

COMPREHENSIVE ANNUAL FINANCIAL
REPORT

OF

**J. STERLING MORTON HIGH SCHOOL
DISTRICT 201**

As of and for the Year Ended June 30, 2015

Officials Issuing Report

Mr. Chris Wildman, Chief Financial Officer

Department Issuing Report

Business Office

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

TABLE OF CONTENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

	<u><i>Page(s)</i></u>
<i>Introductory Section</i>	
Transmittal Letter	i - iv
ASBO Certificate	v
Organizational Chart	vi
Principal Officers and Advisors	vii
<i>Financial Section</i>	
Independent Auditors' Report	1 - 3
Required Supplementary Information	
Management's Discussion and Analysis (MD&A) - Unaudited	4 - 12
Basic Financial Statements	
<u>Government-Wide Financial Statements</u>	
Statement of Net Position	13
Statement of Activities	14
<u>Fund Financial Statements</u>	
Balance Sheet - Governmental Funds	15 - 16
Reconciliation of the Governmental Funds - Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18 - 19
Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	20
Statement of Fiduciary Assets and Liabilities - Agency Fund	21
Notes to Basic Financial Statements	22 - 47
Required Supplementary Information	
Illinois Municipal Retirement Fund - Schedule of Changes in the District's Net Pension Liability and Related Ratios	48
Illinois Municipal Retirement Fund - Schedule of District Contributions	49
Teachers' Retirement System - Schedule of the District's Proportionate Share of the Collective Net Pension Liability and Schedule of District Contributions	50
Schedule of Funding Progress For Retirees' Health Plan	51

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

TABLE OF CONTENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

Page(s)

Required Supplementary Information - (Continued)

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

General Fund - Non-GAAP Budgetary Basis	52 - 61
Operations and Maintenance Fund	62 - 63
Transportation Fund	64
Municipal Retirement/Social Security Fund	65 - 66
Notes to Required Supplementary Information	67

Supplementary Information

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

Debt Service Fund	68
Fire Prevention and Life Safety Fund	69
General Fund - Combining Balance Sheet	70
General Fund - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	71

General Fund Accounts - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

Educational Accounts - Non-GAAP Budgetary Basis	72 - 81
Working Cash Accounts	82
Operating Cost and Tuition Charge	83

Other Information

Schedule of Changes in Assets and Liabilities - Agency Funds	84
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Statistical Section

Net Position by Component	85 - 86
Changes in Net Position	87 - 88
Fund Balances of Governmental Funds	89 - 90
Changes in Fund Balances, Governmental Funds	91 - 92
Assessed Valuation and Estimated Actual Value of Taxable Property	93
Property Tax Rates - All Direct and Overlapping Governments	94 - 95
Principal Property Taxpayers in the District	96
Property Tax Levies and Collections	97 - 98
Ratio of Outstanding Debt by Type	99

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

TABLE OF CONTENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

	<u><i>Page(s)</i></u>
<i>Statistical Section - (Continued)</i>	
Ratios of General Bonded Debt Outstanding	100
Computation of Direct and Overlapping Debt	101
Legal Debt Margin Information	102 - 103
Demographic and Economic Statistics	104
Principal Employers	105
Number of Employees by Type	106 - 107
Operating Indicators by Function	108 - 109
School Building Information	110 - 111
Operating Statistics	112



J. STERLING MORTON HIGH SCHOOLS

5041 WEST 31ST STREET, CICERO, IL 60804, (708) 780-2800

October 7, 2015

To the Citizens and Board of Education of
J. Sterling Morton High School District No. 201

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of J. Sterling Morton High School District No. 201 for the fiscal year ended June 30, 2015. This Comprehensive Annual Financial Report contains financial statements, supplemental statements and statistical information, providing complete and full disclosure of all material financial aspects of the School District for the 2015 fiscal year.

The School District is responsible for the accuracy, completeness, and fairness of the data presented. To the best of our knowledge and belief, this report and the enclosed data are accurate in all materials aspects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the School District. We have included all disclosures necessary to enable the reader to gain an understanding of generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

The Comprehensive Annual Financial Report is divided into three sections:

The **Introductory Section** includes a title page, the table of contents, this transmittal letter, a Certificate of Excellence in Financial Reporting, a list of principal officials, and the School District's organizational chart.

The **Financial Section** includes the independent accountants' report on the financial statements, management's discussion and analysis, basic financial statements, required supplementary budgetary comparison schedules, and the combining statements for non-major funds and other schedules that provide detailed information relative to the basic financial statements.

The **Statistical Section** includes selective financial, economic and demographic information, generally presented on a multi-year basis for comparative purposes.

The School District provides a full range of traditional and non-traditional educational programs, services and facilities. These include secondary curriculum offerings at the general level, college preparatory level and vocational level; a broad range of co-curricular and extracurricular activities; and special education programs and facilities.

REPORTING ENTITY

J. Sterling Morton High School District No. 201 (the "School District") is organized under the Constitution of the State of Illinois. The School District operates under a locally elected Board form of government consisting of seven members elected at-large for staggered four-year terms. The School District provides educational services as

authorized by State statute and federal guidelines.

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations of the School District.

The Chief Financial Officer is directly responsible to the Superintendent for all financial operations and custody of all School District funds and assets.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the school district are not misleading. The primary government of a school district consists of all funds, departments, boards, and agencies that are not legally separate from the school district. This includes general operations, food service, and student related activities of the school district.

Component units are legally separate organizations for which school district is financially accountable. A school district is financially accountable for an organization if the school district appoints a voting majority of the organization's governing board and (1) the school district is able to significantly influence the programs or services performed or provided by the organization, or (2) the school district is legally entitled to or can otherwise access the organization's resources, is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization, or is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the school district in that the school district approves the organization's budget, the issuance of its debt, or the levying of its taxes. The School District has no component units.

The Municipalities, Parent Teacher Organization, Booster groups and Alumni associations perform activities within the School District's boundaries for the benefit of its residents but are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District.

The School District also belongs to the Collective Liability Insurance Cooperative (CLIC) for property and casualty insurance coverage.

ECONOMIC CONDITION AND OUTLOOK

J. Sterling Morton High School District No. 201 is located in Central Cook County, in beautiful northern Illinois. The county itself is located on the shores of Lake Michigan and includes all of Chicago. Cook County is approximately 90 miles from Milwaukee and 30 miles from Gary, Indiana. This central position provides a strategic location for the development of business and industry.

Unemployment trends continue to be reflective of the current economic state. The latest unemployment rate of the County (June 2015) is 6.5% compared to 7.5% reported last year. This compares to U.S. rates of 5.3% and 6.1% for the same periods, respectively.

THE DISTRICT AND ITS FACILITIES

The School District served approximately 8,321 students during the 2015 fiscal year housed in four facilities. The enrollments per school, excluding private placements, were as follows:

<u>School</u>	<u>Grades</u>	<u>Enrollment</u>
Morton Freshman Center	9	1,233
Morton East	10-12	3,427
Morton West	9-12	3,577
Alternative School	9-12	84

MAJOR INITIATIVES

- The District has completed the remodeling of Science and Culinary Arts Labs at both East and West.
- The District has implemented phase two of our 'One to One' program continuing with the new incoming freshman class. This will continue in the following two years until all students have been provided a district device.
- Major infrastructure upgrades included higher bandwidth capacity to support our One to One program.
- The District received School Improvement Grant (SIG) for the Morton East High School, for the second year.
- 100% of all certificated district personnel have been trained in Project CRISS strategies.
- The English, Social Science and Mathematics departments have revised their curriculum to address the Common Core State Standards in each grade level. In addition, the curriculum is also vertically aligned to avoid duplication of efforts, and, at the same time, to guarantee that the skills of each grade level build on the previous skills taught.
- The district has reached full implementation of a standards-based grading system to measure students' progress on clearly defined outcomes in every course.

FINANCIAL INFORMATION

The School District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records are maintained during the fiscal year on a budgetary basis system of accounting as prescribed by State statute.

Internal Controls

The management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School 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 generally accepted accounting principles (GAAP). 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 from its implementation, and (2) the valuation of cost and benefits requires estimates and judgments by management.

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The Chief Financial Officer has been given authority to allocate Board appropriations to the function and object level within each fund. The School District has chosen to present budgetary information at the function level in the basic financial statements and at the object level in the individual fund statements.

The School District maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts lapse at year-end, and, if necessary, are re-appropriated in the subsequent fiscal year. As demonstrated by the statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management.

Financial Condition

This is the seventh year that the School District has prepared its financial statements following GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB Statement No. 34 creates new basic financial statements for reporting on the School District's financial activities as follows:

Government-wide financial statements – These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses.

Fund financial statements – These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities presented in the government-wide financial statements. Fiduciary funds use the accrual basis of accounting.

Budgetary comparison schedules – These schedules present comparisons of actual information to the legally adopted budget for the general fund and any major special revenue funds.

As part of this reporting model, management is responsible for preparing a Management's Discussion and Analysis of the School District. This discussion is located in the financial section of this report following the audit opinion, and provides a narrative overview and analysis of the School District finances for fiscal 2014.

OTHER INFORMATION

INDEPENDENT AUDIT

The School District has an independent audit performed by the firm of Baker Tilly Virchow Krause, LLC for the fiscal year ended June 30, 2015. The opinion of Baker Tilly Virchow Krause, LLC can be found at the beginning of the Financial Section of this report.

AWARDS

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. The Certificate of Excellence is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government reports.

In order to be awarded the ASBO Certificate of Excellence, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The CAFR must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

The District has received the ASBO Certificate of Excellence for over 20 consecutive years. We believe the current report continues to conform to the ASBO Certificate of Excellence and the District will be submitting the report to ASBO.

ACKNOWLEDGEMENTS

A note of sincere appreciation is extended to the many conscientious people who have contributed their time and effort to the preparation of this report.

Finally, sincere gratitude goes to the Board of Education where commitment to excellence begins.

Respectfully submitted



Mr. Chris Wildman, C.P.A.
Chief Financial Officer

Association of School Business Officials International



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

J. Sterling Morton High School District No. 201

*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", is written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

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

John D. Musso, CAE, RSBA
Executive Director

J. Sterling Morton High School District No. 201
5041 West 31st Street
Cicero, IL 60804

Officers and Officials

As of June 30, 2015

Board of Education

		<u>Term Expires</u>
Mr. Jeffry Pesek	President	April 2019
Mr. Kasumba Lwanga	Vice President	April 2017
Ms. Jessica Jaramillo-Flores	Secretary	April 2017
Mr. Sandra Tomschin	Member	April 2017
Mr. Mark Kraft	Member	April 2019
Mr. Lido Manetti	Member	April 2019
Dr. Margaret Kelly	Member	April 2017

District Administration

Dr. Michael Kuzniewski	Superintendent
Mr. Timothy Truesdale	Asst. Superintendent of Curriculum & Inst.
Mr. Chris Wildman	Chief Financial Officer

Official Issuing Report

Mr. Chris Wildman	Chief Financial Officer
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Department Issuing Report

Business Office

INDEPENDENT AUDITORS' REPORT

To the Board of Education
J. Sterling Morton High School District 201

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 J. Sterling Morton High School District 201, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise J. Sterling Morton High School District 201'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 J. Sterling Morton High School District 201'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 J. Sterling Morton High School District 201's, internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Board of Education
J. Sterling Morton High School District 201

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 J. Sterling Morton High School District 201 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.

Emphasis of Matter

As discussed in Note 3, J. Sterling Morton High School District 201 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, J. Sterling Morton High School District 201 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 J. Sterling Morton High School District 201'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
J. Sterling Morton High School District 201

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of J. Sterling Morton High School District 201 as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated November 3, 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 J. Sterling Morton High School District 201's, basic financial statements. The other information such as the introductory and statistical section, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited J. Sterling Morton High School District 201'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 November 3, 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 7, 2015 on our consideration of J. Sterling Morton High School District 201'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 J. Sterling Morton High School District 201's, internal control over financial reporting and compliance.

Oak Brook, Illinois
October 7, 2015



J. Sterling Morton High School District No. 201

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015 Unaudited

As management of J. Sterling Morton High School District 201, we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities for the School District for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal found in the introductory section and the School District's financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred inflows of the School District exceeded its liabilities and deferred outflows at June 30, 2015 by \$47,541,273 (*net position*). During the year, net position increased by \$14,164,515 from ordinary activities.
- General revenues accounted for \$87,381,738 or 68% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$41,800,183 or 32% of total revenues of \$129,181,921.
- The School District had \$115,017,406 in expenses. Of these expenses, only \$41,800,183 was offset by program specific charges for services, grants or contributions. Current year general revenues (primarily property taxes and general state aid) totaled \$87,381,738, which provided for the \$73,217,223 net cost for these programs, with the \$14,164,515 remainder increasing net position for the year.
- Among governmental funds, the General Fund had \$92,877,857 in revenues, \$90,924,350 in expenditures, and \$115,456 in other financing uses for a net increase in fund balance of \$1,838,051.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This comprehensive annual financial report also contains other supplementary information in addition to the basic financial statements.

The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide an increasingly detailed look at specific financial activities. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's major funds with all other non-major funds presented in total in one column.

J. Sterling Morton High School District No. 201

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2015

Unaudited

Reporting the School District as a Whole

One of the most important questions asked about the School District is “How did we do financially during 2015?” The *Statement of Net Position* and the *Statements of Activities*, which appear on pages 13 - 14 in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These government-wide statements include *all assets, liabilities and deferred inflows and outflows* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in the position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District's property tax base, current property tax laws restricting revenue growth, required educational programs and other factors.

Reporting the School District's Most Significant Funds

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 School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School District's fund financial statements can be found on pages 15 – 21 of this report. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's major funds.

Governmental Funds – Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the School District's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

J. Sterling Morton High School District No. 201

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2015

Unaudited

Fiduciary Funds – The School District's only fiduciary fund is an agency fund. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

Notes to the Financial Statements

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole and may serve over time as a useful indicator of the School District's financial position.

The School District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1, which is presented on the next page, provides a summary of the School District's net position for 2015 and 2014. The School District's assets and deferred inflows exceeded liabilities and deferred outflows by \$47.5 million (*net position*) on June 30, 2015. As shown in Table 2 (on page 7), governmental activities resulted in a \$14.1 million increase in net position from the prior year. Other financial transactions of the School District affected the allocation among the three components of net position.

The largest component of net position is invested in capital assets, net of related debt (\$77.5 million). This component increased by \$6.6 million from the prior year.

An additional portion (\$8.8 million) of the School District's assets represents resources that are subject to other external restrictions on how they may be used. This component consists of net position restricted for debt service, retirement benefits and fire prevention and safety projects. The current year balance remained comparable to the prior year because the annual debt service payments and related levies are substantially unchanged from the prior year and there was no significant addition to or use of the resources restricted for fire prevention and safety projects.

J. Sterling Morton High School District No. 201

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2015

Unaudited

Any remaining balance of unrestricted net position may be used to meet a district's ongoing obligations to its general programs; however, for the School District this balance is negative (-\$38.8 million). The negative balance is an indication that the School District has utilized debt as a financing source for its general programs. The balance is net of approximately \$73.2 million in bonds payable, however, for which future revenues will be provided through a direct annual levy to service the debt.

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

	<u>2014**</u>	<u>2015</u>
Assets:		
Current and other assets	\$ 88.9	\$ 88.8
Capital Assets	<u>70.9</u>	<u>77.4</u>
Total assets	<u>159.8</u>	<u>166.2</u>
Total deferred inflows of resources**	<u>-</u>	<u>4.9</u>
Liabilities:		
Current liabilities	9.5	6.3
Long-term debt outstanding**	<u>82.8</u>	<u>92.8</u>
Total liabilities	<u>92.3</u>	<u>99.1</u>
Total deferred inflows of resources**	<u>22.6</u>	<u>24.5</u>
Net position:		
Net investment in capital assets	70.9	77.5
Restricted	9.8	8.8
Unrestricted**	<u>(35.8)</u>	<u>(38.8)</u>
Total net position**	<u>\$ 44.9</u>	<u>\$ 47.5</u>

**See Note 13 for information regarding prior year restatement. Amounts presented for 2014 have not been restated in the table.

Table 2 on the next page shows the changes in total net position from governmental activities for fiscal years 2015 and 2014.

J. Sterling Morton High School District No. 201

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2015

Unaudited

Table 2 Changes in Net Position (in millions of dollars)		
	<u>2014**</u>	<u>2015</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 2.5	\$ 1.9
Operating grants & contributions	30.1	39.9
Capital grants & contributions	0.1	-
<i>General revenues:</i>		
Taxes**	49.9	50.0
General state aid	36.2	37.2
Other	0.1	0.1
Total revenues	<u>118.9</u>	<u>129.1</u>
Expenses:		
Instruction	63.3	70.0
Pupil & instructional staff services	11.6	12.1
Administration & business	9.5	9.3
Transportation	3.1	3.5
Operations & maintenance	12.1	12.8
Other**	8.3	7.3
Total expenses**	<u>107.9</u>	<u>115.0</u>
Increase (decrease) in net position**	<u>\$ 11.0</u>	<u>\$ 14.1</u>

**See Note 13 for information regarding prior year restatement. Amounts presented for 2014 have not been restated in the table.

Governmental activities increased the District's net position by \$14.1 million for fiscal year 2015. The major source of revenues for governmental activities of the School District was local property taxes, which provided 39% and 42% of the School District's revenues in fiscal years 2015 and 2014, respectively. State and federal funding in the form of grants and entitlements provided another significant source of revenues to the School District, providing 60% of revenues in fiscal year 2015 and 56% in fiscal year 2014. The remainder of revenues was derived from charges for services, investment earnings and other miscellaneous revenues, which provided 1% and 2% of revenues in 2015 and 2014, respectively. These revenues for governmental activities support the various instructional programs, support services and financing of the District.

J. Sterling Morton High School District No. 201

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015 Unaudited

The major category of governmental activities provided by the School District is its instructional programs, which comprised 61% and 59% of total governmental program expenses in 2015 and 2014, respectively. Support services activities comprised another 35% and 37% of governmental program expenses in 2015 and 2014 with financing activities comprising the remaining 4% and 4% in 2015 and 2014.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Information about the School District's major funds starts on page 15. Recall that the funds are accounted for using the modified accrual basis of accounting, which provides information to help determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The fund balances for all of the School District's governmental funds totaled \$59.0 million as of June 30, 2015. The balances and transactions of the School District's major funds are summarized below.

The General Fund had \$92.8 million in revenues and \$91.0 million in expenditures for a net increase in fund balance of \$1.8 million for fiscal 2015. The General Fund ended the year with a fund balance of \$47.9 million at June 30, 2015.

The Transportation Fund had approximately \$4.1 million in revenues and \$3.6 million in expenditures for a net increase in fund balance of \$0.5 million for fiscal 2015. The Transportation Fund ended the year with a fund balance of \$592,008 at June 30, 2015.

Within the Debt Service Fund, revenues consist primarily of property taxes levied for debt service purposes and expenditures consist of the related debt service payments. The fund balance increased by approximately \$.06 million during fiscal 2015. The fund balance at June 30, 2015 totaled \$6.2 million for debt service payments due in the subsequent fiscal year.

GENERAL FUND – BUDGET HIGHLIGHTS

The School District's budget, which was not amended during the year, is prepared according to Illinois law using the modified accrual basis of accounting, which is the same basis that is used for financial reporting, except that pension contributions made by the State of Illinois on-behalf of the School District, for which revenues and expenditures are equal, are not included in either budgeted revenues or expenditures.

The General Fund net change in fund balance for the year ended June 30, 2015 was budgeted to decline by \$584,384. The fund actual results showed an increase of \$1,838,051, largely due to actual expenditures for capital outlay being below budget.

J. Sterling Morton High School District No. 201

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

CAPITAL ASSETS

Table 3 Capital Assets (net of depreciation) (in millions of dollars)		
	<u>2014</u>	<u>2015</u>
Land	\$ 13.6	\$ 13.6
Construction in Progress	2.4	-
Land improvements	-	1.1
Buildings	44.3	48.0
Improvements	2.2	5.9
Equipment	8.4	8.7
Total	<u>\$ 70.9</u>	<u>\$ 77.4</u>

Table 3 shows fiscal year 2015 balances compared to fiscal year 2014. At the end of fiscal year 2015, the School District had \$77.4 million invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and books and educational media (amount includes construction in progress). Capital assets (net of depreciation) increased by approximately \$6.5 million. The School District invested \$12.0 million in capital asset additions during the year and, recorded \$3.2 million in depreciation expense, resulting in the net increase in capital assets (net of depreciation) for fiscal year 2015.

For more information on capital assets, refer to Note 6 of the notes to the basic financial statements.

DEBT ADMINISTRATION

At June 30, 2015, the School District had \$67,125,462 in capital appreciation long-term debt outstanding; of the total, \$9,195,000 is due within one year. Table 4 summarizes debt outstanding:

Table 4 Outstanding Long-Term Debt (in millions of dollars)		
	<u>2014**</u>	<u>2015</u>
Capital appreciation bonds	\$ 71.3	\$ 67.2
Unamortized premium	6.7	6.0
Capital leases	.3	.2
Other post-employment benefits	3.6	2.9
Net pension liability**	-	15.8
EPA loans	.2	.1
Compensated absences	.7	.6
Total	<u>\$ 82.8</u>	<u>\$ 92.8</u>

**See Note 13 for information regarding prior year restatement; 2014 amounts in the table have not been restated.

For more information on debt, refer to Note 7 of the notes to the basic financial statements.

