u>\$ 35,535,537</u>

NORTH SHORE SCHOOL DISTRICT 112
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds		\$ 1,312,894
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds current year net capital outlay in the current period.		(1,103,300)
The issuance of long-term debt (bonds, capital leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount of current year principal repayments on long-term financing arrangements.		4,975,000
Governmental funds report the effects of premiums, discounts and similar items when the debt is issued. However, certain of these amounts are deferred and amortized in the Statement of Activities, as follows:		
Amortization of deferred charge on refunding	\$ (357,892)	
Amortization of bond premiums	<u>66,680</u>	
		(291,212)
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	\$ (44,362)	
Net pension liability	(3,221,669)	
Deferred outflows of resources due to pensions	2,517,731	
Deferred inflows of resources due to pensions	<u>(286,122)</u>	
		<u>(1,034,422)</u>
Change in net position of governmental activities		<u>\$ 3,858,960</u>

See Notes to Basic Financial Statements

NORTH SHORE SCHOOL DISTRICT 112
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2015

	<u>AGENCY STUDENT ACTIVITY FUND</u>
<hr/>	
Assets	
Cash and investments	\$ <u>213,843</u>
Total assets	\$ <u><u>213,843</u></u>
Liabilities	
Due to student groups	\$ <u>213,843</u>
Total liabilities	\$ <u><u>213,843</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, 2015

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, 2015

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, 2015

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, 2015

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 2014 levy resolution was approved during the December 18, 2014 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 2014 and 2013 tax levies were 1.5% and 1.7%, 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 2014 property tax levy is recognized as a receivable in fiscal 2015, net of estimated uncollectible amounts approximately 0.5% and less amounts already received. The District considers that the 2014 levy is to be used to finance operations in fiscal 2016. Therefore, the entire 2014 levy, including amounts collected in fiscal 2015, 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, 2015

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, 2015 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, 2015

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, 2015

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, 2015 are as follows:

The nonspendable fund balance in the General Fund is comprised of \$16,897 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, 2014, 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.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Budget

For the year ended June 30, 2015, expenditures exceeded budget in the Educational Accounts of the General Fund, The Tort Immunity and Judgment Accounts of the General Fund, and the Debt Service Fund by \$6,027,282, \$445,342, and \$41,239, respectively. These excesses were funded by available fund balance in Educational Accounts of the General Fund and the Debt Service Fund. In the Tort Immunity and Judgment Accounts of the General Fund, the deficit will be funded by future revenue sources.

Deficit Fund Equity

The General Fund (Tort Immunity and Judgment Accounts) had a deficit fund balance of \$185,095 as of June 30, 2015. District management expects to fund this deficit through future revenue sources.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This standard was implemented effective July 1, 2014.

In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This standard was implemented effective July 1, 2014.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

	Government- wide	Fiduciary	Total
Cash and investments	\$ 75,127,172	\$ 213,843	\$ 75,341,015
Total	<u>\$ 75,127,172</u>	<u>\$ 213,843</u>	<u>\$ 75,341,015</u>

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

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

	<i>Cash and investments</i>
Cash on hand	\$ 1,400
Deposits with financial institutions	30,016,218
State money market pools:	
Illinois Funds	540,083
ISDLAF+	199,193
Money market mutual funds	32,503,983
Other investments	<u>12,080,138</u>
Total	<u>\$ 75,341,015</u>

At year end, the District had the following investments:

	<i>Fair Value</i>	<i>Investment Maturity (In Years)</i>				<i>More than 10</i>
		<i>Less than one</i>	<i>1-5</i>	<i>6-10</i>		
Negotiable Certificate of Deposits	\$ 3,135,273	\$ 893,669	\$ 2,241,604	-	\$	-
Federal Home Loan Mortgage Corporation Notes	2,741,628	-	2,741,628	-		-
Federal Farm Credit Bank Notes	121,212	-	121,212	-		-
Federal Home Loan Bank Bonds	507,366	232,511	274,855	-		-
Federal Farm Credit Bank Bonds	111,149	31,163	79,986	-		-
U.S. Treasury Strips	<u>5,463,510</u>	<u>2,144,140</u>	<u>3,319,370</u>	-		-
Total	<u>\$ 12,080,138</u>	<u>\$ 3,301,483</u>	<u>\$ 8,778,655</u>	-	\$	-

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, 2015

NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

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

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

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

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Treasurer to meet the District's ongoing need for safety, liquidity, and rate of return. The District has invested 23% of its other investments in a Federal Home Loan Mortgage Corporation note.

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, 2015, the bank balance of the District's deposit with financial institutions totaled \$52,001,272; of this amount, \$44,259 was uncollateralized and uninsured.

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

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.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2015 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
Total capital assets not being depreciated	<u>3,844,995</u>	<u>-</u>	<u>-</u>	<u>3,844,995</u>
<u>Capital assets being depreciated:</u>				
Land improvements	1,191,776	-	-	1,191,776
Buildings and improvements	95,265,824	530,474	-	95,796,298
Furniture, equipment, and vehicles	<u>13,222,253</u>	<u>1,233,258</u>	<u>168,518</u>	<u>14,286,993</u>
Total capital assets being depreciated	<u>109,679,853</u>	<u>1,763,732</u>	<u>168,518</u>	<u>111,275,067</u>
<u>Less Accumulated Depreciation for:</u>				
Land improvements	970,719	24,910	-	995,629
Buildings and improvements	33,668,443	1,697,426	-	35,365,869
Furniture, equipment, and vehicles	<u>9,101,849</u>	<u>1,144,696</u>	<u>168,518</u>	<u>10,078,027</u>
Total accumulated depreciation	<u>43,741,011</u>	<u>2,867,032</u>	<u>168,518</u>	<u>46,439,525</u>
Net capital assets being depreciated	<u>65,938,842</u>	<u>(1,103,300)</u>	<u>-</u>	<u>64,835,542</u>
Net governmental activities capital assets	<u>\$ 69,783,837</u>	<u>\$ (1,103,300)</u>	<u>\$ -</u>	<u>\$ 68,680,537</u>

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

<i>Governmental Activities</i>	<i>Depreciation</i>
Regular programs	\$ 798,651
Special programs	23,087
Pupils	419,215
General administration	1,794
School administration	1,517
Business	3,139
Transportation	2,777
Operations and maintenance	1,603,832
Central	6,999
Food	<u>6,021</u>
Total depreciation expense - governmental activities	<u>\$ 2,867,032</u>

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6 - OPERATING LEASES

The District leases building and office facilities and other equipment under noncancelable operating leases. Total costs for such leases were \$141,133 for the year ended June 30, 2015. At June 30, 2015, future minimum lease payments for these leases are as follows:

	Year Ending June 30,	Amount
2016		\$ 148,456
2017		<u>102,631</u>
Total		<u>\$ 251,087</u>

NOTE 7 - 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, 2015:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Alternative revenue bonds	\$ 4,940,000	\$ -	\$ 4,940,000	\$ -	\$ -
Unamortized premium	<u>66,680</u>	<u>-</u>	<u>66,680</u>	<u>-</u>	<u>-</u>
Total bonds payable	<u>5,006,680</u>	<u>-</u>	<u>5,006,680</u>	<u>-</u>	<u>-</u>
Debt certificates	35,000	-	35,000	-	-
Net pension liability	4,712,703	3,221,669	-	7,934,372	-
Compensated absences	<u>92,870</u>	<u>579,630</u>	<u>535,268</u>	<u>137,232</u>	<u>137,232</u>
Total long-term liabilities - governmental activities	<u>\$ 9,847,253</u>	<u>\$ 3,801,299</u>	<u>\$ 5,576,948</u>	<u>\$ 8,071,604</u>	<u>\$ 137,232</u>

The obligations for the compensated absences will be repaid from the General Fund and the obligations for the net pension liability 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, 2015, the statutory debt limit for the District was \$145,403,549, providing a debt margin of \$145,403,549.

NOTE 8 - 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.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 8 - RISK MANAGEMENT - (CONTINUED)

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, 2015, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$549,106. 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, 2014 and June 30, 2015, 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 2014	<u>\$ 244,048</u>	<u>\$ 5,274,955</u>	<u>\$ 4,849,429</u>	<u>\$ 669,574</u>
Fiscal Year 2015	<u>\$ 669,574</u>	<u>\$ 5,080,835</u>	<u>\$ 5,201,303</u>	<u>\$ 549,106</u>

NOTE 9 - JOINT AGREEMENTS

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

NOTE 10 - 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.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

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

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

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$381,199, 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, 2014 and June 30, 2013 were 0.97 and 0.92 percent of pay, respectively. For these years, state contributions on behalf of District employees were \$346,130 and \$319,115, respectively.

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.76 percent during the year ended June 30, 2015 and 0.72 and 0.66 percent during the years ended June 30, 2014 and 2013, respectively. For the years ended June 30, 2015, 2014 and 2013 the District paid \$284,030, \$256,921 and \$239,336 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 2014 and 2013 reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

NOTE 11 - RETIREMENT SYSTEMS

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

Teachers' Retirement System

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.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

Benefits Provided. TRS provides retirement, disability, and death benefits. *Tier I* members have TRS or reciprocal system service prior to January 1, 2011. *Tier I* members qualify for retirement benefits at age 62 with five years of service, at age 60 with 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, 2015 was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2015, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$17,763,284 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, 2015, were \$216,827, and are deferred because they were paid after the June 30, 2014 measurement date.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

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

For the year ended June 30, 2015, the District pension contribution was 33.00 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2015, were \$41,133, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2014 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, 2015, the District paid \$30,629 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, 2014 is available in the separately issued TRS Comprehensive Annual Financial Report.

Net Pension Liability. At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 5,693,111
State's proportionate share of the collective net pension liability associated with the District	<u>220,632,818</u>
Total	<u>\$ 226,325,929</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the District's proportion was 0.00935470 percent.

The net pension liability as of the beginning of the measurement period was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The District's proportion of the net pension liability as of June 30, 2013, was based on the District's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the District's proportion was 0.00665559 percent.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 11 - 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, 2014 actuarial valuation included (a) 7.50% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases of 5.75%, average, including inflation, and (c) inflation of 3.00%.

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

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

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. large cap	18.00 %	8.23 %
Global equity excluding U.S.	18.00 %	8.58 %
Aggregate bonds	16.00 %	2.27 %
U.S. TIPS	2.00 %	3.52 %
NCREIF	11.00 %	5.81 %
Opportunistic real estate	4.00 %	9.79 %
ARS	8.00 %	3.27 %
Risk parity	8.00 %	5.57 %
Diversified inflation strategy	1.00 %	3.96 %
Private equity	14.00 %	13.03 %

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability was 7.50 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.

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

Discount Rate Sensitivity. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	\$ 7,030,713	\$ 5,693,111	\$ 4,585,424

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2015, the District recognized pension expense of \$807,006 and on-behalf revenue and expense of \$17,763,284 for support provided by the state. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,007	\$ -
Net difference between projected and actual earnings on pension plan investments	-	286,122
Changes in proportion and differences between District contributions and proportionate share of contributions	1,360,706	-
District contributions subsequent to the measurement date	<u>257,960</u>	<u>-</u>
Total	<u>\$ 1,621,673</u>	<u>\$ 286,122</u>

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 11 - 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, 2016. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$1,077,591) will be recognized in pension expense as follows:

<i>Year Ending June 30,</i>	<i>Amount</i>
2016	\$ 259,468
2017	259,468
2018	259,468
2019	259,468
2020	<u>39,719</u>
Total	<u>\$ 1,077,591</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 affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

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 their final rate (average of the highest 48 consecutive months earnings during the last 10 years) of earnings for each year of credited service up to 15 years and 2% for each year thereafter. 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, or age 62 with 35 years of service are entitled to an annual retirement benefit as described above. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Plan Membership. At December 31, 2014, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	224
Inactive, non-retired members	400
Active members	<u>159</u>
Total	<u><u>783</u></u>

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

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 2014 was 11.97 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, 2014, 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, 2014 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) inflation of 3.50% and 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 2014). 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 2014). 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, 2015

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Long-Term Expected Real Rate of Return. The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by 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	63.20 %	9.15 %	7.60 %
International equities	2.60 %	9.80 %	7.80 %
Fixed income	23.50 %	3.05 %	3.00 %
Real estate	4.30 %	7.35 %	6.15 %
Alternatives	4.50 %		
Private equity		13.55 %	8.50 %
Hedge funds		5.55 %	5.25 %
Commodities		4.40 %	2.75 %
Cash equivalents	1.90 %	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, 2013 measurement date was 7.50%. 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 not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.56% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2014 to arrive at a discount rate of 7.50 used to determine the total pension liability. The year ending December 31, 2088 is the last year in the 2015 to 2114 projection period for which projected benefit payments are fully funded.

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	\$ 35,535,444	\$ 31,745,757	\$ 28,619,186
Plan fiduciary net position	<u>29,504,496</u>	<u>29,504,496</u>	<u>29,504,496</u>
Net pension liability/(asset)	<u>\$ 6,030,948</u>	<u>\$ 2,241,261</u>	<u>\$ (885,310)</u>

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 11 - 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, 2014 was as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at December 31, 2013	\$ 28,839,192	\$ 28,268,774	\$ 570,418
Service cost	718,390	-	718,390
Interest on total pension liability	2,122,147	-	2,122,147
Differences between expected and actual experience of the total pension liability	526,739	-	526,739
Change of assumptions	1,345,471	-	1,345,471
Benefit payments, including refunds of employee contributions	(1,806,182)	(1,806,182)	-
Contributions - employer	-	693,937	(693,937)
Contributions - employee	-	271,543	(271,543)
Net investment income	-	1,698,754	(1,698,754)
Other (Net Transfer)	-	377,670	(377,670)
Balances at December 31, 2014	<u>\$ 31,745,757</u>	<u>\$ 29,504,496</u>	<u>\$ 2,241,261</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2015, the District recognized pension expense of \$1,137,488. The District reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 254,354	\$ -
Assumption changes	649,706	-
Net difference between projected and actual earnings on pension plan investments	323,232	-
Contributions subsequent to the measurement date	<u>366,482</u>	<u>-</u>
Total	<u>\$ 1,593,774</u>	<u>\$ -</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, 2016. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$1,227,292) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2015	\$ 984,868
2016	80,808
2017	80,808
2018	<u>80,808</u>
Total	<u>\$ 1,227,292</u>

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 12 - 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 13 - 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 14 - RESTATEMENT

Net position has been restated due to the implementation of GASB Statement No. 68 and GASB Statement No. 71. The restatement is necessary to record the prior year net pension liability as well as deferred outflows of resources related to employer contributions after the measurement date.

