

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

Comprehensive Annual Financial Report

**Fiscal year ended
June 30, 2011**

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

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INTRODUCTORY SECTION

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

MORTON EAST, 2423 SOUTH AUSTIN BLVD., CICERO, IL 60804, (708)222-5706 FAX: (708)656-0490

December 5, 2011

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, 2011. 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 2011 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 nonmajor 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 a 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 indicate that the County is experiencing the affects of the National Economic Recession. The latest unemployment rate of the County (June 2011) is 10.8% compared to 10.9% reported last year. This compares to U.S. rates of 9.2% and 9.5% for the same periods, respectively.

THE DISTRICT AND ITS FACILITIES

The School District served approximately 7,516 students during the 2011 fiscal year housed in four facilities. The enrollments per school, excluding private placements, were as follows:

| <u>School</u> | <u>Grades</u> | <u>Enrollment</u> |
|------------------------|---------------|-------------------|
| Morton Freshman Center | 9 | 1,260 |
| Morton East | 10-12 | 3,209 |
| Morton West | 9-12 | 2,943 |
| Alternative School | 9-12 | 104 |

MAJOR INITIATIVES

In 2010-2011, the district successfully negotiated three year 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 in the midst of collective bargaining agreements with three of its six unions. The agreements with the Teacher Aides, Nurses and Security are for three year terms from 2008-2009 through 2011-2012.

The school is continuing to evaluate their system and processes for efficiencies and one of the results of the evaluation process is a new financial and human resources software.

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.

ASBO Certificate

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the J. Sterling Morton High School District 201 for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. This year's comprehensive annual financial report will again be submitted for the ASBO Certificate of Excellence award.

A Certificate of Excellence is awarded to those school districts that have voluntarily submitted their system's Comprehensive Annual Financial Report (CAFR) for review by an ASBO Panel of Review. Upon completion of a vigorous technical review, the panel members conclude whether the school system's financial report has met the criteria for excellence in financial reporting.

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, 2011. The opinion of Klein, Hall & Associates, LLC can be found at the beginning of the Financial Section of this report.

Acknowledgements

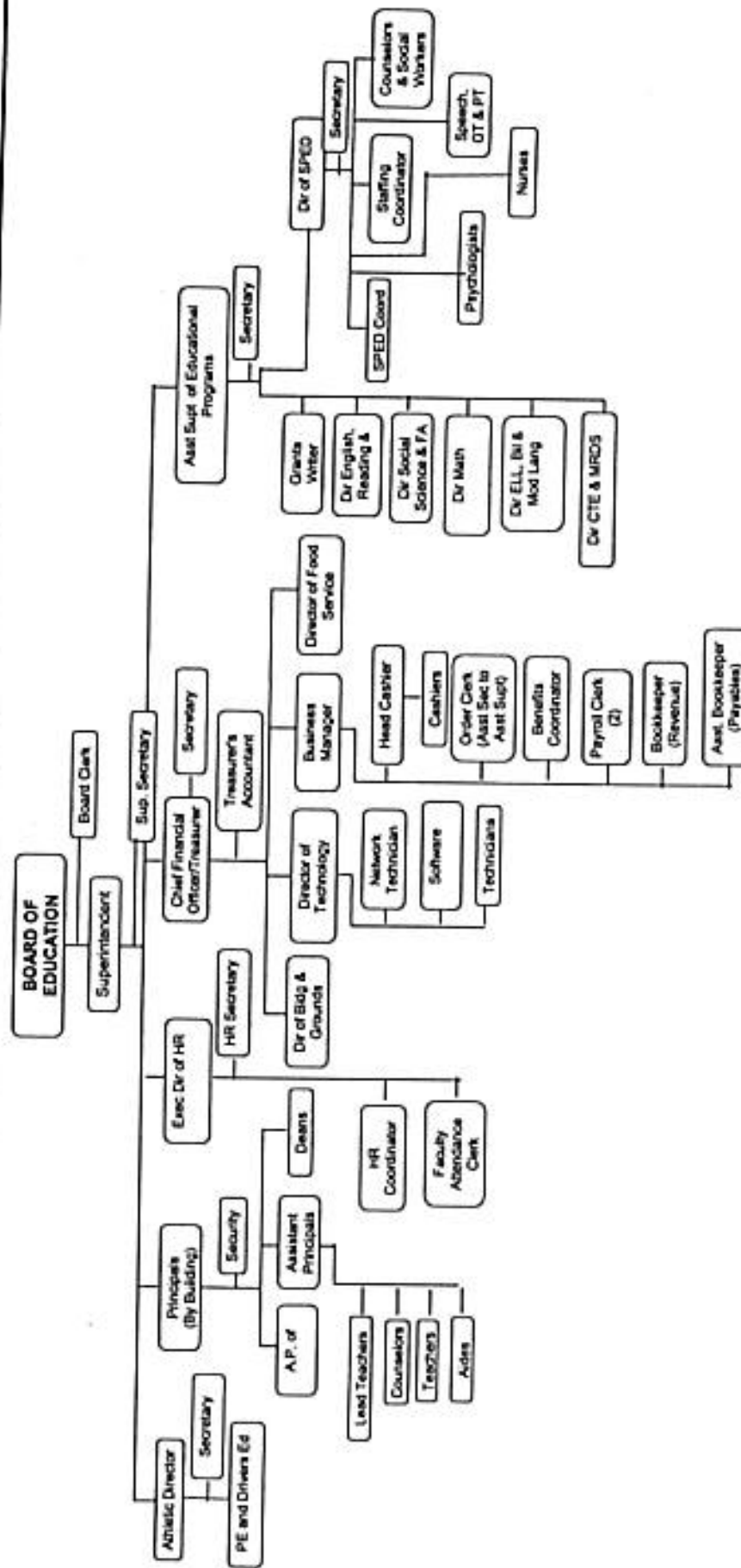
A note of sincere appreciation is extended to the many conscientious people who have contributed their time and effort to the preparation of this report.

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
ORGANIZATION CHART
JUNE 30, 2011



J. Sterling Morton High School District No. 201
2423 Austin Boulevard
Cicero, Illinois 60804

Officers and Officials

As of June 30, 2011

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 Iniguez | Member | April 2015 |
| Dr. Margaret Kelly | Member | April 2013 |

District Administration

| | |
|------------------------|--|
| Dr. Michael Kuzniewski | Superintendent |
| Mr. Michael Perrott | Asst. Superintendent of Educational Programs |
| Ms. Cathy Johnson | Chief Financial Officer |
| Mr. John Sparlin | Executive Director of Human Resources |

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, 2010

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, 2011, 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, 2011, 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, 2011, 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 as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the 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. 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, 2011

J. Sterling Morton High School District No. 201
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

As management of J. Sterling Morton High School District 201, we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities for the School District for the fiscal year ended June 30, 2011. 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, 2011 by \$37,093,750 (*net assets*). During the year, net assets increased by \$15,809,772 from ordinary activities.
- General revenues accounted for \$80,069,993 or 71% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$31,678,179 or 28% of total revenues of \$111,748,172.
- The School District had \$95,938,400 in expenses. Of these expenses, only \$31,678,179 was offset by program specific charges for services, grants or contributions. Current year general revenues (primarily property taxes and general state aid) totaled \$80,069,993, which provided for the \$64,260,221 net cost for these programs, with the \$15,809,772 remainder increasing net assets for the year.
- Among governmental funds, the General Fund had \$95,860,636 in revenues, \$88,394,773 in expenditures, and a \$50,000 in transfers out, for a net increase in fund balance of \$7,415,863.

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, 2011
Unaudited

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 2011?" 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, 2011
Unaudited

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 – 48 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 2011 and 2010. The School District's assets exceeded liabilities by \$37,093,750 (*net assets*) on June 30, 2011. As shown in Table 2 (on page 9), governmental activities resulted in a \$15,809,772 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 (\$58.6 million). This component increased by \$1.3 million from the prior year.

An additional portion (\$8.7 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, 2011
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

| | 2011 | 2010 |
|----------------------------|----------------------|----------------------|
| Assets | | |
| Current and other assets | \$ 73,569,509 | \$ 66,616,532 |
| Capital assets | 58,640,092 | 57,368,295 |
| Total Assets | <u>\$132,209,601</u> | <u>123,984,827</u> |
| Liabilities | | |
| Long-term liabilities | \$90,133,384 | 97,183,748 |
| Other liabilities | 4,982,467 | 5,517,101 |
| Total Liabilities | <u>95,115,851</u> | <u>102,700,849</u> |
| Net Assets | | |
| Invested in capital assets | \$58,640,092 | 57,368,295 |
| Restricted | 8,676,643 | 13,179,338 |
| Unrestricted | <u>(30,222,985)</u> | <u>(49,263,655)</u> |
| Total net assets | <u>\$37,093,750</u> | <u>\$ 21,283,978</u> |

Table 2 on the next page shows the changes in total net assets from governmental activities for fiscal years 2011 and 2010.

J. Sterling Morton High School District No. 201
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

(Table 2)
Changes in Net Assets
Governmental Activities

| | 2011 | 2010 |
|--|---------------|---------------|
| Revenues | | |
| <i><u>Program Revenues:</u></i> | | |
| Charges for services | \$ 3,964,300 | \$ 3,131,227 |
| Operating grants & contributions | 27,713,879 | 21,621,187 |
| Total Program Revenues | 31,678,179 | 24,752,414 |
| <i><u>General Revenues:</u></i> | | |
| Property taxes | 39,992,712 | 40,467,270 |
| Grants & entitlements not restricted to specific programs | 32,946,178 | 24,487,932 |
| Investment earnings | 177,282 | 356,031 |
| Miscellaneous | 6,953,821 | 5,877,021 |
| Total General Revenues | 80,069,993 | 71,188,254 |
| Total Revenues | 111,748,172 | 95,940,668 |
| Program Expenses | | |
| <i>Instructional services</i> | 60,472,447 | 63,630,115 |
| <i>Support services</i> | | |
| Pupils and instructional staff | 8,465,084 | 8,560,093 |
| Administration and business | 9,870,043 | 8,973,226 |
| Operation & maintenance of facilities | 10,933,498 | 10,188,107 |
| Pupil transportation | 3,361,030 | 2,920,439 |
| Central | 1,029,143 | 1,130,022 |
| Other | - | 1,223,183 |
| <i>Interest on long-term debt</i> | 1,807,155 | 5,655,441 |
| Total Program Expenses | 95,938,400 | 102,280,626 |
| Increase (Decrease) in Net Assets | 15,809,772 | (6,339,958) |
| Net assets - beginning | 21,283,978 | 27,623,936 |
| Net assets - ending | \$ 37,093,750 | \$ 21,283,978 |

Governmental activities increased the District's net assets by \$15,809,772 for fiscal year 2011.

J. Sterling Morton High School District No. 201
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

The major source of revenues for governmental activities of the School District was local property taxes, which provided 36% and 42% of the School District's revenues in fiscal years 2011 and 2010, respectively. State and federal funding in the form of grants and entitlements provided another significant source of revenues to the School District, providing 54% of revenues in fiscal year 2011 and 55% in fiscal year 2010. The remainder of revenues was derived from charges for services, investment earnings and other miscellaneous revenues, which provided 10% of revenues in 2011 and 2010. 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 63% and 62% of total governmental program expenses in 2011 and 2010, respectively. Support services activities comprised another 36% and 32% of governmental program expenses in 2011 and 2010 with financing activities comprising the remaining 1% and 6% in 2011 and 2010.

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>2011</u> | | <u>2010</u> | |
|---------------------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|
| | <u>Total Cost of Services</u> | <u>Net Cost of Services</u> | <u>Total Cost of Services</u> | <u>Net Cost of Services</u> |
| <i>Instructional services</i> | \$ 60,472,447 | \$ 36,431,860 | \$ 63,630,115 | \$ 44,603,319 |
| <i>Support services</i> | | | | |
| Pupils and instructional staff | 8,465,084 | 8,430,271 | 8,560,093 | 8,525,286 |
| Administration and business | 9,870,043 | 5,621,116 | 8,973,226 | 4,649,763 |
| Operation & maintenance of facilities | 10,993,498 | 10,792,733 | 10,188,107 | 10,151,057 |
| Pupil transportation | 3,361,030 | 883,373 | 2,920,439 | 1,590,141 |
| Central | 1,029,143 | 1,029,143 | 1,130,022 | 1,130,022 |
| Other | 1,081,710 | 346,280 | 1,223,183 | 1,223,183 |
| <i>Interest and fiscal</i> | <u>725,445</u> | <u>725,445</u> | <u>5,655,441</u> | <u>5,655,441</u> |
| Total Expenses | \$ 95,938,400 | \$ 64,260,221 | \$ 102,280,626 | \$ 77,528,212 |

Program revenues were \$31.7 million and \$24.8 million for 2011 and 2010, 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 services for 2011 was \$95.9 million, a decrease of \$6.3 million or 6.2% from the prior year.

J. Sterling Morton High School District No. 201
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

Current year costs include a \$1.0 million decrease in Teachers Retirement System pension contributions for employees of the School District which are paid on behalf of the School District by the State of Illinois. Program revenues, likewise, include an operating grant in an equal amount to recognize the contribution paid by the State on behalf of the School District. Excluding these "on behalf" payments for which there are offsetting revenues, total cost of services decreased by \$5.3 million or 5.8% from \$92,798,864 in fiscal 2010 to \$87,462,250 in fiscal 2011. Excluding "on behalf" revenues, total program revenues decreased by \$0.3 million. The net cost of services for fiscal 2011 was \$64.3 million and reflects a decrease of \$13.3 million from the prior year due to the decrease in cost of services and increase in program revenues.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Information about the School District's major funds starts on page 17. 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 \$46.5 million as of June 30, 2011. The balances and transactions of the School District's major funds are summarized below.

The General Fund had \$95.9 million in revenue and \$88.5 million in expenditures for a net increase in fund balance of \$7.4 million for fiscal 2011. The General Fund ended the year with a fund balance of \$38.2 million at June 30, 2011.

The Transportation Fund had approximately \$3.4 million in revenues and \$3.3 million in expenditures for a net increase in fund balance of \$0.1 million for fiscal 2011. The Transportation Fund ended the year with a fund balance of approximately \$359,000 at June 30, 2011.

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 increased by approximately \$87,600 during fiscal 2011. The fund balance at June 30, 2011 totaled \$6.0 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.

J. Sterling Morton High School District No. 201
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

For the General Fund, actual revenues were approximately \$4.2 million or 4.6% more than budgeted and actual expenditures were \$3.2 million or 5.3% less than budgeted for a net favorable variance of \$7.4 million. This was due to non-personnel expenditures costs being less than anticipated due to conservative spending and operation and maintenance cost savings achieved.

CAPITAL ASSETS

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

| | 2011 | 2010 |
|-----------------------------------|----------------------|----------------------|
| Land | \$ 13,260,678 | \$ 13,230,678 |
| Improvements other than buildings | 2,321,831 | 928,655 |
| Buildings and improvements | 39,643,127 | 40,534,964 |
| Equipment | 3,414,456 | 2,673,998 |
| Totals | <u>\$ 58,640,092</u> | <u>\$ 57,368,295</u> |

Table 4 shows fiscal year 2011 balances compared to fiscal year 2010. At the end of fiscal year 2011, the School District had \$58,640,092 invested in land, buildings and improvements, furniture and equipment, vehicles and books and educational media. Capital assets (net of depreciation) increased by approximately \$1.3 million. The School District invested \$3.2 million in capital asset additions during the year and, recorded \$1.9 million in depreciation expense, resulting in the net increase in capital assets (net of depreciation) for fiscal year 2011.