J. Sterling Morton High School District No. 201

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

The Board of Education will face many challenges over the next few school years. In FY2015, the School District has experienced an 89% proration in General State Aid. Keeping the reduction of GSA in mind, the FY2016 budget was developed in a manner that was conservative in its revenue projections and frugal in its expenditure allocations to non-instructional programs. In conclusion, J. Sterling Morton High School District 201 has committed itself to scholastic as well as financial excellence for many years. The District's systems for financial planning, budgeting and internal control are well regarded. The District will continue to be prudent in financial management in order to meet the challenges of the future.

The State of Illinois has instituted a program called the School District Financial Profile. It is a system used to assess a school district's financial health. The State Financial Profile uses 5 indicators to determine the financial health of each school district in the State. The 5 ratios are: 1) Fund Balance to Revenue Ratio (FBRR), 2) Expenditures to Revenue Ratio (EXRV), 3) Days Cash on Hand (DCOH), 4) Percent of Short-term Borrowing Ability Remaining (STB) and 5) Percent of Long-term Debt Remaining (LTD). Based upon these indicators a district is assigned one of 4 rankings as follows: Financial Recognition, Financial Review, Financial Early Warning or Financial Watch. The School District received the following scores and ranking:

(Table 5)
State School District Financial Profile

Indicator	Possible Score	District Score	District Ranking
FBRR	1.40	1.40	
EXRV	1.40	1.40	
DCOH	0.40	0.40	
STB	0.40	0.40	
LTD	0.40	0.20	
	4.00	3.80	Recognition

The School District's ranking remained Recognition for fiscal year 2015. The District's Days Cash on Hand (DCOH) slightly decreased from 208.69 to 199.05 days. The Fund Balance to Revenue Ratio (FBRR) increased from .505 to .523. The District's Percent of Long-Term Debt Margin Remaining (LTD) score stayed consistent from the prior year. With careful planning and monitoring of our finances, J. Sterling Morton High School District 201's Board of Education is committed to providing a quality education for our students and a secure financial future for the School District.

J. Sterling Morton High School District No. 201
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Chris Wildman C.P.A, Chief Financial Officer for J. Sterling Morton High School District 201, 5041 W. 31ST Street. Cicero, IL 60804.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

STATEMENT OF NET POSITION

AS OF JUNE 30, 2015

GOVERNMENTAL ACTIVITIES

Assets

Cash and investments	\$ 54,707,765
Receivables (net of allowance for uncollectibles):	
Property taxes	23,385,138
Replacement taxes	1,070,376
Intergovernmental	3,016,307
Inventory	110,632
Other current assets	753,379
Restricted investments	5,735,011
Capital assets:	
Land	13,629,003
Construction in progress	89,992
Depreciable buildings, property and equipment, net	<u>63,757,003</u>
Total assets	<u>166,254,606</u>

Deferred outflows of resources

Deferred outflows related to pensions	<u>4,854,211</u>
Total deferred outflows of resources	<u>4,854,211</u>

Liabilities

Accounts payable	5,274,729
Salaries and wages payable	165,325
Health claims payable	883,333
Long-term liabilities:	
Other long-term liabilities - due within one year	9,346,659
Other long-term liabilities - due after one year	<u>83,423,794</u>
Total liabilities	<u>99,093,840</u>

Deferred inflows of resources

Property taxes levied for future periods	23,385,138
Deferred inflows related to pensions	<u>1,088,566</u>
Total deferred inflows of resources	<u>24,473,704</u>

Net position

Net investment in capital assets	77,475,998
Restricted for:	
Debt service	6,198,298
Capital projects	2,658,304
Unrestricted	<u>(38,791,327)</u>
Total net position	<u>\$ 47,541,273</u>

See Notes to Basic Financial Statements

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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
				POSITION
				CHANGES IN NET
				ACTIVITIES
Governmental activities				
Instruction:				
Regular programs	\$ 29,479,389	\$ 803,423	\$ 2,975,321	\$ (25,700,645)
Special programs	13,318,024	-	7,712,608	(5,605,416)
Other instructional programs	4,661,423	301,973	1,030,928	(3,328,522)
State retirement contributions	22,567,450	-	22,567,450	-
Support Services:				
Pupils	7,337,446	-	-	(7,337,446)
Instructional staff	4,807,616	-	234,911	(4,572,705)
General administration	1,957,785	-	-	(1,957,785)
School administration	2,305,537	-	-	(2,305,537)
Business	5,045,886	683,524	3,432,298	(930,064)
Transportation	3,496,900	-	1,956,396	(1,540,504)
Operations and maintenance	12,840,545	101,351	-	(12,739,194)
Central	2,205,583	-	-	(2,205,583)
Other supporting services	208,175	-	-	(208,175)
Community services	320,293	-	-	(320,293)
Payments to other districts and gov't units - excluding special education	37,716	-	-	(37,716)
Interest and fees	4,427,638	-	-	(4,427,638)
Total governmental activities	\$ 115,017,406	\$ 1,890,271	\$ 39,909,912	(73,217,223)

General revenues:

Taxes:

Real estate taxes, levied for general purposes	24,438,199
Real estate taxes, levied for specific purposes	9,842,721
Real estate taxes, levied for debt service	9,255,730
Personal property replacement taxes	6,520,552
State aid-formula grants	37,147,286
Investment income	137,644
Miscellaneous	39,606

Total general revenues 87,381,738

Change in net position 14,164,515

Net position, beginning of year (as restated) 33,376,758

Net position, end of year \$ 47,541,273

See Notes to Basic Financial Statements

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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	\$ 46,654,391	\$ 3,813,601	\$ 311,755	\$ 806,427
Receivables (net allowance for uncollectibles):				
Property taxes	12,979,572	3,549,919	554,858	1,410,903
Replacement taxes	1,070,376	-	-	-
Intergovernmental	2,540,114	-	476,193	-
Inventory	110,632	-	-	-
Other current assets	494,614	245,827	12,938	-
Restricted investments	-	-	-	-
Total assets	<u>\$ 63,849,699</u>	<u>\$ 7,609,347</u>	<u>\$ 1,355,744</u>	<u>\$ 2,217,330</u>
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Accounts payable	\$ 1,984,855	\$ 3,079,353	\$ 208,878	\$ 1,643
Salaries and wages payable	130,983	10,760	-	23,582
Health claims payable	<u>883,333</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>2,999,171</u>	<u>3,090,113</u>	<u>208,878</u>	<u>25,225</u>
Deferred inflows of resources				
Property taxes levied for future periods	<u>12,979,572</u>	<u>3,549,919</u>	<u>554,858</u>	<u>1,410,903</u>
Total deferred inflows of resources	<u>12,979,572</u>	<u>3,549,919</u>	<u>554,858</u>	<u>1,410,903</u>
Fund balance				
Nonspendable	605,246	245,827	12,938	-
Restricted	-	-	-	781,202
Assigned	-	723,488	579,070	-
Unassigned	<u>47,265,710</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>47,870,956</u>	<u>969,315</u>	<u>592,008</u>	<u>781,202</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 63,849,699</u>	<u>\$ 7,609,347</u>	<u>\$ 1,355,744</u>	<u>\$ 2,217,330</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
		2015	2014
\$ 463,287	\$ 2,658,304	\$ 54,707,765	\$ 57,525,058
4,889,886	-	23,385,138	22,636,200
-	-	1,070,376	1,029,637
-	-	3,016,307	1,566,781
-	-	110,632	135,008
-	-	753,379	400,375
<u>5,735,011</u>	<u>-</u>	<u>5,735,011</u>	<u>5,656,728</u>
<u>\$ 11,088,184</u>	<u>\$ 2,658,304</u>	<u>\$ 88,778,608</u>	<u>\$ 88,949,787</u>

\$ -	\$ -	\$ 5,274,729	\$ 4,634,641
-	-	165,325	3,877,938
<u>-</u>	<u>-</u>	<u>883,333</u>	<u>1,004,886</u>
<u>-</u>	<u>-</u>	<u>6,323,387</u>	<u>9,517,465</u>
<u>4,889,886</u>	<u>-</u>	<u>23,385,138</u>	<u>22,636,200</u>
<u>4,889,886</u>	<u>-</u>	<u>23,385,138</u>	<u>22,636,200</u>
-	-	864,011	535,383
6,198,298	2,658,304	9,637,804	9,843,189
-	-	1,302,558	920,028
<u>-</u>	<u>-</u>	<u>47,265,710</u>	<u>45,497,522</u>
<u>6,198,298</u>	<u>2,658,304</u>	<u>59,070,083</u>	<u>56,796,122</u>
<u>\$ 11,088,184</u>	<u>\$ 2,658,304</u>	<u>\$ 88,778,608</u>	<u>\$ 88,949,787</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION AS OF JUNE 30, 2015

Total fund balances - governmental funds		\$ 59,070,083
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.		77,475,998
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		4,854,211
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(1,088,566)
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:		
Bonds payable	\$ (67,125,462)	
Unamortized bond premium	(6,031,297)	
Net other post employment obligation	(2,836,925)	
Net pension liability	(15,778,474)	
Loans payable	(136,695)	
Capital leases	(222,158)	
Compensated absences	<u>(639,442)</u>	
		<u>(92,770,453)</u>
Net position of governmental activities		<u>\$ 47,541,273</u>

See Notes to Basic Financial Statements

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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	\$ 24,438,199	\$ 6,181,577	\$ 1,035,752	\$ 2,628,346
Corporate personal property replacement taxes	6,270,552	-	-	250,000
State aid	49,964,358	13,702,912	3,056,396	-
Federal aid	10,333,532	-	-	-
Investment income	131,145	2,326	1,381	2,526
Other	<u>1,740,071</u>	<u>189,806</u>	<u>-</u>	<u>-</u>
Total revenues	<u>92,877,857</u>	<u>20,076,621</u>	<u>4,093,529</u>	<u>2,880,872</u>
Expenditures				
Current:				
Instruction:				
Regular programs	26,964,371	-	-	314,695
Special programs	11,711,076	-	-	345,173
Other instructional programs	4,461,665	-	-	116,250
State retirement contributions	22,567,450	-	-	-
Support Services:				
Pupils	6,967,637	-	-	308,145
Instructional staff	4,609,977	-	-	137,572
General administration	1,807,264	-	-	112,154
School administration	2,129,065	-	-	125,883
Business	4,642,815	-	-	371,299
Transportation	2,597	-	3,379,093	16,378
Operations and maintenance	-	11,112,821	-	1,158,486
Central	2,045,954	-	-	108,153
Other supporting services	632,515	365,288	-	-
Community services	285,544	-	-	30,111
Payments to other districts and gov't units	992,336	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>1,104,084</u>	<u>8,415,313</u>	<u>206,340</u>	<u>-</u>
Total expenditures	<u>90,924,350</u>	<u>19,893,422</u>	<u>3,585,433</u>	<u>3,144,299</u>
Excess (deficiency) of revenues over expenditures	<u>1,953,507</u>	<u>183,199</u>	<u>508,096</u>	<u>(263,427)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	<u>(115,456)</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(115,456)</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,838,051	133,199	508,096	(263,427)
Fund balance (deficit), beginning of year	<u>46,032,905</u>	<u>836,116</u>	<u>83,912</u>	<u>1,044,629</u>
Fund balance, end of year	<u>\$ 47,870,956</u>	<u>\$ 969,315</u>	<u>\$ 592,008</u>	<u>\$ 781,202</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
		2015	2014
\$ 9,255,730	\$ (2,954)	\$ 43,536,650	\$ 43,844,935
-	-	6,520,552	6,065,527
-	-	66,723,666	56,901,240
-	-	10,333,532	9,556,612
266	-	137,644	117,484
-	-	1,929,877	2,528,360
<u>9,255,996</u>	<u>(2,954)</u>	<u>129,181,921</u>	<u>119,014,158</u>
-	-	27,279,066	30,307,599
-	-	12,056,249	11,530,636
-	-	4,577,915	4,616,619
-	-	22,567,450	13,505,305
-	-	7,275,782	7,409,842
-	-	4,747,549	3,681,806
-	-	1,919,418	1,741,291
-	-	2,254,948	2,191,077
-	-	5,014,114	5,042,155
-	-	3,398,068	3,075,932
-	-	12,271,307	11,398,631
-	-	2,154,107	1,879,208
-	-	997,803	2,196,018
-	-	315,655	289,783
-	-	992,336	1,240,958
9,340,458	-	9,340,458	9,334,527
19,998	-	19,998	25,939
-	-	9,725,737	8,393,106
<u>9,360,456</u>	<u>-</u>	<u>126,907,960</u>	<u>117,860,432</u>
<u>(104,460)</u>	<u>(2,954)</u>	<u>2,273,961</u>	<u>1,153,726</u>
165,456	-	165,456	165,456
-	-	(165,456)	(165,456)
<u>165,456</u>	<u>-</u>	<u>-</u>	<u>-</u>
60,996	(2,954)	2,273,961	1,153,726
<u>6,137,302</u>	<u>2,661,258</u>	<u>56,796,122</u>	<u>55,642,396</u>
<u>\$ 6,198,298</u>	<u>\$ 2,658,304</u>	<u>\$ 59,070,083</u>	<u>\$ 56,796,122</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
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 \$ 2,273,961

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 current year net capital outlay exceeds depreciation expense. 6,582,061

The governmental funds report bond and loan proceeds as an other financing source, while repayment of bond and loan principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of bonds and loans and related items is as follows:

Amortization of premium on bond issuances	\$ 592,206	
Repayment of bond principal	9,195,000	
Repayment of EPA loan principal	40,477	
Repayment of capital lease principal	104,982	
Accretion on bonds	<u>(4,999,845)</u>	
		4,932,820

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	\$ 55,224	
Other post employment benefits	789,628	
Net pension liability	(2,866,297)	
Deferred outflows of resources due to pensions	3,485,684	
Deferred inflows of resources due to pensions	<u>(1,088,566)</u>	
		<u>375,673</u>

Change in net position of governmental activities \$ 14,164,515

See Notes to Basic Financial Statements

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

AGENCY FUND

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2015

	AGENCY FUND
<hr/>	
Assets	
Cash and investments	\$ <u>863,788</u>
Liabilities	
Due to student groups	\$ <u>863,788</u>
Total liabilities	\$ <u>863,788</u>

See Notes to Basic Financial Statements

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

J. Sterling Morton High School District 201 (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 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.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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 committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Funds.

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

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.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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 10, 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 lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2014 and 2013 tax levies were 1.5% and 1.7%, respectively.

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1 and the second due on the later of August 1 or 30 days after the second installment tax bill is mailed. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Property taxes are normally collected by the District within 60 days of the due date.

The 2014 property tax levy is recognized as a receivable in fiscal 2015, net of estimated uncollectible amounts approximating 2.0% and less amounts already received. The District considers that the first installment of the 2014 levy that is received by June 30, 2015 to be used to finance operations in fiscal 2015. The District has determined that the remaining uncollected portion of the 2014 levy is to be used to finance operations in fiscal 2016 and has included the corresponding receivable as a deferred inflow of resources.

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.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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, construction in process, buildings and improvements, and furniture and equipment 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 \$1,000 and an estimated useful life of more than 1 year. 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	40-50 years
Land improvements	15-20 years
Furniture, equipment and vehicles	3-20 years

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 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.

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.

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.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

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

Deferred Inflows of Resources

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

Equity Classifications

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

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

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

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

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

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

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

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

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

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. Currently this authority has not been delegated. 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.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

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

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 is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

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 \$110,632 for inventory and \$494,614 for prepaid items. The nonspendable balances in the Operations and Maintenance Fund and Transportation Fund of \$245,827 and \$12,938, respectively, are for prepaid items. The remaining restricted and assigned fund balances are for the purpose 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.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Budget

For the year ended June 30, 2015, expenditures exceeded budget in the Operations and Maintenance Fund by \$4,924,079, which was offset by revenues exceeding budget by \$5,130,894 and by available fund balance. Expenditures exceeded budget in the Transportation Fund by \$927,326, which was offset by revenues exceeding budget by \$888,887, and the remaining funded by available fund balance.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

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	\$ 54,707,765	\$ 863,788	\$ 55,571,553
Restricted cash and investments	<u>5,735,011</u>	<u>-</u>	<u>5,735,011</u>
Total	<u>\$ 60,442,776</u>	<u>\$ 863,788</u>	<u>\$ 61,306,564</u>

The restricted cash and investments represents holdings at The Bank of New York Mellon which are restricted for repayment of the District's 2004B, 2004C, 2005B and 2005C Capital Appreciation Bonds.

For disclosure purposes, this amount is segregated into the following components: 1) cash on hand 2) deposits with financial institutions, which include amounts held in demand accounts, savings accounts and non-negotiable certificates of deposit; 3) deposits in the ISDLAF+ money market fund, and 4) other investments, which consist of all investments other than certificates of deposit, as follows:

	Cash and investments
Cash on hand	\$ 7,500
Deposits with financial institutions	53,176,946
ISDLAF+	5,006,283
Other investments	<u>3,115,835</u>
Total	<u>\$ 61,306,564</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

At year end, the District had the following investments:

	Fair Value	Investment Maturity (In Years)			
		Less than one	1-5	5-10	More than 10
Negotiable CD's	\$ 1,491,855	\$ 249,000	\$ 1,242,855	\$ -	\$ -
JP Morgan 100% US Treasury Capital Money Market Fund	1,623,980	1,623,980	-	-	-
Total	<u>\$ 3,115,835</u>	<u>\$ 1,872,980</u>	<u>\$ 1,242,855</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). Ratings for the negotiable certificates of deposit were unavailable.

The JP Morgan 100% US Treasury Capital Money Market Fund invests solely in debt securities of the US Treasury, including Treasury bills, bonds and notes. These investments carry different interest rates, maturities and issue dates. The JP Morgan US Treasury Capital Money Market Fund is rated AAAM by Standard and Poor and Aaa-mf by Moody's investment rating agencies.

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. The trust 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.

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 \$54,449,403; of this amount, \$3,861,016 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 in the JP Morgan 100% US Treasury Capital Money Market Fund was exposed to custodial credit risk at June 30, 2015.

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

NOTE 5 - INTERFUND TRANSFERS

During the year, the Board transferred \$50,000 from the Operations and Maintenance Fund to the Debt Service Fund for payment of interest and principal for the EPA loan. The Board also transferred \$115,456 from the General Fund (Educational Accounts) to the Debt Service Fund for payment of interest and principal on the capital lease.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

NOTE 5 - INTERFUND TRANSFERS - (CONTINUED)

State law allows for the above transfers.