	Governmental Activities
Net position as previously reported, June 30, 2014	\$ 100,542,716
Adjustment to record the net pension liability as of June 30, 2014	(4,712,703)
Adjustment to record deferred outflows of resources related to pensions as of June 30, 2014	<u>697,716</u>
Net position as restated, June 30, 2014	<u>\$ 96,527,729</u>

NOTE 15 - EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Application of these standards may restate portions of these financial statements.

NOTE 16 - INTERFUND TRANSFERS

During the year, the District transferred \$1,535,569 of fund balance from the Operations and Maintenance Fund and \$2,900,000 of fund balance from the Fire Prevention Life Safety Fund to the Debt Service Fund. The purpose of this transfer was to provide a funding source to the Debt Service Fund for the payment of the scheduled principal and interest payments due on the outstanding 2004 Debt Certificates.

State law allows for the above transfers.

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

	<u>2015</u>
Total pension liability	
Service cost	\$ 718,390
Interest	2,122,147
Differences between expected and actual experience	526,739
Changes of assumptions	1,345,471
Benefit payments, including refunds of member contributions	<u>(1,806,182)</u>
Net change in total pension liability	2,906,565
Total pension liability - beginning	<u>28,839,192</u>
Total pension liability - ending (a)	<u><u>\$ 31,745,757</u></u>
Plan fiduciary net position	
Employer contributions	\$ 693,937
Employee contributions	271,543
Net investment income	1,698,754
Benefit payments, including refunds of member contributions	(1,806,182)
Other (net transfer)	<u>377,670</u>
Net change in plan fiduciary net position	1,235,722
Plan fiduciary net position - beginning	<u>28,268,774</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 29,504,496</u></u>
Employer's net pension liability - ending (a) - (b)	<u><u>\$ 2,241,261</u></u>
Plan fiduciary net position as a percentage of the total pension liability	92.94%
Covered-employee payroll	\$ 5,795,851
Employer's net pension liability as a percentage of covered-employee payroll	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.

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Most Recent Fiscal Year

	2015
Actuarially determined contribution	\$ 690,286
Contributions in relation to the actuarially determined contribution	(693,937)
Contribution deficiency (excess)	<u>\$ (3,651)</u>
Covered-employee payroll	\$ 5,795,851
Contributions as a percentage of covered-employee payroll	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	29 Years
Asset valuation method	5-Year Smoothed Market
Inflation	3.00%
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 CHBCA

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
Most Recent Fiscal Year

	<u>2015</u>
District's proportion of the net pension liability	0.00935470%
District's proportionate share of the net pension liability	\$ 5,693,111
State's proportionate share of the net pension liability	<u>220,632,818</u>
Total net pension liability	<u>\$ 226,325,929</u>
Covered-employee payroll	\$ 37,372,407
District's proportionate share of the net pension liability as a percentage of covered payroll	15.23%
Plan fiduciary net position as a percentage of the total pension liability	43.00%
Contractually required contribution	\$ 257,839
Contributions in relation to the contractually required contribution	<u>(257,960)</u>
Contribution deficiency (excess)	<u>\$ (121)</u>
Contributions as a percentage of covered employee payroll	0.6902%

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

Notes to Schedule:

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

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, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
Revenues					
Local sources					
General levy	\$ 52,390,262	\$ 52,390,262	\$ 52,351,915	\$ (38,347)	\$ 51,435,124
Tort immunity levy	105,413	105,413	105,336	(77)	88,452
Special education levy	548,148	548,148	547,747	(401)	508,602
Summer school - tuition from pupils or parents (in state)	-	-	560	560	15,697
Investment income	67,560	67,560	189,488	121,928	213,451
Sales to pupils - lunch	30,000	30,000	32,969	2,969	33,947
Contributions and donations from private sources	75,020	75,020	-	(75,020)	31,603
Refund of prior years' expenditures	5,000	5,000	-	(5,000)	-
Other local fees	682,500	682,500	585,082	(97,418)	703,171
Other	<u>1,711,436</u>	<u>1,711,436</u>	<u>616,215</u>	<u>(1,095,221)</u>	<u>313,657</u>
Total local sources	<u>55,615,339</u>	<u>55,615,339</u>	<u>54,429,312</u>	<u>(1,186,027)</u>	<u>53,343,704</u>
State sources					
General state aid	1,182,300	1,182,300	1,186,814	4,514	1,192,276
Special education - private facility tuition	291,244	291,244	204,187	(87,057)	207,412
Special education - extraordinary	601,832	601,832	497,670	(104,162)	527,880
Special education - personnel	1,200,635	1,200,635	1,274,736	74,101	1,202,045
Special education - orphanage - individual	-	-	6,938	6,938	-
Special education - summer school	7,354	7,354	3,852	(3,502)	4,607
Bilingual education - downstate - TPI	313,535	313,535	186,730	(126,805)	203,362
State free lunch & breakfast	8,566	8,566	4,788	(3,778)	7,889
Early childhood - block grant	427,927	427,927	419,988	(7,939)	427,927
Reading improvement block grant	3,000	3,000	-	(3,000)	-
Technology - learning technology centers	-	-	3,110	3,110	-
On behalf payment to TRS from the state	<u>9,450,000</u>	<u>9,450,000</u>	<u>18,144,483</u>	<u>8,694,483</u>	<u>12,958,399</u>
Total state sources	<u>13,486,393</u>	<u>13,486,393</u>	<u>21,933,296</u>	<u>8,446,903</u>	<u>16,731,797</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, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015					2014
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET		ACTUAL
Federal sources						
Federal impact aid	\$ 200,000	\$ 200,000	\$ 307,415	\$ 107,415	\$	306,327
National school lunch program	126,218	126,218	254,300	128,082		241,994
Special milk program	17,936	17,936	25,993	8,057		26,434
School breakfast program	30,515	30,515	65,339	34,824		90,576
Fresh fruits & vegetables	24,733	24,733	-	(24,733)		-
Title I - Low income	439,395	439,395	104,623	(334,772)		222,340
Federal - special education - preschool flow-through	24,792	24,792	24,093	(699)		25,681
Federal - special education - IDEA - flow-through/low incident	633,294	633,294	633,490	196		626,235
Federal - special education - IDEA - room & board	59,235	59,235	204,911	145,676		140,492
Title III - English language acquisition	98,250	98,250	26,056	(72,194)		76,038
Title II - Teacher quality	122,141	122,141	20,885	(101,256)		73,232
Medicaid matching funds - administrative outreach	68,915	68,915	64,533	(4,382)		60,268
Medicaid matching funds - fee-for-service program	60,543	60,543	263,249	202,706		164,835
Other restricted revenue from federal sources	-	-	16,817	16,817		18,076
Total federal sources	<u>1,905,967</u>	<u>1,905,967</u>	<u>2,011,704</u>	<u>105,737</u>		<u>2,072,528</u>
Total revenues	<u>71,007,699</u>	<u>71,007,699</u>	<u>78,374,312</u>	<u>7,366,613</u>		<u>72,148,029</u>
Expenditures						
Instruction						
Regular programs						
Salaries	20,801,010	20,001,010	20,141,919	(140,909)		19,467,068
Employee benefits	3,212,079	2,019,717	1,958,213	61,504		1,786,365
On-behalf payments to TRS from the state	9,450,000	9,450,000	18,144,483	(8,694,483)		12,958,399
Purchased services	398,895	398,895	458,471	(59,576)		414,709
Supplies and materials	829,283	829,283	576,998	252,285		733,898
Capital outlay	<u>42,345</u>	<u>42,345</u>	<u>23,399</u>	<u>18,946</u>		<u>18,728</u>
Total	<u>34,733,612</u>	<u>32,741,250</u>	<u>41,303,483</u>	<u>(8,562,233)</u>		<u>35,379,167</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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015				2014 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Special education programs					
Salaries	\$ 6,935,777	\$ 6,735,777	\$ 5,986,165	\$ 749,612	\$ 6,590,796
Employee benefits	1,824,255	1,824,255	1,333,708	490,547	1,545,154
Purchased services	134,317	134,317	199,853	(65,536)	84,646
Supplies and materials	202,458	202,458	108,591	93,867	182,821
Capital outlay	37,050	37,050	30,452	6,598	78,978
Other objects	<u>1,100</u>	<u>1,100</u>	<u>245</u>	<u>855</u>	<u>-</u>
Total	<u>9,134,957</u>	<u>8,934,957</u>	<u>7,659,014</u>	<u>1,275,943</u>	<u>8,482,395</u>
Special education programs Pre-K					
Salaries	327,864	327,864	265,422	62,442	326,235
Employee benefits	70,829	70,829	51,398	19,431	57,556
Purchased services	300	300	14	286	251
Supplies and materials	<u>11,200</u>	<u>11,200</u>	<u>11,744</u>	<u>(544)</u>	<u>11,142</u>
Total	<u>410,193</u>	<u>410,193</u>	<u>328,578</u>	<u>81,615</u>	<u>395,184</u>
Remedial and supplemental programs K - 12					
Salaries	725,524	725,524	621,652	103,872	607,282
Employee benefits	<u>107,252</u>	<u>107,252</u>	<u>79,597</u>	<u>27,655</u>	<u>109,149</u>
Total	<u>832,776</u>	<u>832,776</u>	<u>701,249</u>	<u>131,527</u>	<u>716,431</u>
Remedial and supplemental programs Pre - K					
Salaries	410,568	410,568	99,343	311,225	402,765
Employee benefits	102,032	102,032	72,715	29,317	82,780
Purchased services	7,142	7,142	4,756	2,386	3,320
Capital outlay	<u>840</u>	<u>840</u>	<u>-</u>	<u>840</u>	<u>-</u>
Total	<u>520,582</u>	<u>520,582</u>	<u>176,814</u>	<u>343,768</u>	<u>488,865</u>
Summer school programs					
Salaries	124,076	124,076	116,252	7,824	92,106
Employee benefits	852	852	1,219	(367)	10,884
Purchased services	11,980	11,980	-	11,980	-
Supplies and materials	<u>5,000</u>	<u>5,000</u>	<u>838</u>	<u>4,162</u>	<u>1,146</u>
Total	<u>141,908</u>	<u>141,908</u>	<u>118,309</u>	<u>23,599</u>	<u>104,136</u>
Gifted programs					
Salaries	776,156	776,156	721,635	54,521	754,580
Employee benefits	<u>136,673</u>	<u>136,673</u>	<u>83,907</u>	<u>52,766</u>	<u>114,727</u>
Total	<u>912,829</u>	<u>912,829</u>	<u>805,542</u>	<u>107,287</u>	<u>869,307</u>

See Auditors' Report and Notes to Required Supplementary Information

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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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015				2014
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Bilingual programs					
Salaries	\$ 3,506,606	\$ 3,506,606	\$ 3,930,508	\$ (423,902)	\$ 3,373,477
Employee benefits	625,585	625,585	473,728	151,857	515,779
Purchased services	22,500	22,500	11,882	10,618	18,902
Supplies and materials	<u>32,374</u>	<u>32,374</u>	<u>17,629</u>	<u>14,745</u>	<u>4,695</u>
Total	<u>4,187,065</u>	<u>4,187,065</u>	<u>4,433,747</u>	<u>(246,682)</u>	<u>3,912,853</u>
Truant's alternative and optional programs					
Special education programs K -12 - private tuition					
Other objects	<u>701,144</u>	<u>701,144</u>	<u>978,838</u>	<u>(277,694)</u>	<u>705,303</u>
Total	<u>701,144</u>	<u>701,144</u>	<u>978,838</u>	<u>(277,694)</u>	<u>705,303</u>
Total instruction	<u>51,575,066</u>	<u>49,382,704</u>	<u>56,505,574</u>	<u>(7,122,870)</u>	<u>51,053,641</u>
Support services					
Pupils					
Attendance and social work services					
Salaries	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500</u>
Guidance services					
Salaries	1,125,618	1,125,618	1,127,406	(1,788)	1,048,137
Employee benefits	<u>217,907</u>	<u>217,907</u>	<u>166,923</u>	<u>50,984</u>	<u>169,694</u>
Total	<u>1,343,525</u>	<u>1,343,525</u>	<u>1,294,329</u>	<u>49,196</u>	<u>1,217,831</u>
Health services					
Salaries	595,883	595,883	502,155	93,728	498,131
Employee benefits	161,436	161,436	118,605	42,831	130,383
Purchased services	30,565	30,565	21,100	9,465	51,639
Supplies and materials	20,025	20,025	10,237	9,788	5,625
Capital outlay	<u>1,211</u>	<u>1,211</u>	<u>-</u>	<u>1,211</u>	<u>2,421</u>
Total	<u>809,120</u>	<u>809,120</u>	<u>652,097</u>	<u>157,023</u>	<u>688,199</u>
Psychological services					
Salaries	648,624	648,624	588,632	59,992	571,520
Employee benefits	169,338	169,338	123,862	45,476	100,184
Purchased services	9,675	9,675	19,775	(10,100)	6,605
Supplies and materials	<u>14,100</u>	<u>14,100</u>	<u>8,860</u>	<u>5,240</u>	<u>10,640</u>
Total	<u>841,737</u>	<u>841,737</u>	<u>741,129</u>	<u>100,608</u>	<u>688,949</u>

