

**J. STERLING MORTON HIGH  
SCHOOL DISTRICT NO. 201  
Cicero, Illinois**

**Comprehensive Annual Financial Report**

**Fiscal year ended  
June 30, 2012**

**Prepared by the:  
Business Office  
Ms. Cathy L. Johnson  
Chief Financial Officer**



## **INTRODUCTORY SECTION**

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

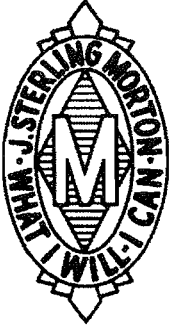
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# **J. STERLINGMORTONHIGH SCHOOLS**

5041 WEST 31<sup>ST</sup> STREET, CICERO, IL60804, (708)780-2800

**December 1, 2012**

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of J. Sterling Morton High School District 201 for the fiscal year ended June 30, 2012. 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 2012 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 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 participates in one jointly governed organization. This organization is the Federation of Districts for Special Education (FDSE).

The School District also belongs to the Collective Liability Insurance Cooperative (CLIC) for property and casualty insurance coverage as well as worker's compensation coverage.

### **ECONOMIC CONDITION AND OUTLOOK**

J. Sterling Morton High School District 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 2012) is 9.8% compared to 11.3% reported last year. This compares to U.S. rates of 8.4% and 9.3% for the same periods, respectively.

### **THE DISTRICT AND ITS FACILITIES**

The School District served approximately 8,268 students during the 2012 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>1,290</b>
<b>Morton East</b>	<b>10-12</b>	<b>3,315</b>
<b>Morton West</b>	<b>9-12</b>	<b>3,464</b>
<b>Alternative School</b>	<b>9-12</b>	<b>78</b>
<b>Off Campus</b>	<b>9-12</b>	<b>121</b>

## MAJOR INITIATIVES

In 2011-2012, the district successfully negotiated contracts with the Teacher and Clerical Union. The agreement with the Teacher and Clerical unions is for three year terms from 2011-2012 through 2013-2014.

The District is currently bargaining with two of its six unions. The agreements with Teacher Aides and Security ended June 30, 2012.

The District successfully implemented a new financial and human resources system in the 2011-2012 year to strengthen internal controls. The new software has also streamlined and automated processes resulting in cost savings to the district.

## 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 Business Manager 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 sixth 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. Nonmajor 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 new 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 2011.

### **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 Notes 7, 8 and 9 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 1d and Note 2 of the Notes to Financial Statements. The Chief Financial Officer serves as the District Treasurer with 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, Harris N.A.

## **OTHER INFORMATION**

### **INDEPENDENT AUDIT**

The School District has an independent audit performed by the firm of Klein, Hall & Associates, LLC for the fiscal year ended June 30, 2012. The opinion of Klein, Hall & Associates, LLC can be found at the beginning of the Financial Section of this report.

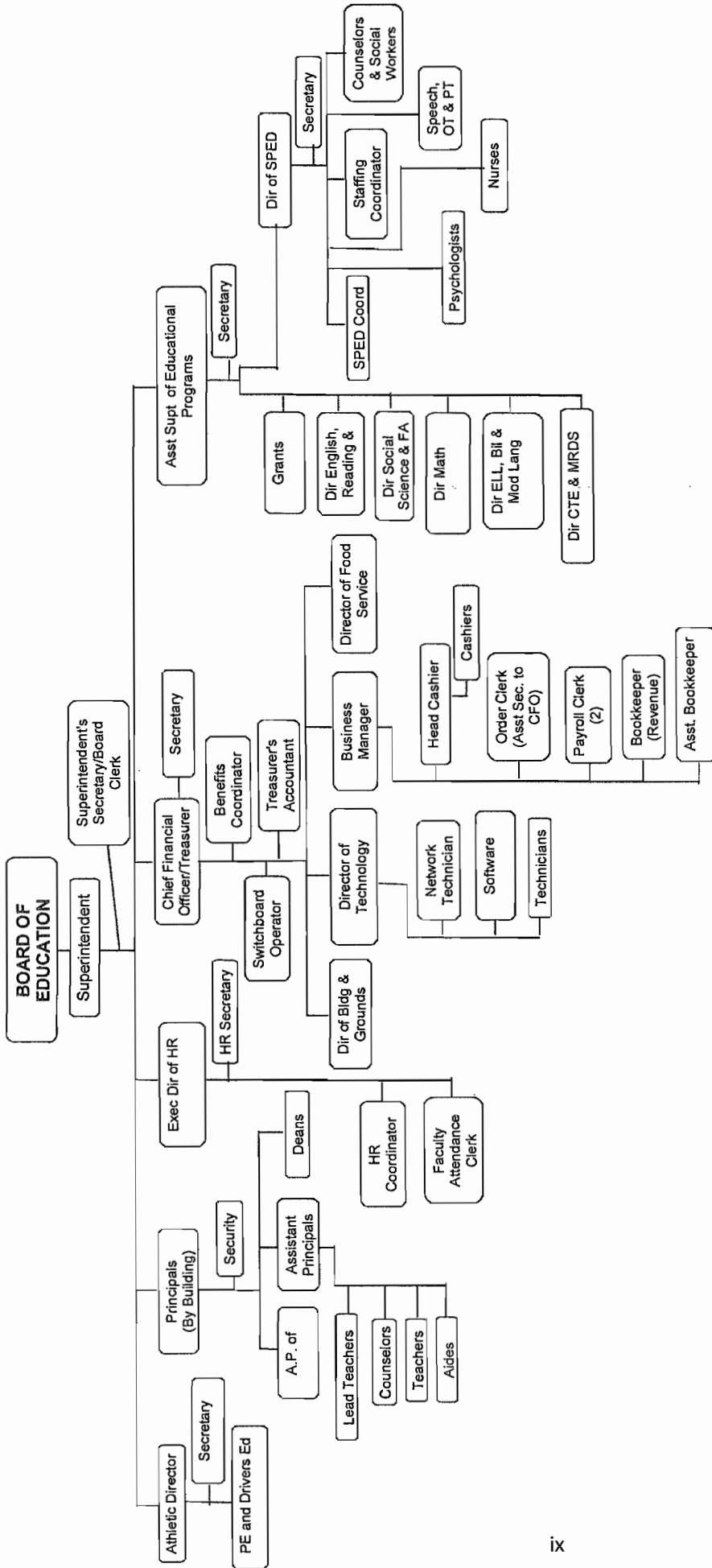
### **ACKNOWLEDGEMENTS**

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,

Ms. Cathy Johnson  
Chief Financial Officer



**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, 2012

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**Board of Education**

		<u>Term Expires</u>
Mr. Jeffry Pesek	President	April 2015
Mr. Joseph Keating	Vice President	April 2013
Ms. Jessica Jaramillo-Flores	Secretary	April 2013
Ms. Laura Martin Salazar	Member	April 2013
Mr. Mark Kraft	Member	April 2015
Mr. Michael Iniquez	Member	April 2015
Dr. Margaret Kelly	Member	April 2013

**District Administration**

Dr. Michael Kuzniewski	Superintendent
Mr. Timothy Truesdale	Asst. Superintendent of Curriculum & Inst.
Ms. Cathy Johnson	Chief Financial Officer

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**Official Issuing Report**

Ms. Cathy Johnson Chief Financial Officer

**Department Issuing Report**

Business Office

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting 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, 2011

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

## **FINANCIAL SECTION**

Independent Auditors' Report

Board of Education  
J. Sterling Morton High School District No. 201  
Cicero, Illinois

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 No. 201 as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 *Governmental 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 No. 201 as of June 30, 2012, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2012, on our consideration of the J. Sterling Morton High School District No. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing results of our audit.

Accounting principles generally accepted in the United States of America require, that the management's discussion and analysis and required supplementary information 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 response 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the J. Sterling Morton High School District No. 201's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States, the J. Sterling Morton High School District No. 201's basic financial statements for the year ended June 30, 2011, which are not presented with the accompanying financial statements. In our report dated September 20, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the J. Sterling Morton High School District No. 201's financial statements as a whole. The combining and individual major fund financial statements, related to the 2011 financial statements are presented for purposes of additional analysis and are not a required part of the 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 2011 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived. The statistical section 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 assurance on it. The introductory section and statistical sections have 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 assurance on it.



Klein, Hall & Associates, LLC  
Aurora, Illinois  
September 28, 2012

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

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2012

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, 2012. 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, 2012 by \$46,717,254 (*net assets*). During the year, net assets increased by \$15,809,772 from ordinary activities.
- General revenues accounted for \$80,776,474 or 72% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$31,157,845 or 28% of total revenues of \$111,934,319.
- The School District had \$102,310,815 in expenses. Of these expenses, only \$31,157,845 was offset by program specific charges for services, grants or contributions. Current year general revenues (primarily property taxes and general state aid) totaled \$80,776,474, which provided for the \$71,152,970 net cost for these programs, with the \$9,623,504 remainder increasing net assets for the year.
- Among governmental funds, the General Fund had \$92,414,006 in revenues, \$90,903,221 in expenditures, and capital lease proceeds of \$525,645 for a net increase in fund balance of \$2,036,430.

### **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

**J. Sterling Morton High School District No. 201**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
Unaudited

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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.

**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 2012?" The *Statement of Net Assets* 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 assets and changes in those assets. This change in net assets 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 basic fund financial statements can be found on pages 15 – 20 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 Assets 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, 2012  
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. The notes to the financial statements can be found on pages 21 – 47 of this report.

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE**

Recall that the Statement of Net Assets 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 assets for 2012 and 2011. The School District's assets exceeded liabilities by \$46,717,254 (*net assets*) on June 30, 2012. As shown in Table 2 (on page 9), governmental activities resulted in a \$9,623,504 increase in net assets from the prior year. Other financial transactions of the School District affected the allocation among the three components of net assets.

The largest component of net assets is invested in capital assets, net of related debt (\$64.3 million). This component increased by \$1.3 million from the prior year.

An additional portion (\$9.3 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 assets restricted for debt service 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, 2012

Unaudited

Any remaining balance of unrestricted net assets may be used to meet a district's ongoing obligations to its general programs; however, for the School District this balance is negative (-\$30.2 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 \$52.0 million in bonds payable, however, for which future revenues will be provided through a direct annual levy to service the debt.

(Table 1)  
**Condensed Statement of Net Assets**  
**Governmental Activities**

	2012	2011
<b>Assets</b>		
Current and other assets	65,150,258	\$ 73,569,509
Capital assets	74,918,524	58,640,092
Total Assets	<u>\$104,068,782</u>	<u>\$132,209,601</u>
<b>Liabilities</b>		
Long-term liabilities	\$87,605,569	\$90,133,384
Other liabilities	5,745,959	4,982,467
Total Liabilities	<u>93,351,528</u>	<u>95,115,851</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	\$64,372,629	\$58,640,092
Restricted	9,253,577	8,676,643
Unrestricted	<u>(26,908,952)</u>	<u>(30,222,985)</u>
Total net assets	<u>\$46,717,254</u>	<u>\$37,093,750</u>

Table 2 on the next page shows the changes in total net assets from governmental activities for fiscal years 2012 and 2011.

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

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2012

Unaudited

(Table 2)

**Changes in Net Assets  
Governmental Activities**

	<u>2012</u>	<u>2011</u>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 3,554,032	\$ 3,964,300
Operating grants & contributions	24,643,116	27,713,879
Capital grants & contributions	<u>2,960,697</u>	<u>-</u>
Total Program Revenues	<u>31,157,845</u>	<u>31,678,179</u>
<i>General Revenues:</i>		
Property taxes	42,334,925	39,992,712
Grants & entitlements not restricted to specific programs	32,774,486	32,946,178
Investment earnings	116,083	177,282
Miscellaneous	<u>5,547,980</u>	<u>6,953,821</u>
Total General Revenues	<u>80,776,474</u>	<u>80,069,993</u>
Total Revenues	<u>111,934,319</u>	<u>111,748,172</u>
<b>Program Expenses</b>		
<i>Instructional services</i>	60,050,456	60,472,447
<i>Support services</i>		
Pupils and instructional staff	10,193,631	8,465,084
Administration and business	9,333,549	9,870,043
Operation & maintenance of facilities	12,212,693	10,933,498
Pupil transportation	3,595,525	3,361,030
Central	104,893	1,029,143
Other	1,911,751	-
<i>Interest on long-term debt</i>	<u>4,908,317</u>	<u>1,807,155</u>
Total Program Expenses	<u>102,310,815</u>	<u>95,938,400</u>
Increase in Net Assets	9,623,504	15,809,772
Net assets - beginning	<u>37,093,750</u>	<u>21,283,978</u>
Net assets - ending	<u>\$ 46,717,254</u>	<u>\$ 37,093,750</u>

Governmental activities increased the District's net assets by \$9,623,504 for fiscal year 2012.

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

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2012

Unaudited

The major source of revenues for governmental activities of the School District was local property taxes, which provided 38% and 36% of the School District's revenues in fiscal years 2012 and 2011, respectively. State and federal funding in the form of grants and entitlements provided another significant source of revenues to the School District, providing 51% of revenues in fiscal year 2012 and 54% in fiscal year 2011. The remainder of revenues was derived from charges for services, investment earnings and other miscellaneous revenues, which provided 11% and 10% of revenues in 2011 and 2010, respectively. These revenues for governmental activities support the various instructional programs, support services and financing of the District.

The major category of governmental activities provided by the School District is its instructional programs, which comprised 59% and 63% of total governmental program expenses in 2012 and 2011, respectively. Support services activities comprised another 36% and 36% of governmental program expenses in 2012 and 2011 with financing activities comprising the remaining 5% and 1% in 2012 and 2011.

The Statement of Activities on page 16 shows the cost of program services and the charges for services and grants offsetting those services. Table 3, below, shows the total cost of services and the net cost of services for governmental activities. That is, the table identifies the net cost of these services supported by tax revenues and unrestricted State entitlements.

(Table 3)

### Net Cost of Governmental Activities

	<u>2012</u>		<u>2011</u>	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
<i>Instructional services</i>	\$ 60,050,456	\$ 39,501,677	\$ 60,472,447	\$ 36,431,860
<i>Support services</i>				
Pupils and instructional staff	10,193,631	10,193,631	8,465,084	8,430,271
Administration and business	9,333,549	5,634,879	9,870,043	5,621,116
Operation & maintenance of facilities	12,212,693	8,905,118	10,993,498	10,792,733
Pupil transportation	3,595,525	1,412,252	3,361,030	883,373
Central	104,893	104,893	1,029,143	1,029,143
Other	1,911,751	492,203	1,081,710	346,280
<i>Interest and fiscal</i>	4,908,317	4,908,317	725,445	725,445
Total Expenses	<u>\$ 102,310,815</u>	<u>\$ 71,152,970</u>	<u>\$ 95,938,400</u>	<u>\$ 64,260,221</u>

Program revenues were \$31.2 million and \$31.7 million for 2012 and 2011, respectively, consisting primarily of grants received from other governments. Subtracting program revenues from the total cost of services derives the net cost of services. Total cost of

**J. Sterling Morton High School District No. 201**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
Unaudited

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services for 2012 was \$102.3 million, an increase of \$6.4 million or 6.6% from the prior year.

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

Information about the School District's major funds starts on page 18. 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 \$46.9 million as of June 30, 2012. The balances and transactions of the School District's major funds are summarized below.

The General Fund had \$92.4 million in revenues and \$90.9 million in expenditures for a net increase in fund balance of \$1.5 million for fiscal 2012. The General Fund ended the year with a fund balance of \$40.2 million at June 30, 2012.

The Transportation Fund had approximately \$3.2 million in revenues and \$3.5 million in expenditures for a net decrease in fund balance of \$0.3 million for fiscal 2012. The Transportation Fund ended the year with a negative fund balance of approximately \$646,621 at June 30, 2012.

The School District's other major fund is its 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 decreased by approximately \$6,859 during fiscal 2012. The fund balance at June 30, 2012 totaled \$5.9 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 \$0.3 million or 0.3% more than budgeted and actual expenditures were \$1.6 million or 0.2% less than budgeted for a net favorable variance of \$1.9 million.



**J. Sterling Morton High School District No. 201**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
Unaudited

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**CAPITAL ASSETS**

**(Table 4)**  
**Capital Assets (Net of Depreciation) at June 30,**

	2012	2011
Land	\$ 13,260,678	\$ 13,260,678
Improvements other than buildings	2,271,831	2,321,831
Buildings and improvements	44,732,133	39,643,127
Equipment	4,885,616	3,414,456
Totals	<u>\$ 65,150,258</u>	<u>\$ 58,640,092</u>

Table 4 shows fiscal year 2012 balances compared to fiscal year 2011. At the end of fiscal year 2012, the School District had \$65,150,258 invested in land, buildings and improvements, furniture and equipment, vehicles and books and educational media. Capital assets (net of depreciation) increased by approximately \$6.5 million. The School District invested \$8.2 million in capital asset additions during the year and, recorded \$1.7 million in depreciation expense, resulting in the net increase in capital assets (net of depreciation) for fiscal year 2012.

For more information on capital assets, refer to Note 4 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, 2012  
Unaudited

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**DEBT ADMINISTRATION**

At June 30, 2012, the School District had \$88,129,316 in general obligation long-term debt outstanding; of the total, \$4,592,707 is due within one year. Table 5 summarizes bonds outstanding:

**(Table 5)**  
**Outstanding Debt at June 30,**

	2012	2011
General obligation bonds	\$ 47,398,367	\$ 51,596,272
Premium on bonds issued	8,705,661	9,403,928
Accreted interest on capital appreciation bonds	27,436,621	26,483,050
Other Debt	777,629	286,066
Other post-employment benefits	3,287,291	2,004,068
Totals	\$ 87,605,569	\$ 90,133,384

A capital lease was issued during fiscal year 2012.

The School District's overall legal debt margin was \$81,655,615 with a ratio of Debt Service Expenditures to General Expenditures of 8.3%.

For more information on debt, refer to Note 5 of the notes to the basic financial statements.