NOTE 6 - 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	\$ 13,629,003	\$ -	\$ -	\$ 13,629,003
Construction in progress	<u>2,367,759</u>	<u>89,992</u>	<u>2,367,759</u>	<u>89,992</u>
Total capital assets not being depreciated	<u>15,996,762</u>	<u>89,992</u>	<u>2,367,759</u>	<u>13,718,995</u>
<u>Capital assets being depreciated:</u>				
Land improvements	-	1,042,424	-	1,042,424
Buildings	73,405,634	5,392,411	-	78,798,045
Building improvements	3,448,141	3,967,712	-	7,415,853
Equipment	<u>25,646,898</u>	<u>1,637,073</u>	<u>-</u>	<u>27,283,971</u>
Total capital assets being depreciated	<u>102,500,673</u>	<u>12,039,620</u>	<u>-</u>	<u>114,540,293</u>
<u>Less Accumulated Depreciation for:</u>				
Land improvements	-	26,061	-	26,061
Buildings	29,130,300	1,538,496	-	30,668,796
Building improvements	1,239,141	271,601	-	1,510,742
Equipment	<u>17,234,057</u>	<u>1,343,634</u>	<u>-</u>	<u>18,577,691</u>
Total accumulated depreciation	<u>47,603,498</u>	<u>3,179,792</u>	<u>-</u>	<u>50,783,290</u>
Net capital assets being depreciated	<u>54,897,175</u>	<u>8,859,828</u>	<u>-</u>	<u>63,757,003</u>
Net governmental activities capital assets	<u>\$ 70,893,937</u>	<u>\$ 8,949,820</u>	<u>\$ 2,367,759</u>	<u>\$ 77,475,998</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

NOTE 6 - CAPITAL ASSETS - (CONTINUED)

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

<i>Governmental Activities</i>	<i>Depreciation</i>
Regular programs	\$ 2,162,259
Special programs	254,383
Pupils	15,899
Instructional staff	31,798
General administration	15,899
School administration	31,798
Business	15,899
Transportation	95,394
Operations and maintenance	524,666
Central	31,797
Total depreciation expense - governmental activities	<u>\$ 3,179,792</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:

	<i>Beginning Balance (As Restated)</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
Capital appreciation bonds	\$ 71,320,617	\$ 4,999,845	\$ 9,195,000	\$ 67,125,462	\$ 9,195,000
Unamortized premium	<u>6,623,503</u>	<u>-</u>	<u>592,206</u>	<u>6,031,297</u>	<u>-</u>
Total bonds payable	<u>77,944,120</u>	<u>4,999,845</u>	<u>9,787,206</u>	<u>73,156,759</u>	<u>9,195,000</u>
Net Pension Liability	12,912,177	2,866,297	-	15,778,474	-
Capital leases	327,140	-	104,982	222,158	108,987
Other Post Employment Benefits	3,626,553	682,128	1,471,756	2,836,925	-
EPA Loans	177,172	-	40,477	136,695	42,672
Compensated absences	<u>694,666</u>	<u>11,485</u>	<u>66,709</u>	<u>639,442</u>	<u>-</u>
Total long-term liabilities - governmental activities	<u>\$ 95,681,828</u>	<u>\$ 8,559,755</u>	<u>\$ 11,471,130</u>	<u>\$ 92,770,453</u>	<u>\$ 9,346,659</u>

The net pension liability will be repaid from the Illinois Municipal Retirement/Social Security Fund and the General Fund. The capital leases will be repaid from the Debt Service Fund and funded with transfers from the General Fund. The obligations for the compensated absences and other post-employment benefits will be repaid from the General Fund. The EPA loan will be repaid from the Debt Service Fund and funded with transfers from the Operations and Maintenance Fund.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

NOTE 7 - LONG TERM LIABILITIES - (CONTINUED)

General Obligation Bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Original Indebtedness	Face Amount	Carrying Amount
Series 2004B Capital Appreciation Limited Tax School Bonds dated February 19, 2004 are due in annual installments through December 1, 2020	4.8% - 5.0%	\$ 5,638,957	\$ 12,660,000	\$ 10,058,510
Series 2004C Capital Appreciation Limited Tax School Bonds dated February 19, 2004 are due in annual installments through December 1, 2018	4.8% - 6.0%	24,238,841	23,800,000	21,483,939
Series 2005B Capital Appreciation Limited Tax School Bonds dated November 17, 2005 are due in annual installments through December 1, 2024	5.3% - 5.8%	18,500,926	52,445,000	30,885,128
Series 2005C Capital Appreciation Limited Tax School Bonds dated December 1, 2005 are due in annual installments through December 1, 2025	5.0%	<u>2,035,598</u>	<u>11,560,000</u>	<u>4,697,885</u>
Total		<u>\$ 50,414,322</u>	<u>\$ 100,465,000</u>	<u>\$ 67,125,462</u>

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

	Principal	Total
2016	\$ 9,195,000	\$ 9,195,000
2017	9,195,000	9,195,000
2018	9,195,000	9,195,000
2019	9,195,000	9,195,000
2020	9,195,000	9,195,000
2021 - 2025	45,975,000	45,975,000
2026	<u>8,515,000</u>	<u>8,515,000</u>
Total	<u>\$ 100,465,000</u>	<u>\$ 100,465,000</u>

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 \$99,004,728, providing a debt margin of \$66,407,875.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

NOTE 7 - LONG TERM LIABILITIES - (CONTINUED)

Capital Leases. The District has entered into a lease agreement as lessee for financing the acquisition of technology equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. At June 30, 2015, \$525,645 of amounts included in capital assets were acquired via capital leases. The obligations for the capital leases will be repaid from the Debt Service Fund through a transfer from the General Fund (Educational Accounts). The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015, are as follows:

	<i>Amount</i>
2016	\$ 115,456
2017	115,456
Total minimum lease payments	<u>230,912</u>
Less: amount representing interest	<u>(8,754)</u>
Present value of minimum lease payments	<u><u>\$ 222,158</u></u>

On July 21, 2009 the Environmental Protection Agency (EPA) reached a settlement with the District on past costs. The settlement resulted in the District owing \$398,767, plus interest accruing at 5.42%, to be repaid in annual payments of \$50,000 through 2018. The EPA Loan will be repaid from the Debt Service Fund, and funded through transfers from the Operations and Maintenance Fund. The future minimum loan payments and the net present value of these minimum lease payments as of June 30, 2015, are as follows:

	<i>Amount</i>
2016	\$ 50,000
2017	50,000
2018	<u>50,000</u>
Total minimum lease payments	150,000
Less: amount representing interest	<u>(13,305)</u>
Present value of minimum lease payments	<u><u>\$ 136,695</u></u>

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; 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) for general liability, workers compensation and other. 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 pool. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

NOTE 8 - RISK MANAGEMENT - (CONTINUED)

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 or \$5,885,228 in the aggregate, 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 \$883,333. 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>\$ 725,019</u>	<u>\$ 7,435,832</u>	<u>\$ 7,155,965</u>	<u>\$ 1,004,886</u>
Fiscal Year 2015	<u>\$ 1,004,886</u>	<u>\$ 6,811,479</u>	<u>\$ 6,933,032</u>	<u>\$ 883,333</u>

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. 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.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

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

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 \$380,466, 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 \$369,304 and \$328,236, 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 0.69 percent during the years ended June 30, 2014 and 2013, respectively. For the years ended June 30, 2015, 2014 and 2013, the District paid \$283,485, \$274,122 and \$246,177 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 2015 and 2014 reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

Retirees' Health Plan

The District administers a single-employer defined benefit healthcare plan ("the Retirees' Health Plan"). The plan provides health insurance contributions for eligible retirees and their spouses through the District's group health insurance plan which covers both active and retired members. Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses receive lifetime healthcare insurance at established contribution rates. The Retirees' Health Plan does not issue a publicly available financial report.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the board and the union.. The District makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during that year. The District contributes 50 percent and 100 percent of the current year premiums for a family and a single plan, respectively, for eligible retired plan members and their spouses. For fiscal year 2015, the District contributed \$1,471,756 to the plan. Plan members receiving benefits contribute 0 percent and 50 percent of their premium costs for a family plan and a single plan, respectively.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

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

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Retirees' Health Plan, and changes in the District's net OPEB obligation to the Retirees' Health Plan:

Annual required contribution	\$ 743,828
Interest on net OPEB obligation	201,959
Adjustment to annual required contribution	<u>(263,659)</u>
Annual OPEB cost	682,128
Contributions made	<u>(1,471,756)</u>
Increase in net OPEB obligation (asset)	(789,628)
Net OPEB Obligation (Asset) - Beginning of Year	<u>3,626,553</u>
Net OPEB Obligation (Asset) - End of Year	<u><u>\$ 2,836,925</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Retirees' Health Plan, and the net OPEB obligation for June 30, 2015 are as follows:

<i>Fiscal Year Ended</i>	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2015	\$ 682,128	215.76 %	\$ 2,836,925
June 30, 2014	682,128	226.28 %	3,626,553
June 30, 2013	2,908,672	58.72 %	1,707,995

The funded status of the Retirees' Health Plan as of July 1, 2013, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 10,633,869
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 10,633,869</u></u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 45,316,081
UAAL as a percentage of covered payroll	23.47%

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

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

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 5 percent investment rate of return and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after 10 years. Both rates include a 5 percent inflation assumption. The actuarial value of the Retirees' Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The Retirees' Health Plan's unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015 is 30 years.

NOTE 10 - RETIREMENT SYSTEMS

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

Teachers' Retirement System

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

TRS issues a publicly available financial report that can be obtained at <http://trs.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.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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 \$22,186,984 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 \$258,175; these are deferred in the government-wide financial statements because they were paid after the June 30, 2014 measurement date.

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

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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 \$601,774; These are deferred in the government-wide financial statements 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 \$11,146 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	\$ 10,005,881
State's proportionate share of the collective net pension liability associated with the District	<u>275,578,370</u>
Total	<u>\$ 285,584,251</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 0.01644128 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 0.01536425 percent.

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%.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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 %

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.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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	\$ 12,356,772	\$ 10,005,881	\$ 8,059,075

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 \$931,606 in the government-wide financial statements. The District also recognized on-behalf revenue and expense of \$22,186,984 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	\$ 5,285	\$ -
Net difference between projected and actual earnings on pension plan investments	-	502,872
Changes in proportion and differences between District contributions and proportionate share of contributions	542,967	-
District contributions subsequent to the measurement date	<u>859,949</u>	<u>-</u>
Total	<u>\$ 1,408,201</u>	<u>\$ 502,872</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 for the year ending June 30, 2016. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$45,380) will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2016	\$ 7,353
2017	7,353
2018	7,353
2019	7,353
2020	<u>15,968</u>
Total	<u>\$ 45,380</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Illinois Municipal Retirement Fund

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

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	276
Inactive, non-retired members	332
Active members	<u>357</u>
Total	<u><u>965</u></u>

Contributions. As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2014 was 12.28 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.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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) 7.49% 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.

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 %

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability for IMRF was 7.49%. 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 7.49 used to determine the total pension liability. The year ending December 31, 2087 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 7.49% 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 (6.49%) or 1 percentage point higher (8.49%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 76,326,162	\$ 67,621,770	\$ 60,458,679
Plan fiduciary net position	<u>61,849,177</u>	<u>61,849,177</u>	<u>61,849,177</u>
Net pension liability/(asset)	<u>\$ 14,476,985</u>	<u>\$ 5,772,593</u>	<u>\$ (1,390,498)</u>

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	\$ 63,107,528	\$ 59,810,863	\$ 3,296,665
Service cost	1,497,870	-	1,497,870
Interest on total pension liability	4,656,933	-	4,656,933
Differences between expected and actual experience of the total pension liability	(788,111)	-	(788,111)
Change of assumptions	2,675,593	-	2,675,593
Benefit payments, including refunds of employee contributions	(3,528,043)	(3,528,043)	-
Contributions - employer	-	1,487,656	(1,487,656)
Contributions - employee	-	575,577	(575,577)
Net investment income	-	3,603,786	(3,603,786)
Other (Net Transfer)	<u>-</u>	<u>(100,662)</u>	<u>100,662</u>
Balances at December 31, 2014	<u>\$ 67,621,770</u>	<u>\$ 61,849,177</u>	<u>\$ 5,772,593</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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 \$1,902,221 in the government-wide financial statements. 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	\$ -	\$ 585,694
Assumption changes	1,988,398	-
Net difference between projected and actual earnings on pension plan investments	658,659	-
Contributions subsequent to the measurement date	<u>798,953</u>	<u>-</u>
Total	<u>\$ 3,446,010</u>	<u>\$ 585,694</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 (\$2,061,363) will be recognized in pension expense as follows:

<i>Year Ending December 31,</i>	<i>Amount</i>
2015	\$ 649,443
2016	649,443
2017	597,814
2018	<u>164,663</u>
Total	<u>\$ 2,061,363</u>

NOTE 11 - CONSTRUCTION COMMITMENTS

As of June 30, 2015, the District is committed to approximately \$1,221,410 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances and building bonds already issued.

NOTE 12 - STATE AND FEDERAL AID CONTINGENCIES

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

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

NOTE 13 - 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.

	<i>Governmental Activities</i>
Net position as previously reported, June 30, 2014	\$ 44,920,408
Adjustment to record the net pension liability as of June 30, 2014	(12,912,177)
Adjustment to record deferred outflows of resources related to pensions as of June 30, 2014	<u>1,368,527</u>
Net position as restated, June 30, 2014	<u>\$ 33,376,758</u>

NOTE 14 - 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.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
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	\$ 1,497,870
Interest	4,656,933
Differences between expected and actual experience	(788,111)
Changes of assumptions	2,675,593
Benefit payments, including refunds of member contributions	<u>(3,528,043)</u>
Net change in total pension liability	4,514,242
Total pension liability - beginning	<u>63,107,528</u>
Total pension liability - ending (a)	<u><u>\$ 67,621,770</u></u>
Plan fiduciary net position	
Employer contributions	\$ 1,487,656
Employee contributions	575,577
Net investment income	3,603,786
Benefit payments, including refunds of member contributions	(3,528,043)
Other (net transfer)	<u>(100,662)</u>
Net change in plan fiduciary net position	2,038,314
Plan fiduciary net position - beginning	<u>59,810,863</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 61,849,177</u></u>
Employer's net pension liability - ending (a) - (b)	<u><u>\$ 5,772,593</u></u>
Plan fiduciary net position as a percentage of the total pension liability	91.46%
Covered-employee payroll	\$ 12,113,794
Employer's net pension liability as a percentage of covered-employee payroll	47.65%

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

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

	<u>2015</u>
Actuarially determined contribution	\$ 1,466,980
Contributions in relation to the actuarially determined contribution	<u>(1,487,656)</u>
Contribution deficiency (excess)	<u>\$ (20,676)</u>
Covered-employee payroll	\$ 12,113,794
Contributions as a percentage of covered-employee payroll	12.28%

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	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

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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	0.0164412830%
District's proportionate share of the net pension liability	\$ 10,005,881
State's proportionate share of the net pension liability	<u>275,578,370</u>
Total net pension liability	<u>\$ 285,584,251</u>
Covered-employee payroll	\$ 37,300,609
District's proportionate share of the net pension liability as a percentage of covered payroll	26.82%
Plan fiduciary net position as a percentage of the total pension liability	43.00%
Contractually required contribution	\$ 781,251
Contributions in relation to the contractually required contribution	<u>(865,234)</u>
Contribution deficiency (excess)	<u>\$ (83,983)</u>
Contributions as a percentage of covered employee payroll	2.3196%

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

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
SCHEDULE OF FUNDING PROGRESS FOR RETIREES' HEALTH PLAN
AS OF JUNE 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/13	\$ -	\$ 10,633,869	\$ 10,633,869	N/A	\$ 45,316,081	23.47%
7/1/12	-	22,012,032	22,012,032	N/A	42,222,786	52.13%
7/1/10	-	23,240,577	23,240,577	N/A	53,061,049	43.80%

Valuations must be performed every two years for OPEB plans with more than 200 members and at least every three years for plans with fewer than 200 members.

See Notes to Basic Financial Statements

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 23,994,724	\$ 24,033,084	\$ 38,360	\$ 23,516,493
Special education levy	401,621	405,115	3,494	402,953
Corporate personal property replacement taxes	6,164,730	6,270,552	105,822	5,815,527
Summer school - tuition from pupils or parents (in state)	126,951	114,982	(11,969)	126,951
Adult - tuition from pupils or parents (in state)	227,943	171,778	(56,165)	227,943
Investment income	99,199	131,145	31,946	108,982
Sales to pupils - lunch	126,860	155,320	28,460	125,656
Sales to pupils - breakfast	2,883	7,771	4,888	5,339
Sales to pupils - a la carte	414,920	304,097	(110,823)	525,035
Sales to adults	125,400	118,829	(6,571)	120,999
Other food service	29,560	36,067	6,507	31,466
Admissions - athletic	22,300	14,945	(7,355)	21,290
Admissions - other	15,200	6,718	(8,482)	15,189
Fees	312,630	140,582	(172,048)	160,290
Book store sales	375,453	442,901	67,448	548,602
Other pupil activity revenue	10,850	9,419	(1,431)	10,174
Sales - regular textbook	31,789	30,993	(796)	31,563
Contributions and donations from private sources	-	80	80	2,500
Services provided other LEA's	32,000	61,440	29,440	31,611
Refund of prior years' expenditures	-	38,970	38,970	1,441
Payments of surplus monies from TIF districts	-	556	556	1,713
Driver's education fees	23,730	15,213	(8,517)	23,730
Other local fees	738,581	-	(738,581)	-
Other	7,897	69,410	61,513	366,703
Total local sources	<u>33,285,221</u>	<u>32,579,967</u>	<u>(705,254)</u>	<u>32,222,150</u>
State sources				
General state aid	29,898,526	22,344,374	(7,554,152)	27,087,242
Special education - private facility tuition	1,534,202	1,406,649	(127,553)	1,495,754
Special education - extraordinary	1,200,000	1,143,766	(56,234)	1,189,504
Special education - personnel	991,819	948,690	(43,129)	956,731
Special education - summer school	70,000	77,056	7,056	69,011
CTE - Secondary program improvement	243,242	219,998	(23,244)	229,060
Bilingual education - downstate - TPI	184,194	123,425	(60,769)	330,169
State free lunch & breakfast	65,000	29,754	(35,246)	51,890
Driver education	75,000	66,767	(8,233)	65,302
Truant alternative/optional education	-	250,850	250,850	188,138
Early childhood - block grant	86,227	84,627	(1,600)	86,227
Other restricted revenue from state sources	131,199	700,952	569,753	6,119
Total state sources	<u>34,479,409</u>	<u>27,396,908</u>	<u>(7,082,501)</u>	<u>31,755,147</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Federal sources				
National school lunch program	\$ 2,569,714	\$ 2,717,368	\$ 147,654	\$ 2,598,970
School breakfast program	259,316	286,050	26,734	264,973
Child care commodity/SFS 13-adult day care	125,539	137,998	12,459	108,151
Fresh fruits & vegetables	-	51,457	51,457	36,042
Food service - other	-	209,671	209,671	209,670
Title I - Low income	3,293,673	2,395,850	(897,823)	3,240,786
Title I - Other	1,990,916	-	(1,990,916)	-
Federal - special education - IDEA - flow-through/low incident	1,816,391	1,053,910	(762,481)	1,252,555
CTE - Perkins - Title III E - tech. prep.	-	394,073	394,073	521,146
CTE - Other	406,516	-	(406,516)	-
Title III - English language acquisition	127,104	42,582	(84,522)	69,599
Title II - Teacher quality	329,153	234,911	(94,242)	267,030
Medicaid matching funds - administrative outreach	259,563	331,352	71,789	332,601
Medicaid matching funds - fee-for-service program	109,430	270,708	161,278	298,982
Other restricted revenue from federal sources	<u>306,629</u>	<u>2,207,602</u>	<u>1,900,973</u>	<u>356,107</u>
Total federal sources	<u>11,593,944</u>	<u>10,333,532</u>	<u>(1,260,412)</u>	<u>9,556,612</u>
Total revenues	<u>79,358,574</u>	<u>70,310,407</u>	<u>(9,048,167)</u>	<u>73,533,909</u>

Expenditures

Instruction

Regular programs

Salaries	22,540,717	21,670,460	870,257	23,017,530
Employee benefits	6,244,795	4,376,661	1,868,134	5,198,136
Purchased services	56,501	35,584	20,917	38,745
Supplies and materials	2,456,055	872,730	1,583,325	1,691,852
Capital outlay	37,000	29,463	7,537	1,711,886
Other objects	8,085	4,710	3,375	5,493
Non-capitalized equipment	<u>-</u>	<u>4,226</u>	<u>(4,226)</u>	<u>-</u>
Total	<u>31,343,153</u>	<u>26,993,834</u>	<u>4,349,319</u>	<u>31,663,642</u>

Special education programs

Salaries	5,475,286	5,437,013	38,273	5,688,250
Employee benefits	1,332,671	1,400,186	(67,515)	1,338,202
Purchased services	126,925	27,494	99,431	92,787
Supplies and materials	39,400	37,058	2,342	49,902
Capital outlay	104,455	33,789	70,666	21,329
Other objects	<u>2,000</u>	<u>975</u>	<u>1,025</u>	<u>1,410</u>
Total	<u>7,080,737</u>	<u>6,936,515</u>	<u>144,222</u>	<u>7,191,880</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Remedial and supplemental programs K - 12				
Salaries	\$ 416,025	\$ 425,475	\$ (9,450)	\$ 165,564
Employee benefits	254,907	236,714	18,193	91,452
Purchased services	274,423	261,660	12,763	10,940
Supplies and materials	762,118	640,502	121,616	377,912
Capital outlay	3,300	-	3,300	-
Total	1,710,773	1,564,351	146,422	645,868
Adult/continuing education programs				
Salaries	165,058	200,282	(35,224)	242,431
Employee benefits	2,310	2,702	(392)	2,816
Purchased services	143	2	141	21
Supplies and materials	5,089	5,296	(207)	2,370
Total	172,600	208,282	(35,682)	247,638
CTE programs				
Salaries	1,624,709	1,551,232	73,477	1,547,809
Employee benefits	319,307	317,670	1,637	324,021
Purchased services	32,051	26,151	5,900	17,912
Supplies and materials	192,038	216,025	(23,987)	184,535
Capital outlay	165,730	195,511	(29,781)	137,915
Other objects	5,863	3,190	2,673	2,862
Non-capitalized equipment	5,000	-	5,000	1,066
Total	2,344,698	2,309,779	34,919	2,216,120
Interscholastic programs				
Salaries	787,751	717,882	69,869	693,090
Employee benefits	23,440	27,457	(4,017)	22,186
Purchased services	220,164	216,709	3,455	213,922
Supplies and materials	189,362	163,999	25,363	119,313
Capital outlay	-	30,580	(30,580)	-
Other objects	400	266	134	116
Total	1,221,117	1,156,893	64,224	1,048,627
Summer school programs				
Salaries	241,927	262,103	(20,176)	188,552
Employee benefits	3,854	24,129	(20,275)	26,225
Purchased services	3,880	-	3,880	650
Supplies and materials	4,000	-	4,000	1,437
Capital outlay	-	2,418	(2,418)	-
Total	253,661	288,650	(34,989)	216,864