See Auditors' Report and Notes to Required Supplementary Information

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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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			VARIANCE WITH FINAL BUDGET	2014 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
Speech pathology and audiology services					
Salaries	\$ 1,189,636	\$ 1,189,636	\$ 1,219,631	\$ (29,995)	\$ 1,008,389
Employee benefits	225,796	225,796	169,223	56,573	181,083
Purchased services	122,191	122,191	138,317	(16,126)	143,052
Supplies and materials	5,050	5,050	7,806	(2,756)	2,943
Capital outlay	<u>2,500</u>	<u>2,500</u>	<u>25,307</u>	<u>(22,807)</u>	<u>1,718</u>
Total	<u>1,545,173</u>	<u>1,545,173</u>	<u>1,560,284</u>	<u>(15,111)</u>	<u>1,337,185</u>
Other support services - pupils					
Salaries	-	-	613,040	(613,040)	-
Employee benefits	-	-	102,341	(102,341)	-
Supplies and materials	<u>9,000</u>	<u>9,000</u>	<u>5,027</u>	<u>3,973</u>	<u>2,340</u>
Total	<u>9,000</u>	<u>9,000</u>	<u>720,408</u>	<u>(711,408)</u>	<u>2,340</u>
Total pupils	<u>4,548,555</u>	<u>4,548,555</u>	<u>4,968,247</u>	<u>(419,692)</u>	<u>3,939,004</u>
Instructional staff					
Improvement of instructional services					
Salaries	574,879	574,879	563,143	11,736	509,667
Employee benefits	77,068	77,068	200,498	(123,430)	103,399
Purchased services	288,554	288,554	252,976	35,578	297,831
Supplies and materials	352,945	352,945	387,795	(34,850)	609,295
Capital outlay	-	-	4,852	(4,852)	187
Other objects	<u>10,000</u>	<u>10,000</u>	<u>7,398</u>	<u>2,602</u>	<u>5,795</u>
Total	<u>1,303,446</u>	<u>1,303,446</u>	<u>1,416,662</u>	<u>(113,216)</u>	<u>1,526,174</u>
Educational media services					
Salaries	1,344,165	1,344,165	1,255,383	88,782	1,196,756
Employee benefits	246,011	246,011	189,626	56,385	203,454
Purchased services	626,392	626,392	460,892	165,500	389,132
Supplies and materials	327,600	327,600	412,590	(84,990)	374,952
Capital outlay	534,760	534,760	229,436	305,324	214,228
Other objects	<u>1,600</u>	<u>1,600</u>	<u>-</u>	<u>1,600</u>	<u>-</u>
Total	<u>3,080,528</u>	<u>3,080,528</u>	<u>2,547,927</u>	<u>532,601</u>	<u>2,378,522</u>
Total instructional staff	<u>4,383,974</u>	<u>4,383,974</u>	<u>3,964,589</u>	<u>419,385</u>	<u>3,904,696</u>

See Auditors' Report and Notes to Required Supplementary Information

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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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015				2014
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
General administration					
Board of education services					
Salaries	\$ 48,701	\$ 48,701	\$ 48,000	\$ 701	\$ 47,282
Employee benefits	-	-	52,290	(52,290)	-
Purchased services	390,062	390,062	482,767	(92,705)	354,778
Supplies and materials	5,300	5,300	8,859	(3,559)	4,459
Capital outlay	-	-	-	-	2,050
Other objects	<u>15,000</u>	<u>15,000</u>	<u>21,935</u>	<u>(6,935)</u>	<u>19,470</u>
Total	<u>459,063</u>	<u>459,063</u>	<u>613,851</u>	<u>(154,788)</u>	<u>428,039</u>
Executive administration services					
Salaries	284,671	284,671	292,903	(8,232)	335,484
Employee benefits	99,281	99,281	102,183	(2,902)	123,309
Purchased services	14,400	14,400	12,807	1,593	5,668
Supplies and materials	1,500	1,500	4,825	(3,325)	1,040
Capital outlay	800	800	163	637	-
Other objects	<u>4,050</u>	<u>4,050</u>	<u>1,267</u>	<u>2,783</u>	<u>1,012</u>
Total	<u>404,702</u>	<u>404,702</u>	<u>414,148</u>	<u>(9,446)</u>	<u>466,513</u>
Tort immunity services					
Purchased services	<u>743,939</u>	<u>743,939</u>	<u>504,605</u>	<u>239,334</u>	<u>694,202</u>
Total	<u>743,939</u>	<u>743,939</u>	<u>504,605</u>	<u>239,334</u>	<u>694,202</u>
Total general administration	<u>1,607,704</u>	<u>1,607,704</u>	<u>1,532,604</u>	<u>75,100</u>	<u>1,588,754</u>
School administration					
Office of the principal services					
Salaries	2,528,473	2,528,473	2,516,144	12,329	2,459,638
Employee benefits	575,028	575,028	672,831	(97,803)	714,436
Purchased services	<u>14,400</u>	<u>14,400</u>	<u>10,184</u>	<u>4,216</u>	<u>5,095</u>
Total	<u>3,117,901</u>	<u>3,117,901</u>	<u>3,199,159</u>	<u>(81,258)</u>	<u>3,179,169</u>
Other support services - school administration					
Employee benefits	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>-</u>
Total	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>-</u>
Total school administration	<u>3,123,901</u>	<u>3,123,901</u>	<u>3,199,159</u>	<u>(75,258)</u>	<u>3,179,169</u>

See Auditors' Report and Notes to Required Supplementary Information

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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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
Business					
Direction of business support services					
Salaries	\$ 287,540	\$ 287,540	\$ 381,073	\$ (93,533)	\$ 281,147
Employee benefits	46,156	46,156	78,996	(32,840)	62,941
Purchased services	59,050	59,050	13,883	45,167	13,998
Supplies and materials	1,000	1,000	435	565	-
Capital outlay	500	500	563	(63)	-
Other objects	<u>4,000</u>	<u>4,000</u>	<u>2,584</u>	<u>1,416</u>	<u>2,230</u>
Total	<u>398,246</u>	<u>398,246</u>	<u>477,534</u>	<u>(79,288)</u>	<u>360,316</u>
Fiscal services					
Salaries	309,588	309,588	221,373	88,215	306,245
Employee benefits	96,681	96,681	77,980	18,701	84,578
Purchased services	179,131	179,131	56,662	122,469	91,648
Supplies and materials	6,600	6,600	5,490	1,110	6,593
Capital outlay	-	-	1,200	(1,200)	-
Other objects	<u>1,200</u>	<u>1,200</u>	<u>619</u>	<u>581</u>	<u>519</u>
Total	<u>593,200</u>	<u>593,200</u>	<u>363,324</u>	<u>229,876</u>	<u>489,583</u>
Food services					
Purchased services	484,388	484,388	405,878	78,510	369,534
Supplies and materials	1,250	1,250	19,793	(18,543)	17,208
Capital outlay	<u>31,000</u>	<u>31,000</u>	<u>-</u>	<u>31,000</u>	<u>-</u>
Total	<u>516,638</u>	<u>516,638</u>	<u>425,671</u>	<u>90,967</u>	<u>386,742</u>
Internal services					
Salaries	-	-	74	(74)	-
Purchased services	-	-	-	-	28
Supplies and materials	<u>4,386</u>	<u>4,386</u>	<u>3,619</u>	<u>767</u>	<u>4,904</u>
Total	<u>4,386</u>	<u>4,386</u>	<u>3,693</u>	<u>693</u>	<u>4,932</u>
Total business	<u>1,512,470</u>	<u>1,512,470</u>	<u>1,270,222</u>	<u>242,248</u>	<u>1,241,573</u>
Central					
Direction of central support services					
Employee benefits	<u>-</u>	<u>-</u>	<u>24,493</u>	<u>(24,493)</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>24,493</u>	<u>(24,493)</u>	<u>-</u>
Planning, research, development and evaluation services					
Purchased services	2,043	2,043	-	2,043	-
Supplies and materials	<u>11,848</u>	<u>11,848</u>	<u>2,231</u>	<u>9,617</u>	<u>1,842</u>
Total	<u>13,891</u>	<u>13,891</u>	<u>2,231</u>	<u>11,660</u>	<u>1,842</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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015				2014
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Information services					
Salaries	\$ 82,400	\$ 82,400	\$ 125,793	\$ (43,393)	\$ 80,000
Employee benefits	32,241	32,241	27,045	5,196	26,728
Purchased services	41,698	41,698	91,802	(50,104)	19,974
Supplies and materials	500	500	1,356	(856)	5,335
Capital outlay	1,000	1,000	169	831	-
Other objects	<u>1,100</u>	<u>1,100</u>	<u>551</u>	<u>549</u>	<u>499</u>
Total	<u>158,939</u>	<u>158,939</u>	<u>246,716</u>	<u>(87,777)</u>	<u>132,536</u>
Staff services					
Salaries	272,734	272,734	409,693	(136,959)	262,679
Employee benefits	80,463	80,463	48,364	32,099	89,014
Purchased services	84,991	84,991	49,448	35,543	48,456
Supplies and materials	3,400	3,400	1,719	1,681	2,459
Capital outlay	-	-	-	-	1,368
Other objects	<u>85</u>	<u>85</u>	<u>-</u>	<u>85</u>	<u>360</u>
Total	<u>441,673</u>	<u>441,673</u>	<u>509,224</u>	<u>(67,551)</u>	<u>404,336</u>
Total central	<u>614,503</u>	<u>614,503</u>	<u>782,664</u>	<u>(168,161)</u>	<u>538,714</u>
Other supporting services					
Salaries	1,380	1,380	1,623	(243)	1,638
Purchased services	75,941	75,941	-	75,941	90,744
Supplies and materials	<u>1,305</u>	<u>1,305</u>	<u>4,655</u>	<u>(3,350)</u>	<u>1,305</u>
Total	<u>78,626</u>	<u>78,626</u>	<u>6,278</u>	<u>72,348</u>	<u>93,687</u>
Total support services	<u>15,869,733</u>	<u>15,869,733</u>	<u>15,723,763</u>	<u>145,970</u>	<u>14,485,597</u>
Community services					
Salaries	6,534	6,534	4,139	2,395	12,904
Employee benefits	1,770	1,770	-	1,770	555
Purchased services	24,365	24,365	8,302	16,063	6,741
Supplies and materials	<u>3,440</u>	<u>3,440</u>	<u>5,286</u>	<u>(1,846)</u>	<u>26,242</u>
Total community services	<u>36,109</u>	<u>36,109</u>	<u>17,727</u>	<u>18,382</u>	<u>46,442</u>
Payments to other districts and governmental units					
Payments for special education programs					
Purchased services	<u>1,404,775</u>	<u>1,404,775</u>	<u>993,043</u>	<u>411,732</u>	<u>979,948</u>
Total	<u>1,404,775</u>	<u>1,404,775</u>	<u>993,043</u>	<u>411,732</u>	<u>979,948</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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015				2014 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Payments for special education programs - tuition					
Other objects	\$ 831,252	\$ 831,252	\$ 757,090	\$ 74,162	\$ 857,801
Total	<u>831,252</u>	<u>831,252</u>	<u>757,090</u>	<u>74,162</u>	<u>857,801</u>
Total payments to other districts and governmental units	<u>2,236,027</u>	<u>2,236,027</u>	<u>1,750,133</u>	<u>485,894</u>	<u>1,837,749</u>
Total expenditures	<u>69,716,935</u>	<u>67,524,573</u>	<u>73,997,197</u>	<u>(6,472,624)</u>	<u>67,423,429</u>
Net change in fund balance	<u>\$ 1,290,764</u>	<u>\$ 3,483,126</u>	4,377,115	<u>\$ 893,989</u>	4,724,600
Fund balance, beginning of year			<u>25,593,182</u>		<u>20,868,582</u>
Fund balance, end of year			<u>\$ 29,970,297</u>		<u>\$ 25,593,182</u>

NORTH SHORE SCHOOL DISTRICT 112
OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

WITH COMPARATIVE TOTAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014						
	2015					2014
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET		ACTUAL
Revenues						
Local sources						
General levy	\$ 6,830,763	\$ 6,830,763	\$ 6,825,763	\$ (5,000)	\$	6,700,276
Corporate personal property replacement taxes	25,000	25,000	72,767	47,767		67,663
Investment income	9,893	9,893	43,245	33,352		33,646
Rentals	52,687	52,687	67,965	15,278		53,316
Contributions and donations from private sources	-	-	1,407	1,407		-
Impact fees from municipal or county governments	5,000	5,000	34,106	29,106		68,650
Other	<u>187,436</u>	<u>187,436</u>	<u>121,368</u>	<u>(66,068)</u>		<u>185,636</u>
Total local sources	<u>7,110,779</u>	<u>7,110,779</u>	<u>7,166,621</u>	<u>55,842</u>		<u>7,109,187</u>
Total revenues	<u>7,110,779</u>	<u>7,110,779</u>	<u>7,166,621</u>	<u>55,842</u>		<u>7,109,187</u>
Expenditures						
Support services						
Business						
Facilities acquisition and construction service						
Purchased services	243,258	243,258	-	243,258		-
Capital outlay	<u>-</u>	<u>-</u>	<u>212,216</u>	<u>(212,216)</u>		<u>-</u>
Total	<u>243,258</u>	<u>243,258</u>	<u>212,216</u>	<u>31,042</u>		<u>-</u>
Operation and maintenance of plant services						
Salaries	1,232,229	1,232,229	1,112,219	120,010		1,133,962
Employee benefits	226,764	226,764	165,380	61,384		188,931
Purchased services	3,496,013	3,496,013	3,712,915	(216,902)		2,961,198
Supplies and materials	1,207,885	1,207,885	1,214,719	(6,834)		1,230,649
Capital outlay	<u>1,813,000</u>	<u>1,813,000</u>	<u>1,292,402</u>	<u>520,598</u>		<u>1,299,254</u>
Total	<u>7,975,891</u>	<u>7,975,891</u>	<u>7,497,635</u>	<u>478,256</u>		<u>6,813,994</u>
Total business	<u>8,219,149</u>	<u>8,219,149</u>	<u>7,709,851</u>	<u>509,298</u>		<u>6,813,994</u>
Total support services	<u>8,219,149</u>	<u>8,219,149</u>	<u>7,709,851</u>	<u>509,298</u>		<u>6,813,994</u>
Total expenditures	<u>8,219,149</u>	<u>8,219,149</u>	<u>7,709,851</u>	<u>509,298</u>		<u>6,813,994</u>
Excess (deficiency) of revenues over expenditures	<u>(1,108,370)</u>	<u>(1,108,370)</u>	<u>(543,230)</u>	<u>565,140</u>		<u>295,193</u>

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, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015					2014 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET		
Other financing sources (uses)						
Transfer to debt service fund to pay principal on debt certificates	\$ -	\$ -	\$ (1,535,000)	\$ (1,535,000)	\$	(35,000)
Transfer to debt service fund to pay interest on debt certificates	-	-	(569)	(569)		(2,845)
Other uses not classified elsewhere	<u>-</u>	<u>(1,500,000)</u>	<u>-</u>	<u>1,500,000</u>		<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,500,000)</u>	<u>(1,535,569)</u>	<u>(35,569)</u>		<u>(37,845)</u>
Net change in fund balance	<u>\$ (1,108,370)</u>	<u>\$ (2,608,370)</u>	(2,078,799)	<u>\$ 529,571</u>		257,348
Fund balance, beginning of year			<u>4,328,969</u>			<u>4,071,621</u>
Fund balance, end of year			<u>\$ 2,250,170</u>			<u>\$ 4,328,969</u>