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

The Board of Education will face many challenges over the next few school years. In FY2012, the School District has experienced an 8.9% reduction in General State Aid. Keeping the reduction of GSA in mind, the FY2012 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,

**J. Sterling Morton High School District No. 201**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2012  
 Unaudited

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Financial Review, Financial Early Warning or Financial Watch. The School District received the following scores and ranking:

**(Table 6)**  
**State School District Financial Profile**

<u>Indicator</u>	<u>Possible Score</u>	<u>District Score</u>	<u>District Ranking</u>
FBR	1.40	1.40	
EXRV	1.40	1.40	
DCOH	0.40	.30	
STB	0.40	.40	
LTD	<u>0.40</u>	<u>.30</u>	
	4.00	3.85	Recognition

The School District's ranking remained Recognition for fiscal year 2012. The District's Days Cash on Hand (DCOH) slightly increased from 161.21 to 161.95 days. The Fund Balance to Revenue Ratio (FBR) increased from .417 to .458. The District's Percent of Long-Term Debt Margin Remaining (LTD) score remains unchanged 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.

**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 Cathy L. Johnson, Chief Financial Officer for J. Sterling Morton High School District 201, 5041 W. 31<sup>ST</sup> STREET, Cicero, IL 60804.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

	<u>Governmental Activities</u>
<b>Assets:</b>	
Cash and investments	\$ 47,689,374
Receivables:	
Property taxes	22,185,238
Due from other governments	4,839,945
Other current assets	4,600
Inventory	199,367
Capital assets:	
Land	13,260,678
Other capital assets, net of accumulated depreciation	<u>51,889,580</u>
 Total Assets	 <u>140,068,782</u>
<b>Liabilities:</b>	
Accounts payable	2,055,627
Accrued salaries	3,690,332
Due to other funds	
Noncurrent liabilities:	
Due within one year	6,024,202
Due in more than one year	<u>81,581,367</u>
	<u>93,351,528</u>
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	64,372,629
Restricted for:	
Debt service	5,978,397
Capital projects	2,414,795
Other purposes	860,385
Unrestricted (Deficit)	<u>(26,908,952)</u>
	<u>\$ 46,717,254</u>
 Total net assets	 <u><u>\$ 46,717,254</u></u>

See accompanying notes to basic financial statements

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2012**

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expense)
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Revenue and Changes in Net Assets
					<u>Total Governmental Activities</u>
<b>Governmental Activities:</b>					
Instructional services:					
Regular programs	\$ 43,950,117	\$ 1,061,660	\$ 13,287,026	\$ -	\$ (29,601,431)
Special programs	10,248,130	-	5,618,194	-	(4,629,936)
Other programs	5,852,209	-	581,899	-	(5,270,310)
Support services:					
Pupils	5,971,774	-	-	-	(5,971,774)
Instructional staff	4,221,857	-	-	-	(4,221,857)
General administration	1,700,663	-	-	-	(1,700,663)
School administration	2,002,459	-	-	-	(2,002,459)
Business	5,630,427	1,008,450	2,690,220	-	(1,931,757)
Operation and maintenance					
of facilities	12,212,693	64,374	282,504	2,960,697	(8,905,118)
Transportation	3,595,525	-	2,183,273	-	(1,412,252)
Central	104,893	-	-	-	(104,893)
Community Service	211,932	-	-	-	(211,932)
Other	1,699,819	1,419,548	-	-	(280,271)
Interest on long-term liabilities	4,908,317	-	-	-	(4,908,317)
Total school district	<u>\$ 102,310,815</u>	<u>\$ 3,554,032</u>	<u>\$ 24,643,116</u>	<u>\$ 2,960,697</u>	<u>(71,152,970)</u>
<b>General revenues:</b>					
Property taxes levied for:					
General purposes					29,083,104
Transportation					931,348
Retirement					2,859,674
Debt service					9,460,799
Federal and state aid not restricted to specific purposes					32,777,486
Earnings on investments					116,083
Miscellaneous					5,547,980
					<u>80,776,474</u>
					Change in net assets
					9,623,504
					Ne assets - beginning
					<u>37,093,750</u>
					Net assets - ending
					<u>\$ 46,717,254</u>

See accompanying notes to basic financial statements

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## **FUND FINANCIAL STATEMENTS**

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2012**

<u>ASSETS</u>	<u>General</u>	<u>Transportation</u>	<u>Debt Service</u>
<b>Assets:</b>			
Cash and investments	\$ 38,303,529	\$ 61,620	\$ 5,978,397
Receivables:			
Property taxes	14,968,891	455,067	5,154,023
Due from other governments	3,748,186	1,091,759	-
Due from other funds	2,900,000	-	-
Other current assets	4,600		
Inventory	199,367	-	-
<b>TOTAL ASSETS</b>	<u><u>\$ 60,124,573</u></u>	<u><u>\$ 1,608,446</u></u>	<u><u>\$ 11,132,420</u></u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>Liabilities:</b>			
Accounts payable	\$ 1,224,031	\$ -	\$ -
Accrued salaries and related expenditures	3,689,645	-	-
Due to other funds	-	1,800,000	-
Deferred revenue	14,968,891	455,067	5,154,023
<b>Total Liabilities</b>	<u>19,882,567</u>	<u>2,255,067</u>	<u>5,154,023</u>
<b>Fund Balances (Deficits):</b>			
Nonspendable	199,367	-	-
Restricted	-	-	5,978,397
Unassigned	40,042,639	(646,621)	-
Restricted - reported in			
Special revenue fund	-	-	-
Capital projects fund	-	-	-
Unassigned - reported in			
Capital projects fund	-	-	-
<b>Total Fund Balances (deficit)</b>	<u>40,242,006</u>	<u>(646,621)</u>	<u>5,978,397</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><u>\$ 60,124,573</u></u>	<u><u>\$ 1,608,446</u></u>	<u><u>\$ 11,132,420</u></u>

See accompanying notes to basic financial statements.

Other Nonmajor Funds	Total Governmental Funds
\$ 3,345,828	\$ 47,689,374
1,607,257	22,185,238
-	4,839,945
-	2,900,000
-	4,600
-	199,367
<u>\$ 4,953,085</u>	<u>\$ 77,818,524</u>

\$ 831,596	\$ 2,055,627
687	3,690,332
1,100,000	2,900,000
<u>1,607,257</u>	<u>22,185,238</u>
<u>3,539,540</u>	<u>30,831,197</u>

-	199,367
-	5,978,397
-	39,396,018
860,385	860,385
2,414,795	2,414,795
<u>(1,861,635)</u>	<u>(1,861,635)</u>
<u>1,413,545</u>	<u>46,987,327</u>
<u>\$ 4,953,085</u>	<u>\$ 77,818,524</u>

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
JUNE 30, 2012

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**Total fund balances - governmental funds** \$ 46,987,327

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The cost of the assets is \$107,461,564 and the accumulated depreciation is \$42,311,306. 65,150,258

Some of the School District's property tax revenues will be collected after fiscal year-end but are not available soon enough to pay for the current period's expenditures and are therefore deferred in the funds. 22,185,238

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Long-term debt (87,605,569)

**Net assets of governmental activities** \$ 46,717,254

See accompanying notes to basic financial statements

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2012**

	General	Transportation	Debt Service	Other Nonmajor Funds	Totals Governmental Funds
<b>REVENUES</b>					
Local sources	\$ 37,176,677	\$ 1,051,095	\$ 9,238,141	\$ 3,991,209	\$ 51,457,122
State sources	46,549,861	2,183,273	-	2,960,697	51,693,831
Federal sources	8,687,468	-	-	-	8,687,468
<b>Total Revenues</b>	<b>92,414,006</b>	<b>3,234,368</b>	<b>9,238,141</b>	<b>6,951,906</b>	<b>111,838,421</b>
<b>EXPENDITURES</b>					
Current operating:					
Instruction	57,379,911	-	-	843,768	58,223,679
Support services	32,167,634	3,521,739	-	7,070,981	42,760,354
Community services	120,860	-	-	101	120,961
Non-programmed charges	1,234,816	-	-	-	1,234,816
Debt service:					
Principal	-	-	4,591,987	-	4,591,987
Interest and other	-	-	4,653,013	-	4,653,013
Capital outlay	-	-	-	289,632	289,632
<b>Total Expenditures</b>	<b>90,903,221</b>	<b>3,521,739</b>	<b>9,245,000</b>	<b>8,204,482</b>	<b>111,874,442</b>
Excess (deficiency) of revenues over expenditures	1,510,785	(287,371)	(6,859)	(1,252,576)	(36,021)
<b>OTHER FINANCING SOURCES (USES)</b>					
Principal on capital lease proceeds	525,645	-	-	-	525,645
<b>Total other financing sources (uses)</b>	<b>525,645</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525,645</b>
<b>Net changes in fund balance</b>	<b>2,036,430</b>	<b>(287,371)</b>	<b>(6,859)</b>	<b>(1,252,576)</b>	<b>489,624</b>
Fund balances (deficits) at beginning of year	38,205,576	(359,250)	5,985,256	2,666,121	46,497,703
<b>FUND BALANCES (DEFICIT) AT END OF YEAR</b>	<b>\$ 40,242,006</b>	<b>\$ (646,621)</b>	<b>\$ 5,978,397</b>	<b>\$ 1,413,545</b>	<b>\$ 46,987,327</b>

See accompanying notes to basic financial statements.

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2012**

**Net change in fund balances - total governmental funds** **\$ 489,624**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$1,000 are capitalized and the cost is allocated over their estimated lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

	Capital outlays	\$ 8,209,166	
	Depreciation expense	<u>(1,699,000)</u>	6,510,166

Because some of the property tax revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. 95,899

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

	Increase in other post employment benefits	(1,283,223)	
	Accretion on bonds	(5,590,666)	

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:

	Capital lease proceeds	(525,645)	
	Amortization of premium on bond issuances	698,267	
	Repayment of bond and loan principal	4,591,987	
	Repayment of accreted interest	<u>4,637,095</u>	

**Change in net assets of governmental activities** **\$ 9,623,504**

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
AGENCY FUND - ACTIVITY FUND  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
YEAR ENDED JUNE 30, 2012

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**Assets:**

Cash	\$ 796,775
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**Liabilities:**

Due to organizations	\$ 796,775
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See accompanying notes to basic financial statements.

## J.STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

Notes to Financial Statements (continued)

June 30, 2012

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

J. Sterling Morton High School District No. 201 (the District) is governed by an elected Board of Education. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements is described below.

In June 1999 the GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

The financial statements include:

- A Management’s Discussion and Analysis (MD&A) providing an analysis of the District’s overall financial position and results of operations.
- Financial statements prepared using the full-accrual basis of accounting for all the District’s activities.
- A change in the fund financial statements to focus on major funds.

These financial statements incorporate Statement No. 34 as well as all GASB Statements.

#### **a. The Reporting Entity**

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in reporting entity is made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The definition of a component unit is a legally separate organization for which the District is financially accountable and has a financial benefit/burden relationship, and other organizations for which nature and significance of their relationship with the District are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The District is financially accountable if it appoints a voting majority of the organization’s governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. The District also may be financially accountable if an organization is fiscally dependent on the District, regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board. There are no component units, as defined by GASB, which are included in the District’s reporting entity. Even though there are local government agencies within the geographic area served by the District, such as the municipality, library and park



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

Notes to Financial Statements (continued)

June 30, 2012

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district, these agencies have been excluded from the report because they are legally separate and the District is not financially accountable for them.

The District is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

Joint Venture – the District is also a member of the following organization:

Federation of Districts for Special Education (See Note 6)

**b. Fund Accounting**

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. 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. The minimum number of funds is maintained consistent with legal and managerial requirements. The following summarizes the fund types used by the District:

GASB statement No. 54 refined the definitions of various governmental funds. These updated definitions are incorporated into the following fund descriptions.

Governmental funds include the following fund types:

**General Fund** - The General Fund, which consists of the legally mandated Educational Account, Operations and Maintenance Account and Working Cash Account, is used to account for the revenues and expenditures, which are used in providing education in the District. It is used to account for all financial resources except those required to be accounted for in other funds.

**Educational Account** – These accounts are used for most of the instructional and administrative aspects of the District’s operations, as well as providing school lunch services to students. The revenue consists primarily of local property taxes, state government aid and student registration fees and lunch receipts from the District food service program.

**Operations and Maintenance Account** – These accounts are used for expenditures made for operation, repair and maintenance of District property. Revenue consists primarily of local property taxes.

**Working Cash Account** – This fund accounts for financial resources held by the District to be used as loans for working capital requirements to any other fund for which taxes are levied. The Working Cash Account was established and has been used to respond to fluctuations in cash flow resulting from

## J.STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

Notes to Financial Statements (continued)

June 30, 2012

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unpredictable property tax collections. The earnings of the fund are allowed to be transferred to another fund under the Illinois Compiled Statutes. The principal of the fund, accumulated from bond issues, can be used as a source from which the District borrows money to support temporary deficiencies in other funds, or may be partially or fully transferred to the General Fund's Educational Account, upon Board approval.

**Special Revenue Funds** - Special Revenue Funds account for the proceeds of specific revenue sources (other than Debt Service and Capital Projects Funds) that are legally restricted to expenditures for specified purposes. The District's Special Revenue Funds are the Transportation and Municipal Retirement/Social Security Funds.

**Transportation Fund** – This fund accounts for the revenue and expenditures relating to student transportation, both to and from school. Revenue is derived primarily from local property taxes and state reimbursement grants.

**Municipal Retirement/Social Security Fund** – This fund accounts for the District's portion of the pension contributions to the Illinois Municipal Retirement Fund for noncertified employees and social security contributions for applicable certified and noncertified employees. Revenue to finance the contributions is derived primarily from local property taxes.

**Debt Service Funds** - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

**Debt Service Fund** - The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Since there are no legal requirements on bond indentures, which mandate that a separate fund be established for each bond issue, the District maintains one Debt Service Fund for all bond issues.

**Capital Projects Funds** - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

**Capital Projects Fund** – Capital Projects Funds include both the Capital Projects Fund and the Fire Prevention and Safety Fund. The Capital Projects

## J.STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

Notes to Financial Statements (continued)

June 30, 2012

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Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. The Fire Prevention and Safety Fund accounts for financial resources to be used for acquisitions and construction projects, which qualify as Fire Prevention and Safety expenditures.

### **Fiduciary Fund Type**

**Agency Funds** - The Agency Funds (Activity Funds) account for assets held by the District in trustee capacity or as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide financial statements.

The District reports the following funds as major governmental funds:

General Fund  
Debt Service Fund  
Transportation Fund

Additionally, the District reports the following fund type:

Fiduciary Fund

Private-sector standards of accounting, and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The District has adopted a policy with GASB statement No. 34 to net the interfund receivables and payables for combined totals used to determine the major funds. Consequently, the interfund loan balances, which net to zero, are not utilized to determine major funds.

### **c. Basis of Presentation**

#### **Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. All of the District's operating activities are considered "governmental activities"; that is, activities that are normally supported by

## J.STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

Notes to Financial Statements (continued)

June 30, 2012

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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 expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function 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.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

### **Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and 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 as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities in the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue in the current period. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available only when the District receives the cash.

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

Notes to Financial Statements (continued)

June 30, 2012

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**d. Deposits and Investments**

Under Illinois law, the District is restricted to investing funds in specific types of investment instruments. The following generally represents the types of instruments allowable by state law:

- Securities issued or guaranteed by the United States of America, or its agencies.
- Interest-bearing accounts of financial institutions insured by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the three highest classifications by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- Illinois Funds. (A state sponsored investment pool.)
- Repurchase agreements which meet instrument transactions requirements of Illinois law.

**e. Capital Assets**

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$1,000 for furniture, equipment, and buildings and improvements and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

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

Notes to Financial Statements (continued)

June 30, 2012

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Land is not depreciated. Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	40-50 years
Land improvements	15-20 years
Furniture, equipment and vehicles	3-20 years

**f. Property Taxes**

The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's property tax is levied each year on all taxable real property located in the District. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

The Cook County Assessor is responsible for the assessment of all taxable real property within Cook County except for certain railroad property which is assessed directly by the State. The County is reassessed every three years by the Assessor.

The County Clerk computes the annual tax rate by dividing the levy into the assessed valuation of the taxing district. The County Clerk then computes the rate for each parcel of real property by aggregating the tax rates of all units having jurisdiction over that parcel. Property taxes are collected by the Cook County Collector who remits to the units their respective shares of the collections. Taxes levied in one calendar year become due and payable in two installments on March 1 and September 1 during the following calendar year. The first installment is an estimated bill and is one-half 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. Substantial collections are received by the District in March and September.

In the fund financial statements, the property tax levy receivable collected within the current year or expected to be collected within 60 days of year end to be used to pay liabilities of the current period less the taxes collected within 60 days after the end of the previous fiscal year is recognized as revenue. The tax receivable less the amount expected to be collected within 60 days of year end to be used to pay liabilities of the current period is reflected as deferred revenue in the fund financial statements. All property taxes receivable over one year old have been written off.

**g. Personal Property Replacement Taxes**

Personal property replacement tax revenues are first allocated to the extent required by Illinois law in the Municipal Retirement/Social Security Fund with the balance allocated to funds at the discretion of the District.

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

Notes to Financial Statements (continued)

June 30, 2012

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**h. Inventories**

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased (consumption method).

**i. Vacation and Sick Leave**

Employee vacation and sick leave, including salary related payments, is recorded when it is paid. Accumulated unpaid employee vacation and sick leave which was earned prior to the current fiscal year but unused at the end of the current fiscal year is not significant. Vacation and sick leave will be paid with future tax collections and therefore has not been reported as a current liability of the governmental funds.

**j. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**k. Use of Estimates**

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

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

Notes to Financial Statements (continued)

June 30, 2012

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**NOTE 2. DEPOSITS AND INVESTMENTS**

Investments held by the District which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase are reported by the District at amortized cost. All other investments are reported at fair value. Gains or losses on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

**Deposits and Custodial Credit Risk**

At June 30, 2012 the carrying amount of the District's deposits (excluding petty cash of \$5,000), totaled \$48,481,149 and the bank balances totaled \$52,793,677. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. These amounts were entirely insured or collateralized as of June 30, 2012.

