

COMPREHENSIVE ANNUAL FINANCIAL  
REPORT

OF

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

As of and for the Year Ended June 30, 2014

Officials Issuing Report

Mr. Ali Mehanti, 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, 2014

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	<u><i>Page(s)</i></u>
<b><i>Introductory Section</i></b>	
Transmittal Letter	i - v
ASBO Certificate	vi
Organizational Chart	vii
Principal Officers and Advisors	viii
<b><i>Financial Section</i></b>	
Independent Auditors' Report	1 - 3
<b>Required Supplementary Information</b>	
Management's Discussion and Analysis (MD&A) - Unaudited	4 - 12
<b>Basic Financial Statements</b>	
<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 - 42
<b>Required Supplementary Information</b>	
Illinois Municipal Retirement Fund - Schedule of Employer's Contributions and Analysis of Funding Progress	43
Schedule of Funding Progress For Retirees' Health Plan	44

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## TABLE OF CONTENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

---

### 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	45 - 53
Operations and Maintenance Fund	54 - 55
Transportation Fund	56
Municipal Retirement/Social Security Fund	57 - 58
Notes to Required Supplementary Information	59

#### **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	60
Fire Prevention and Life Safety Fund	61
General Fund - Combining Balance Sheet	62
General Fund - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	63
General Fund Accounts - <u>Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual</u>	
Educational Accounts - Non-GAAP Budgetary Basis	64 - 72
Working Cash Accounts	73
Operating Cost and Tuition Charge	74

#### **Other Information**

Schedule of Changes in Assets and Liabilities - Agency Accounts	75
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#### **Statistical Section**

Net Position by Component	76 - 77
Changes in Net Position	78 - 79
Fund Balances of Governmental Funds	80 - 81
Governmental Funds Revenues	82 - 83
Assessed Valuation and Estimated Actual Value of Taxable Property	84
Property Tax Rates - All Direct and Overlapping Governments	85 - 86
Principal Property Taxpayers in the District	87
Property Tax Levies and Collections	88 - 89
Ratio of Outstanding Debt by Type	90

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## TABLE OF CONTENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

---

	<u><i>Page(s)</i></u>
<b><i>Statistical Section - (Continued)</i></b>	
Ratios of General Bonded Debt Outstanding	91
Computation of Direct and Overlapping Debt	92
Legal Debt Margin Information	93 - 94
Demographic and Economic Statistics	95
Principal Employers	96
Number of Employees by Type	97 - 98
Operating Indicators by Function	99 - 100
School Building Information	101 - 102
Operating Statistics Last Ten Fiscal Years	103





# **J. STERLING MORTON HIGH SCHOOLS**

5041 WEST 31<sup>ST</sup> STREET, CICERO, IL 60804, (708) 780-2800

November 3, 2014

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, 2014. 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 2014 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 2014) is 7.5% compared to 10.5% reported last year. This compares to U.S. rates of 6.1% and 7.5% for the same periods, respectively.

## THE DISTRICT AND ITS FACILITIES

The School District served approximately 8,302 students during the 2014 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>
<b>Morton Freshman Center</b>	<b>9</b>	<b>1,225</b>
<b>Morton East</b>	<b>10-12</b>	<b>3,394</b>
<b>Morton West</b>	<b>9-12</b>	<b>3,479</b>
<b>Alternative School</b>	<b>9-12</b>	<b>85</b>
<b>Off Campus</b>	<b>9-12</b>	<b>119</b>

## MAJOR INITIATIVES

- The District has successfully bargained with three of its five unions. The new agreements with Teachers, Clerical and Maintenance Unit will end on June 30, 2017.
- The District has completed renovation of the West campus cafeteria to better accommodate our students during lunch time.
- The District implemented an online registration process to streamline the entire registration process for the students and parents.
- The District installed an artificial field turf at the football field. The stands were also renovated and a new concession stand was erected. Some of the advantages for field turf are; lower maintenance costs, increase playability, lower water use, and a potential for fewer injuries.
- The District has implemented a one to one computer program starting the current freshman class, to continue the following years until all students are provided a device.
- Major infrastructure upgrades were completed in technology to support the one-to-one computing program for the students.
- The District received a School Improvement Grant (SIG) for the Morton East High School.
- 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.

## 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.

## **Risk Management**

The School District purchases insurance through a risk pool and through private insurance companies to manage its general liability, casualty, workers compensation and other risks. Medical and dental insurance are offered to the District's employees through a self-insurance plan that includes reinsurance through private insurance companies to limit the School District's liability for claims on both a specific and aggregate stop loss basis. Please refer to Note 7 in the Notes to Financial Statements for further information about the District's risk management programs.

## **Cash Management**

Information about the School District's deposits and investments can be found in Note 1 and Note 3 of the Notes to Financial Statements. The Chief Financial Officer serves as the District Treasurer with BMO Harris N.A. serving as the current depository for cash. The District has adopted a formal written investment and cash management policy with the primary objectives, in the order of priority, of safety, liquidity, and yield. In conformance with the District's investment policy, all demand deposits and time deposits are secured by pledged collateral with a market value equal to no less than 100% of the deposits in excess of FDIC insurable limits. Evidence of the pledged collateral is maintained by the Business Office and a third party financial institution. During the year, cash in excess of cash flow forecasts has been invested in U.S. government securities and held in safekeeping by the District's depository bank, BMO Harris N.A.

## **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, 2014. The opinion of Baker Tilly Virchow Krause, LLC can be found at the beginning of the Financial Section of this report.

### **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. Ali Mehanti  
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**

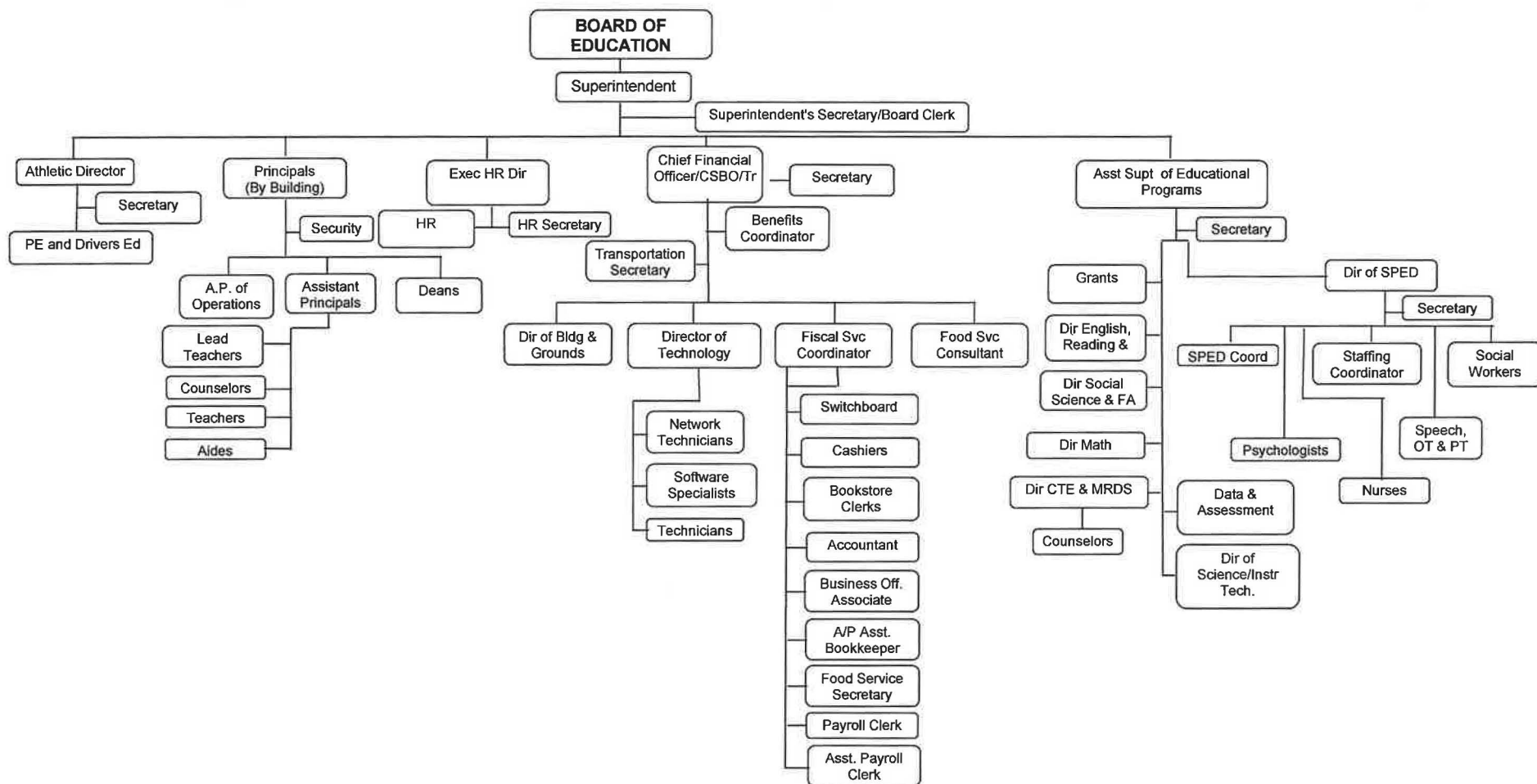
*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2013*

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



Terrie S. Simmons, RSBA, CSBO  
President

John D. Musso, CAE, RSBA  
Executive Director



**J. Sterling Morton High School District No. 201**  
5041 West 31<sup>st</sup> Street  
Cicero, IL 60804

**Officers and Officials**

As of June 30, 2014

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**Board of Education**

		<b><u>Term Expires</u></b>
Mr. Jeffry Pesek	President	April 2015
Mr. Joseph Keating	Vice President	April 2017
Ms. Jessica Jaramillo-Flores	Secretary	April 2017
Mr. Kasumba Lwanga	Member	April 2017
Mr. Mark Kraft	Member	April 2015
Mr. Michael Iniquez	Member	April 2015
Dr. Margaret Kelly	Member	April 2017

**District Administration**

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

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**Official Issuing Report**

Mr. Ali Mehanti	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  
Cicero, Illinois

### **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, 2014, 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, 2014 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As discussed in Note 3, J. Sterling Morton High School District 201 adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective July 1, 2013. Our opinions are not modified with respect to this matter.

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

### ***Other Matters***

The financial statements of J. Sterling Morton High School District 201 as of and for the year ended June 30, 2013, prior to restatement, were audited by other auditors whose report dated September 13, 2013, expressed unmodified opinions on those statements.

As part of our audit of the 2014 financial statements, we also audited the adjustments described in Note 13 that were applied to restate the 2013 financial statements to correct errors. In our opinion, the adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2013 financial statements of J. Sterling Morton High School District 201 other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2013 financial statements as a whole.

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

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

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

#### *Supplementary 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 supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

#### *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, (restated for the corrections noted in Note 13), 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 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2014 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  
November 3, 2014

*Robert Tilly Vukobratovic, LLP*

## **J. Sterling Morton High School District No. 201**

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2014 Unaudited**

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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, 2014. 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 of the School District exceeded its liabilities at June 30, 2014 by \$44,920,408 (*net position*). During the year, net position (restated) increased by \$11,018,866 from ordinary activities.
- General revenues accounted for \$86,229,325 or 72% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$32,784,833 or 28% of total revenues of \$119,014,158.
- The School District had \$107,995,292 in expenses. Of these expenses, only \$32,784,833 was offset by program specific charges for services, grants or contributions. Current year general revenues (primarily property taxes and general state aid) totaled \$86,229,325, which provided for the \$75,210,459 net cost for these programs, with the \$11,018,866 remainder increasing net position for the year.
- Among governmental funds, the General Fund had \$87,039,214 in revenues, \$86,887,319 in expenditures, and \$115,456 in other financing uses for a net increase in fund balance of \$36,439.

#### **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, 2014  
Unaudited

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### **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 2014?” 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* and *liabilities* 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, 2014 Unaudited**

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***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 2014 and 2013. The School District's assets exceeded liabilities by \$44.9 million (*net position*) on June 30, 2014. As shown in Table 2 (on page 7), governmental activities resulted in an \$11.0 million increase in net position from the restated 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 (\$70.9 million). This component increased by \$5.8 million from the prior year.

An additional portion (\$9.8 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, 2014  
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 (-\$35.8 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 \$77.9 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>2013</u>	<u>2014</u>
<b>Assets:</b>		
Current and other assets	\$ 83.5	\$ 88.9
Capital Assets	<u>65.9</u>	<u>70.9</u>
Total assets	<u>149.4</u>	<u>159.8</u>
<b>Liabilities:</b>		
Current liabilities	4.7	9.5
Long-term debt outstanding**	<u>87.6</u>	<u>82.8</u>
Total liabilities	<u>92.3</u>	<u>92.3</u>
Total deferred inflows of resources**	<u>23.2</u>	<u>22.6</u>
<b>Net position:</b>		
Net investment in capital assets	65.1	70.9
Restricted	9.6	9.8
Unrestricted**	<u>(40.8)</u>	<u>(35.8)</u>
Total net position**	<u>\$ 33.9</u>	<u>\$ 44.9</u>

\*\*See Note 13 for information regarding prior year restatement.

Table 2 on the next page shows the changes in total net position from governmental activities for fiscal years 2014 and 2013.

**J. Sterling Morton High School District No. 201**

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2014

Unaudited

**Table 2**  
**Changes in Net Position**  
**(in millions of dollars)**

	<u>2013</u>	<u>2014</u>
<b>Revenues:</b>		
<i>Program revenues:</i>		
Charges for services	\$ 3.4	\$ 2.5
Operating grants & contributions	25.4	30.1
Capital grants & contributions	2.0	0.1
<i>General revenues:</i>		
Taxes **	41.9	49.9
General state aid	34.4	36.2
Other	6.4	0.1
Total revenues	<u>113.5</u>	<u>118.9</u>
<b>Expenses:</b>		
Instruction	56.4	63.3
Pupil & instructional staff services	11.5	11.6
Administration & business	8.7	9.5
Transportation	3.5	3.1
Operations & maintenance	13.2	12.1
Other **	7.6	8.3
Total expenses**	<u>100.9</u>	<u>107.9</u>
<b>Increase (decrease) in net position **</b>	<u>\$ 12.6</u>	<u>\$ 11.0</u>

\*\*See Note 13 for information regarding prior year restatement.

Governmental activities increased the District's net position by \$11.0 million for fiscal year 2014. The major source of revenues for governmental activities of the School District was local property taxes, which provided 42% and 37% of the School District's revenues in fiscal years 2014 and 2013, respectively. State and federal funding in the form of grants and entitlements provided another significant source of revenues to the School District, providing 56% of revenues in fiscal year 2014 and 52% in fiscal year 2013. The remainder of revenues was derived from charges for services, investment earnings and other miscellaneous revenues, which provided 2% and 11% of revenues in 2014 and 2013, 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, 2014 Unaudited**

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The major category of governmental activities provided by the School District is its instructional programs, which comprised 59% and 56% of total governmental program expenses in 2014 and 2013, respectively. Support services activities comprised another 37% and 39% of governmental program expenses in 2014 and 2013 with financing activities comprising the remaining 4% and 5% in 2014 and 2013.

#### **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

Information about the School District's major funds starts on page 14. 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 \$56.8 million as of June 30, 2014. The balances and transactions of the School District's major funds are summarized below.

The General Fund had \$87.0 million in revenues and \$86.9 million in expenditures for a net increase in fund balance of \$0.1 million for fiscal 2014. The General Fund ended the year with a fund balance of \$46.0 million at June 30, 2014.

The Transportation Fund had approximately \$3.5 million in revenues and \$3.2 million in expenditures for a net increase in fund balance of \$0.3 million for fiscal 2014. The Transportation Fund ended the year with a fund balance of \$83,912 at June 30, 2014.

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 \$.1 million during fiscal 2014. The fund balance at June 30, 2014 totaled \$6.1 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.

For the General Fund, actual revenues were approximately \$73.5 million, 0.6% more than budgeted and actual expenditures were \$73.4 million, 0.1% more than budgeted for a net favorable variance of \$0.1 million.

## J. Sterling Morton High School District No. 201

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2014  
Unaudited

### CAPITAL ASSETS

<b>Table 3</b> <b>Capital Assets (net of depreciation)</b> <b>(in millions of dollars)</b>		
	<u><b>2013</b></u>	<u><b>2014</b></u>
Land	\$ 13.5	\$ 13.6
Construction in Progress	-	2.4
Buildings	44.9	44.3
Improvements	2.1	2.2
Equipment	5.4	8.4
Total	<u>\$ 65.9</u>	<u>\$ 70.9</u>

Table 3 shows fiscal year 2014 balances compared to fiscal year 2013. At the end of fiscal year 2014, the School District had \$68.5 million invested in land, 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 \$5 million. The School District invested \$7.8 million in capital asset additions during the year and, recorded \$2.8 million in depreciation expense, resulting in the net increase in capital assets (net of depreciation) for fiscal year 2014.