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112

TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015					2014
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET		ACTUAL
Revenues						
Local sources						
General levy	\$ 1,939,599	\$ 1,939,599	\$ 1,938,179	\$ (1,420)	\$	1,901,729
Corporate personal property replacement taxes	100,000	100,000	116,428	16,428		108,259
Regular transportation fees from pupils or parents (in state)	50,000	50,000	-	(50,000)		110
Investment income	<u>1,508</u>	<u>1,508</u>	<u>7,143</u>	<u>5,635</u>		<u>5,489</u>
Total local sources	<u>2,091,107</u>	<u>2,091,107</u>	<u>2,061,750</u>	<u>(29,357)</u>		<u>2,015,587</u>
State sources						
Transportation - regular/vocational	26,048	26,048	26,938	890		29,350
Transportation - special education	<u>687,285</u>	<u>687,285</u>	<u>1,032,906</u>	<u>345,621</u>		<u>1,017,928</u>
Total state sources	<u>713,333</u>	<u>713,333</u>	<u>1,059,844</u>	<u>346,511</u>		<u>1,047,278</u>
Total revenues	<u>2,804,440</u>	<u>2,804,440</u>	<u>3,121,594</u>	<u>317,154</u>		<u>3,062,865</u>
Expenditures						
Support Services						
Business						
Pupil transportation services						
Salaries	72,474	72,474	73,543	(1,069)		70,374
Employee benefits	17,768	17,768	43,216	(25,448)		16,391
Purchased services	2,812,305	2,812,305	2,421,656	390,649		2,352,848
Supplies and materials	<u>15,972</u>	<u>15,972</u>	<u>4,181</u>	<u>11,791</u>		<u>893</u>
Total	<u>2,918,519</u>	<u>2,918,519</u>	<u>2,542,596</u>	<u>375,923</u>		<u>2,440,506</u>
Total business	<u>2,918,519</u>	<u>2,918,519</u>	<u>2,542,596</u>	<u>375,923</u>		<u>2,440,506</u>
Total support services	<u>2,918,519</u>	<u>2,918,519</u>	<u>2,542,596</u>	<u>375,923</u>		<u>2,440,506</u>
Total expenditures	<u>2,918,519</u>	<u>2,918,519</u>	<u>2,542,596</u>	<u>375,923</u>		<u>2,440,506</u>
Net change in fund balance	<u>\$ (114,079)</u>	<u>\$ (114,079)</u>	578,998	<u>\$ 693,077</u>		622,359
Fund balance, beginning of year			<u>1,460,724</u>			<u>838,365</u>
Fund balance, end of year			<u>\$ 2,039,722</u>			<u>\$ 1,460,724</u>

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015				2014
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues					
Local sources					
General levy	\$ 801,139	\$ 801,139	\$ 800,553	\$ (586)	\$ 773,959
Social security/medicare only levy	801,139	801,139	800,553	(586)	773,959
Corporate personal property replacement taxes	400,000	400,000	538,483	138,483	500,697
Investment income	<u>3,334</u>	<u>3,334</u>	<u>10,780</u>	<u>7,446</u>	<u>8,289</u>
Total local sources	<u>2,005,612</u>	<u>2,005,612</u>	<u>2,150,369</u>	<u>144,757</u>	<u>2,056,904</u>
Total revenues	<u>2,005,612</u>	<u>2,005,612</u>	<u>2,150,369</u>	<u>144,757</u>	<u>2,056,904</u>
Expenditures					
Instruction					
Regular programs	371,070	371,070	311,395	59,675	308,742
Special education programs	401,992	401,992	339,262	62,730	380,694
Special education programs Pre-K	8,675	8,675	7,754	921	8,541
Remedial and supplemental programs K - 12	10,170	10,170	8,577	1,593	8,502
Remedial and supplemental programs Pre - K	27,567	27,567	5,039	22,528	26,816
Summer school programs	4,109	4,109	5,712	(1,603)	4,342
Gifted programs	10,084	10,084	9,978	106	9,821
Bilingual programs	<u>106,095</u>	<u>106,095</u>	<u>123,612</u>	<u>(17,517)</u>	<u>104,041</u>
Total instruction	<u>939,762</u>	<u>939,762</u>	<u>811,329</u>	<u>128,433</u>	<u>851,499</u>
Support services					
Pupils					
Attendance and social work services	-	-	-	-	344
Guidance services	14,897	14,897	15,365	(468)	14,103
Health services	89,838	89,838	83,284	6,554	86,276
Psychological services	9,794	9,794	8,965	829	8,711
Speech pathology and audiology services	15,578	15,578	17,189	(1,611)	14,055
Other support services - pupils	<u>-</u>	<u>-</u>	<u>10,047</u>	<u>(10,047)</u>	<u>-</u>
Total pupils	<u>130,107</u>	<u>130,107</u>	<u>134,850</u>	<u>(4,743)</u>	<u>123,489</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

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, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015					2014
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET		ACTUAL
Instructional staff						
Improvement of instructional staff	\$ 26,015	\$ 26,015	\$ 25,909	\$ 106	\$	23,020
Educational media services	<u>78,178</u>	<u>78,178</u>	<u>80,159</u>	<u>(1,981)</u>		<u>75,854</u>
Total instructional staff	<u>104,193</u>	<u>104,193</u>	<u>106,068</u>	<u>(1,875)</u>		<u>98,874</u>
General administration						
Board of education services	9,858	9,858	9,431	427		9,566
Executive administration services	<u>13,412</u>	<u>13,412</u>	<u>14,540</u>	<u>(1,128)</u>		<u>18,052</u>
Total general administration	<u>23,270</u>	<u>23,270</u>	<u>23,971</u>	<u>(701)</u>		<u>27,618</u>
School administration						
Office of the principal services	<u>149,514</u>	<u>149,514</u>	<u>147,363</u>	<u>2,151</u>		<u>150,166</u>
Total school administration	<u>149,514</u>	<u>149,514</u>	<u>147,363</u>	<u>2,151</u>		<u>150,166</u>
Business						
Direction of business support services	51,143	51,143	70,122	(18,979)		60,775
Fiscal services	60,859	60,859	43,955	16,904		62,419
Operations and maintenance of plant services	215,710	215,710	214,672	1,038		227,606
Pupil transportation services	14,577	14,577	15,543	(966)		15,304
Internal services	<u>-</u>	<u>-</u>	<u>6</u>	<u>(6)</u>		<u>-</u>
Total business	<u>342,289</u>	<u>342,289</u>	<u>344,298</u>	<u>(2,009)</u>		<u>366,104</u>
Central						
Information services	16,540	16,540	25,675	(9,135)		16,780
Staff services	<u>51,672</u>	<u>51,672</u>	<u>26,454</u>	<u>25,218</u>		<u>57,993</u>
Total central	<u>68,212</u>	<u>68,212</u>	<u>52,129</u>	<u>16,083</u>		<u>74,773</u>
Other supporting services						
	<u>279</u>	<u>279</u>	<u>323</u>	<u>(44)</u>		<u>327</u>
Total support services	<u>817,864</u>	<u>817,864</u>	<u>809,002</u>	<u>8,862</u>		<u>841,351</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

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, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015				2014 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Community services	\$ -	\$ -	\$ 809	\$ (809)	\$ 1,205
Total expenditures	<u>1,757,626</u>	<u>1,757,626</u>	<u>1,621,140</u>	<u>136,486</u>	<u>1,694,055</u>
Net change in fund balance	<u>\$ 247,986</u>	<u>\$ 247,986</u>	529,229	<u>\$ 281,243</u>	362,849
Fund balance, beginning of year			<u>1,950,980</u>		<u>1,588,131</u>
Fund balance, end of year			<u>\$ 2,480,209</u>		<u>\$ 1,950,980</u>

NORTH SHORE SCHOOL DISTRICT 112
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

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 Board of Education amended the budget on May 15, 2015.

Excess of Expenditures over Budget

For the year ended June 30, 2015, expenditures exceeded budget in the Educational Accounts of the General Fund and the Tort Immunity and Judgment Accounts of the General Fund by \$6,027,282 and \$445,342, respectively. The excess in the Educational Accounts will be funded by available fund balance. The excess in the Tort Immunity and Judgment Accounts will be funded by future revenue sources.

This excess was funded by available fund balance.

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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015				2014
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues					
Local sources					
General levy	\$ -	\$ -	\$ -	\$ -	\$ 1,813,276
Investment income	<u>6,827</u>	<u>6,827</u>	<u>13,557</u>	<u>6,730</u>	<u>10,432</u>
Total local sources	<u>6,827</u>	<u>6,827</u>	<u>13,557</u>	<u>6,730</u>	<u>1,823,708</u>
Total revenues	<u>6,827</u>	<u>6,827</u>	<u>13,557</u>	<u>6,730</u>	<u>1,823,708</u>
Expenditures					
Debt services					
Interest on short term debt					
State aid anticipation certificates	<u>198,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>198,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Payments on long term debt					
Interest on long term debt	1,240,000	5,035,030	101,269	4,933,761	388,212
Principal payments on long term debt	<u>252,028</u>	<u>-</u>	<u>4,975,000</u>	<u>(4,975,000)</u>	<u>3,076,748</u>
Total	<u>1,492,028</u>	<u>5,035,030</u>	<u>5,076,269</u>	<u>(41,239)</u>	<u>3,464,960</u>
Other debt service					
Purchased services	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt services	<u>1,693,266</u>	<u>5,035,030</u>	<u>5,076,269</u>	<u>(41,239)</u>	<u>3,464,960</u>
Total expenditures	<u>1,693,266</u>	<u>5,035,030</u>	<u>5,076,269</u>	<u>(41,239)</u>	<u>3,464,960</u>
Excess (deficiency) of revenues over expenditures	<u>(1,686,439)</u>	<u>(5,028,203)</u>	<u>(5,062,712)</u>	<u>(34,509)</u>	<u>(1,641,252)</u>

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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015					2014
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET		ACTUAL
Other financing sources (uses)						
Permanent transfer of excess accumulated fire prevention & life safety bond proceeds and interest earnings	\$ 1,402,600	\$ 2,900,000	\$ 2,900,000	\$ -	\$ -	
Transfer to debt service to pay principal on debt certificates	-	-	1,535,000	1,535,000		35,000
Transfer to debt service to pay interest on debt certificates	115,000	-	569	569		2,845
Other sources not classified elsewhere	<u>-</u>	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>		<u>-</u>
Total other financing sources (uses)	<u>1,517,600</u>	<u>4,400,000</u>	<u>4,435,569</u>	<u>35,569</u>		<u>37,845</u>
Net change in fund balance	<u>\$ (168,839)</u>	<u>\$ (628,203)</u>	(627,143)	<u>\$ 1,060</u>		(1,603,407)
Fund balance, beginning of year			<u>653,538</u>			<u>2,256,945</u>
Fund balance, end of year			<u>\$ 26,395</u>			<u>\$ 653,538</u>

NORTH SHORE SCHOOL DISTRICT 112**FIRE PREVENTION AND LIFE SAFETY FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015				2014
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues					
Local sources					
General levy	\$ 1,433,617	\$ 1,433,617	\$ 1,432,568	\$ (1,049)	\$ 1,393,127
Investment income	<u>1,156</u>	<u>1,156</u>	<u>926</u>	<u>(230)</u>	<u>623</u>
Total local sources	<u>1,434,773</u>	<u>1,434,773</u>	<u>1,433,494</u>	<u>(1,279)</u>	<u>1,393,750</u>
Total revenues	<u>1,434,773</u>	<u>1,434,773</u>	<u>1,433,494</u>	<u>(1,279)</u>	<u>1,393,750</u>
Expenditures					
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,434,773</u>	<u>1,434,773</u>	<u>1,433,494</u>	<u>(1,279)</u>	<u>1,393,750</u>
Other financing sources (uses)					
Permanent transfer of excess accumulated fire prevention & safety bond proceeds and interest earnings	<u>(1,402,600)</u>	<u>(2,900,000)</u>	<u>(2,900,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,402,600)</u>	<u>(2,900,000)</u>	<u>(2,900,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 32,173</u>	<u>\$ (1,465,227)</u>	<u>(1,466,506)</u>	<u>\$ (1,279)</u>	<u>1,393,750</u>
Fund balance, beginning of year			<u>1,548,144</u>		<u>154,394</u>
Fund balance, end of year			<u>\$ 81,638</u>		<u>\$ 1,548,144</u>

NORTH SHORE SCHOOL DISTRICT 112

GENERAL FUND

COMBINING BALANCE SHEET

AS OF JUNE 30, 2015

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	ELIMINATIONS
Assets				
Cash and investments	\$ 49,443,321	\$ -	\$ 12,838,067	\$ (185,095)
Receivables (net allowance for uncollectibles):				
Property taxes	26,596,413	-	28,988	-
Intergovernmental	631,625	-	-	-
Prepaid items	16,897	-	-	-
Total assets	<u>\$ 76,688,256</u>	<u>\$ -</u>	<u>\$ 12,867,055</u>	<u>\$ (185,095)</u>
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Cash deficit	\$ -	\$ 185,095	\$ -	\$ (185,095)
Accounts payable	849,984	-	-	-
Salaries and wages payable	4,225,803	-	-	-
Unearned student fees	196,862	-	-	-
Health claims payable	549,106	-	-	-
Total liabilities	<u>5,821,755</u>	<u>185,095</u>	<u>-</u>	<u>(185,095)</u>
Deferred inflows of resources				
Property taxes levied for a future period	<u>53,519,832</u>	<u>-</u>	<u>58,332</u>	<u>-</u>
Total deferred inflows of resources	<u>53,519,832</u>	<u>-</u>	<u>58,332</u>	<u>-</u>
Fund balance				
Nonspendable	16,897	-	-	-
Unassigned	<u>17,329,772</u>	<u>(185,095)</u>	<u>12,808,723</u>	<u>-</u>
Total fund balance (deficit)	<u>17,346,669</u>	<u>(185,095)</u>	<u>12,808,723</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 76,688,256</u>	<u>\$ -</u>	<u>\$ 12,867,055</u>	<u>\$ (185,095)</u>