As of June 30, 2012, the reported amount of the District's cash and cash equivalents consisted of the following:

	<b>Governmental Funds</b>	<b>Activity Funds</b>	<b>Total</b>
Unrestricted:			
Held by the District	\$ 44,756,359	\$ 796,775	\$ 45,553,134
Restricted:			
Held by Trustee in Escrow	2,928,015	-	2,928,015
<b>Total</b>	<b>\$ 47,684,374</b>	<b>\$ 796,775</b>	<b>\$ 48,481,149</b>

Amounts held in escrow are deposited in a money market vehicle, for which categorization by risk category is not possible.

*Interest Rate Risk.* The District does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* The District's investments are rated, as shown above, by the applicable rating agency.

*Concentration of Credit Risk.* The District places no limit on the amount the District may invest in any one issuer. The above table indicates the percentage of each investment to the total investment of the District.

*Foreign Currency Risk.* The District held no foreign investments during the fiscal year.



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

Notes to Financial Statements (continued)

June 30, 2012

Effective January 1, 2009, the offices of the Township Treasurer were abolished by law pursuant to Section 5/5-1 (c) of the Illinois School Code.

**NOTE 3. INTERFUND LOANS**

At June 30, 2012 interfund receivables and payables consisted of the following:

<b>Due From:</b>	<b>Due To:</b>	<b>Balance</b>
Capital Projects Fund	Working Cash Fund	\$ 1,100,000
Transportation Fund	Working Cash Fund	1,800,000

These amounts are not included in the government-wide statement of net assets. These loans are for temporary cash flow purposes only. All loans are expected to be repaid within one year.

**NOTE 4. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2012 was as follows:

	<i>Balance June 30, 2011</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30, 2012</i>
Capital assets, not being depreciated:				
Land	\$ 13,260,678	\$ -	\$ -	\$ 13,260,678
Total capital assets not being depreciated	13,260,678	-	-	13,260,678
Capital assets, being depreciated:				
Buildings	64,945,498	5,989,006	-	70,934,504
Improvements other than buildings	3,185,830	-	-	3,185,830
Equipment	17,860,392	2,220,160	-	20,080,552
Total capital assets being depreciated	85,991,720	8,209,166	-	94,200,886
Accumulated depreciation for:				
Buildings	25,302,371	900,000	-	26,202,371
Improvements other than buildings	863,999	50,000	-	913,999
Equipment	14,445,936	749,000	-	15,194,936
Total accumulated depreciation	40,612,306	1,699,000	-	42,311,306
Total capital assets being depreciated, net	45,379,414	6,510,166	-	51,889,580
<b>Total capital assets, net</b>	<b>\$ 58,640,092</b>	<b>\$ 6,510,166</b>	<b>\$ -</b>	<b>\$ 65,150,258</b>

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
Notes to Financial Statements (continued)  
June 30, 2012

Depreciation expense was charged to functions of the District as follows:

<b><i>Instructional Services:</i></b>	
Regular programs	\$ 1,155,320
Special programs	135,920
<b><i>Supporting Services:</i></b>	
Pupils	8,495
Instructional Staff	16,990
General administration	8,495
School administration	16,990
Business	8,495
Operations and maintenance of facilities	280,335
Transportation	50,970
Central	16,990
	<b>\$ 1,699,000</b>

**NOTE 5. LONG-TERM DEBT**

Long-term debt activity for the year ended June 30, 2012 was as follows:

	<i>Balance</i>			<i>Balance</i>	<i>Amount due</i>
	<i>July 1,</i>	<i>Additions</i>	<i>Reductions</i>	<i>June 30,</i>	<i>in one year</i>
	<i>2011</i>			<i>2012</i>	
<b>General Obligation Bonds Payable:</b>					
5/1/00 Limited Tax Capital Appreciation School Bonds	\$ 1,541,950	\$ -	\$ 1,541,950	\$ -	\$ -
2/19/04 Working Cash/Refunding Limited Tax Capital Appreciation School Bonds	29,877,798	-	1,549,793	28,328,005	4,042,579
11/17/05 General Obligation Capital Appreciation School Bonds	18,500,926	-	1,466,162	17,034,764	1,342,610
12/01/05 General Obligation Capital Appreciation School Bonds	2,035,598	-	-	2,035,598	-
<b>Total Bonds Payable</b>	<b>\$ 51,956,272</b>	<b>\$ -</b>	<b>\$ 4,557,905</b>	<b>\$ 47,398,367</b>	<b>\$ 5,385,189</b>
EPA loans	286,066	-	34,082	251,984	37,381
Capital Lease	-	525,645	-	525,645	97,372
Premium on bonds issued	9,403,928	-	698,267	8,705,661	504,260
Accreted interest on capital appreciation bonds	26,483,050	5,590,666	4,637,095	27,436,621	-
Other post-employment benefits (Note 11)	2,004,068	3,206,749	1,923,526	3,287,291	-
<b>Total Long-Term Debt</b>	<b>\$ 90,133,384</b>	<b>\$ 9,323,060</b>	<b>\$ 11,850,875</b>	<b>\$ 87,605,569</b>	<b>\$ 6,024,202</b>

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

Notes to Financial Statements (continued)

June 30, 2012

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**General Obligation Bonds Payable**

General obligation bonds payable at June 30, 2012 are comprised of the following individual issues:

Capital Appreciation Limited Tax School Bonds dated May 1, 2000, issued in the original principal amount of \$31,588,560, for the purpose of funding a health insurance reserve, a retirement benefit reserve, and for working cash purposes; principal payments from \$1,541,950 to \$2,638,996 due on December 1 through the year 2012; having an original accretion rate of 9.0% and an effective interest rate of approximately 6.1%.

Capital Appreciation Limited Tax School Bonds dated February 19, 2004 issued in three series in the original principal amount totaling \$51,411,571, for working cash, funding and refunding purposes; principal payments from \$1,251,518 to \$4,042,579 due on December 1 through the year 2020, having original accretion rates ranging from 5.0% to 9.0% and effective interest rates ranging from approximately 2.2% to 5.8%.

Capital Appreciation Limited Tax School Bonds dated November 17, 2005 issued in two series in the original principal amount totaling \$24,150,215, for working cash and funding purposes; principal payments from \$724,972 to \$2,240,454 due on December 1 through the year 2024, having an original accretion rate of 9.00% and effective interest rates ranging from approximately 4.7% to 6.1%.

Capital Appreciation Limited Tax School Bonds dated December 1, 2005 issued in the original principal amount of \$2,035,598, for funding purposes; principal payments from \$571,699 to \$1,463,899 due on December 1, 2024 and 2025, having an original accretion rate of 9.00% and an effective interest rate of approximately 5.3%.

**J.STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
Notes to Financial Statements (continued)  
June 30, 2012

At June 30, 2012 the annual cash flow requirements of all bonds payable to retirement were as follows:

<b>Fiscal year ending</b>				
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2013	\$ 5,385,189	\$ 3,809,811	\$	9,195,000
2014	5,046,049	4,148,951		9,195,000
2015	4,729,129	4,465,871		9,195,000
2016	4,432,842	4,762,158		9,195,000
2017	4,155,820	5,039,180		9,195,000
2018	3,896,694	5,298,306		9,195,000
2019	3,778,057	5,416,943		9,195,000
2020	3,706,941	5,488,059		9,195,000
2021	2,910,527	6,284,473		9,195,000
2022	2,240,454	6,954,546		9,195,000
2023	2,051,680	7,143,320		9,195,000
2024	1,878,722	7,316,278		9,195,000
2025	1,722,364	7,472,636		9,195,000
2026	1,463,899	7,051,101		8,515,000
<b>Total</b>	<b>\$ 47,398,367</b>	<b>\$ 80,651,633</b>	<b>\$</b>	<b>128,050,000</b>

Payments to retire bonds payable will be made from debt service levies in future periods. There is \$5,978,397 of fund equity available in the Debt Service Fund to service outstanding bonds payable. The District is subject to the *Illinois Compiled Statutes* which limits the amount of bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2012 the statutory debt limit for the District was \$123,075,585 providing a debt margin of \$81,655,615 after taking into account amounts available in the Debt Service Fund.

Payments to retire the other post-employment benefits will be made from the General Fund from general levies in future periods.

**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 5.188%, to be repaid in annual payments of \$50,000 through 2018.

**J.STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
Notes to Financial Statements (continued)  
June 30, 2012

At June 30, 2012, the Districts annual cash flow requirements of the EPA loan principal and interest were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2013	\$ 37,371	\$ 12,629	\$ 50,000
2014	38,598	11,402	50,000
2015	40,648	9,352	50,000
2016	42,808	7,192	50,000
2017	45,082	4,918	50,000
2018	47,477	2,523	50,000
<b>Total</b>	<b>\$ 251,984</b>	<b>\$ 48,016</b>	<b>\$ 300,000</b>

Payments to retire this loan will be made from the Debt Service Fund, through transfers from the General Fund's Operation and Maintenance Account.

**Capital Lease Payable**

The District has purchased technology equipment through capital leases. At June 30, 2012, the District's annual cash flow requirements for the capital lease principal and interest were as follows:

Due Year Ended June 30	Principal	Interest	Total
2013	\$ 97,372	\$ 18,084	\$ 115,456
2014	101,139	14,317	115,456
2015	104,993	10,463	115,456
2016	108,994	6,462	115,456
2017	113,147	2,309	115,456
<b>Total</b>	<b>\$ 525,645</b>	<b>\$ 51,635</b>	<b>\$ 577,280</b>

**NOTE 6. JOINT VENTURE - FEDERATION OF DISTRICTS FOR SPECIAL EDUCATION (FDSE)**

The District is a member of FDSE, a joint agreement to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the governing board. Complete financial statements for FDSE can be obtained from the Administrative Offices at 1539 S. Wesley Avenue, Berwyn 60402.

## **J.STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**

Notes to Financial Statements (continued)

June 30, 2012

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### **NOTE 7. RISK MANAGEMENT**

The District has purchased insurance from a risk pool (see Note 8) and private insurance companies. Risks covered include general liability, workers compensation and other. Premiums have been displayed as expenditures in appropriate funds. The District also operates a self insurance program for medical and dental coverage for employees (see Note 9). No material decreases in insurance coverage have occurred nor have any insurance claims in excess of insurance coverage been paid or reported during the last three years.

### **NOTE 8. COLLECTIVE LIABILITY INSURANCE COOPERATIVE (CLIC)**

The District is a member of CLIC, which has been formed to provide casualty, workman's compensation, property and liability protections and to administer some or all insurance coverage and protection other than health, life and accident coverage procured by the member districts. It is intended, by the creation of CLIC to allow a member District to equalize annual fluctuations in insurance costs by establishing a program whereby reserves may be created and temporary deficits of individual Districts covered and to ultimately equalize the risks and stabilize the costs of providing casualty, property and liability protections. If, during any fiscal year, the funds on hand in the account of CLIC are not sufficient to pay expenses of administration, the Board of Directors shall require supplementary payment from all members. Such payment shall be made in the same proportion as prior payments during that year to CLIC. Complete financial statements for CLIC can be obtained from its administrator, 1441 Lake Street, Libertyville, IL 60048.

### **NOTE 9. SELF INSURANCE PLAN**

The District operates a self insurance plan to provide medical and dental insurance to its employees. The District offers both a PPO plan and a HMO plan to its employees. Until November, 2008 only the PPO plan was self insured. Beginning November, 2008 the District converted its fully insured HMO plan to a self insured plan. The plan is funded through District and employee contributions, and expenditures are incurred when claims are paid. Total claims paid during the year ended June 30, 2012, were \$6,793,813. The District liability will not exceed \$175,000 per employee or \$5,419,036 in the aggregate as provided by stop loss provisions from private insurance companies. At June 30, 2012, a liability of \$679,381 has been recorded in the General Fund's Educational Account, which represents estimated claims incurred but not yet reported. Claims incurred but not yet reported include known loss events that are expected to later be presented as claims, unknown loss events that are expected to become claims, and expected future development on claims already reported. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

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

Notes to Financial Statements (continued)

June 30, 2012

A summary of the changes in the Districts claim liability is as follows:

	<b>Fiscal Year Ended June 30, 2011</b>	<b>Fiscal Year Ended June 30, 2012</b>
Claims liability at July 1	\$ 1,003,806	1,071,959
Current year claims and changes in estimates	10,719,589	6,793,813
Claims payments	(10,651,436)	(7,186,391)
Claims liability at June 30	<u>\$ 1,071,959</u>	<u>\$ 679,381</u>

**NOTE 10. RETIREMENT FUND COMMITMENTS**

**Retirement Plans**

The District participates in two retirement systems: The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Members of TRS consist of all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Employees, other than teachers, who meet prescribed annual hourly standards, are members of IMRF.

**Illinois 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 funding 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 who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2012, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after Jan. 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2011 and 2010.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees.

## J.STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

Notes to Financial Statements (continued)

June 30, 2012

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**On-behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2012, State of Illinois contributions were based on 24.91 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$8,826,328 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2011, and June 30, 2010, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.10 percent (\$8,157,625) and 23.38 percent (\$9,143,888), respectively.

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

**2.2 Formula Contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2012 were \$210,575. Contributions for the years ending June 30, 2011, and June 30, 2010, were \$209,937 and \$233,294, respectively.

**Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the district, there is a statutory requirement for the district to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2008, 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, 2012, the employer pension contribution was 24.91 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2011 and 2010 the employer contribution was 23.10 and 23.38 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2012, salaries totaling \$873,143 were paid from federal and special trust funds that required employer contributions of \$217,500. For the years ended June 30, 2011 and June 30, 2010, required district contributions were \$203,647 and \$260,261, respectively.

**Early Retirement Option (ERO).** 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 and under which ERO program the member retires.

The maximum employer ERO contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2012, the district paid \$50,104 to TRS for employer contributions under the ERO program. For the years ended June 30, 2011 and June 30, 2010, the district made no payments to TRS in employer ERO contributions, respectively.



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

Notes to Financial Statements (continued)

June 30, 2012

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**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 year ended June 30, 2012, the District paid \$2,873 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2011 and 2010, the District made payments of \$7,567 and \$4,226 to TRS in employer contributions due on salary increases in excess of 6 percent, respectively.

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 (17.83 percent of salary during the year ended June 30, 2012).

For the year ended June 30, 2012, the District paid \$0 to TRS for sick leave days granted in the excess of the normal annual allotment. For the year ended June 30, 2011 and 2010, the District made no payments in employer contributions granted for sick leave days, respectively.

TRS financial information, an explanation of TRS' 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, 2010. The report for the year ended June 30, 2012, is expected to be available in late 2012. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at <http://trs.illinois.gov>.

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

Notes to Financial Statements (continued)

June 30, 2012

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**Teacher Health Insurance Security (THIS)**

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of 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 may participate in the state administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. Effective July 1, 2012, in accordance with the Executive Order 12-01, the plan is administered by CMS with the cooperation of TRs. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state to make a contribution to 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 0.88 percent of pay during the year ended June 30, 2012. State of Illinois contributions were \$319,493, and the district recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2011 and 2010 were 0.88 and 0.84 percent, respectively. State contributions on behalf of district employees were \$318,525, and \$337,874, respectively.

**Employer contributions to THIS Fund.** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.66 percent during the year ended June 30, 2012 and June 30, 2011 and 0.63 percent during the year ended June 30, 2010. For the year ended June 30, 2012, the District paid \$239,620 to the THIS Fund. For the years ended June 30, 2011 and June 30, 2010, the District paid \$238,893 and \$253,405, respectively, which was 100 percent of the required contribution.

**Further Information on THIS Fund.** The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

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

Notes to Financial Statements (continued)

June 30, 2012

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**Illinois Municipal Retirement Fund:**

*Plan Description.* The employer's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. Your employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), and 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. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2011 was 11.74 percent. The employer 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.* The required contribution for calendar year 2011 was \$1,506,637. (If you made an additional payment toward your unfunded amount, add this payment to your actual contributions and recalculate the percentage of APC contributed.)

**Three-Year Trend Information for the Regular Plan**

<b>Calendar Year Ending</b>	<b>Annual Pension Cost (APC</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
12/31/2011	\$1,506,637	100%	\$0*
12/31/2010	1,524,520	85%	0
12/31/2009	1,166,537	100%	0

\*If you utilized the phase-in contribution rate, the net pension obligation will have to be calculated.

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5 percent 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 your employer Regular plan assets was determined using techniques that spread 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. Your employer Regular plan's unfunded actuarial accrued liability December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30-year

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

Notes to Financial Statements (continued)

June 30, 2012

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basis.

*Funded Status and Funding Progress.* As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 67.10 percent funded. The actuarial accrued liability for benefits was \$29,871,640 and the actuarial value of assets was \$20,042,674, resulting in an underfunded actuarial accrued liability (UAAL) of \$9,828,966. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$12,833,366 and the ratio of the UAAL to the covered payroll was 77 percent.

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 in increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**NOTE 11. OTHER POST EMPLOYMENT BENEFITS**

The District provides post-employment benefits other than pensions ('OPEB') to employees who meet certain criteria. As a result of offering such benefits, the District will be required to report the value of such benefits and the associated cost according to the accounting requirements of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions ('GASB 45').

The District provides medical and dental insurance benefits to retirees and their covered eligible dependents. The District gives access to the plan for eligible retirees, spouses and dependents. All active employees who retire directly from the District and meet the eligibility criteria may participate.

The effective date of the new GASB OPEB Accounting Standard for Phase 2 employers is the Fiscal Year beginning after December 15, 2007. For the District, this is the period from July 1, 2008 through June 30, 2009. The following exhibits show the Annual Required Contribution (ARC), Annual OPEB Cost (AOC), and projected June 30, 2012 Net OPEB Obligation (NOO), as the accounting standard was first adopted for the 2008-2009 Fiscal Year.

The actuarial valuation is performed on a biennial basis.

**Development of Normal Cost**

The Unit Credit cost method was selected. The cumulative Normal Cost across all active participants is \$1,718,872.

**Annual OPEB Cost and Net OPEB Obligations**

If there is no OPEB obligation on the District's financial statements at transition, then the Annual OPEB Cost is equal to the Annual Required Contribution. Assuming there is no transitional OPEB obligation at adoption of GASB 45 for the 2008-2009 fiscal year, the following table shows an estimated

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

Notes to Financial Statements (continued)

June 30, 2012

development of the District's Annual OPEB Cost and Net OPEB Obligation as of the end of the 2012 and 2011 fiscal years.