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, 2011
Unaudited

DEBT ADMINISTRATION

At June 30, 2011, 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,

| | 2011 | 2010 |
|---|----------------------|----------------------|
| General obligation bonds | \$ 51,596,272 | \$ 56,196,359 |
| Premium on bonds issued | 9,403,928 | 10,147,179 |
| Accreted interest on capital appreciation bonds | 26,483,050 | 29,986,221 |
| EPA loan | 286,066 | 319,112 |
| Other post-employment benefits | 2,004,068 | 534,877 |
| Totals | <u>\$ 90,133,384</u> | <u>\$ 97,183,748</u> |

No new debt was issued during fiscal year 2011.

The School District's overall legal debt margin was \$113,101,507 with a ratio of Debt Service Expenditures to General Expenditures of 8.9%.

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 current economy in the state continues to affect the District's state funding levels and timing of state revenues.

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

J. Sterling Morton High School District No. 201
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

(Table 6)
State School District Financial Profile

| <u>Indicator</u> | <u>Possible Score</u> | <u>District Score</u> | <u>District Ranking</u> |
|------------------|---------------------------|---------------------------|-----------------------------|
| FBRR | 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 Financial Review for fiscal year 2011. The District's Days Cash on Hand (DCOH) decreased from 164.8 to 137.6 days. The Fund Balance to Revenue Ratio (FBRR) decreased from .442 to .379, however, the indicator remains adequate to receive the best possible score. These two indicator scores are deemed sufficient to fund operating deficits over the short-term. The District's Percent of Long-Term Debt Margin Remaining (LTD) score remains unchanged from the prior year, however, the percent improved from 61.09% to 65.16% compared to the prior year. It is apparent the future holds many questions and challenges that must be resolved. 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 West 31st 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, 2011

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| Assets: | |
| Cash and investments | \$ 45,986,593 |
| Receivables: | |
| Property taxes | 22,089,339 |
| Due from other governments | 5,291,610 |
| Prepays | 4,600 |
| Inventory | 197,367 |
| Capital assets: | |
| Land and construction in progress | 13,260,678 |
| Other capital assets, net of accumulated depreciation | <u>45,379,414</u> |
| Total Assets | <u>132,209,601</u> |
| Liabilities: | |
| Accounts payable | 816,387 |
| Insurance claims payable | 1,071,959 |
| Accrued salaries | 3,094,121 |
| Due to other funds | |
| Noncurrent liabilities: | |
| Due within one year | 4,592,707 |
| Due in more than one year | <u>85,540,677</u> |
| | <u>95,115,851</u> |
| Net Assets: | |
| Invested in capital assets | 58,640,092 |
| Restricted | 8,676,643 |
| Unrestricted (Deficit) | <u>(30,222,985)</u> |
| | <u>\$ 37,093,750</u> |
| Total net assets | |

See accompanying notes to basic financial statements

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

| Functions | Expenses | Program Revenues | | | Net (Expense) |
|---|----------------------|---------------------|----------------------|---------------|----------------------|
| | | Charges for | Operating | Capital | Revenue and |
| | | Services | Grants and | Grants and | Changes in |
| | | | Contributions | Contributions | Net Assets |
| | | | | | Total |
| | | | | | Governmental |
| | | | | | Activities |
| Governmental Activities: | | | | | |
| Instructional services: | | | | | |
| Regular programs | \$ 43,543,304 | \$ 1,221,347 | \$ 16,144,778 | \$ - | \$ (26,177,179) |
| Special programs | 15,992,179 | - | 6,334,274 | - | (9,657,905) |
| Other programs | 936,964 | - | 340,188 | - | (596,776) |
| Support services: | | | | | |
| Pupils | 5,948,820 | - | - | - | (5,948,820) |
| Instructional staff | 2,516,264 | - | 34,813 | - | (2,481,451) |
| General administration | 1,752,128 | - | - | - | (1,752,128) |
| School administration | 1,951,217 | - | - | - | (1,951,217) |
| Business | 6,166,698 | 1,944,223 | 2,304,704 | - | (1,917,771) |
| Operation and maintenance | | | | | |
| of facilities | 10,933,498 | 63,300 | 77,465 | - | (10,792,733) |
| Transportation | 3,361,030 | - | 2,477,657 | - | (883,373) |
| Central | 1,029,143 | - | - | - | (1,029,143) |
| Community Service | 117,012 | - | - | - | (117,012) |
| Other | 964,698 | 735,430 | - | - | (229,268) |
| Interest on long-term liabilities | 725,445 | - | - | - | (725,445) |
| Total school district | <u>\$ 95,938,400</u> | <u>\$ 3,964,300</u> | <u>\$ 27,713,879</u> | <u>\$ -</u> | <u>(64,260,221)</u> |
| General revenues: | | | | | |
| Property taxes levied for: | | | | | |
| General purposes | | | | | 26,387,338 |
| Transportation | | | | | 1,068,537 |
| Retirement | | | | | 3,282,463 |
| Debt service | | | | | 9,254,374 |
| Federal and state aid not restricted to specific purposes | | | | | 32,946,178 |
| Earnings on investments | | | | | 177,282 |
| Miscellaneous | | | | | 6,953,821 |
| Total general revenues | | | | | <u>80,069,993</u> |
| Change in net assets | | | | | 15,809,772 |
| Ne assets - beginning | | | | | <u>21,283,978</u> |
| Net assets - ending | | | | | <u>\$ 37,093,750</u> |

See accompanying notes to basic financial statements

FUND FINANCIAL STATEMENTS

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

| | <u>General</u> | <u>Transportation</u> | <u>Debt Service</u> |
|---|-----------------------------|----------------------------|-----------------------------|
| <u>ASSETS</u> | | | |
| Assets: | | | |
| Cash and investments | \$ 37,251,121 | \$ 7,917 | \$ 5,985,256 |
| Receivables: | | | |
| Property taxes | 14,546,552 | 574,358 | 4,928,930 |
| Due from other governments | 4,275,339 | 1,016,271 | - |
| Due from other funds | 1,150,000 | - | - |
| Prepaid items | 4,600 | - | - |
| Inventory | 197,367 | - | - |
| TOTAL ASSETS | <u>\$ 57,424,979</u> | <u>\$ 1,598,546</u> | <u>\$ 10,914,186</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Accounts payable | \$ 552,949 | \$ 263,438 | \$ - |
| Insurance claims payable | 1,071,959 | - | - |
| Accrued salaries and related expenditures | 3,047,943 | - | - |
| Due to other funds | - | 1,120,000 | - |
| Deferred revenue | 14,546,552 | 574,358 | 4,928,930 |
| Total Liabilities | <u>19,219,403</u> | <u>1,957,796</u> | <u>4,928,930</u> |
| Fund Balances (Deficits): | | | |
| Nonspendable | 201,967 | - | - |
| Restricted | - | - | 5,985,256 |
| Unassigned | 38,003,609 | (359,250) | - |
| Restricted - reported in | | | |
| Special revenue fund | - | - | - |
| Capital projects fund | - | - | - |
| Unassigned - reported in | | | |
| Capital projects fund | - | - | - |
| Total Fund Balances (deficit) | <u>38,205,576</u> | <u>(359,250)</u> | <u>5,985,256</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$ 57,424,979</u> | <u>\$ 1,598,546</u> | <u>\$ 10,914,186</u> |

See accompanying notes to basic financial statements.

| <u>Other Nonmajor Funds</u> | <u>Total Governmental Funds</u> |
|-------------------------------------|---|
| \$ 2,742,299 | \$ 45,986,593 |
| 2,039,499 | 22,089,339 |
| - | 5,291,610 |
| - | 1,150,000 |
| - | 4,600 |
| - | 197,367 |
| <u>\$ 4,781,798</u> | <u>\$ 74,719,509</u> |

| | |
|---------------------|----------------------|
| \$ - | \$ 816,387 |
| - | 1,071,959 |
| 46,178 | 3,094,121 |
| 30,000 | 1,150,000 |
| 2,039,499 | 22,089,339 |
| <u>2,115,677</u> | <u>28,221,806</u> |
| - | 201,967 |
| - | 5,985,256 |
| - | 37,644,359 |
| 507,042 | 507,042 |
| 2,184,345 | 2,184,345 |
| <u>(25,266)</u> | <u>(25,266)</u> |
| <u>2,666,121</u> | <u>46,497,703</u> |
| <u>\$ 4,781,798</u> | <u>\$ 74,719,509</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, 2011

| | |
|---|----------------------|
| Total fund balances - governmental funds | \$ 46,497,703 |
|---|----------------------|

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 \$99,252,398 and the accumulated depreciation is \$40,612,306. | 58,640,092 |
|--|------------|

| | |
|---|------------|
| 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. | 22,089,339 |
|---|------------|

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 | (90,133,384) | (90,133,384) |
|----------------|--------------|--------------|

| | |
|--|----------------------|
| Net assets of governmental activities | \$ 37,093,750 |
|--|----------------------|

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, 2011

| | General | Working Cash | Transportation | Debt Service | Other Nonmajor Funds | Totals Governmental Funds |
|--|----------------------|--------------------|---------------------|---------------------|----------------------------|---------------------------------|
| REVENUES | | | | | | |
| Local sources | \$ 37,103,505 | \$ - | \$ 933,961 | \$ 9,282,574 | \$ 3,365,465 | \$ 50,685,505 |
| State sources | 47,308,301 | - | 2,477,657 | - | - | 49,785,958 |
| Federal sources | 11,448,830 | - | - | - | - | 11,448,830 |
| Total Revenues | <u>95,860,636</u> | <u>-</u> | <u>3,411,618</u> | <u>9,282,574</u> | <u>3,365,465</u> | <u>111,920,293</u> |
| EXPENDITURES | | | | | | |
| Current operating: | | | | | | |
| Instruction | 56,373,420 | - | - | - | 775,622 | 57,149,042 |
| Support services | 30,992,747 | - | 3,283,829 | - | 2,166,650 | 36,443,226 |
| Community services | 116,908 | - | - | - | 104 | 117,012 |
| Non-programmed charges | 911,698 | - | - | - | - | 911,698 |
| Debt service: | | | | | | |
| Principal | - | - | - | 4,273,133 | - | 4,273,133 |
| Interest and other | - | - | - | 4,971,867 | - | 4,971,867 |
| Capital outlay | - | - | - | - | 394,582 | 394,582 |
| Total Expenditures | <u>88,394,773</u> | <u>-</u> | <u>3,283,829</u> | <u>9,245,000</u> | <u>3,336,958</u> | <u>104,260,560</u> |
| Excess (deficiency) of revenues over expenditures | <u>7,465,863</u> | <u>-</u> | <u>127,789</u> | <u>37,574</u> | <u>28,507</u> | <u>7,659,733</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | 50,000 | - | 50,000 |
| Transfers out | (50,000) | - | - | - | - | (50,000) |
| Total other financing sources (uses) | <u>(50,000)</u> | <u>-</u> | <u>-</u> | <u>50,000</u> | <u>-</u> | <u>-</u> |
| Net changes in fund balance | <u>7,415,863</u> | <u>-</u> | <u>127,789</u> | <u>87,574</u> | <u>28,507</u> | <u>7,659,733</u> |
| Fund balances (deficits) at beginning of year | 23,020,739 | 7,768,974 | (487,039) | 5,897,682 | 2,637,614 | 38,837,970 |
| Fund balance reclassification | <u>7,768,974</u> | <u>(7,768,974)</u> | | | | <u>-</u> |
| FUND BALANCES (DEFICIT) AT END OF YEAR | <u>\$ 38,205,576</u> | <u>\$ -</u> | <u>\$ (359,250)</u> | <u>\$ 5,985,256</u> | <u>\$ 2,666,121</u> | <u>\$ 46,497,703</u> |

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, 2011

| | |
|---|---------------------|
| Net change in fund balances - total governmental funds | \$ 7,659,733 |
|---|---------------------|

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 | \$ 3,219,797 | |
| Depreciation expense | <u>(1,948,000)</u> | 1,271,797 |

| | |
|---|-----------|
| 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. | (172,121) |
|---|-----------|

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 | (1,469,192) |
| Accretion on bonds | (5,691,829) |

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

| | |
|---|------------------|
| Amortization of premium on bond issuances | 743,251 |
| Repayment of bond and loan principal | 4,273,133 |
| Repayment of accreted interest | <u>9,195,000</u> |

| | |
|--|-----------------------------|
| Change in net assets of governmental activities | \$ <u>15,809,772</u> |
|--|-----------------------------|

See accompanying notes to basic financial statements

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
AGENCY FUND - ACTIVITY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2011

Assets:

| | |
|------|-------------------|
| Cash | <u>\$ 878,233</u> |
|------|-------------------|

Liabilities:

| | |
|----------------------|-------------------|
| Due to organizations | <u>\$ 878,233</u> |
|----------------------|-------------------|

See accompanying notes to basic financial statements.

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

Notes to Financial Statements

June 30, 2011

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 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

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

Notes to Financial Statements (Continued)

June 30, 2011

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 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.

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

Notes to Financial Statements (Continued)

June 30, 2011

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 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.

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

Notes to Financial Statements (Continued)

June 30, 2011

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 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.

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

Notes to Financial Statements (Continued)

June 30, 2011

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 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, as are the fiduciary fund financial statements. 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

J.STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
Notes to Financial Statements (Continued)
June 30, 2011

and so has been recognized as a revenue of 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.

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.

Land is not depreciated. Buildings and improvements and furniture and equipment of the

J.STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**Notes to Financial Statements (Continued)****June 30, 2011**

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, 2011

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, 2011

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, 2011 the carrying amount of the District's deposits (excluding petty cash of \$7,000), totaled \$43,330,786 and the bank balances totaled \$46,521,442. 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, 2011.

As of June 30, 2011, the reported amount of the District's cash and cash equivalents consisted of the following:

| | Governmental Funds | Activity Funds | Total |
|-----------------------------------|-------------------------------|---------------------------|---------------------|
| Unrestricted: | | | |
| Held by the District | \$36,545,719 | \$ 878,233 | \$37,423,952 |
| Restricted: | | | |
| Held by Township Trustee of Funds | 123,367 | - | 123,367 |
| Held by Trustee in Escrow | 5,783,467 | - | 5,783,467 |
| Total | \$42,452,553 | \$878,233 | \$43,330,786 |

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

J.STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**Notes to Financial Statements (Continued)****June 30, 2011****Investments**

As of June 30, 2011, the District had the following investments and maturities.

| Investment Type | Fair Value | Maturities (in years) Less than 1 | Maturities (in years) 1 to 5 | % of Portfolio | Agency Rating |
|------------------------------------|--------------|---|------------------------------------|-------------------|------------------|
| Government Obligations: | | | | | |
| Federal Home Loan Bank Note | \$ 3,527,040 | \$1,500,000 | \$2,027,040 | 100.0% | AAA |

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.

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, 2011 interfund receivables and payables consisted of the following:

| Due From: | Due To: | Balance |
|-----------------------|-------------------|-------------|
| Capital Projects Fund | Working Cash Fund | \$30,000 |
| Transportation Fund | Working Cash Fund | \$1,120,000 |

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.