_____ TOTAL _____

\$ 62,096,293

26,625,401

631,625

16,897

\$ 89,370,216

\$ -

849,984

4,225,803

196,862

549,106

5,821,755

53,578,164

53,578,164

16,897

29,953,400

29,970,297

\$ 89,370,216

NORTH SHORE SCHOOL DISTRICT 112

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2015

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Revenues				
Property taxes	\$ 52,815,394	\$ 105,336	\$ 84,268	\$ 53,004,998
State aid	21,933,296	-	-	21,933,296
Federal aid	2,011,704	-	-	2,011,704
Investment income	140,802	3,831	44,855	189,488
Other	<u>1,234,826</u>	<u>-</u>	<u>-</u>	<u>1,234,826</u>
Total revenues	<u>78,136,022</u>	<u>109,167</u>	<u>129,123</u>	<u>78,374,312</u>
Expenditures				
Current:				
Instruction:				
Regular programs	23,135,601	-	-	23,135,601
Special programs	9,637,227	-	-	9,637,227
Other instructional programs	5,534,412	-	-	5,534,412
State retirement contributions	18,144,483	-	-	18,144,483
Support Services:				
Pupils	4,942,940	-	-	4,942,940
Instructional staff	3,730,301	-	-	3,730,301
General administration	1,032,179	500,262	-	1,532,441
School administration	3,199,159	-	-	3,199,159
Business	1,268,459	-	-	1,268,459
Central	782,495	-	-	782,495
Other supporting services	6,278	-	-	6,278
Community services	17,727	-	-	17,727
Payments to other districts and gov't units	1,750,133	-	-	1,750,133
Capital outlay	<u>315,541</u>	<u>-</u>	<u>-</u>	<u>315,541</u>
Total expenditures	<u>73,496,935</u>	<u>500,262</u>	<u>-</u>	<u>73,997,197</u>
Excess (deficiency) of revenues over expenditures	<u>4,639,087</u>	<u>(391,095)</u>	<u>129,123</u>	<u>4,377,115</u>
Net change in fund balance	4,639,087	(391,095)	129,123	4,377,115
Fund balance, beginning of year	<u>12,707,582</u>	<u>206,000</u>	<u>12,679,600</u>	<u>25,593,182</u>
Fund balance (deficit), end of year	<u>\$ 17,346,669</u>	<u>\$ (185,095)</u>	<u>\$ 12,808,723</u>	<u>\$ 29,970,297</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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015					2014
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET		ACTUAL
Revenues						
Local sources						
General levy	\$ 52,305,932	\$ 52,305,932	\$ 52,267,647	\$ (38,285)	\$	51,368,785
Special education levy	548,148	548,148	547,747	(401)		508,602
Summer school - tuition from pupils or parents (in state)	-	-	560	560		15,697
Investment income	49,122	49,122	140,802	91,680		97,930
Sales to pupils - lunch	30,000	30,000	32,969	2,969		33,947
Contributions and donations from private sources	75,020	75,020	-	(75,020)		31,603
Refund of prior years' expenditures	5,000	5,000	-	(5,000)		-
Other local fees	682,500	682,500	585,082	(97,418)		703,171
Other	<u>1,711,436</u>	<u>1,711,436</u>	<u>616,215</u>	<u>(1,095,221)</u>		<u>313,657</u>
Total local sources	<u>55,407,158</u>	<u>55,407,158</u>	<u>54,191,022</u>	<u>(1,216,136)</u>		<u>53,073,392</u>
State sources						
General state aid	1,182,300	1,182,300	1,186,814	4,514		1,192,276
Special education - private facility tuition	291,244	291,244	204,187	(87,057)		207,412
Special education - extraordinary	601,832	601,832	497,670	(104,162)		527,880
Special education - personnel	1,200,635	1,200,635	1,274,736	74,101		1,202,045
Special education - orphanage - individual	-	-	6,938	6,938		-
Special education - summer school	7,354	7,354	3,852	(3,502)		4,607
Bilingual education - downstate - TPI	313,535	313,535	186,730	(126,805)		203,362
State free lunch & breakfast	8,566	8,566	4,788	(3,778)		7,889
Early childhood - block grant	427,927	427,927	419,988	(7,939)		427,927
Reading improvement block grant	3,000	3,000	-	(3,000)		-
Technology - learning technology centers	-	-	3,110	3,110		-
On behalf payment to TRS from the state	<u>9,450,000</u>	<u>9,450,000</u>	<u>18,144,483</u>	<u>8,694,483</u>		<u>12,958,399</u>
Total state sources	<u>13,486,393</u>	<u>13,486,393</u>	<u>21,933,296</u>	<u>8,446,903</u>		<u>16,731,797</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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015					2014
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET		ACTUAL
Federal sources						
Federal impact aid	\$ 200,000	\$ 200,000	\$ 307,415	\$ 107,415	\$	306,327
National school lunch program	126,218	126,218	254,300	128,082		241,994
Special milk program	17,936	17,936	25,993	8,057		26,434
School breakfast program	30,515	30,515	65,339	34,824		90,576
Fresh fruits & vegetables	24,733	24,733	-	(24,733)		-
Title I - Low income	439,395	439,395	104,623	(334,772)		222,340
Federal - special education - preschool flow-through	24,792	24,792	24,093	(699)		25,681
Federal - special education - IDEA - flow-through/low incident	633,294	633,294	633,490	196		626,235
Federal - special education - IDEA - room & board	59,235	59,235	204,911	145,676		140,492
Title III - English language acquisition	98,250	98,250	26,056	(72,194)		76,038
Title II - Teacher quality	122,141	122,141	20,885	(101,256)		73,232
Medicaid matching funds - administrative outreach	68,915	68,915	64,533	(4,382)		60,268
Medicaid matching funds - fee-for-service program	60,543	60,543	263,249	202,706		164,835
Other restricted revenue from federal sources	-	-	16,817	16,817		18,076
Total federal sources	<u>1,905,967</u>	<u>1,905,967</u>	<u>2,011,704</u>	<u>105,737</u>		<u>2,072,528</u>
Total revenues	<u>70,799,518</u>	<u>70,799,518</u>	<u>78,136,022</u>	<u>7,336,504</u>		<u>71,877,717</u>
Expenditures						
Instruction						
Regular programs						
Salaries	20,801,010	20,001,010	20,141,919	(140,909)		19,467,068
Employee benefits	3,212,079	2,019,717	1,958,213	61,504		1,786,365
On-behalf payments to TRS from the state	9,450,000	9,450,000	18,144,483	(8,694,483)		12,958,399
Purchased services	398,895	398,895	458,471	(59,576)		414,709
Supplies and materials	829,283	829,283	576,998	252,285		733,898
Capital outlay	42,345	42,345	23,399	18,946		18,728
Total	<u>34,733,612</u>	<u>32,741,250</u>	<u>41,303,483</u>	<u>(8,562,233)</u>		<u>35,379,167</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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015				2014 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Special education programs					
Salaries	\$ 6,935,777	\$ 6,735,777	\$ 5,986,165	\$ 749,612	\$ 6,590,796
Employee benefits	1,824,255	1,824,255	1,333,708	490,547	1,545,154
Purchased services	134,317	134,317	199,853	(65,536)	84,646
Supplies and materials	202,458	202,458	108,591	93,867	182,821
Capital outlay	37,050	37,050	30,452	6,598	78,978
Other objects	<u>1,100</u>	<u>1,100</u>	<u>245</u>	<u>855</u>	<u>-</u>
Total	<u>9,134,957</u>	<u>8,934,957</u>	<u>7,659,014</u>	<u>1,275,943</u>	<u>8,482,395</u>
Special education programs Pre-K					
Salaries	327,864	327,864	265,422	62,442	326,235
Employee benefits	70,829	70,829	51,398	19,431	57,556
Purchased services	300	300	14	286	251
Supplies and materials	<u>11,200</u>	<u>11,200</u>	<u>11,744</u>	<u>(544)</u>	<u>11,142</u>
Total	<u>410,193</u>	<u>410,193</u>	<u>328,578</u>	<u>81,615</u>	<u>395,184</u>
Remedial and supplemental programs K - 12					
Salaries	725,524	725,524	621,652	103,872	607,282
Employee benefits	<u>107,252</u>	<u>107,252</u>	<u>79,597</u>	<u>27,655</u>	<u>109,149</u>
Total	<u>832,776</u>	<u>832,776</u>	<u>701,249</u>	<u>131,527</u>	<u>716,431</u>
Remedial and supplemental programs Pre - K					
Salaries	410,568	410,568	99,343	311,225	402,765
Employee benefits	102,032	102,032	72,715	29,317	82,780
Purchased services	7,142	7,142	4,756	2,386	3,320
Capital outlay	<u>840</u>	<u>840</u>	<u>-</u>	<u>840</u>	<u>-</u>
Total	<u>520,582</u>	<u>520,582</u>	<u>176,814</u>	<u>343,768</u>	<u>488,865</u>
Summer school programs					
Salaries	124,076	124,076	116,252	7,824	92,106
Employee benefits	852	852	1,219	(367)	10,884
Purchased services	11,980	11,980	-	11,980	-
Supplies and materials	<u>5,000</u>	<u>5,000</u>	<u>838</u>	<u>4,162</u>	<u>1,146</u>
Total	<u>141,908</u>	<u>141,908</u>	<u>118,309</u>	<u>23,599</u>	<u>104,136</u>
Gifted programs					
Salaries	776,156	776,156	721,635	54,521	754,580
Employee benefits	<u>136,673</u>	<u>136,673</u>	<u>83,907</u>	<u>52,766</u>	<u>114,727</u>
Total	<u>912,829</u>	<u>912,829</u>	<u>805,542</u>	<u>107,287</u>	<u>869,307</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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015				2014 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Bilingual programs					
Salaries	\$ 3,506,606	\$ 3,506,606	\$ 3,930,508	\$ (423,902)	\$ 3,373,477
Employee benefits	625,585	625,585	473,728	151,857	515,779
Purchased services	22,500	22,500	11,882	10,618	18,902
Supplies and materials	<u>32,374</u>	<u>32,374</u>	<u>17,629</u>	<u>14,745</u>	<u>4,695</u>
Total	<u>4,187,065</u>	<u>4,187,065</u>	<u>4,433,747</u>	<u>(246,682)</u>	<u>3,912,853</u>
Special education programs K -12 - private tuition					
Other objects	<u>701,144</u>	<u>701,144</u>	<u>978,838</u>	<u>(277,694)</u>	<u>705,303</u>
Total	<u>701,144</u>	<u>701,144</u>	<u>978,838</u>	<u>(277,694)</u>	<u>705,303</u>
Total instruction	<u>51,575,066</u>	<u>49,382,704</u>	<u>56,505,574</u>	<u>(7,122,870)</u>	<u>51,053,641</u>
Support services					
Pupils					
Attendance and social work services					
Salaries	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500</u>
Guidance services					
Salaries	1,125,618	1,125,618	1,127,406	(1,788)	1,048,137
Employee benefits	<u>217,907</u>	<u>217,907</u>	<u>166,923</u>	<u>50,984</u>	<u>169,694</u>
Total	<u>1,343,525</u>	<u>1,343,525</u>	<u>1,294,329</u>	<u>49,196</u>	<u>1,217,831</u>
Health services					
Salaries	595,883	595,883	502,155	93,728	498,131
Employee benefits	161,436	161,436	118,605	42,831	130,383
Purchased services	30,565	30,565	21,100	9,465	51,639
Supplies and materials	20,025	20,025	10,237	9,788	5,625
Capital outlay	<u>1,211</u>	<u>1,211</u>	<u>-</u>	<u>1,211</u>	<u>2,421</u>
Total	<u>809,120</u>	<u>809,120</u>	<u>652,097</u>	<u>157,023</u>	<u>688,199</u>
Psychological services					
Salaries	648,624	648,624	588,632	59,992	571,520
Employee benefits	169,338	169,338	123,862	45,476	100,184
Purchased services	9,675	9,675	19,775	(10,100)	6,605
Supplies and materials	<u>14,100</u>	<u>14,100</u>	<u>8,860</u>	<u>5,240</u>	<u>10,640</u>
Total	<u>841,737</u>	<u>841,737</u>	<u>741,129</u>	<u>100,608</u>	<u>688,949</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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015				2014 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Speech pathology and audiology services					
Salaries	\$ 1,189,636	\$ 1,189,636	\$ 1,219,631	\$ (29,995)	\$ 1,008,389
Employee benefits	225,796	225,796	169,223	56,573	181,083
Purchased services	122,191	122,191	138,317	(16,126)	143,052
Supplies and materials	5,050	5,050	7,806	(2,756)	2,943
Capital outlay	<u>2,500</u>	<u>2,500</u>	<u>25,307</u>	<u>(22,807)</u>	<u>1,718</u>
Total	<u>1,545,173</u>	<u>1,545,173</u>	<u>1,560,284</u>	<u>(15,111)</u>	<u>1,337,185</u>
Other support services - pupils					
Salaries	-	-	613,040	(613,040)	-
Employee benefits	-	-	102,341	(102,341)	-
Supplies and materials	<u>9,000</u>	<u>9,000</u>	<u>5,027</u>	<u>3,973</u>	<u>2,340</u>
Total	<u>9,000</u>	<u>9,000</u>	<u>720,408</u>	<u>(711,408)</u>	<u>2,340</u>
Total pupils	<u>4,548,555</u>	<u>4,548,555</u>	<u>4,968,247</u>	<u>(419,692)</u>	<u>3,939,004</u>
Instructional staff					
Improvement of instructional services					
Salaries	574,879	574,879	563,143	11,736	509,667
Employee benefits	77,068	77,068	200,498	(123,430)	103,399
Purchased services	288,554	288,554	252,976	35,578	297,831
Supplies and materials	352,945	352,945	387,795	(34,850)	609,295
Capital outlay	-	-	4,852	(4,852)	187
Other objects	<u>10,000</u>	<u>10,000</u>	<u>7,398</u>	<u>2,602</u>	<u>5,795</u>
Total	<u>1,303,446</u>	<u>1,303,446</u>	<u>1,416,662</u>	<u>(113,216)</u>	<u>1,526,174</u>
Educational media services					
Salaries	1,344,165	1,344,165	1,255,383	88,782	1,196,756
Employee benefits	246,011	246,011	189,626	56,385	203,454
Purchased services	626,392	626,392	460,892	165,500	389,132
Supplies and materials	327,600	327,600	412,590	(84,990)	374,952
Capital outlay	534,760	534,760	229,436	305,324	214,228
Other objects	<u>1,600</u>	<u>1,600</u>	<u>-</u>	<u>1,600</u>	<u>-</u>
Total	<u>3,080,528</u>	<u>3,080,528</u>	<u>2,547,927</u>	<u>532,601</u>	<u>2,378,522</u>
Total instructional staff	<u>4,383,974</u>	<u>4,383,974</u>	<u>3,964,589</u>	<u>419,385</u>	<u>3,904,696</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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015					2014 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET		
General administration						
Board of education services						
Salaries	\$ 48,701	\$ 48,701	\$ 48,000	\$ 701	\$ 47,282	
Employee benefits	-	-	52,290	(52,290)	-	
Purchased services	390,062	390,062	482,767	(92,705)	354,778	
Supplies and materials	5,300	5,300	8,859	(3,559)	4,459	
Capital outlay	-	-	-	-	2,050	
Other objects	<u>15,000</u>	<u>15,000</u>	<u>21,935</u>	<u>(6,935)</u>	<u>19,470</u>	
Total	<u>459,063</u>	<u>459,063</u>	<u>613,851</u>	<u>(154,788)</u>	<u>428,039</u>	
Executive administration services						
Salaries	284,671	284,671	292,903	(8,232)	335,484	
Employee benefits	99,281	99,281	102,183	(2,902)	123,309	
Purchased services	14,400	14,400	12,807	1,593	5,668	
Supplies and materials	1,500	1,500	4,825	(3,325)	1,040	
Capital outlay	800	800	163	637	-	
Other objects	<u>4,050</u>	<u>4,050</u>	<u>1,267</u>	<u>2,783</u>	<u>1,012</u>	
Total	<u>404,702</u>	<u>404,702</u>	<u>414,148</u>	<u>(9,446)</u>	<u>466,513</u>	
Tort immunity services						
Purchased services	<u>689,019</u>	<u>689,019</u>	<u>4,343</u>	<u>684,676</u>	<u>183,048</u>	
Total	<u>689,019</u>	<u>689,019</u>	<u>4,343</u>	<u>684,676</u>	<u>183,048</u>	
Total general administration	<u>1,552,784</u>	<u>1,552,784</u>	<u>1,032,342</u>	<u>520,442</u>	<u>1,077,600</u>	
School administration						
Office of the principal services						
Salaries	2,528,473	2,528,473	2,516,144	12,329	2,459,638	
Employee benefits	575,028	575,028	672,831	(97,803)	714,436	
Purchased services	<u>14,400</u>	<u>14,400</u>	<u>10,184</u>	<u>4,216</u>	<u>5,095</u>	
Total	<u>3,117,901</u>	<u>3,117,901</u>	<u>3,199,159</u>	<u>(81,258)</u>	<u>3,179,169</u>	
Other support services - school administration						
Employee benefits	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	
Total	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	
Total school administration	<u>3,123,901</u>	<u>3,123,901</u>	<u>3,199,159</u>	<u>(75,258)</u>	<u>3,179,169</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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015					2014
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET		ACTUAL
Business						
Direction of business support services						
Salaries	\$ 287,540	\$ 287,540	\$ 381,073	\$ (93,533)	\$	281,147
Employee benefits	46,156	46,156	78,996	(32,840)		62,941
Purchased services	59,050	59,050	13,883	45,167		13,998
Supplies and materials	1,000	1,000	435	565		-
Capital outlay	500	500	563	(63)		-
Other objects	4,000	4,000	2,584	1,416		2,230
Total	398,246	398,246	477,534	(79,288)		360,316
Fiscal services						
Salaries	309,588	309,588	221,373	88,215		306,245
Employee benefits	96,681	96,681	77,980	18,701		84,578
Purchased services	179,131	179,131	56,662	122,469		91,648
Supplies and materials	6,600	6,600	5,490	1,110		6,593
Capital outlay	-	-	1,200	(1,200)		-
Other objects	1,200	1,200	619	581		519
Total	593,200	593,200	363,324	229,876		489,583
Food services						
Purchased services	484,388	484,388	405,878	78,510		369,534
Supplies and materials	1,250	1,250	19,793	(18,543)		17,208
Capital outlay	31,000	31,000	-	31,000		-
Total	516,638	516,638	425,671	90,967		386,742
Internal services						
Salaries	-	-	74	(74)		-
Purchased services	-	-	-	-		28
Supplies and materials	4,386	4,386	3,619	767		4,904
Total	4,386	4,386	3,693	693		4,932
Total business	1,512,470	1,512,470	1,270,222	242,248		1,241,573
Central						
Employee benefits	-	-	24,493	(24,493)		-
Total	-	-	24,493	(24,493)		-
Planning, research, development and evaluation services						
Purchased services	2,043	2,043	-	2,043		-
Supplies and materials	11,848	11,848	2,231	9,617		1,842
Total	13,891	13,891	2,231	11,660		1,842