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

### DEBT ADMINISTRATION

At June 30, 2014, the School District had \$71,320,617 in capital appreciation long-term debt outstanding; of the total, \$9,195,000 is due within one year. Table 4 summarizes debt outstanding:

<b>Table 4</b> <b>Outstanding Long-Term Debt</b> <b>(in millions of dollars)</b>		
	<u><b>2013</b></u>	<u><b>2014</b></u>
Capital appreciation bonds	\$ 75.3	\$ 71.3
Unamortized premium	7.2	6.7
Capital leases	.4	.3
Other post-employment benefits	4.5	3.6
EPA loans	.2	.2
Compensated absences	-	.7
Total	<u>\$ 87.6</u>	<u>\$ 82.8</u>

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, 2014  
Unaudited

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**FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE**

The Board of Education will face many challenges over the next few school years. In FY2014, the School District has experienced an 89% proration in General State Aid. Keeping the reduction of GSA in mind, the FY2015 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 2014. The District's Days Cash on Hand (DCOH) slightly increased from 161.95 to 208.69 days. The Fund Balance to Revenue Ratio (FBRR) increased from .458 to .505. The District's Percent of Long-Term Debt Margin Remaining (LTD) score remains decreased 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, 2014  
Unaudited

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**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 Ali Mehanti, Chief Financial Officer for J. Sterling Morton High School District 201, 5041 W. 31<sup>ST</sup> Street. Cicero, IL 60804.

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## STATEMENT OF NET POSITION

AS OF JUNE 30, 2014

### GOVERNMENTAL ACTIVITIES

#### Assets

Cash and investments	\$ 57,525,058
Receivables (net of allowance for uncollectibles):	
Property taxes	22,636,200
Replacement taxes	1,029,637
Intergovernmental	1,566,781
Inventory	135,008
Other current assets	400,375
Restricted investments	5,656,728
Capital assets:	
Land	13,629,003
Construction in progress	2,367,759
Depreciable buildings, property and equipment, net	<u>54,897,175</u>
Total assets	<u>159,843,724</u>

#### Liabilities

Accounts payable	4,634,641
Salaries and wages payable	3,877,938
Health claims payable	1,004,886
Long-term liabilities:	
Other long-term liabilities - due within one year	9,340,459
Other long-term liabilities - due after one year	<u>73,429,192</u>
Total liabilities	<u>92,287,116</u>

#### Deferred inflows of resources

Property taxes levied for future periods	<u>22,636,200</u>
Total deferred inflows of resources	<u>22,636,200</u>

#### Net position

Net investment in capital assets	70,893,937
Restricted for:	
Retirement benefits	1,044,629
Debt service	6,137,302
Capital projects	2,661,258
Unrestricted	<u>(35,816,718)</u>
Total net position	<u>\$ 44,920,408</u>

See Notes to Basic Financial Statements

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE			NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	REVENUE AND
					GOVERNMENTAL ACTIVITIES
<b>Governmental activities</b>					
Instruction:					
Regular programs	\$ 32,209,779	\$ 1,222,024	\$ 427,528	\$ -	\$ (30,560,227)
Special programs	12,877,911	-	8,922,151	-	(3,955,760)
Other instructional programs	4,758,764	378,624	1,338,112	-	(3,042,028)
State retirement contributions	13,505,305	-	13,505,305	-	-
Support Services:					
Pupils	7,497,424	-	-	-	(7,497,424)
Instructional staff	4,114,956	-	267,030	-	(3,847,926)
General administration	1,756,258	-	-	-	(1,756,258)
School administration	2,219,376	-	-	-	(2,219,376)
Business	5,507,285	840,106	3,269,696	148,000	(1,249,483)
Transportation	3,159,852	-	2,384,305	-	(775,547)
Operations and maintenance	12,060,837	81,952	-	-	(11,978,885)
Central	1,910,659	-	-	-	(1,910,659)
Other supporting services	1,334,603	-	-	-	(1,334,603)
Community services	289,783	-	-	-	(289,783)
Payments to other districts and gov't units - excluding special education	138,798	-	-	-	(138,798)
Interest and fees	4,653,702	-	-	-	(4,653,702)
Total governmental activities	\$ 107,995,292	\$ 2,522,706	\$ 30,114,127	\$ 148,000	(75,210,459)

### General revenues:

#### Taxes:

Real estate taxes, levied for general purposes	23,919,446
Real estate taxes, levied for specific purposes	10,565,125
Real estate taxes, levied for debt service	9,360,364
Personal property replacement taxes	6,065,527
State aid-formula grants	36,195,725
Investment income	117,484
Miscellaneous	<u>5,654</u>
Total general revenues	<u>86,229,325</u>

Change in net position 11,018,866

Net position, beginning of year, as restated 33,901,542

Net position, end of year \$ 44,920,408

See Notes to Basic Financial Statements

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201**  
**GOVERNMENTAL FUNDS**  
BALANCE SHEET  
AS OF JUNE 30, 2014

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
<b>Assets</b>				
Cash and investments	\$ 49,573,647	\$ 3,502,247	\$ 159,482	\$ 1,147,850
Receivables (net allowance for uncollectibles):				
Property taxes	12,505,298	3,420,054	534,335	1,359,707
Replacement taxes	1,029,637	-	-	-
Intergovernmental	1,566,781	-	-	-
Inventory	135,008	-	-	-
Other current assets	400,375	-	-	-
Restricted investments	-	-	-	-
Total assets	<u>\$ 65,210,746</u>	<u>\$ 6,922,301</u>	<u>\$ 693,817</u>	<u>\$ 2,507,557</u>
<b>Liabilities, deferred inflows of resources, and fund balance</b>				
<b>Liabilities</b>				
Accounts payable	\$ 2,056,086	\$ 2,508,630	\$ 69,925	\$ -
Salaries and wages payable	3,611,571	157,501	5,645	103,221
Health claims payable	<u>1,004,886</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>6,672,543</u>	<u>2,666,131</u>	<u>75,570</u>	<u>103,221</u>
<b>Deferred inflows of resources</b>				
Property taxes levied for future periods	<u>12,505,298</u>	<u>3,420,054</u>	<u>534,335</u>	<u>1,359,707</u>
Total deferred inflows of resources	<u>12,505,298</u>	<u>3,420,054</u>	<u>534,335</u>	<u>1,359,707</u>
<b>Fund balance</b>				
Nonspendable	535,383	-	-	-
Restricted	-	-	-	1,044,629
Assigned	-	836,116	83,912	-
Unassigned	<u>45,497,522</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>46,032,905</u>	<u>836,116</u>	<u>83,912</u>	<u>1,044,629</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 65,210,746</u>	<u>\$ 6,922,301</u>	<u>\$ 693,817</u>	<u>\$ 2,507,557</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL
\$ 480,574	\$ 2,661,258	\$ 57,525,058
4,816,806	-	22,636,200
-	-	1,029,637
-	-	1,566,781
-	-	135,008
-	-	400,375
<u>5,656,728</u>	<u>-</u>	<u>5,656,728</u>
<u>\$ 10,954,108</u>	<u>\$ 2,661,258</u>	<u>\$ 88,949,787</u>

\$ -	\$ -	\$ 4,634,641
-	-	3,877,938
<u>-</u>	<u>-</u>	<u>1,004,886</u>
<u>-</u>	<u>-</u>	<u>9,517,465</u>

<u>4,816,806</u>	<u>-</u>	<u>22,636,200</u>
<u>4,816,806</u>	<u>-</u>	<u>22,636,200</u>

-	-	535,383
6,137,302	2,661,258	9,843,189
-	-	920,028
<u>-</u>	<u>-</u>	<u>45,497,522</u>
<u>6,137,302</u>	<u>2,661,258</u>	<u>56,796,122</u>
<u>\$ 10,954,108</u>	<u>\$ 2,661,258</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, 2014**

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Total fund balances - governmental funds \$ 56,796,122

Amounts reported for governmental activities in the Statement of Net Position are different because:

Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet. 70,893,937

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Balances at June 30, 2014 are:

Bonds payable	\$ (71,320,617)	
Unamortized bond premium	(6,623,503)	
Net other post employment obligation	(3,626,553)	
Loans Payable	(177,172)	
Capital leases	(327,140)	
Compensated absences	<u>(694,666)</u>	
		<u>(82,769,651)</u>

Net position of governmental activities \$ 44,920,408

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, 2014

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
<b>Revenues</b>				
Property taxes	\$ 23,919,446	\$ 6,616,548	\$ 1,035,555	\$ 2,906,992
Corporate personal property replacement taxes	5,815,527	-	-	250,000
State aid	45,260,452	9,156,483	2,484,305	-
Federal aid	9,556,612	-	-	-
Investment income	108,982	2,800	2,340	2,941
Other	2,378,195	150,165	-	-
Total revenues	<u>87,039,214</u>	<u>15,925,996</u>	<u>3,522,200</u>	<u>3,159,933</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	29,951,756	-	-	355,843
Special programs	11,197,124	-	-	333,512
Other instructional programs	4,496,964	-	-	119,655
State retirement contributions	13,505,305	-	-	-
Support Services:				
Pupils	7,094,400	-	-	315,442
Instructional staff	3,570,146	-	-	111,660
General administration	1,636,774	-	-	104,517
School administration	2,072,285	-	-	118,792
Business	4,646,127	-	-	396,028
Transportation	2,892	-	3,052,043	20,997
Operations and maintenance	-	10,243,457	-	1,155,174
Central	1,775,732	-	-	103,476
Other supporting services	1,514,013	682,005	-	-
Community services	263,598	-	-	26,185
Payments to other districts and gov't units	1,240,958	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>3,919,245</u>	<u>4,276,001</u>	<u>197,860</u>	<u>-</u>
Total expenditures	<u>86,887,319</u>	<u>15,201,463</u>	<u>3,249,903</u>	<u>3,161,281</u>
Excess (deficiency) of revenues over expenditures	<u>151,895</u>	<u>724,533</u>	<u>272,297</u>	<u>(1,348)</u>
<b>Other financing sources (uses)</b>				
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	36,439	674,533	272,297	(1,348)
Fund balance (deficit), beginning of year	<u>45,996,466</u>	<u>161,583</u>	<u>(188,385)</u>	<u>1,045,977</u>
Fund balance, end of year	<u>\$ 46,032,905</u>	<u>\$ 836,116</u>	<u>\$ 83,912</u>	<u>\$ 1,044,629</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND		FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL
\$	9,360,364	\$ 6,030	\$ 43,844,935
-	-	-	6,065,527
-	-	-	56,901,240
-	-	-	9,556,612
421	-	-	117,484
-	-	-	2,528,360
<u>9,360,785</u>	<u>6,030</u>		<u>119,014,158</u>
-	-	-	30,307,599
-	-	-	11,530,636
-	-	-	4,616,619
-	-	-	13,505,305
-	-	-	7,409,842
-	-	-	3,681,806
-	-	-	1,741,291
-	-	-	2,191,077
-	-	-	5,042,155
-	-	-	3,075,932
-	-	-	11,398,631
-	-	-	1,879,208
-	-	-	2,196,018
-	-	-	289,783
-	-	-	1,240,958
9,334,527	-	-	9,334,527
25,939	-	-	25,939
-	-	-	8,393,106
<u>9,360,466</u>	<u>-</u>		<u>117,860,432</u>
<u>319</u>	<u>6,030</u>		<u>1,153,726</u>
165,456	-	-	165,456
-	-	-	(165,456)
<u>165,456</u>	<u>-</u>		<u>-</u>
165,775	6,030	-	1,153,726
<u>5,971,527</u>	<u>2,655,228</u>		<u>55,642,396</u>
<u>\$ 6,137,302</u>	<u>\$ 2,661,258</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, 2014

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Net change in fund balances - total governmental funds \$ 1,153,726

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 in the current period. 4,991,627

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	38,394	
Repayment of capital lease principal	101,133	
Accretion on bonds	<u>(5,219,969)</u>	
		4,706,764

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	\$ (694,666)	
Other post employment benefit obligations	<u>861,415</u>	
		<u>166,749</u>

Change in net position of governmental activities \$ 11,018,866

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, 2014

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	AGENCY FUND
<hr/>	
<b>Assets</b>	
Cash and investments	<u>\$ 18,353,189</u>
<b>Liabilities</b>	
Due to student groups	\$ 854,304
Due to Berwyn North School District 98	<u>17,498,885</u>
Total liabilities	<u>\$ 18,353,189</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, 2014**

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### **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, 2014

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#### **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, 2014**

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#### **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 July 1, 2007 the District established an intergovernmental agreement with Berwyn North School District 98 to provide Treasury services. Under the terms of this agreement, the Treasury services include maintaining debt service records, providing an efficient system for deposit of funds, bank reconciliation procedures, and investment functions. Cash and investments held by the District in a custodial nature for North Berwyn School District 98 are reported within the Agency Funds of the District.

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, 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, 2014

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### **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 2013 levy resolution was approved during the December 11, 2013 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

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

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

Property taxes are collected by the 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 2013 property tax levy is recognized as a receivable in fiscal , net of estimated uncollectible amounts approximating 2.0% and less amounts already received. The District considers that the first installment of the 2013 levy is to be used to finance operations in fiscal . The District has determined that the second installment of the 2013 levy is to be used to finance operations in fiscal 2015 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.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

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

#### *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.

#### *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, 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.

#### *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.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

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

#### *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.

*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.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

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

In 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, 2014 are as follows:

The nonspendable fund balance in the General Fund is comprised of \$135,008 for inventory and \$400,375 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.

#### *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, , expenditures exceeded budget in the Operations and Maintenance Fund by \$189,560, which was offset by revenues exceeding budget by \$2,142,236. Expenditures exceeded budget in the Transportation Fund by \$37,722, which was funded by available fund balance.

#### NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

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

#### NOTE 4 - DEPOSITS AND INVESTMENTS

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

	<b>Government- wide</b>	<b>Fiduciary</b>	<b>Total</b>
Cash and investments	\$ 57,525,058	\$ 18,353,189	\$ 75,878,247
Restricted cash and investments	<u>5,656,728</u>	<u>-</u>	<u>5,656,728</u>
Total	<u>\$ 63,181,786</u>	<u>\$ 18,353,189</u>	<u>\$ 81,534,975</u>

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

### NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

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:

	<i>Cash and investments</i>
Cash on hand	\$ 7,500
Deposits with financial institutions	77,394,614
ISDLAF+	25,916
Other investments	<u>4,106,945</u>
Total	<u>\$ 81,534,975</u>

At year end, the District had the following investments:

	<i>Fair Value</i>	<i>Investment Maturity (In Years)</i>			
		<i>Less than one</i>	<i>1-5</i>	<i>5-10</i>	<i>More than 10</i>
Negotiable CD's	\$ 2,492,850	\$ 1,245,652	\$ 1,247,198	\$ -	\$ -
JP Morgan 100% US Treasury Capital Money Market Fund	<u>1,614,095</u>	<u>1,614,095</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,106,945</u>	<u>\$ 2,859,747</u>	<u>\$ 1,247,198</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, 2014, the bank balance of the District's deposit with financial institutions totaled \$81,556,272; of this amount, \$3,789,061 was uncollateralized and uninsured.

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

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

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### **NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)**

*Custodial Credit Risk - Investments.* With respect to investments, custodial credit risk is the risk that, in the even of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment in the JP Morgan 100% US Treasury Capital Money Market Fund was exposed to custodial credit risk at June 30, 2014.

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.

State law allows for the above transfers.

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

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

**NOTE 6 - CAPITAL ASSETS**

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

	<b><i>Beginning Balance</i></b>	<b><i>Increases</i></b>	<b><i>Decreases</i></b>	<b><i>Ending Balance</i></b>
<b><i>Capital assets not being depreciated:</i></b>				
Land	\$ 13,512,003	\$ 117,000	\$ -	\$ 13,629,003
Construction in progress	<u>-</u>	<u>2,367,759</u>	<u>-</u>	<u>2,367,759</u>
Total capital assets not being depreciated	<u>13,512,003</u>	<u>2,484,759</u>	<u>-</u>	<u>15,996,762</u>
<b><i>Capital assets being depreciated:</i></b>				
Buildings	72,580,432	825,202	-	73,405,634
Building improvements	3,185,830	262,311	-	3,448,141
Equipment	<u>21,430,219</u>	<u>4,216,679</u>	<u>-</u>	<u>25,646,898</u>
Total capital assets being depreciated	<u>97,196,481</u>	<u>5,304,192</u>	<u>-</u>	<u>102,500,673</u>
<b><i>Less Accumulated Depreciation for:</i></b>				
Buildings	27,653,980	1,476,320	-	29,130,300
Building improvements	1,073,291	165,850	-	1,239,141
Equipment	<u>16,078,903</u>	<u>1,155,154</u>	<u>-</u>	<u>17,234,057</u>
Total accumulated depreciation	<u>44,806,174</u>	<u>2,797,324</u>	<u>-</u>	<u>47,603,498</u>
Net capital assets being depreciated	<u>52,390,307</u>	<u>2,506,868</u>	<u>-</u>	<u>54,897,175</u>
Net governmental activities capital assets	<u>\$ 65,902,310</u>	<u>\$ 4,991,627</u>	<u>\$ -</u>	<u>\$ 70,893,937</u>

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

<b><i>Governmental Activities</i></b>	<b><i>Depreciation</i></b>
Regular programs	\$ 1,902,180
Special programs	223,786
Pupils	13,987
Instructional staff	27,973
General administration	13,987
School administration	27,973
Business	13,987
Transportation	83,920
Operations and maintenance	461,558
Central	<u>27,973</u>
Total depreciation expense - governmental activities	<u>\$ 2,797,324</u>

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

## 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, 2014:

	<b>Beginning Balance (As Restated)</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Capital appreciation bonds	\$ 75,295,648	\$ 5,219,969	\$ 9,195,000	\$ 71,320,617	\$ 9,195,000
Unamortized premium	<u>7,215,709</u>	<u>-</u>	<u>592,206</u>	<u>6,623,503</u>	<u>-</u>
Total bonds payable	<u>82,511,357</u>	<u>5,219,969</u>	<u>9,787,206</u>	<u>77,944,120</u>	<u>9,195,000</u>
Capital leases	428,273	-	101,133	327,140	104,982
Other Post Employment Benefits	4,487,968	682,128	1,543,543	3,626,553	-
EPA Loans	215,566	-	38,394	177,172	40,477
Compensated absences	<u>-</u>	<u>694,666</u>	<u>-</u>	<u>694,666</u>	<u>-</u>
Total long-term liabilities - governmental activities	<u>\$ 87,643,164</u>	<u>\$ 6,596,763</u>	<u>\$ 11,470,276</u>	<u>\$ 82,769,651</u>	<u>\$ 9,340,459</u>

*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:

<b>Purpose</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>Face Amount</b>	<b>Carrying Amount</b>
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	\$ 9,555,624
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	30,500,000	26,793,022
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	54,940,000	30,669,979
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>4,301,992</u>
Total		<u>\$ 50,414,322</u>	<u>\$ 109,660,000</u>	<u>\$ 71,320,617</u>



## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

### NOTE 7 - LONG TERM LIABILITIES - (CONTINUED)

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

	<i>Principal</i>	<i>Total</i>
2015	\$ 9,195,000	\$ 9,195,000
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 - 2024	45,975,000	45,975,000
2025 - 2026	<u>17,710,000</u>	<u>17,710,000</u>
Total	<u>\$ 109,660,000</u>	<u>\$ 109,660,000</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, 2014, the statutory debt limit for the District was \$106,135,685, providing a debt margin of \$68,664,294.