J.STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**Notes to Financial Statements (Continued)****June 30, 2011****NOTE 4. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2011 was as follows:

| | <i>Balance June 30, 2010</i> | <i>Additions</i> | <i>Deletions</i> | <i>Balance June 30, 2011</i> |
|---|--------------------------------------|---------------------|------------------|--------------------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 13,230,678 | \$ 30,000 | \$ - | \$ 13,260,678 |
| Total capital assets not being depreciated | 13,230,678 | 30,000 | - | 13,260,678 |
| Capital assets, being depreciated: | | | | |
| Buildings | 64,687,335 | 258,163 | - | 64,945,498 |
| Improvements other than buildings | 1,642,654 | 1,543,176 | - | 3,185,830 |
| Equipment | 16,471,934 | 1,388,458 | - | 17,860,392 |
| Total capital assets being depreciated | 82,801,923 | 3,189,797 | - | 85,991,720 |
| Accumulated depreciation for: | | | | |
| Buildings | 24,152,371 | 1,150,000 | - | 25,302,371 |
| Improvements other than buildings | 713,999 | 150,000 | - | 863,999 |
| Equipment | 13,797,936 | 648,000 | - | 14,445,936 |
| Total accumulated depreciation | 38,664,306 | 1,948,000 | - | 40,612,306 |
| Total capital assets being depreciated, net | 44,137,617 | 1,241,797 | - | 45,379,414 |
| Total capital assets, net | \$ 57,368,295 | \$ 1,271,797 | \$ - | \$ 58,640,092 |

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

| | |
|--|--------------------|
| Instructional services: | |
| Regular programs | \$1,324,640 |
| Special programs | 155,840 |
| Supporting services: | |
| Pupils | 9,740 |
| Instructional staff | 19,480 |
| General administration | 9,740 |
| School administration | 19,480 |
| Business | 9,740 |
| Operations and maintenance of facilities | 321,420 |
| Transportation | 58,440 |
| Central | 19,480 |
| | <u>\$1,948,000</u> |

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
Notes to Financial Statements (Continued)
June 30, 2011

NOTE 5. LONG-TERM DEBT

Long-term debt activity for the year ended June 30, 2011 was as follows:

| | <i>Balance July 1, 2010</i> | <i>Additions</i> | <i>Reductions</i> | <i>Balance June 30, 2011</i> | <i>Amount due in one year</i> |
|--|-------------------------------------|---------------------|----------------------|--------------------------------------|-----------------------------------|
| General Obligation Bonds Payable: | | | | | |
| 5/1/00 Limited Tax Capital Appreciation School Bonds | \$ 4,180,946 | \$ - | \$ 2,638,996 | \$ 1,541,950 | \$ 1,541,950 |
| 2/19/04 Working Cash/Refunding Limited Tax Capital Appreciation School Bonds | 29,877,798 | - | - | 29,877,798 | 1,549,793 |
| 11/17/05 General Obligation Capital Appreciation School Bonds | 20,102,017 | - | 1,601,091 | 18,500,926 | 1,466,162 |
| 12/01/05 General Obligation Capital Appreciation School Bonds | 2,035,598 | - | - | 2,035,598 | - |
| Total Bonds Payable | \$ 56,196,359 | \$ - | \$ 4,240,087 | \$ 51,956,272 | \$ 4,557,905 |
| EPA loans | 319,112 | - | 33,046 | 286,066 | 34,802 |
| Premium on bonds issued | 10,147,179 | - | 743,251 | 9,403,928 | - |
| Accreted interest on capital appreciation bonds | 29,986,221 | 5,691,829 | 9,195,000 | 26,483,050 | - |
| Other post-employment benefits (Note 11) | 534,877 | 3,239,620 | 1,770,429 | 2,004,068 | - |
| Total Long-Term Debt | \$ 97,183,748 | \$ 8,881,449 | \$ 15,981,813 | \$ 90,133,384 | \$ 4,592,707 |

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2011 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 2011; 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

J.STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**Notes to Financial Statements (Continued)****June 30, 2011**

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%.

In prior years, the District defeased certain general obligation bonds by placing the refunding portion of the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

As of June 30, 2011, \$645,963 of bonds outstanding are considered defeased.

At June 30, 2011 the annual cash flow requirements of all bonds payable to retirement were as follows:

| Fiscal year ending June 30, | Principal | Interest | Total |
|--|---------------------|---------------------|----------------------|
| 2012 | \$ 4,557,905 | \$ 4,637,095 | \$ 9,195,000 |
| 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 |
| Total | \$51,956,272 | \$85,288,728 | \$137,245,000 |

Payments to retire bonds payable will be made from debt service levies in future periods. There is \$5,985,256 of fund equity available in the Debt Service Fund to service outstanding bonds payable.

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

Notes to Financial Statements (Continued)

June 30, 2011

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, 2011 the statutory debt limit for the District was \$159,072,523 providing a debt margin of \$113,101,507 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.

At June 30, 2011, the District's annual cash flow requirements of the EPA loan principal and interest were as follows:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|--|-------------------|-----------------|------------------|
| 2012 | \$ 34,802 | \$ 15,198 | \$ 50,000 |
| 2013 | 36,651 | 13,349 | 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 |
| Total | \$ 286,066 | \$63,934 | \$350,000 |

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

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, 2011

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 coverages have occurred nor have any insurance claims in excess of insurance coverages 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 coverages and protection other than health, life and accident coverages 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, 2011, were \$10,719,589. The District liability will not exceed \$175,000 per employee or \$6,880,976 in the aggregate as provided by stop loss provisions from private insurance companies. At June 30, 2011, a liability of \$1,071,959 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, 2011**

A summary of the changes in the District's claim liability is as follows:

| | Fiscal Year Ended <u>June 30, 2010</u> | Fiscal Year Ended <u>June 30, 2011</u> |
|---|---|---|
| Claims liability at July 1 | \$1,200,000 | \$1,003,806 |
| Current year claims and changes in estimates | 5,380,505 | 10,719,589 |
| Claim payments | <u>(5,576,699)</u> | <u>(10,651,436)</u> |
| Claims liability at June 30 | <u>\$1,003,806</u> | <u>\$1,071,959</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 the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active nonannuitants 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, 2011, 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, 2010 and 2009.

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

Notes to Financial Statements (Continued)

June 30, 2011

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees. The District's total payroll reported to TRS for the year ended June 30, 2011 was \$36,195,983.

On-behalf contributions. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2011, State of Illinois contributions were based on 23.10 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$8,157,625 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2010, and June 30, 2009, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.38 percent (\$9,143,888) and 17.08 percent (\$6,257,048), respectively.

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

2.2 Formula Contributions. Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2011 were \$209,937. Contributions for the years ending June 30, 2010, and June 30, 2009, were \$233,294 and \$221,840, 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 in the fiscal year ended June 30, 2008, employer contributions for employees paid from federal and trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2011, the employer pension contribution was 23.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2010 and 2009 the employer contribution was 23.38 and 17.08 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2011, salaries totaling \$881,588 were paid from federal and special trust funds that required employer contributions of \$203,647. For the years ended June 30, 2010 and June 30, 2009, required district contributions were \$260,261 and \$275,758, 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.

Under the Pipeline ERO, the maximum employer contribution is 100 percent of the member's highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent. Both the 100 percent and 117.5

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

Notes to Financial Statements (Continued)

June 30, 2011

percent maximums apply when the member is age 55 at retirement.

For the year ended June 30, 2011, the district paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2010 and June 30, 2009, the district made \$0 and \$12,264, in payments in employer ERO contributions, respectively.

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, 2011, the District paid \$7,567 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2010 and 2009, the District made payments of \$4,226 and \$45,522 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 used to calculate final average salary, and the TRS total normal cost rate (18.03 percent of salary during the year ended June 30, 2011 as recertified pursuant to Public Act 96-1511).

For the year ended June 30, 2011, 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, 2010 and 2009, the District made no payments in employer contributions granted for sick leave days.

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, 2011, is expected to be available in late 2011. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at www.trs.illinois.gov.

J.STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

Notes to Financial Statements (Continued)

June 30, 2011

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 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. The director of HFS determines the rates and premiums from annuitants and dependent beneficiaries and establishes the cost-sharing parameters. 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 make a contribution to THIS.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the 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, 2011. State of Illinois contributions were \$318,525, 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, 2010 and 2009 were 0.84 percent. State contributions on behalf of district employees were \$337,874, and \$321,286 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, 2011 and 0.63 percent during the years ended June 30, 2010, and June 30, 2009. For the year ended June 30, 2011, the District paid \$238,893 to the THIS Fund. For the years ended June 30, 2010 and June 30, 2009, the District paid \$253,405 and \$240,964, respectively, which was 100 percent of the required contribution.

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Notes to Financial Statements (Continued)

June 30, 2011

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.

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.

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 contribution rate for calendar year 2010 used by the employer was 10.05 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 11.87 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. For calendar year ending December 31, 2010, the employer's actual contributions for the Regular were \$1,290,769. Its required contribution for calendar year 2010 was \$1,524,520.

Three-Year Trend Information for the Regular Plan

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------------------|--------------------------------------|--|-----------------------------------|
| 12/31/2010 | \$1,524,520 | 100% | \$233,571 |
| 12/31/2009 | 1,166,537 | 100% | 0 |
| 12/31/2008 | 1,164,914 | 100% | 0 |

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, 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

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

Notes to Financial Statements (Continued)

June 30, 2011

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, 2008 is being amortized as a level percentage of projected payroll on an open 30-year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 67.21 percent funded. The actuarial accrued liability for benefits was \$28,497,422 and the actuarial value of assets was \$19,151,783, resulting in an underfunded actuarial accrued liability (UAAL) of \$9,345,639. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$12,843,470 and the ratio of the UAAL to the covered payroll was 73 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, 2011 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 \$1,637,021.

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
Notes to Financial Statements (Continued)
June 30, 2011

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 development of the District's Annual OPEB Cost and Net OPEB Obligation as of the end of the 2011 and 2010 fiscal years.

| | 2011 | 2010 |
|--|-----------------------|--------------------|
| Annual Required Contribution | \$ 3,230,705 | \$ 2,089,430 |
| Interest on net OPEB obligations | 26,744 | 18,340 |
| Adjustment to annual required contribution | <u>(17,829)</u> | <u>(23,641)</u> |
| Total Annual OPEB cost | \$ 3,239,620 | \$ 2,084,129 |
| Net OPEB obligation – Beginning of Year | 534,877 | 366,793 |
| Annual Employer Contribution | <u>\$ (1,770,429)</u> | <u>(1,916,045)</u> |
| Net OPEB obligation – End of Year | <u>\$ 2,004,068</u> | <u>\$ 534,877</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

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
Notes to Financial Statements (Continued)
June 30, 2011

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 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.

| Year | Medical Trend | Dental Trend |
|-----------------|----------------------|---------------------|
| 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.

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.

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

Notes to Financial Statements (Continued)

June 30, 2011

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

Direct expenditures exceeded the budgeted amount in the following Funds:

| | Budget | Actual | Excess |
|---------------------|---------------|---------------|---------------|
| Transportation Fund | \$ 2,754,150 | \$3,283,829 | \$529,679 |

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, 2011

NOTE 13. INTERFUND TRANSFERS

The following interfund transfers were made during the year ended June 30, 2011:

| Transfer From | Transfer To | Amount |
|---|-------------------|------------------|
| General Fund – Operations and Maintenance Account | Debt Service Fund | <u>\$ 50,000</u> |
| | Total Transfers | <u>\$ 50,000</u> |

Transfers from the General Fund to the Debt Service Fund were made to provide funds for the debt service payments on an EPA loan.

NOTE 14. DEFICIT FUND BALANCE

As of June 30, 2011, the Transportation Fund had a deficit fund balance of \$359,250. The Capital Projects Fund had a deficit fund balance of \$25,266.

These deficits will be reduced through future tax levies.

NOTE 15. 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, 2011, the cumulative expenditures had exceeded related cumulative revenues.

NOTE 16. 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.

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

Notes to Financial Statements (Continued)

June 30, 2011

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.

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, 2011, 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 \$202,817. 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

J.STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**Notes to Financial Statements (Continued)****June 30, 2011**

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, 2011.

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, 2011.

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.

F. Reconciliation of Fund Balance Reporting

| Fund/Account | Nonspendable | Restricted | Committed | Assigned | Unassigned |
|--------------------------|---------------------|-------------------|------------------|-----------------|-------------------|
| Educational | \$ 201,967 | | | | \$26,742,033 |
| Operations & Maintenance | | | | | 3,460,495 |
| Debt Service | | 5,985,256 | | | |
| Transportation | | | | | (359,250) |
| Municipal Retirement | | 507,042 | | | |
| Capital Projects | | | | | (25,266) |
| Working Cash | | | | | 7,801,081 |
| Fire Prevention & Safety | | 2,184,345 | | | |

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
Notes to Financial Statements (Continued)
June 30, 2011

NOTE 17. RESTATEMENT OF FUND BALANCES

Due to the new GASB pronouncements, the Working Cash Account and Tort Immunity Account were restated from individual Special Revenue Funds into the General Fund.

This restatement was effective July 1, 2010.

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
Schedule of Funding Progress (unaudited)
Illinois Municipal Retirement Fund
June 30, 2011

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) -Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll [(b-a)/c] |
|---|--|---|--|-----------------------------------|------------------------------------|--|
| 12/31/2010 | \$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% |
| 12/31/2008 | 16,918,849 | 24,572,751 | 7,653,902 | 68.85% | 12,046,682 | 63.54% |

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$20,940,262.

On a market basis, the funded ratio would be 73.48%.

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
Schedule of Funding Progress (unaudited)
Other Post Employment Benefits
June 30, 2011

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

Note: Actuarial valuation is done biennially.

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, 2011

| | General | | |
|---|---------------------------------|--------------------------|------------------------------|
| | Original and Final Budget | Actual | Variance Over/ (Under) |
| REVENUES | | | |
| Local sources | \$ 35,662,300 | \$ 37,103,505 | \$ 1,441,205 |
| State sources | 36,255,257 | 38,832,151 | 2,576,894 |
| Federal sources | 10,584,963 | 11,448,830 | 863,867 |
| Total Direct Revenues | 82,502,520 | 87,384,486 | 4,881,966 |
| On behalf payments | 9,155,000 | 8,476,150 | (678,850) |
| Total Revenues | 91,657,520 | 95,860,636 | 4,203,116 |
| EXPENDITURES | | | |
| Current operating: | | | |
| Instruction | 44,142,143 | 47,897,270 | (3,755,127) |
| Support services | 37,230,437 | 30,992,747 | 6,237,690 |
| Community services | 131,733 | 116,908 | 14,825 |
| Non-programmed charges | 878,208 | 911,698 | (33,490) |
| Total Direct Expenditures | 82,382,521 | 79,918,623 | 2,463,898 |
| On behalf payments | 9,155,000 | 8,476,150 | 678,850 |
| Total Expenditures | 91,537,521 | 88,394,773 | 3,142,748 |
| Excess (deficiency) of revenues over expenditures | 119,999 | 7,465,863 | 7,345,864 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | (87,700) | (50,000) | 37,700 |
| Total other financing sources (uses) | (87,700) | (50,000) | 37,700 |
| Net changes in fund balance | <u>\$ 32,299</u> | 7,415,863 | <u>\$ 7,383,564</u> |
| Fund balances at beginning of year | | 23,020,739 | |
| Fund balance reclassifications | | <u>7,768,974</u> | |
| FUND BALANCES AT END OF YEAR | | <u>\$ 38,205,576</u> | |

| Transportation | | |
|---------------------------------|---------------------|------------------------------|
| Original and Final Budget | Actual | Variance Over/ (Under) |
| \$ 1,864,000 | \$ 933,961 | \$ (930,039) |
| 1,100,000 | 2,477,657 | 1,377,657 |
| - | - | - |
| 2,964,000 | 3,411,618 | 447,618 |
| - | - | - |
| 2,964,000 | 3,411,618 | 447,618 |
| - | - | - |
| 2,754,150 | 3,283,829 | (529,679) |
| - | - | - |
| 2,754,150 | 3,283,829 | (529,679) |
| - | - | - |
| 2,754,150 | 3,283,829 | (529,679) |
| 209,850 | 127,789 | (82,061) |
| - | - | - |
| - | - | - |
| <u>\$ 209,850</u> | <u>127,789</u> | <u>\$ (82,061)</u> |
| | (487,039) | |
| | - | |
| | <u>\$ (359,250)</u> | |