(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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015					2014
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET		ACTUAL
Information services						
Salaries	\$ 82,400	\$ 82,400	\$ 125,793	\$ (43,393)	\$	80,000
Employee benefits	32,241	32,241	27,045	5,196		26,728
Purchased services	41,698	41,698	91,802	(50,104)		19,974
Supplies and materials	500	500	1,356	(856)		5,335
Capital outlay	1,000	1,000	169	831		-
Other objects	<u>1,100</u>	<u>1,100</u>	<u>551</u>	<u>549</u>		<u>499</u>
Total	<u>158,939</u>	<u>158,939</u>	<u>246,716</u>	<u>(87,777)</u>		<u>132,536</u>
Staff services						
Salaries	272,734	272,734	409,693	(136,959)		262,679
Employee benefits	80,463	80,463	48,364	32,099		89,014
Purchased services	84,991	84,991	49,448	35,543		48,456
Supplies and materials	3,400	3,400	1,719	1,681		2,459
Capital outlay	-	-	-	-		1,368
Other objects	<u>85</u>	<u>85</u>	<u>-</u>	<u>85</u>		<u>360</u>
Total	<u>441,673</u>	<u>441,673</u>	<u>509,224</u>	<u>(67,551)</u>		<u>404,336</u>
Total central	<u>614,503</u>	<u>614,503</u>	<u>782,664</u>	<u>(168,161)</u>		<u>538,714</u>
Other supporting services						
Salaries	1,380	1,380	1,623	(243)		1,638
Purchased services	75,941	75,941	-	75,941		90,744
Supplies and materials	<u>1,305</u>	<u>1,305</u>	<u>4,655</u>	<u>(3,350)</u>		<u>1,305</u>
Total	<u>78,626</u>	<u>78,626</u>	<u>6,278</u>	<u>72,348</u>		<u>93,687</u>
Total support services	<u>15,814,813</u>	<u>15,814,813</u>	<u>15,223,501</u>	<u>591,312</u>		<u>13,974,443</u>
Community services						
Salaries	6,534	6,534	4,139	2,395		12,904
Employee benefits	1,770	1,770	-	1,770		555
Purchased services	24,365	24,365	8,302	16,063		6,741
Supplies and materials	<u>3,440</u>	<u>3,440</u>	<u>5,286</u>	<u>(1,846)</u>		<u>26,242</u>
Total community services	<u>36,109</u>	<u>36,109</u>	<u>17,727</u>	<u>18,382</u>		<u>46,442</u>
Payments to other districts and governmental units						
Payments for special education programs						
Purchased services	<u>1,404,775</u>	<u>1,404,775</u>	<u>993,043</u>	<u>411,732</u>		<u>979,948</u>
Total	<u>1,404,775</u>	<u>1,404,775</u>	<u>993,043</u>	<u>411,732</u>		<u>979,948</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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015				2014 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Payments for special education programs - tuition					
Other objects	\$ 831,252	\$ 831,252	\$ 757,090	\$ 74,162	\$ 857,801
Total	831,252	831,252	757,090	74,162	857,801
Total payments to other districts and governmental units	2,236,027	2,236,027	1,750,133	485,894	1,837,749
Total expenditures	69,662,015	67,469,653	73,496,935	(6,027,282)	66,912,275
Net change in fund balance	\$ 1,137,503	\$ 3,329,865	4,639,087	\$ 1,309,222	4,965,442
Fund balance, beginning of year			12,707,582		7,742,140
Fund balance, end of year			\$ 17,346,669		\$ 12,707,582

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, 2015

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015				2014
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues					
Local sources					
Tort immunity levy	\$ 105,413	\$ 105,413	\$ 105,336	\$ (77)	\$ 88,452
Investment income	<u>-</u>	<u>-</u>	<u>3,831</u>	<u>3,831</u>	<u>2,945</u>
Total local sources	<u>105,413</u>	<u>105,413</u>	<u>109,167</u>	<u>3,754</u>	<u>91,397</u>
Total revenues	<u>105,413</u>	<u>105,413</u>	<u>109,167</u>	<u>3,754</u>	<u>91,397</u>
Expenditures					
Support Services					
General administration					
Workers' compensation or workers' occupational disease act payments					
Purchased services	<u>39,920</u>	<u>39,920</u>	<u>307,953</u>	<u>(268,033)</u>	<u>312,952</u>
Total	<u>39,920</u>	<u>39,920</u>	<u>307,953</u>	<u>(268,033)</u>	<u>312,952</u>
Insurance payments (regular or self- insurance)					
Purchased services	<u>15,000</u>	<u>15,000</u>	<u>14,193</u>	<u>807</u>	<u>13,639</u>
Total	<u>15,000</u>	<u>15,000</u>	<u>14,193</u>	<u>807</u>	<u>13,639</u>
Property insurance (buildings and grounds)					
Purchased services	<u>-</u>	<u>-</u>	<u>178,116</u>	<u>(178,116)</u>	<u>184,563</u>
Total	<u>-</u>	<u>-</u>	<u>178,116</u>	<u>(178,116)</u>	<u>184,563</u>
Total general administration	<u>54,920</u>	<u>54,920</u>	<u>500,262</u>	<u>(445,342)</u>	<u>511,154</u>
Total expenditures	<u>54,920</u>	<u>54,920</u>	<u>500,262</u>	<u>(445,342)</u>	<u>511,154</u>
Net change in fund balance	<u>\$ 50,493</u>	<u>\$ 50,493</u>	(391,095)	<u>\$ (441,588)</u>	(419,757)
Fund balance, beginning of year			<u>206,000</u>		<u>625,757</u>
Fund balance (deficit), end of year			<u>\$ (185,095)</u>		<u>\$ 206,000</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015				2014
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues					
Local sources					
General levy	\$ 84,330	\$ 84,330	\$ 84,268	\$ (62)	\$ 66,339
Investment income	<u>18,438</u>	<u>18,438</u>	<u>44,855</u>	<u>26,417</u>	<u>112,576</u>
Total local sources	<u>102,768</u>	<u>102,768</u>	<u>129,123</u>	<u>26,355</u>	<u>178,915</u>
Total revenues	<u>102,768</u>	<u>102,768</u>	<u>129,123</u>	<u>26,355</u>	<u>178,915</u>
Expenditures					
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 102,768</u>	<u>\$ 102,768</u>	129,123	<u>\$ 26,355</u>	178,915
Fund balance, beginning of year			<u>12,679,600</u>		<u>12,500,685</u>
Fund balance, end of year			<u>\$ 12,808,723</u>		<u>\$ 12,679,600</u>

NORTH SHORE SCHOOL DISTRICT 112
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2015

	BALANCE JULY 1, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
Assets				
Cash and Investments	<u>\$ 231,235</u>	<u>\$ 298,746</u>	<u>\$ (316,138)</u>	<u>\$ 213,843</u>
Liabilities				
Due to student groups				
Braeside	\$ 2,074	\$ 8,245	\$ (8,070)	\$ 2,249
Edgewood	7,584	68,094	(70,538)	5,140
Elm Place	23,691	63,985	(74,162)	13,514
Indian Trail	4,678	6,350	(4,960)	6,068
Lincoln	49,521	13,065	(16,978)	45,608
Northwood	19,251	61,254	(69,436)	11,069
Oak Terrace	1,732	14,657	(12,785)	3,604
Ravinia	33,880	13,314	(10,251)	36,943
Red Oak	3,201	7,196	(4,287)	6,110
Sherwood	55,464	27,574	(32,717)	50,321
Green Bay	7,404	5,217	(4,042)	8,579
Wayne Thomas	<u>22,755</u>	<u>9,795</u>	<u>(7,912)</u>	<u>24,638</u>
Total Liabilities	<u>\$ 231,235</u>	<u>\$ 298,746</u>	<u>\$ (316,138)</u>	<u>\$ 213,843</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.	80 - 91
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	92 - 95
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.	96 - 99
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.	100 - 103
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	104 - 106

NORTH SHORE SCHOOL DISTRICT 112

Net Position by Component Last Ten Fiscal Years

	Fiscal Year			
	<u>2015**</u>	<u>2014**</u>	<u>2013*</u>	<u>2012</u>
Governmental Activities:				
Net investment in capital assets	\$ 68,680,537	\$ 64,808,837	\$ 63,122,681	\$ 57,079,378
Restricted				
Operations and maintenance	1,729,994	4,147,494	4,071,621	2,512,058
Student transportation	1,802,912	1,346,866	-	587,395
Retirement benefits	1,813,653	1,942,691	1,592,970	1,129,517
Capital projects	80,089	1,547,521	154,394	142,468
Tort immunity	-	203,055	625,757	826,292
Debt service	2,406	643,106	2,137,013	2,026,575
Unrestricted	<u>26,277,098</u>	<u>25,903,146</u>	<u>21,540,113</u>	<u>24,602,652</u>
Total net position	<u>\$ 100,386,689</u>	<u>\$ 100,542,716</u>	<u>\$ 93,244,549</u>	<u>\$ 88,906,335</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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 54,337,116	\$ 46,989,074	\$ 41,886,079	\$ 34,219,363	\$ 29,587,025	\$ 25,667,659
-	-	-	-	-	-
749,893	758,970	2,132,920	859,717	-	-
953,535	947,398	947,214	901,737	-	-
179,587	583,189	545,152	722,691	1,828,715	-
776,297	779,928	673,017	631,766	583,401	497,800
2,097,395	2,262,779	1,921,610	4,532,157	1,852,125	506,460
<u>24,968,047</u>	<u>26,998,898</u>	<u>24,929,591</u>	<u>24,070,644</u>	<u>23,900,065</u>	<u>27,451,907</u>
<u>\$ 84,061,870</u>	<u>\$ 79,320,236</u>	<u>\$ 73,035,583</u>	<u>\$ 65,938,075</u>	<u>\$ 57,751,331</u>	<u>\$ 54,123,826</u>