*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, 2014, \$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, 2014, are as follows:

	<i>Amount</i>
2015	\$ 115,456
2016	115,456
2017	<u>115,456</u>
Total minimum lease payments	346,368
Less: amount representing interest	<u>(19,228)</u>
Present value of minimum lease payments	<u>\$ 327,140</u>

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

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### NOTE 7 - LONG TERM LIABILITIES - (CONTINUED)

*EPA Loan Payable* 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, 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, 2014, are as follows:

	<i><b>Amount</b></i>
2015	\$ 50,000
2016	50,000
2017	50,000
2018	<u>50,000</u>
Total minimum lease payments	200,000
Less: amount representing interest	<u>(22,828)</u>
Present value of minimum lease payments	<u><u>\$ 177,172</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.

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 \$5,347,359 in the aggregate, as provided by stop-loss provisions incorporated in the plan.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

#### NOTE 8 - RISK MANAGEMENT - (CONTINUED)

At June 30, 2014, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$1,004,886. The estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other nonincremental costs to the claims liability. For the two years ended June 30, 2013 and June 30, 2014, changes in the liability reported in the General Fund for unpaid claims are summarized as follows:

	<i>Claims Payable Beginning of Year</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Claims Payments</i>	<i>Claims Payable End of Year</i>
Fiscal Year 2013	<u>\$ 679,381</u>	<u>\$ 7,250,187</u>	<u>\$ 7,204,549</u>	<u>\$ 725,019</u>
Fiscal Year	<u>\$ 725,019</u>	<u>\$ 7,435,832</u>	<u>\$ 7,155,965</u>	<u>\$ 1,004,886</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. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

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

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

*On Behalf Contributions to THIS Fund.* The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$369,304, and the District recognized revenues and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2013 and June 30, 2012 were 0.92 and 0.88 percent of pay, respectively. For these years, state contributions on behalf of District employees were \$328,236 and \$319,493, respectively.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

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

*Employer Contributions to THIS Fund.* The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.72 percent during the year ended June 30, 2014 and 0.66 and 0.69 percent during the years ended June 30, 2013 and 2012, respectively. For the years ended June 30, 2014, 2013 and 2012 the District paid \$274,122, \$246,177 and \$239,620 to the THIS Fund, respectively, which was 100 percent of the required contribution for those years.

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

#### Retiree's Health Plan

The District administers a single-employer defined benefit healthcare plan ("the Retiree 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.

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 between 50 percent and 100 percent of the current year premiums for a family or a single plan, depending on the type of employee and years of service for eligible retired plan members and their spouses. For fiscal year , the District contributed \$1,543,543 to the plan. Plan members receiving benefits contribute between 0 percent and 50 percent of their premium costs for a family plan and a single plan depending on type of employee and years of service.

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 Retiree Health Plan, and changes in the District's net OPEB obligation to the Retiree 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>(1,543,543)</u>
Increase in net OPEB obligation (asset)	(861,415)
Net OPEB Obligation (Asset) - Beginning of Year	<u>4,487,968</u>
Net OPEB Obligation (Asset) - End of Year	<u>\$ 3,626,553</u>

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

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

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Retiree's Health Plan, and the net OPEB obligation for June 30, 2014 and the two preceding years are as follows:

<i><b>Fiscal Year Ended</b></i>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation (Asset)</b>
June 30, 2014	\$ 682,128	226.28 %	\$ 3,626,553
June 30, 2013	2,908,672	58.72 %	1,707,995
June 30, 2012	3,206,749	59.98 %	1,923,526

The funded status of the Retiree's 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%

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.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

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

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 Retiree's 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 Retiree's 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, 2014 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**

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing, multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the governor's approval. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

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

*On Behalf Contributions.* The State of Illinois also makes contributions directly to TRS on behalf of the District's TRS-covered employees. For the year ended June 30, 2014, State of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$13,136,001 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2013 and 2012, the State of Illinois contributions rates as percentages of creditable earnings not paid from federal funds were 28.05 percent (\$9,787,342) and 24.91 percent (\$8,826,328), respectively.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

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

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

*2.2 Formula Contributions.* For the years ended June 30, 2014, 2013 and 2012, the District contributed 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for those years were \$220,821, \$206,932 and \$210,575, respectively.

*Federal and Trust Fund Contributions.* When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an additional TRS contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer pension contribution was 28.05 and 24.91 percent of salaries paid from those funds, respectively. For the year ended June 30, 2014, salaries totaling \$975,676 were paid from federal and special trust funds that required employer contributions of \$345,487, which was equal to the District's actual contribution. For the years ended June 30, 2013 and 2012, required District contributions were \$220,298 and \$217,500, respectively.

*Early Retirement Option.* The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member. The maximum employer ERO contribution is 146.5 percent and applies when the member is age 55 at retirement. For the years ending June 30, 2014 and 2013, the District paid no amounts to TRS for District contributions under the ERO program. For the year ended June 30, 2012, the District paid \$50,104, in ERO contributions.

*Salary increases over 6 percent and excess sick leave.* If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent. For the years ended June 30, 2014, 2013 and 2012, the District paid \$38,881, \$28,778 and \$2,873, respectively, to TRS for employer contributions due on salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, ). For the years ended June 30, 2014, 2013 and 2012, the District paid \$-, \$- and \$-, respectively, to TRS for sick leave days granted in excess of the normal annual allotment.

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

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

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

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

#### Illinois Municipal Retirement Fund

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

*Funding Policy.* As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's contribution rate for calendar year 2013 was 12.63 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2013 was 12.63 percent. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost and Net Pension Obligation.* The District's required contribution for calendar year 2013 was \$1,588,081. The District's annual pension cost, percentage of annual pension cost contributed, and net pension obligation for the current year and each of the two preceding years were as follows:

<i>Fiscal Year Ended</i>	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
June 30, 2014	\$ 1,588,081	100 %	\$ -
June 30, 2013	1,588,583	100 %	-
June 30, 2012	1,506,637	100 %	-

The required contribution for fiscal year was determined as part of the December 31, 2011, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of District plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's unfunded actuarial accrued liability at December 31, 2013 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funded Status and Funding Progress.* As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 69.58 percent funded. The actuarial accrued liability for benefits was \$27,859,072 and the actuarial value of assets was \$19,384,929, resulting in an underfunded actuarial accrued liability (UAAL) of \$8,474,143. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$12,573,880 and the ratio of the UAAL to the covered payroll was 67.39 percent.



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

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

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

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### **NOTE 11 - CONSTRUCTION COMMITMENTS**

As of June 30, 2014, the District is committed to approximately \$2,112,905 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.

#### **NOTE 13 - RESTATEMENT**

June 30, 2013 net position has been restated to correct various errors in the previously issued financial statements as follows:

As noted in Note 1, the District recognizes revenue in the government-wide financial statements when revenue is earned. The District considers the first installment of annual levy that is adopted during the fiscal year to be utilized for current year operations and the second installment of this levy is to be utilized for the subsequent fiscal year. Hence, the first installment of the levy is considered "earned" in the year of which it was adopted and the second installment of the levy is deferred for use in the subsequent fiscal year. In the prior year the District recognized as revenue both the first and second installment of the 2012 levy and did not defer the second installment of the 2012 levy. As such, the beginning net position in the government-wide financial statements has been restated (decreased by \$23,160,537) and properly reflected in accordance with the District's revenue recognition policy.

As noted in Note 6, the District has several outstanding capital appreciation bonds. These bonds accrete in value each year, which in turn increases the carrying amount of the bonds. The District did not properly record the accreted value of these bonds in the prior year financial statements. As such, the beginning net position in the government wide financial statements has been restated (decreased by \$4,011,652) to properly reflect the carrying amount of the capital appreciation bonds.

As noted in Note 6, the District has several outstanding capital appreciation bonds with premiums associated with their issuance. The premiums should be amortized over the length of the bond issuance. The District did not properly amortize these premiums. As such, the beginning net position in the government wide financial statements has been restated (increased by \$985,692) to properly reflect the unamortized amount of the premiums associated with the capital appreciation bonds.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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

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### NOTE 13 - RESTATEMENT - (CONTINUED)

	<b>Governmental Activities</b>
Net position as previously reported, June 30, 2013	\$ 60,088,039
Adjustment to deferred property taxes	(23,160,537)
Adjustment to long-term debt outstanding	(4,011,652)
Adjustment to bond premiums	<u>985,692</u>
Net Position as restated, June 30, 2013	<u><u>\$ 33,901,542</u></u>
	<b>Governmental Activities</b>
Change in net position for the year ended, June 30, 2013 (as previously reported)	\$ 13,370,785
Adjustment to property tax revenue	(975,299)
Adjustment to interest expense for accretion on capital appreciation bonds	214,970
Adjustment to interest expense for amortization of bond premiums	<u>87,946</u>
Change in net position as restated, for the year ended June 30, 2013	<u><u>\$ 12,698,402</u></u>

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

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

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND ANALYSIS OF FUNDING PROGRESS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$ 1,588,081	100%	\$ -
12/31/12	1,588,583	100%	-
12/31/11	1,506,637	100%	-

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	\$ 19,384,929	\$ 27,859,072	\$ 8,474,143	69.58%	\$ 12,573,880	67.39%
12/31/12	19,217,681	29,189,121	9,971,440	65.84%	12,811,151	77.83%
12/31/11	20,042,674	29,871,640	9,828,966	67.10%	12,833,366	76.59%

See Auditors' Report and Notes to Required Supplementary Information

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201****SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTH PLAN****AS OF JUNE 30, 2014**

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. As such, only one year's information is applicable.

Significant decrease in July 1, 2013 valuation was compared to the July 1, 2012 valuation is due to a change in plan provisions.

See Auditors' Report and Notes to Required Supplementary Information

**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, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 21,537,519	\$ 23,516,493	\$ 1,978,974
Special education levy	432,501	402,953	(29,548)
Corporate personal property replacement taxes	6,173,301	5,815,527	(357,774)
Summer school - tuition from pupils or parents (in state)	150,000	126,951	(23,049)
Adult - tuition from pupils or parents (in state)	170,000	227,943	57,943
Investment income	79,176	108,982	29,806
Sales to pupils - lunch	78,424	125,656	47,232
Sales to pupils - breakfast	2,509	5,339	2,830
Sales to pupils - a la carte	590,686	525,035	(65,651)
Sales to adults	129,942	120,999	(8,943)
Other food service	23,369	31,466	8,097
Admissions - athletic	17,966	21,290	3,324
Admissions - other	14,402	15,189	787
Fees	127,674	160,290	32,616
Book store sales	506,678	548,602	41,924
Other pupil activity revenue	6,110	10,174	4,064
Sales - regular textbook	41,818	31,563	(10,255)
Contributions and donations from private sources	-	2,500	2,500
Services provided other LEA's	32,236	31,611	(625)
Refund of prior years' expenditures	-	1,441	1,441
Payments of surplus monies from TIF districts	533	1,713	1,180
Driver's education fees	29,113	23,730	(5,383)
Payment from other LEA's	740,657	-	(740,657)
Other	22,079	366,703	344,624
Total local sources	30,906,693	32,222,150	1,315,457
<b>State sources</b>			
General state aid	28,486,941	27,087,242	(1,399,699)
Special education - private facility tuition	1,498,740	1,495,754	(2,986)
Special education - extraordinary	1,269,855	1,189,504	(80,351)
Special education - personnel	933,267	956,731	23,464
Special education - summer school	95,214	69,011	(26,203)
CTE - Secondary program improvement	231,142	229,060	(2,082)
Bilingual education - downstate - TPI	220,000	330,169	110,169
State free lunch & breakfast	65,000	51,890	(13,110)
Driver education	120,000	65,302	(54,698)
Truant alternative/optional education	-	188,138	188,138
Early childhood - block grant	86,227	86,227	-
Other restricted revenue from state sources	6,199	6,119	(80)
Total state sources	33,012,585	31,755,147	(1,257,438)