J.STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
Notes to Required Supplementary Information
Budgetary Comparison Schedules
June 30, 2010

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 August 11, 2010.
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.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

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, 2011

| | <u>Educational</u> | <u>Operations and Maintenance</u> | <u>Working Cash</u> | <u>Total General</u> |
|--|-----------------------------|---|----------------------------|-----------------------------|
| <u>ASSETS</u> | | | | |
| Cash and investments | \$ 27,031,267 | \$ 3,568,773 | \$ 6,651,081 | \$ 37,251,121 |
| Receivables: | | | | |
| Property taxes | 10,868,173 | 3,678,379 | - | 14,546,552 |
| Due from other governments | 4,275,339 | - | - | 4,275,339 |
| Due from other funds | - | - | 1,150,000 | 1,150,000 |
| Prepaid items | 4,600 | - | - | 4,600 |
| Inventory | 197,367 | - | - | 197,367 |
| TOTAL ASSETS | <u>\$ 42,376,746</u> | <u>\$ 7,247,152</u> | <u>\$ 7,801,081</u> | <u>\$ 57,424,979</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 444,671 | \$ 108,278 | \$ - | \$ 552,949 |
| Insurance claims payable | 1,071,959 | - | - | 1,071,959 |
| Accrued salaries and related expenditures | 3,047,943 | - | - | 3,047,943 |
| Deferred revenue | 10,868,173 | 3,678,379 | - | 14,546,552 |
| Total Liabilities | <u>15,432,746</u> | <u>3,786,657</u> | <u>-</u> | <u>19,219,403</u> |
| Fund Balances (Deficits): | | | | |
| Nonspendable | 201,967 | - | - | 201,967 |
| Unassigned | 26,742,033 | 3,460,495 | 7,801,081 | 38,003,609 |
| Total Fund Balances | <u>26,944,000</u> | <u>3,460,495</u> | <u>7,801,081</u> | <u>38,205,576</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 42,376,746</u> | <u>\$ 7,247,152</u> | <u>\$ 7,801,081</u> | <u>\$ 57,424,979</u> |

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, 2011

| | <u>Educational</u> | <u>Operations and Maintenance</u> | <u>Working Cash</u> | <u>Total General</u> |
|---|--------------------------|---|-------------------------|--------------------------|
| REVENUES | | | | |
| Local sources | \$ 30,934,520 | \$ 6,136,878 | \$ 32,107 | \$ 37,103,505 |
| State sources | 43,183,301 | 4,125,000 | - | 47,308,301 |
| Federal sources | 11,371,365 | 77,465 | - | 11,448,830 |
| Total Revenues | 85,489,186 | 10,339,343 | 32,107 | 95,860,636 |
| EXPENDITURES | | | | |
| Current operating: | | | | |
| Instruction | 56,373,420 | - | - | 56,373,420 |
| Support services | 20,021,607 | 10,971,140 | - | 30,992,747 |
| Community services | 116,908 | - | - | 116,908 |
| Non-programmed charges | 911,698 | - | - | 911,698 |
| Total Expenditures | 77,423,633 | 10,971,140 | - | 88,394,773 |
| Excess (deficiency) of revenues over expenditures | 8,065,553 | (631,797) | 32,107 | 7,465,863 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | - | (50,000) | - | (50,000) |
| Total other financing sources (uses) | - | (50,000) | - | (50,000) |
| Net changes in fund balance | 8,065,553 | (681,797) | 32,107 | 7,415,863 |
| Fund balances at beginning of year | 18,878,447 | 4,142,292 | - | 23,020,739 |
| Fund balance reclassification | - | - | 7,768,974 | 7,768,974 |
| FUND BALANCES AT END OF YEAR | \$ 26,944,000 | \$ 3,460,495 | \$ 7,801,081 | \$ 38,205,576 |

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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | |
|--------------------------------|-----------------|---------------|------------------------|----------------|
| | Final Budget | Actual | Variance over/under | 2010 Actual |
| REVENUES | | | | |
| Local Sources: | | | | |
| General tax levy | \$ 19,879,000 | \$ 20,518,851 | \$ 639,851 | \$ 21,910,969 |
| Tort immunity levy | - | - | - | (397) |
| Special education levy | 358,000 | 364,483 | 6,483 | 382,932 |
| Corporate replacement taxes | 4,000,000 | 6,129,090 | 2,129,090 | 4,669,030 |
| Tuition | 365,000 | 383,182 | 18,182 | 264,677 |
| Earnings on investments | 96,000 | 108,160 | 12,160 | 209,914 |
| Food services | 2,139,500 | 1,944,223 | (195,277) | 2,113,122 |
| Pupil activities | 671,700 | 805,609 | 133,909 | 695,847 |
| Textbooks | 28,000 | 32,556 | 4,556 | 20,531 |
| Other (refunds) | 428,200 | 648,366 | 220,166 | 711,359 |
| Total Local Sources | 27,965,400 | 30,934,520 | 2,969,120 | 30,977,984 |
| State Sources: | | | | |
| General state aid | 28,169,000 | 28,323,996 | 154,996 | 19,440,643 |
| Bilingual education | 166,500 | 393,002 | 226,502 | 47,915 |
| Vocational education | 212,800 | 296,122 | 83,322 | 98,771 |
| Special education | 2,951,663 | 4,801,459 | 1,849,796 | 2,777,486 |
| School lunch aid | 96,000 | 123,729 | 27,729 | 40,681 |
| Driver education | 275,000 | 302,239 | 27,239 | 247,928 |
| Early childhood | 78,294 | 91,603 | 13,309 | 49,327 |
| Other grants-in-aid | 181,000 | 375,001 | 194,001 | 111,257 |
| Total State Sources | 32,130,257 | 34,707,151 | 2,576,894 | 22,814,008 |
| Federal Sources: | | | | |
| Title V | - | - | - | 5,839 |
| National school lunch program | 1,961,000 | 1,983,804 | 22,804 | 1,923,075 |
| School breakfast program | 199,000 | 197,171 | (1,829) | 192,822 |
| Title I - low income | 2,665,255 | 1,879,157 | (786,098) | 2,522,117 |
| Safe and drug free schools | - | 1,096 | 1,096 | 29,465 |
| IDEA - flow through | 1,563,309 | 1,532,815 | (30,494) | 1,159,296 |
| Vocational education - Perkins | 46,000 | (1,052) | (47,052) | 50,007 |
| Medicaid matching | \$ 300,000 | \$ 497,182 | \$ 197,182 | \$ 415,224 |

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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | 2010 |
|--|----------------------|---------------------|------------------------|---------------------|
| | Final Budget | Actual | Variance over/under | Actual |
| Federal Sources: (continued) | | | | |
| Title III - english | \$ 101,230 | \$ 70,377 | \$ (30,853) | \$ 50,694 |
| Title II - teacher quality | 292,832 | 199,648 | (93,184) | 246,969 |
| ARRA funding | 2,361,116 | 4,423,143 | 2,062,027 | 5,317,011 |
| Other | 655,165 | 588,024 | (67,141) | 403,461 |
| Total Federal Sources | 10,144,907 | 11,371,365 | 1,226,458 | 12,315,980 |
| Total Direct Revenues | 70,240,564 | 77,013,036 | 6,772,472 | 66,107,972 |
| On behalf payments - State of Illinois | 9,155,000 | 8,476,150 | (678,850) | 9,481,762 |
| Total Revenues | 79,395,564 | 85,489,186 | 6,093,622 | 75,589,734 |
| EXPENDITURES | | | | |
| Current operating: | | | | |
| Instruction: | | | | |
| Regular programs: | | | | |
| Salaries | 20,400,000 | 20,854,039 | (454,039) | 23,547,523 |
| Employee benefits | 3,763,348 | 10,647,674 | (6,884,326) | 10,277,837 |
| Purchased services | 50,790 | 33,262 | 17,528 | 30,782 |
| Supplies and materials | 513,990 | 428,930 | 85,060 | 379,618 |
| Capital outlay | 36,000 | 34,548 | 1,452 | 90,649 |
| Other | 4,660 | 1,128 | 3,532 | 1,082 |
| Non-capitalized equipment | - | - | - | 1,788 |
| Total | 24,768,788 | 31,999,581 | (7,230,793) | 34,329,279 |
| Special programs: | | | | |
| Salaries | 5,856,959 | 5,710,685 | 146,274 | 6,063,811 |
| Employee benefits | 1,403,725 | 538,767 | 864,958 | 228,548 |
| Purchased services | 6,000 | 3,578 | 2,422 | 7,713 |
| Supplies and materials | 259,059 | 232,021 | 27,038 | 85,082 |
| Capital outlay | 1,417,501 | 10,261 | 1,407,240 | 356,977 |
| Tuition | 3,070,000 | 3,492,518 | (422,518) | 3,012,027 |
| Total | \$ 12,013,244 | \$ 9,987,830 | \$ 2,025,414 | \$ 9,754,158 |

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | 2010 Actual |
|---------------------------|-----------------|------------|------------------------|----------------|
| | Final Budget | Actual | Variance over/under | |
| Educationally deprived : | | | | |
| Salaries | \$ 591,705 | \$ 614,682 | \$ (22,977) | \$ 845,870 |
| Employee benefits | 293,418 | 261,493 | 31,925 | 307,948 |
| Purchased services | 30,279 | 14,842 | 15,437 | 21,881 |
| Supplies and materials | 153,869 | 51,041 | 102,828 | 255,584 |
| Capital outlay | 809,352 | 225,804 | 583,548 | 289,301 |
| Total | 1,878,623 | 1,167,862 | 710,761 | 1,720,584 |
| Adult education programs: | | | | |
| Salaries | 205,800 | 197,510 | 8,290 | 190,558 |
| Employee benefits | 1,044 | 1,016 | 28 | 955 |
| Purchased services | 200 | - | 200 | 167 |
| Supplies and materials | 1,100 | 1,063 | 37 | 505 |
| Total | 208,144 | 199,589 | 8,555 | 192,185 |
| Vocational programs: | | | | |
| Salaries | 1,432,749 | 1,267,083 | 165,666 | 2,147,392 |
| Employee benefits | 228,598 | 5,808 | 222,790 | 20,034 |
| Purchased services | 9,000 | 1,533 | 7,467 | 3,480 |
| Supplies and materials | 212,500 | 114,694 | 97,806 | 121,218 |
| Capital outlay | 161,077 | 290,417 | (129,340) | 100,893 |
| Other | - | 8,331 | (8,331) | 7,697 |
| Non-capitalized equipment | - | - | - | - |
| Total | 2,043,924 | 1,687,866 | 356,058 | 2,400,714 |
| Interscholastic programs: | | | | |
| Salaries | 765,200 | 698,009 | 67,191 | 730,175 |
| Employee benefits | 25,354 | 3,322 | 22,032 | 3,493 |
| Purchased services | 201,000 | 177,507 | 23,493 | 177,573 |
| Supplies and materials | 114,500 | 102,217 | 12,283 | 136,697 |
| Other | 300 | 95 | 205 | 95 |
| Total | 1,106,354 | 981,150 | 125,204 | 1,048,033 |
| Summer school: | | | | |
| Salaries | 237,705 | 201,723 | 35,982 | 198,636 |
| Employee benefits | 23,787 | 11,916 | 11,871 | 9,959 |
| Supplies and materials | 5,000 | 1,668 | 3,332 | 2,329 |
| Total | \$ 266,492 | \$ 215,307 | \$ 51,185 | \$ 210,924 |

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | 2010 |
|---|---------------------|---------------------|------------------------|---------------------|
| | Final Budget | Actual | Variance over/under | Actual |
| Drivers education: | | | | |
| Salaries | \$ 326,000 | \$ 263,696 | \$ 62,304 | \$ 215,572 |
| Employee benefits | 1,890 | 1,314 | 576 | 1,085 |
| Purchased services | 36,400 | 27,654 | 8,746 | 29,019 |
| Supplies and materials | 21,500 | 10,826 | 10,674 | 11,170 |
| Capital outlay | 2,500 | 231 | 2,269 | - |
| Other | - | - | - | 1,757 |
| Total | 388,290 | 303,721 | 84,569 | 258,603 |
| Bilingual: | | | | |
| Salaries | 670,160 | 747,958 | (77,798) | 804,803 |
| Employee benefits | 104,324 | 7,952 | 96,372 | 7,940 |
| Purchased services | - | - | - | - |
| Supplies and materials | 36,165 | 31,033 | 5,132 | 27,283 |
| Total | 810,649 | 786,943 | 23,706 | 840,026 |
| Truants Alternative and Optional Programs: | | | | |
| Salaries | 540,900 | 557,504 | (16,604) | 493,082 |
| Employee benefits | 101,385 | 4,359 | 97,026 | 4,924 |
| Purchased services | 4,350 | 2,882 | 1,468 | 3,557 |
| Supplies and materials | 8,000 | - | 8,000 | 1,341 |
| Capital outlay | 2,000 | 1,970 | 30 | 421 |
| Other | - | 706 | (706) | - |
| Non-capitalized equipment | 1,000 | - | 1,000 | - |
| Total | 657,635 | 567,421 | 90,214 | 503,325 |
| Total Instruction | 44,142,143 | 47,897,270 | (3,755,127) | 51,257,831 |
| Support Services: | | | | |
| Pupils: | | | | |
| Attendance and social work: | | | | |
| Salaries | 2,051,820 | 2,092,458 | (40,638) | 2,046,861 |
| Employee benefits | 417,620 | 13,683 | 403,937 | 15,466 |
| Purchased services | 115,030 | 51,090 | 63,940 | 94,907 |
| Supplies and materials | 59,142 | 45,788 | 13,354 | 52,389 |
| Capital outlay | - | 19,236 | (19,236) | 6,732 |
| Total | \$ 2,643,612 | \$ 2,222,255 | \$ 421,357 | \$ 2,216,355 |

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | 2010 |
|--|-----------------|--------------|------------------------|--------------|
| | Final Budget | Actual | Variance over/under | Actual |
| Guidance services: | | | | |
| Salaries | \$ 2,105,230 | \$ 2,105,783 | \$ (553) | \$ 1,964,219 |
| Employee benefits | 343,114 | 24,224 | 318,890 | 21,772 |
| Purchased services | 25,650 | 13,891 | 11,759 | 33,954 |
| Supplies and materials | 44,661 | 19,750 | 24,911 | 28,610 |
| Capital outlay | - | 9,016 | (9,016) | - |
| Other | 160 | 196 | (36) | 160 |
| Total | 2,518,815 | 2,172,860 | 345,955 | 2,048,715 |
| Health services: | | | | |
| Salaries | 359,709 | 331,518 | 28,191 | 357,249 |
| Employee benefits | 96,237 | - | 96,237 | - |
| Purchased services | 94,970 | 149,205 | (54,235) | 313,517 |
| Supplies and materials | 5,503 | 5,070 | 433 | 6,272 |
| Other | 300 | 75 | 225 | - |
| Non-capitalized equipment | - | - | - | 325 |
| Total | 556,719 | 485,868 | 70,851 | 677,363 |
| Psychological services: | | | | |
| Salaries | 222,700 | 222,572 | 128 | 218,323 |
| Employee benefits | 44,061 | 3,523 | 40,538 | 1,266 |
| Supplies and materials | - | 446 | (446) | 14,696 |
| Capital outlay | - | - | - | 4,284 |
| Total | 266,761 | 226,541 | 40,220 | 238,569 |
| Speech pathology and audiology services: | | | | |
| Salaries | 259,870 | 262,450 | (2,580) | 246,797 |
| Employee benefits | 35,586 | 4,178 | 31,408 | 3,492 |
| Purchased services | - | - | - | 2,000 |
| Supplies and materials | - | - | - | 2,342 |
| Total | 295,456 | 266,628 | 28,828 | 254,631 |
| Other supporting services: | | | | |
| Salaries | 228,500 | 305,237 | (76,737) | 205,284 |
| Employee benefits | 1,077 | 1,556 | (479) | 1,005 |
| Purchased services | 19,050 | 12,405 | 6,645 | 18,252 |
| Supplies and materials | 5,250 | 2,237 | 3,013 | 1,957 |
| Other | 2,409 | 655 | 1,754 | 1,399 |
| Total | \$ 256,286 | \$ 322,090 | \$ (65,804) | \$ 227,897 |