NORTH SHORE SCHOOL DISTRICT 112

Changes in Net Position
Last Ten Fiscal Years

Expenses	Fiscal Year					
	2015	2014	2013*	2012	2011	2010
Governmental Activities:						
Instruction						
Regular Programs	\$ 24,437,351	\$23,536,690	\$23,352,715	\$24,826,055	\$23,853,551	\$26,341,612
Special Programs	12,141,245	13,059,882	12,521,987	13,420,182	12,793,825	13,884,555
Other Programs	5,558,022	5,004,500	5,298,953	5,693,955	5,317,007	2,552,792
State On-behalf Contributions to TRS	18,144,483	12,958,399	10,008,093	9,076,276	8,210,912	8,103,609
Support services						
Pupils	5,617,111	4,491,877	4,020,115	4,078,422	4,527,464	3,806,825
Instructional Staff	3,930,168	3,723,817	4,541,275	4,008,660	4,642,304	5,085,905
District Administration	1,584,879	1,616,177	1,409,685	1,269,129	1,240,978	1,523,559
School Administration	3,390,702	3,330,904	3,269,095	3,474,934	3,214,570	3,188,089
Business	1,457,453	1,381,477	2,366,492	2,162,251	2,511,464	2,212,965
Transportation	2,568,430	2,458,682	2,492,615	2,621,684	2,608,868	2,844,479
Facilities Acquisition and Construction	-	-	-	-	-	-
Operations and Maintenance	8,140,562	7,566,338	7,342,641	6,163,719	6,602,845	6,063,593
Food Service	-	-	-	-	-	-
Central	1,008,172	613,487	2,987,918	855,004	738,645	747,685
Other Supporting Services	6,723	94,014	83,705	28,781	-	-
Community Services	23,205	47,647	20,061	18,557	6,747	20,053
Nonprogrammed Charges	-	-	-	-	-	203
Interest on Debt	392,481	343,964	569,191	910,012	1,314,640	1,346,203
Total Governmental Expenses	88,400,987	80,227,855	80,284,541	78,607,621	77,583,820	77,722,127
Program Revenues						
Governmental Activities						
Charges for Services:						
Instruction						
Regular Programs	1,322,665	1,202,464	672,824	691,713	687,257	874,280
Special Programs	-	-	-	-	-	95,920
Other Programs	560	15,697	51,413	45,348	35,166	149,926
Support Services						
Transportation	-	110	26,325	36,732	2,361	76,035
Business	32,969	33,947	101,509	118,296	128,973	135,407
Operations and Maintenance	67,965	53,316	162,261	159,076	150,977	146,219
Operating Grants and Contributions:						
Instruction						
Regular Programs	327,342	324,403	838,148	904,366	892,656	925,559
Special Programs	3,702,270	3,609,722	3,175,049	3,396,087	3,364,133	3,973,873
Other Programs	212,786	279,400	318,105	311,794	430,644	580,787
Support services						
Pupils	-	-	-	(351)	-	9,768
Instructional Staff	20,885	73,232	124,531	124,845	114,354	257,964
Operations and Maintenance	-	-	-	-	-	-
Transportation	1,059,844	1,047,278	690,014	560,947	688,970	915,830
Business	350,420	366,893	366,409	390,063	313,853	355,763
Capital Grants and Contributions:						
Instruction						
Regular Programs	-	-	-	-	-	-
Special Programs	-	-	-	-	-	-
Other Programs	-	-	-	-	-	-
Support services						
Instructional Staff	-	-	-	-	-	-
Business	-	-	-	-	-	-
Operations and Maintenance	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Food Service	-	-	-	-	-	-
State On-behalf Contributions to TRS	18,144,483	12,958,399	10,008,093	9,076,276	8,210,912	8,103,609
Total Government Program Revenues	25,242,189	19,964,861	16,534,681	15,815,192	15,020,256	16,600,940
Net (Expense) Revenue	(63,158,798)	(60,262,994)	(63,749,860)	(62,792,429)	(62,563,564)	(61,121,187)
General Revenues:						
Governmental Activities:						
Taxes						
Property Taxes	\$ 64,802,614	\$65,388,504	\$67,303,032	\$63,775,733	\$63,984,815	\$62,981,918
Replacement Taxes	727,678	676,619	668,843	654,610	711,587	548,718
General State Aid	1,186,814	1,192,276	1,161,746	1,181,508	1,170,390	896,632
Investment Earnings	265,139	146,699	273,817	254,898	301,277	754,156
Other General Revenues	35,513	157,063	1,875,197	1,770,145	1,137,129	2,224,416
Total General Revenues	67,017,758	67,561,161	71,282,635	67,636,894	67,305,198	67,405,840
Change in Net Position	\$ 3,858,960	\$ 7,298,167	\$ 7,532,775	\$ 4,844,465	\$ 4,741,634	\$ 6,284,653

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

Fiscal Year			
2009	2008	2007	2006
\$24,626,115	\$22,711,221	\$24,796,600	\$25,771,477
11,303,473	10,799,877	7,632,994	6,880,004
2,482,796	1,707,831	1,882,377	1,762,988
5,789,778	3,934,895	3,192,342	2,261,955
3,774,210	3,305,016	2,919,075	3,063,407
4,565,034	4,818,297	3,662,683	3,216,985
1,663,220	1,481,027	1,663,875	2,038,644
3,172,189	2,994,651	3,052,486	2,642,844
1,809,075	1,901,447	573,492	553,390
2,752,630	2,531,292	2,655,297	2,720,410
-	-	569,943	1,196,574
-	6,224,724	6,237,146	4,646,476
-	-	378,633	383,226
675,482	710,784	672,974	512,050
-	-	-	-
-	-	-	49,067
-	-	3,823,487	4,114,321
1,570,951	1,822,138	2,062,130	1,901,115
64,184,953	64,943,200	65,775,534	63,714,933
704,283	1,124,990	818,121	719,375
119,207	-	-	92,783
125,306	-	-	-
103,072	88,390	70,179	100,879
150,975	131,982	244,043	98,832
158,149	-	-	-
715,089	705,190	532,302	614,453
2,766,350	2,555,034	2,141,642	2,610,136
544,831	454,492	452,393	-
10,125	9,640	-	9,645
217,666	166,923	-	-
-	-	-	693,307
943,493	997,708	-	1,066,454
455,812	419,923	-	253,585
-	-	-	11,933
-	-	-	-
-	-	-	-
-	-	174,462	3,263
-	-	382,222	-
-	-	-	136,516
-	-	1,096,719	-
-	-	-	-
5,789,778	3,934,895	3,192,342	2,261,955
12,804,136	10,589,167	9,104,425	8,673,116
(51,380,817)	(54,354,033)	(56,671,109)	(55,041,817)
\$59,650,168	\$57,220,044	\$54,379,286	\$51,193,332
678,274	775,373	725,053	664,496
1,011,851	967,936	957,072	959,346
1,715,954	2,600,033	2,836,795	2,029,625
1,431,328	977,391	1,400,408	724,885
64,487,575	62,540,777	60,298,614	55,571,684
\$13,106,758	\$ 8,186,744	\$ 3,627,505	\$ 529,867

NORTH SHORE SCHOOL DISTRICT 112

Fund Balances - Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund***				
Nonspendable	\$ 16,897	\$ -	\$ 82,219	\$ 154,790
Restricted	-	203,055	625,757	826,292
Assigned	-	2,945	14,398,654	16,568,067
Unassigned	29,953,400	25,387,182	5,761,952	2,754,039
Reserved	-	-	-	-
Prepaid Items	-	-	-	-
Self Insurance	-	-	-	-
Tort Immunity **	-	-	-	-
Unreserved	-	-	-	-
Designated for self-insurance	-	-	-	-
Undesignated	-	-	-	-
Total General Fund	<u>\$ 29,970,297</u>	<u>\$ 25,593,182</u>	<u>\$ 20,868,582</u>	<u>\$ 20,303,188</u>
All Other Governmental Funds:				
Working Cash ***	\$ -	\$ -	\$ -	\$ -
Fire Prevention and Safety *	-	-	-	-
Nonspendable, reported in:				
Special revenue funds	-	-	11,549	-
Debt service funds	-	-	259,857	282,945
Restricted, reported in:				
Special revenue funds	5,994,046	7,437,051	4,080,248	3,638,526
Debt service funds	2,406	643,106	1,997,088	1,900,890
Capital projects fund	80,089	1,547,521	154,394	140,896
Assigned, reported in:				
Special revenue funds	776,055	303,622	2,406,320	2,073,906
Debt service funds	23,989	10,432	-	-
Capital projects fund	1,549	623	-	-
Reserved				
Prepaid Items	-	-	-	-
Debt Service	-	-	-	-
Unreserved				
Special Revenue	-	-	-	-
Capital Projects	-	-	-	-
Total All Other Governmental Funds	<u>\$ 6,878,134</u>	<u>\$ 9,942,355</u>	<u>\$ 8,909,456</u>	<u>\$ 8,037,163</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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 217,023	\$ -	\$ -	\$ -	\$ -	\$ -
776,297	-	-	-	-	-
16,334,417	-	-	-	-	-
1,579,274	-	-	-	-	-
-	12,500	382,016	382,504	393,491	382,147
-	-	-	1,503,653	-	796,287
-	-	-	631,766	583,401	497,800
-	794,620	1,051,970	1,503,653	-	-
-	9,884,211	9,530,580	7,508,670	7,536,180	7,053,461
<u>\$ 18,907,011</u>	<u>\$ 10,691,331</u>	<u>\$ 10,964,566</u>	<u>\$ 11,530,246</u>	<u>\$ 8,513,072</u>	<u>\$ 8,729,695</u>
\$ -	\$ 12,036,648	\$ 12,008,214	\$ 11,789,915	\$ 9,961,125	\$ 9,090,866
-	583,189	545,152	690,916	1,788,786	-
-	-	-	-	-	-
-	-	-	-	-	-
303,432	-	-	-	-	-
3,079,894	-	-	-	-	-
1,831,646	-	-	-	-	-
179,135	-	-	-	-	-
2,309,576	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	245,395
-	2,079,049	1,921,610	1,706,750	1,511,377	1,009,688
-	2,468,476	2,460,545	1,761,454	1,860,329	1,883,240
-	-	-	31,775	39,929	6,230,775
<u>\$ 7,703,683</u>	<u>\$ 17,167,362</u>	<u>\$ 16,935,521</u>	<u>\$ 15,980,810</u>	<u>\$ 15,161,546</u>	<u>\$ 18,459,964</u>

NORTH SHORE SCHOOL DISTRICT 112

Governmental Funds Revenues Last Ten Fiscal Years

	Fiscal Years				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Local Sources	\$ 67,255,103	\$ 67,742,840	\$ 70,359,572	\$ 67,154,365	\$ 67,232,922
State Sources	4,848,657	4,820,676	4,554,132	4,625,659	4,661,872
Federal Sources	2,011,704	2,072,528	2,769,780	2,588,358	2,817,685
On-behalf Sources	<u>18,144,483</u>	<u>12,958,399</u>	<u>10,008,093</u>	<u>9,076,276</u>	<u>8,210,912</u>
 Total revenues	 <u>\$ 92,259,947</u>	 <u>\$ 87,594,443</u>	 <u>\$ 87,691,577</u>	 <u>\$ 83,444,658</u>	 <u>\$ 82,923,391</u>

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 66,615,748	\$ 64,209,963	\$ 62,918,203	\$ 60,504,973	\$ 56,162,348
4,800,845	4,581,238	4,496,510	4,331,178	4,388,436
3,781,072	2,175,492	1,780,336	1,405,184	1,431,809
<u>8,103,609</u>	<u>5,789,778</u>	<u>3,934,895</u>	<u>3,192,342</u>	<u>2,261,955</u>
<u>\$ 83,301,274</u>	<u>\$ 76,756,471</u>	<u>\$ 73,129,944</u>	<u>\$ 69,433,677</u>	<u>\$ 64,244,548</u>

NORTH SHORE SCHOOL DISTRICT 112

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Current:			
Instruction			
Regular programs	23,446,996	22,710,782	22,511,288
Special programs	9,992,820	10,618,072	9,224,801
Other instructional programs	5,678,753	5,520,181	5,647,562
State retirement contributions	<u>18,144,483</u>	<u>12,958,399</u>	<u>10,008,093</u>
Total instruction	<u>57,263,052</u>	<u>51,807,434</u>	<u>47,391,744</u>
Supporting services			
Pupils	5,077,790	4,058,354	3,598,777
Instructional staff	3,836,369	3,789,155	4,009,771
General administration	1,556,412	1,614,322	1,407,882
School administration	3,346,522	3,329,335	3,267,570
Business	1,382,542	1,364,767	1,351,630
Transportation	2,558,139	2,455,810	2,489,603
Operations and maintenance	6,419,905	5,742,346	6,199,475
Central	834,624	612,119	2,980,883
Other supporting services	<u>6,601</u>	<u>94,014</u>	<u>83,705</u>
Total supporting services	<u>25,018,904</u>	<u>23,060,222</u>	<u>25,389,296</u>
Community services	<u>18,536</u>	<u>47,647</u>	<u>20,061</u>
Payments to other districts and gov't units	<u>1,750,133</u>	<u>1,837,749</u>	<u>2,925,373</u>
Total current expenditures	<u>84,050,625</u>	<u>76,753,052</u>	<u>75,726,474</u>
Capital outlay	<u>1,820,159</u>	<u>1,618,932</u>	<u>3,306,410</u>
Debt service			
Principal	4,975,000	3,076,748	6,687,036
Interest	<u>101,269</u>	<u>388,212</u>	<u>533,970</u>
Total debt service	<u>5,076,269</u>	<u>3,464,960</u>	<u>7,221,006</u>
Total expenditures	<u>\$ 90,947,053</u>	<u>\$ 81,836,944</u>	<u>\$ 86,253,890</u>
Debt service required as a percentage of noncapital expenditures	5.70%	4.32%	8.71%
Debt service as a percentage of total expenditures	5.58%	4.23%	8.37%

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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 1,312,894	\$ 5,757,499	\$ 1,437,687	\$ 1,729,657
Other financing sources (uses)				
Transfers in	4,435,569	37,845	1,703,788	1,628,369
Bond proceeds	-	-	-	-
Premium on bonds sold	-	-	-	-
Accrued interest on bonds sold	-	-	-	-
Proceeds from capital lease	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers out	<u>(4,435,569)</u>	<u>(37,845)</u>	<u>(1,703,788)</u>	<u>(1,628,369)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 1,312,894</u>	<u>\$ 5,757,499</u>	<u>\$ 1,437,687</u>	<u>\$ 1,729,657</u>