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Gifted programs				
Driver's education programs				
Salaries	\$ 47,000	\$ 10,758	\$ 36,242	\$ 32,541
Employee benefits	629	144	485	420
Purchased services	22,400	10,731	11,669	9,343
Supplies and materials	11,295	2,513	8,782	3,049
Total	81,324	24,146	57,178	45,353
Bilingual programs				
Salaries	758,653	562,615	196,038	683,680
Employee benefits	137,682	105,144	32,538	131,429
Supplies and materials	11,250	3,395	7,855	6,705
Total	907,585	671,154	236,431	821,814
Truant's alternative and optional programs				
Salaries	46,789	22,129	24,660	34,391
Employee benefits	597	286	311	374
Purchased services	-	2,152	(2,152)	1,565
Supplies and materials	-	6,285	(6,285)	1,939
Capital outlay	-	1,977	(1,977)	4,230
Non-capitalized equipment	-	418	(418)	194
Total	47,386	33,247	14,139	42,693
Special education programs K -12 - private tuition				
Other objects	3,210,000	3,243,999	(33,999)	3,380,705
Total	3,210,000	3,243,999	(33,999)	3,380,705
Total instruction	48,373,034	43,430,850	4,942,184	47,521,204
Support services				
Pupils				
Attendance and social work services				
Salaries	2,013,111	1,977,975	35,136	2,081,215
Employee benefits	560,294	539,875	20,419	532,687
Purchased services	50,294	8,241	42,053	51,019
Supplies and materials	59,965	54,764	5,201	56,886
Capital outlay	20,000	23,690	(3,690)	5,995
Total	2,703,664	2,604,545	99,119	2,727,802

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Guidance services				
Salaries	\$ 2,084,568	\$ 2,115,761	\$ (31,193)	\$ 2,216,242
Employee benefits	469,556	462,382	7,174	449,517
Purchased services	34,300	13,881	20,419	28,125
Supplies and materials	22,080	21,423	657	23,167
Capital outlay	-	-	-	2,513
Other objects	<u>250</u>	<u>30</u>	<u>220</u>	<u>138</u>
Total	<u>2,610,754</u>	<u>2,613,477</u>	<u>(2,723)</u>	<u>2,719,702</u>
Health services				
Salaries	379,482	392,182	(12,700)	372,499
Employee benefits	114,656	118,154	(3,498)	109,504
Purchased services	172,227	329,184	(156,957)	231,864
Supplies and materials	5,619	5,036	583	6,228
Capital outlay	2,300	2,200	100	1,695
Other objects	1,500	-	1,500	-
Non-capitalized equipment	<u>131</u>	<u>131</u>	<u>-</u>	<u>-</u>
Total	<u>675,915</u>	<u>846,887</u>	<u>(170,972)</u>	<u>721,790</u>
Psychological services				
Salaries	279,400	278,685	715	307,487
Employee benefits	<u>63,557</u>	<u>53,471</u>	<u>10,086</u>	<u>60,815</u>
Total	<u>342,957</u>	<u>332,156</u>	<u>10,801</u>	<u>368,302</u>
Speech pathology and audiology services				
Salaries	238,612	242,234	(3,622)	255,315
Employee benefits	<u>57,403</u>	<u>59,259</u>	<u>(1,856)</u>	<u>54,846</u>
Total	<u>296,015</u>	<u>301,493</u>	<u>(5,478)</u>	<u>310,161</u>
Other support services - pupils				
Salaries	267,876	265,176	2,700	243,467
Employee benefits	11,839	26,907	(15,068)	11,075
Purchased services	200	901	(701)	121
Supplies and materials	3,500	1,275	2,225	1,603
Other objects	<u>1,900</u>	<u>710</u>	<u>1,190</u>	<u>580</u>
Total	<u>285,315</u>	<u>294,969</u>	<u>(9,654)</u>	<u>256,846</u>
Total pupils	<u>6,914,620</u>	<u>6,993,527</u>	<u>(78,907)</u>	<u>7,104,603</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Instructional staff				
Improvement of instructional services				
Salaries	\$ 2,525,265	\$ 2,277,313	\$ 247,952	\$ 1,483,744
Employee benefits	803,532	861,294	(57,762)	498,720
Purchased services	329,245	347,548	(18,303)	429,819
Supplies and materials	69,680	18,577	51,103	17,597
Capital outlay	2,000	127,596	(125,596)	96,432
Other objects	3,250	1,753	1,497	1,528
Total	<u>3,732,972</u>	<u>3,634,081</u>	<u>98,891</u>	<u>2,527,840</u>
Educational media services				
Salaries	544,158	555,344	(11,186)	560,971
Employee benefits	189,312	199,716	(10,404)	181,000
Purchased services	45,750	44,424	1,326	33,299
Supplies and materials	216,483	216,018	465	226,598
Capital outlay	120,489	52,731	67,758	626,736
Non-capitalized equipment	33,350	21,385	11,965	7,636
Total	<u>1,149,542</u>	<u>1,089,618</u>	<u>59,924</u>	<u>1,636,240</u>
Assessment and testing				
Salaries	37,535	55,167	(17,632)	33,425
Employee benefits	322	739	(417)	434
Purchased services	21,181	-	21,181	95,375
Supplies and materials	-	10,049	(10,049)	-
Other objects	-	650	(650)	-
Total	<u>59,038</u>	<u>66,605</u>	<u>(7,567)</u>	<u>129,234</u>
Total instructional staff	<u>4,941,552</u>	<u>4,790,304</u>	<u>151,248</u>	<u>4,293,314</u>
General administration				
Board of education services				
Salaries	205,884	206,404	(520)	176,055
Employee benefits	34,063	42,470	(8,407)	29,194
Purchased services	478,248	309,177	169,071	300,510
Supplies and materials	17,575	3,493	14,082	12,720
Capital outlay	61,500	-	61,500	980
Other objects	40,510	44,457	(3,947)	59,768
Total	<u>837,780</u>	<u>606,001</u>	<u>231,779</u>	<u>579,227</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Executive administration services				
Salaries	\$ 334,911	\$ 336,102	\$ (1,191)	\$ 283,291
Employee benefits	59,174	66,378	(7,204)	57,627
Purchased services	24,000	24,237	(237)	6,969
Supplies and materials	30,350	20,470	9,880	10,055
Capital outlay	8,200	3,787	4,413	-
Other objects	<u>12,850</u>	<u>14,408</u>	<u>(1,558)</u>	<u>13,304</u>
Total	<u>469,485</u>	<u>465,382</u>	<u>4,103</u>	<u>371,246</u>
Special area administration services				
Salaries	579,031	584,620	(5,589)	592,691
Employee benefits	129,416	150,246	(20,830)	90,504
Purchased services	9,450	4,578	4,872	3,878
Supplies and materials	<u>353</u>	<u>224</u>	<u>129</u>	<u>208</u>
Total	<u>718,250</u>	<u>739,668</u>	<u>(21,418)</u>	<u>687,281</u>
Total general administration	<u>2,025,515</u>	<u>1,811,051</u>	<u>214,464</u>	<u>1,637,754</u>
School administration				
Office of the principal services				
Salaries	1,615,014	1,698,847	(83,833)	1,631,956
Employee benefits	337,265	347,240	(9,975)	324,363
Purchased services	82,811	61,457	21,354	88,531
Supplies and materials	16,070	10,943	5,127	16,571
Capital outlay	6,500	4,979	1,521	326
Other objects	12,902	9,914	2,988	10,864
Non-capitalized equipment	<u>-</u>	<u>664</u>	<u>(664)</u>	<u>-</u>
Total	<u>2,070,562</u>	<u>2,134,044</u>	<u>(63,482)</u>	<u>2,072,611</u>
Total school administration	<u>2,070,562</u>	<u>2,134,044</u>	<u>(63,482)</u>	<u>2,072,611</u>
Business				
Direction of business support services				
Salaries	130,000	130,200	(200)	125,000
Employee benefits	<u>25,610</u>	<u>24,472</u>	<u>1,138</u>	<u>24,030</u>
Total	<u>155,610</u>	<u>154,672</u>	<u>938</u>	<u>149,030</u>
Fiscal services				
Salaries	475,048	505,397	(30,349)	567,957
Employee benefits	131,330	97,880	33,450	125,418
Purchased services	2,626,719	170,382	2,456,337	62,729
Supplies and materials	13,950	18,453	(4,503)	16,409
Capital outlay	1,500	3,192	(1,692)	8,703
Other objects	9,508	2,519	6,989	4,721
Non-capitalized equipment	<u>2,000</u>	<u>214</u>	<u>1,786</u>	<u>-</u>
Total	<u>3,260,055</u>	<u>798,037</u>	<u>2,462,018</u>	<u>785,937</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Pupil transportation services				
Purchased services	\$ 8,556	\$ 2,597	\$ 5,959	\$ 2,892
Capital outlay	<u>22,500</u>	<u>-</u>	<u>22,500</u>	<u>-</u>
Total	<u>31,056</u>	<u>2,597</u>	<u>28,459</u>	<u>2,892</u>
Food services				
Salaries	1,295,822	1,155,962	139,860	1,200,886
Employee benefits	346,362	277,259	69,103	280,870
Purchased services	214,274	419,342	(205,068)	429,121
Supplies and materials	1,568,053	1,374,221	193,832	1,331,286
Capital outlay	-	53,096	(53,096)	11,814
Other objects	670	650	20	600
Non-capitalized equipment	<u>10,500</u>	<u>18,370</u>	<u>(7,870)</u>	<u>15,109</u>
Total	<u>3,435,681</u>	<u>3,298,900</u>	<u>136,781</u>	<u>3,269,686</u>
Internal services				
Salaries	252,561	277,163	(24,602)	254,098
Employee benefits	59,654	61,803	(2,149)	56,759
Purchased services	(186,000)	-	(186,000)	-
Supplies and materials	<u>190,186</u>	<u>108,528</u>	<u>81,658</u>	<u>151,134</u>
Total	<u>316,401</u>	<u>447,494</u>	<u>(131,093)</u>	<u>461,991</u>
Total business	<u>7,198,803</u>	<u>4,701,700</u>	<u>2,497,103</u>	<u>4,669,536</u>
Central				
Direction of central support services				
Salaries	-	23,000	(23,000)	-
Purchased services	<u>598,000</u>	<u>460,000</u>	<u>138,000</u>	<u>-</u>
Total	<u>598,000</u>	<u>483,000</u>	<u>115,000</u>	<u>-</u>
Information services				
Salaries	28,116	23,886	4,230	37,988
Employee benefits	17,063	4,691	12,372	16,278
Purchased services	215,000	176,196	38,804	108,894
Capital outlay	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>3,478</u>
Total	<u>264,179</u>	<u>204,773</u>	<u>59,406</u>	<u>166,638</u>
Staff services				
Salaries	-	59,974	(59,974)	-
Employee benefits	-	12,553	(12,553)	-
Purchased services	<u>3,000</u>	<u>1,430</u>	<u>1,570</u>	<u>-</u>
Total	<u>3,000</u>	<u>73,957</u>	<u>(70,957)</u>	<u>-</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Data processing services				
Salaries	\$ 524,737	\$ 510,860	\$ 13,877	\$ 472,578
Employee benefits	135,684	126,083	9,601	113,069
Purchased services	894,050	629,540	264,510	855,772
Supplies and materials	57,000	16,836	40,164	171,153
Capital outlay	2,340,000	539,075	1,800,925	1,285,213
Non-capitalized equipment	-	905	(905)	-
Total	<u>3,951,471</u>	<u>1,823,299</u>	<u>2,128,172</u>	<u>2,897,785</u>
Total central	<u>4,816,650</u>	<u>2,585,029</u>	<u>2,231,621</u>	<u>3,064,423</u>
Other supporting services				
Purchased services	1,859,125	672,173	1,186,952	1,503,318
Supplies and materials	3,984	527	3,457	8,927
Other objects	10,000	(40,185)	50,185	1,768
Total	<u>1,873,109</u>	<u>632,515</u>	<u>1,240,594</u>	<u>1,514,013</u>
Total support services	<u>29,840,811</u>	<u>23,648,170</u>	<u>6,192,641</u>	<u>24,356,254</u>
Community services				
Salaries	220,225	152,171	68,054	132,128
Employee benefits	57,273	42,857	14,416	33,984
Purchased services	86,227	84,701	1,526	86,286
Supplies and materials	8,434	5,815	2,619	11,200
Total community services	<u>372,159</u>	<u>285,544</u>	<u>86,615</u>	<u>263,598</u>
Payments to other districts and governmental units				
Payments for regular programs				
Purchased services	<u>57,850</u>	<u>34,001</u>	<u>23,849</u>	<u>118,610</u>
Total	<u>57,850</u>	<u>34,001</u>	<u>23,849</u>	<u>118,610</u>
Payments for CTE programs				
Other objects	<u>33,647</u>	<u>3,715</u>	<u>29,932</u>	<u>20,188</u>
Total	<u>33,647</u>	<u>3,715</u>	<u>29,932</u>	<u>20,188</u>
Payments for special education programs - tuition				
Other objects	<u>1,150,000</u>	<u>954,620</u>	<u>195,380</u>	<u>1,102,160</u>
Total	<u>1,150,000</u>	<u>954,620</u>	<u>195,380</u>	<u>1,102,160</u>
Total payments to other districts and governmental units	<u>1,241,497</u>	<u>992,336</u>	<u>249,161</u>	<u>1,240,958</u>
Total expenditures	<u>79,827,501</u>	<u>68,356,900</u>	<u>11,470,601</u>	<u>73,382,014</u>
Excess (deficiency) of revenues over expenditures	<u>(468,927)</u>	<u>1,953,507</u>	<u>2,422,434</u>	<u>151,895</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201**GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Other financing sources (uses)				
Transfer to debt service fund to pay principal on capital leases	\$ (104,982)	\$ (104,981)	\$ 1	\$ (101,124)
Transfer to debt service fund to pay interest on capital leases	(10,475)	(10,475)	-	(14,332)
Total other financing sources (uses)	(115,457)	(115,456)	1	(115,456)
Net change in fund balance	<u>\$ (584,384)</u>	1,838,051	<u>\$ 2,422,435</u>	36,439
Fund balance, beginning of year		<u>46,032,905</u>		<u>45,996,466</u>
Fund balance, end of year		<u>\$ 47,870,956</u>		<u>\$ 46,032,905</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201**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

	ORIGINAL AND FINAL BUDGET	2015 ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
Revenues				
Local sources				
General levy	\$ 6,592,771	\$ 6,181,577	\$ (411,194)	\$ 6,616,548
Investment income	2,791	2,326	(465)	2,800
Rentals	81,952	101,351	19,399	81,952
Other	<u>68,213</u>	<u>88,455</u>	<u>20,242</u>	<u>68,213</u>
Total local sources	<u>6,745,727</u>	<u>6,373,709</u>	<u>(372,018)</u>	<u>6,769,513</u>
State sources				
General state aid	8,200,000	13,702,912	5,502,912	9,008,483
School infrastructure - maintenance projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,000</u>
Total state sources	<u>8,200,000</u>	<u>13,702,912</u>	<u>5,502,912</u>	<u>9,156,483</u>
Total revenues	<u>14,945,727</u>	<u>20,076,621</u>	<u>5,130,894</u>	<u>15,925,996</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction service				
Purchased services	41,500	4,867	36,633	32,648
Supplies and materials	10,000	1,640	8,360	2,531
Capital outlay	<u>1,132,000</u>	<u>7,665,536</u>	<u>(6,533,536)</u>	<u>4,061,878</u>
Total	<u>1,183,500</u>	<u>7,672,043</u>	<u>(6,488,543)</u>	<u>4,097,057</u>
Operation and maintenance of plant services				
Salaries	5,839,601	5,885,968	(46,367)	5,789,066
Employee benefits	1,447,052	1,383,139	63,913	1,378,329
Purchased services	3,437,141	1,778,271	1,658,870	990,047
Supplies and materials	2,056,218	2,053,645	2,573	2,046,626
Capital outlay	322,000	749,777	(427,777)	214,123
Other objects	-	365	(365)	-
Non-capitalized equipment	<u>10,850</u>	<u>4,926</u>	<u>5,924</u>	<u>4,210</u>
Total	<u>13,112,862</u>	<u>11,856,091</u>	<u>1,256,771</u>	<u>10,422,401</u>
Total business	<u>14,296,362</u>	<u>19,528,134</u>	<u>(5,231,772)</u>	<u>14,519,458</u>
Other supporting services				
Purchased services	<u>672,981</u>	<u>365,288</u>	<u>307,693</u>	<u>682,005</u>
Total	<u>672,981</u>	<u>365,288</u>	<u>307,693</u>	<u>682,005</u>
Total support services	<u>14,969,343</u>	<u>19,893,422</u>	<u>(4,924,079)</u>	<u>15,201,463</u>
Total expenditures	<u>14,969,343</u>	<u>19,893,422</u>	<u>(4,924,079)</u>	<u>15,201,463</u>

See Auditors' Report and Notes to Required Supplementary Information

J. STERLING MORTON HIGH SCHOOL DISTRICT 201**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		VARIANCE WITH FINAL BUDGET	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Excess (deficiency) of revenues over expenditures	<u>\$ (23,616)</u>	<u>183,199</u>	<u>\$ 206,815</u>	<u>724,533</u>
Other financing sources (uses)				
Transfer to debt service fund to pay principal on EPA loan	(40,477)	(40,477)	-	(38,394)
Transfer to debt service fund to pay interest on EPA loan	<u>(9,523)</u>	<u>(9,523)</u>	<u>-</u>	<u>(11,606)</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
Net change in fund balance	<u>\$ (73,616)</u>	<u>133,199</u>	<u>\$ 206,815</u>	<u>674,533</u>
Fund balance, beginning of year		<u>836,116</u>		<u>161,583</u>
Fund balance, end of year		<u>\$ 969,315</u>		<u>\$ 836,116</u>

See Auditors' Report and Notes to Required Supplementary Information

J. STERLING MORTON HIGH SCHOOL DISTRICT 201**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 AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 1,056,008	\$ 1,035,752	\$ (20,256)	\$ 1,035,555
Investment income	-	1,381	1,381	2,340
Total local sources	<u>1,056,008</u>	<u>1,037,133</u>	<u>(18,875)</u>	<u>1,037,895</u>
State sources				
General state aid	-	1,100,000	1,100,000	100,000
Transportation - regular/vocational	876	780	(96)	1,155
Transportation - special education	<u>2,147,758</u>	<u>1,955,616</u>	<u>(192,142)</u>	<u>2,383,150</u>
Total state sources	<u>2,148,634</u>	<u>3,056,396</u>	<u>907,762</u>	<u>2,484,305</u>
Total revenues	<u>3,204,642</u>	<u>4,093,529</u>	<u>888,887</u>	<u>3,522,200</u>
Expenditures				
Support Services				
Business				
Pupil transportation services				
Salaries	93,432	81,584	11,848	103,067
Employee benefits	51,521	41,042	10,479	49,131
Purchased services	2,300,128	3,249,101	(948,973)	2,919,234
Supplies and materials	12,826	7,084	5,742	(19,581)
Capital outlay	200,000	206,340	(6,340)	197,860
Other objects	<u>200</u>	<u>282</u>	<u>(82)</u>	<u>192</u>
Total	<u>2,658,107</u>	<u>3,585,433</u>	<u>(927,326)</u>	<u>3,249,903</u>
Total business	<u>2,658,107</u>	<u>3,585,433</u>	<u>(927,326)</u>	<u>3,249,903</u>
Total support services	<u>2,658,107</u>	<u>3,585,433</u>	<u>(927,326)</u>	<u>3,249,903</u>
Total expenditures	<u>2,658,107</u>	<u>3,585,433</u>	<u>(927,326)</u>	<u>3,249,903</u>
Net change in fund balance	<u>\$ 546,535</u>	508,096	<u>\$ (38,439)</u>	272,297
Fund balance (deficit), beginning of year		83,912		(188,385)
Fund balance, end of year		<u>\$ 592,008</u>		<u>\$ 83,912</u>

See Auditors' Report and Notes to Required Supplementary Information

J. STERLING MORTON HIGH SCHOOL DISTRICT 201**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			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
Revenues				
Local sources				
General levy	\$ 1,371,200	\$ 1,315,359	\$ (55,841)	\$ 1,373,233
Special education levy	1,535,475	-	(1,535,475)	-
Social security/medicare only levy	-	1,312,987	1,312,987	1,533,759
Corporate personal property replacement taxes	250,000	250,000	-	250,000
Investment income	2,705	2,526	(179)	2,941
Total local sources	<u>3,159,380</u>	<u>2,880,872</u>	<u>(278,508)</u>	<u>3,159,933</u>
Total revenues	<u>3,159,380</u>	<u>2,880,872</u>	<u>(278,508)</u>	<u>3,159,933</u>
Expenditures				
Instruction				
Regular programs	333,975	314,695	19,280	355,843
Special education programs	391,316	336,007	55,309	331,111
Remedial and supplemental programs K - 12	8,644	9,166	(522)	2,401
Adult/continuing education programs	4,733	5,299	(566)	6,466
CTE programs	32,404	53,438	(21,034)	58,778
Interscholastic programs	35,357	35,079	278	32,314
Summer school programs	12,879	13,774	(895)	11,075
Gifted programs	724	-	724	-
Driver's education programs	9,480	154	9,326	517
Bilingual programs	1,603	8,136	(6,533)	9,350
Truant's alternative and optional programs	-	370	(370)	1,155
Total instruction	<u>831,115</u>	<u>776,118</u>	<u>54,997</u>	<u>809,010</u>
Support services				
Pupils				
Attendance and social work services	178,264	162,271	15,993	170,023
Guidance services	51,317	49,049	2,268	50,057
Health services	73,946	77,285	(3,339)	74,815
Psychological services	4,259	4,028	231	4,459
Speech pathology and audiology services	3,564	3,488	76	3,702
Other support services - pupils	11,938	12,024	(86)	12,386
Total pupils	<u>323,288</u>	<u>308,145</u>	<u>15,143</u>	<u>315,442</u>
Instructional staff				
Improvement of instructional staff	52,168	64,002	(11,834)	38,663
Educational media services	59,367	72,779	(13,412)	72,512
Assessment and testing	188	791	(603)	485
Total instructional staff	<u>111,723</u>	<u>137,572</u>	<u>(25,849)</u>	<u>111,660</u>