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | 2010 |
|--------------------------------------|-----------------|--------------|------------------------|--------------|
| | Final Budget | Actual | Variance over/under | Actual |
| Instructional staff: | | | | |
| Improvement of instruction services: | | | | |
| Salaries | \$ 1,441,148 | \$ 1,049,513 | \$ 391,635 | \$ 1,063,700 |
| Employee benefits | 169,819 | 53,699 | 116,120 | 34,951 |
| Purchased services | 326,807 | 257,699 | 69,108 | 236,852 |
| Supplies and materials | 96,224 | 51,011 | 45,213 | 83,368 |
| Capital outlay | 12,320 | 30,225 | (17,905) | - |
| Other | 1,275 | 45 | 1,230 | 355 |
| Total | 2,047,593 | 1,442,192 | 605,401 | 1,419,226 |
| Education media: | | | | |
| Salaries | 485,892 | 460,937 | 24,955 | 607,931 |
| Employee benefits | 140,063 | 1,621 | 138,442 | 1,644 |
| Purchased services | 91,560 | 60,273 | 31,287 | 16,000 |
| Supplies and materials | 274,707 | 361,620 | (86,913) | 254,529 |
| Capital outlay | 574,231 | 670,595 | (96,364) | 87,886 |
| Other | - | 53,764 | (53,764) | - |
| Non-capitalized equipment | 52,484 | - | 52,484 | 25,481 |
| Total | 1,618,937 | 1,608,810 | 10,127 | 993,471 |
| Assessment and testing: | | | | |
| Salaries | 56,015 | 1,132 | 54,883 | 54,751 |
| Employee benefits | 113 | 7 | 106 | 107 |
| Purchased services | 4,000 | 52,341 | (48,341) | 81,974 |
| Supplies and materials | 34,273 | 6,817 | 27,456 | 48,454 |
| Other | 3,000 | 196 | 2,804 | 2,537 |
| Total | 97,401 | 60,493 | 36,908 | 187,823 |
| General administration: | | | | |
| Board of education: | | | | |
| Salaries | 358,797 | 315,213 | 43,584 | 290,125 |
| Employee benefits | 54,164 | 11,774 | 42,390 | 6,786 |
| Purchased services | 526,850 | 467,999 | 58,851 | 236,998 |
| Supplies and materials | 11,000 | 4,431 | 6,569 | 13,565 |
| Other | 38,400 | 58,648 | (20,248) | 27,390 |
| Non-capitalized equipment | 5,000 | - | 5,000 | 6,007 |
| Total | \$ 994,211 | \$ 858,065 | \$ 136,146 | \$ 580,871 |

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | 2010 |
|---|-----------------|------------|------------------------|------------|
| | Final Budget | Actual | Variance over/under | Actual |
| Executive administration: | | | | |
| Salaries | \$ 242,750 | \$ 264,041 | \$ (21,291) | \$ 194,999 |
| Employee benefits | 42,660 | 29,062 | 13,598 | 3,811 |
| Purchased services | 14,800 | 22,610 | (7,810) | 10,998 |
| Supplies and materials | 5,000 | 4,056 | 944 | 3,559 |
| Capital outlay | 2,000 | - | 2,000 | - |
| Other | 7,500 | 5,832 | 1,668 | 6,858 |
| Total | 314,710 | 325,601 | (10,891) | 220,225 |
| Special area administrative services: | | | | |
| Salaries | 410,347 | 449,387 | (39,040) | 454,502 |
| Employee benefits | 80,291 | 3,249 | 77,042 | 19,234 |
| Purchased services | 10,300 | 12,074 | (1,774) | 8,223 |
| Supplies and materials | 1,400 | 214 | 1,186 | - |
| Capital outlay | 7,783 | 959 | 6,824 | - |
| Total | 510,121 | 465,883 | 44,238 | 481,959 |
| School administration: | | | | |
| Office of the principal: | | | | |
| Salaries | 1,674,830 | 1,698,265 | (23,435) | 1,965,803 |
| Employee benefits | 263,493 | 14,490 | 249,003 | 12,857 |
| Purchased services | 75,000 | 84,457 | (9,457) | 87,483 |
| Supplies and materials | 16,100 | 14,612 | 1,488 | 21,601 |
| Capital outlay | - | - | - | 16,247 |
| Other | 11,500 | 10,945 | 555 | 11,644 |
| Total | 2,040,923 | 1,822,769 | 218,154 | 2,115,635 |
| Other support services | | | | |
| school administration: | | | | |
| Supplies and materials | - | 1,482 | (1,482) | - |
| Capital outlay | - | 51,280 | (51,280) | - |
| Total | - | 52,762 | (52,762) | - |
| Business: | | | | |
| Direction of business support services: | | | | |
| Salaries | 98,150 | 128,750 | (30,600) | 95,275 |
| Employee benefits | 17,562 | 7,389 | 10,173 | 673 |
| Total | \$ 115,712 | \$ 136,139 | \$ (20,427) | \$ 95,948 |

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | 2010 |
|---|-------------------|-------------------|------------------------|-------------------|
| | Final Budget | Actual | Variance over/under | Actual |
| Fiscal services: | | | | |
| Salaries | \$ 594,900 | \$ 613,889 | \$ (18,989) | \$ 555,148 |
| Employee benefits | 155,542 | - | 155,542 | - |
| Purchased services | 117,000 | 385,704 | (268,704) | 117,236 |
| Supplies and materials | 53,100 | 53,131 | (31) | 33,675 |
| Capital outlay | - | 1,945 | (1,945) | - |
| Other | 3,000 | 10,892 | (7,892) | 1,618 |
| Non-capitalized equipment | 2,000 | - | 2,000 | 840 |
| Total | 925,542 | 1,065,561 | (140,019) | 708,517 |
| Operation and maintenance of plant services: | | | | |
| Employee benefits | 1,678,801 | - | 1,678,801 | - |
| Total | 1,678,801 | - | 1,678,801 | - |
| Pupil transportation services: | | | | |
| Employee benefits | 21,386 | - | 21,386 | - |
| Purchased services | 5,366 | 4,357 | 1,009 | 20,042 |
| Total | 26,752 | 4,357 | 22,395 | 20,042 |
| Food services: | | | | |
| Salaries | 1,561,800 | 1,526,055 | 35,745 | 1,544,102 |
| Employee benefits | 267,325 | - | 267,325 | - |
| Purchased services | 77,000 | 62,736 | 14,264 | 70,500 |
| Supplies and materials | 2,203,349 | 2,202,416 | 933 | 2,145,759 |
| Capital outlay | 25,000 | 4,599 | 20,401 | 80,809 |
| Non-capitalized equipment | 3,000 | - | 3,000 | - |
| Other | - | - | - | - |
| Total | 4,137,474 | 3,795,806 | 341,668 | 3,841,170 |
| Internal services: | | | | |
| Salaries | 255,900 | 258,232 | (2,332) | 248,684 |
| Employee benefits | 58,812 | - | 58,812 | - |
| Purchased services | (58,000) | - | (58,000) | - |
| Supplies and materials | 224,125 | 112,637 | 111,488 | 153,234 |
| Total | \$ 480,837 | \$ 370,869 | \$ 109,968 | \$ 401,918 |

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | 2010 |
|---------------------------|-----------------|------------|------------------------|------------|
| | Final Budget | Actual | Variance over/under | Actual |
| Central: | | | | |
| Information services: | | | | |
| Salaries | \$ 34,100 | \$ 34,268 | \$ (168) | \$ 31,653 |
| Employee benefits | 10,693 | - | 10,693 | - |
| Purchased services | 64,100 | 64,618 | (518) | 59,182 |
| Total | 108,893 | 98,886 | 10,007 | 90,835 |
| Staff services: | | | | |
| Employee benefits | - | 119 | (119) | - |
| Purchased services | 561 | 250 | 311 | 114 |
| Total | 561 | 369 | 192 | 114 |
| Data processing services: | | | | |
| Salaries | 427,959 | 389,535 | 38,424 | 451,679 |
| Employee benefits | 106,930 | 1,273 | 105,657 | - |
| Purchased services | 282,168 | 229,280 | 52,888 | 433,731 |
| Supplies and materials | 116,909 | 161,236 | (44,327) | 35,708 |
| Capital outlay | 42,134 | 37,372 | 4,762 | 126,954 |
| Other objects | - | 14,160 | (14,160) | - |
| Non-capitalized equipment | 18,250 | - | 18,250 | 11,024 |
| Total | 994,350 | 832,856 | 161,494 | 1,059,096 |
| Other support services: | | | | |
| Salaries | 10,000 | - | 10,000 | 12,874 |
| Employee benefits | 58 | - | 58 | - |
| Purchased services | 2,309,800 | 1,367,657 | 942,143 | 1,100,857 |
| Supplies and materials | 9,295 | 297 | 8,998 | - |
| Other | 7,500 | 15,993 | (8,493) | 1,103 |
| Total | 2,336,653 | 1,383,947 | 952,706 | 1,114,834 |
| Total Support Services | 24,967,120 | 20,021,607 | 4,945,513 | 18,995,214 |
| Community services: | | | | |
| Salaries | 4,636 | 2,618 | 2,018 | 4,563 |
| Employee benefits | 2,267 | 798 | 1,469 | 694 |
| Purchased services | 96,627 | 97,834 | (1,207) | 67,285 |
| Supplies and materials | 28,203 | 15,658 | 12,545 | 35,450 |
| Total Community Services | \$ 131,733 | \$ 116,908 | \$ 14,825 | \$ 107,992 |

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | 2010 |
|--|-------------------|----------------------|------------------------|----------------------|
| | Final Budget | Actual | Variance over/under | Actual |
| Non-programmed charges | \$ 878,208 | \$ 911,698 | \$ (33,490) | \$ 938,467 |
| Total Direct Expenditures | 70,119,204 | 68,947,483 | 1,171,721 | 71,299,504 |
| On behalf payments - State of Illinois | 9,155,000 | 8,476,150 | 678,850 | 9,481,762 |
| Total Expenditures | 79,274,204 | 77,423,633 | 1,850,571 | 80,781,266 |
| Excess (deficiency) of revenues over expenditures | <u>\$ 121,360</u> | 8,065,553 | <u>\$ 7,944,193</u> | (5,191,532) |
| Fund balance at beginning of year | | <u>18,878,447</u> | | <u>24,069,979</u> |
| FUND BALANCE AT END OF YEAR | | <u>\$ 26,944,000</u> | | <u>\$ 18,878,447</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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | |
|--|-----------------|--------------|------------------------|----------------|
| | Final Budget | Actual | Variance over/under | 2010 Actual |
| REVENUES | | | | |
| Local Sources: | | | | |
| General tax levy | \$ 6,019,000 | \$ 5,970,839 | \$ (48,161) | \$ 6,385,460 |
| Tort immunity levy (refund) | - | - | - | (397) |
| Earnings on investments | 21,000 | 15,675 | (5,325) | 36,747 |
| Rentals | 37,500 | 63,300 | 25,800 | 37,050 |
| Donations from private sources | 100 | - | (100) | - |
| Refund of prior years expenditures | 100 | - | (100) | - |
| Other | 1,569,200 | 87,064 | (1,482,136) | 246,632 |
| Total Local Sources | 7,646,900 | 6,136,878 | (1,510,022) | 6,705,492 |
| State Sources: | | | | |
| General state aid | 4,125,000 | 4,125,000 | - | 4,250,000 |
| Total State Sources | 4,125,000 | 4,125,000 | - | 4,250,000 |
| Federal Sources: | | | | |
| Other federal aid | 440,000 | 77,465 | (362,535) | - |
| ARRA - general state aid stabilization | - | - | - | 750,000 |
| Total Federal Sources | 440,000 | 77,465 | (362,535) | 750,000 |
| Total Revenues | 12,211,900 | 10,339,343 | (1,872,557) | 11,705,492 |
| EXPENDITURES | | | | |
| Current operating: | | | | |
| Support services: | | | | |
| Facilities acquisition services: | | | | |
| Purchased services | 19,500 | 29,599 | (10,099) | 55,022 |
| Capital outlay | 2,080,000 | 1,224,788 | 855,212 | 163,093 |
| Total Facilities Acquisition Services | \$ 2,099,500 | \$ 1,254,387 | \$ 845,113 | \$ 218,115 |

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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | 2010 Actual |
|--|-------------------|---------------------|------------------------|---------------------|
| | Final Budget | Actual | Variance over/under | |
| Operations and maintenance of Plant Services: | | | | |
| Salaries | \$ 6,263,417 | \$ 5,802,763 | \$ 460,654 | \$ 5,760,568 |
| Employee benefits | - | 7,030 | (7,030) | 603 |
| Purchased services | 890,650 | 920,582 | (29,932) | 830,768 |
| Supplies and materials | 1,934,750 | 1,833,138 | 101,612 | 1,723,081 |
| Capital outlay | 543,000 | 186,703 | 356,297 | 178,319 |
| Other objects | 500 | 4,378 | (3,878) | - |
| Non-capitalized equipment | 8,500 | - | 8,500 | 1,266 |
| Total Operation and Maintenance of Plant Services | 9,640,817 | 8,754,594 | 886,223 | 8,494,605 |
| Other support services: | | | | |
| Salaries | - | 3,693 | (3,693) | - |
| Purchased services | 518,000 | 480,548 | 37,452 | 458,541 |
| Other objects | 5,000 | 477,918 | (472,918) | - |
| Total Other Support Services | 523,000 | 962,159 | (439,159) | 458,541 |
| Total Support Services | 12,263,317 | 10,971,140 | 1,292,177 | 9,171,261 |
| Total Expenditures | 12,263,317 | 10,971,140 | 1,292,177 | 9,171,261 |
| Excess of revenues over expenditures | (51,417) | (631,797) | (580,380) | 2,534,231 |
| OTHER FINANCING SOURCES (USES) | | | | |
| US EPA Loan Proceeds | 196,640 | - | (196,640) | - |
| Transfers out | (87,700) | (50,000) | 37,700 | (50,000) |
| Total other financing sources (uses) | 108,940 | (50,000) | (158,940) | (50,000) |
| Net changes in fund balance | \$ 57,523 | (681,797) | \$ (739,320) | 2,484,231 |
| Fund balance at beginning of year | | 4,142,292 | | 1,658,061 |
| FUND BALANCE AT END OF YEAR | | \$ 3,460,495 | | \$ 4,142,292 |