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, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Federal sources</b>			
National school lunch program	\$ 2,412,063	\$ 2,598,970	\$ 186,907
School breakfast program	167,894	264,973	97,079
Child care commodity/SFS 13-adult day care	-	108,151	108,151
Fresh fruits & vegetables	-	36,042	36,042
Food service - other	-	209,670	209,670
Title I - Low income	3,619,440	3,240,786	(378,654)
Federal - special education - IDEA - flow-through/low incident	1,440,849	1,252,555	(188,294)
Federal - special education - IDEA - room & board	4,782	-	(4,782)
CTE - Perkins - Title III E - tech. prep.	415,931	521,146	105,215
Title III - English language acquisition	131,337	69,599	(61,738)
Title II - Teacher quality	355,277	267,030	(88,247)
Medicaid matching funds - administrative outreach	213,273	332,601	119,328
Medicaid matching funds - fee-for-service program	149,300	298,982	149,682
Other restricted revenue from federal sources	<u>267,314</u>	<u>356,107</u>	<u>88,793</u>
Total federal sources	<u>9,177,460</u>	<u>9,556,612</u>	<u>379,152</u>
Total revenues	<u>73,096,738</u>	<u>73,533,909</u>	<u>437,171</u>
<b>Expenditures</b>			
<b>Instruction</b>			
<b>Regular programs</b>			
Salaries	22,010,341	23,017,530	(1,007,189)
Employee benefits	5,268,348	5,198,136	70,212
Purchased services	54,389	38,745	15,644
Supplies and materials	4,945,756	1,691,852	3,253,904
Capital outlay	29,700	1,711,886	(1,682,186)
Other objects	<u>4,750</u>	<u>5,493</u>	<u>(743)</u>
Total	<u>32,313,284</u>	<u>31,663,642</u>	<u>649,642</u>
<b>Special education programs</b>			
Salaries	5,652,488	5,688,250	(35,762)
Employee benefits	1,333,474	1,338,202	(4,728)
Purchased services	93,600	92,787	813
Supplies and materials	38,000	49,902	(11,902)
Capital outlay	33,157	21,329	11,828
Other objects	<u>-</u>	<u>1,410</u>	<u>(1,410)</u>
Total	<u>7,150,719</u>	<u>7,191,880</u>	<u>(41,161)</u>
<b>Remedial and supplemental programs K - 12</b>			
Salaries	317,739	165,564	152,175
Employee benefits	92,833	91,452	1,381
Purchased services	44,311	10,940	33,371
Supplies and materials	155,287	377,912	(222,625)
Capital outlay	<u>2,200</u>	<u>-</u>	<u>2,200</u>
Total	<u>612,370</u>	<u>645,868</u>	<u>(33,498)</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, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Adult/continuing education programs</b>			
Salaries	\$ 155,418	\$ 242,431	\$ (87,013)
Employee benefits	1,491	2,816	(1,325)
Purchased services	143	21	122
Supplies and materials	4,076	2,370	1,706
Total	<u>161,128</u>	<u>247,638</u>	<u>(86,510)</u>
<b>CTE programs</b>			
Salaries	1,503,111	1,547,809	(44,698)
Employee benefits	303,746	324,021	(20,275)
Purchased services	12,177	17,912	(5,735)
Supplies and materials	214,716	184,535	30,181
Capital outlay	106,513	137,915	(31,402)
Other objects	12,000	2,862	9,138
Non-capitalized equipment	5,000	1,066	3,934
Total	<u>2,157,263</u>	<u>2,216,120</u>	<u>(58,857)</u>
<b>Interscholastic programs</b>			
Salaries	761,448	693,090	68,358
Employee benefits	22,193	22,186	7
Purchased services	225,974	213,922	12,052
Supplies and materials	120,500	119,313	1,187
Other objects	200	116	84
Total	<u>1,130,315</u>	<u>1,048,627</u>	<u>81,688</u>
<b>Summer school programs</b>			
Salaries	216,672	188,552	28,120
Employee benefits	30,677	26,225	4,452
Purchased services	6,560	650	5,910
Supplies and materials	4,000	1,437	2,563
Total	<u>257,909</u>	<u>216,864</u>	<u>41,045</u>
<b>Gifted programs</b>			
<b>Driver's education programs</b>			
Salaries	64,714	32,541	32,173
Employee benefits	415	420	(5)
Purchased services	22,400	9,343	13,057
Supplies and materials	10,415	3,049	7,366
Capital outlay	2,000	-	2,000
Total	<u>99,944</u>	<u>45,353</u>	<u>54,591</u>
<b>Bilingual programs</b>			
Salaries	589,626	683,680	(94,054)
Employee benefits	115,539	131,429	(15,890)
Supplies and materials	11,250	6,705	4,545
Total	<u>716,415</u>	<u>821,814</u>	<u>(105,399)</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, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Truant's alternative and optional programs</b>			
Salaries	\$ 48,138	\$ 34,391	\$ 13,747
Employee benefits	675	374	301
Purchased services	1,600	1,565	35
Supplies and materials	7,700	1,939	5,761
Capital outlay	2,100	4,230	(2,130)
Non-capitalized equipment	900	194	706
Total	<u>61,113</u>	<u>42,693</u>	<u>18,420</u>
<b>Special education programs K -12 - private tuition</b>			
Other objects	<u>3,478,000</u>	<u>3,380,705</u>	<u>97,295</u>
Total	<u>3,478,000</u>	<u>3,380,705</u>	<u>97,295</u>
Total instruction	<u>48,138,460</u>	<u>47,521,204</u>	<u>617,256</u>
<b>Support services</b>			
<b>Pupils</b>			
<b>Attendance and social work services</b>			
Salaries	2,016,846	2,081,215	(64,369)
Employee benefits	531,092	532,687	(1,595)
Purchased services	71,361	51,019	20,342
Supplies and materials	59,400	56,886	2,514
Capital outlay	-	5,995	(5,995)
Total	<u>2,678,699</u>	<u>2,727,802</u>	<u>(49,103)</u>
<b>Guidance services</b>			
Salaries	2,082,600	2,216,242	(133,642)
Employee benefits	437,142	449,517	(12,375)
Purchased services	33,101	28,125	4,976
Supplies and materials	15,556	23,167	(7,611)
Capital outlay	3,726	2,513	1,213
Other objects	259	138	121
Total	<u>2,572,384</u>	<u>2,719,702</u>	<u>(147,318)</u>
<b>Health services</b>			
Salaries	351,149	372,499	(21,350)
Employee benefits	114,961	109,504	5,457
Purchased services	302,030	231,864	70,166
Supplies and materials	5,707	6,228	(521)
Capital outlay	1,695	1,695	-
Other objects	200	-	200
Total	<u>775,742</u>	<u>721,790</u>	<u>53,952</u>
<b>Psychological services</b>			
Salaries	287,001	307,487	(20,486)
Employee benefits	<u>62,963</u>	<u>60,815</u>	<u>2,148</u>
Total	<u>349,964</u>	<u>368,302</u>	<u>(18,338)</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, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Speech pathology and audiology services</b>			
Salaries	\$ 238,612	\$ 255,315	\$ (16,703)
Employee benefits	<u>45,520</u>	<u>54,846</u>	<u>(9,326)</u>
Total	<u>284,132</u>	<u>310,161</u>	<u>(26,029)</u>
<b>Other support services - pupils</b>			
Salaries	288,055	243,467	44,588
Employee benefits	11,348	11,075	273
Purchased services	6,000	121	5,879
Supplies and materials	3,500	1,603	1,897
Other objects	<u>2,100</u>	<u>580</u>	<u>1,520</u>
Total	<u>311,003</u>	<u>256,846</u>	<u>54,157</u>
Total pupils	<u>6,971,924</u>	<u>7,104,603</u>	<u>(132,679)</u>
<b>Instructional staff</b>			
<b>Improvement of instructional services</b>			
Salaries	1,723,528	1,483,744	239,784
Employee benefits	556,995	498,720	58,275
Purchased services	368,113	429,819	(61,706)
Supplies and materials	87,145	17,597	69,548
Capital outlay	27,513	96,432	(68,919)
Other objects	<u>3,075</u>	<u>1,528</u>	<u>1,547</u>
Total	<u>2,766,369</u>	<u>2,527,840</u>	<u>238,529</u>
<b>Educational media services</b>			
Salaries	498,713	560,971	(62,258)
Employee benefits	166,307	181,000	(14,693)
Purchased services	44,999	33,299	11,700
Supplies and materials	236,656	226,598	10,058
Capital outlay	625,054	626,736	(1,682)
Non-capitalized equipment	<u>10,850</u>	<u>7,636</u>	<u>3,214</u>
Total	<u>1,582,579</u>	<u>1,636,240</u>	<u>(53,661)</u>
<b>Assessment and testing</b>			
Salaries	12,225	33,425	(21,200)
Employee benefits	4,837	434	4,403
Purchased services	95,928	95,375	553
Supplies and materials	1,000	-	1,000
Capital outlay	<u>2,214</u>	<u>-</u>	<u>2,214</u>
Total	<u>116,204</u>	<u>129,234</u>	<u>(13,030)</u>
Total instructional staff	<u>4,465,152</u>	<u>4,293,314</u>	<u>171,838</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, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>General administration</b>			
<b>Board of education services</b>			
Salaries	\$ 180,445	\$ 176,055	\$ 4,390
Employee benefits	28,491	29,194	(703)
Purchased services	468,222	300,510	167,712
Supplies and materials	13,901	12,720	1,181
Capital outlay	-	980	(980)
Other objects	44,961	59,768	(14,807)
Non-capitalized equipment	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total	<u>737,520</u>	<u>579,227</u>	<u>158,293</u>
<b>Executive administration services</b>			
Salaries	274,146	283,291	(9,145)
Employee benefits	54,928	57,627	(2,699)
Purchased services	12,500	6,969	5,531
Supplies and materials	15,095	10,055	5,040
Capital outlay	7,000	-	7,000
Other objects	<u>10,500</u>	<u>13,304</u>	<u>(2,804)</u>
Total	<u>374,169</u>	<u>371,246</u>	<u>2,923</u>
<b>Special area administration services</b>			
Salaries	505,181	592,691	(87,510)
Employee benefits	72,446	90,504	(18,058)
Purchased services	7,390	3,878	3,512
Supplies and materials	<u>353</u>	<u>208</u>	<u>145</u>
Total	<u>585,370</u>	<u>687,281</u>	<u>(101,911)</u>
Total general administration	<u>1,697,059</u>	<u>1,637,754</u>	<u>59,305</u>
<b>School administration</b>			
<b>Office of the principal services</b>			
Salaries	1,635,478	1,625,206	10,272
Employee benefits	346,172	321,885	24,287
Purchased services	59,898	88,531	(28,633)
Supplies and materials	19,515	16,571	2,944
Capital outlay	8,000	326	7,674
Other objects	<u>12,286</u>	<u>20,092</u>	<u>(7,806)</u>
Total	<u>2,081,349</u>	<u>2,072,611</u>	<u>8,738</u>
Total school administration	<u>2,081,349</u>	<u>2,072,611</u>	<u>8,738</u>
<b>Business</b>			
<b>Direction of business support services</b>			
Salaries	125,000	125,000	-
Employee benefits	<u>22,056</u>	<u>24,030</u>	<u>(1,974)</u>
Total	<u>147,056</u>	<u>149,030</u>	<u>(1,974)</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, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Fiscal services</b>			
Salaries	\$ 504,580	\$ 567,957	\$ (63,377)
Employee benefits	146,971	125,418	21,553
Purchased services	621,297	62,729	558,568
Supplies and materials	14,000	16,409	(2,409)
Capital outlay	1,500	8,703	(7,203)
Other objects	8,132	4,721	3,411
Non-capitalized equipment	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total	<u>1,298,480</u>	<u>785,937</u>	<u>512,543</u>
<b>Pupil transportation services</b>			
Purchased services	7,535	2,892	4,643
Capital outlay	<u>22,000</u>	<u>-</u>	<u>22,000</u>
Total	<u>29,535</u>	<u>2,892</u>	<u>26,643</u>
<b>Food services</b>			
Salaries	1,084,623	1,200,886	(116,263)
Employee benefits	251,436	280,870	(29,434)
Purchased services	187,548	429,121	(241,573)
Supplies and materials	1,505,141	1,331,286	173,855
Capital outlay	60,000	11,814	48,186
Other objects	1,200	600	600
Non-capitalized equipment	<u>10,000</u>	<u>15,109</u>	<u>(5,109)</u>
Total	<u>3,099,948</u>	<u>3,269,686</u>	<u>(169,738)</u>
<b>Internal services</b>			
Salaries	260,967	254,098	6,869
Employee benefits	51,076	56,759	(5,683)
Supplies and materials	<u>147,771</u>	<u>151,134</u>	<u>(3,363)</u>
Total	<u>459,814</u>	<u>461,991</u>	<u>(2,177)</u>
Total business	<u>5,034,833</u>	<u>4,669,536</u>	<u>365,297</u>
<b>Central</b>			
<b>Information services</b>			
Salaries	110,359	37,988	72,371
Employee benefits	15,666	16,278	(612)
Purchased services	145,000	108,894	36,106
Capital outlay	<u>-</u>	<u>3,478</u>	<u>(3,478)</u>
Total	<u>271,025</u>	<u>166,638</u>	<u>104,387</u>
<b>Staff services</b>			
Purchased services	<u>3,772</u>	<u>-</u>	<u>3,772</u>
Total	<u>3,772</u>	<u>-</u>	<u>3,772</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, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Data processing services</b>			
Salaries	\$ 465,837	\$ 472,578	\$ (6,741)
Employee benefits	104,668	113,069	(8,401)
Purchased services	825,520	855,772	(30,252)
Supplies and materials	57,000	171,153	(114,153)
Capital outlay	140,000	1,285,213	(1,145,213)
Non-capitalized equipment	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total	<u>1,594,025</u>	<u>2,897,785</u>	<u>(1,303,760)</u>
Total central	<u>1,868,822</u>	<u>3,064,423</u>	<u>(1,195,601)</u>
<b>Other supporting services</b>			
Purchased services	1,778,909	1,503,318	275,591
Supplies and materials	14,939	8,927	6,012
Other objects	<u>20,000</u>	<u>1,768</u>	<u>18,232</u>
Total	<u>1,813,848</u>	<u>1,514,013</u>	<u>299,835</u>
Total support services	<u>23,932,987</u>	<u>24,356,254</u>	<u>(423,267)</u>
<b>Community services</b>			
Salaries	148,536	132,128	16,408
Employee benefits	41,335	33,984	7,351
Purchased services	92,080	86,286	5,794
Supplies and materials	<u>20,096</u>	<u>11,200</u>	<u>8,896</u>
Total community services	<u>302,047</u>	<u>263,598</u>	<u>38,449</u>
<b>Payments to other districts and governmental units</b>			
<b>Payments for regular programs</b>			
Purchased services	<u>24,130</u>	<u>118,610</u>	<u>(94,480)</u>
Total	<u>24,130</u>	<u>118,610</u>	<u>(94,480)</u>
<b>Payments for special education programs</b>			
<b>Payments for CTE programs</b>			
Other objects	<u>22,407</u>	<u>20,188</u>	<u>2,219</u>
Total	<u>22,407</u>	<u>20,188</u>	<u>2,219</u>
<b>Payments for special education programs - tuition</b>			
Other objects	<u>1,003,000</u>	<u>1,102,160</u>	<u>(99,160)</u>
Total	<u>1,003,000</u>	<u>1,102,160</u>	<u>(99,160)</u>
Total payments to other districts and governmental units	<u>1,049,537</u>	<u>1,240,958</u>	<u>(191,421)</u>
Total expenditures	<u>73,423,031</u>	<u>73,382,014</u>	<u>41,017</u>
Excess (deficiency) of revenues over expenditures	<u>(326,293)</u>	<u>151,895</u>	<u>478,188</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, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Other financing sources (uses)</b>			
Transfer to debt service fund to pay principal on capital leases	\$ (101,124)	\$ (101,124)	\$ -
Transfer to debt service fund to pay interest on capital leases	<u>(14,333)</u>	<u>(14,332)</u>	<u>1</u>
Total other financing sources (uses)	<u>(115,457)</u>	<u>(115,456)</u>	<u>1</u>
Net change in fund balance	<u>\$ (441,750)</u>	36,439	<u>\$ 478,189</u>
Fund balance, beginning of year		<u>45,996,466</u>	
Fund balance, end of year		<u>\$ 46,032,905</u>	

See Auditors' Report and Notes to Required Supplementary Information

(Concluded)