Fiscal Year					
<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ (1,247,999)	\$ (679,886)	\$ (203,103)	\$ 3,542,599	\$ (3,835,041)	\$ (4,227,304)
2,195,670	3,062,261	3,362,067	1,199,991	1,536,597	3,776,175
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	638,492	590,334	293,839	-	-
-	-	1,800	-	-	-
<u>(2,195,670)</u>	<u>(3,062,261)</u>	<u>(3,362,067)</u>	<u>(1,199,991)</u>	<u>(1,536,597)</u>	<u>(3,776,175)</u>
<u>-</u>	<u>638,492</u>	<u>592,134</u>	<u>293,839</u>	<u>-</u>	<u>-</u>
<u>\$ (1,247,999)</u>	<u>\$ (41,394)</u>	<u>\$ 389,031</u>	<u>\$ 3,836,438</u>	<u>\$ (3,835,041)</u>	<u>\$ (4,227,304)</u>

NORTH SHORE SCHOOL DISTRICT 112

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Tax Levy Years

<u>Tax Levy Year</u>	<u>Assessed Valuation</u>		<u>Total</u>	<u>Actual</u>	<u>Total</u>
	<u>Residential</u>	<u>Railroad</u>	<u>Equalized Assessed Value</u>	<u>Estimated Value</u>	<u>Direct Rate</u>
2014	\$ 2,104,831,880	\$ 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%
2006	NA	NA	2,577,404,428	7,810,316,448	2.225%
2005	NA	NA	2,354,422,964	7,134,615,042	2.312%

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	Highland				Lake County				South Lake		Total	
	NSSD 112	Highland Park	Lake County	HSD 113	Park Park District	North Sanitary	Forest Preserve	Township of Moraine	College of Lake County	Mosquito Abatement	Overlapping Government	Total Tax Rate
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
2006	2.225	0.532	0.450	1.635	0.378	0.125	0.204	0.044	0.195	0.012	3.575	5.800
2005	2.312	0.561	0.454	1.686	0.397	0.132	0.210	0.045	0.197	0.012	3.694	6.006

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 2014 and Nine Years Ago

<u>Taxpayer</u>	<u>2014</u>		<u>2003</u>	
	Equalized Assessed <u>Valuation</u>	Percentage of <u>Total</u>	Equalized Assessed <u>Valuation</u>	Percentage of <u>Total</u>
Metzler I Renaissance Place LP	\$ 9,874,309	0.47%	\$ -	0.00%
Midwest Family Housing LLC	8,040,634	0.38%	-	0.00%
Federal Realty Invst Trst	6,497,935	0.31%	-	0.00%
Highland Park Associates II, LLC	4,315,565	0.20%	-	0.00%
Klairmont Family Associates LP	4,271,585	0.20%	2,570,514	0.13%
Americana Apartments	3,898,505	0.19%	4,385,084	0.22%
Morningside Highwood LLC	3,887,167	0.18%	-	0.00%
Sunset Food Mart, Inc.	3,578,858	0.17%	2,763,241	0.14%
Evergreen Real Estate Services	3,087,485	0.15%	-	0.00%
LB &M Real Estate Management Inc.	2,560,543	0.12%	-	0.00%
 Renessaince Place	 -		 9,779,569	 0.50%
Crossroads Shopping Center	-		5,733,300	0.29%
Target Corporation	-		3,823,888	0.19%
North Shore Estates	-		3,499,650	0.18%
Port Clinton Square	-		3,489,180	0.18%
Dominicks	-		2,468,977	0.13%
Michael and Juanita Jordan	-		2,425,744	0.12%
LaSalle Bank National Association	-		2,042,243	0.10%
Esses House Condominiums	-		1,950,525	0.10%
Michael Babel	-	-	1,888,425	0.10%
Total Principal Taxpayers in District	<u>50,012,586</u>	<u>2.37%</u>	<u>46,820,340</u>	<u>2.38%</u>
 Other Taxpayers in District	 <u>2,057,285,222</u>	 <u>97.64%</u>	 <u>1,915,371,664</u>	 <u>97.60%</u>
District's Total EAV	<u>\$ 2,107,297,808</u>	<u>100.00%</u>	<u>\$ 1,962,192,004</u>	<u>99.98%</u>

Source: Moraine Township Assessor (2003)

Note: Equalized Assessed Valuation information subsequent to 2003 not currently available.

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
2014	\$	66,417,096	\$ 33,244,394	50.05%	33,244,394	50.05%
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%
2005		54,434,260	26,996,516	49.59%	54,310,786	99.77%

NORTH SHORE SCHOOL DISTRICT 112

Outstanding Debt by Type
Last Ten Fiscal Years

Government Activities							
Fiscal Year	General Obligation Bonds and Certificates	Capital Leases	Total Primary Government	Equalized Assessed Valuation	Ratio of General Bonded Debt to Actual Estimated Value	Percentage of Personal Income*	Debt Outstanding per Capita
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	231
2012	14,370,000	425,594	14,795,594	2,390,360,103	0.18%	NA	403
2011	18,275,000	666,867	18,941,867	2,622,779,816	0.22%	0.05%	513
2010	24,440,000	982,266	25,422,266	2,775,758,242	0.28%	0.07%	689
2009	30,080,000	1,036,889	31,116,889	2,850,112,993	0.36%	0.08%	879
2008	34,975,000	941,630	35,916,630	2,740,389,897	0.45%	0.09%	1,012
2007	40,897,706	1,382,706	42,280,412	2,577,404,428	0.57%	0.11%	1,191
2006	43,820,000	1,400,079	45,220,079	2,354,422,964	0.69%	0.12%	1,274

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

6/30/2015

<u>Taxing Authority</u>	Gross Bonded Debt <u>Outstanding</u>	Overlapping <u>Percent</u>	Applicable to District
Lake County	\$0 (1)	9.306%	\$0
Lake County Forest Preserve	274,450,000 (2)	9.306%	25,540,317
City of Highland Park	6,165,000 (3)	97.458% %	6,008,286
City of Highwood	5,540,000	100.000%	5,540,000
Township High School District 113	99,815,000	56.234%	56,129,967
Community College #532	18,430,000 (1)(2)	9.811%	<u>1,808,167</u>
Total Overlapping Bonded Debt			\$95,026,737
Direct Debt			
North Shore School District 112	<u>0 (1)</u>	100.000% %	<u>0</u>
Total Overlapping and Direct Debt	<u>\$404,400,000</u>		<u>\$95,026,737</u>

Source of Information - Office of Lake County Clerk

- (1) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.
- (2) 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

NORTH SHORE SCHOOL DISTRICT 112

Legal Debt Margin Information

Last Ten Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assessed Valuation	\$ 2,107,297,808	\$ 2,118,854,337	\$ 2,223,675,650	\$ 2,390,360,103	\$ 2,622,779,816
Statutory Debt Limitation (6.9% of assessed valuation)	145,403,549	146,200,949	153,433,620	164,934,847	180,971,807
Bonded Debt June 30	<u>-</u>	<u>4,975,000</u>	<u>8,108,558</u>	<u>14,795,594</u>	<u>18,941,867</u>
Legal Bonded Debt Margin	<u>\$ 145,403,549</u>	<u>\$ 141,225,949</u>	<u>\$ 145,325,062</u>	<u>\$ 150,139,253</u>	<u>\$ 162,029,940</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>0.00%</u>	<u>3.40%</u>	<u>5.28%</u>	<u>8.97%</u>	<u>10.47%</u>

Fiscal Year				
<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 2,775,758,242	\$ 2,850,112,993	\$ 2,740,389,897	\$ 2,577,404,428	\$ 2,354,422,964
191,527,319	196,657,797	189,086,903	177,840,906	162,455,185
<u>25,422,266</u>	<u>31,116,889</u>	<u>36,213,016</u>	<u>40,897,706</u>	<u>43,961,996</u>
<u>\$ 166,105,053</u>	<u>\$ 165,540,908</u>	<u>\$ 152,873,887</u>	<u>\$ 136,943,200</u>	<u>\$ 118,493,189</u>
<u>13.27%</u>	<u>15.82%</u>	<u>19.15%</u>	<u>23.00%</u>	<u>27.06%</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>
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
2006	31,365	4,143	2.8	NA	37,259,357	54,008
2005	31,365	4,143	3.1	NA	34,703,800	50,705

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 Four Years Ago

<u>Employer</u>	<u>Type of Business or Property</u>	<u>2015</u>		<u>2010</u>	
		<u>Number</u> <u>Employed</u>	<u>Source</u>	<u>Percentage</u> <u>of Total</u> <u>Employment</u>	<u>Employees</u> <u>Percentage</u> <u>of Total</u> <u>Employment</u>
Northshore University Healthcare	Highland Park Hospital, Div of Northshore	942	(3)	5.6%	1,200 6.9 %
Highland Park Park District*	Community recreation and fitness	742	(3)	4.4%	- -
Township High School District 113	Highland Park & Deerfield Public High Schools	625	(3)	3.7%	- -
School District No. 112	Elementary school district	600	(3)	3.6%	- -
Ravina Festival	Music Festival	575	(3)	3.4%	- -
North Suburban Special Education District	Special education district	535	(3)	3.2%	620 3.6
City of Highland Park	Government Services	270	(3)	1.6%	
Northmoor Golf Course	Golf course/country club	200	(4)	1.2%	
Jewel Osco	Grocery and pharmacy	195	(3)	1.2%	
Target	Retail super store	180	(3)	1.1%	
J II Inc.		-		-	182 1.1
Opportunity Medical		-		-	165 1.0
Pickus Construction Company		-		-	100 0.6
Skokie Valley Laundry & Cleaners		-		-	91 0.5

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

Sources: (1) 2015 Illinois Services Directory
 (2) 2015 Illinois Manufactures Guide
 (3) Phone Canvass
 (4) ReferenceUSA, August 2015
 (5) Illinois Department of Employment Security: 2014 total number employed is 16,759: Highland Park - 14,267; Highwood - 2,492
 * The directories listed above actually list the number of employees in 2014 in their 2015 books.

Note: Information prior to 2010 was not available.

NORTH SHORE SCHOOL DISTRICT 112

Full-time Equivalent District Employees by Type

Last Ten Fiscal Years

	<u>2015</u>	<u>Full-time Equivalent Employees as of June 30</u>								
		<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction										
Total instruction	<u>464</u>	<u>462</u>	<u>465</u>	<u>482</u>	<u>477</u>	<u>486</u>	<u>461</u>	<u>443</u>	<u>451</u>	<u>435</u>
Support Services										
Total support services	<u>145</u>	<u>155</u>	<u>155</u>	<u>149</u>	<u>153</u>	<u>158</u>	<u>155</u>	<u>144</u>	<u>135</u>	<u>146</u>
Community Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Total	<u>609</u>	<u>617</u>	<u>620</u>	<u>631</u>	<u>630</u>	<u>644</u>	<u>616</u>	<u>587</u>	<u>586</u>	<u>582</u>

Source of Information: North Shore School District Personnel Department

(Categorization revised to conform with 2010 presentation)

NORTH SHORE SCHOOL DISTRICT 112

Operating Statistics Last Ten Fiscal Years

Fiscal Year	Average Daily Attendance	Operating Expenditures	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio
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
2007	3,917	55,624,748	14,201	-0.65%	65,775,534	16,792	1.76%	421	9.3
2006	3,861	55,187,860	14,294	13.43%	63,714,933	16,502	12.46%	410	9.4

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

NORTH SHORE SCHOOL DISTRICT 112

Operating Indicators by Function

June 30, 2015

Function	2015
Instruction	
Regular and Special student enrollment	4,415
Support Services	
Pupil	
% of student population from Non-English Language Background	23%
School Administration	
Average daily attendance	3,868
Fiscal	
Purchase Orders Processed	4,114
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	2,553
Avg. number of regular bus runs to/from school	59
Extra Curricular Activities	
Number of competitive sports	11
Number of student clubs	34
% of Students eligible to file for Federally funded Free or Reduced Lunches	23.97%

Source of Information:

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

NORTH SHORE SCHOOL DISTRICT 112

School Building Information Last Ten Fiscal Years

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
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	266	262	276	269	279	287	293	298	277
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	389	400	395	379	387	392	390	411	414	427
Lincoln										
Square Feet	48,471	48,471	48,471	48,471	48,471	48,471	48,471	48,471	48,471	48,471
Enrollment	237	248	261	270	271	288	282	279	275	269
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	533	534	501	489	502	516	547	531	506	493
Ravinia										
Square Feet	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634
Enrollment	300	301	302	309	325	313	307	302	318	297
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	297	289	320	341	325	336	353	409	386	371
Sherwood										
Square Feet	50,863	50,863	50,863	50,863	50,863	50,863	50,863	50,863	50,863	50,863
Enrollment	318	338	358	358	371	386	389	403	390	405
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	316	327	349	355	342	357	367	343	336	334
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	255	239	218	232	204	210	215	72	67	46
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	2,910	2,942	2,966	3,009	2,996	3,077	3,137	3,043	2,990	2,919
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	617	615	607	579	573	599	584	567	563	601
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	376	374	410	439	467	479	493	497	489	468
Northwood										
Square Feet	83,826	83,826	83,826	83,826	83,826	83,826	83,826	83,826	83,826	83,826
Enrollment	512	491	471	443	450	434	418	405	365	366
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	1,505	1,480	1,488	1,461	1,490	1,512	1,495	1,469	1,417	1,435
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	4,415	4,422	4,454	4,470	4,486	4,589	4,632	4,512	4,407	4,354

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

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

****Enrollment data from ISBE End of Year Report for FY06 through FY15.

Source of Information:

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

NORTH SHORE SCHOOL DISTRICT 112

Teacher Base Salaries
Last Ten Fiscal Years

Fiscal Year	Total Teacher FTE	Avg. Teacher Experience (Years)	Teachers with Master's Degree (%)	Minimum Matrix Salary	Maximum Matrix Salary	District Average Salary
2015	427	N/A	73.2	\$ 43,415	\$ 114,695	73,974
2014	428	11.1	85	41,149	112,446	69,233
2013	407	11.5	84	41,149	111,446	71,718
2012	361	11.9	80.5	41,149	110,446	71,254
2011	364	11.5	75.2	40,521	107,699	71,267
2010	374	11	72	40,001	105,329	67,226
2009	354	11	71	39,507	103,062	68,840
2008	333	11	70	38,566	100,611	66,080
2007	328	14	76	37,594	99,202	74,909
2006	326	14	76	36,103	96,318	74,169

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