See Auditors' Report and Notes to Required Supplementary Information

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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 AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
General administration				
Board of education services	\$ 33,877	\$ 41,189	\$ (7,312)	\$ 34,619
Executive administration services	15,976	22,273	(6,297)	16,339
Special area administration services	44,927	48,692	(3,765)	53,559
Total general administration	94,780	112,154	(17,374)	104,517
School administration				
Office of the principal services	125,501	125,883	(382)	118,792
Total school administration	125,501	125,883	(382)	118,792
Business				
Direction of business support services	2,041	1,878	163	1,814
Fiscal services	127,589	98,737	28,852	111,481
Operations and maintenance of plant services	1,221,441	1,158,486	62,955	1,155,174
Pupil transportation services	18,316	16,378	1,938	20,997
Food services	214,372	219,313	(4,941)	234,803
Internal services	44,751	51,371	(6,620)	47,930
Total business	1,628,510	1,546,163	82,347	1,572,199
Central				
Direction of central support services	-	334	(334)	-
Information services	7,395	4,799	2,596	7,768
Staff services	-	805	(805)	-
Data processing services	98,622	102,215	(3,593)	95,708
Total central	106,017	108,153	(2,136)	103,476
Total support services	2,389,819	2,338,070	51,749	2,326,086
Community services	45,226	30,111	15,115	26,185
Total expenditures	3,266,160	3,144,299	121,861	3,161,281
Net change in fund balance	<u>\$ (106,780)</u>	(263,427)	<u>\$ (156,647)</u>	(1,348)
Fund balance, beginning of year		1,044,629		1,045,977
Fund balance, end of year		<u>\$ 781,202</u>		<u>\$ 1,044,629</u>

See Auditors' Report and Notes to Required Supplementary Information

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Except for the exclusion of on-behalf payments from other governments, discussed below, 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 a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

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

Budget Reconciliations

The Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the State of Illinois for the employer's share of the Teachers Retirement System pension. The District does not budget for these amounts in the Educational Accounts of the General Fund. The differences between the budget and GAAP basis are as follows:

	<i>Revenues</i>	<i>Expenditures</i>
General Fund Budgetary Basis	\$ 70,310,407	\$ 68,356,900
To adjust for on-behalf payments received	22,567,450	-
To adjust for on-behalf payments made	-	22,567,450
General Fund GAAP Basis	<u>\$ 92,877,857</u>	<u>\$ 90,924,350</u>

Excess of Expenditures over Budget

For the year ended June 30, 2015, expenditures exceeded budget in the Operations and Maintenance Fund by \$4,924,079, which was offset by revenues exceeding budget by \$5,130,894, and by available fund balance. Expenditures exceeded budget in the Transportation Fund by \$927,326, which was offset by revenues exceeding budget by \$888,887, and by the remaining available fund balance.

See Auditors' Report

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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 AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 9,520,846	\$ 9,255,730	\$ (265,116)	\$ 9,360,364
Investment income	<u>422</u>	<u>266</u>	<u>(156)</u>	<u>421</u>
Total local sources	<u>9,521,268</u>	<u>9,255,996</u>	<u>(265,272)</u>	<u>9,360,785</u>
Total revenues	<u>9,521,268</u>	<u>9,255,996</u>	<u>(265,272)</u>	<u>9,360,785</u>
Expenditures				
Debt services				
Payments on long term debt				
Interest on long term debt	4,725,432	19,998	4,705,434	25,939
Principal payments on long term debt	<u>4,708,901</u>	<u>9,340,458</u>	<u>(4,631,557)</u>	<u>9,334,527</u>
Total	<u>9,434,333</u>	<u>9,360,456</u>	<u>73,877</u>	<u>9,360,466</u>
Total debt services	<u>9,434,333</u>	<u>9,360,456</u>	<u>73,877</u>	<u>9,360,466</u>
Total expenditures	<u>9,434,333</u>	<u>9,360,456</u>	<u>73,877</u>	<u>9,360,466</u>
Excess (deficiency) of revenues over expenditures	<u>86,935</u>	<u>(104,460)</u>	<u>(191,395)</u>	<u>319</u>
Other financing sources (uses)				
Transfer to debt service to pay principal on capital leases	104,982	145,458	40,476	139,518
Transfer to debt service to pay interest on capital leases	10,475	19,998	9,523	25,938
Transfer to debt service to pay principal on EPA loan	40,477	-	(40,477)	-
Transfer to debt service to pay interest on EPA loan	<u>9,523</u>	<u>-</u>	<u>(9,523)</u>	<u>-</u>
Total other financing sources (uses)	<u>165,457</u>	<u>165,456</u>	<u>(1)</u>	<u>165,456</u>
Net change in fund balance	<u>\$ 252,392</u>	60,996	<u>\$ (191,396)</u>	165,775
Fund balance, beginning of year		<u>6,137,302</u>		<u>5,971,527</u>
Fund balance, end of year		<u>\$ 6,198,298</u>		<u>\$ 6,137,302</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201**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		VARIANCE WITH FINAL BUDGET	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ -	\$ (2,954)	\$ (2,954)	\$ 6,030
Total local sources	-	(2,954)	(2,954)	6,030
Total revenues	-	(2,954)	(2,954)	6,030
Expenditures				
Total expenditures	-	-	-	-
Net change in fund balance	\$ -	(2,954)	\$ (2,954)	6,030
Fund balance, beginning of year		2,661,258		2,655,228
Fund balance, end of year		\$ 2,658,304		\$ 2,661,258

J. STERLING MORTON HIGH SCHOOL DISTRICT 201**GENERAL FUND****COMBINING BALANCE SHEET****AS OF JUNE 30, 2015**

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Assets			
Cash	\$ 38,791,527	\$ 7,862,864	\$ 46,654,391
Receivables (net allowance for uncollectibles):			
Property taxes	12,979,572	-	12,979,572
Replacement taxes	1,070,376	-	1,070,376
Intergovernmental	2,540,114	-	2,540,114
Inventory	110,632	-	110,632
Other current assets	494,614	-	494,614
Total assets	<u>\$ 55,986,835</u>	<u>\$ 7,862,864</u>	<u>\$ 63,849,699</u>
Liabilities, deferred inflows of resources, and fund balance			
Liabilities			
Accounts payable	\$ 1,984,855	\$ -	\$ 1,984,855
Salaries and wages payable	130,983	-	130,983
Health claims payable	883,333	-	883,333
Total liabilities	<u>2,999,171</u>	<u>-</u>	<u>2,999,171</u>
Deferred inflows of resources			
Property taxes levied for future periods	<u>12,979,572</u>	<u>-</u>	<u>12,979,572</u>
Total deferred inflows of resources	<u>12,979,572</u>	<u>-</u>	<u>12,979,572</u>
Fund balance			
Nonspendable	605,246	-	605,246
Unassigned	<u>39,402,846</u>	<u>7,862,864</u>	<u>47,265,710</u>
Total fund balance	<u>40,008,092</u>	<u>7,862,864</u>	<u>47,870,956</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 55,986,835</u>	<u>\$ 7,862,864</u>	<u>\$ 63,849,699</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

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

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Revenues			
Property taxes	\$ 24,438,199	\$ -	\$ 24,438,199
Corporate personal property replacement taxes	6,270,552	-	6,270,552
State aid	49,964,358	-	49,964,358
Federal aid	10,333,532	-	10,333,532
Investment income	114,074	17,071	131,145
Other	<u>1,740,071</u>	<u>-</u>	<u>1,740,071</u>
Total revenues	<u>92,860,786</u>	<u>17,071</u>	<u>92,877,857</u>
Expenditures			
Current:			
Instruction:			
Regular programs	26,964,371	-	26,964,371
Special programs	11,711,076	-	11,711,076
Other instructional programs	4,461,665	-	4,461,665
State retirement contributions	22,567,450	-	22,567,450
Support Services:			
Pupils	6,967,637	-	6,967,637
Instructional staff	4,609,977	-	4,609,977
General administration	1,807,264	-	1,807,264
School administration	2,129,065	-	2,129,065
Business	4,642,815	-	4,642,815
Transportation	2,597	-	2,597
Central	2,045,954	-	2,045,954
Other supporting services	632,515	-	632,515
Community services	285,544	-	285,544
Payments to other districts and gov't units	992,336	-	992,336
Capital outlay	<u>1,104,084</u>	<u>-</u>	<u>1,104,084</u>
Total expenditures	<u>90,924,350</u>	<u>-</u>	<u>90,924,350</u>
Excess (deficiency) of revenues over expenditures	<u>1,936,436</u>	<u>17,071</u>	<u>1,953,507</u>
Other financing sources (uses)			
Transfers (out)	<u>(115,456)</u>	<u>-</u>	<u>(115,456)</u>
Total other financing sources (uses)	<u>(115,456)</u>	<u>-</u>	<u>(115,456)</u>
Net change in fund balance	1,820,980	17,071	1,838,051
Fund balance, beginning of year	<u>38,187,112</u>	<u>7,845,793</u>	<u>46,032,905</u>
Fund balance, end of year	<u>\$ 40,008,092</u>	<u>\$ 7,862,864</u>	<u>\$ 47,870,956</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 23,994,724	\$ 24,033,084	\$ 38,360	\$ 23,516,493
Special education levy	401,621	405,115	3,494	402,953
Corporate personal property replacement taxes	6,164,730	6,270,552	105,822	5,815,527
Summer school - tuition from pupils or parents (in state)	126,951	114,982	(11,969)	126,951
Adult - tuition from pupils or parents (in state)	227,943	171,778	(56,165)	227,943
Investment income	87,000	114,074	27,074	95,452
Sales to pupils - lunch	126,860	155,320	28,460	125,656
Sales to pupils - breakfast	2,883	7,771	4,888	5,339
Sales to pupils - a la carte	414,920	304,097	(110,823)	525,035
Sales to adults	125,400	118,829	(6,571)	120,999
Other food service	29,560	36,067	6,507	31,466
Admissions - athletic	22,300	14,945	(7,355)	21,290
Admissions - other	15,200	6,718	(8,482)	15,189
Fees	312,630	140,582	(172,048)	160,290
Book store sales	375,453	442,901	67,448	548,602
Other pupil activity revenue	10,850	9,419	(1,431)	10,174
Sales - regular textbook	31,789	30,993	(796)	31,563
Contributions and donations from private sources	-	80	80	2,500
Services provided other LEA's	32,000	61,440	29,440	31,611
Refund of prior years' expenditures	-	38,970	38,970	1,441
Payments of surplus monies from TIF districts	-	556	556	1,713
Driver's education fees	23,730	15,213	(8,517)	23,730
Other local fees	738,581	-	(738,581)	-
Other	7,897	69,410	61,513	366,703
Total local sources	<u>33,273,022</u>	<u>32,562,896</u>	<u>(710,126)</u>	<u>32,208,620</u>
State sources				
General state aid	29,898,526	22,344,374	(7,554,152)	27,087,242
Special education - private facility tuition	1,534,202	1,406,649	(127,553)	1,495,754
Special education - extraordinary	1,200,000	1,143,766	(56,234)	1,189,504
Special education - personnel	991,819	948,690	(43,129)	956,731
Special education - summer school	70,000	77,056	7,056	69,011
CTE - Secondary program improvement	243,242	219,998	(23,244)	229,060
Bilingual education - downstate - TPI	184,194	123,425	(60,769)	330,169
State free lunch & breakfast	65,000	29,754	(35,246)	51,890
Driver education	75,000	66,767	(8,233)	65,302
Truant alternative/optional education	-	250,850	250,850	188,138
Early childhood - block grant	86,227	84,627	(1,600)	86,227
Other restricted revenue from state sources	131,199	700,952	569,753	6,119
Total state sources	<u>34,479,409</u>	<u>27,396,908</u>	<u>(7,082,501)</u>	<u>31,755,147</u>

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Federal sources				
National school lunch program	\$ 2,569,714	\$ 2,717,368	\$ 147,654	\$ 2,598,970
School breakfast program	259,316	286,050	26,734	264,973
Child care commodity/SFS 13-adult day care	125,539	137,998	12,459	108,151
Fresh fruits & vegetables	-	51,457	51,457	36,042
Food service - other	-	209,671	209,671	209,670
Title I - Low income	3,293,673	2,395,850	(897,823)	3,240,786
Title I - Other	1,990,916	-	(1,990,916)	-
Federal - special education - IDEA - flow- through/low incident	1,816,391	1,053,910	(762,481)	1,252,555
CTE - Perkins - Title III E - tech. prep.	-	394,073	394,073	521,146
CTE - Other	406,516	-	(406,516)	-
Title III - English language acquisition	127,104	42,582	(84,522)	69,599
Title II - Teacher quality	329,153	234,911	(94,242)	267,030
Medicaid matching funds - administrative outreach	259,563	331,352	71,789	332,601
Medicaid matching funds - fee-for-service program	109,430	270,708	161,278	298,982
Other restricted revenue from federal sources	<u>306,629</u>	<u>2,207,602</u>	<u>1,900,973</u>	<u>356,107</u>
Total federal sources	<u>11,593,944</u>	<u>10,333,532</u>	<u>(1,260,412)</u>	<u>9,556,612</u>
Total revenues	<u>79,346,375</u>	<u>70,293,336</u>	<u>(9,053,039)</u>	<u>73,520,379</u>

Expenditures

Instruction

Regular programs

Salaries	22,540,717	21,670,460	870,257	23,017,530
Employee benefits	6,244,795	4,376,661	1,868,134	5,198,136
Purchased services	56,501	35,584	20,917	38,745
Supplies and materials	2,456,055	872,730	1,583,325	1,691,852
Capital outlay	37,000	29,463	7,537	1,711,886
Other objects	8,085	4,710	3,375	5,493
Non-capitalized equipment	<u>-</u>	<u>4,226</u>	<u>(4,226)</u>	<u>-</u>
Total	<u>31,343,153</u>	<u>26,993,834</u>	<u>4,349,319</u>	<u>31,663,642</u>

Special education programs

Salaries	5,475,286	5,437,013	38,273	5,688,250
Employee benefits	1,332,671	1,400,186	(67,515)	1,338,202
Purchased services	126,925	27,494	99,431	92,787
Supplies and materials	39,400	37,058	2,342	49,902
Capital outlay	104,455	33,789	70,666	21,329
Other objects	<u>2,000</u>	<u>975</u>	<u>1,025</u>	<u>1,410</u>
Total	<u>7,080,737</u>	<u>6,936,515</u>	<u>144,222</u>	<u>7,191,880</u>

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Remedial and supplemental programs K - 12				
Salaries	\$ 416,025	\$ 425,475	\$ (9,450)	\$ 165,564
Employee benefits	254,907	236,714	18,193	91,452
Purchased services	274,423	261,660	12,763	10,940
Supplies and materials	762,118	640,502	121,616	377,912
Capital outlay	<u>3,300</u>	<u>-</u>	<u>3,300</u>	<u>-</u>
Total	<u>1,710,773</u>	<u>1,564,351</u>	<u>146,422</u>	<u>645,868</u>
Adult/continuing education programs				
Salaries	165,058	200,282	(35,224)	242,431
Employee benefits	2,310	2,702	(392)	2,816
Purchased services	143	2	141	21
Supplies and materials	<u>5,089</u>	<u>5,296</u>	<u>(207)</u>	<u>2,370</u>
Total	<u>172,600</u>	<u>208,282</u>	<u>(35,682)</u>	<u>247,638</u>
CTE programs				
Salaries	1,624,709	1,551,232	73,477	1,547,809
Employee benefits	319,307	317,670	1,637	324,021
Purchased services	32,051	26,151	5,900	17,912
Supplies and materials	192,038	216,025	(23,987)	184,535
Capital outlay	165,730	195,511	(29,781)	137,915
Other objects	5,863	3,190	2,673	2,862
Non-capitalized equipment	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>1,066</u>
Total	<u>2,344,698</u>	<u>2,309,779</u>	<u>34,919</u>	<u>2,216,120</u>
Interscholastic programs				
Salaries	787,751	717,882	69,869	693,090
Employee benefits	23,440	27,457	(4,017)	22,186
Purchased services	220,164	216,709	3,455	213,922
Supplies and materials	189,362	163,999	25,363	119,313
Capital outlay	-	30,580	(30,580)	-
Other objects	<u>400</u>	<u>266</u>	<u>134</u>	<u>116</u>
Total	<u>1,221,117</u>	<u>1,156,893</u>	<u>64,224</u>	<u>1,048,627</u>
Summer school programs				
Salaries	241,927	262,103	(20,176)	188,552
Employee benefits	3,854	24,129	(20,275)	26,225
Purchased services	3,880	-	3,880	650
Supplies and materials	4,000	-	4,000	1,437
Capital outlay	<u>-</u>	<u>2,418</u>	<u>(2,418)</u>	<u>-</u>
Total	<u>253,661</u>	<u>288,650</u>	<u>(34,989)</u>	<u>216,864</u>

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Gifted programs				
Driver's education programs				
Salaries	\$ 47,000	\$ 10,758	\$ 36,242	\$ 32,541
Employee benefits	629	144	485	420
Purchased services	22,400	10,731	11,669	9,343
Supplies and materials	11,295	2,513	8,782	3,049
Total	81,324	24,146	57,178	45,353
Bilingual programs				
Salaries	758,653	562,615	196,038	683,680
Employee benefits	137,682	105,144	32,538	131,429
Supplies and materials	11,250	3,395	7,855	6,705
Total	907,585	671,154	236,431	821,814
Truant's alternative and optional programs				
Salaries	46,789	22,129	24,660	34,391
Employee benefits	597	286	311	374
Purchased services	-	2,152	(2,152)	1,565
Supplies and materials	-	6,285	(6,285)	1,939
Capital outlay	-	1,977	(1,977)	4,230
Non-capitalized equipment	-	418	(418)	194
Total	47,386	33,247	14,139	42,693
Special education programs K -12 - private tuition				
Other objects	3,210,000	3,243,999	(33,999)	3,380,705
Total	3,210,000	3,243,999	(33,999)	3,380,705
Total instruction	48,373,034	43,430,850	4,942,184	47,521,204
Support services				
Pupils				
Attendance and social work services				
Salaries	2,013,111	1,977,975	35,136	2,081,215
Employee benefits	560,294	539,875	20,419	532,687
Purchased services	50,294	8,241	42,053	51,019
Supplies and materials	59,965	54,764	5,201	56,886
Capital outlay	20,000	23,690	(3,690)	5,995
Total	2,703,664	2,604,545	99,119	2,727,802

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Guidance services				
Salaries	\$ 2,084,568	\$ 2,115,761	\$ (31,193)	\$ 2,216,242
Employee benefits	469,556	462,382	7,174	449,517
Purchased services	34,300	13,881	20,419	28,125
Supplies and materials	22,080	21,423	657	23,167
Capital outlay	-	-	-	2,513
Other objects	<u>250</u>	<u>30</u>	<u>220</u>	<u>138</u>
Total	<u>2,610,754</u>	<u>2,613,477</u>	<u>(2,723)</u>	<u>2,719,702</u>
Health services				
Salaries	379,482	392,182	(12,700)	372,499
Employee benefits	114,656	118,154	(3,498)	109,504
Purchased services	172,227	329,184	(156,957)	231,864
Supplies and materials	5,619	5,036	583	6,228
Capital outlay	2,300	2,200	100	1,695
Other objects	1,500	-	1,500	-
Non-capitalized equipment	<u>131</u>	<u>131</u>	<u>-</u>	<u>-</u>
Total	<u>675,915</u>	<u>846,887</u>	<u>(170,972)</u>	<u>721,790</u>
Psychological services				
Salaries	279,400	278,685	715	307,487
Employee benefits	<u>63,557</u>	<u>53,471</u>	<u>10,086</u>	<u>60,815</u>
Total	<u>342,957</u>	<u>332,156</u>	<u>10,801</u>	<u>368,302</u>
Speech pathology and audiology services				
Salaries	238,612	242,234	(3,622)	255,315
Employee benefits	<u>57,403</u>	<u>59,259</u>	<u>(1,856)</u>	<u>54,846</u>
Total	<u>296,015</u>	<u>301,493</u>	<u>(5,478)</u>	<u>310,161</u>
Other support services - pupils				
Salaries	267,876	265,176	2,700	243,467
Employee benefits	11,839	26,907	(15,068)	11,075
Purchased services	200	901	(701)	121
Supplies and materials	3,500	1,275	2,225	1,603
Other objects	<u>1,900</u>	<u>710</u>	<u>1,190</u>	<u>580</u>
Total	<u>285,315</u>	<u>294,969</u>	<u>(9,654)</u>	<u>256,846</u>
Total pupils	<u>6,914,620</u>	<u>6,993,527</u>	<u>(78,907)</u>	<u>7,104,603</u>