**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, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 7,110,937	\$ 6,616,548	\$ (494,389)
Investment income	6,252	2,800	(3,452)
Rentals	80,218	81,952	1,734
Other	<u>77,870</u>	<u>68,213</u>	<u>(9,657)</u>
Total local sources	<u>7,275,277</u>	<u>6,769,513</u>	<u>(505,764)</u>
<b>State sources</b>			
General state aid	6,508,483	9,008,483	2,500,000
School infrastructure - maintenance projects	<u>-</u>	<u>148,000</u>	<u>148,000</u>
Total state sources	<u>6,508,483</u>	<u>9,156,483</u>	<u>2,648,000</u>
Total revenues	<u>13,783,760</u>	<u>15,925,996</u>	<u>2,142,236</u>
<b>Expenditures</b>			
<b>Support services</b>			
<b>Business</b>			
<b>Facilities acquisition and construction service</b>			
Purchased services	41,500	32,648	8,852
Supplies and materials	10,000	2,531	7,469
Capital outlay	<u>1,132,000</u>	<u>4,061,878</u>	<u>(2,929,878)</u>
Total	<u>1,183,500</u>	<u>4,097,057</u>	<u>(2,913,557)</u>
<b>Operation and maintenance of plant services</b>			
Salaries	5,995,868	5,789,066	206,802
Employee benefits	1,394,767	1,378,329	16,438
Purchased services	3,530,841	990,047	2,540,794
Supplies and materials	2,003,018	2,046,626	(43,608)
Capital outlay	269,000	214,123	54,877
Non-capitalized equipment	<u>9,200</u>	<u>4,210</u>	<u>4,990</u>
Total	<u>13,202,694</u>	<u>10,422,401</u>	<u>2,780,293</u>
Total business	<u>14,386,194</u>	<u>14,519,458</u>	<u>(133,264)</u>
<b>Other supporting services</b>			
Purchased services	<u>625,709</u>	<u>682,005</u>	<u>(56,296)</u>
Total	<u>625,709</u>	<u>682,005</u>	<u>(56,296)</u>
Total support services	<u>15,011,903</u>	<u>15,201,463</u>	<u>(189,560)</u>
Total expenditures	<u>15,011,903</u>	<u>15,201,463</u>	<u>(189,560)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,228,143)</u>	<u>724,533</u>	<u>1,952,676</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, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Other financing sources (uses)</b>			
Transfer to debt service fund to pay principal on EPA loan	\$ (38,394)	\$ (38,394)	\$ -
Transfer to debt service fund to pay interest on EPA loan	<u>(11,606)</u>	<u>(11,606)</u>	<u>-</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,278,143)</u>	674,533	<u>\$ 1,952,676</u>
Fund balance, beginning of year		<u>161,583</u>	
Fund balance, end of year		<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, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 1,112,423	\$ 1,035,555	\$ (76,868)
Investment income	<u>1,428</u>	<u>2,340</u>	<u>912</u>
Total local sources	<u>1,113,851</u>	<u>1,037,895</u>	<u>(75,956)</u>
<b>State sources</b>			
General state aid	1,200,000	100,000	(1,100,000)
Transportation - regular/vocational	1,566	1,155	(411)
Transportation - special education	<u>2,451,191</u>	<u>2,383,150</u>	<u>(68,041)</u>
Total state sources	<u>3,652,757</u>	<u>2,484,305</u>	<u>(1,168,452)</u>
Total revenues	<u>4,766,608</u>	<u>3,522,200</u>	<u>(1,244,408)</u>
<b>Expenditures</b>			
<b>Support Services</b>			
<b>Business</b>			
<b>Pupil transportation services</b>			
Salaries	97,149	103,067	(5,918)
Employee benefits	48,473	49,131	(658)
Purchased services	2,843,359	2,919,234	(75,875)
Supplies and materials	23,000	(19,581)	42,581
Capital outlay	200,000	197,860	2,140
Other objects	<u>200</u>	<u>192</u>	<u>8</u>
Total	<u>3,212,181</u>	<u>3,249,903</u>	<u>(37,722)</u>
Total business	<u>3,212,181</u>	<u>3,249,903</u>	<u>(37,722)</u>
Total support services	<u>3,212,181</u>	<u>3,249,903</u>	<u>(37,722)</u>
Total expenditures	<u>3,212,181</u>	<u>3,249,903</u>	<u>(37,722)</u>
Net change in fund balance	<u>\$ 1,554,427</u>	272,297	<u>\$ (1,282,130)</u>
Fund balance (deficit), beginning of year		(188,385)	
Fund balance, end of year		<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, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 1,539,071	\$ 1,373,233	\$ (165,838)
Social security/medicare only levy	1,880,013	1,533,759	(346,254)
Corporate personal property replacement taxes	250,000	250,000	-
Investment income	<u>7,706</u>	<u>2,941</u>	<u>(4,765)</u>
Total local sources	<u>3,676,790</u>	<u>3,159,933</u>	<u>(516,857)</u>
Total revenues	<u>3,676,790</u>	<u>3,159,933</u>	<u>(516,857)</u>
<b>Expenditures</b>			
<b>Instruction</b>			
Regular programs	324,333	355,843	(31,510)
Special education programs	363,254	331,111	32,143
Remedial and supplemental programs K - 12	13,842	2,401	11,441
Adult/continuing education programs	4,606	6,466	(1,860)
CTE programs	66,372	58,778	7,594
Interscholastic programs	34,454	32,314	2,140
Summer school programs	15,632	11,075	4,557
Driver's education programs	705	517	188
Bilingual programs	9,204	9,350	(146)
Truant's alternative and optional programs	<u>1,561</u>	<u>1,155</u>	<u>406</u>
Total instruction	<u>833,963</u>	<u>809,010</u>	<u>24,953</u>
<b>Support services</b>			
<b>Pupils</b>			
Attendance and social work services	174,013	170,023	3,990
Guidance services	49,945	50,057	(112)
Health services	72,242	74,815	(2,573)
Psychological services	4,135	4,459	(324)
Speech pathology and audiology services	3,460	3,702	(242)
Other support services - pupils	<u>11,640</u>	<u>12,386</u>	<u>(746)</u>
Total pupils	<u>315,435</u>	<u>315,442</u>	<u>(7)</u>
<b>Instructional staff</b>			
Improvement of instructional staff	38,616	38,663	(47)
Educational media services	59,312	72,512	(13,200)
Assessment and testing	<u>183</u>	<u>485</u>	<u>(302)</u>
Total instructional staff	<u>98,111</u>	<u>111,660</u>	<u>(13,549)</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, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>General administration</b>			
Board of education services	\$ 33,480	\$ 34,619	\$ (1,139)
Executive administration services	15,584	16,339	(755)
Special area administration services	<u>51,611</u>	<u>53,559</u>	<u>(1,948)</u>
Total general administration	<u>100,675</u>	<u>104,517</u>	<u>(3,842)</u>
<b>School administration</b>			
Office of the principal services	<u>121,704</u>	<u>118,792</u>	<u>2,912</u>
Total school administration	<u>121,704</u>	<u>118,792</u>	<u>2,912</u>
<b>Business</b>			
Direction of business support services	1,982	1,814	168
Fiscal services	124,689	111,481	13,208
Operations and maintenance of plant services	1,192,987	1,155,174	37,813
Pupil transportation services	17,891	20,997	(3,106)
Food services	208,925	234,803	(25,878)
Internal services	<u>43,700</u>	<u>47,930</u>	<u>(4,230)</u>
Total business	<u>1,590,174</u>	<u>1,572,199</u>	<u>17,975</u>
<b>Central</b>			
Information services	7,224	7,768	(544)
Data processing services	<u>90,122</u>	<u>95,708</u>	<u>(5,586)</u>
Total central	<u>97,346</u>	<u>103,476</u>	<u>(6,130)</u>
Total support services	<u>2,323,445</u>	<u>2,326,086</u>	<u>(2,641)</u>
<b>Community services</b>	<u>24,795</u>	<u>26,185</u>	<u>(1,390)</u>
Total expenditures	<u>3,182,203</u>	<u>3,161,281</u>	<u>20,922</u>
Net change in fund balance	<u>\$ 494,587</u>	(1,348)	<u>\$ (495,935)</u>
Fund balance, beginning of year		<u>1,045,977</u>	
Fund balance, end of year		<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, 2014

## 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	\$ 73,533,909	\$ 73,382,014
To adjust for on-behalf payments received	13,505,305	-
To adjust for on-behalf payments made	-	13,505,305
General Fund GAAP Basis	<u>\$ 87,039,214</u>	<u>\$ 86,887,319</u>

### Excess of Expenditures over Budget

For the year ended June 30, , expenditures exceeded budget in the Operations and Maintenance Fund by \$189,560, which was offset by revenues exceeding budget by \$2,142,236. Expenditures exceeded budget in the Transportation Fund by \$37,722, which was funded by 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, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 9,520,846	\$ 9,360,364	\$ (160,482)
Investment income	<u>6,253</u>	<u>421</u>	<u>(5,832)</u>
Total local sources	<u>9,527,099</u>	<u>9,360,785</u>	<u>(166,314)</u>
Total revenues	<u>9,527,099</u>	<u>9,360,785</u>	<u>(166,314)</u>
<b>Expenditures</b>			
<b>Debt services</b>			
<b>Payments on long term debt</b>			
Interest on long term debt	4,725,432	25,939	4,699,493
Principal payments on long term debt	<u>4,685,025</u>	<u>9,334,527</u>	<u>(4,649,502)</u>
Total	<u>9,410,457</u>	<u>9,360,466</u>	<u>49,991</u>
Total debt services	<u>9,410,457</u>	<u>9,360,466</u>	<u>49,991</u>
Total expenditures	<u>9,410,457</u>	<u>9,360,466</u>	<u>49,991</u>
Excess (deficiency) of revenues over expenditures	<u>116,642</u>	<u>319</u>	<u>(116,323)</u>
<b>Other financing sources (uses)</b>			
Transfer to debt service to pay principal on capital leases	101,124	139,518	38,394
Transfer to debt service to pay interest on capital leases	14,333	25,938	11,605
Transfer to debt service to pay principal on EPA loan	38,394	-	(38,394)
Transfer to debt service to pay interest on EPA loan	<u>11,606</u>	<u>-</u>	<u>(11,606)</u>
Total other financing sources (uses)	<u>165,457</u>	<u>165,456</u>	<u>(1)</u>
Net change in fund balance	<u>\$ 282,099</u>	<u>165,775</u>	<u>\$ (116,324)</u>
Fund balance, beginning of year		<u>5,971,527</u>	
Fund balance, end of year		<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, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ -	\$ 6,030	\$ 6,030
Total local sources	-	6,030	6,030
Total revenues	-	6,030	6,030
<b>Expenditures</b>			
Total expenditures	-	-	-
Net change in fund balance	\$ -	6,030	\$ 6,030
Fund balance, beginning of year		2,655,228	
Fund balance, end of year		\$ 2,661,258	

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201****GENERAL FUND****COMBINING BALANCE SHEET****AS OF JUNE 30, 2014**

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
<b>Assets</b>			
Cash	\$ 41,727,854	\$ 7,845,793	\$ 49,573,647
Receivables (net allowance for uncollectibles):			
Property taxes	12,505,298	-	12,505,298
Replacement taxes	1,029,637	-	1,029,637
Intergovernmental	1,566,781	-	1,566,781
Inventory	135,008	-	135,008
Other current assets	<u>400,375</u>	<u>-</u>	<u>400,375</u>
Total assets	<u>\$ 57,364,953</u>	<u>\$ 7,845,793</u>	<u>\$ 65,210,746</u>
<b>Liabilities, deferred inflows of resources, and fund balance</b>			
<b>Liabilities</b>			
Accounts payable	\$ 2,056,086	\$ -	\$ 2,056,086
Salaries and wages payable	3,611,571	-	3,611,571
Health claims payable	<u>1,004,886</u>	<u>-</u>	<u>1,004,886</u>
Total liabilities	<u>6,672,543</u>	<u>-</u>	<u>6,672,543</u>
<b>Deferred inflows of resources</b>			
Property taxes levied for future periods	<u>12,505,298</u>	<u>-</u>	<u>12,505,298</u>
Total deferred inflows of resources	<u>12,505,298</u>	<u>-</u>	<u>12,505,298</u>
<b>Fund balance</b>			
Nonspendable	535,383	-	535,383
Unassigned	<u>37,651,729</u>	<u>7,845,793</u>	<u>45,497,522</u>
Total fund balance	<u>38,187,112</u>	<u>7,845,793</u>	<u>46,032,905</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 57,364,953</u>	<u>\$ 7,845,793</u>	<u>\$ 65,210,746</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, 2014

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
<b>Revenues</b>			
Property taxes	\$ 23,919,446	\$ -	\$ 23,919,446
Corporate personal property replacement taxes	5,815,527	-	5,815,527
State aid	45,260,452	-	45,260,452
Federal aid	9,556,612	-	9,556,612
Investment income	95,452	13,530	108,982
Other	<u>2,378,195</u>	<u>-</u>	<u>2,378,195</u>
Total revenues	<u>87,025,684</u>	<u>13,530</u>	<u>87,039,214</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular programs	29,951,756	-	29,951,756
Special programs	11,197,124	-	11,197,124
Other instructional programs	4,496,964	-	4,496,964
State retirement contributions	13,505,305	-	13,505,305
Support Services:			
Pupils	7,094,400	-	7,094,400
Instructional staff	3,570,146	-	3,570,146
General administration	1,636,774	-	1,636,774
School administration	2,072,285	-	2,072,285
Business	4,646,127	-	4,646,127
Transportation	2,892	-	2,892
Central	1,775,732	-	1,775,732
Other supporting services	1,514,013	-	1,514,013
Community services	263,598	-	263,598
Payments to other districts and gov't units	1,240,958	-	1,240,958
Capital outlay	<u>3,919,245</u>	<u>-</u>	<u>3,919,245</u>
Total expenditures	<u>86,887,319</u>	<u>-</u>	<u>86,887,319</u>
Excess (deficiency) of revenues over expenditures	<u>138,365</u>	<u>13,530</u>	<u>151,895</u>
<b>Other financing sources (uses)</b>			
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	22,909	13,530	36,439
Fund balance, beginning of year	<u>38,164,203</u>	<u>7,832,263</u>	<u>45,996,466</u>
Fund balance, end of year	<u>\$ 38,187,112</u>	<u>\$ 7,845,793</u>	<u>\$ 46,032,905</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, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 21,537,519	\$ 23,516,493	\$ 1,978,974
Special education levy	432,501	402,953	(29,548)
Corporate personal property replacement taxes	6,173,301	5,815,527	(357,774)
Summer school - tuition from pupils or parents (in state)	150,000	126,951	(23,049)
Adult - tuition from pupils or parents (in state)	170,000	227,943	57,943
Investment income	67,176	95,452	28,276
Sales to pupils - lunch	78,424	125,656	47,232
Sales to pupils - breakfast	2,509	5,339	2,830
Sales to pupils - a la carte	590,686	525,035	(65,651)
Sales to adults	129,942	120,999	(8,943)
Other food service	23,369	31,466	8,097
Admissions - athletic	17,966	21,290	3,324
Admissions - other	14,402	15,189	787
Fees	127,674	160,290	32,616
Book store sales	506,678	548,602	41,924
Other pupil activity revenue	6,110	10,174	4,064
Sales - regular textbook	41,818	31,563	(10,255)
Contributions and donations from private sources	-	2,500	2,500
Services provided other LEA's	32,236	31,611	(625)
Refund of prior years' expenditures	-	1,441	1,441
Payments of surplus monies from TIF districts	533	1,713	1,180
Driver's education fees	29,113	23,730	(5,383)
Payment from other LEA's	740,657	-	(740,657)
Other	22,079	366,703	344,624
Total local sources	<u>30,894,693</u>	<u>32,208,620</u>	<u>1,313,927</u>
<b>State sources</b>			
General state aid	28,486,941	27,087,242	(1,399,699)
Special education - private facility tuition	1,498,740	1,495,754	(2,986)
Special education - extraordinary	1,269,855	1,189,504	(80,351)
Special education - personnel	933,267	956,731	23,464
Special education - summer school	95,214	69,011	(26,203)
CTE - Secondary program improvement	231,142	229,060	(2,082)
Bilingual education - downstate - TPI	220,000	330,169	110,169
State free lunch & breakfast	65,000	51,890	(13,110)
Driver education	120,000	65,302	(54,698)
Truant alternative/optional education	-	188,138	188,138
Early childhood - block grant	86,227	86,227	-
Other restricted revenue from state sources	6,199	6,119	(80)
Total state sources	<u>33,012,585</u>	<u>31,755,147</u>	<u>(1,257,438)</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, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Federal sources</b>			
National school lunch program	\$ 2,412,063	\$ 2,598,970	\$ 186,907
School breakfast program	167,894	264,973	97,079
Child care commodity/SFS 13-adult day care	-	108,151	108,151
Fresh fruits & vegetables	-	36,042	36,042
Food service - other	-	209,670	209,670
Title I - Low income	3,619,440	3,240,786	(378,654)
Federal - special education - IDEA - flow-through/low incident	1,440,849	1,252,555	(188,294)
Federal - special education - IDEA - room & board	4,782	-	(4,782)
CTE - Perkins - Title III E - tech. prep.	415,931	521,146	105,215
Title III - English language acquisition	131,337	69,599	(61,738)
Title II - Teacher quality	355,277	267,030	(88,247)
Medicaid matching funds - administrative outreach	213,273	332,601	119,328
Medicaid matching funds - fee-for-service program	149,300	298,982	149,682
Other restricted revenue from federal sources	<u>267,314</u>	<u>356,107</u>	<u>88,793</u>
Total federal sources	<u>9,177,460</u>	<u>9,556,612</u>	<u>379,152</u>
Total revenues	<u>73,084,738</u>	<u>73,520,379</u>	<u>435,641</u>
<b>Expenditures</b>			
<b>Instruction</b>			
<b>Regular programs</b>			
Salaries	22,010,341	23,017,530	(1,007,189)
Employee benefits	5,268,348	5,198,136	70,212
Purchased services	54,389	38,745	15,644
Supplies and materials	4,945,756	1,691,852	3,253,904
Capital outlay	29,700	1,711,886	(1,682,186)
Other objects	<u>4,750</u>	<u>5,493</u>	<u>(743)</u>
Total	<u>32,313,284</u>	<u>31,663,642</u>	<u>649,642</u>
<b>Special education programs</b>			
Salaries	5,652,488	5,688,250	(35,762)
Employee benefits	1,333,474	1,338,202	(4,728)
Purchased services	93,600	92,787	813
Supplies and materials	38,000	49,902	(11,902)
Capital outlay	33,157	21,329	11,828
Other objects	<u>-</u>	<u>1,410</u>	<u>(1,410)</u>
Total	<u>7,150,719</u>	<u>7,191,880</u>	<u>(41,161)</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, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Remedial and supplemental programs K - 12</b>			
Salaries	\$ 317,739	\$ 165,564	\$ 152,175
Employee benefits	92,833	91,452	1,381
Purchased services	44,311	10,940	33,371
Supplies and materials	155,287	377,912	(222,625)
Capital outlay	2,200	-	2,200
Total	<u>612,370</u>	<u>645,868</u>	<u>(33,498)</u>
<b>Adult/continuing education programs</b>			
Salaries	155,418	242,431	(87,013)
Employee benefits	1,491	2,816	(1,325)
Purchased services	143	21	122
Supplies and materials	4,076	2,370	1,706
Total	<u>161,128</u>	<u>247,638</u>	<u>(86,510)</u>
<b>CTE programs</b>			
Salaries	1,503,111	1,547,809	(44,698)
Employee benefits	303,746	324,021	(20,275)
Purchased services	12,177	17,912	(5,735)
Supplies and materials	214,716	184,535	30,181
Capital outlay	106,513	137,915	(31,402)
Other objects	12,000	2,862	9,138
Non-capitalized equipment	5,000	1,066	3,934
Total	<u>2,157,263</u>	<u>2,216,120</u>	<u>(58,857)</u>
<b>Interscholastic programs</b>			
Salaries	761,448	693,090	68,358
Employee benefits	22,193	22,186	7
Purchased services	225,974	213,922	12,052
Supplies and materials	120,500	119,313	1,187
Other objects	200	116	84
Total	<u>1,130,315</u>	<u>1,048,627</u>	<u>81,688</u>
<b>Summer school programs</b>			
Salaries	216,672	188,552	28,120
Employee benefits	30,677	26,225	4,452
Purchased services	6,560	650	5,910
Supplies and materials	4,000	1,437	2,563
Total	<u>257,909</u>	<u>216,864</u>	<u>41,045</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, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Gifted programs</b>			
<b>Driver's education programs</b>			
Salaries	\$ 64,714	\$ 32,541	\$ 32,173
Employee benefits	415	420	(5)
Purchased services	22,400	9,343	13,057
Supplies and materials	10,415	3,049	7,366
Capital outlay	2,000	-	2,000
Total	<u>99,944</u>	<u>45,353</u>	<u>54,591</u>
<b>Bilingual programs</b>			
Salaries	589,626	683,680	(94,054)
Employee benefits	115,539	131,429	(15,890)
Supplies and materials	11,250	6,705	4,545
Total	<u>716,415</u>	<u>821,814</u>	<u>(105,399)</u>
<b>Truant's alternative and optional programs</b>			
Salaries	48,138	34,391	13,747
Employee benefits	675	374	301
Purchased services	1,600	1,565	35
Supplies and materials	7,700	1,939	5,761
Capital outlay	2,100	4,230	(2,130)
Non-capitalized equipment	900	194	706
Total	<u>61,113</u>	<u>42,693</u>	<u>18,420</u>
<b>Special education programs K -12 - private tuition</b>			
Other objects	<u>3,478,000</u>	<u>3,380,705</u>	<u>97,295</u>
Total	<u>3,478,000</u>	<u>3,380,705</u>	<u>97,295</u>
Total instruction	<u>48,138,460</u>	<u>47,521,204</u>	<u>617,256</u>
<b>Support services</b>			
<b>Pupils</b>			
<b>Attendance and social work services</b>			
Salaries	2,016,846	2,081,215	(64,369)
Employee benefits	531,092	532,687	(1,595)
Purchased services	71,361	51,019	20,342
Supplies and materials	59,400	56,886	2,514
Capital outlay	-	5,995	(5,995)
Total	<u>2,678,699</u>	<u>2,727,802</u>	<u>(49,103)</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, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Guidance services</b>			
Salaries	\$ 2,082,600	\$ 2,216,242	\$ (133,642)
Employee benefits	437,142	449,517	(12,375)
Purchased services	33,101	28,125	4,976
Supplies and materials	15,556	23,167	(7,611)
Capital outlay	3,726	2,513	1,213
Other objects	259	138	121
Total	<u>2,572,384</u>	<u>2,719,702</u>	<u>(147,318)</u>
<b>Health services</b>			
Salaries	351,149	372,499	(21,350)
Employee benefits	114,961	109,504	5,457
Purchased services	302,030	231,864	70,166
Supplies and materials	5,707	6,228	(521)
Capital outlay	1,695	1,695	-
Other objects	200	-	200
Total	<u>775,742</u>	<u>721,790</u>	<u>53,952</u>
<b>Psychological services</b>			
Salaries	287,001	307,487	(20,486)
Employee benefits	62,963	60,815	2,148
Total	<u>349,964</u>	<u>368,302</u>	<u>(18,338)</u>
<b>Speech pathology and audiology services</b>			
Salaries	238,612	255,315	(16,703)
Employee benefits	45,520	54,846	(9,326)
Total	<u>284,132</u>	<u>310,161</u>	<u>(26,029)</u>
<b>Other support services - pupils</b>			
Salaries	288,055	243,467	44,588
Employee benefits	11,348	11,075	273
Purchased services	6,000	121	5,879
Supplies and materials	3,500	1,603	1,897
Other objects	2,100	580	1,520
Total	<u>311,003</u>	<u>256,846</u>	<u>54,157</u>
Total pupils	<u>6,971,924</u>	<u>7,104,603</u>	<u>(132,679)</u>
<b>Instructional staff</b>			
<b>Improvement of instructional services</b>			
Salaries	1,723,528	1,483,744	239,784
Employee benefits	556,995	498,720	58,275
Purchased services	368,113	429,819	(61,706)
Supplies and materials	87,145	17,597	69,548
Capital outlay	27,513	96,432	(68,919)
Other objects	3,075	1,528	1,547
Total	<u>2,766,369</u>	<u>2,527,840</u>	<u>238,529</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, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Educational media services</b>			
Salaries	\$ 498,713	\$ 560,971	\$ (62,258)
Employee benefits	166,307	181,000	(14,693)
Purchased services	44,999	33,299	11,700
Supplies and materials	236,656	226,598	10,058
Capital outlay	625,054	626,736	(1,682)
Non-capitalized equipment	<u>10,850</u>	<u>7,636</u>	<u>3,214</u>
Total	<u>1,582,579</u>	<u>1,636,240</u>	<u>(53,661)</u>
<b>Assessment and testing</b>			
Salaries	12,225	33,425	(21,200)
Employee benefits	4,837	434	4,403
Purchased services	95,928	95,375	553
Supplies and materials	1,000	-	1,000
Capital outlay	<u>2,214</u>	<u>-</u>	<u>2,214</u>
Total	<u>116,204</u>	<u>129,234</u>	<u>(13,030)</u>
Total instructional staff	<u>4,465,152</u>	<u>4,293,314</u>	<u>171,838</u>
<b>General administration</b>			
<b>Board of education services</b>			
Salaries	180,445	176,055	4,390
Employee benefits	28,491	29,194	(703)
Purchased services	468,222	300,510	167,712
Supplies and materials	13,901	12,720	1,181
Capital outlay	-	980	(980)
Other objects	44,961	59,768	(14,807)
Non-capitalized equipment	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total	<u>737,520</u>	<u>579,227</u>	<u>158,293</u>
<b>Executive administration services</b>			
Salaries	274,146	283,291	(9,145)
Employee benefits	54,928	57,627	(2,699)
Purchased services	12,500	6,969	5,531
Supplies and materials	15,095	10,055	5,040
Capital outlay	7,000	-	7,000
Other objects	<u>10,500</u>	<u>13,304</u>	<u>(2,804)</u>
Total	<u>374,169</u>	<u>371,246</u>	<u>2,923</u>
<b>Special area administration services</b>			
Salaries	505,181	592,691	(87,510)
Employee benefits	72,446	90,504	(18,058)
Purchased services	7,390	3,878	3,512
Supplies and materials	<u>353</u>	<u>208</u>	<u>145</u>
Total	<u>585,370</u>	<u>687,281</u>	<u>(101,911)</u>
Total general administration	<u>1,697,059</u>	<u>1,637,754</u>	<u>59,305</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, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>School administration</b>			
<b>Office of the principal services</b>			
Salaries	\$ 1,635,478	\$ 1,625,206	\$ 10,272
Employee benefits	346,172	321,885	24,287
Purchased services	59,898	88,531	(28,633)
Supplies and materials	19,515	16,571	2,944
Capital outlay	8,000	326	7,674
Other objects	12,286	20,092	(7,806)
Total	2,081,349	2,072,611	8,738
Total school administration	2,081,349	2,072,611	8,738
<b>Business</b>			
<b>Direction of business support services</b>			
Salaries	125,000	125,000	-
Employee benefits	22,056	24,030	(1,974)
Total	147,056	149,030	(1,974)
<b>Fiscal services</b>			
Salaries	504,580	567,957	(63,377)
Employee benefits	146,971	125,418	21,553
Purchased services	621,297	62,729	558,568
Supplies and materials	14,000	16,409	(2,409)
Capital outlay	1,500	8,703	(7,203)
Other objects	8,132	4,721	3,411
Non-capitalized equipment	2,000	-	2,000
Total	1,298,480	785,937	512,543
<b>Pupil transportation services</b>			
Purchased services	7,535	2,892	4,643
Capital outlay	22,000	-	22,000
Total	29,535	2,892	26,643
<b>Food services</b>			
Salaries	1,084,623	1,200,886	(116,263)
Employee benefits	251,436	280,870	(29,434)
Purchased services	187,548	429,121	(241,573)
Supplies and materials	1,505,141	1,331,286	173,855
Capital outlay	60,000	11,814	48,186
Other objects	1,200	600	600
Non-capitalized equipment	10,000	15,109	(5,109)
Total	3,099,948	3,269,686	(169,738)