	<u>June 30, 2011</u>	<u>June 30, 2012</u>
Annual Required Contribution	\$ 3,230,705	\$ 3,230,705
Interest on net OPEB obligations	26,744	100,203
Adjustment to annual required contribution	<u>(17,829)</u>	<u>(124,159)</u>
Total Annual OPEB Cost	3,239,620	3,206,749
Net OPEB obligation - Beginning of Year	534,877	2,004,068
Annual Employer Contribution	<u>1,770,429</u>	<u>(1,923,526)</u>
Net OPEB obligation - End of Year	<u>\$ 2,004,068</u>	<u>\$ 3,287,291</u>

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.

The following summarizes active and retiree demographic information:

**Actives**

Actives Fully Eligible to Retire	63
Actives Not Fully Eligible	613
Retirees and Dependents	<u>87</u>

**Total** **763**

**Average Age**

Actives Fully Eligible to Retire	60.7
Actives Not Fully Eligible to Retire	41.2
Retirees and Dependents	61.0

**Average Service**

Actives	16.7
Retirees	8.6

The District finances its OPEB contributions using a Pay-As-You-Go method. The District has not established a plan or equivalent arrangement that contains an irrevocable transfer of assets dedicated to providing benefits to retirees in accordance with the terms of the plan that are legally protected from creditors.

The assumptions and methods displayed in this section were selected from the complete set of assumptions used to calculate liabilities for the plan. The District has reviewed the assumptions and recommended their use of the actuary. For certificated participants, it is assumed that their termination and retirement rates follow those used in the TRS actuarial valuation. Non-certificated participants are

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

Notes to Financial Statements (continued)

June 30, 2012

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assumed to follow termination and retirement rates used in the IMRF actuarial valuation.

**Discounted Rate**

The rate used to discount liabilities is 5.0%.

**Trend Rate**

The healthcare trend assumption reflects healthcare cost inflation expected to impact the plan based on forecast information in published papers from industry experts (actuaries, health economists, etc.). This research suggests a 7.05% long-term average increase for all healthcare benefits, trending down to an ultimate 5.0% increase for 2021 and later years.

<b>Year</b>	<b>Medical Trend</b>	<b>Dental Trend</b>
2012	9.5%	4.0%
2013	9.0%	4.0%
2014	8.5%	4.0%
2015	8.0%	4.0%
2016	7.5%	4.0%
2017	6.5%	4.0%
2018	6.0%	4.0%
2019	5.5%	4.0%
2020	5.0%	4.0%
2021 and beyond	5.0%	4.0%

**Mortality**

Mortality assumptions use the RP-2000 Combined Healthy table projected 16 years using projections scale AA.

**Morbidity**

Expected medical claims are assumed to decrease 2.2% on average, as participants age.

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

Notes to Financial Statements (continued)

June 30, 2012

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**Marriage**

Spouses were assumed where current benefit elections indicated spousal coverage. If spouse date of birth was not provided they were assumed to be the same age as the participant.

**Salary Scale**

There are no liabilities dependent on salary, therefore no salary increase rate is assumed.

**Cost Method**

The Unit Credit cost method was selected to value liabilities. Wherever Normal Cost is stated, this cost method is assumed.

**Data Assumptions**

*New Retiree Elections, Medical and Dental Coverage* – It is assumed that new retirees select coverage, consistent with their active election. It is also assumed that new retirees are assumed to participate in Medicare when first eligible. It is further assumed that 100% of IMRF employees will enroll in retiree medical benefits consistent with their active elections in the District’s plan. All TRS employees are assumed to enroll in the District plan at retirement. All participants are assumed to enroll in Dental coverage in accordance to their medical elections.

*Amortization Period* – The period selected for amortizing the unfunded actuarial liability in determining the ARC is the maximum limit of 30 years. Amortization reflects a closed, level dollar method.

**NOTE 12. EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIDUAL FUNDS AND ACCOUNTS**

Direct expenditures exceeded the budgeted amount in the following Funds:

	<b>Budget</b>	<b>Actual</b>	<b>Excess</b>
General Fund - Operations & Maintenance Account	\$ 11,426,207	\$ 11,465,067	\$ 38,860
Transportation Fund	2,874,997	3,521,739	646,742

The expenditure variances were sufficiently absorbed by surpluses that existed at the beginning of the fiscal year and were approved by the Board of Education. Under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.

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

Notes to Financial Statements (continued)

June 30, 2012

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**NOTE 13. DEFICIT FUND BALANCE**

As of June 30, 2012, the Transportation Fund had a deficit fund balance of \$646,621 and the Capital Projects Fund had a deficit fund balance of \$1,861,635.

These deficits will be reduced through future tax levies.

**NOTE 14. SPECIAL TAX LEVIES**

Proceeds from the Special Education levy and related expenditures disbursed have been included in the operations of the General Fund's Educational Account. At June 30, 2012, the cumulative expenditures had exceeded related cumulative revenues.

**NOTE 15. FUND BALANCE REPORTING**

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories –

1. Special Education

Revenues and the related expenditures of this restricted tax levy are accounted for in the Educational Account. Expenditures exceeded revenue for this purpose, resulting in no restricted fund balance.



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

Notes to Financial Statements (continued)

June 30, 2012

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2. State and Federal Grants

Proceeds from state and federal grants and the related expenditures have been included in the General Fund and various Special Revenue Funds. At June 30, 2012, expenditures exceeded revenue from state and federal grants, resulting in no restricted balances.

3. Social Security

Expenditures and the related revenues of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Revenues received exceeded expenditures for this purpose, resulting in a restricted fund balance \$344,154. The remaining balance is restricted for Municipal Retirement purposes.

4. Capital Projects Funds

Expenditures and the related revenues are accounted for in the Capital Projects and Fire Prevention and Safety Funds. All equity within these funds are restricted for the associated capital expenditures within these funds.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

No committed balances existed as of June 30, 2012.

D. Assigned Fund Balance

The assigned fund balance classification refers to the amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

No assigned balances existed as of June 30, 2012.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds.

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

Notes to Financial Statements (concluded)

June 30, 2012

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F. Reconciliation of Fund Balance Reporting

Fund	Nonspendable	Restricted	Committed	Assigned	Unassigned
Educational	\$ 199,367				\$ 29,123,691
Operations & Maintenance					3,098,956
Debt Service		5,978,397			
Transportation					(646,621)
Municipal Retirement		860,385			
Capital Projects					(1,861,635)
Working Cash					7,819,992
Fire Prevention & Safety		2,414,795			

G. Expenditures of Fund Balance

Unless specifically identified, expenditures disbursed act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures disbursed for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
Schedule of Funding Progress (unaudited)  
Illinois Municipal Retirement Fund  
June 30, 2012

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<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) –Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b-a)/c]</b>
12/31/2011	\$20,042,674	\$29,871,640	\$9,828,966	67.10%	\$12,833,366	76.59%
12/31/2010	19,151,783	28,497,422	9,345,639	67.21%	12,843,470	72.77%
12/31/2009	18,835,615	26,819,515	7,983,900	70.23%	12,762,990	62.56%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$18,723,030.

On a market basis, the funded ratio would be 62.68%.

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**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
Schedule of Funding Progress (unaudited)  
Other Post Employment Benefits  
June 30, 2012

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<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) -Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c) *</b>	<b>UAAL as a Percentage of Covered Payroll [(b-a)/c]</b>
7/1/2010	\$0	\$23,240,577	\$23,240,577	0.00%	53,061,049	43.80%
7/1/2008	0	19,081,495	19,081,495	0.00%	N/A	N/A

Note: Actuarial valuation is done biennially.

\* - Estimate

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL - GENERAL AND MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2012**

	General		
	Original and Final Budget	Actual	Variance Over/ (Under)
<b>REVENUES</b>			
Local sources	\$ 36,964,594	\$ 37,176,677	\$ 212,083
State sources	37,296,985	37,404,040	107,055
Federal sources	8,877,736	8,687,468	(190,268)
Total Direct Revenues	83,139,315	83,268,185	128,870
On behalf payments	9,000,000	9,145,821	145,821
Total Revenues	92,139,315	92,414,006	274,691
<b>EXPENDITURES</b>			
Current operating:			
Instruction	40,173,976	48,234,090	(8,060,114)
Support services	38,855,432	32,167,634	6,687,798
Community services	166,970	120,860	46,110
Non-programmed charges	4,278,407	1,234,816	3,043,591
Total Direct Expenditures	83,474,785	81,757,400	1,717,385
On behalf payments	9,000,000	9,145,821	(145,821)
Total Expenditures	92,474,785	90,903,221	1,571,564
Excess (deficiency) of revenues over expenditures	(335,470)	1,510,785	1,846,255
<b>OTHER FINANCING SOURCES</b>			
Principal on capital lease proceeds	-	525,645	525,645
Total other financing sources	-	525,645	525,645
Net changes in fund balance	\$ (335,470)	2,036,430	\$ 2,371,900
Fund balances (deficits) at beginning of year		38,205,576	
FUND BALANCES (DEFICITS) AT END OF YEAR		\$ 40,242,006	

Transportation

Original and Final Budget	Actual	Variance Over/ (Under)
\$ 1,040,361	\$ 1,051,095	\$ 10,734
2,184,753	2,183,273	(1,480)
-	-	-
3,225,114	3,234,368	9,254
-	-	-
3,225,114	3,234,368	9,254
-	-	-
2,874,997	3,521,739	(646,742)
-	-	-
2,874,997	3,521,739	(646,742)
-	-	-
2,874,997	3,521,739	(646,742)
350,117	(287,371)	(637,488)
-	-	-
-	-	-
<u>\$ 350,117</u>	<u>(287,371)</u>	<u>\$ (637,488)</u>
	<u>(359,250)</u>	
	<u>\$ (646,621)</u>	

## J.STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

### Notes to Required Supplementary Information

June 30, 2012

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#### **BUDGETS AND BUDGETARY ACCOUNTING**

Annual budgets for all Governmental Funds are adopted on the modified accrual basis, consistent with generally accepted accounting principles (GAAP) for local governments. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Funds. All encumbrances are canceled at year end, and, if necessary, are reinstated at the beginning of the subsequent fiscal year.

Legal spending control for District moneys is at the fund level, but management control is exercised at budgetary line item levels within each fund. The Board of Education, in accordance with Chapter 105, Section 5/17-1 of the *Illinois Compiled Statutes*, follows these procedures in establishing the budgetary data reflected in the 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. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law. The budget, which was not amended, was adopted on September 14, 2011.
5. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.
6. The District has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
7. The budget (all appropriations) lapses at the end of each fiscal year.



## GENERAL FUND

To account for resources traditionally associated with government operations which are not required to be accounted for in another fund, the District maintains the following legally mandated accounts within the General Fund:

**Educational Account** - To account for most of the instructional and administrative aspects of the District's operations.

**Operations and Maintenance Account** - To account for repair and maintenance of the District's property.

**Working Cash Account** - To account for financial resources held by the District to be used as loans for working capital requirements to any other fund for which taxes are levied.

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**GENERAL FUND**  
**BALANCE SHEET BY ACCOUNT**  
**JUNE 30, 2012**

<u>ASSETS</u>	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
Cash and investments	\$ 30,063,148	\$ 3,320,389	\$ 4,919,992	\$ 38,303,529
Receivables:				
Property taxes	11,930,395	3,038,496	-	14,968,891
Due from other governments	3,748,186	-	-	3,748,186
Due from other funds	-	-	2,900,000	2,900,000
Other current assets	4,600	-	-	4,600
Inventory	199,367	-	-	199,367
<b>TOTAL ASSETS</b>	<b><u>\$ 45,945,696</u></b>	<b><u>\$ 6,358,885</u></b>	<b><u>\$ 7,819,992</u></b>	<b><u>\$ 60,124,573</u></b>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>  				
<b>Liabilities:</b>				
Accounts payable	\$ 1,002,598	\$ 221,433	\$ -	\$ 1,224,031
Accrued salaries and related expenditures	3,689,645	-	-	3,689,645
Deferred revenue	11,930,395	3,038,496	-	14,968,891
Total Liabilities	<u>16,622,638</u>	<u>3,259,929</u>	<u>-</u>	<u>19,882,567</u>
<b>Fund Balances (Deficits):</b>				
Nonspendable	199,367	-	-	199,367
Unassigned	29,123,691	3,098,956	7,819,992	40,042,639
Total Fund Balances	<u>29,323,058</u>	<u>3,098,956</u>	<u>7,819,992</u>	<u>40,242,006</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 45,945,696</u></b>	<b><u>\$ 6,358,885</u></b>	<b><u>\$ 7,819,992</u></b>	<b><u>\$ 60,124,573</u></b>

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES BY ACCOUNT**  
**YEAR ENDED JUNE 30, 2012**

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
<b>REVENUES</b>				
Local sources	\$ 30,461,742	\$ 6,696,024	\$ 18,911	\$ 37,176,677
State sources	42,424,861	4,125,000	-	46,549,861
Federal sources	8,404,964	282,504	-	8,687,468
<b>Total Revenues</b>	<u>81,291,567</u>	<u>11,103,528</u>	<u>18,911</u>	<u>92,414,006</u>
<b>EXPENDITURES</b>				
Current operating:				
Instruction	57,379,911	-	-	57,379,911
Support services	20,702,567	11,465,067	-	32,167,634
Community services	120,860	-	-	120,860
Non-programmed charges	1,234,816	-	-	1,234,816
<b>Total Expenditures</b>	<u>79,438,154</u>	<u>11,465,067</u>	<u>-</u>	<u>90,903,221</u>
Excess (deficiency) of revenues over expenditures	1,853,413	(361,539)	18,911	1,510,785
<b>OTHER FINANCING SOURCES</b>				
Capital lease proceeds	525,645	-	-	525,645
<b>Total other financing sources</b>	<u>525,645</u>	<u>-</u>	<u>-</u>	<u>525,645</u>
Net changes in fund balance	2,379,058	(361,539)	18,911	2,036,430
Fund balances at beginning of year	26,944,000	3,460,495	7,801,081	38,205,576
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 29,323,058</u>	<u>\$ 3,098,956</u>	<u>\$ 7,819,992</u>	<u>\$ 40,242,006</u>

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011 Actual
	Final Budget	Actual	Variance over/under	
<b>REVENUES</b>				
Local Sources:				
General tax levy	\$ 21,399,826	\$ 21,247,835	\$ (151,991)	\$ 20,518,851
Special education levy	404,310	409,030	4,720	364,483
Corporate replacement taxes	5,265,497	5,297,980	32,483	6,129,090
Tuition	425,000	272,750	(152,250)	383,182
Earnings on investments	120,000	77,180	(42,820)	108,160
Food services	1,263,275	1,008,450	(254,825)	1,944,223
Pupil activities	898,282	756,239	(142,043)	805,609
Textbooks	31,261	32,671	1,410	32,556
Other (refunds)	819,904	1,359,607	539,703	648,366
<b>Total Local Sources</b>	<b>30,627,355</b>	<b>30,461,742</b>	<b>(165,613)</b>	<b>30,934,520</b>
State Sources:				
General state aid	28,652,486	28,652,486	-	28,323,996
Bilingual education	220,000	128,314	(91,686)	393,002
Vocational education	245,760	180,371	(65,389)	296,122
Special education	3,647,774	3,729,241	81,467	4,801,459
School lunch aid	76,000	93,770	17,770	123,729
Driver education	230,000	225,208	(4,792)	302,239
Early childhood	93,766	93,766	-	91,603
Other grants-in-aid	6,199	175,884	169,685	375,001
<b>Total State Sources</b>	<b>33,171,985</b>	<b>33,279,040</b>	<b>107,055</b>	<b>34,707,151</b>
Federal Sources:				
National school lunch program	1,961,000	2,257,679	296,679	1,983,804
School breakfast program	200,000	162,887	(37,113)	197,171
Title I - low income	2,141,475	2,114,386	(27,089)	1,879,157
Safe and drug free schools	-	-	-	1,096
IDEA - flow through	2,063,309	1,888,953	(174,356)	1,532,815
Vocational education - Perkins	46,000	40,619	(5,381)	(1,052)
Medicaid matching	\$ 450,000	\$ 496,703	\$ 46,703	\$ 497,182

(Continued)

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011 Actual
	Final Budget	Actual	Variance over/under	
Federal Sources: (continued)				
Title III - english	\$ 44,250	\$ 1,741	\$ (42,509)	\$ 70,377
Title II - teacher quality	292,832	117,539	(175,293)	199,648
ARRA funding	1,064,218	931,754	(132,464)	4,423,143
Other	614,652	392,703	(221,949)	588,024
Total Federal Sources	8,877,736	8,404,964	(472,772)	11,371,365
Total Direct Revenues	72,677,076	72,145,746	(531,330)	77,013,036
On behalf payments - State of Illinois	9,000,000	9,145,821	145,821	8,476,150
Total Revenues	81,677,076	81,291,567	(385,509)	85,489,186
<b>EXPENDITURES</b>				
Current operating:				
Instruction:				
Regular programs:				
Salaries	21,283,107	20,773,900	509,207	20,854,039
Employee benefits	4,803,071	9,945,958	(5,142,887)	10,647,674
Purchased services	65,901	34,907	30,994	33,262
Supplies and materials	468,551	370,205	98,346	428,930
Capital outlay	47,258	587,877	(540,619)	34,548
Other	4,300	2,767	1,533	1,128
Non-capitalized equipment	-	3,200	(3,200)	-
Total	26,672,188	31,718,814	(5,046,626)	31,999,581
Special programs:				
Salaries	5,750,580	5,826,997	(76,417)	5,710,685
Employee benefits	1,838,807	62,760	1,776,047	538,767
Purchased services	5,500	5,753	(253)	3,578
Supplies and materials	67,325	47,503	19,822	232,021
Capital outlay	34,639	13,456	21,183	10,261
Other	-	160	(160)	-
Tuition	-	4,169,037	(4,169,037)	3,492,518
Total	\$ 7,696,851	\$ 10,125,666	\$ (2,428,815)	\$ 9,987,830

(Continued)