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | 2010 |
|--------------------------------------|------------------|---------------------|------------------------|---------------------|
| | Final Budget | Actual | Variance over/under | Actual |
| REVENUES | | | | |
| Local Sources: | | | | |
| General tax levy (refund) | \$ - | \$ - | \$ - | \$ (179) |
| Earnings on investments | 50,000 | 32,107 | (17,893) | 76,235 |
| Total Local Sources | 50,000 | 32,107 | (17,893) | 76,056 |
| Total Revenues | 50,000 | 32,107 | (17,893) | 76,056 |
| Excess of revenues over expenditures | <u>\$ 50,000</u> | 32,107 | <u>\$ (17,893)</u> | 76,056 |
| Fund balance at beginning of year | | <u>7,768,974</u> | | <u>7,692,918</u> |
| FUND BALANCE AT END OF YEAR | | <u>\$ 7,801,081</u> | | <u>\$ 7,768,974</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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | 2010 Actual |
|--|-------------------|----------------------------|------------------------|----------------------------|
| | Final Budget | Actual | Variance over/under | |
| REVENUES | | | | |
| Local Sources: | | | | |
| General tax levy | \$ 1,858,000 | \$ 930,293 | \$ (927,707) | \$ 871,935 |
| Earnings on investments | 6,000 | 3,668 | (2,332) | 4,130 |
| Total Local Sources | 1,864,000 | 933,961 | (930,039) | 876,065 |
| State Sources: | | | | |
| Transportation aid | 1,100,000 | 2,477,657 | 1,377,657 | 1,330,298 |
| Total State Sources | 1,100,000 | 2,477,657 | 1,377,657 | 1,330,298 |
| Total Revenues | 2,964,000 | 3,411,618 | 447,618 | 2,206,363 |
| EXPENDITURES | | | | |
| Current operating: | | | | |
| Support Services: | | | | |
| Pupil Transportation Services: | | | | |
| Salaries | 85,850 | 92,882 | (7,032) | 80,692 |
| Employee benefits | 3,000 | 48,687 | (45,687) | 2,883 |
| Purchased services | 2,658,300 | 3,134,521 | (476,221) | 2,727,652 |
| Supplies and materials | 6,800 | 7,690 | (890) | 5,830 |
| Other | 200 | 49 | 151 | 58 |
| Total Support Services | 2,754,150 | 3,283,829 | (529,679) | 2,817,115 |
| Total Expenditures | 2,754,150 | 3,283,829 | (529,679) | 2,817,115 |
| Excess (deficiency) of revenues over expenditures | <u>\$ 209,850</u> | 127,789 | <u>\$ (82,061)</u> | (610,752) |
| Fund balance (deficit) at beginning of year | | (487,039) | | 123,713 |
| FUND BALANCE (DEFICIT) AT END OF YEAR | | <u><u>\$ (359,250)</u></u> | | <u><u>\$ (487,039)</u></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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | 2010 |
|--|-----------------|--------------|------------------------|--------------|
| | Final Budget | Actual | Variance over/under | Actual |
| REVENUES | | | | |
| Local Sources: | | | | |
| General tax levy | \$ 9,410,000 | \$ 9,279,466 | \$ (130,534) | \$ 9,892,815 |
| Earnings on investments | 3,000 | 3,108 | 108 | 2,754 |
| Total Local Sources | 9,413,000 | 9,282,574 | (130,426) | 9,895,569 |
| Total Revenues | 9,413,000 | 9,282,574 | (130,426) | 9,895,569 |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal retirement | 4,692,363 | 4,273,133 | 419,230 | 4,661,696 |
| Interest on bonds | 4,590,337 | 4,971,867 | (381,530) | 4,583,304 |
| Total Expenditures | 9,282,700 | 9,245,000 | 37,700 | 9,245,000 |
| Excess (deficiency) of revenues over expenditures | 130,300 | 37,574 | (92,726) | 650,569 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 50,000 | 50,000 | - | 50,000 |
| Total other financing sources | 50,000 | 50,000 | - | 50,000 |
| Net changes in fund balance | \$ 180,300 | 87,574 | \$ (92,726) | 700,569 |
| Fund balance at beginning of year | | 5,897,682 | | 5,197,113 |
| FUND BALANCE AT END OF YEAR | | \$ 5,985,256 | | \$ 5,897,682 |

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, 2011

| | Municipal Retirement/ Social Security | Fire Prevention and Safety | Capital Projects | Total Nonmajor Governmental Funds |
|--|--|----------------------------------|---------------------|--|
| <u>ASSETS</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 553,220 | \$ 2,184,345 | \$ 4,734 | \$ 2,742,299 |
| Receivables: | | | | |
| Property taxes | 1,763,297 | 276,202 | - | 2,039,499 |
| TOTAL ASSETS | \$ 2,316,517 | \$ 2,460,547 | \$ 4,734 | \$ 4,781,798 |
| <u>LIABILITIES AND FUND BALANCE</u> | | | | |
| Liabilities: | | | | |
| Accrued salaries and related expenditures | \$ 46,178 | \$ - | \$ - | \$ 46,178 |
| Due to other funds | - | - | 30,000 | 30,000 |
| Deferred revenue | 1,763,297 | 276,202 | - | 2,039,499 |
| Total Liabilities | 1,809,475 | 276,202 | 30,000 | 2,115,677 |
| Fund Balance: | | | | |
| Restricted | 507,042 | 2,184,345 | - | 2,691,387 |
| Unassigned | | - | (25,266) | (25,266) |
| Total Fund Balance | 507,042 | 2,184,345 | (25,266) | 2,666,121 |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 2,316,517 | \$ 2,460,547 | \$ 4,734 | \$ 4,781,798 |

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, 2011

| | <u>Municipal Retirement/ Social Security</u> | <u>Fire Prevention and Safety</u> | <u>Capital Projects</u> | <u>Total Nonmajor Governmental Funds</u> |
|---|--|---|-----------------------------|--|
| REVENUES | | | | |
| Local sources | <u>\$ 3,114,172</u> | <u>\$ 251,293</u> | <u>\$ -</u> | <u>\$ 3,365,465</u> |
| Total Revenues | <u>3,114,172</u> | <u>251,293</u> | <u>-</u> | <u>3,365,465</u> |
| EXPENDITURES | | | | |
| Current operating: | | | | |
| Instruction | 775,622 | - | - | 775,622 |
| Support services | 2,141,384 | - | 25,266 | 2,166,650 |
| Community services | 104 | - | - | 104 |
| Capital outlay | <u>-</u> | <u>394,582</u> | <u>-</u> | <u>394,582</u> |
| Total Expenditures | <u>2,917,110</u> | <u>394,582</u> | <u>25,266</u> | <u>3,336,958</u> |
| Excess of revenues (deficiency) over expenditures | <u>197,062</u> | <u>(143,289)</u> | <u>(25,266)</u> | <u>28,507</u> |
| Fund balances at beginning of year | <u>309,980</u> | <u>2,327,634</u> | <u>-</u> | <u>2,637,614</u> |
| FUND BALANCES (DEFICIT) AT END OF YEAR | <u><u>\$ 507,042</u></u> | <u><u>\$ 2,184,345</u></u> | <u><u>\$ (25,266)</u></u> | <u><u>\$ 2,666,121</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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | 2010 |
|--|-----------------|--------------|------------------------|--------------|
| | Final Budget | Actual | Variance over/under | Actual |
| REVENUES | | | | |
| Local Sources: | | | | |
| General tax levy | \$ 2,916,000 | \$ 2,862,103 | \$ (53,897) | \$ 2,779,995 |
| Corporate replacement taxes | 250,000 | 250,000 | - | 250,000 |
| Earnings on investments | 1,000 | 2,069 | 1,069 | 2,720 |
| Total Local Sources | 3,167,000 | 3,114,172 | (52,828) | 3,032,715 |
| Total Revenues | 3,167,000 | 3,114,172 | (52,828) | 3,032,715 |
| EXPENDITURES | | | | |
| Current operating: | | | | |
| Instruction - employee benefits | 811,583 | 775,622 | 35,961 | 824,812 |
| Support services - employee benefits | 2,224,732 | 2,141,384 | 83,348 | 2,000,042 |
| Community services - employee benefits | 218 | 104 | 114 | 170 |
| Total Expenditures | 3,036,533 | 2,917,110 | 119,423 | 2,825,024 |
| Excess of revenues over expenditures | \$ 130,467 | 197,062 | \$ 66,595 | 207,691 |
| Fund balance at beginning of year | | 309,980 | | 102,289 |
| FUND BALANCE AT END OF YEAR | | \$ 507,042 | | \$ 309,980 |

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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | 2010 Actual |
|--|-----------------------|---------------------------|------------------------|--------------------|
| | Final Budget | Actual | Variance over/under | |
| EXPENDITURES | | | | |
| Support Services: | | | | |
| Facilities acquisition: | | | | |
| Capital outlay | \$ 1,000,000 | \$ 25,266 | \$ 974,734 | \$ - |
| Total Support Services | 1,000,000 | 25,266 | 974,734 | - |
| Total Expenditures | 1,000,000 | 25,266 | 974,734 | - |
| Excess (deficiency) of revenues over expenditures | <u>\$ (1,000,000)</u> | \$ (25,266) | <u>\$ (974,734)</u> | \$ - |
| Fund balance (deficit) at beginning of year | | - | | - |
| FUND BALANCE (DEFICIT) AT END OF YEAR | | <u><u>\$ (25,266)</u></u> | | <u><u>\$ -</u></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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

| | 2011 | | | 2010 |
|--|---------------------|----------------------------|------------------------|----------------------------|
| | Final Budget | Actual | Variance over/under | Actual |
| REVENUES | | | | |
| Local Sources: | | | | |
| Current year tax levy | \$ - | \$ 238,798 | \$ 238,798 | \$ - |
| Earnings on investments | 13,000 | 12,495 | (505) | 23,531 |
| Total Local Sources | 13,000 | 251,293 | 238,293 | 23,531 |
| Total Revenues | 13,000 | 251,293 | 238,293 | 23,531 |
| EXPENDITURES | | | | |
| Capital outlay | 800,000 | 394,582 | 405,418 | - |
| Total Expenditures | 800,000 | 394,582 | 405,418 | - |
| Excess (deficiency) of revenues over expenditures | <u>\$ (787,000)</u> | (143,289) | <u>\$ 643,711</u> | 23,531 |
| Fund balance at beginning of year | | 2,327,634 | | 2,304,103 |
| FUND BALANCE AT END OF YEAR | | <u><u>\$ 2,184,345</u></u> | | <u><u>\$ 2,327,634</u></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, 2011

| | Balance July 1, 2010 | Additions | Deductions | Balance June 30, 2011 |
|----------------------|----------------------------|---------------------|---------------------|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Assets: | | | | |
| Cash | <u>\$ 775,318</u> | <u>\$ 1,214,504</u> | <u>\$ 1,111,589</u> | <u>\$ 878,233</u> |
| Liabilities: | | | | |
| Due to organizations | <u>\$ 775,318</u> | <u>\$ 1,214,504</u> | <u>\$ 1,111,589</u> | <u>\$ 878,233</u> |

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 NINE FISCAL YEARS

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | | |
| Invested in capital assets, net of related debt | \$ 58,640,092 | \$ 57,368,295 | \$ 44,743,143 | \$ 65,057,434 | \$ 62,616,806 |
| Restricted | 8,676,643 | 13,179,338 | 12,870,395 | 13,068,474 | 13,197,422 |
| Unrestricted | <u>(30,222,985)</u> | <u>(49,263,655)</u> | <u>(29,989,602)</u> | <u>(28,777,734)</u> | <u>(28,751,490)</u> |
| Total governmental activities net assets | <u>\$ 37,093,750</u> | <u>\$ 21,283,978</u> | <u>\$ 27,623,936</u> | <u>\$ 49,348,174</u> | <u>\$ 47,062,738</u> |

Note: Due to the implementation of GASB Statement #34 in 2003,
only nine years data is available.

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

| 2006 | 2005 | 2004 | 2003 |
|----------------------|----------------------|----------------------|----------------------|
| \$ 64,839,840 | \$ 65,303,198 | \$ 61,822,958 | \$ 49,364,488 |
| 12,764,477 | 11,765,611 | 11,403,840 | 13,162,306 |
| (29,980,544) | (27,840,368) | (21,023,021) | (2,785,915) |
| <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 NINE FISCAL YEARS

| | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|----------------------|-----------------------|---------------------|---------------------|---------------------|
| Expenses | | | | | |
| Governmental activities | | | | | |
| Instruction: | | | | | |
| Regular programs | \$ 43,543,304 | \$ 45,839,828 | \$ 35,506,727 | \$ 32,840,735 | \$ 31,178,139 |
| Special programs | 15,992,179 | 13,871,762 | 13,646,452 | 13,476,188 | 12,384,801 |
| Other instructional programs | 936,964 | 3,918,525 | 4,590,376 | 4,004,796 | 3,981,500 |
| Support services: | | | | | |
| Pupils | 5,948,820 | 5,926,067 | 6,313,227 | 5,942,736 | 6,275,113 |
| Instructional staff | 2,516,264 | 2,634,026 | 2,315,546 | 1,524,689 | 1,350,753 |
| General administration | 1,752,128 | 1,371,944 | 2,097,396 | 2,233,817 | 1,782,995 |
| School administration | 1,951,217 | 2,224,374 | 2,859,073 | 2,729,998 | 2,806,161 |
| Business | 6,166,698 | 5,376,908 | 5,722,374 | 5,584,450 | 5,302,283 |
| Operations and maintenance | 10,933,498 | 10,188,107 | 11,571,176 | 11,604,753 | 11,521,862 |
| Transportation | 3,361,030 | 2,920,439 | 2,496,884 | 2,622,414 | 2,240,105 |
| Central | 1,029,143 | 1,130,022 | 1,341,619 | 1,286,712 | 1,438,314 |
| Other supporting services | 1,081,710 | 1,223,183 | 991,534 | 614,345 | 634,446 |
| Interest and fees | 725,445 | 5,655,441 | 5,779,209 | 5,812,788 | 5,811,342 |
| Total governmental activities expenses | 95,938,400 | 102,280,626 | 95,231,593 | 90,278,421 | 86,707,814 |
| Program revenues | | | | | |
| Governmental activities | | | | | |
| Charges for services | | | | | |
| Instruction: | | | | | |
| Regular programs | 1,221,347 | 981,055 | 1,111,589 | 1,008,116 | 1,150,810 |
| Support services: | | | | | |
| Business | 1,944,223 | 2,113,122 | 2,304,348 | 2,471,798 | 2,422,234 |
| Operations and maintenance | 63,300 | 37,050 | 44,265 | 28,174 | 32,695 |
| Other | 735,430 | - | - | - | - |
| Operating grants and contributions | 27,713,879 | 21,621,187 | 18,646,339 | 16,713,537 | 12,112,869 |
| Capital grants and contributions | - | - | - | 1,531,066 | 1,252,690 |
| Total governmental activities program revenues | 31,678,179 | 24,752,414 | 22,106,541 | 21,752,691 | 16,971,298 |
| Net expense | (64,260,221) | (77,528,212) | (73,125,052) | (68,525,730) | (69,736,516) |
| General revenues | | | | | |
| Governmental activities | | | | | |
| Taxes: | | | | | |
| Real estate taxes, levied for general purposes | 26,387,338 | 27,408,897 | 27,447,900 | 25,562,776 | 25,320,437 |
| Real estate taxes, levied for specific purposes | 4,351,000 | 3,580,715 | 3,119,627 | 3,418,626 | 3,274,119 |
| Real estate taxes, levied for debt service | 9,254,374 | 9,477,658 | 9,131,114 | 9,286,805 | 9,403,735 |
| Payments in lieu of taxes | 6,379,090 | 4,919,030 | 6,029,119 | 7,249,782 | 6,595,617 |
| General state aid | 32,448,996 | 24,072,708 | 26,952,448 | 22,919,697 | 21,840,725 |
| Federal medicaid reimbursements | 497,182 | 415,224 | 329,722 | 320,483 | 305,521 |
| Investment earnings | 177,282 | 356,031 | 609,878 | 1,820,321 | 2,238,059 |
| Miscellaneous | 574,731 | 957,991 | 355,514 | 232,676 | 197,268 |
| Total governmental activities general revenues | 80,069,993 | 71,188,254 | 73,975,322 | 70,811,166 | 69,175,481 |
| Change in net assets | \$ 15,809,772 | \$ (6,339,958) | \$ 850,270 | \$ 2,285,436 | \$ (561,035) |