(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, 2014**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Internal services</b>			
Salaries	\$ 260,967	\$ 254,098	\$ 6,869
Employee benefits	51,076	56,759	(5,683)
Supplies and materials	<u>147,771</u>	<u>151,134</u>	<u>(3,363)</u>
Total	<u>459,814</u>	<u>461,991</u>	<u>(2,177)</u>
Total business	<u>5,034,833</u>	<u>4,669,536</u>	<u>365,297</u>
<b>Central</b>			
<b>Information services</b>			
Salaries	110,359	37,988	72,371
Employee benefits	15,666	16,278	(612)
Purchased services	145,000	108,894	36,106
Capital outlay	<u>-</u>	<u>3,478</u>	<u>(3,478)</u>
Total	<u>271,025</u>	<u>166,638</u>	<u>104,387</u>
<b>Staff services</b>			
Purchased services	<u>3,772</u>	<u>-</u>	<u>3,772</u>
Total	<u>3,772</u>	<u>-</u>	<u>3,772</u>
<b>Data processing services</b>			
Salaries	465,837	472,578	(6,741)
Employee benefits	104,668	113,069	(8,401)
Purchased services	825,520	855,772	(30,252)
Supplies and materials	57,000	171,153	(114,153)
Capital outlay	140,000	1,285,213	(1,145,213)
Non-capitalized equipment	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total	<u>1,594,025</u>	<u>2,897,785</u>	<u>(1,303,760)</u>
Total central	<u>1,868,822</u>	<u>3,064,423</u>	<u>(1,195,601)</u>
<b>Other supporting services</b>			
Purchased services	1,778,909	1,503,318	275,591
Supplies and materials	14,939	8,927	6,012
Other objects	<u>20,000</u>	<u>1,768</u>	<u>18,232</u>
Total	<u>1,813,848</u>	<u>1,514,013</u>	<u>299,835</u>
Total support services	<u>23,932,987</u>	<u>24,356,254</u>	<u>(423,267)</u>
<b>Community services</b>			
Salaries	148,536	132,128	16,408
Employee benefits	41,335	33,984	7,351
Purchased services	92,080	86,286	5,794
Supplies and materials	<u>20,096</u>	<u>11,200</u>	<u>8,896</u>
Total community services	<u>302,047</u>	<u>263,598</u>	<u>38,449</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, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Payments to other districts and governmental units</b>			
<b>Payments for regular programs</b>			
Purchased services	\$ 24,130	\$ 118,610	\$ (94,480)
Total	<u>24,130</u>	<u>118,610</u>	<u>(94,480)</u>
<b>Payments for special education programs</b>			
<b>Payments for CTE programs</b>			
Other objects	<u>22,407</u>	<u>20,188</u>	<u>2,219</u>
Total	<u>22,407</u>	<u>20,188</u>	<u>2,219</u>
<b>Payments for special education programs - tuition</b>			
Other objects	<u>1,003,000</u>	<u>1,102,160</u>	<u>(99,160)</u>
Total	<u>1,003,000</u>	<u>1,102,160</u>	<u>(99,160)</u>
Total payments to other districts and governmental units	<u>1,049,537</u>	<u>1,240,958</u>	<u>(191,421)</u>
Total expenditures	<u>73,423,031</u>	<u>73,382,014</u>	<u>41,017</u>
Excess (deficiency) of revenues over expenditures	<u>(338,293)</u>	<u>138,365</u>	<u>476,658</u>
<b>Other financing sources (uses)</b>			
Transfer to debt service fund to pay principal on capital leases	(101,124)	(101,124)	-
Transfer to debt service fund to pay interest on capital leases	<u>(14,333)</u>	<u>(14,332)</u>	<u>1</u>
Total other financing sources (uses)	<u>(115,457)</u>	<u>(115,456)</u>	<u>1</u>
Net change in fund balance	<u>\$ (453,750)</u>	<u>22,909</u>	<u>\$ 476,659</u>
Fund balance, beginning of year		<u>38,164,203</u>	
Fund balance, end of year		<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, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
Investment income	<u>\$ 12,000</u>	<u>\$ 13,530</u>	<u>\$ 1,530</u>
Total local sources	<u>12,000</u>	<u>13,530</u>	<u>1,530</u>
Total revenues	<u>12,000</u>	<u>13,530</u>	<u>1,530</u>
<b>Expenditures</b>			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 12,000</u>	13,530	<u>\$ 1,530</u>
Fund balance, beginning of year		<u>7,832,263</u>	
Fund balance, end of year		<u>\$ 7,845,793</u>	

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201****OPERATING COST AND TUITION CHARGE  
FOR THE YEAR ENDED JUNE 30, 2014**

	2014	2013
<b>Operating Cost Per Pupil</b>		
Average Daily Attendance (ADA):	<u>6,927</u>	<u>7,106</u>
Operating Costs:		
Educational	\$ 73,382,014	\$ 65,347,196
Operations and maintenance	15,201,463	13,458,008
Debt service	9,360,466	9,360,457
Transportation	3,249,903	3,384,915
Municipal retirement/social security	3,161,281	3,097,204
Tort	-	-
Subtotal	<u>104,355,127</u>	<u>94,647,780</u>
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	3,380,705	3,264,625
Pre-K programs	-	-
Adult education	254,104	143,561
Summer school	227,939	297,663
Capital outlay	8,393,106	3,066,932
Non-capitalized equipment	28,215	26,404
Debt principal retired	9,334,527	5,518,979
Community services	289,783	101,058
Payments to other districts & governmental units	<u>1,240,958</u>	<u>944,923</u>
Subtotal	<u>23,149,337</u>	<u>13,364,145</u>
Operating costs	<u>\$ 81,205,790</u>	<u>\$ 81,283,635</u>
Operating Cost Per Pupil - Based on ADA	<u>\$ 11,723</u>	<u>\$ 11,439</u>
<b>Tuition Charge</b>		
Operating Costs	\$ 81,205,790	\$ 81,283,635
Less - revenues from specific programs, such as special education or lunch programs	<u>18,379,761</u>	<u>17,676,779</u>
Net operating costs	62,826,029	63,606,856
Depreciation allowance	<u>4,208,032</u>	<u>2,497,508</u>
Allowable Tuition Costs	<u>\$ 67,034,061</u>	<u>\$ 66,104,364</u>
Tuition Charge Per Pupil - based on ADA	<u>\$ 9,677</u>	<u>\$ 9,303</u>

## OTHER INFORMATION

**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, 2014

	BALANCE JULY 1, 2013	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2014
<b>Assets</b>				
Cash and Investments	\$ 866,778	\$ 873,433	\$ 885,907	\$ 854,304
Total assets	<u>\$ 866,778</u>	<u>\$ 873,433</u>	<u>\$ 885,907</u>	<u>\$ 854,304</u>
<b>Liabilities</b>				
<b>Due to activity fund organizations:</b>				
District Office	422,230	268,331	286,861	403,700
Morton East	224,434	281,499	304,282	201,651
Morton West	20,083	292,998	269,282	43,799
Freshmen Center	<u>200,031</u>	<u>30,605</u>	<u>25,482</u>	<u>205,154</u>
			-	
Total liabilities	<u>866,778</u>	<u>873,433</u>	<u>885,907</u>	<u>854,304</u>
Total Activity Accounts	<u>\$ 866,778</u>	<u>\$ 873,433</u>	<u>\$ 885,907</u>	<u>\$ 854,304</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**

76 - 83

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**

84 - 89

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

#### **Debt Capacity**

90 - 94

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**

95 - 98

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

#### **Operating Information**

99 - 103

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**

	2014	2013	2012	2011	2010
<b>Governmental activities</b>					
Net investment in capital assets	\$ 70,893,937	\$ 65,124,681	\$ 64,372,629	\$ 58,640,092	\$ 57,368,295
Restricted	9,843,189	9,672,732	9,253,577	8,676,643	13,179,338
Unrestricted	<u>(35,816,718)</u>	<u>(40,895,871)</u>	<u>(26,908,952)</u>	<u>(30,222,985)</u>	<u>(49,263,655)</u>
Total governmental activities net position	<u>\$ 44,920,408</u>	<u>\$ 33,901,542</u>	<u>\$ 46,717,254</u>	<u>\$ 37,093,750</u>	<u>\$ 21,283,978</u>

NOTE: Years prior to 2013 are as originally reported and have not been restated for items noted in Note 13 to the 6/30/14 financial statements.