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
<b>Educationally deprived :</b>				
Salaries	\$ 135,813	\$ 158,602	\$ (22,789)	\$ 614,682
Employee benefits	62,873	84,247	(21,374)	261,493
Purchased services	35,155	496,537	(461,382)	14,842
Supplies and materials	160,640	222,468	(61,828)	51,041
Capital outlay	261,535	319,633	(58,098)	225,804
<b>Total</b>	<b>656,016</b>	<b>1,281,487</b>	<b>(625,471)</b>	<b>1,167,862</b>
<b>Adult education programs:</b>				
Salaries	203,539	183,924	19,615	197,510
Employee benefits	1,054	1,182	(128)	1,016
Purchased services	300	114	186	-
Supplies and materials	1,100	2,208	(1,108)	1,063
<b>Total</b>	<b>205,993</b>	<b>187,428</b>	<b>18,565</b>	<b>199,589</b>
<b>Vocational programs:</b>				
Salaries	1,328,798	1,634,987	(306,189)	1,267,083
Employee benefits	259,141	32,963	226,178	5,808
Purchased services	5,087	4,306	781	1,533
Supplies and materials	140,595	156,820	(16,225)	114,694
Capital outlay	192,991	217,768	(24,777)	290,417
Other	5,596	9,355	(3,759)	8,331
Non-capitalized equipment	3,946	-	3,946	-
<b>Total</b>	<b>1,936,154</b>	<b>2,056,199</b>	<b>(120,045)</b>	<b>1,687,866</b>
<b>Interscholastic programs:</b>				
Salaries	755,419	726,201	29,218	698,009
Employee benefits	32,058	4,227	27,831	3,322
Purchased services	218,500	194,593	23,907	177,507
Supplies and materials	88,500	100,265	(11,765)	102,217
Other	300	170	130	95
<b>Total</b>	<b>1,094,777</b>	<b>1,025,456</b>	<b>69,321</b>	<b>981,150</b>
<b>Summer school:</b>				
Salaries	229,126	200,020	29,106	201,723
Employee benefits	2,443	9,035	(6,592)	11,916
Supplies and materials	5,000	1,738	3,262	1,668
<b>Total</b>	<b>\$ 236,569</b>	<b>\$ 210,793</b>	<b>\$ 25,776</b>	<b>\$ 215,307</b>

(Continued)

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
Drivers education:				
Salaries	\$ 160,000	\$ 61,051	\$ 98,949	\$ 263,696
Employee benefits	1,966	444	1,522	1,314
Purchased services	26,400	14,532	11,868	27,654
Supplies and materials	14,200	6,100	8,100	10,826
Capital outlay	2,000	-	2,000	231
<b>Total</b>	<b>204,566</b>	<b>82,127</b>	<b>122,439</b>	<b>303,721</b>
Bilingual:				
Salaries	637,627	902,943	(265,316)	747,958
Employee benefits	134,459	12,219	122,240	7,952
Supplies and materials	43,500	34,766	8,734	31,033
<b>Total</b>	<b>815,586</b>	<b>949,928</b>	<b>(134,342)</b>	<b>786,943</b>
Truants Alternative and Optional Programs:				
Salaries	509,126	586,694	(77,568)	557,504
Employee benefits	131,400	5,962	125,438	4,359
Purchased services	4,350	2,971	1,379	2,882
Supplies and materials	1,400	-	1,400	-
Capital outlay	1,000	-	1,000	1,970
Other	-	-	-	706
Non-capitalized equipment	8,000	565	7,435	-
<b>Total</b>	<b>655,276</b>	<b>596,192</b>	<b>59,084</b>	<b>567,421</b>
<b>Total Instruction</b>	<b>40,173,976</b>	<b>48,234,090</b>	<b>(8,060,114)</b>	<b>47,897,270</b>
Support Services:				
Pupils:				
Attendance and social work:				
Salaries	2,117,759	2,066,099	51,660	2,092,458
Employee benefits	543,910	13,536	530,374	13,683
Purchased services	59,603	40,827	18,776	51,090
Supplies and materials	33,050	34,394	(1,344)	45,788
Capital outlay	-	-	-	19,236
<b>Total</b>	<b>\$ 2,754,322</b>	<b>\$ 2,154,856</b>	<b>\$ 599,466</b>	<b>\$ 2,222,255</b>

(Continued)

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
Guidance services:				
Salaries	\$ 2,099,573	\$ 2,119,059	\$ (19,486)	\$ 2,105,783
Employee benefits	443,430	30,411	413,019	24,224
Purchased services	29,820	29,100	720	13,891
Supplies and materials	10,778	21,161	(10,383)	19,750
Capital outlay	-	-	-	9,016
Other	2,410	795	1,615	196
<b>Total</b>	<b>2,586,011</b>	<b>2,200,526</b>	<b>385,485</b>	<b>2,172,860</b>
Health services:				
Salaries	342,075	370,470	(28,395)	331,518
Employee benefits	126,070	5,678	120,392	-
Purchased services	118,545	333,797	(215,252)	149,205
Supplies and materials	5,203	6,106	(903)	5,070
Other	300	170	130	75
<b>Total</b>	<b>592,193</b>	<b>716,221</b>	<b>(124,028)</b>	<b>485,868</b>
Psychological services:				
Salaries	229,381	296,221	(66,840)	222,572
Employee benefits	57,333	3,604	53,729	3,523
<b>Total</b>	<b>286,714</b>	<b>299,825</b>	<b>(13,111)</b>	<b>226,541</b>
Speech pathology and audiology services:				
Salaries	267,666	270,476	(2,810)	262,450
Employee benefits	45,605	5,004	40,601	4,178
<b>Total</b>	<b>313,271</b>	<b>275,480</b>	<b>37,791</b>	<b>266,628</b>
Other supporting services:				
Salaries	322,561	294,067	28,494	305,237
Employee benefits	1,219	1,849	(630)	1,556
Purchased services	13,150	9,368	3,782	12,405
Supplies and materials	4,550	279	4,271	2,237
Other	2,409	1,201	1,208	655
<b>Total</b>	<b>\$ 343,889</b>	<b>\$ 306,764</b>	<b>\$ 37,125</b>	<b>\$ 322,090</b>

(Continued)



**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011 Actual
	Final Budget	Actual	Variance over/under	
Instructional staff:				
Improvement of instruction services:				
Salaries	\$ 1,897,910	\$ 1,463,963	\$ 433,947	\$ 1,049,513
Employee benefits	442,631	275,045	167,586	53,699
Purchased services	317,899	280,768	37,131	257,699
Supplies and materials	182,322	115,470	66,852	51,011
Capital outlay	78,957	22,432	56,525	30,225
Other	1,500	220	1,280	45
<b>Total</b>	<b>2,921,219</b>	<b>2,157,898</b>	<b>763,321</b>	<b>1,442,192</b>
Education media:				
Salaries	487,333	467,773	19,560	460,937
Employee benefits	183,198	2,157	181,041	1,621
Purchased services	106,744	86,030	20,714	60,273
Supplies and materials	303,428	384,916	(81,488)	361,620
Capital outlay	147,727	233,600	(85,873)	670,595
Other	-	-	-	53,764
Non-capitalized equipment	51,134	26,554	24,580	-
<b>Total</b>	<b>1,279,564</b>	<b>1,201,030</b>	<b>78,534</b>	<b>1,608,810</b>
Assessment and testing:				
Salaries	10,406	10,020	386	1,132
Employee benefits	2,772	203	2,569	7
Purchased services	149,540	142,828	6,712	52,341
Supplies and materials	40,000	5,124	34,876	6,817
Other	1,500	1,351	149	196
<b>Total</b>	<b>204,218</b>	<b>159,526</b>	<b>44,692</b>	<b>60,493</b>
General administration:				
Board of education:				
Salaries	246,363	251,485	(5,122)	315,213
Employee benefits	74,336	8,946	65,390	11,774
Purchased services	485,205	324,842	160,363	467,999
Supplies and materials	24,000	20,253	3,747	4,431
Capital outlay	-	5,998	(5,998)	-
Other	58,400	25,487	32,913	58,648
Non-capitalized equipment	6,000	795	5,205	-
<b>Total</b>	<b>\$ 894,304</b>	<b>\$ 637,806</b>	<b>\$ 256,498</b>	<b>\$ 858,065</b>

(Continued)

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
<b>Executive administration:</b>				
Salaries	\$ 282,782	\$ 267,275	\$ 15,507	\$ 264,041
Employee benefits	57,523	64,041	(6,518)	29,062
Purchased services	15,700	13,002	2,698	22,610
Supplies and materials	7,000	1,291	5,709	4,056
Capital outlay	2,000	499	1,501	-
Other	7,500	14,485	(6,985)	5,832
<b>Total</b>	<b>372,505</b>	<b>360,593</b>	<b>11,912</b>	<b>325,601</b>
<b>Special area administrative services:</b>				
Salaries	494,288	499,136	(4,848)	449,387
Employee benefits	98,908	101,445	(2,537)	3,249
Purchased services	8,867	10,790	(1,923)	12,074
Supplies and materials	-	-	-	214
Capital outlay	-	-	-	959
<b>Total</b>	<b>602,063</b>	<b>611,371</b>	<b>(9,308)</b>	<b>465,883</b>
<b>School administration:</b>				
<b>Office of the principal:</b>				
Salaries	1,743,405	1,702,937	40,468	1,698,265
Employee benefits	354,356	10,896	343,460	14,490
Purchased services	121,125	111,720	9,405	84,457
Supplies and materials	42,950	28,517	14,433	14,612
Capital outlay	236,118	23,866	212,252	-
Non-capitalized equipment	3,290	11,284	(7,994)	-
Other	12,250	11,444	806	10,945
<b>Total</b>	<b>2,513,494</b>	<b>1,900,664</b>	<b>612,830</b>	<b>1,822,769</b>
<b>Other support services</b>				
<b>school administration:</b>				
Supplies and materials	-	286	(286)	1,482
Capital outlay	-	227,397	(227,397)	51,280
<b>Total</b>	<b>-</b>	<b>227,683</b>	<b>(227,683)</b>	<b>52,762</b>
<b>Business:</b>				
<b>Direction of business support services:</b>				
Salaries	128,750	128,750	-	128,750
Employee benefits	21,523	27,201	(5,678)	7,389
<b>Total</b>	<b>\$ 150,273</b>	<b>\$ 155,951</b>	<b>\$ (5,678)</b>	<b>\$ 136,139</b>

(Continued)

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
<b>Fiscal services:</b>				
Salaries	\$ 655,889	\$ 600,786	\$ 55,103	\$ 613,889
Employee benefits	203,612	393	203,219	-
Purchased services	288,467	108,484	179,983	385,704
Supplies and materials	78,628	59,362	19,266	53,131
Capital outlay	-	2,504	(2,504)	1,945
Other	3,145	3,614	(469)	10,892
Non-capitalized equipment	6,000	3,768	2,232	-
<b>Total</b>	<b>1,235,741</b>	<b>778,911</b>	<b>456,830</b>	<b>1,065,561</b>
<b>Operation and maintenance of plant services:</b>				
Purchased services	265,380	344,667	(79,287)	-
Employee benefits	2,199,229	196,705	2,002,524	-
<b>Total</b>	<b>2,464,609</b>	<b>541,372</b>	<b>1,923,237</b>	<b>-</b>
<b>Pupil transportation services:</b>				
Employee benefits	28,016	-	28,016	-
Capital outlay	90,703	90,703	-	-
Purchased services	10,919	3,022	7,897	4,357
<b>Total</b>	<b>129,638</b>	<b>93,725</b>	<b>35,913</b>	<b>4,357</b>
<b>Food services:</b>				
Salaries	1,478,442	1,095,033	383,409	1,526,055
Employee benefits	350,196	-	350,196	-
Purchased services	168,400	234,115	(65,715)	62,736
Supplies and materials	1,662,300	1,454,530	207,770	2,202,416
Capital outlay	25,000	5,940	19,060	4,599
Non-capitalized equipment	3,000	6,049	(3,049)	-
Other	-	491	(491)	-
<b>Total</b>	<b>3,687,338</b>	<b>2,796,158</b>	<b>891,180</b>	<b>3,795,806</b>
<b>Internal services:</b>				
Salaries	258,863	268,605	(9,742)	258,232
Employee benefits	77,043	86,335	(9,292)	-
Purchased services	(56,224)	-	(56,224)	-
Supplies and materials	206,327	36,023	170,304	112,637
<b>Total</b>	<b>\$ 486,009</b>	<b>\$ 390,963</b>	<b>\$ 95,046</b>	<b>\$ 370,869</b>

(Continued)

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
<b>Central:</b>				
Information services:				
Salaries	\$ 34,823	\$ 33,478	\$ 1,345	\$ 34,268
Employee benefits	14,008	-	14,008	-
Purchased services	69,442	54,425	15,017	64,618
<b>Total</b>	<b>118,273</b>	<b>87,903</b>	<b>30,370</b>	<b>98,886</b>
Staff services:				
Employee benefits	-	1,533	(1,533)	119
Purchased services	6,300	-	6,300	250
<b>Total</b>	<b>6,300</b>	<b>1,533</b>	<b>4,767</b>	<b>369</b>
Data processing services:				
Salaries	497,954	446,117	51,837	389,535
Employee benefits	153,078	3,623	149,455	1,273
Purchased services	282,168	280,895	1,273	229,280
Supplies and materials	346,909	390,703	(43,794)	161,236
Capital outlay	42,134	128,435	(86,301)	37,372
Other objects	-	-	-	14,160
Non-capitalized equipment	18,250	2,980	15,270	-
<b>Total</b>	<b>1,340,493</b>	<b>1,252,753</b>	<b>87,740</b>	<b>832,856</b>
Other support services:				
Employee benefits	59	-	59	-
Purchased services	2,103,943	1,390,100	713,843	1,367,657
Supplies and materials	22,782	2,955	19,827	297
Other	20,000	-	20,000	15,993
<b>Total</b>	<b>2,146,784</b>	<b>1,393,055</b>	<b>753,729</b>	<b>1,383,947</b>
<b>Total Support Services</b>	<b>27,429,225</b>	<b>20,702,567</b>	<b>6,726,658</b>	<b>20,021,607</b>
Community services:				
Salaries	8,500	5,330	3,170	2,618
Employee benefits	2,309	1,714	595	798
Purchased services	120,682	93,981	26,701	97,834
Supplies and materials	35,479	19,835	15,644	15,658
<b>Total Community Services</b>	<b>\$ 166,970</b>	<b>\$ 120,860</b>	<b>\$ 46,110</b>	<b>\$ 116,908</b>

(Continued)

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011 Actual
	Final Budget	Actual	Variance over/under	
Non-programmed charges	\$ 4,278,407	\$ 1,234,816	\$ 3,043,591	\$ 911,698
Total Direct Expenditures	72,048,578	70,292,333	1,756,245	68,947,483
On behalf payments - State of Illinois	9,000,000	9,145,821	(145,821)	8,476,150
Total Expenditures	81,048,578	79,438,154	1,610,424	77,423,633
Excess (deficiency) of revenues over expenditures	628,498	1,853,413	(1,995,933)	8,065,553
<b>OTHER FINANCING SOURCES</b>				
Principal on capital lease proceeds	-	525,645	525,645	-
Total other financing sources	-	525,645	525,645	-
Net changes in fund balance	<u>\$ 628,498</u>	2,379,058	<u>\$ (1,470,288)</u>	8,065,553
Fund balance at beginning of year		<u>26,944,000</u>		<u>18,878,447</u>
FUND BALANCE AT END OF YEAR		<u>\$ 29,323,058</u>		<u>\$ 26,944,000</u>

(Concluded)

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources:				
General tax levy	\$ 6,148,266	\$ 6,562,518	\$ 414,252	\$ 5,970,839
Earnings on investments	16,008	9,191	(6,817)	15,675
Rentals	40,375	64,374	23,999	63,300
Refund of prior years expenditures	100	-	(100)	-
Other	93,885	59,941	(33,944)	87,064
Total Local Sources	6,298,634	6,696,024	397,390	6,136,878
State Sources:				
General state aid	4,125,000	4,125,000	-	4,125,000
Total State Sources	4,125,000	4,125,000	-	4,125,000
Federal Sources:				
Other federal aid	-	282,504	282,504	77,465
Total Federal Sources	-	282,504	282,504	77,465
Total Revenues	10,423,634	11,103,528	679,894	10,339,343
<b>EXPENDITURES</b>				
Current operating:				
Support services:				
Facilities acquisition services:				
Purchased services	57,000	75,129	(18,129)	29,599
Supplies and materials	10,000	33,271	(23,271)	-
Capital outlay	856,314	902,206	(45,892)	1,224,788
Total Facilities Acquisition Services	\$ 923,314	\$ 1,010,606	\$ (87,292)	\$ 1,254,387

(Continued)

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011 Actual
	Final Budget	Actual	Variance over/under	
Operations and maintenance of				
Plant Services:				
Salaries	\$ 6,587,644	\$ 6,075,516	\$ 512,128	\$ 5,802,763
Employee benefits	-	7,997	(7,997)	7,030
Purchased services	894,072	1,231,830	(337,758)	920,582
Supplies and materials	1,968,734	1,693,020	275,714	1,833,138
Capital outlay	231,008	340,052	(109,044)	186,703
Other objects	500	-	500	4,378
Non-capitalized equipment	8,700	4,352	4,348	-
Total Operation and Maintenance of Plant Services	<u>9,690,658</u>	<u>9,352,767</u>	<u>337,891</u>	<u>8,754,594</u>
Other support services:				
Salaries	-	-	-	3,693
Purchased services	812,235	916,854	(104,619)	480,548
Other objects	-	184,840	(184,840)	477,918
Total Other Support Services	<u>812,235</u>	<u>1,101,694</u>	<u>(289,459)</u>	<u>962,159</u>
Total Support Services	<u>11,426,207</u>	<u>11,465,067</u>	<u>(38,860)</u>	<u>10,971,140</u>
Total Expenditures	<u>11,426,207</u>	<u>11,465,067</u>	<u>(38,860)</u>	<u>10,971,140</u>
Excess of revenues over expenditures	<u>(1,002,573)</u>	<u>(361,539)</u>	<u>641,034</u>	<u>(631,797)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	-	(50,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Net changes in fund balance	<u>\$ (1,002,573)</u>	<u>(361,539)</u>	<u>\$ 641,034</u>	<u>(681,797)</u>
Fund balance at beginning of year		<u>3,460,495</u>		<u>4,142,292</u>
FUND BALANCE AT END OF YEAR		<u>\$ 3,098,956</u>		<u>\$ 3,460,495</u>

(Concluded)

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**WORKING CASH ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011 Actual
	Final Budget	Actual	Variance over/under	
<b>REVENUES</b>				
Local Sources:				
Earnings on investments	\$ 38,605	\$ 18,911	\$ (19,694)	\$ 32,107
Total Local Sources	<u>38,605</u>	<u>18,911</u>	<u>(19,694)</u>	<u>32,107</u>
Total Revenues	<u>38,605</u>	<u>18,911</u>	<u>(19,694)</u>	<u>32,107</u>
Excess of revenues over expenditures	<u>\$ 38,605</u>	18,911	<u>\$ (19,694)</u>	32,107
Fund balance at beginning of year		<u>7,801,081</u>		<u>7,768,974</u>
FUND BALANCE AT END OF YEAR		<u>\$ 7,819,992</u>		<u>\$ 7,801,081</u>



## **MAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

To account for proceeds from specific revenue sources which are designated to finance expenditures for specific purposes, the District maintains the following Special Revenue Funds:

**Transportation Fund** - To account for activity relating to student transportation to and from school.

### **DEBT SERVICE FUND**

**Debt Service Fund** - To account for the accumulation of, resources for, and the payment of, general long-term debt principal, interest and related costs.