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Instructional staff				
Improvement of instructional services				
Salaries	\$ 2,525,265	\$ 2,277,313	\$ 247,952	\$ 1,483,744
Employee benefits	803,532	861,294	(57,762)	498,720
Purchased services	329,245	347,548	(18,303)	429,819
Supplies and materials	69,680	18,577	51,103	17,597
Capital outlay	2,000	127,596	(125,596)	96,432
Other objects	3,250	1,753	1,497	1,528
Total	<u>3,732,972</u>	<u>3,634,081</u>	<u>98,891</u>	<u>2,527,840</u>
Educational media services				
Salaries	544,158	555,344	(11,186)	560,971
Employee benefits	189,312	199,716	(10,404)	181,000
Purchased services	45,750	44,424	1,326	33,299
Supplies and materials	216,483	216,018	465	226,598
Capital outlay	120,489	52,731	67,758	626,736
Non-capitalized equipment	33,350	21,385	11,965	7,636
Total	<u>1,149,542</u>	<u>1,089,618</u>	<u>59,924</u>	<u>1,636,240</u>
Assessment and testing				
Salaries	37,535	55,167	(17,632)	33,425
Employee benefits	322	739	(417)	434
Purchased services	21,181	-	21,181	95,375
Supplies and materials	-	10,049	(10,049)	-
Other objects	-	650	(650)	-
Total	<u>59,038</u>	<u>66,605</u>	<u>(7,567)</u>	<u>129,234</u>
Total instructional staff	<u>4,941,552</u>	<u>4,790,304</u>	<u>151,248</u>	<u>4,293,314</u>
General administration				
Board of education services				
Salaries	205,884	206,404	(520)	176,055
Employee benefits	34,063	42,470	(8,407)	29,194
Purchased services	478,248	309,177	169,071	300,510
Supplies and materials	17,575	3,493	14,082	12,720
Capital outlay	61,500	-	61,500	980
Other objects	40,510	44,457	(3,947)	59,768
Total	<u>837,780</u>	<u>606,001</u>	<u>231,779</u>	<u>579,227</u>

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
EDUCATIONAL ACCOUNTS

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Executive administration services				
Salaries	\$ 334,911	\$ 336,102	\$ (1,191)	\$ 283,291
Employee benefits	59,174	66,378	(7,204)	57,627
Purchased services	24,000	24,237	(237)	6,969
Supplies and materials	30,350	20,470	9,880	10,055
Capital outlay	8,200	3,787	4,413	-
Other objects	<u>12,850</u>	<u>14,408</u>	<u>(1,558)</u>	<u>13,304</u>
Total	<u>469,485</u>	<u>465,382</u>	<u>4,103</u>	<u>371,246</u>
Special area administration services				
Salaries	579,031	584,620	(5,589)	592,691
Employee benefits	129,416	150,246	(20,830)	90,504
Purchased services	9,450	4,578	4,872	3,878
Supplies and materials	<u>353</u>	<u>224</u>	<u>129</u>	<u>208</u>
Total	<u>718,250</u>	<u>739,668</u>	<u>(21,418)</u>	<u>687,281</u>
Total general administration	<u>2,025,515</u>	<u>1,811,051</u>	<u>214,464</u>	<u>1,637,754</u>
School administration				
Office of the principal services				
Salaries	1,615,014	1,698,847	(83,833)	1,631,956
Employee benefits	337,265	347,240	(9,975)	324,363
Purchased services	82,811	61,457	21,354	88,531
Supplies and materials	16,070	10,943	5,127	16,571
Capital outlay	6,500	4,979	1,521	326
Other objects	12,902	9,914	2,988	10,864
Non-capitalized equipment	<u>-</u>	<u>664</u>	<u>(664)</u>	<u>-</u>
Total	<u>2,070,562</u>	<u>2,134,044</u>	<u>(63,482)</u>	<u>2,072,611</u>
Total school administration	<u>2,070,562</u>	<u>2,134,044</u>	<u>(63,482)</u>	<u>2,072,611</u>
Business				
Direction of business support services				
Salaries	130,000	130,200	(200)	125,000
Employee benefits	<u>25,610</u>	<u>24,472</u>	<u>1,138</u>	<u>24,030</u>
Total	<u>155,610</u>	<u>154,672</u>	<u>938</u>	<u>149,030</u>

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
EDUCATIONAL ACCOUNTS

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Fiscal services				
Salaries	\$ 475,048	\$ 505,397	\$ (30,349)	\$ 567,957
Employee benefits	131,330	97,880	33,450	125,418
Purchased services	2,626,719	170,382	2,456,337	62,729
Supplies and materials	13,950	18,453	(4,503)	16,409
Capital outlay	1,500	3,192	(1,692)	8,703
Other objects	9,508	2,519	6,989	4,721
Non-capitalized equipment	<u>2,000</u>	<u>214</u>	<u>1,786</u>	<u>-</u>
Total	<u>3,260,055</u>	<u>798,037</u>	<u>2,462,018</u>	<u>785,937</u>
Pupil transportation services				
Purchased services	8,556	2,597	5,959	2,892
Capital outlay	<u>22,500</u>	<u>-</u>	<u>22,500</u>	<u>-</u>
Total	<u>31,056</u>	<u>2,597</u>	<u>28,459</u>	<u>2,892</u>
Food services				
Salaries	1,295,822	1,155,962	139,860	1,200,886
Employee benefits	346,362	277,259	69,103	280,870
Purchased services	214,274	419,342	(205,068)	429,121
Supplies and materials	1,568,053	1,374,221	193,832	1,331,286
Capital outlay	-	53,096	(53,096)	11,814
Other objects	670	650	20	600
Non-capitalized equipment	<u>10,500</u>	<u>18,370</u>	<u>(7,870)</u>	<u>15,109</u>
Total	<u>3,435,681</u>	<u>3,298,900</u>	<u>136,781</u>	<u>3,269,686</u>
Internal services				
Salaries	252,561	277,163	(24,602)	254,098
Employee benefits	59,654	61,803	(2,149)	56,759
Purchased services	(186,000)	-	(186,000)	-
Supplies and materials	<u>190,186</u>	<u>108,528</u>	<u>81,658</u>	<u>151,134</u>
Total	<u>316,401</u>	<u>447,494</u>	<u>(131,093)</u>	<u>461,991</u>
Total business	<u>7,198,803</u>	<u>4,701,700</u>	<u>2,497,103</u>	<u>4,669,536</u>
Central				
Direction of central support services				
Salaries	-	23,000	(23,000)	-
Purchased services	<u>598,000</u>	<u>460,000</u>	<u>138,000</u>	<u>-</u>
Total	<u>598,000</u>	<u>483,000</u>	<u>115,000</u>	<u>-</u>
Information services				
Salaries	28,116	23,886	4,230	37,988
Employee benefits	17,063	4,691	12,372	16,278
Purchased services	215,000	176,196	38,804	108,894
Capital outlay	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>3,478</u>
Total	<u>264,179</u>	<u>204,773</u>	<u>59,406</u>	<u>166,638</u>

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Staff services				
Salaries	\$ -	\$ 59,974	\$ (59,974)	\$ -
Employee benefits	-	12,553	(12,553)	-
Purchased services	<u>3,000</u>	<u>1,430</u>	<u>1,570</u>	<u>-</u>
Total	<u>3,000</u>	<u>73,957</u>	<u>(70,957)</u>	<u>-</u>
Data processing services				
Salaries	524,737	510,860	13,877	472,578
Employee benefits	135,684	126,083	9,601	113,069
Purchased services	894,050	629,540	264,510	855,772
Supplies and materials	57,000	16,836	40,164	171,153
Capital outlay	2,340,000	539,075	1,800,925	1,285,213
Non-capitalized equipment	<u>-</u>	<u>905</u>	<u>(905)</u>	<u>-</u>
Total	<u>3,951,471</u>	<u>1,823,299</u>	<u>2,128,172</u>	<u>2,897,785</u>
Total central	<u>4,816,650</u>	<u>2,585,029</u>	<u>2,231,621</u>	<u>3,064,423</u>
Other supporting services				
Purchased services	1,859,125	672,173	1,186,952	1,503,318
Supplies and materials	3,984	527	3,457	8,927
Other objects	<u>10,000</u>	<u>(40,185)</u>	<u>50,185</u>	<u>1,768</u>
Total	<u>1,873,109</u>	<u>632,515</u>	<u>1,240,594</u>	<u>1,514,013</u>
Total support services	<u>29,840,811</u>	<u>23,648,170</u>	<u>6,192,641</u>	<u>24,356,254</u>
Community services				
Salaries	220,225	152,171	68,054	132,128
Employee benefits	57,273	42,857	14,416	33,984
Purchased services	86,227	84,701	1,526	86,286
Supplies and materials	<u>8,434</u>	<u>5,815</u>	<u>2,619</u>	<u>11,200</u>
Total community services	<u>372,159</u>	<u>285,544</u>	<u>86,615</u>	<u>263,598</u>
Payments to other districts and governmental units				
Payments for regular programs				
Purchased services	<u>57,850</u>	<u>34,001</u>	<u>23,849</u>	<u>118,610</u>
Total	<u>57,850</u>	<u>34,001</u>	<u>23,849</u>	<u>118,610</u>
Payments for CTE programs				
Other objects	<u>33,647</u>	<u>3,715</u>	<u>29,932</u>	<u>20,188</u>
Total	<u>33,647</u>	<u>3,715</u>	<u>29,932</u>	<u>20,188</u>

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Payments for special education programs - tuition				
Other objects	\$ 1,150,000	\$ 954,620	\$ 195,380	\$ 1,102,160
Total	<u>1,150,000</u>	<u>954,620</u>	<u>195,380</u>	<u>1,102,160</u>
Total payments to other districts and governmental units	<u>1,241,497</u>	<u>992,336</u>	<u>249,161</u>	<u>1,240,958</u>
Total expenditures	<u>79,827,501</u>	<u>68,356,900</u>	<u>11,470,601</u>	<u>73,382,014</u>
Excess (deficiency) of revenues over expenditures	<u>(481,126)</u>	<u>1,936,436</u>	<u>2,417,562</u>	<u>138,365</u>
Other financing sources (uses)				
Transfer to debt service fund to pay principal on capital leases	(104,982)	(104,981)	1	(101,124)
Transfer to debt service fund to pay interest on capital leases	<u>(10,475)</u>	<u>(10,475)</u>	<u>-</u>	<u>(14,332)</u>
Total other financing sources (uses)	<u>(115,457)</u>	<u>(115,456)</u>	<u>1</u>	<u>(115,456)</u>
Net change in fund balance	<u>\$ (596,583)</u>	<u>1,820,980</u>	<u>\$ 2,417,563</u>	<u>22,909</u>
Fund balance, beginning of year		<u>38,187,112</u>		<u>38,164,203</u>
Fund balance, end of year		<u>\$ 40,008,092</u>		<u>\$ 38,187,112</u>

(Concluded)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201**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		VARIANCE WITH FINAL BUDGET	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
Investment income	\$ 12,199	\$ 17,071	\$ 4,872	\$ 13,530
Total local sources	12,199	17,071	4,872	13,530
Total revenues	12,199	17,071	4,872	13,530
Expenditures				
Total expenditures	-	-	-	-
Net change in fund balance	\$ 12,199	17,071	\$ 4,872	13,530
Fund balance, beginning of year		7,845,793		7,832,263
Fund balance, end of year		\$ 7,862,864		\$ 7,845,793

J. STERLING MORTON HIGH SCHOOL DISTRICT 201**OPERATING COST AND TUITION CHARGE
FOR THE YEAR ENDED JUNE 30, 2015**

	2015	2014
Operating Cost Per Pupil		
Average Daily Attendance (ADA):	<u>7,103</u>	<u>6,927</u>
Operating Costs:		
Educational	\$ 68,356,900	\$ 73,382,014
Operations and maintenance	19,893,422	15,201,463
Debt service	9,360,456	9,360,466
Transportation	3,585,433	3,249,903
Municipal retirement/social security	<u>3,144,299</u>	<u>3,161,281</u>
Subtotal	<u>104,340,510</u>	<u>104,355,127</u>
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	3,243,999	3,380,705
Adult education	213,581	254,104
Summer school	300,006	227,939
Capital outlay	9,725,737	8,393,106
Non-capitalized equipment	51,239	28,215
Debt principal retired	9,340,458	9,334,527
Community services	315,655	289,783
Payments to other districts & governmental units	<u>992,336</u>	<u>1,240,958</u>
Subtotal	<u>24,183,011</u>	<u>23,149,337</u>
Operating costs	<u>\$ 80,157,499</u>	<u>\$ 81,205,790</u>
Operating Cost Per Pupil - Based on ADA	<u>\$ 11,285</u>	<u>\$ 11,723</u>
Tuition Charge		
Operating Costs	\$ 80,157,499	\$ 81,205,790
Less - revenues from specific programs, such as special education or lunch programs	<u>18,688,268</u>	<u>18,379,761</u>
Net operating costs	61,469,231	62,826,029
Depreciation allowance	<u>3,184,916</u>	<u>4,208,032</u>
Allowable Tuition Costs	<u>\$ 64,654,147</u>	<u>\$ 67,034,061</u>
Tuition Charge Per Pupil - based on ADA	<u>\$ 9,102</u>	<u>\$ 9,677</u>

J. Sterling Morton High Schools District 201
AGENCY FUND - STUDENT ACTIVITY ACCOUNTS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2015

	BALANCE JULY 1, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
Assets				
Cash and Investments	\$ 854,304	\$ 821,643	\$ 812,159	\$ 863,788
Total assets	<u>\$ 854,304</u>	<u>\$ 821,643</u>	<u>\$ 812,159</u>	<u>\$ 863,788</u>
Liabilities				
Due to activity fund organizations:				
District Office	\$ 403,700	\$ 242,852	\$ 254,745	\$ 391,807
Morton East	201,651	230,548	261,592	170,607
Morton West	43,799	315,083	263,082	95,800
Freshmen Center	<u>205,154</u>	<u>33,160</u>	<u>32,740</u>	<u>205,574</u>
Total liabilities	<u>854,304</u>	<u>821,643</u>	<u>812,159</u>	<u>863,788</u>
Total Activity Accounts	<u>\$ 854,304</u>	<u>\$ 821,643</u>	<u>\$ 812,159</u>	<u>\$ 863,788</u>

Statistical Section

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

Contents

Page

Financial Trends

85 - 92

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

93 - 98

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity

99 - 103

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.

Demographic and Economic Information

104 - 107

These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.

Operating Information

108 - 112

These schedules contain information about the District's service and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**NET POSITION BY COMPONENT**

LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011
Governmental activities					
Net investment in capital assets	\$ 77,475,998	\$ 70,893,937	\$ 65,124,681	\$ 64,372,629	\$ 58,640,092
Restricted	8,856,602	9,843,189	9,672,732	9,253,577	8,676,643
Unrestricted	<u>(38,791,327)</u>	<u>(35,816,718)</u>	<u>(40,895,871)</u>	<u>(26,908,952)</u>	<u>(30,222,985)</u>
Total governmental activities net position	<u>\$ 47,541,273</u>	<u>\$ 44,920,408</u>	<u>\$ 33,901,542</u>	<u>\$ 46,717,254</u>	<u>\$ 37,093,750</u>

Note: Amounts are as originally reported and have not been adjusted for restatements attributable to the implementation of various GASB pronouncements.

Source of Information: District Records

2010	2009	2008	2007	2006
\$ 57,368,295	\$ 44,743,143	\$ 65,057,434	\$ 62,616,806	\$ 64,839,840
13,179,338	12,870,395	13,068,474	13,197,422	12,764,477
<u>(49,263,655)</u>	<u>(29,989,602)</u>	<u>(28,777,734)</u>	<u>(28,751,490)</u>	<u>(29,980,544)</u>
<u>\$ 21,283,978</u>	<u>\$ 27,623,936</u>	<u>\$ 49,348,174</u>	<u>\$ 47,062,738</u>	<u>\$ 47,623,773</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2015	2014	2013	2012
Expenses				
Instruction:				
Regular programs	\$ 29,479,389	\$ 32,209,779	\$ 40,056,603	\$ 43,950,117
Special programs	13,318,024	12,877,911	11,469,318	10,248,130
Other instructional programs	4,661,423	4,758,764	4,910,920	5,852,209
State retirement contributions	22,567,450	13,505,305	-	-
Support services:				
Pupils	7,337,446	7,497,424	7,425,862	5,971,774
Instructional staff	4,807,616	4,114,956	4,101,633	4,221,857
General administration	1,957,785	1,756,258	1,703,753	1,700,663
School administration	2,305,537	2,219,376	2,234,213	2,002,459
Business	5,045,886	5,507,285	4,739,495	5,630,427
Transportation	3,496,900	3,159,852	3,477,394	3,595,525
Operations and maintenance	12,840,545	12,060,837	13,172,461	12,212,693
Central	2,205,583	1,910,659	1,284,400	104,893
Other supporting services	208,175	1,334,603	1,455,462	1,911,751
Community services	320,293	289,783	-	-
Payments to other districts and gov't units - excluding special education	37,716	138,798	-	-
Interest and fees	4,427,638	4,653,702	4,868,499	4,908,317
Unallocated depreciation	-	-	-	-
Total expenses	\$ 115,017,406	\$ 107,995,292	\$ 100,900,013	\$ 102,310,815
Program Revenues				
Charges for services				
Instruction:				
Regular programs	\$ 803,423	\$ 1,222,024	\$ 2,459,155	\$ 1,061,660
Other instructional programs	301,973	378,624	-	-
Support services:				
Business	683,524	840,106	896,441	1,008,450
Operations and maintenance	101,351	81,952	76,498	64,374
Other	-	-	-	1,419,548
Operating grants and contributions	39,909,912	30,114,127	25,383,170	24,643,116
Capital grants and contributions	-	148,000	2,041,567	2,960,697
Total program revenues	\$ 41,800,183	\$ 32,784,833	\$ 30,856,831	\$ 31,157,845
Net (expense)/revenue	\$ (73,217,223)	\$ (75,210,459)	\$ (70,043,182)	\$ (71,152,970)
General revenues				
Taxes:				
Real estate taxes, levied for general purposes	\$ 24,438,199	\$ 23,919,446	\$ 28,585,409	\$ 29,083,104
Real estate taxes, levied for specific purposes	9,842,721	10,565,125	4,385,031	3,791,022
Real estate taxes, levied for debt service	9,255,730	9,360,364	8,993,119	9,460,799
Personal property replacement taxes	6,520,552	6,065,527	-	-
State aid-formula grants	37,147,286	36,195,725	34,010,276	32,280,783
Federal Medicaid reimbursement	-	-	345,307	496,703
Investment earnings	137,644	117,484	106,142	116,083
Miscellaneous	39,606	5,654	6,316,300	5,547,980
Total general revenues	\$ 87,381,738	\$ 86,229,325	\$ 82,741,584	\$ 80,776,474
Change in net position	\$ 14,164,515	\$ 11,018,866	\$ 12,698,402	\$ 9,623,504

Source of Information: District Records

Note: District aggregated information differently for fiscal year 2014 and 2015 when compared to prior years.