Source of Information: District Records

2009	2008	2007	2006	2005
\$ 44,743,143	\$ 65,057,434	\$ 62,616,806	\$ 64,839,840	\$ 65,303,198
12,870,395	13,068,474	13,197,422	12,764,477	11,765,611
<u>(29,989,602)</u>	<u>(28,777,734)</u>	<u>(28,751,490)</u>	<u>(29,980,544)</u>	<u>(27,840,368)</u>
<u>\$ 27,623,936</u>	<u>\$ 49,348,174</u>	<u>\$ 47,062,738</u>	<u>\$ 47,623,773</u>	<u>\$ 49,228,441</u>

# J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010
<b>Expenses</b>					
Instruction:					
Regular programs	\$ 32,209,779	\$ 40,056,603	\$ 43,950,117	\$ 43,543,304	\$ 45,839,828
Special programs	12,877,911	11,469,318	10,248,130	15,992,179	13,871,762
Other instructional programs	4,758,764	4,910,920	5,852,209	936,964	3,918,525
State retirement contributions	13,505,305	-	-	-	-
Support services:					
Pupils	7,497,424	7,425,862	5,971,774	5,948,820	5,926,067
Instructional staff	4,114,956	4,101,633	4,221,857	2,516,264	2,634,026
General administration	1,756,258	1,703,753	1,700,663	1,752,128	1,371,944
School administration	2,219,376	2,234,213	2,002,459	1,951,217	2,224,374
Business	5,507,285	4,739,495	5,630,427	6,166,698	5,376,908
Transportation	3,159,852	3,477,394	3,595,525	3,361,030	2,920,439
Operations and maintenance	12,060,837	13,172,461	12,212,693	10,933,498	10,188,107
Central	1,910,659	1,284,400	104,893	1,029,143	1,130,022
Other supporting services	1,334,603	1,455,462	1,911,751	1,081,710	1,223,183
Community services	289,783	-	-	-	-
Payments to other districts and gov't units - excluding special education	138,798				
Interest and fees	4,653,702	4,868,499	4,908,317	725,445	5,655,441
Unallocated depreciation	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 107,995,292</b>	<b>\$ 100,900,013</b>	<b>\$ 102,310,815</b>	<b>\$ 95,938,400</b>	<b>\$ 102,280,626</b>
<b>Program Revenues</b>					
Charges for services					
Instruction:					
Regular programs	\$ 1,222,024	\$ 2,459,155	\$ 1,061,660	\$ 1,221,347	\$ 981,055
Other instructional programs	378,624	-	-	-	-
Support services:					
Business	840,106	896,441	1,008,450	1,944,223	2,113,122
Operations and maintenance	81,952	76,498	64,374	63,300	37,050
Other		-	1,419,548	735,430	-
Operating grants and contributions	30,114,127	25,383,170	24,643,116	27,713,879	21,621,187
Capital grants and contributions	148,000	2,041,567	2,960,697	-	-
<b>Total program revenues</b>	<b>\$ 32,784,833</b>	<b>\$ 30,856,831</b>	<b>\$ 31,157,845</b>	<b>\$ 31,678,179</b>	<b>\$ 24,752,414</b>
<b>Net (expense)/revenue</b>	<b>\$ (75,210,459)</b>	<b>\$ (70,043,182)</b>	<b>\$ (71,152,970)</b>	<b>\$ (64,260,221)</b>	<b>\$ (77,528,212)</b>
<b>General revenues</b>					
Taxes:					
Real estate taxes, levied for general purposes	\$ 23,919,446	\$ 28,585,409	\$ 29,083,104	\$ 26,387,338	\$ 27,408,897
Real estate taxes, levied for specific purposes	10,565,125	4,385,031	3,791,022	4,351,000	3,580,715
Real estate taxes, levied for debt service	9,360,364	8,993,119	9,460,799	9,254,374	9,477,658
Personal property replacement taxes	6,065,527	-	-	-	-
State aid-formula grants	36,195,725	34,010,276	32,280,783	32,448,996	24,072,708
Federal Medicaid reimbursement	-	345,307	496,703	497,182	415,224
Investment earnings	117,484	106,142	116,083	177,282	356,031
Miscellaneous	5,654	6,316,300	5,547,980	6,953,821	5,877,021
<b>Total general revenues</b>	<b>\$ 86,229,325</b>	<b>\$ 82,741,584</b>	<b>\$ 80,776,474</b>	<b>\$ 80,069,993</b>	<b>\$ 71,188,254</b>
<b>Change in net position</b>	<b>\$ 11,018,866</b>	<b>\$ 12,698,402</b>	<b>\$ 9,623,504</b>	<b>\$ 15,809,772</b>	<b>\$ (6,339,958)</b>

NOTE: Years prior to 2013 are as originally reported and have not been restated for items noted in NOTE 13 to the 6/30/14 financial statements.

Source of Information: District Records

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



2009	2008	2007	2006	2005
\$ 35,506,727	\$ 32,840,735	\$ 31,178,139	\$ 28,978,628	\$ 29,777,365
13,646,452	13,476,188	12,384,801	11,451,755	11,064,419
4,590,376	4,004,796	3,981,500	3,897,404	4,306,327
-	-	-	-	-
6,313,227	5,942,736	6,275,113	5,852,352	5,816,802
2,315,546	1,524,689	1,350,753	1,812,461	1,806,025
2,097,396	2,233,817	1,782,995	1,757,424	1,582,060
2,859,073	2,729,998	2,806,161	2,658,322	2,383,192
5,722,374	5,584,450	5,302,283	5,259,743	5,081,893
2,496,884	2,622,414	2,240,105	2,049,852	2,067,965
11,571,176	11,604,753	11,521,862	11,214,591	10,412,372
1,341,619	1,286,712	1,438,314	1,268,620	1,427,533
991,534	614,345	634,446	1,081,480	742,338
-	-	-	-	-
5,779,209	5,812,788	5,811,342	5,168,366	3,774,565
-	-	-	-	-
<u>\$ 95,231,593</u>	<u>\$ 90,278,421</u>	<u>\$ 86,707,814</u>	<u>\$ 82,450,998</u>	<u>\$ 80,242,856</u>
\$ 1,111,589	\$ 1,008,116	\$ 1,150,810	\$ 1,076,755	\$ 949,259
-	-	-	-	-
2,304,348	2,471,798	2,422,234	2,318,747	2,291,870
44,265	28,174	32,695	21,420	8,363
-	-	-	-	-
18,646,339	16,713,537	12,112,869	11,268,988	13,093,149
-	1,531,066	1,252,690	598,324	2,092,001
<u>\$ 22,106,541</u>	<u>\$ 21,752,691</u>	<u>\$ 16,971,298</u>	<u>\$ 15,284,234</u>	<u>\$ 18,434,642</u>
<u>\$ (73,125,052)</u>	<u>\$ (68,525,730)</u>	<u>\$ (69,736,516)</u>	<u>\$ (67,166,764)</u>	<u>\$ (61,808,214)</u>
\$ 27,447,900	\$ 25,562,776	\$ 25,320,437	\$ 25,303,564	\$ 24,309,212
3,119,627	3,418,626	3,274,119	2,962,532	2,261,500
9,131,114	9,286,805	9,403,735	9,698,903	9,514,418
-	-	-	-	-
26,952,448	22,919,697	21,840,725	19,656,739	16,955,608
329,722	320,483	305,521	264,976	130,438
609,878	1,820,321	2,238,059	1,690,119	537,553
6,384,633	7,482,458	6,792,885	5,985,263	5,124,149
<u>\$ 73,975,322</u>	<u>\$ 70,811,166</u>	<u>\$ 69,175,481</u>	<u>\$ 65,562,096</u>	<u>\$ 58,832,878</u>
<u>\$ 850,270</u>	<u>\$ 2,285,436</u>	<u>\$ (561,035)</u>	<u>\$ (1,604,668)</u>	<u>\$ (2,975,336)</u>

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

	2014	2013	2012	2011	2010
<b>General Fund</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 227,388
Unreserved	-	-	-	-	22,793,351
Nonspendable	535,383	115,232	199,367	201,967	-
Restricted	-	-	-	-	-
Unassigned	<u>45,497,522</u>	<u>46,042,817</u>	<u>40,042,639</u>	<u>38,003,609</u>	<u>-</u>
Total general fund	<u>\$ 46,032,905</u>	<u>\$ 46,158,049</u>	<u>\$ 40,242,006</u>	<u>\$ 38,205,576</u>	<u>\$ 23,020,739</u>
<b>All other governmental funds</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 2,327,634
Unreserved, reported in:					
Debt service fund	-	-	-	-	5,897,682
Special revenue funds	-	-	-	-	7,591,915
Capital projects fund	-	-	-	-	-
Restricted, reported in:					
Special revenue funds	1,044,629	1,045,977	860,385	507,042	-
Debt service fund	6,137,302	5,971,527	5,978,397	5,985,256	-
Capital projects fund	2,661,258	2,655,228	2,414,795	2,184,345	-
Assigned, reported in:					
Special revenue funds	920,028	-	-	-	-
Unassigned, reported in:					
Special revenue funds	-	(188,385)	(646,621)	(359,250)	-
Capital projects fund	<u>-</u>	<u>-</u>	<u>(1,861,635)</u>	<u>(25,266)</u>	<u>-</u>
Total all other governmental funds	<u>\$ 10,763,217</u>	<u>\$ 9,484,347</u>	<u>\$ 6,745,321</u>	<u>\$ 8,292,127</u>	<u>\$ 15,817,231</u>

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

Source of information: Fiscal years 2005 - 2014 Annual Financial Statements

2009	2008	2007	2006	2005
\$ 194,629	\$ 1,794,287	\$ 9,036,103	\$ 21,714,848	\$ 89,255
25,533,411	26,526,056	22,871,722	17,191,643	322,224
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 25,728,040</u>	<u>\$ 28,320,343</u>	<u>\$ 31,907,825</u>	<u>\$ 38,906,491</u>	<u>\$ 411,479</u>
\$ 7,501,216	\$ 7,567,144	\$ 7,718,461	\$ 7,284,978	\$ 6,321,271
5,197,113	5,297,302	5,548,466	5,187,377	4,311,255
2,721,807	2,319,128	3,157,716	3,332,691	10,660,076
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 15,420,136</u>	<u>\$ 15,183,574</u>	<u>\$ 16,424,643</u>	<u>\$ 15,805,046</u>	<u>\$ 21,292,602</u>

# J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2014	2013	2012	2011
<b>Revenues</b>				
Local Sources				
Taxes	\$ 49,910,462	\$ 42,938,858	\$ 42,239,027	\$ 40,164,833
Earnings on investments	117,484	106,142	116,083	177,282
Other local sources	<u>2,528,360</u>	<u>8,807,399</u>	<u>9,102,012</u>	<u>10,343,390</u>
Total local sources	<u>52,556,306</u>	<u>51,852,399</u>	<u>51,457,122</u>	<u>50,685,505</u>
State sources	56,901,240	54,068,462	51,693,831	49,785,958
Federal sources	<u>9,556,612</u>	<u>7,677,554</u>	<u>8,687,468</u>	<u>11,448,830</u>
Total Revenues	<u>\$ 119,014,158</u>	<u>\$ 113,598,415</u>	<u>\$ 111,838,421</u>	<u>\$ 111,920,293</u>
<b>Expenditures</b>				
Current:				
Instruction	\$ 59,960,159	\$ 52,598,186	\$ 58,223,679	\$ 57,149,042
Supporting services	38,615,960	41,938,722	42,760,354	36,443,226
Community services	289,783	101,058	120,961	117,012
Nonprogrammed charges	1,240,958	944,923	1,234,816	911,698
Debt service				
Principal	9,334,527	5,518,979	4,591,987	4,273,133
Interest and other	25,939	3,841,478	4,653,013	4,971,867
Capital outlay	<u>8,393,106</u>	<u>-</u>	<u>289,632</u>	<u>394,582</u>
Total expenditures	<u>117,860,432</u>	<u>104,943,346</u>	<u>111,874,442</u>	<u>104,260,560</u>
Excess (deficiency) of revenue over expenditures	1,153,726	8,655,069	(36,021)	7,659,733
Other Financing Sources (Uses)				
Proceeds from borrowing	-	-	-	-
Payments to escrow agent	-	-	-	-
Principal on capital lease proceeds	-	-	525,645	-
Transfers in	165,456	165,457	-	50,000
Transfers out	(165,456)	(165,457)	-	(50,000)
Sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>525,645</u>	<u>-</u>
Net change in fund balances	<u>1,153,726</u>	<u>8,655,069</u>	<u>489,624</u>	<u>7,659,733</u>
Debt service as a percentage of noncapital expenditures	8.55%	8.92%	8.29%	8.90%

Source of information: Fiscal years 2005 - 2014 Annual Financial Statements

2010	2009	2008	2007	2006	2005
\$ 42,223,133	\$ 38,855,607	\$ 37,659,115	\$ 36,960,952	\$ 37,698,979	\$ 35,801,282
356,031	609,878	1,820,321	2,238,059	1,690,119	537,553
<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>8,373,641</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>	<u>44,712,476</u>
37,876,068	33,609,937	34,301,165	31,297,773	26,675,664	27,562,922
<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>4,708,274</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>	<u>\$ 76,983,672</u>
\$ 61,564,405	\$ 51,133,318	\$ 47,026,928	\$ 44,243,329	\$ 41,072,233	\$ 42,352,174
32,983,632	35,098,833	33,203,340	32,437,013	32,047,089	30,498,387
108,162	83,227	80,780	78,769	83,300	81,804
938,467	548,243	572,105	652,990	644,766	452,638
4,661,696	5,281,648	6,496,502	7,422,885	8,464,514	8,451,010
4,583,304	3,963,352	2,698,498	1,772,115	589,971	804,570
<u>-</u>	<u>1,177,716</u>	<u>2,017,163</u>	<u>4,881,408</u>	<u>1,983,748</u>	<u>4,134,467</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>	<u>86,775,050</u>
(2,310,206)	(2,754,508)	(2,158,551)	(6,379,069)	(4,305,311)	(9,791,378)
-	398,767	-	-	41,492,685	6,621,857
-	-	-	-	(4,179,918)	(2,401,970)
-	-	-	-	-	-
50,000	-	500,000	-	14,214,030	9,398,926
(50,000)	-	(500,000)	-	(14,214,030)	(9,398,926)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>398,767</u>	<u>-</u>	<u>-</u>	<u>37,312,767</u>	<u>4,219,887</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>	<u>(5,571,491)</u>
8.82%	9.62%	10.21%	10.62%	10.92%	11.20%

**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
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
2004		1,628,408,754	31,151,347	1.95%		4,885,226,262

Tax Levy Year		Real Estate	Railroad	Air Pollution		Total EAV
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
2004		n/a	n/a	n/a		n/a

**Source:** Cook County Levy, Rate, and Extension Reports for the years 2004 to 2013.

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

	2013	2012	2011	2010	2009
<b>OVERLAPPING GOVERNMENT:</b>					
County of Cook	0.560	0.531	0.462	0.423	0.394
Forest Preserve District	0.069	0.063	0.058	0.051	0.049
Suburban TB Sanitarium	-	-	-	-	-
Consolidated Elections	0.031	-	0.025	-	0.021
Town of Berwyn	0.053	0.048	0.042	0.032	0.032
General Assistance - Berwyn	0.046	0.042	0.037	0.028	0.026
Metropolitan Water Reclamation District	0.417	0.370	0.320	0.274	0.261
Community College #527	0.613	0.556	0.504	0.392	0.393
City of Berwyn	3.990	3.369	2.984	2.310	2.278
City of Berwyn Library Fund	0.476	0.448	0.396	0.319	0.281
Public Health - Berwyn	0.095	0.089	0.078	0.060	0.061
Mental Health - Berwyn	0.076	0.070	0.063	0.048	0.046
School District #98	3.639	3.346	3.582	2.836	2.814
North Berwyn Park District	0.455	0.355	0.371	0.288	0.286
Total overlapping rate (note)	10.5200	9.2870	8.9220	7.0610	6.9420
<b>DIRECT DEBT:</b>					
Morton S.D. #201	2.954	2.732	2.454	1.858	1.848
Representative Tax Rate	13.474	12.019	11.376	8.919	8.790
<b>OTHER:</b>					
Berwyn Park District	0.396	0.374	0.316	0.307	0.307
School District #100	3.919	3.645	3.197	2.499	2.492
Town of Cicero	5.183	4.522	4.566	3.388	3.344
General Assistance - Cicero	0.062	0.068	0.051	0.037	0.036
Clyde Park District	0.545	0.505	0.458	0.333	0.308
Cicero Library Fund	0.322	0.289	0.231	0.166	0.161
Mental Health - Cicero	0.096	0.100	0.077	0.063	0.062
School District #99	4.670	4.302	3.874	2.799	2.786
Town of Lyons	0.068	0.063	0.059	0.048	0.047
Road and Bridges - Lyons	0.048	0.044	0.041	0.033	0.033
General Assistance - Lyons	0.003	0.003	0.003	0.002	0.002
Des Plaines Valley Mosquito	0.016	0.015	0.014	0.011	0.011
Mental Health - Lyons	0.112	0.103	0.095	0.078	0.076
School District #103	5.293	4.856	4.367	3.377	3.287
Village of Lyons	2.204	2.039	1.832	1.382	1.634
Village of Lyons Library	0.402	0.373	0.334	0.252	0.243
Town of Stickney	0.277	0.250	0.231	0.195	0.181
Road and Bridge - Stickney Twp.	0.074	0.067	0.059	0.048	0.045
General Assistance - Stickney	0.023	0.020	0.017	0.014	0.015
Stickney - Forest View Library	0.441	0.499	0.450	0.348	0.338
Public Health - Stickney	0.262	0.240	0.180	0.180	0.180
Village of Stickney	3.326	3.052	2.768	2.128	2.118

\*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.