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**TRANSPORTATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011 Actual
	Final Budget	Actual	Variance over/under	
<b>REVENUES</b>				
Local Sources:				
General tax levy	\$ 1,036,434	\$ 1,050,639	\$ 14,205	\$ 930,293
Earnings on investments	3,927	456	(3,471)	3,668
Total Local Sources	<u>1,040,361</u>	<u>1,051,095</u>	<u>10,734</u>	<u>933,961</u>
State Sources:				
Transportation aid	<u>2,184,753</u>	<u>2,183,273</u>	<u>(1,480)</u>	<u>2,477,657</u>
Total State Sources	<u>2,184,753</u>	<u>2,183,273</u>	<u>(1,480)</u>	<u>2,477,657</u>
Total Revenues	<u>3,225,114</u>	<u>3,234,368</u>	<u>9,254</u>	<u>3,411,618</u>
<b>EXPENDITURES</b>				
Current operating:				
Support Services:				
Pupil Transportation Services:				
Salaries	87,066	90,799	(3,733)	92,882
Employee benefits	-	166	(166)	48,687
Purchased services	2,780,731	3,411,445	(630,714)	3,134,521
Supplies and materials	7,000	19,160	(12,160)	7,690
Other	200	169	31	49
Total Support Services	<u>2,874,997</u>	<u>3,521,739</u>	<u>(646,742)</u>	<u>3,283,829</u>
Total Expenditures	<u>2,874,997</u>	<u>3,521,739</u>	<u>(646,742)</u>	<u>3,283,829</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 350,117</u>	<u>(287,371)</u>	<u>\$ (637,488)</u>	<u>127,789</u>
Fund balance (deficit) at beginning of year		<u>(359,250)</u>		<u>(487,039)</u>
FUND BALANCE (DEFICIT) AT END OF YEAR		<u>\$ (646,621)</u>		<u>\$ (359,250)</u>

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011 Actual
	Final Budget	Actual	Variance over/under	
<b>REVENUES</b>				
Local Sources:				
General tax levy	\$ 9,396,758	\$ 9,235,706	\$ (161,052)	\$ 9,279,466
Earnings on investments	3,242	2,435	(807)	3,108
Total Local Sources	<u>9,400,000</u>	<u>9,238,141</u>	<u>(161,859)</u>	<u>9,282,574</u>
Total Revenues	<u>9,400,000</u>	<u>9,238,141</u>	<u>(161,859)</u>	<u>9,282,574</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	4,545,507	4,591,987	(46,480)	4,273,133
Interest on bonds	4,699,493	4,653,013	46,480	4,971,867
Total Expenditures	<u>9,245,000</u>	<u>9,245,000</u>	<u>-</u>	<u>9,245,000</u>
Excess (deficiency) of revenues over expenditures	<u>155,000</u>	<u>(6,859)</u>	<u>(161,859)</u>	<u>37,574</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	-	50,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Net changes in fund balance	<u>\$ 155,000</u>	<u>(6,859)</u>	<u>\$ (161,859)</u>	<u>87,574</u>
Fund balance at beginning of year		<u>5,985,256</u>		<u>5,897,682</u>
FUND BALANCE AT END OF YEAR		<u>\$ 5,978,397</u>		<u>\$ 5,985,256</u>

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

To account for proceeds from specific revenue sources which are designated to finance expenditures for specific purposes, the District maintains the following Special Revenue Fund:

**Municipal Retirement/Social Security Fund** - To account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund and Social Security for noncertified employees.

### CAPITAL PROJECTS FUNDS

**Capital Projects Fund** - To account for financial resources to be used for the acquisition or construction of major capital facilities.

**Fire Prevention and Safety Fund** - To account for financial resources to be used for the acquisition, construction, and or additions related to qualifying fire prevention and safety projects.

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2012**

	Municipal Retirement/ Social Security	Fire Prevention and Safety	Capital Projects	Total Nonmajor Governmental Funds
<b><u>ASSETS</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 861,072	\$ 2,414,795	\$ 69,961	\$ 3,345,828
Receivables:				
Property taxes	1,403,490	203,767	-	1,607,257
<b>TOTAL ASSETS</b>	<b>\$ 2,264,562</b>	<b>\$ 2,618,562</b>	<b>\$ 69,961</b>	<b>\$ 4,953,085</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
<b>Liabilities:</b>				
Accrued salaries and related expenditures	\$ 687	\$ -	\$ -	\$ 687
Other payables	-	-	831,596	831,596
Due to other funds	-	-	1,100,000	1,100,000
Deferred revenue	1,403,490	203,767	-	1,607,257
<b>Total Liabilities</b>	<b>1,404,177</b>	<b>203,767</b>	<b>1,931,596</b>	<b>3,539,540</b>
<b>Fund Balance:</b>				
Restricted	860,385	2,414,795	-	3,275,180
Unassigned	-	-	(1,861,635)	(1,861,635)
<b>Total Fund Balance (Deficit)</b>	<b>860,385</b>	<b>2,414,795</b>	<b>(1,861,635)</b>	<b>1,413,545</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 2,264,562</b>	<b>\$ 2,618,562</b>	<b>\$ 69,961</b>	<b>\$ 4,953,085</b>

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2012

	Municipal Retirement/ Social Security	Fire Prevention and Safety	Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Local sources	\$ 3,471,025	\$ 520,082	\$ 102	\$ 3,991,209
State sources	-	-	2,960,697	2,960,697
Total Revenues	<u>3,471,025</u>	<u>520,082</u>	<u>2,960,799</u>	<u>6,951,906</u>
<b>EXPENDITURES</b>				
Current operating:				
Instruction	843,768	-	-	843,768
Support services	2,273,813	-	4,797,168	7,070,981
Community services	101	-	-	101
Capital outlay	-	289,632	-	289,632
Total Expenditures	<u>3,117,682</u>	<u>289,632</u>	<u>4,797,168</u>	<u>8,204,482</u>
Excess of revenues (deficiency) over expenditures	<u>353,343</u>	<u>230,450</u>	<u>(1,836,369)</u>	<u>(1,252,576)</u>
Fund balances (deficits) at beginning of year	<u>507,042</u>	<u>2,184,345</u>	<u>(25,266)</u>	<u>2,666,121</u>
<b>FUND BALANCES (DEFICIT) AT END OF YEAR</b>	<u><u>\$ 860,385</u></u>	<u><u>\$ 2,414,795</u></u>	<u><u>\$ (1,861,635)</u></u>	<u><u>\$ 1,413,545</u></u>

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011 Actual
	Final Budget	Actual	Variance over/under	
<b>REVENUES</b>				
Local Sources:				
General tax levy	\$ 3,272,111	\$ 3,219,481	\$ (52,630)	\$ 2,862,103
Corporate replacement taxes	250,000	250,000	-	250,000
Earnings on investments	2,035	1,544	(491)	2,069
Total Local Sources	<u>3,524,146</u>	<u>3,471,025</u>	<u>(53,121)</u>	<u>3,114,172</u>
Total Revenues	<u>3,524,146</u>	<u>3,471,025</u>	<u>(53,121)</u>	<u>3,114,172</u>
<b>EXPENDITURES</b>				
Current operating:				
Instruction - employee benefits	849,137	843,768	5,369	775,622
Support services - employee benefits	2,454,165	2,273,813	180,352	2,141,384
Community services - employee benefits	87	101	(14)	104
Total Expenditures	<u>3,303,389</u>	<u>3,117,682</u>	<u>185,707</u>	<u>2,917,110</u>
Excess of revenues over expenditures	<u>\$ 220,757</u>	353,343	<u>\$ 132,586</u>	197,062
Fund balance at beginning of year		<u>507,042</u>		<u>309,980</u>
FUND BALANCE AT END OF YEAR		<u>\$ 860,385</u>		<u>\$ 507,042</u>

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**CAPITAL PROJECTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011 Actual
	Final Budget	Actual	Variance over/under	
<b>REVENUES</b>				
Local sources:				
Earnings on investments	\$ -	\$ 102	\$ (102)	\$ -
Total Local Sources	-	102	102	-
State sources:				
Infrastructure improvements	5,000,000	2,960,697	2,039,303	-
Total State Sources	5,000,000	2,960,697	2,039,303	-
Total Revenues	5,000,000	2,960,799	2,039,405	-
<b>EXPENDITURES</b>				
Support Services:				
Facilities acquisition:				
Capital outlay	4,974,734	4,797,168	177,566	25,266
Total Support Services	4,974,734	4,797,168	177,566	25,266
Total Expenditures	4,974,734	4,797,168	177,566	25,266
Excess (deficiency) of revenues over expenditures	<u>\$ 25,266</u>	(1,836,369)	<u>\$ 1,861,839</u>	(25,266)
Fund balance (deficit) at beginning of year		(25,266)		-
FUND BALANCE (DEFICIT) AT END OF YEAR		<u>\$ (1,861,635)</u>		<u>\$ (25,266)</u>



**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**FIRE PREVENTION AND SAFETY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011 Actual
	Final Budget	Actual	Variance over/under	
<b>REVENUES</b>				
Local Sources:				
Current year tax levy	\$ 506,617	\$ 513,818	\$ 7,201	\$ 238,798
Earnings on investments	12,901	6,264	(6,637)	12,495
Total Local Sources	519,518	520,082	564	251,293
Total Revenues	519,518	520,082	564	251,293
<b>EXPENDITURES</b>				
Capital outlay	500,000	289,632	210,368	394,582
Total Expenditures	500,000	289,632	210,368	394,582
Excess (deficiency) of revenues over expenditures	<u>\$ 19,518</u>	230,450	<u>\$ 210,932</u>	(143,289)
Fund balance at beginning of year		2,184,345		2,327,634
FUND BALANCE AT END OF YEAR		<u>\$ 2,414,795</u>		<u>\$ 2,184,345</u>

## **AGENCY FUNDS**

**Student Activity Funds** - To account for assets held by the District in a trustee capacity as an agent for student organizations and employees.

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**AGENCY FUND - ACTIVITY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**YEAR ENDED JUNE 30, 2012**

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	<u>Balance</u> July 1, 2011	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> June 30, 2012
<b>Assets:</b>				
Cash	<u>\$ 878,233</u>	<u>\$ 1,052,116</u>	<u>\$ 1,133,574</u>	<u>\$ 796,775</u>
<b>Liabilities:</b>				
Due to organizations	<u>\$ 878,233</u>	<u>\$ 1,052,116</u>	<u>\$ 1,133,574</u>	<u>\$ 796,775</u>

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## **STATISTICAL SECTION (UNAUDITED)**

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

### **Demographic and Economic Information**

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

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**NET ASSETS BY COMPONENT**  
**LAST TEN FISCAL YEARS**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 64,372,629	\$ 58,640,092	\$ 57,368,295	\$ 44,743,143	\$ 65,057,434
Restricted	9,253,577	8,676,643	13,179,338	12,870,395	13,068,474
Unrestricted	<u>(26,908,952)</u>	<u>(30,222,985)</u>	<u>(49,263,655)</u>	<u>(29,989,602)</u>	<u>(28,777,734)</u>
Total governmental activities net assets	<u>\$ 46,717,254</u>	<u>\$ 37,093,750</u>	<u>\$ 21,283,978</u>	<u>\$ 27,623,936</u>	<u>\$ 49,348,174</u>

Note: Certain amounts were reclassified between the components of net assets for 2003 to conform to the current presentation.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 62,616,806	\$ 64,839,840	\$ 65,303,198	\$ 61,822,958	\$ 49,364,488
13,197,422	12,764,477	11,765,611	11,403,840	13,162,306
<u>(28,751,490)</u>	<u>(29,980,544)</u>	<u>(27,840,368)</u>	<u>(21,023,021)</u>	<u>(2,785,915)</u>
<u>\$ 47,062,738</u>	<u>\$ 47,623,773</u>	<u>\$ 49,228,441</u>	<u>\$ 52,203,777</u>	<u>\$ 59,740,879</u>

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**CHANGES IN NET ASSETS**  
**LAST TEN FISCAL YEARS**

	2012	2011	2010	2009	2008
Expenses					
Governmental activities					
Instruction:					
Regular programs	\$ 43,950,117	\$ 43,543,304	\$ 45,839,828	\$ 35,506,727	\$ 32,840,735
Special programs	10,248,130	15,992,179	13,871,762	13,646,452	13,476,188
Other instructional programs	5,852,209	936,964	3,918,525	4,590,376	4,004,796
Support services:					
Pupils	5,971,774	5,948,820	5,926,067	6,313,227	5,942,736
Instructional staff	4,221,857	2,516,264	2,634,026	2,315,546	1,524,689
General administration	1,700,663	1,752,128	1,371,944	2,097,396	2,233,817
School administration	2,002,459	1,951,217	2,224,374	2,859,073	2,729,998
Business	5,630,427	6,166,698	5,376,908	5,722,374	5,584,450
Operations and maintenance	12,212,693	10,933,498	10,188,107	11,571,176	11,604,753
Transportation	3,595,525	3,361,030	2,920,439	2,496,884	2,622,414
Central	104,893	1,029,143	1,130,022	1,341,619	1,286,712
Other supporting services	1,911,751	1,081,710	1,223,183	991,534	614,345
Interest and fees	4,908,317	725,445	5,655,441	5,779,209	5,812,788
Total governmental activities expenses	<u>102,310,815</u>	<u>95,938,400</u>	<u>102,280,626</u>	<u>95,231,593</u>	<u>90,278,421</u>
Program revenues					
Governmental activities					
Charges for services					
Instruction:					
Regular programs	1,061,660	1,221,347	981,055	1,111,589	1,008,116
Support services:					
Business	1,008,450	1,944,223	2,113,122	2,304,348	2,471,798
Operations and maintenance	64,374	63,300	37,050	44,265	28,174
Other	1,419,548	735,430	-	-	-
Operating grants and contributions	24,643,116	27,713,879	21,621,187	18,646,339	16,713,537
Capital grants and contributions	2,960,697	-	-	-	1,531,066
Total governmental activities program revenues	<u>31,157,845</u>	<u>31,678,179</u>	<u>24,752,414</u>	<u>22,106,541</u>	<u>21,752,691</u>
Net expense	<u>(71,152,970)</u>	<u>(64,260,221)</u>	<u>(77,528,212)</u>	<u>(73,125,052)</u>	<u>(68,525,730)</u>
General revenues					
Governmental activities					
Taxes:					
Real estate taxes, levied for general purposes	29,083,104	26,387,338	27,408,897	27,447,900	25,562,776
Real estate taxes, levied for specific purposes	3,791,022	4,351,000	3,580,715	3,119,627	3,418,626
Real estate taxes, levied for debt service	9,460,799	9,254,374	9,477,658	9,131,114	9,286,805
General state aid	32,280,783	32,448,996	24,072,708	26,952,448	22,919,697
Federal medicaid reimbursements	496,703	497,182	415,224	329,722	320,483
Investment earnings	116,083	177,282	356,031	609,878	1,820,321
Miscellaneous	5,547,980	6,953,821	5,877,021	6,384,633	7,482,458
Total governmental activities general revenues	<u>80,776,474</u>	<u>80,069,993</u>	<u>71,188,254</u>	<u>73,975,322</u>	<u>70,811,166</u>
Change in net assets	<u>\$ 9,623,504</u>	<u>\$ 15,809,772</u>	<u>\$ (6,339,958)</u>	<u>\$ 850,270</u>	<u>\$ 2,285,436</u>



2007	2006	2005	2004	2003
\$ 31,178,139	\$ 28,978,628	\$ 29,777,365	\$ 28,402,294	\$ 33,303,057
12,384,801	11,451,755	11,064,419	8,450,674	6,280,013
3,981,500	3,897,404	4,306,327	8,164,375	1,892,656
6,275,113	5,852,352	5,816,802	5,828,774	5,320,838
1,350,753	1,812,461	1,806,025	2,054,667	2,201,327
1,782,995	1,757,424	1,582,060	1,426,435	917,297
2,806,161	2,658,322	2,383,192	1,645,604	1,409,623
5,302,283	5,259,743	5,081,893	4,768,257	3,959,590
11,521,862	11,214,591	10,412,372	9,359,475	7,675,171
2,240,105	2,049,852	2,067,965	2,225,663	2,031,427
1,438,314	1,268,620	1,427,533	1,454,405	1,405,772
634,446	1,081,480	742,338	397,414	318,380
5,811,342	5,168,366	3,774,565	4,238,407	3,039,331
86,707,814	82,450,998	80,242,856	78,416,444	69,754,482
1,150,810	1,076,755	949,259	898,365	799,954
2,422,234	2,318,747	2,291,870	2,259,995	2,199,142
32,695	21,420	8,363	3,825	6,073
-	-	-	-	-
12,112,869	11,268,988	13,093,149	13,068,509	10,856,399
1,252,690	598,324	2,092,001	286	18,753,574
16,971,298	15,284,234	18,434,642	16,230,980	32,615,142
(69,736,516)	(67,166,764)	(61,808,214)	(62,185,464)	(37,139,340)
25,320,437	25,303,564	24,309,212	24,046,415	24,011,557
3,274,119	2,962,532	2,261,500	2,171,983	3,190,361
9,403,735	9,698,903	9,514,418	9,563,459	9,461,878
21,840,725	19,656,739	16,955,608	14,200,652	10,768,818
305,521	264,976	130,438	190,356	226,555
2,238,059	1,690,119	537,553	800,589	704,805
6,792,885	5,985,263	5,124,149	3,674,908	3,570,716
69,175,481	65,562,096	58,832,878	54,648,362	51,934,690
\$ (561,035)	\$ (1,604,668)	\$ (2,975,336)	\$ (7,537,102)	\$ 14,795,350