2011	2010	2009	2008	2007	2006
\$ 43,543,304	\$ 45,839,828	\$ 35,506,727	\$ 32,840,735	\$ 31,178,139	\$ 28,978,628
15,992,179	13,871,762	13,646,452	13,476,188	12,384,801	11,451,755
936,964	3,918,525	4,590,376	4,004,796	3,981,500	3,897,404
-	-	-	-	-	-
5,948,820	5,926,067	6,313,227	5,942,736	6,275,113	5,852,352
2,516,264	2,634,026	2,315,546	1,524,689	1,350,753	1,812,461
1,752,128	1,371,944	2,097,396	2,233,817	1,782,995	1,757,424
1,951,217	2,224,374	2,859,073	2,729,998	2,806,161	2,658,322
6,166,698	5,376,908	5,722,374	5,584,450	5,302,283	5,259,743
3,361,030	2,920,439	2,496,884	2,622,414	2,240,105	2,049,852
10,933,498	10,188,107	11,571,176	11,604,753	11,521,862	11,214,591
1,029,143	1,130,022	1,341,619	1,286,712	1,438,314	1,268,620
1,081,710	1,223,183	991,534	614,345	634,446	1,081,480
-	-	-	-	-	-
-	-	-	-	-	-
725,445	5,655,441	5,779,209	5,812,788	5,811,342	5,168,366
-	-	-	-	-	-
<u>\$ 95,938,400</u>	<u>\$ 102,280,626</u>	<u>\$ 95,231,593</u>	<u>\$ 90,278,421</u>	<u>\$ 86,707,814</u>	<u>\$ 82,450,998</u>
\$ 1,221,347	\$ 981,055	\$ 1,111,589	\$ 1,008,116	\$ 1,150,810	\$ 1,076,755
-	-	-	-	-	-
1,944,223	2,113,122	2,304,348	2,471,798	2,422,234	2,318,747
63,300	37,050	44,265	28,174	32,695	21,420
735,430	-	-	-	-	-
27,713,879	21,621,187	18,646,339	16,713,537	12,112,869	11,268,988
-	-	-	1,531,066	1,252,690	598,324
<u>\$ 31,678,179</u>	<u>\$ 24,752,414</u>	<u>\$ 22,106,541</u>	<u>\$ 21,752,691</u>	<u>\$ 16,971,298</u>	<u>\$ 15,284,234</u>
<u>\$ (64,260,221)</u>	<u>\$ (77,528,212)</u>	<u>\$ (73,125,052)</u>	<u>\$ (68,525,730)</u>	<u>\$ (69,736,516)</u>	<u>\$ (67,166,764)</u>
\$ 26,387,338	\$ 27,408,897	\$ 27,447,900	\$ 25,562,776	\$ 25,320,437	\$ 25,303,564
4,351,000	3,580,715	3,119,627	3,418,626	3,274,119	2,962,532
9,254,374	9,477,658	9,131,114	9,286,805	9,403,735	9,698,903
-	-	-	-	-	-
32,448,996	24,072,708	26,952,448	22,919,697	21,840,725	19,656,739
497,182	415,224	329,722	320,483	305,521	264,976
177,282	356,031	609,878	1,820,321	2,238,059	1,690,119
6,953,821	5,877,021	6,384,633	7,482,458	6,792,885	5,985,263
<u>\$ 80,069,993</u>	<u>\$ 71,188,254</u>	<u>\$ 73,975,322</u>	<u>\$ 70,811,166</u>	<u>\$ 69,175,481</u>	<u>\$ 65,562,096</u>
<u>\$ 15,809,772</u>	<u>\$ (6,339,958)</u>	<u>\$ 850,270</u>	<u>\$ 2,285,436</u>	<u>\$ (561,035)</u>	<u>\$ (1,604,668)</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2015	2014	2013	2012
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	605,246	535,383	115,232	199,367
Restricted	-	-	-	-
Unassigned	<u>47,265,710</u>	<u>45,497,522</u>	<u>46,042,817</u>	<u>40,042,639</u>
Total general fund	<u>\$ 47,870,956</u>	<u>\$ 46,032,905</u>	<u>\$ 46,158,049</u>	<u>\$ 40,242,006</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Debt service fund	-	-	-	-
Special revenue funds	-	-	-	-
Capital projects fund	-	-	-	-
Nonspendable, reported in:				
Debt service fund	-	-	-	-
Special revenue funds	258,765	-	-	-
Capital projects fund	-	-	-	-
Restricted, reported in:				
Special revenue funds	781,202	1,044,629	1,045,977	860,385
Debt service fund	6,198,298	6,137,302	5,971,527	5,978,397
Capital projects fund	2,658,304	2,661,258	2,655,228	2,414,795
Assigned, reported in:				
Special revenue funds	1,302,558	920,028	-	-
Unassigned, reported in:				
Special revenue funds	-	-	(188,385)	(646,621)
Capital projects fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,861,635)</u>
Total all other governmental funds	<u>\$ 11,199,127</u>	<u>\$ 10,763,217</u>	<u>\$ 9,484,347</u>	<u>\$ 6,745,321</u>

NOTE: GASB 54 was implemented as of June 30, 2011. Prior years are not adjusted.

Source of information: Fiscal years 2006 - 2015 Annual Financial Statements

2011	2010	2009	2008	2007	2006
\$ -	\$ 227,388	\$ 194,629	\$ 1,794,287	\$ 9,036,103	\$ 21,714,848
-	22,793,351	25,533,411	26,526,056	22,871,722	17,191,643
201,967	-	-	-	-	-
-	-	-	-	-	-
38,003,609	-	-	-	-	-
<u>\$ 38,205,576</u>	<u>\$ 23,020,739</u>	<u>\$ 25,728,040</u>	<u>\$ 28,320,343</u>	<u>\$ 31,907,825</u>	<u>\$ 38,906,491</u>
\$ -	\$ 2,327,634	\$ 7,501,216	\$ 7,567,144	\$ 7,718,461	\$ 7,284,978
-	5,897,682	5,197,113	5,297,302	5,548,466	5,187,377
-	7,591,915	2,721,807	2,319,128	3,157,716	3,332,691
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
507,042	-	-	-	-	-
5,985,256	-	-	-	-	-
2,184,345	-	-	-	-	-
-	-	-	-	-	-
(359,250)	-	-	-	-	-
(25,266)	-	-	-	-	-
<u>\$ 8,292,127</u>	<u>\$ 15,817,231</u>	<u>\$ 15,420,136</u>	<u>\$ 15,183,574</u>	<u>\$ 16,424,643</u>	<u>\$ 15,805,046</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2015	2014	2013	2012
Revenues				
Local Sources				
Taxes	\$ 50,057,202	\$ 49,910,462	\$ 42,938,858	\$ 42,239,027
Earnings on investments	137,644	117,484	106,142	116,083
Other local sources	<u>1,929,877</u>	<u>2,528,360</u>	<u>8,807,399</u>	<u>9,102,012</u>
Total local sources	<u>52,124,723</u>	<u>52,556,306</u>	<u>51,852,399</u>	<u>51,457,122</u>
State sources	66,723,666	56,901,240	54,068,462	51,693,831
Federal sources	<u>10,333,532</u>	<u>9,556,612</u>	<u>7,677,554</u>	<u>8,687,468</u>
Total Revenues	<u>\$ 129,181,921</u>	<u>\$ 119,014,158</u>	<u>\$ 113,598,415</u>	<u>\$ 111,838,421</u>
Expenditures				
Current:				
Instruction	\$ 66,480,680	\$ 59,960,159	\$ 52,598,186	\$ 58,223,679
Supporting services	40,033,096	38,615,960	41,938,722	42,760,354
Community services	315,655	289,783	101,058	120,961
Nonprogrammed charges	992,336	1,240,958	944,923	1,234,816
Debt service				
Principal	9,340,458	9,334,527	5,518,979	4,591,987
Interest and other	19,998	25,939	3,841,478	4,653,013
Capital outlay	<u>9,725,737</u>	<u>8,393,106</u>	<u>-</u>	<u>289,632</u>
Total expenditures	<u>126,907,960</u>	<u>117,860,432</u>	<u>104,943,346</u>	<u>111,874,442</u>
Excess (deficiency) of revenue over expenditures	2,273,961	1,153,726	8,655,069	(36,021)
Other Financing Sources (Uses)				
Proceeds from borrowing	-	-	-	-
Payments to escrow agent	-	-	-	-
Principal on capital lease proceeds	-	-	-	525,645
Transfers in	165,456	165,456	165,457	-
Transfers out	(165,456)	(165,456)	(165,457)	-
Sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>525,645</u>
Net change in fund balances	<u>2,273,961</u>	<u>1,153,726</u>	<u>8,655,069</u>	<u>489,624</u>
Debt service as a percentage of noncapital expenditures	7.99%	8.55%	8.92%	8.29%

Source of information: Fiscal years 2006 - 2015 Annual Financial Statements

2011	2010	2009	2008	2007	2006
\$ 40,164,833	\$ 42,223,133	\$ 38,855,607	\$ 37,659,115	\$ 36,960,952	\$ 37,698,979
177,282	356,031	609,878	1,820,321	2,238,059	1,690,119
<u>10,343,390</u>	<u>9,008,248</u>	<u>9,844,835</u>	<u>10,990,546</u>	<u>10,398,624</u>	<u>9,402,185</u>
<u>50,685,505</u>	<u>51,587,412</u>	<u>49,310,320</u>	<u>50,469,982</u>	<u>49,597,635</u>	<u>48,791,283</u>
49,785,958	37,876,068	33,609,937	34,301,165	31,297,773	26,675,664
<u>11,448,830</u>	<u>13,065,980</u>	<u>11,611,572</u>	<u>5,165,618</u>	<u>4,214,032</u>	<u>5,113,363</u>
<u>\$ 111,920,293</u>	<u>\$ 102,529,460</u>	<u>\$ 94,531,829</u>	<u>\$ 89,936,765</u>	<u>\$ 85,109,440</u>	<u>\$ 80,580,310</u>
\$ 57,149,042	\$ 61,564,405	\$ 51,133,318	\$ 47,026,928	\$ 44,243,329	\$ 41,072,233
36,443,226	32,983,632	35,098,833	33,203,340	32,437,013	32,047,089
117,012	108,162	83,227	80,780	78,769	83,300
911,698	938,467	548,243	572,105	652,990	644,766
4,273,133	4,661,696	5,281,648	6,496,502	7,422,885	8,464,514
4,971,867	4,583,304	3,963,352	2,698,498	1,772,115	589,971
<u>394,582</u>	<u>-</u>	<u>1,177,716</u>	<u>2,017,163</u>	<u>4,881,408</u>	<u>1,983,748</u>
<u>104,260,560</u>	<u>104,839,666</u>	<u>97,286,337</u>	<u>92,095,316</u>	<u>91,488,509</u>	<u>84,885,621</u>
7,659,733	(2,310,206)	(2,754,508)	(2,158,551)	(6,379,069)	(4,305,311)
-	-	398,767	-	-	41,492,685
-	-	-	-	-	(4,179,918)
-	-	-	-	-	-
50,000	50,000	-	500,000	-	14,214,030
(50,000)	(50,000)	-	(500,000)	-	(14,214,030)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	398,767	-	-	37,312,767
<u>7,659,733</u>	<u>(2,310,206)</u>	<u>(2,355,741)</u>	<u>(2,158,551)</u>	<u>(6,379,069)</u>	<u>33,007,456</u>
8.90%	8.82%	9.62%	10.21%	10.62%	10.92%

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN LEVY YEARS

LEVY YEAR		EQUALIZED ASSESSED VALUE		INCREASE (DECREASE) OVER PREVIOUS YEAR		PERCENTAGE INCREASE (DECREASE) OVER PREVIOUS YEAR		ESTIMATED ACTUAL VALUE
2014	\$	1,434,851,128	\$	(103,347,206)		-6.72%	\$	4,304,553,384
2013		1,538,198,334		(102,698,227)		-6.26%		4,614,595,002
2012		1,640,896,561		(142,807,563)		-8.01%		4,922,689,683
2011		1,783,704,124		(521,694,761)		-22.63%		5,351,112,372
2010		2,305,398,885		37,434,851		1.65%		6,916,196,655
2009		2,267,964,034		(11,105,932)		-0.49%		6,803,892,102
2008		2,279,069,966		215,954,196		10.47%		6,837,209,898
2007		2,063,115,770		87,524,211		4.43%		6,189,347,310
2006		1,975,591,559		(21,743,984)		-1.09%		5,926,774,677
2005		1,997,335,543		368,926,789		22.66%		5,992,006,629

Tax Levy Year		Real Estate		Railroad		Air Pollution		Total EAV
2014	\$	1,409,370,465	\$	25,475,596	\$	5,067	\$	1,434,851,128
2013		1,512,937,886		25,254,915		5,533		1,538,198,334
2012		1,616,287,421		24,603,475		5,665		1,640,896,561
2011		1,762,403,000		21,293,561		7,563		1,783,704,124
2010		2,285,857,019		19,534,030		7,836		2,305,398,885
2009		2,251,198,094		16,757,916		8,024		2,267,964,034
2008		2,263,853,901		15,207,631		8,434		2,279,069,966
2007		2,048,362,399		14,744,453		8,918		2,063,115,770
2006		1,961,222,776		14,359,331		9,452		1,975,591,559
2005		n/a		n/a		n/a		n/a

Source: Cook County Levy, Rate, and Extension Reports for the years 2005 to 2014.

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN TAX LEVY YEARS

	2014	2013	2012	2011	2010
OVERLAPPING GOVERNMENT:					
County of Cook	0.568	0.560	0.531	0.462	0.423
Forest Preserve District	0.069	0.069	0.063	0.058	0.051
Suburban TB Sanitarium	-	-	-	-	-
Consolidated Elections	-	0.031	-	0.025	-
Town of Berwyn	0.059	0.053	0.048	0.042	0.032
General Assistance - Berwyn	0.051	0.046	0.042	0.037	0.028
Metropolitan Water Reclamation District	0.430	0.417	0.370	0.320	0.274
Community College #527	0.670	0.613	0.556	0.504	0.392
City of Berwyn	4.533	3.990	3.369	2.984	2.310
City of Berwyn Library Fund	0.555	0.476	0.448	0.396	0.319
Public Health - Berwyn	0.103	0.095	0.089	0.078	0.060
Mental Health - Berwyn	0.087	0.076	0.070	0.063	0.048
School District #98	3.971	3.639	3.346	3.582	2.836
North Berwyn Park District	0.492	0.455	0.355	0.371	0.288
Total overlapping rate (note)	11.5880	10.5200	9.2870	8.9220	7.0610
DIRECT DEBT:					
Morton S.D. #201	3.216	2.954	2.732	2.454	1.858
Representative Tax Rate	14.804	13.474	12.019	11.376	8.919
OTHER:					
Berwyn Park District	0.438	0.396	0.374	0.316	0.307
School District #100	4.265	3.919	3.645	3.197	2.499
Town of Cicero	5.760	5.183	4.522	4.566	3.388
General Assistance - Cicero	0.047	0.062	0.068	0.051	0.037
Clyde Park District	0.556	0.545	0.505	0.458	0.333
Cicero Library Fund	0.351	0.322	0.289	0.231	0.166
Mental Health - Cicero	0.104	0.096	0.100	0.077	0.063
School District #99	4.998	4.670	4.302	3.874	2.799
Town of Lyons	0.068	0.068	0.063	0.059	0.048
Road and Bridges - Lyons	0.048	0.048	0.044	0.041	0.033
General Assistance - Lyons	0.003	0.003	0.003	0.003	0.002
Des Plaines Valley Mosquito	0.016	0.016	0.015	0.014	0.011
Mental Health - Lyons	0.112	0.112	0.103	0.095	0.078
School District #103	5.418	5.293	4.856	4.367	3.377
Village of Lyons	2.416	2.204	2.039	1.832	1.382
Village of Lyons Library	0.449	0.402	0.373	0.334	0.252
Town of Stickney	0.283	0.277	0.250	0.231	0.195
Road and Bridge - Stickney Twp.	0.080	0.074	0.067	0.059	0.048
General Assistance - Stickney	0.026	0.023	0.020	0.017	0.014
Stickney - Forest View Library	0.470	0.441	0.499	0.450	0.348
Public Health - Stickney	0.276	0.262	0.240	0.180	0.180
Village of Stickney	3.646	3.326	3.052	2.768	2.128

*Tax rates are expressed in dollars per one hundred of assessed valuations.

The other overlapping districts noted above may be included within a taxpayer's property tax bill, depending on location within the district.

Source of information: Cook County Clerk's office.

2009	2008	2007	2006	2005
0.394	0.415	0.446	0.500	0.533
0.049	0.051	0.053	0.057	0.060
-	-	-	0.005	0.005
0.021	-	0.012	-	0.014
0.032	0.031	0.032	0.031	0.029
0.026	0.025	0.026	0.025	0.023
0.261	0.252	0.263	0.284	0.315
0.393	0.389	0.411	0.417	0.397
2.278	1.937	2.135	2.040	2.053
0.281	0.280	0.308	0.176	0.168
0.061	0.059	0.061	0.060	0.057
0.046	0.046	0.048	0.051	0.049
2.814	2.949	3.371	3.248	3.251
0.286	0.286	0.301	0.300	0.280
6.9420	6.7200	7.4670	7.1940	7.2340
1.848	1.835	1.960	2.001	1.925
8.790	8.555	9.427	9.195	9.159
0.307	0.300	0.320	0.321	0.274
2.492	2.443	2.568	2.615	2.545
3.344	3.243	3.613	3.754	3.610
0.036	0.030	0.023	0.024	0.024
0.308	0.289	0.363	0.368	0.349
0.161	0.156	0.168	0.174	0.171
0.062	0.060	0.065	0.068	0.067
2.786	2.704	2.893	2.655	2.760
0.047	0.046	0.033	0.033	0.031
0.033	0.032	0.034	0.034	0.032
0.002	0.002	0.003	0.003	0.002
0.011	0.012	0.012	0.012	0.011
0.076	0.074	0.081	0.081	0.077
3.287	3.263	3.444	3.521	3.419
1.634	1.419	1.410	1.431	1.395
0.243	0.298	0.254	1.557	0.214
0.181	0.180	0.191	0.194	0.179
0.045	0.043	0.045	0.045	0.041
0.015	0.009	0.010	0.010	0.009
0.338	0.327	0.350	0.360	0.333
0.180	0.164	0.195	0.198	0.183
2.118	1.894	1.961	1.970	1.749

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

PRINCIPAL PROPERTY TAXPAYERS IN THE DISTRICT

CURRENT YEAR AND NINE YEARS AGO

TAXPAYER	2014 EQUALIZED ASSESSED VALUATION *	Rank	PERCENTAGE OF TOTAL 2014 EQUALIZED ASSESSED VALUATION (1)
MacNeal Hospital Finance	\$ 17,440,485	1	1.22%
Hawthorne Wrks Ste 316	12,100,311	2	0.84%
Wal-Mart Real Estate	11,221,412	3	0.78%
ONC Cicero LLC	8,952,829	4	0.62%
Thomas Carey Heirs	8,403,342	5	0.59%
Concordia Realty Mgmt	8,107,762	6	0.57%
SVF W 47th Mc Cook LLC	7,061,217	7	0.49%
HB Lyons Cold Storage	7,001,416	8	0.49%
Heartland Bank	6,896,284	9	0.48%
Cicero Marketplace	6,600,099	10	0.46%
	<u>\$ 93,785,157</u>		<u>6.54%</u>

(1) 2014 total equalized assessed valuation is \$1,434,851,128.

TAXPAYER	2005 EQUALIZED ASSESSED VALUATION	Rank	PERCENTAGE OF TOTAL 2005 EQUALIZED ASSESSED VALUATION
McNeal Hospital Finance	\$ 28,663,663	1	1.44%
Thomas Carey Heirs	23,150,976	2	1.16%
CMBRDG Realty Capital Funding, LTD.	14,478,707	3	0.72%
Cermak Plaza Association	14,015,155	4	0.70%
Hawthorne Partners	12,823,866	5	0.64%
DiMucci Companies	11,834,661	6	0.59%
Property Tax Department 201	10,813,409	7	0.54%
Commonwealth Edison	9,473,806	8	0.47%
VHS of Illinois	9,051,772	9	0.45%
Cicero Market Place	8,979,650	10	0.45%
	<u>\$ 143,285,665</u>		<u>7.16%</u>

Source of information: Cook County Clerk's Office and June 30, 2005 CAFR

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN LEVY YEARS

	2014	2013	2012	2011	2010
Rates extended:					
Educational	1.7459	1.5971	1.4373	1.2546	0.9435
Special education	0.0296	0.0271	0.0249	0.0222	0.0167
Operations and maintenance	0.4856	0.4442	0.4093	0.3650	0.2745
Tort immunity	0.0000	0.0000	0.0000	0.0000	0.0000
Transportation	0.0759	0.0694	0.0640	0.0571	0.0429
Illinois municipal retirement/Social security	0.1930	0.1766	0.1968	0.1755	0.1320
Bond and interest	0.6857	0.6396	0.5996	0.5516	0.4268
Working Cash	0.0000	0.0000	0.0000	0.0000	0.0000
Life Safety	0.0000	0.0000	0.0000	0.0272	0.0209
Total rates extended	<u>3.2157</u>	<u>2.9540</u>	<u>2.7319</u>	<u>2.4532</u>	<u>1.8573</u>
Property tax extensions:					
Educational	\$ 25,051,065	\$ 24,556,565	\$ 23,584,606	\$ 22,378,351	\$ 21,751,438
Special education	424,715	416,851	408,583	395,982	385,001
Operations and maintenance	6,967,637	6,832,676	6,716,189	6,510,520	6,328,319
Tort immunity	-	-	-	-	-
Transportation	1,089,052	1,067,509	1,050,173	1,018,495	989,016
Illinois municipal retirement/Social security	2,769,262	2,716,458	3,229,284	3,130,400	3,043,125
Bond and interest	9,838,650	9,838,650	9,838,650	9,838,650	9,838,650
Life Safety	-	-	-	485,167	481,828
Total levies extended	<u>\$ 46,140,381</u>	<u>\$ 45,428,709</u>	<u>\$ 44,827,485</u>	<u>\$ 43,757,565</u>	<u>\$ 42,817,377</u>
Current year collections	21,832,435	21,893,735	21,666,948	21,572,327	20,912,293
Subsequent collections	-	21,175,339	22,036,163	20,852,281	19,991,172
Total collections	<u>\$ 21,832,435</u>	<u>\$ 43,069,074</u>	<u>\$ 43,703,111</u>	<u>\$ 42,424,608</u>	<u>\$ 40,903,465</u>
Percentage of extensions collected - current year collections	47.32%	48.19%	48.33%	49.30%	48.84%
Percentage of extensions collected - subsequent year collections	<u>0.00%</u>	<u>46.61%</u>	<u>49.16%</u>	<u>47.65%</u>	<u>46.69%</u>
Percentage of extensions collected - total	<u>47.32%</u>	<u>94.81%</u>	<u>97.49%</u>	<u>96.95%</u>	<u>95.53%</u>

Source of Information: Cook County Levy, Rate and Extension Reports for 2005 - 2014.