2008	2007	2006	2005	2004	2003
0.415	0.446	0.500	0.533	0.593	0.630
0.051	0.053	0.057	0.060	0.060	0.059
-	-	0.005	0.005	0.001	0.004
-	0.012	-	0.014	-	0.029
0.031	0.032	0.031	0.029	0.033	0.033
0.025	0.026	0.025	0.023	0.027	0.027
0.252	0.263	0.284	0.315	0.347	0.361
0.389	0.411	0.417	0.397	0.471	0.471
1.937	2.135	2.040	2.053	2.691	2.742
0.280	0.308	0.176	0.168	0.208	0.213
0.059	0.061	0.060	0.057	0.066	0.068
0.046	0.048	0.051	0.049	0.061	0.063
2.949	3.371	3.248	3.251	4.012	4.040
0.286	0.301	0.300	0.280	0.357	0.343
6.7200	7.4670	7.1940	7.2340	8.9270	9.0830
1.835	1.960	2.001	1.925	2.299	2.306
8.555	9.427	9.195	9.159	11.226	11.389
0.300	0.320	0.321	0.274	0.324	0.311
2.443	2.568	2.615	2.545	2.970	2.974
3.243	3.613	3.754	3.610	4.366	4.294
0.030	0.023	0.024	0.024	0.027	0.026
0.289	0.363	0.368	0.349	0.417	0.392
0.156	0.168	0.174	0.171	0.200	0.192
0.060	0.065	0.068	0.067	0.078	0.075
2.704	2.893	2.655	2.760	3.371	3.354
0.046	0.033	0.033	0.031	0.036	0.035
0.032	0.034	0.034	0.032	0.037	0.037
0.002	0.003	0.003	0.002	0.002	0.002
0.012	0.012	0.012	0.011	0.012	0.012
0.074	0.081	0.081	0.077	0.090	0.088
3.263	3.444	3.521	3.419	3.922	3.901
1.419	1.410	1.431	1.395	1.916	1.348
0.298	0.254	1.557	0.214	0.242	0.239
0.180	0.191	0.194	0.179	0.201	0.201
0.043	0.045	0.045	0.041	0.046	0.046
0.009	0.010	0.010	0.009	0.010	0.011
0.327	0.350	0.360	0.333	0.392	0.286
0.164	0.195	0.198	0.183	0.207	0.205
1.894	1.961	1.970	1.749	2.052	1.838



# J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

## PRINCIPAL PROPERTY TAXPAYERS IN THE DISTRICT

CURRENT YEAR AND NINE YEARS AGO

TAXPAYER	2013 EQUALIZED ASSESSED VALUATION *	Rank	PERCENTAGE OF TOTAL 2013 EQUALIZED ASSESSED VALUATION (1)
McNeal Hospital Finance	\$ 16,663,742	1	1.08%
Hawthorne Works Ste 316	12,086,048	2	0.79%
ONC Cicero LLC	9,874,996	3	0.64%
Cicero Market Place and DDC of Cicero	8,152,889	4	0.53%
Concordia M. Flight	7,872,423	5	0.51%
Thomas Carey Heirs	7,618,379	6	0.50%
Heartland Bank	7,350,654	7	0.48%
United State Cold Stg	6,827,727	8	0.44%
DiMucci Co. Development	5,836,979	9	0.38%
Target Corporation 732	5,630,576	10	0.37%
	<u>\$ 87,914,415</u>		<u>5.72%</u>

(1) 2013 total equalized assessed valuation is \$1,538,198,334.

TAXPAYER	2004 EQUALIZED ASSESSED VALUATION	Rank	PERCENTAGE OF TOTAL 2004 EQUALIZED ASSESSED VALUATION
McNeal Hospital Finance	\$ 26,172,306	1	1.61%
Thomas Carey Heirs	13,291,601	2	0.82%
CMBRDG Realty Capital Funding, LTD.	12,560,638	3	0.77%
Hawthorne Partners	12,529,055	3	0.77%
Cermak Plaza Association	10,530,033	4	0.65%
Property Tax Dept 201	9,574,562	5	0.59%
Commonwealth Edison	9,519,736	6	0.58%
Cicero Marketplace	8,939,387	7	0.55%
VHS of Illinois	8,310,427	8	0.51%
Target Corporation 732	7,714,425	9	0.47%
	<u>\$ 119,142,170</u>		<u>7.32%</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

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

Source of Information: Cook County Levy, Rate and Extension Reports for 2004 - 2013.

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	GENERAL OBLIGATION BONDS	CAPITAL LEASES & LOANS	TOTAL
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
2005	62,258,136	-	62,258,136

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
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, 2014

GOVERNMENTAL JURISDICTION	DEBT OUTSTANDING	OVERLAPPING PERCENT	NET DIRECT AND OVERLAPPING DEBT
<b>Overlapping debt:</b>			
Cook County	\$3,572,060,000	1.21%	\$ 43,043,323
Cook County Forest Preserve	124,455,000 (3)	1.21%	1,499,683
Metropolitan Water Reclamation District	2,458,515,565 (1)	1.23%	30,215,156
City of Berwyn	133,983,157 (2)	100.00%	133,983,157
Town of Cicero	83,600,000 (4)	100.00%	83,600,000
Village of Forest View	1,760,000	45.14%	794,429
Village of Lyons	5,760,000 (3)(5)	95.58%	5,505,581
Village of McCook	26,878,000	26.93%	7,236,902
Village of Stickney	10,710,000	100.00%	10,710,000
Berwyn Park District	1,795,000	100.00%	1,795,000
Central Stickney Park District	540,000	1.70%	9,191
Clyde Park District	1,910,000 (3)	100.00%	1,910,000
Hawthorne Park District	164,825 (3)	100.00%	164,825
McCook Park District	550,000	27.12%	149,149
North Berwyn Park District	799,050	100.00%	799,050
McCook Public Library District	- (3)	27.12%	-
School District #99	46,150,000	100.00%	46,150,000
School District #100	33,960,000	100.00%	33,960,000
School District #103	8,741,937 (2)	71.14%	6,218,664
School District #104	30,440,000	3.04%	924,767
Morton Community College District No. 527	4,745,000 (3)	100.00%	<u>4,745,000</u>
Total overlapping debt			<u>413,413,876</u>
<b>Direct debt:</b>			
J. Sterling Morton High School District # 201	71,320,617 (2)	100.00%	<u>71,320,617</u>
Total Direct and Overlapping Debt			<u>\$ 484,734,493</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**

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**Legal Debt Margin Calculation for Fiscal Year 2014**

Assessed Valuation	<u>\$ 1,538,198,334</u>
Debt Limit - 6.9% of Assessed Valuation	\$ 106,135,685
Total Debt Outstanding	37,471,441
Less: Exempted Debt	<u>-</u>
Net Subject to 6.9% Limit	<u>37,471,441</u>
Total Debt Margin	<u>\$ 68,664,244</u>

	2014	2013	2012	2011
Debt Limit	\$ 106,135,685	\$ 113,221,863	\$ 123,075,585	\$ 159,072,523
Total Net Debt Applicable to Limit	<u>37,471,441</u>	<u>36,041,651</u>	<u>41,419,970</u>	<u>45,971,016</u>
Legal Debt Margin	<u>\$ 68,664,244</u>	<u>\$ 77,180,212</u>	<u>\$ 81,655,615</u>	<u>\$ 113,101,507</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	35%	32%	34%	29%

Source of Information: 2005 - 2014 Annual Financial Statements

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2010	2009	2008	2007	2006	2005
\$ 156,489,518	\$ 157,255,828	\$ 142,354,988	\$ 136,315,818	\$ 137,816,152	\$ 112,360,204
<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>57,946,881</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>	<u>\$ 54,413,323</u>
32%	35%	43%	49%	54%	52%



**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)
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	2014		
		DATA SOURCE	RANK	PERCENTAGE OF TOTAL EMPLOYMENT**
MacNeal Hospital	2,200	(2)	1	3.453%
Wirtz Beverage Illinois, LLC	1,000	(1)	2	1.570%
LBP Manufacturing, Inc.	500	(1)	3	0.785%
USF Holland, Inc.	500	(2)	3	0.785%
Morton East & West High Schools	401	(5)	4	0.629%
Terrace Paper Co., Inc.	400	(1)	5	0.628%
Meade Electric Co.	400	(2)	5	0.628%
A&R Janitorial Services, Inc.	350	(2)	6	0.549%
Campagna-Turano Bakery	300	(1)	7	0.471%
Capital Wholesale Meats Inc.	270	(1)	8	0.424%
Brad Foote Gear Works, Inc.	270	(1)	8	0.424%
Groot Industries, Inc.	250	(2)	9	0.392%
Morton College	250	(1)	10	0.392%
Saporito Finishing Co.	250	(1)	10	0.392%
Tru Vue, Inc.	250	(1)	10	0.392%
World Marketing - Chicago	250	(2)	10	0.392%
	<u>7,841</u>			<u>12.308%</u>

\* Includes Full and Part-time and/or Seasonal

\*\* The estimated number of persons employed in the District in 2013 per Illinois Department of Employment Security is 63,705.

EMPLOYER	EMPLOYEES	2005		
		DATA SOURCE	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
MacNeal Hospital	2,500	(6)	1	N/A^
USF Holland, Inc.	360	(6)	2	N/A^
Turano Baking Co.	360	(6)	3	N/A^
Chicago Casting	286	(6)	3	N/A^
Innerpak, Inc	230	(6)	4	N/A^
Sportsman's Park/Chicago Motor Speedway	225	(6)	5	N/A^
Tru Vue, Inc.	200	(6)	5	N/A^
UOP, LLC	200	(6)	6	N/A^
Corey Steel Co.	185	(6)	7	N/A^
Waste Management - Metro	155	(6)	8	N/A^
Chicago Extruded Metals Co.	132	(6)	8	N/A^
Sommer & Maca Industries, Inc	120	(6)	9	N/A^
	<u>4,953</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, 2005 CAFR

# J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

## NUMBER OF EMPLOYEES BY TYPE

LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010
<b>Instructional services:</b>					
<b>Regular programs</b>					
Teachers	304.3	299.0	300.0	334.0	369.0
Clerical	-	-	-	-	-
<b>Special programs</b>					
Administrators	3.0	3.0	3.0	3.0	3.0
Teachers	52.5	55.0	57.0	58.0	68.0
Teaching assistants/clerical	62.0	68.0	70.0	70.0	63.0
<b>Other programs</b>					
Administrators	1.0	1.0	1.0	1.0	-
Teachers	9.0	9.0	9.0	9.0	68.0
Teaching assistants/clerical	12.0	7.0	6.0	6.0	26.0
<b>Support services:</b>					
<b>Pupil support services</b>					
Dean of students/administrators	11.0	9.0	9.0	9.0	9.0
Guidance counselors	27.0	27.0	24.0	26.0	28.0
Psychologists	5.0	5.0	4.0	4.0	4.0
Speech pathologists	3.0	3.0	3.0	3.0	3.0
Clerical	43.0	41.0	34.0	34.0	34.0
<b>Instructional staff services</b>					
Administrators	6.0	6.0	5.0	5.0	5.0
Testing facilitator	-	-	-	-	-
Teachers	-	-	-	-	-
Librarians	3.0	3.0	3.0	3.0	5.0
Clerical/aides	-	-	9.0	9.0	13.0
<b>General administration services</b>					
Treasurer	1.0	1.0	1.0	1.0	1.0
Superintendent/asst. superintendents	2.0	2.0	2.0	2.0	3.0
Special area administration	3.0	3.0	1.0	1.0	7.0
Clerical	8.0	9.0	9.0	9.0	9.0
<b>School administration services</b>					
Principals and assistant principals	11.0	11.0	11.0	11.0	12.0
Clerical	9.0	10.0	13.0	13.0	17.0
<b>Business services</b>					
Direction of business services	1.0	1.0	1.0	1.0	1.0
Fiscal services	14.0	14.0	18.0	18.0	18.0
Food service	20.0	21.0	20.0	25.0	25.0
<b>Operations and maintenance of facilities</b>					
Director/clerical	2.0	2.0	2.0	2.0	2.0
Engineers/custodial/maintenance	63.0	71.0	71.0	71.0	71.0
Security	57.5	54.0	51.0	47.0	47.0
<b>Transportation services</b>					
Bus drivers	2.0	2.0	2.0	2.0	2.0
<b>Central services</b>					
Information services	-	-	-	-	-
Data processing services	10.0	9.0	10.0	10.0	10.0
<b>Total employees</b>	<b>753.3</b>	<b>754.0</b>	<b>758.0</b>	<b>796.0</b>	<b>932.0</b>

Source: District records - full time equivalents.

2009	2008	2007	2006	2005
324.2	317.8	322.4	318.4	314.8
-	-	-	-	2.5
-	-	-	-	1.0
59.0	61.2	58.2	57.0	55.0
63.0	57.0	51.0	46.0	44.0
-	-	-	-	-
53.2	60.4	64.4	64.6	65.4
26.0	27.0	23.0	29.0	29.0
9.0	9.0	9.0	9.0	9.0
27.0	25.0	26.0	25.0	25.0
3.0	3.6	4.0	4.0	4.0
3.0	3.0	3.0	2.0	2.0
33.5	31.5	35.5	34.5	33.0
7.8	-	-	1.0	1.0
-	-	-	-	1.0
-	-	-	-	-
5.0	5.0	5.6	5.6	5.6
13.0	13.0	12.0	11.0	9.0
1.2	0.2	-	-	-
1.0	1.0	1.0	1.0	1.5
6.3	5.0	5.0	5.0	4.0
9.0	9.0	9.0	9.0	6.0
17.0	17.0	17.0	17.0	16.0
17.5	16.5	15.5	18.0	17.0
1.8	1.8	2.0	2.0	2.0
18.0	18.0	18.0	18.0	17.0
25.0	25.0	23.0	23.0	24.0
2.0	2.0	2.0	2.0	2.0
70.0	70.0	71.0	70.0	69.0
47.0	39.0	37.0	42.0	40.0
2.0	2.0	2.0	2.0	2.0
1.0	2.0	1.0	1.0	2.5
12.0	11.0	9.0	12.0	13.0
866.5	841.0	834.6	837.1	825.3

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

LAST TEN FISCAL YEARS

	2014	2013	2012	2011
Instruction				
Enrollment				
Regular Education	7,452	7,347	7,309	7,730
Special Education	850	843	1,035	823
Total Enrollment	8,302	8,190	8,344	8,553
Percentage of limited English proficient	9.9%	10.0%	10.0%	6.3%
Pupil support services				
Percentage of students with disabilities	10.2%	10.3%	12.4%	9.7%
School Administration				
Student attendance rate	90.8%	89.0%	86.9%	86.9%
Fiscal Services				
Purchase orders processed	2,974	4,211	3,931	4,099
W-2's issued	1,129	1,138	1,200	1,200
Maintenance				
District square footage maintained by custodians and maintenance staff	1,354,175	1,354,175	1,354,175	1,345,425
District acreage maintained by grounds staff	69	69	69	69

Source of information: District records

2010	2009	2008	2007	2006	2005
7,414	7,392	7,145	7,122	7,340	6,922
992	1,018	963	964	932	862
8,406	8,410	8,108	8,086	8,272	7,784
5.6%	5.4%	3.6%	5.3%	5.8%	7.7%
11.8%	12.1%	11.9%	11.9%	11.3%	11.1%
84.8%	90.5%	89.7%	86.3%	90.2%	91.1%
4,600	4,700	4,500	4,000	4,200	4,600
1,214	1,226	1,232	1,233	1,225	1,307
1,345,425	1,345,425	1,345,425	1,324,895	1,324,895	1,324,895
69	69	69	66	66	66

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

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	2014	2013	2012	2011	2010
<b>Morton East</b>					
Grounds area (acres)	12.75	12.75	12.75	12.75	12.75
Buildings (square feet)	639,997	639,997	639,997	639,997	639,997
Available capacity (students)	3,300	3,300	3,300	3,300	3,300
Enrollment (students housed)	3,394	3,352	3,220	3,220	3,220
<b>Morton West</b>					
Grounds area (acres)	41.60	41.60	41.60	41.60	41.60
Buildings (square feet)	471,868	471,868	471,868	471,868	471,868
Available capacity (students)	3,000	3,000	3,000	3,000	3,000
Enrollment (students housed)	3,479	3,379	3,892	3,892	3,892
<b>Morton Freshman Center (2004)</b>					
Grounds area (acres)	14.17	14.17	14.17	14.17	14.17
Buildings (square feet)	213,030	213,030	213,030	213,030	213,030
Available capacity (students)	1,500	1,500	1,500	1,500	1,500
Enrollment (students housed)	1,225	1,244	1,337	1,337	1,337
<b>Morton Alternative School (2008)</b>					
Grounds area (acres)	3.06	3.06	3.06	3.06	3.06
Buildings (square feet)	20,530	20,530	20,530	20,530	20,530
Available capacity (students)	126	126	126	126	126
Enrollment (students housed)	85	110	104	104	104
<b>Morton Alternative School (leased)</b>					
Enrollment (students housed)	n/a	n/a	n/a	n/a	n/a

2009	2008	2007	2006	2005
12.75	12.75	12.75	12.75	12.75
639,997	639,997	639,997	639,997	639,997
3,300	3,300	3,300	3,300	3,300
3,539	3,496	3,300	3,362	3,061
41.60	41.60	41.60	41.60	41.60
471,868	471,868	471,868	471,868	471,868
3,000	3,000	3,000	3,000	3,000
3,501	3,184	3,428	3,452	3,369
14.17	14.17	17.23	17.23	17.23
213,030	213,030	213,030	213,030	213,030
1,500	1,500	1,500	1,500	1,500
1,260	1,265	1,223	1,326	1,228
3.06	3.06	n/a	n/a	n/a
20,530	20,530	n/a	n/a	n/a
126	126	n/a	n/a	n/a
76	82	n/a	n/a	n/a
n/a	n/a	61	63	63



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

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FISCAL YEAR ENDED JUNE 30,	EXPENSES (1)	AVERAGE DAILY ATTENDANCE	NET OPERATING EXPENDITURES PER PUPIL	PERCENTAGE CHANGE
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%
2005	58,624,776	6,826.00	8,588	-0.96%

(1) Total operating expenses

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