Note: Due to the implementation of GASB Statement #34 in 2003, only nine years data is available.

| 2006 | 2005 | 2004 | 2003 |
|----------------|----------------|----------------|---------------|
| \$ 28,978,628 | \$ 29,777,365 | \$ 28,402,294 | \$ 33,303,057 |
| 11,451,755 | 11,064,419 | 8,450,674 | 6,280,013 |
| 3,897,404 | 4,306,327 | 8,164,375 | 1,892,656 |
| 5,852,352 | 5,816,802 | 5,828,774 | 5,320,838 |
| 1,812,461 | 1,806,025 | 2,054,667 | 2,201,327 |
| 1,757,424 | 1,582,060 | 1,426,435 | 917,297 |
| 2,658,322 | 2,383,192 | 1,645,604 | 1,409,623 |
| 5,259,743 | 5,081,893 | 4,768,257 | 3,959,590 |
| 11,214,591 | 10,412,372 | 9,359,475 | 7,675,171 |
| 2,049,852 | 2,067,965 | 2,225,663 | 2,031,427 |
| 1,268,620 | 1,427,533 | 1,454,405 | 1,405,772 |
| 1,081,480 | 742,338 | 397,414 | 318,380 |
| 5,168,366 | 3,774,565 | 4,238,407 | 3,039,331 |
| 82,450,998 | 80,242,856 | 78,416,444 | 69,754,482 |
| 1,076,755 | 949,259 | 898,365 | 799,954 |
| 2,318,747 | 2,291,870 | 2,259,995 | 2,199,142 |
| 21,420 | 8,363 | 3,825 | 6,073 |
| - | - | - | - |
| 11,268,988 | 13,093,149 | 13,068,509 | 10,856,399 |
| 598,324 | 2,092,001 | 286 | 18,753,574 |
| 15,284,234 | 18,434,642 | 16,230,980 | 32,615,142 |
| (67,166,764) | (61,808,214) | (62,185,464) | (37,139,340) |
| 25,303,564 | 24,309,212 | 24,046,415 | 24,011,557 |
| 2,962,532 | 2,261,500 | 2,171,983 | 3,190,361 |
| 9,698,903 | 9,514,418 | 9,563,459 | 9,461,878 |
| 5,754,067 | 4,581,705 | 3,575,991 | 3,402,463 |
| 19,656,739 | 16,955,608 | 14,200,652 | 10,768,818 |
| 264,976 | 130,438 | 190,356 | 226,555 |
| 1,690,119 | 537,553 | 800,589 | 704,805 |
| 231,196 | 542,444 | 98,917 | 168,253 |
| 65,562,096 | 58,832,878 | 54,648,362 | 51,934,690 |
| \$ (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

| | 2011 | 2010 | 2009 | 2008 |
|------------------------------------|----------------------|----------------------|----------------------|------|
| General Fund | | | | |
| Nonspendable | \$ 201,967 | | | |
| Unassigned | <u>38,003,609</u> | | | |
| Total general fund | <u>\$ 38,205,576</u> | | | |
| All Other Governmental Funds | | | | |
| Restricted, reported in: | | | | |
| Special revenue funds | 507,042 | | | |
| Debt service funds | 5,985,256 | | | |
| Capital projects funds | 2,184,345 | | | |
| Unassigned, reported in: | | | | |
| Special revenue funds | (359,250) | | | |
| Capital projects funds | <u>(25,266)</u> | | | |
| Total all other governmental funds | <u>\$ 8,292,127</u> | | | |
| | | | | |
| General Fund | | | | |
| Reserved | \$ 227,388 | \$ 194,629 | \$ 1,794,287 | |
| Unreserved | <u>22,793,351</u> | <u>25,533,411</u> | <u>26,526,056</u> | |
| Total general fund | <u>23,020,739</u> | <u>25,728,040</u> | <u>28,320,343</u> | |
| All Other Governmental Funds | | | | |
| Reserved | 2,327,634 | 7,501,216 | 7,567,144 | |
| Unreserved, reported in: | | | | |
| Debt service fund | 5,897,682 | 5,197,113 | 5,297,302 | |
| Special revenue funds | <u>7,591,915</u> | <u>2,721,807</u> | <u>2,319,128</u> | |
| Total all other governmental funds | <u>\$ 15,817,231</u> | <u>\$ 15,420,136</u> | <u>\$ 15,183,574</u> | |

Source of Information: Fiscal Years 2002-2011 Annual Financial Statements

| 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| \$ 9,036,103 | \$ 21,714,848 | \$ 89,255 | \$ 6,765,788 | \$ 11,296,691 | \$ 16,010,165 |
| 22,871,722 | 17,191,643 | 322,224 | (5,890,977) | (8,916,101) | (6,229,494) |
| 31,907,825 | 38,906,491 | 411,479 | 874,811 | 2,380,590 | 9,780,671 |
| | | | | | |
| 7,718,461 | 7,284,978 | 6,321,271 | 5,954,864 | 18,265,523 | 16,609,640 |
| | | | | | |
| 5,548,466 | 5,187,377 | 4,311,255 | 3,969,269 | 6,288,177 | 4,983,119 |
| 3,157,716 | 3,332,691 | 10,660,076 | 16,476,628 | 1,082,302 | 1,233,387 |
| \$ 16,424,643 | \$ 15,805,046 | \$ 21,292,602 | \$ 26,400,761 | \$ 25,636,002 | \$ 22,826,146 |

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

| | 2011 | 2010 | 2009 | 2008 |
|---|---------------|----------------|----------------|----------------|
| Revenues | | | | |
| Local sources | | | | |
| Taxes | \$ 40,164,833 | \$ 42,223,133 | \$ 38,855,607 | \$ 37,659,115 |
| Earnings on investments | 177,282 | 356,031 | 609,878 | 1,820,321 |
| Other local sources | 10,343,390 | 9,008,248 | 9,844,835 | 10,990,546 |
| Total local sources | 50,685,505 | 51,587,412 | 49,310,320 | 50,469,982 |
| State sources | 49,785,958 | 37,876,068 | 33,609,937 | 34,301,165 |
| Federal sources | 11,448,830 | 13,065,980 | 11,611,572 | 5,165,618 |
| Total revenues | 111,920,293 | 102,529,460 | 94,531,829 | 89,936,765 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction | 57,149,042 | 61,564,405 | 51,133,318 | 47,026,928 |
| Supporting services | 36,443,226 | 32,983,632 | 35,098,833 | 33,203,340 |
| Community services | 117,012 | 108,162 | 83,227 | 80,780 |
| Nonprogrammed charges | 911,698 | 938,467 | 548,243 | 572,105 |
| Debt service | | | | |
| Principal | 4,273,133 | 4,661,696 | 5,281,648 | 6,496,502 |
| Interest and other | 4,971,867 | 4,583,304 | 3,963,352 | 2,698,498 |
| Capital outlay | 394,582 | - | 1,177,716 | 2,017,163 |
| Total expenditures | 104,260,560 | 104,839,666 | 97,286,337 | 92,095,316 |
| Excess (deficiency) of revenue over expenditures | 7,659,733 | (2,310,206) | (2,754,508) | (2,158,551) |
| Other Financing Sources (Uses) | | | | |
| Proceeds from borrowing | - | - | 398,767 | - |
| Payments to escrow agent | - | - | - | - |
| Transfers in | 50,000 | 50,000 | - | 500,000 |
| Transfers out | (50,000) | (50,000) | - | (500,000) |
| Sale of capital assets | - | - | - | - |
| Total other financing sources (uses) | - | - | 398,767 | - |
| Net change in fund balances | \$ 7,659,733 | \$ (2,310,206) | \$ (2,355,741) | \$ (2,158,551) |
| Debt service as a percentage of noncapital expenditures | 8.90% | 8.82% | 9.62% | 10.21% |

Source of information: Fiscal Years 2002-2011 Annual Financial Statements

| 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|----------------|---------------|----------------|---------------|----------------|-----------------|
| \$ 36,960,952 | \$ 37,698,979 | \$ 35,801,282 | \$ 34,623,114 | \$ 35,735,566 | \$ 33,346,696 |
| 2,238,059 | 1,690,119 | 537,553 | 800,589 | 704,805 | 945,821 |
| 10,398,624 | 9,402,185 | 8,373,641 | 6,837,093 | 6,575,885 | 7,221,211 |
| 49,597,635 | 48,791,283 | 44,712,476 | 42,260,796 | 43,016,256 | 41,513,728 |
| 31,297,773 | 26,675,664 | 27,562,922 | 23,306,841 | 36,146,940 | 18,196,980 |
| 4,214,032 | 5,113,363 | 4,708,274 | 4,152,962 | 4,458,406 | 5,401,934 |
| 85,109,440 | 80,580,310 | 76,983,672 | 69,720,599 | 83,621,602 | 65,112,642 |
| 44,243,329 | 41,072,233 | 42,352,174 | 42,400,169 | 39,188,597 | 36,701,596 |
| 32,437,013 | 32,047,089 | 30,498,387 | 28,515,177 | 24,661,469 | 26,552,097 |
| 78,769 | 83,300 | 81,804 | - | - | - |
| 652,990 | 644,766 | 452,638 | 573,034 | 456,938 | 319,579 |
| 7,422,885 | 8,464,514 | 8,451,010 | 9,942,561 | 6,446,536 | 6,433,628 |
| 1,772,115 | 589,971 | 804,570 | 1,457,858 | 1,221,470 | 1,234,203 |
| 4,881,408 | 1,983,748 | 4,134,467 | 16,264,311 | 16,236,817 | 8,106,371 |
| 91,488,509 | 84,885,621 | 86,775,050 | 99,153,110 | 88,211,827 | 79,347,474 |
| (6,379,069) | (4,305,311) | (9,791,378) | (29,432,511) | (4,590,225) | (14,234,832) |
| - | 41,492,685 | 6,621,857 | 58,567,798 | - | - |
| - | (4,179,918) | (2,401,970) | (29,876,307) | - | - |
| - | 14,214,030 | 9,398,926 | 16,750,679 | - | 1,903,893 |
| - | (14,214,030) | (9,398,926) | (16,750,679) | - | (1,903,893) |
| - | - | - | - | - | - |
| - | 37,312,767 | 4,219,887 | 28,691,491 | - | - |
| \$ (6,379,069) | \$ 33,007,456 | \$ (5,571,491) | \$ (741,020) | \$ (4,590,225) | \$ (14,234,832) |
| 10.62% | 10.92% | 11.20% | 13.75% | 10.65% | 10.76% |

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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 |
|---------------|------------------------------|--|---|------------------------|
| 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 |
| 2001 | 1,299,702,558 | 32,967,810 | 2.60% | 3,899,107,674 |

| Tax Levy Year | Real Estate | Railroad | Total EAV |
|---------------|------------------|---------------|------------------|
| 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 |
| 2001 | 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 2001 to 2010.

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>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| OVERLAPPING GOVERNMENT: | | | | | | |
| County of Cook | 0.423 | 0.394 | 0.415 | 0.466 | 0.500 | 0.533 |
| Forest Preserve District | 0.051 | 0.049 | 0.051 | 0.053 | 0.057 | 0.060 |
| Suburban TB Sanitarium | - | - | - | - | 0.005 | 0.005 |
| Consolidated Elections | - | 0.021 | - | 0.012 | - | 0.014 |
| Town of Berwyn | 0.032 | 0.032 | 0.031 | 0.032 | 0.031 | 0.029 |
| General Assistance - Berwyn | 0.028 | 0.026 | 0.025 | 0.026 | 0.025 | 0.023 |
| Metropolitan Water Reclamation District | 0.274 | 0.261 | 0.252 | 0.263 | 0.284 | 0.315 |
| Community College #527 | 0.392 | 0.393 | 0.389 | 0.411 | 0.417 | 0.397 |
| City of Berwyn | 2.310 | 2.278 | 1.937 | 2.135 | 2.040 | 2.053 |
| Public Health - Berwyn | 0.060 | 0.061 | 0.059 | 0.061 | 0.060 | 0.057 |
| Mental Health - Berwyn | 0.048 | 0.046 | 0.046 | 0.048 | 0.051 | 0.049 |
| School District #98 | 2.836 | 2.814 | 2.949 | 3.371 | 3.248 | 3.251 |
| Berwyn Park District | 0.307 | 0.307 | 0.300 | 0.320 | 0.321 | 0.274 |
| Total overlapping rate (note) | 6.761 | 6.682 | 6.454 | 7.198 | 7.039 | 7.060 |
| DIRECT DEBT: | | | | | | |
| Morton S.D. #201 | 1.858 | 1.848 | 1.835 | 1.960 | 2.001 | 1.925 |
| Total Rate | <u>8.619</u> | <u>8.530</u> | <u>8.289</u> | <u>9.158</u> | <u>9.040</u> | <u>8.985</u> |
| OTHER: | | | | | | |
| North Berwyn Park District | 0.288 | 0.286 | 0.286 | 0.301 | 0.300 | 0.280 |
| Berwyn Library Fund | 0.319 | 0.281 | 0.280 | 0.308 | 0.176 | 0.168 |
| School District #100 | 2.499 | 2.492 | 2.443 | 2.568 | 2.615 | 2.545 |
| Town of Cicero | 3.388 | 3.344 | 3.243 | 3.613 | 3.754 | 3.610 |
| General Assistance - Cicero | 0.037 | 0.036 | 0.030 | 0.023 | 0.024 | 0.024 |
| Clyde Park District | 0.333 | 0.308 | 0.289 | 0.363 | 0.368 | 0.349 |
| Cicero Library Fund | 0.166 | 0.161 | 0.156 | 0.168 | 0.174 | 0.171 |
| Mental Health - Cicero | 0.063 | 0.062 | 0.060 | 0.065 | 0.068 | 0.067 |
| School District #99 | 2.799 | 2.786 | 2.704 | 2.893 | 2.655 | 2.760 |
| Town of Lyons | 0.048 | 0.047 | 0.046 | 0.033 | 0.033 | 0.031 |
| Road and Bridges - Lyons | 0.033 | 0.033 | 0.032 | 0.034 | 0.034 | 0.032 |
| General Assistance - Lyons | 0.002 | 0.002 | 0.002 | 0.003 | 0.003 | 0.002 |
| Des Plaines Valley Mosquito | 0.011 | 0.011 | 0.012 | 0.012 | 0.012 | 0.011 |
| Mental Health - Lyons | 0.078 | 0.076 | 0.074 | 0.081 | 0.081 | 0.077 |
| School District #103 | 3.377 | 3.287 | 3.263 | 3.444 | 3.521 | 3.419 |
| Village of Lyons | 1.382 | 1.634 | 1.419 | 1.410 | 1.431 | 1.395 |
| Village of Lyons Library | 0.252 | 0.243 | 0.298 | 0.254 | 1.557 | 0.214 |
| Town of Stickney | 0.195 | 0.181 | 0.180 | 0.191 | 0.194 | 0.179 |
| Road and Bridge - Stickney Twp. | 0.048 | 0.045 | 0.043 | 0.045 | 0.045 | 0.041 |
| General Assistance - Stickney | 0.014 | 0.015 | 0.009 | 0.010 | 0.010 | 0.009 |
| Stickney - Forest View Library | 0.348 | 0.338 | 0.327 | 0.350 | 0.360 | 0.333 |
| Public Health - Stickney | 0.180 | 0.180 | 0.164 | 0.195 | 0.198 | 0.183 |
| Village of Stickney | 2.128 | 2.118 | 1.894 | 1.961 | 1.970 | 1.749 |