2009	2008	2007	2006	2005	2004
0.9464	0.9627	0.9994	1.0162	0.9802	1.1803
0.0168	0.0166	0.0175	0.0183	0.0163	0.0197
0.2753	0.2804	0.2910	0.2963	0.2859	0.3443
0.0000	0.0000	0.0000	0.0000	0.0000	0.0045
0.0430	0.0329	0.0435	0.0405	0.0300	0.0161
0.1323	0.1106	0.1308	0.1314	0.1198	0.1290
0.4338	0.4317	0.4769	0.4980	0.4926	0.6044
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<u>1.8476</u>	<u>1.8349</u>	<u>1.9591</u>	<u>2.0007</u>	<u>1.9248</u>	<u>2.2983</u>
\$ 21,464,054	\$ 21,940,177	\$ 20,618,955	\$ 20,075,766	\$ 19,578,626	\$ 19,219,993
380,298	379,038	360,518	360,867	325,761	320,452
6,244,227	6,391,524	6,004,073	5,854,041	5,710,708	5,605,831
1	1	1	1	-	72,840
974,999	750,000	900,000	800,000	600,000	262,787
3,000,092	2,522,668	2,698,038	2,594,268	2,394,710	2,100,000
9,838,650	9,838,650	9,838,650	9,838,650	9,838,650	9,842,897
-	-	-	-	-	-
<u>\$ 41,902,321</u>	<u>\$ 41,822,058</u>	<u>\$ 40,420,235</u>	<u>\$ 39,523,593</u>	<u>\$ 38,448,455</u>	<u>\$ 37,424,800</u>
20,703,666	18,366,839	17,808,015	17,520,465	17,482,667	16,725,032
19,365,952	21,446,494	21,028,151	20,361,814	19,746,650	19,709,088
<u>\$ 40,069,618</u>	<u>\$ 39,813,333</u>	<u>\$ 38,836,166</u>	<u>\$ 37,882,279</u>	<u>\$ 37,229,317</u>	<u>\$ 36,434,120</u>
49.41%	43.92%	44.06%	44.33%	45.47%	44.69%
<u>46.22%</u>	<u>51.28%</u>	<u>52.02%</u>	<u>51.52%</u>	<u>51.36%</u>	<u>52.66%</u>
<u>95.63%</u>	<u>95.20%</u>	<u>96.08%</u>	<u>95.85%</u>	<u>96.83%</u>	<u>97.35%</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**RATIO OF OUTSTANDING DEBT BY TYPE****LAST TEN FISCAL YEARS**

YEAR	CAPITAL APPRECIATION BONDS	CAPITAL LEASES & LOANS	TOTAL
2015	\$ 38,269,297	\$ 358,853	\$ 38,628,150
2014	43,590,632	504,312	44,094,944
2013	42,013,178	643,839	42,657,017
2012	47,398,367	777,629	48,175,996
2011	51,956,272	286,066	52,242,338
2010	56,196,359	319,112	56,515,471
2009	60,826,676	350,491	61,177,167
2008	66,060,048	-	66,060,048
2007	72,556,550	-	72,556,550
2006	79,979,435	-	79,979,435

Source of Information: Annual Financial Statements

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
RATIOS OF GENERAL BONDED DEBT OUTSTANDING TO EQUALIZED ASSESSED VALUATION
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL BONDED DEBT	EQUALIZED ASSESSED VALUATION	PERCENTAGE OF GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUATION	ESTIMATED POPULATING		GENERAL OBLIGATION BONDED DEBT PER CAPITA	PERCENTAGE OF GENERAL OBLIGATION BONDED DEBT TO PERSONAL INCOME
2015	\$ 38,269,297	\$ 1,434,851,128	2.67%	159,291	**	\$ 240	0.48%
2014	43,590,632	1,538,198,334	2.83%	158,280	**	275	0.56%
2013	42,013,178	1,640,896,561	2.56%	158,190	***	266	0.57%
2012	47,398,367	1,783,704,124	2.66%	159,418	**	297	0.66%
2011	51,956,271	2,305,398,885	2.25%	158,720	*	327	0.72%
2010	56,196,359	2,267,964,034	2.48%	147,312		381	0.83%
2009	60,826,676	2,279,069,966	2.67%	147,312		413	0.89%
2008	66,060,048	2,063,115,770	3.20%	148,413		445	0.97%
2007	72,556,550	1,975,591,559	3.67%	149,849		484	1.15%
2006	79,979,435	1,997,335,543	4.00%	151,497		528	1.34%
2005	62,258,136	1,628,408,754	3.82%	152,470		408	1.10%

Source of Information: Annual Financial Statements 2005-2014, Census Bureau

* 2010 U.S. Census Bureau

**The Census Bureau has reported an increase in the population of the communities in the District from 2010 to 2011 by approximately .44% and an increase of 0.057% from 2013 to 2014.

***U.S. Census Bureau American FactFinder reports the estimated 2012 population of the District to be 158,190.

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

JUNE 30, 2015

GOVERNMENTAL JURISDICTION	DEBT OUTSTANDING	OVERLAPPING PERCENT	NET DIRECT AND OVERLAPPING DEBT
Overlapping debt:			
Cook County	3,466,976,750	1.10%	\$ 38,206,084
Cook County Forest Preserve	118,610,000 (3)	1.10%	1,307,082
Lyons Township	7,675,000	4.92%	377,917
Metropolitan Water Reclamation District	2,619,000,317 (1)	1.12%	29,437,564
City of Berwyn	161,458,813 (2)	100.00%	161,458,813
Town of Cicero	40,765,000 (4)	100.00%	40,765,000
Village of Forest View	1,575,000	44.97%	708,262
Village of Lyons	5,360,000 (3)(5)	95.11%	5,097,682
Village of McCook	26,315,000	27.64%	7,274,519
Village of Stickney	8,930,000	100.00%	8,930,000
Berwyn Park District	2,450,000	100.00%	2,450,000
Central Stickney Park District	499,000	1.41%	7,016
Clyde Park District	1,445,000 (3)	100.00%	1,445,000
Hawthorne Park District	167,635 (3)	100.00%	167,635
McCook Park District	521,000	27.83%	145,015
North Berwyn Park District	604,750	100.00%	604,750
McCook Public Library District	0 (3)	27.83%	-
School District #99	40,320,000	100.00%	40,320,000
School District #100	32,480,000	100.00%	32,480,000
School District #103	8,436,106 (2)	70.77%	5,970,232
School District #104	29,880,000	2.85%	851,281
Morton Community College District No. 527	4,315,000 (3)	100.00%	4,315,000
Total overlapping debt			<u>382,318,851</u>
Direct debt:			
J. Sterling Morton High School District # 201	32,238,000 (2)	100.00%	<u>32,238,000</u>
Total Direct and Overlapping Debt			<u>\$ 414,556,851</u>

(1) Includes IEPA Revolving Loan Fund Bonds

(2) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.

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

(4) Excludes self-supporting debt

(5) Excludes outstanding debt certificates

Sources: Offices of the Cook County Clerk, Cook County Comptroller, and the Treasurer of the Metropolitan Water Reclamation District of Greater Chicago

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Valuation	<u>\$ 1,434,851,128</u>
Debt Limit - 6.9% of Assessed Valuation	\$ 99,004,728
Total Debt Outstanding	32,596,853
Less: Exempted Debt	<u>-</u>
Net Subject to 6.9% Limit	<u>32,596,853</u>
Total Debt Margin	<u><u>\$ 66,407,875</u></u>

	2015	2014	2013	2012
Debt Limit	\$ 99,004,728	\$ 106,135,685	\$ 113,221,863	\$ 123,075,585
Total Net Debt Applicable to Limit	<u>32,596,853</u>	<u>37,471,441</u>	<u>36,041,651</u>	<u>41,419,970</u>
Legal Debt Margin	<u><u>\$ 66,407,875</u></u>	<u><u>\$ 68,664,244</u></u>	<u><u>\$ 77,180,212</u></u>	<u><u>\$ 81,655,615</u></u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	33%	35%	32%	34%

Source of Information: 2006 - 2015 Annual Financial Statements

2011	2010	2009	2008	2007	2006
\$ 159,072,523	\$ 156,489,518	\$ 157,255,828	\$ 142,354,988	\$ 136,315,818	\$ 137,816,152
<u>45,971,016</u>	<u>50,298,677</u>	<u>55,629,563</u>	<u>60,762,746</u>	<u>67,008,084</u>	<u>74,792,058</u>
<u>\$ 113,101,507</u>	<u>\$ 106,190,841</u>	<u>\$ 101,626,265</u>	<u>\$ 81,592,242</u>	<u>\$ 69,307,734</u>	<u>\$ 63,024,094</u>
29%	32%	35%	43%	49%	54%

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

YEAR	POPULATION	PERSONAL INCOME (<i>thousands of dollars</i>)	COOK COUNTY PER CAPITA PERSONAL INCOME	ANNUAL UNEMPLOYMENT RATE (COOK COUNTY)
2014	159,291 **	\$ 7,910,550	\$49,661	7.4%
2013	158,280 **	7,746,698	48,943	9.6%
2012	158,190 ***	7,424,964	46,937	9.3%
2011	159,418 **	7,223,389	45,311	10.4%
2010	158,720 *	7,191,761	45,311	10.5%
2009	147,312	6,800,069	46,161	10.3%
2008	147,312	6,846,325	46,475	6.5%
2007	148,413	3,813,344	45,908	5.1%
2006	149,849	3,292,609	41,993	4.7%
2005	151,497	5,972,466	39,423	6.5%
2004	152,470	5,645,964	37,030	6.8%

Sources:

* 2010 U.S. Census Bureau (for J. Sterling Morton High School District #201)
 GCT-PL2 Population and Housing Occupancy Status: 2010 - State - School District
 2010 Census Redistricting Data (Public Law 94-1717) Summary File

**The Census Bureau has reported an increase in the population of the communities in the District from 2010 to 2011 by approximately .44% and by .057% from 2012 to 2013

*** U.S. Census Bureau's American FactFinder Results, 2012 American Community Survey - 1 Year Estimates

2002-2009 Population for Berwyn, Cicero, Forest View, Lyons, McCook and Stickney provided by
 Population Division, U.S. Census Bureau.

Per capita personal income for Cook County provided by Regional Economic Information
 System, Bureau of Economic Analysis, U.S. Department of Commerce.
 Per Capita Personal Income of \$46,937 is for 2011, most recent available at printing of this statement.

Unemployment rate provided by the Illinois Department of Employment Security,
 Labor Market Information Unit website: <http://lmi.ides.state.il.us/laus/laushis.htm>

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

EMPLOYER	EMPLOYEES	2015		
		DATA SOURCE	RANK	PERCENTAGE OF TOTAL EMPLOYMENT**
MacNeal Hospital	2,200	(2)	1	3.207%
Wirtz Beverage Illinois, LLC	1,000	(2)	2	1.458%
Morton East & West High Schools	706	(3)	3	1.029%
Levin Bros Paper Corp	500	(1)	4	0.729%
USF Holland, Inc.	500	(2)	4	0.729%
Terrace Paper Co., Inc.	400	(1)	5	0.583%
Meade Electric Co.	400	(2)	5	0.583%
A&R Janitorial Services, Inc.	350	(2)	6	0.510%
Campagna-Turano Bakery	300	(1)	7	0.437%
Fontanini Italian Meats & Sausages	270	(1)	8	0.394%
Groot Industries, Inc.	250	(2)	9	0.364%
Morton College	250	(2)	9	0.364%
Saporito Finishing Co.	250	(1)	9	0.364%
Tru Vue, Inc.	250	(1)	9	0.364%
World Marketing - Chicago	250	(2)	9	0.364%
Estes Express Lines, Inc.	245	(2)	10	0.357%
Freeman	240	(1)	11	0.350%
	<u>8,361</u>			<u>12.20%</u>

* Includes Full and Part-time and/or Seasonal

** The estimated number of persons employed in the District in 2014 per Illinois Department of Employment Security is 68,598.

EMPLOYER	EMPLOYEES	2006		
		DATA SOURCE	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
MacNeal Hospital	1,800	(6)	1	N/A^
A&R Janitorial Services	1,800	(6)	2	N/A^
USF Holland, Inc.	500	(6)	3	N/A^
Chicago Casting	400	(6)	4	N/A^
Terrace Paper Co., Inc.	400	(6)	5	N/A^
Meade Electric	400	(6)	6	N/A^
Turano Baking Co.	320	(6)	7	N/A^
Innerpac, Inc.	300	(6)	8	N/A^
Crown Recycling & Waste Services, Inc.	250	(6)	9	N/A^
Tru Vue, Inc.	250	(6)	10	N/A^
	<u>6,420</u>			<u>0.000%</u>

^Percentage of total employment not available

Data Sources

- (1) 2014 Illinois Manufacturers Directory
- (2) 2014 Illinois Services Directory
- (3) Village Financial Reports
- (4) Phone canvass of employers
- (5) ReferenceUSA.com
- (6) June 30, 2006 CAFR

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

NUMBER OF EMPLOYEES BY TYPE

LAST TEN FISCAL YEARS

	2015	2014	2013	2012
Instructional services:				
Regular programs				
Teachers	331.0	304.3	299.0	300.0
Clerical	-	-	-	-
Special programs				
Administrators	3.0	3.0	3.0	3.0
Teachers	50.0	52.5	55.0	57.0
Teaching assistants/clerical	54.0	62.0	68.0	70.0
Other programs				
Administrators	1.0	1.0	1.0	1.0
Teachers	8.0	9.0	9.0	9.0
Teaching assistants/clerical	10.0	12.0	7.0	6.0
Support services:				
Pupil support services				
Dean of students/administrators	9.0	11.0	9.0	9.0
Guidance counselors	25.0	27.0	27.0	24.0
Psychologists	5.0	5.0	5.0	4.0
Speech pathologists	3.0	3.0	3.0	3.0
Clerical	43.0	43.0	41.0	34.0
Instructional staff services				
Administrators	6.0	6.0	6.0	5.0
Testing facilitator	-	-	-	-
Teachers	-	-	-	-
Librarians	3.0	3.0	3.0	3.0
Clerical/aides	-	-	-	9.0
General administration services				
Treasurer	1.0	1.0	1.0	1.0
Superintendent/asst. superintendents	2.0	2.0	2.0	2.0
Special area administration	3.0	3.0	3.0	1.0
Clerical	8.0	8.0	9.0	9.0
School administration services				
Principals and assistant principals	11.0	11.0	11.0	11.0
Clerical	9.0	9.0	10.0	13.0
Business services				
Direction of business services	1.0	1.0	1.0	1.0
Fiscal services	14.0	14.0	14.0	18.0
Food service	25.0	20.0	21.0	20.0
Operations and maintenance of facilities				
Director/clerical	2.0	2.0	2.0	2.0
Engineers/custodial/maintenance	61.0	63.0	71.0	71.0
Security	53.0	57.5	54.0	51.0
Transportation services				
Bus drivers	1.0	2.0	2.0	2.0
Central services				
Information services	-	-	-	-
Data processing services	10.0	10.0	9.0	10.0
Total employees	752.0	753.3	754.0	758.0

Source: District records - full time equivalents.

2011	2010	2009	2008	2007	2006
334.0	369.0	324.2	317.8	322.4	318.4
-	-	-	-	-	-
3.0	3.0	-	-	-	-
58.0	68.0	59.0	61.2	58.2	57.0
70.0	63.0	63.0	57.0	51.0	46.0
1.0	-	-	-	-	-
9.0	68.0	53.2	60.4	64.4	64.6
6.0	26.0	26.0	27.0	23.0	29.0
9.0	9.0	9.0	9.0	9.0	9.0
26.0	28.0	27.0	25.0	26.0	25.0
4.0	4.0	3.0	3.6	4.0	4.0
3.0	3.0	3.0	3.0	3.0	2.0
34.0	34.0	33.5	31.5	35.5	34.5
5.0	5.0	7.8	-	-	1.0
-	-	-	-	-	-
-	-	-	-	-	-
3.0	5.0	5.0	5.0	5.6	5.6
9.0	13.0	13.0	13.0	12.0	11.0
1.0	1.0	1.2	0.2	-	-
2.0	3.0	1.0	1.0	1.0	1.0
1.0	7.0	6.3	5.0	5.0	5.0
9.0	9.0	9.0	9.0	9.0	9.0
11.0	12.0	17.0	17.0	17.0	17.0
13.0	17.0	17.5	16.5	15.5	18.0
1.0	1.0	1.8	1.8	2.0	2.0
18.0	18.0	18.0	18.0	18.0	18.0
25.0	25.0	25.0	25.0	23.0	23.0
2.0	2.0	2.0	2.0	2.0	2.0
71.0	71.0	70.0	70.0	71.0	70.0
47.0	47.0	47.0	39.0	37.0	42.0
2.0	2.0	2.0	2.0	2.0	2.0
-	-	1.0	2.0	1.0	1.0
10.0	10.0	12.0	11.0	9.0	12.0
796.0	932.0	866.5	841.0	834.6	837.1

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**OPERATING INDICATORS BY PROGRAM**

LAST TEN FISCAL YEARS

	2015	2014	2013	2012
Instruction				
Enrollment				
Regular Education	7,354	7,452	7,347	7,309
Special Education	945	850	843	1,035
Total Enrollment	8,299	8,302	8,190	8,344
Percentage of limited English proficient	11.2%	9.9%	10.0%	10.0%
Pupil support services				
Percentage of students with disabilities	11.3%	10.2%	10.3%	12.4%
School Administration				
Student attendance rate	88.5%	90.8%	89.0%	86.9%
Fiscal Services				
Purchase orders processed	2,897	2,974	4,211	3,931
W-2's issued	1,145	1,129	1,138	1,200
Maintenance				
District square footage maintained by custodians and maintenance staff	1,354,175	1,354,175	1,354,175	1,354,175
District acreage maintained by grounds staff	69	69	69	69

Source of information: District records

2011	2010	2009	2008	2007	2006
7,730	7,414	7,392	7,145	7,122	7,340
823	992	1,018	963	964	932
8,553	8,406	8,410	8,108	8,086	8,272
6.3%	5.6%	5.4%	3.6%	5.3%	5.8%
9.7%	11.8%	12.1%	11.9%	11.9%	11.3%
86.9%	84.8%	90.5%	89.7%	86.3%	90.2%
4,099	4,600	4,700	4,500	4,000	4,200
1,200	1,214	1,226	1,232	1,233	1,225
1,345,425	1,345,425	1,345,425	1,345,425	1,324,895	1,324,895
69	69	69	69	66	66

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**SCHOOL BUILDING INFORMATION**

LAST TEN FISCAL YEARS

	2015	2014	2013	2012
<hr/>				
Morton East				
Grounds area (acres)	12.75	12.75	12.75	12.75
Buildings (square feet)	639,997	639,997	639,997	639,997
Available capacity (students)	3,300	3,300	3,300	3,300
Enrollment (students housed)	3,427	3,394	3,352	3,220
Morton West				
Grounds area (acres)	41.60	41.60	41.60	41.60
Buildings (square feet)	471,868	471,868	471,868	471,868
Available capacity (students)	3,000	3,000	3,000	3,000
Enrollment (students housed)	3,577	3,479	3,379	3,892
Morton Freshman Center (2004)				
Grounds area (acres)	14.17	14.17	14.17	14.17
Buildings (square feet)	213,030	213,030	213,030	213,030
Available capacity (students)	1,500	1,500	1,500	1,500
Enrollment (students housed)	1,233	1,225	1,244	1,337
Morton Alternative School (2008)				
Grounds area (acres)	3.06	3.06	3.06	3.06
Buildings (square feet)	20,530	20,530	20,530	20,530
Available capacity (students)	126	126	126	126
Enrollment (students housed)	84	85	110	104
Morton Alternative School (leased)				
Enrollment (students housed)	n/a	n/a	n/a	n/a

2011	2010	2009	2008	2007	2006
12.75	12.75	12.75	12.75	12.75	12.75
639,997	639,997	639,997	639,997	639,997	639,997
3,300	3,300	3,300	3,300	3,300	3,300
3,220	3,220	3,539	3,496	3,300	3,362
41.60	41.60	41.60	41.60	41.60	41.60
471,868	471,868	471,868	471,868	471,868	471,868
3,000	3,000	3,000	3,000	3,000	3,000
3,892	3,892	3,501	3,184	3,428	3,452
14.17	14.17	14.17	14.17	17.23	17.23
213,030	213,030	213,030	213,030	213,030	213,030
1,500	1,500	1,500	1,500	1,500	1,500
1,337	1,337	1,260	1,265	1,223	1,326
3.06	3.06	3.06	3.06	n/a	n/a
20,530	20,530	20,530	20,530	n/a	n/a
126	126	126	126	n/a	n/a
104	104	76	82	n/a	n/a
n/a	n/a	n/a	n/a	61	63

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
OPERATING STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	EXPENSES (1)	AVERAGE DAILY ATTENDANCE	NET OPERATING EXPENDITURES PER PUPIL	PERCENTAGE CHANGE
2015	\$ 80,157,499	7,102.78	11,285	-3.73%
2014	81,205,790	6,927.29	11,723	2.48%
2013	81,283,635	7,105.76	11,439	-4.16%
2012	83,921,425	7,031.00	11,936	3.46%
2011	83,340,492	7,223.83	11,537	-9.93%
2010	84,671,293	6,610.30	12,809	18.52%
2009	80,587,998	7,456.42	10,808	4.77%
2008	75,034,719	7,273.88	10,316	9.07%
2007	64,260,276	6,794.18	9,458	7.42%
2006	60,574,808	6,879.54	8,805	2.52%

(1) Total operating expenses

Source of Information: 2005 - 2014 Annual Financial Statements and Annual Financial Reports