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund				
Nonspendable	\$ 199,367	\$ 201,967		
Unassigned	<u>40,042,639</u>	<u>38,003,609</u>		
Total general fund	<u>\$ 40,242,006</u>	<u>\$ 38,205,576</u>		
All Other Governmental Funds				
Restricted, reported in:				
Special revenue funds	860,385	507,042		
Debt service funds	5,978,397	5,985,256		
Capital projects funds	2,414,795	2,184,345		
Unassigned, reported in:				
Special revenue funds	(646,621)	(359,250)		
Capital projects funds	<u>(1,861,635)</u>	<u>(25,266)</u>		
Total all other governmental funds	<u>\$ 6,745,321</u>	<u>\$ 8,292,127</u>		
General Fund				
Reserved			\$ 227,388	\$ 194,629
Unreserved			<u>22,793,351</u>	<u>25,533,411</u>
Total general fund			<u>23,020,739</u>	<u>25,728,040</u>
All Other Governmental Funds				
Reserved			2,327,634	7,501,216
Unreserved, reported in:				
Debt service fund			5,897,682	5,197,113
Special revenue funds			<u>7,591,915</u>	<u>2,721,807</u>
Total all other governmental funds			<u>\$ 15,817,231</u>	<u>\$ 15,420,136</u>

Source of Information: Fiscal Years 2003-2012 Annual Financial Statements

2008	2007	2006	2005	2004	2003
\$ 1,794,287	\$ 9,036,103	\$ 21,714,848	\$ 89,255	\$ 6,765,788	\$ 11,296,691
26,526,056	22,871,722	17,191,643	322,224	(5,890,977)	(8,916,101)
<u>28,320,343</u>	<u>31,907,825</u>	<u>38,906,491</u>	<u>411,479</u>	<u>874,811</u>	<u>2,380,590</u>
7,567,144	7,718,461	7,284,978	6,321,271	5,954,864	18,265,523
5,297,302	5,548,466	5,187,377	4,311,255	3,969,269	6,288,177
<u>2,319,128</u>	<u>3,157,716</u>	<u>3,332,691</u>	<u>10,660,076</u>	<u>16,476,628</u>	<u>1,082,302</u>
<u>\$ 15,183,574</u>	<u>\$ 16,424,643</u>	<u>\$ 15,805,046</u>	<u>\$ 21,292,602</u>	<u>\$ 26,400,761</u>	<u>\$ 25,636,002</u>

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

	2012	2011	2010	2009
<b>Revenues</b>				
<b>Local sources</b>				
Taxes	\$ 42,239,027	\$ 40,164,833	\$ 42,223,133	\$ 38,855,607
Earnings on investments	116,083	177,282	356,031	609,878
Other local sources	9,102,012	10,343,390	9,008,248	9,844,835
<b>Total local sources</b>	<b>51,457,122</b>	<b>50,685,505</b>	<b>51,587,412</b>	<b>49,310,320</b>
<b>State sources</b>	<b>51,693,831</b>	<b>49,785,958</b>	<b>37,876,068</b>	<b>33,609,937</b>
<b>Federal sources</b>	<b>8,687,468</b>	<b>11,448,830</b>	<b>13,065,980</b>	<b>11,611,572</b>
<b>Total revenues</b>	<b>111,838,421</b>	<b>111,920,293</b>	<b>102,529,460</b>	<b>94,531,829</b>
<b>Expenditures</b>				
<b>Current:</b>				
Instruction	58,223,679	57,149,042	61,564,405	51,133,318
Supporting services	42,760,354	36,443,226	32,983,632	35,098,833
Community services	120,961	117,012	108,162	83,227
Nonprogrammed charges	1,234,816	911,698	938,467	548,243
<b>Debt service</b>				
Principal	4,591,987	4,273,133	4,661,696	5,281,648
Interest and other	4,653,013	4,971,867	4,583,304	3,963,352
Capital outlay	289,632	394,582	-	1,177,716
<b>Total expenditures</b>	<b>111,874,442</b>	<b>104,260,560</b>	<b>104,839,666</b>	<b>97,286,337</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>(36,021)</b>	<b>7,659,733</b>	<b>(2,310,206)</b>	<b>(2,754,508)</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from borrowing	-	-	-	398,767
Payments to escrow agent	-	-	-	-
Principal on capital lease proceeds	525,645	-	-	-
Transfers in	-	50,000	50,000	-
Transfers out	-	(50,000)	(50,000)	-
Sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>525,645</b>	<b>-</b>	<b>-</b>	<b>398,767</b>
<b>Net change in fund balances</b>	<b>\$ 489,624</b>	<b>\$ 7,659,733</b>	<b>\$ (2,310,206)</b>	<b>\$ (2,355,741)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>8.29%</b>	<b>8.90%</b>	<b>8.82%</b>	<b>9.62%</b>

Source of information: Fiscal Years 2003-2012 Annual Financial Statements

2008	2007	2006	2005	2004	2003
\$ 37,659,115	\$ 36,960,952	\$ 37,698,979	\$ 35,801,282	\$ 34,623,114	\$ 35,735,566
1,820,321	2,238,059	1,690,119	537,553	800,589	704,805
10,990,546	10,398,624	9,402,185	8,373,641	6,837,093	6,575,885
50,469,982	49,597,635	48,791,283	44,712,476	42,260,796	43,016,256
34,301,165	31,297,773	26,675,664	27,562,922	23,306,841	36,146,940
5,165,618	4,214,032	5,113,363	4,708,274	4,152,962	4,458,406
89,936,765	85,109,440	80,580,310	76,983,672	69,720,599	83,621,602
47,026,928	44,243,329	41,072,233	42,352,174	42,400,169	39,188,597
33,203,340	32,437,013	32,047,089	30,498,387	28,515,177	24,661,469
80,780	78,769	83,300	81,804	-	-
572,105	652,990	644,766	452,638	573,034	456,938
6,496,502	7,422,885	8,464,514	8,451,010	9,942,561	6,446,536
2,698,498	1,772,115	589,971	804,570	1,457,858	1,221,470
2,017,163	4,881,408	1,983,748	4,134,467	16,264,311	16,236,817
92,095,316	91,488,509	84,885,621	86,775,050	99,153,110	88,211,827
(2,158,551)	(6,379,069)	(4,305,311)	(9,791,378)	(29,432,511)	(4,590,225)
-	-	41,492,685	6,621,857	58,567,798	-
-	-	(4,179,918)	(2,401,970)	(29,876,307)	-
-	-	-	-	-	-
500,000	-	14,214,030	9,398,926	16,750,679	-
(500,000)	-	(14,214,030)	(9,398,926)	(16,750,679)	-
-	-	-	-	-	-
-	-	37,312,767	4,219,887	28,691,491	-
\$ (2,158,551)	\$ (6,379,069)	\$ 33,007,456	\$ (5,571,491)	\$ (741,020)	\$ (4,590,225)
10.21%	10.62%	10.92%	11.20%	13.75%	10.65%



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

Tax Levy Year	Equalized Assessed Valuation	Amount of Increase (Decrease) Over Previous Year	Percentage Increase (Decrease) Over Previous Year	Actual Estimated Value
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
2003	1,597,257,407	(31,903,177)	-1.96%	4,791,772,221
2002	1,629,160,584	329,458,026	25.35%	4,887,481,752

Tax Levy Year	Real Estate	Railroad	Total EAV
2011	\$ 1,768,590,501	\$ 15,113,623	\$ 1,783,704,124
2010	2,285,864,855	19,534,030	2,305,398,885
2009	2,251,206,118	16,757,916	2,267,964,034
2008	2,263,862,335	15,207,631	2,279,069,966
2007	2,048,371,317	14,744,453	2,063,115,770
2006	1,961,232,228	14,359,331	1,975,591,559
2005	n/a	n/a	n/a
2004	n/a	n/a	n/a
2003	n/a	n/a	n/a
2002	n/a	n/a	n/a

Property by type not available before 2006.

Source of information: Cook County Levy, Rate, and Extension Reports for the years 2002 to 2011.

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

<u>Taxing District</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>OVERLAPPING GOVERNMENT:</b>						
County of Cook	0.462	0.423	0.394	0.415	0.446	0.500
Forest Preserve District	0.058	0.051	0.049	0.051	0.053	0.057
Suburban TB Sanitarium	-	-	-	-	-	0.005
Consolidated Elections	0.025	-	0.021	-	0.012	-
Town of Berwyn	0.042	0.032	0.032	0.031	0.032	0.031
General Assistance - Berwyn	0.037	0.028	0.026	0.025	0.026	0.025
Metropolitan Water Reclamation District	0.320	0.274	0.261	0.252	0.263	0.284
Community College #527	0.504	0.392	0.393	0.389	0.411	0.417
City of Berwyn	2.984	2.310	2.278	1.937	2.135	2.040
City of Berwyn Library Fund	0.396	0.319	0.281	0.280	0.308	0.176
Public Health - Berwyn	0.078	0.060	0.061	0.059	0.061	0.060
Mental Health - Berwyn	0.063	0.048	0.046	0.046	0.048	0.051
School District #98	3.582	2.836	2.814	2.949	3.371	3.248
North Berwyn Park District	0.371	0.288	0.286	0.286	0.301	0.300
Total overlapping rate (note)	8.922	7.061	6.942	6.720	7.467	7.194
<b>DIRECT DEBT:</b>						
Morton S.D. #201	2.454	1.858	1.848	1.835	1.960	2.001
Total Rate	<u>11.376</u>	<u>8.919</u>	<u>8.790</u>	<u>8.555</u>	<u>9.427</u>	<u>9.195</u>
<i>OTHER:</i>						
Berwyn Park District	0.316	0.307	0.307	0.300	0.320	0.321
School District #100	3.197	2.499	2.492	2.443	2.568	2.615
Town of Cicero	4.566	3.388	3.344	3.243	3.613	3.754
General Assistance - Cicero	0.051	0.037	0.036	0.030	0.023	0.024
Clyde Park District	0.458	0.333	0.308	0.289	0.363	0.368
Cicero Library Fund	0.231	0.166	0.161	0.156	0.168	0.174
Mental Health - Cicero	0.077	0.063	0.062	0.060	0.065	0.068
School District #99	3.874	2.799	2.786	2.704	2.893	2.655
Town of Lyons	0.059	0.048	0.047	0.046	0.033	0.033
Road and Bridges - Lyons	0.041	0.033	0.033	0.032	0.034	0.034
General Assistance - Lyons	0.003	0.002	0.002	0.002	0.003	0.003
Des Plaines Valley Mosquito	0.014	0.011	0.011	0.012	0.012	0.012
Mental Health - Lyons	0.095	0.078	0.076	0.074	0.081	0.081
School District #103	4.367	3.377	3.287	3.263	3.444	3.521
Village of Lyons	1.832	1.382	1.634	1.419	1.410	1.431
Village of Lyons Library	0.334	0.252	0.243	0.298	0.254	1.557
Town of Stickney	0.231	0.195	0.181	0.180	0.191	0.194
Road and Bridge - Stickney Twp.	0.059	0.048	0.045	0.043	0.045	0.045
General Assistance - Stickney	0.017	0.014	0.015	0.009	0.010	0.010
Stickney - Forest View Library	0.450	0.348	0.338	0.327	0.350	0.360
Public Health - Stickney	0.180	0.180	0.180	0.164	0.195	0.198
Village of Stickney	2.768	2.128	2.118	1.894	1.961	1.970

\*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.



2005	2004	2003	2002
0.533	0.593	0.630	0.690
0.060	0.060	0.059	0.061
0.005	0.001	0.004	0.006
0.014	-	0.029	-
0.029	0.033	0.033	0.032
0.023	0.027	0.027	0.024
0.315	0.347	0.361	0.371
0.397	0.471	0.471	0.450
2.053	2.691	2.742	2.868
0.168	0.208	0.213	-
0.057	0.066	0.068	0.065
0.049	0.061	0.063	0.062
3.251	4.012	4.040	3.630
0.280	0.357	0.343	0.298
7.234	8.927	9.083	8.557
1.925	2.299	2.306	2.163
9.159	11.226	11.389	10.720
0.274	0.324	0.311	0.270
2.545	2.970	2.974	2.879
3.610	4.366	4.294	4.005
0.024	0.027	0.026	0.025
0.349	0.417	0.392	0.336
0.171	0.200	0.192	0.179
0.067	0.078	0.075	0.070
2.760	3.371	3.354	3.121
0.031	0.036	0.035	0.033
0.032	0.037	0.037	0.035
0.002	0.002	0.002	0.005
0.011	0.012	0.012	0.011
0.077	0.090	0.088	0.085
3.419	3.922	3.901	2.606
1.395	1.916	1.348	1.280
0.214	0.242	0.239	0.151
0.179	0.201	0.201	0.187
0.041	0.046	0.046	0.043
0.009	0.010	0.011	0.010
0.333	0.392	0.286	0.270
0.183	0.207	0.205	0.191
1.749	2.052	1.838	1.732

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Name of Taxpayer	2011 Equalized Assessed Valuation*	Rank	Percentage of total 2010 Equalized Assessed Valuation (1)
McNeal Hospital Finance	\$ 17,115,804	1	0.96%
Hawthorne Works Ste. 316	15,537,783	2	0.87%
Andrew S. Bermant	10,132,173	3	0.57%
Cicero Market Place and DDC of Cicero	9,560,561	4	0.54%
Heartland Bank	9,331,284	5	0.52%
KTR Capital PRT Tax Dept.	8,822,584	6	0.49%
DiMucci Co. Development	8,593,729	7	0.48%
Thomas Carey Heirs	8,493,759	8	0.48%
Target Corporation 732	6,283,086	9	0.35%
Cambridge Realty CAP Ltd	5,864,734	10	0.33%
Commonwealth Edison			
United States Cold Storage			
Cermak Plaza Assoc.			
GE PWC Property Tax GPI			
	<u>\$ 99,735,497</u>		<u>5.59%</u>

\* Includes parcels with 2011 equalized assessed valuations of approximately \$152,000 and over as recorded in the Cook County Assessor's Office

\*\* Includes parcels with 2002 equalized assessed valuations of approximately \$200,000 and over as recorded in the Cook County Assessor's Office

Source of information: Cook County Clerk and Assessors Office

(1) 2011 and 2002 total assessed valuation is \$1,783,704,124 and \$1,629,160,584 respectively.

2002 Equalized Assessed Valuation**	Rank	Percentage of total 2002 Equalized Assessed Valuation (1)
\$ 24,143,215	1	1.48%
12,280,533	4	0.75%
14,556,076	2	0.89%
12,740,472	3	0.78%
7,394,550	9	0.45%
12,039,818	5	0.74%
9,945,448	7	0.61%
6,744,598	10	0.41%
10,093,411	6	0.62%
9,400,751	8	0.58%
<u>\$ 119,338,872</u>		<u>7.33%</u>

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**SCHEDULE OF PROPERTY TAX RATES, EXTENSIONS AND COLLECTIONS**  
**LAST TEN TAX LEVY YEARS**

	2011	2010	2009	2008
<b>Rates extended:</b>				
Educational	1.2546	0.9435	0.9464	0.9627
Special education	0.0222	0.0167	0.0168	0.0166
Operations and maintenance	0.3650	0.2745	0.2753	0.2804
Tort immunity	0.0000	0.0000	0.0000	0.0000
Transportation	0.0571	0.0429	0.0430	0.0329
Illinois municipal retirement/Social security	0.1755	0.1320	0.1323	0.1106
Bond and interest	0.5516	0.4268	0.4338	0.4317
Working Cash	0.0000	0.0000	0.0000	0.0000
Life Safety	0.0272	0.0209	0.0000	0.0000
<b>Total rates extended</b>	<b>2.4532</b>	<b>1.8573</b>	<b>1.8476</b>	<b>1.8349</b>
<b>Property tax extensions:</b>				
Educational	\$ 22,378,351	\$ 21,751,438	\$ 21,464,054	\$ 21,940,177
Special education	395,982	385,001	380,298	379,038
Operations and maintenance	6,510,520	6,328,319	6,244,227	6,391,524
Tort immunity	-	-	1	1
Transportation	1,018,495	989,016	974,999	750,000
Illinois municipal retirement/Social security	3,130,400	3,043,125	3,000,092	2,522,668
Bond and interest	9,838,650	9,838,650	9,838,650	9,838,650
Working Cash	-	-	-	-
Life Safety	485,167	481,828	-	-
<b>Total levies extended</b>	<b>\$ 43,757,565</b>	<b>\$ 42,817,377</b>	<b>\$ 41,902,321</b>	<b>\$ 41,822,058</b>
Current year collections	21,572,327	20,912,293	20,703,666	18,366,839
Subsequent collections	-	20,546,842	19,365,952	21,446,494
<b>Total collections</b>	<b>\$ 21,572,327</b>	<b>\$ 41,459,135</b>	<b>\$ 40,069,618</b>	<b>\$ 39,813,333</b>
<b>Percentage of extensions collected</b>	<b>49.30%</b>	<b>96.83%</b>	<b>95.63%</b>	<b>95.20%</b>

(1) - Represents allocation of unidentified miscellaneous taxes and refunds.

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

Source of information: Cook County Levy, Rate and Extension Reports for 2002-2011.

2007	2006	2005	2004	2003	2002
0.9994	1.0162	0.9802	1.1803	1.1778	0.9632
0.0175	0.0183	0.0163	0.0197	0.0200	0.0161
0.2910	0.2963	0.2859	0.3443	0.3495	0.2809
0.0000	0.0000	0.0000	0.0045	0.0000	0.1127
0.0435	0.0405	0.0300	0.0161	0.0183	0.0919
0.1308	0.1314	0.1198	0.1290	0.1235	0.1066
0.4769	0.4980	0.4926	0.6044	0.6160	0.5510
0.0000	0.0000	0.0000	0.0000	0.0000	0.0401
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<u>1.9591</u>	<u>2.0007</u>	<u>1.9248</u>	<u>2.2983</u>	<u>2.3051</u>	<u>2.1625</u>
\$ 20,618,955	\$ 20,075,766	\$ 19,578,626	\$ 19,219,993	\$ 18,812,770	\$ 15,692,087
360,518	360,867	325,761	320,452	318,977	261,535
6,004,073	5,854,041	5,710,708	5,605,831	5,582,099	4,576,859
1	1	-	72,840	-	1,836,486
900,000	800,000	600,000	262,787	292,860	1,497,526
2,698,038	2,594,268	2,394,710	2,100,000	1,971,900	1,736,536
9,838,650	9,838,650	9,838,650	9,842,897	9,839,276	8,977,100
-	-	-	-	-	653,837
-	-	-	-	-	-
<u>\$ 40,420,235</u>	<u>\$ 39,523,593</u>	<u>\$ 38,448,455</u>	<u>\$ 37,424,800</u>	<u>\$ 36,817,882</u>	<u>\$ 35,231,966</u>
17,808,015	17,520,465	17,482,667	16,725,032	16,401,962	15,798,580
21,028,151	20,361,814	19,746,650	19,709,088	19,681,770	18,673,367
<u>\$ 38,836,166</u>	<u>\$ 37,882,279</u>	<u>\$ 37,229,317</u>	<u>\$ 36,434,120</u>	<u>\$ 36,083,732</u>	<u>\$ 34,471,947</u>
<u>96.08%</u>	<u>95.85%</u>	<u>96.83%</u>	<u>97.35%</u>	<u>98.01%</u>	<u>97.84%</u>

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

Fiscal Year Ended June 30,	General Obligation Bonds	Loans	Total
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
2004	66,076,500	-	66,076,500
2003	40,798,396	-	40,798,396

Source of information: Annual Financial Statements

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**RATIO OF GENERAL BONDED DEBT TO EQUALIZED ASSESSED VALUATION**  
**AND GENERAL BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended June 30,</u>	<u>Tax Levy Year</u>	<u>General Bonded Debt</u>	<u>Equalized Assessed Valuation</u>	<u>Percentage of General Bonded Debt to Assessed Valuation</u>	<u>Estimated population</u>	<u>General Bonded Debt Per Capita</u>	<u>Percentage of General Bonded Debt to Personal Income</u>
2012	2011	\$ 47,398,367	\$ 1,783,704,124	2.66%	159,418	297	0.66%
2011	2010	51,956,271	2,305,398,885	2.25%	158,720	327	0.72%
2010	2009	56,196,359	2,267,964,034	2.48%	147,312	381	0.83%
2009	2008	60,826,676	2,279,069,966	2.67%	147,312	413	0.89%
2008	2007	66,060,048	2,063,115,770	3.20%	148,413	445	0.97%
2007	2006	72,556,550	1,975,591,559	3.67%	149,849	484	1.15%
2006	2005	79,979,435	1,997,335,543	4.00%	151,497	528	1.34%
2005	2004	62,258,136	1,628,408,754	3.82%	152,470	408	1.10%
2004	2003	66,076,500	1,597,257,407	4.14%	153,317	431	1.21%
2003	2002	40,798,396	1,629,160,584	2.50%	154,831	264	0.75%

Source:

Annual Financial Statements 2003 to 2012.

2010 U.S Census Bureau

Note:

Population estimates were based on official U.S. Census, Local, City, Village and School data.

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





**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT**  
**JUNE 30, 2012**

Jurisdiction Overlapping	Debt Outstanding	Overlapping Percent	Direct and Overlapping Debt
Cook County	\$ 3,709,260,000	1.16%	\$ 43,027,416
Cook County Forest Preserve District (3)	139,425,000	1.16%	1,617,330
Metropolitan Water Reclamation District (1)	2,446,220,030	1.19%	29,110,018
City of Berwyn (2)	96,574,638	100.00%	96,574,638
Town of Cicero (4)	46,600,000	100.00%	46,600,000
Village of Forest View	2,110,000	44.17%	931,987
Village of Lyons	6,520,000	95.29%	6,212,908
Village of McCook	24,510,000	27.18%	6,661,818
Village of Stickney	11,775,000	100.00%	11,775,000
Berwyn Park District (2)	1,278,923	100.00%	1,278,923
Central Stickney Park District	630,000	2.08%	13,104
Clyde Park District (3)	2,795,000	100.00%	2,795,000
Hawthorne Park District (3)	156,400	100.00%	156,400
McCook Park District	560,000	27.31%	152,936
North Berwyn Park District	715,000	100.00%	715,000
McCook Public Library District (3)	-	27.31%	-
Stickney-Forest View Library District	445,000	54.90%	244,305
School District #98	1,530,000	100.00%	1,530,000
School District #99	56,615,000	100.00%	56,615,000
School District #100 (3)	36,135,000	100.00%	36,135,000
School District #103 (2)	9,451,399	71.79%	6,785,159
School District #104	31,500,000	3.58%	1,127,700
Morton Community College District #527 (3)	<u>2,225,000</u>	100.00%	<u>2,225,000</u>
Total indirect debt	6,627,031,390		352,284,643
J. Sterling Morton High School District # 201 (2)	<u>47,398,367</u>	100.00%	<u>47,398,367</u>
	<u>\$ 6,674,429,757</u>		<u>\$ 399,683,010</u>

The percentage of overlapping debt is estimated using taxable property values. Applicable percentages are estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

(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.

Source of information: 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**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt limit	\$ 123,075,585	\$ 159,072,523	\$ 156,489,518	\$ 157,255,828
Total net debt applicable to limit	<u>41,419,970</u>	<u>45,971,016</u>	<u>50,298,677</u>	<u>55,629,563</u>
Legal debt margin	<u>81,655,615</u>	<u>113,101,507</u>	<u>106,190,841</u>	<u>101,626,265</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>33.65%</u>	<u>28.90%</u>	<u>32.14%</u>	<u>35.38%</u>

Legal Debt Margin calculation for fiscal year June 30, 2012

Assessed valuation of taxable properties for the tax year 2011	\$ 1,783,704,124
Rate	<u>6.9%</u>
Bonded debt limit	<u>\$ 123,075,585</u>
Debt subject to limitation: General obligation bonds payable	\$ 47,398,367
Less Debt Service Fund balance	<u>5,978,397</u>
Net debt outstanding subject to limitation	<u>\$ 41,419,970</u>
Legal bonded debt margin at June 30, 2012	<u>\$ 81,655,615</u>

Source of Information: Fiscal Years 2003-2012 Annual Financial Statements

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 142,354,988	\$ 136,315,818	\$ 137,816,152	\$ 112,360,204	\$ 110,210,761	\$ 112,412,080
<u>60,762,746</u>	<u>67,008,084</u>	<u>74,792,058</u>	<u>57,946,881</u>	<u>62,107,231</u>	<u>34,510,219</u>
<u>81,592,242</u>	<u>69,307,734</u>	<u>63,024,094</u>	<u>54,413,323</u>	<u>48,103,530</u>	<u>77,901,861</u>
<u>42.68%</u>	<u>49.16%</u>	<u>54.27%</u>	<u>51.57%</u>	<u>56.35%</u>	<u>30.70%</u>

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**DEMOGRAPHIC AND MISCELLANEOUS STATISTICS**  
**LAST TEN CALENDAR YEARS**

Calendar Year	Population	Personal Income ( <i>thousands of dollars</i> )	Per Capita Personal Income	Unemployment Rate (Cook County)
2011	159,418	\$ 7,223,388,998	45,311	10.4%
2010	158,720	7,191,761,920	45,311	10.5%
2009	147,312	6,800,069,232	46,161	10.3%
2008	147,312	6,846,325,200	46,475	6.5%
2007	148,413	6,813,344,004	45,908	5.1%
2006	149,849	6,292,609,057	41,993	4.7%
2005	151,497	5,972,466,231	39,423	6.5%
2004	152,470	5,645,964,100	37,030	6.8%
2003	153,317	5,471,270,462	35,686	7.4%
2002	154,831	5,452,838,158	35,218	7.4%

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

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.

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

Note: The Census Bureau has reported an increase in the population of the communities in the  
District from 2010 to 2011 by approximately .44%.

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Employer	2012*		2003**	
	Employees	Rank	Employees	Rank
MacNeal Hospital	2,200	1	2,400	1
A&R Janitorial Services, Inc.	350	2	1,800	2
USF Holland, Inc.	500	3	360	3
Meade Electric Co.	400	4		
Terrace Paper Co., Inc.	400	5		
Campagna-Turano Baker, Inc.	300	6	300	4
Capital Wholesale Meats Inc also called				
Fontanini Italian Meat and Sausages	270	7		
Brad Foote Gear Works, Inc.	250	8		
Grout Industries, Inc.	250	9		
Morton College	250	10		
Tru-View, Inc.	250	11	300	5
World Marketing - Chicago	250	12		
National Castings			284	6
Innerpak, Inc			250	7
Sportman's Park/Chicago Motor Speedway			215	8
Corey Steel Co.			180	9
Waste Management, Inc - Metro			175	10
UOP, LLC			150	11
Chicago Extruded Metals Co.			140	12
Total	<u>5,670</u>		<u>6,554</u>	

Sources:

\*2012 Illinois Services and Manufacturer's Directories and Harris Illinois Industrial Directory.

\*\*2003 Illinois Services and Manufacturer's Directories,  
2003 Harris Illinois Industrial Directory and a phone canvass of employers

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**NUMBER OF FULL-TIME EMPLOYEES**  
**LAST TEN FISCAL YEARS**

	2012	2011	2010	2009
<b>Instructional services:</b>				
Regular programs				
Teachers	300.0	334.0	369.0	324.2
Clerical	-	-	-	-
Special programs				
Administrators	3.0	3.0	3.0	-
Teachers	57.0	58.0	68.0	59.0
Teaching assistants/clerical	70.0	70.0	63.0	63.0
Other programs				
Administrators	1.0	1.0	-	-
Teachers	9.0	9.0	68.0	53.2
Teaching assistants/clerical	6.0	6.0	26.0	26.0
<b>Support services:</b>				
Pupil support services				
Dean of students/administrators	9.0	9.0	9.0	9.0
Social workers	9.0	9.0	9.0	9.0
Guidance counselors	24.0	26.0	28.0	27.0
Psychologists	4.0	4.0	4.0	3.0
Speech pathologists	3.0	3.0	3.0	3.0
Clerical	34.0	34.0	34.0	33.5
Instructional staff services				
Administrators	5.0	5.0	5.0	7.8
Testing facilitator	-	-	-	-
Teachers	-	-	-	-
Librarians	3.0	3.0	5.0	5.0
Clerical/aides	9.0	9.0	13.0	13.0
General administration services				
Treasurer	1.0	1.0	1.0	1.2
Superintendent/asst. superintendents	2.0	2.0	3.0	1.0
Special area administration	1.0	1.0	7.0	6.3
Clerical	9.0	9.0	9.0	9.0
School administration services				
Principals and assistant principals	11.0	11.0	12.0	17.0
Clerical	13.0	13.0	17.0	17.5
Business services				
Direction of business services	1.0	1.0	1.0	1.8
Fiscal services	18.0	18.0	18.0	18.0
Food service	20.0	25.0	25.0	25.0
Operations and maintenance of facilities				
Director/clerical	2.0	2.0	2.0	2.0
Engineers/custodial/maintenance	71.0	71.0	71.0	70.0
Security	51.0	47.0	47.0	47.0
Transportation services				
Bus drivers	2.0	2.0	2.0	2.0
Central services				
Information services	-	-	-	1.0
Data processing services	10.0	10.0	10.0	12.0
<b>Total employees</b>	<b>758.0</b>	<b>796.0</b>	<b>932.0</b>	<b>866.5</b>

Source: District records - full time equivalents.

2008	2007	2006	2005	2004	2003
317.8	322.4	318.4	314.8	278.0	267.2
-	-	-	2.5	11.0	10.0
-	-	-	1.0	3.5	3.5
61.2	58.2	57.0	55.0	57.0	55.0
57.0	51.0	46.0	44.0	47.0	46.0
-	-	-	-	2.0	2.0
60.4	64.4	64.6	65.4	81.0	87.8
27.0	23.0	29.0	29.0	25.0	28.0
9.0	9.0	9.0	9.0	11.0	8.0
8.0	8.0	8.0	8.0	9.0	5.0
25.0	26.0	25.0	25.0	27.0	25.0
3.6	4.0	4.0	4.0	3.0	3.0
3.0	3.0	2.0	2.0	2.0	2.0
31.5	35.5	34.5	33.0	36.0	30.0
-	-	1.0	1.0	2.5	2.5
-	-	-	1.0	-	1.0
-	-	-	-	3.0	6.0
5.0	5.6	5.6	5.6	4.6	4.0
13.0	12.0	11.0	9.0	10.0	12.0
0.2	-	-	-	-	-
1.0	1.0	1.0	1.5	1.5	1.5
5.0	5.0	5.0	4.0	0.5	0.5
9.0	9.0	9.0	6.0	4.0	4.0
17.0	17.0	17.0	16.0	11.5	11.5
16.5	15.5	18.0	17.0	5.0	5.0
1.8	2.0	2.0	2.0	2.0	2.0
18.0	18.0	18.0	17.0	15.0	15.0
25.0	23.0	23.0	24.0	17.0	24.0
2.0	2.0	2.0	2.0	2.0	2.0
70.0	71.0	70.0	69.0	59.0	58.0
39.0	37.0	42.0	40.0	39.0	40.0
2.0	2.0	2.0	2.0	1.0	2.0
2.0	1.0	1.0	2.5	3.5	3.5
11.0	9.0	12.0	13.0	11.0	13.0
841.0	834.6	837.1	825.3	784.6	780.0

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**OPERATING INDICATORS BY PROGRAM**  
**LAST TEN FISCAL YEARS**

	2012	2011	2010	2009
<b>Instruction</b>				
<b>Enrollment</b>				
Regular education	7,309	7,730	7,414	7,392
Special Education	1,035	823	992	1,018
Total enrollment	<u>8,344</u>	<u>8,553</u>	<u>8,406</u>	<u>8,410</u>
Percentage of limited English proficient	10.0%	6.3%	5.6%	5.4%
<b>Pupil support services</b>				
Percentage of students with disabilities	12.4%	9.7%	11.8%	12.1%
<b>School administration</b>				
Student attendance rate	86.9%	86.9%	84.8%	90.5%
<b>Fiscal services</b>				
Purchase orders processed	3,931	4,099	4,600	4,700
W-2's issued	1,200	1,200	1,214	1,226
<b>Maintenance</b>				
District square footage maintained by custodians and maintenance staff	1,354,175	1,345,425	1,345,425	1,345,425
District acreage maintained by grounds	69	69	69	69

Source of information: District records.



2008	2007	2006	2005	2004	2003
7,145	7,122	7,340	6,922	6,765	6,480
963	964	932	862	841	830
<u>8,108</u>	<u>8,086</u>	<u>8,272</u>	<u>7,784</u>	<u>7,606</u>	<u>7,310</u>
3.6%	5.3%	5.8%	7.7%	6.8%	7.1%
11.9%	11.9%	11.3%	11.1%	11.1%	11.4%
89.7%	86.3%	90.2%	91.1%	90.4%	91.3%
4,500	4,000	4,200	4,600	5,700	6,900
1,232	1,233	1,225	1,307	1,311	1,251
1,345,425	1,324,895	1,324,895	1,324,895	1,111,865	1,111,865
69	66	66	66	54	54

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

	2012	2011	2010	2009
<b>Morton East</b>				
Grounds area (acres)	12.75	12.75	12.75	12.75
Buildings (square feet)	639,997	639,997	639,997	639,997
Available capacity (students)	3,300	3,300	3,300	3,300
Enrollment (students housed)	3,220	3,220	3,220	3,539
<b>Morton West</b>				
Grounds area (acres)	41.60	41.60	41.60	41.60
Buildings (square feet)	471,868	471,868	471,868	471,868
Available capacity (students)	3,000	3,000	3,000	3,000
Enrollment (students housed)	3,892	3,892	3,892	3,501
<b>Morton Freshman Center (2004)</b>				
Grounds area (acres)	14.17	14.17	14.17	14.17
Buildings (square feet)	213,030	213,030	213,030	213,030
Available capacity (students)	1,500	1,500	1,500	1,500
Enrollment (students housed)	1,337	1,337	1,337	1,260
<b>Morton Alternative School (2008)</b>				
Grounds area (acres)	3.06	3.06	3.06	3.06
Buildings (square feet)	20,530	20,530	20,530	20,530
Available capacity (students)	126	126	126	126
Enrollment (students housed)	104	104	104	76
<b>Morton Alternative School (leased)</b>				
Enrollment (students housed)	n/a	n/a	n/a	n/a

Sources:

Enrollment per Fall Housing Report; other statistics per District records.

2008	2007	2006	2005	2004	2003
12.75	12.75	12.75	12.75	12.75	12.75
639,997	639,997	639,997	639,997	639,997	639,997
3,300	3,300	3,300	3,300	3,300	3,300
3,496	3,300	3,362	3,061	4,071	3,932
41.60	41.60	41.60	41.60	41.60	41.60
471,868	471,868	471,868	471,868	471,868	471,868
3,000	3,000	3,000	3,000	3,000	3,000
3,184	3,428	3,452	3,369	3,403	3,255
14.17	17.23	17.23	17.23	n/a	n/a
213,030	213,030	213,030	213,030	n/a	n/a
1,500	1,500	1,500	1,500	n/a	n/a
1,265	1,223	1,326	1,228	n/a	n/a
3.06	n/a	n/a	n/a	n/a	n/a
20,530	n/a	n/a	n/a	n/a	n/a
126	n/a	n/a	n/a	n/a	n/a
82	n/a	n/a	n/a	n/a	n/a
n/a	61	63	63	55	53