*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.

| 2004 | 2003 | 2002 | 2001 |
|--------|--------|--------|--------|
| 0.593 | 0.630 | 0.690 | 0.746 |
| 0.060 | 0.059 | 0.061 | 0.067 |
| 0.001 | 0.004 | 0.006 | 0.007 |
| - | 0.029 | - | 0.032 |
| 0.033 | 0.033 | 0.032 | 0.037 |
| 0.027 | 0.027 | 0.024 | 0.034 |
| 0.347 | 0.361 | 0.371 | 0.401 |
| 0.471 | 0.471 | 0.450 | 0.551 |
| 2.691 | 2.742 | 2.868 | 3.543 |
| 0.066 | 0.068 | 0.065 | 0.081 |
| 0.061 | 0.063 | 0.062 | 0.079 |
| 4.012 | 4.040 | 4.620 | 4.647 |
| 0.324 | 0.311 | 0.270 | 0.339 |
| 8.686 | 8.838 | 9.519 | 10.564 |
| 2.298 | 2.305 | 2.163 | 2.617 |
| 10.984 | 11.143 | 11.682 | 13.181 |
| 0.357 | 0.343 | 0.298 | 0.388 |
| 0.208 | 0.213 | 0.200 | - |
| 2.970 | 2.974 | 2.879 | 3.582 |
| 4.366 | 4.294 | 4.005 | 4.804 |
| 0.027 | 0.026 | 0.025 | 0.029 |
| 0.417 | 0.392 | 0.336 | 0.424 |
| 0.200 | 0.192 | 0.179 | - |
| 0.078 | 0.075 | 0.070 | - |
| 3.371 | 3.354 | 3.121 | 3.817 |
| 0.036 | 0.035 | 0.033 | 0.039 |
| 0.037 | 0.037 | 0.035 | 0.042 |
| 0.002 | 0.002 | 0.005 | 0.005 |
| 0.012 | 0.012 | 0.011 | 0.013 |
| 0.090 | 0.088 | 0.085 | 0.102 |
| 3.922 | 3.901 | 2.606 | 3.073 |
| 1.916 | 1.348 | 1.280 | 1.746 |
| 0.242 | 0.239 | 0.151 | - |
| 0.201 | 0.201 | 0.187 | 0.213 |
| 0.046 | 0.046 | 0.043 | 0.049 |
| 0.010 | 0.011 | 0.010 | 0.014 |
| 0.392 | 0.286 | 0.270 | 0.307 |
| 0.207 | 0.205 | 0.191 | 0.220 |
| 2.052 | 1.838 | 1.732 | 2.008 |

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

| <u>Name of Taxpayer (1)</u> | <u>2010 Equalized Assessed Valuation*</u> | <u>Rank</u> | <u>Percentage of total 2010 Equalized Assessed Valuation (2)</u> |
|---------------------------------------|---|-------------|--|
| McNeal Hospital Finance | \$ 22,296,467 | 1 | 0.97% |
| Hawthorne Works Ste. 316 | 13,819,595 | 2 | 0.60% |
| Thomas Carey Heirs | 10,862,541 | 3 | 0.47% |
| Andrew S. Bermant | 10,816,285 | 4 | 0.47% |
| Cicero Market Place and DDC of Cicero | 10,239,682 | 5 | 0.44% |
| Heartland Bank | 9,923,100 | 6 | 0.43% |
| KTR Capital PRT Tax Dept. | 9,787,140 | 7 | 0.42% |
| DiMucci Co. Development | 9,498,935 | 8 | 0.41% |
| ONC Cicero LLC | 8,865,358 | 9 | 0.38% |
| United States Cold Storage | 8,132,104 | 10 | 0.35% |
| Jose Montoyo | | | |
| Cermak Plaza Assoc. | | | |
| Commonwealth Edison | | | |
| Mobil Oil Corp. | | | |
| Target Corporation 732 | | | |
| Cambridge Realty CAP Ltd | | | |
| | <u>\$ 114,241,207</u> | | <u>4.96%</u> |

* Includes parcels with 2010 equalized assessed valuations of approximately \$200,000 and over as recorded in the Cook County Assessor's Office.

** Includes parcels with 2001 equalized assessed valuations of approximately \$150,000 and over as recorded in the Cook County Assessor's Office.

(1) Source of information: Cook County Clerk and Assessors Office.

(2) 2010 and 2001 total assessed valuation is \$2,305,398,885 and \$1,299,702,558, respectively.

| 2001 Equalized Assessed Valuation** | Rank | Percentage of total 2001 Equalized Assessed Valuation (2) |
|--|------|---|
| \$ 23,322,472 | 1 | 1.79% |
| 9,970,174 | 4 | 0.77% |
| 11,474,141 | 3 | 0.88% |
| 5,715,987 | 9 | 0.44% |
| 12,799,329 | 2 | 0.98% |
| 9,491,076 | 5 | 0.73% |
| 7,628,119 | 6 | 0.59% |
| 6,346,489 | 7 | 0.49% |
| 6,083,483 | 8 | 0.47% |
| 5,327,279 | 10 | 0.41% |
| <u>\$ 98,158,549</u> | | <u>7.55%</u> |

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

| | 2010 | 2009 | 2008 | 2007 |
|---|---------------|---------------|---------------|---------------|
| Rates extended: | | | | |
| Educational | 0.9435 | 0.9464 | 0.9627 | 0.9994 |
| Special education | 0.0167 | 0.0168 | 0.0166 | 0.0175 |
| Operations and maintenance | 0.2745 | 0.2753 | 0.2804 | 0.2910 |
| Tort immunity | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Transportation | 0.0429 | 0.0430 | 0.0329 | 0.0435 |
| Illinois municipal retirement/Social security | 0.1320 | 0.1323 | 0.1106 | 0.1308 |
| Bond and interest | 0.4268 | 0.4338 | 0.4317 | 0.4769 |
| Working Cash | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Life Safety | 0.0209 | 0.0000 | 0.0000 | 0.0000 |
| Total rates extended | 1.8573 | 1.8476 | 1.8349 | 1.9591 |
| Property tax extensions: | | | | |
| Educational | \$ 21,751,438 | \$ 21,464,054 | \$ 21,940,177 | \$ 20,618,955 |
| Special education | 385,001 | 380,298 | 379,038 | 360,518 |
| Operations and maintenance | 6,328,319 | 6,244,227 | 6,391,524 | 6,004,073 |
| Tort immunity | - | 1 | 1 | 1 |
| Transportation | 989,016 | 974,999 | 750,000 | 900,000 |
| Illinois municipal retirement/Social security | 3,043,125 | 3,000,092 | 2,522,668 | 2,698,038 |
| Bond and interest | 9,838,650 | 9,838,650 | 9,838,650 | 9,838,650 |
| Working Cash | - | - | - | - |
| Life Safety | 481,828 | - | - | - |
| Total levies extended | \$ 42,817,377 | \$ 41,902,321 | \$ 41,822,058 | \$ 40,420,235 |
| Current year collections | 20,912,293 | 20,703,666 | 18,366,839 | 17,808,015 |
| Subsequent collections | - | 19,365,952 | 21,446,494 | 21,028,151 |
| Total collections | \$ 20,912,293 | \$ 40,069,618 | \$ 39,813,333 | \$ 38,836,166 |
| Percentage of extensions collected | 48.84% | 95.63% | 95.20% | 96.08% |

(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 2001-2010.

| 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1.0162 | 0.9802 | 1.1803 | 1.1778 | 0.9632 | 1.1789 |
| 0.0183 | 0.0163 | 0.0197 | 0.0200 | 0.0161 | 0.0196 |
| 0.2963 | 0.2859 | 0.3443 | 0.3495 | 0.2809 | 0.3438 |
| 0.0000 | 0.0000 | 0.0045 | 0.0000 | 0.1127 | 0.1231 |
| 0.0405 | 0.0300 | 0.0161 | 0.0183 | 0.0919 | 0.1179 |
| 0.1314 | 0.1198 | 0.1290 | 0.1235 | 0.1066 | 0.1454 |
| 0.4980 | 0.4926 | 0.6044 | 0.6160 | 0.5510 | 0.6394 |
| 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0401 | 0.0491 |
| 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| <u>2.0007</u> | <u>1.9248</u> | <u>2.2983</u> | <u>2.3051</u> | <u>2.1625</u> | <u>2.6172</u> |
| | | | | | |
| \$ 20,075,766 | \$ 19,578,626 | \$ 19,219,993 | \$ 18,812,770 | \$ 15,692,087 | \$ 15,321,962 |
| 360,867 | 325,761 | 320,452 | 318,977 | 261,535 | 255,366 |
| 5,854,041 | 5,710,708 | 5,605,831 | 5,582,099 | 4,576,859 | 4,468,906 |
| 1 | - | 72,840 | - | 1,836,486 | 1,600,001 |
| 800,000 | 600,000 | 262,787 | 292,860 | 1,497,526 | 1,532,196 |
| 2,594,268 | 2,394,710 | 2,100,000 | 1,971,900 | 1,736,536 | 1,890,000 |
| 9,838,650 | 9,838,650 | 9,842,897 | 9,839,276 | 8,977,100 | 8,309,834 |
| - | - | - | - | 653,837 | 638,415 |
| - | - | - | - | - | - |
| <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> | <u>\$ 34,016,680</u> |
| | | | | | |
| 17,520,465 | 17,482,667 | 16,725,032 | 16,401,962 | 15,798,580 | 15,516,639 |
| 20,361,814 | 19,746,650 | 19,709,088 | 19,681,770 | 18,673,367 | 19,202,889 |
| <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>\$ 34,719,528</u> |
| | | | | | |
| <u>95.85%</u> | <u>96.83%</u> | <u>97.35%</u> | <u>98.01%</u> | <u>97.84%</u> | <u>102.07%</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 |
|----------------------------------|--------------------------------|------------|---------------|
| 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 |
| 2002 | 47,244,932 | - | 47,244,932 |

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> |
|---|------------------------------|------------------------------------|---|--|---------------------------------|---|---|
| 2011 | 2010 | \$ 51,956,272 | \$ 2,305,398,885 | 2.25% | 158,720 | 327 | n/a |
| 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 | 0.96% |
| 2007 | 2006 | 72,556,550 | 1,975,591,559 | 3.67% | 149,849 | 484 | 1.06% |
| 2006 | 2005 | 79,979,435 | 1,997,335,543 | 4.00% | 151,497 | 528 | 1.27% |
| 2005 | 2004 | 62,258,136 | 1,628,408,754 | 3.82% | 152,470 | 408 | 1.04% |
| 2004 | 2003 | 66,076,500 | 1,597,257,407 | 4.14% | 153,317 | 431 | 1.17% |
| 2003 | 2002 | 40,798,396 | 1,629,160,584 | 2.50% | 154,831 | 264 | 0.75% |
| 2002 | 2001 | 47,244,932 | 1,299,702,558 | 3.64% | 156,026 | 303 | 0.87% |

n/a - information not available

Source of information: Annual Financial Statements 2002 to 2011.

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

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J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2011

| <u>Jurisdiction Overlapping</u> | | <u>Debt Outstanding</u> | <u>Overlapping Percent</u> | <u>Direct and Overlapping Debt</u> |
|---|-----|-----------------------------|--------------------------------|--|
| Cook County | | \$ 3,499,615,000 | 1.34% | \$ 47,034,826 |
| Cook County Forest Preserve District | | 101,935,000 | 1.34% | 1,370,006 |
| Metropolitan Water Reclamation District | (1) | 1,974,078,439 | 1.37% | 27,084,356 |
| City of Berwyn | (2) | 92,455,140 | 100.00% | 92,455,140 |
| Town of Cicero | (4) | 56,770,000 | 100.00% | 56,770,000 |
| Village of Forest View | | 2,275,000 | 46.48% | 1,057,397 |
| Village of Lyons | (3) | 6,985,000 | 95.68% | 6,683,527 |
| Village of McCook | | 14,710,000 | 27.43% | 4,034,218 |
| Village of Stickney | | 9,935,000 | 100.00% | 9,935,000 |
| Berwyn Park District | (2) | 1,623,923 | 100.00% | 1,623,923 |
| Central Stickney Park District | | 630,000 | 1.31% | 8,234 |
| Clyde Park District | (3) | 3,210,000 | 100.00% | 3,210,000 |
| Hawthorne Park District | | 154,645 | 100.00% | 154,645 |
| McCook Park District | | 565,000 | 27.55% | 155,680 |
| North Berwyn Park District | | 885,000 | 100.00% | 885,000 |
| McCook Public Library District | (3) | - | 27.55% | - |
| Stickney-Forest View Library District | | 655,000 | 55.93% | 366,361 |
| School District #98 | | 3,480,000 | 100.00% | 3,480,000 |
| School District #99 | | 61,255,000 | 100.00% | 61,255,000 |
| School District #100 | (3) | 36,845,000 | 100.00% | 36,845,000 |
| School District #103 | (2) | 6,410,360 | 72.84% | 4,669,563 |
| School District #104 | | 32,010,000 | 2.84% | 908,444 |
| Morton Community College District #527 | (3) | 2,545,000 | 100.00% | 2,545,000 |
| Total indirect debt | | 5,909,027,507 | | 362,531,320 |
| J. Sterling Morton High School District # 201 | (1) | 51,956,272 | 100.00% | 51,956,272 |
| | | <u>\$ 5,960,983,779</u> | | <u>\$ 414,487,592</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

| | 2011 | 2010 | 2009 | 2008 |
|--|--------------------|--------------------|--------------------|-------------------|
| Debt limit | \$ 159,072,523 | \$ 156,489,518 | \$ 157,255,828 | \$ 142,354,988 |
| Total net debt applicable to limit | <u>45,971,016</u> | <u>50,298,677</u> | <u>55,629,563</u> | <u>60,762,746</u> |
| Legal debt margin | <u>113,101,507</u> | <u>106,190,841</u> | <u>101,626,265</u> | <u>81,592,242</u> |
| Total net debt applicable to the limit as a percentage of debt limit | <u>28.90%</u> | <u>32.14%</u> | <u>35.38%</u> | <u>42.68%</u> |

Legal Debt Margin calculation for fiscal year June 30, 2011

| | |
|---|-----------------------|
| Assessed valuation of taxable properties for the tax year 2010 | \$ 2,305,398,885 |
| Rate | <u>6.9%</u> |
| Bonded debt limit | <u>\$ 159,072,523</u> |
| Debt subject to limitation: General obligation bonds payable | \$ 51,956,272 |
| Less Debt Service Fund balance | <u>5,985,256</u> |
| Net debt outstanding subject to limitation | <u>\$ 45,971,016</u> |
| Legal bonded debt margin at June 30, 2011 | <u>\$ 113,101,507</u> |

Source of Information: Fiscal Years 2002-2010 Annual Financial Statements

| <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 136,315,818 | \$ 137,816,152 | \$ 112,360,204 | \$ 110,210,761 | \$ 112,412,080 | \$ 89,679,477 |
| <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>42,261,813</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>47,417,664</u> |
| <u>49.16%</u> | <u>54.27%</u> | <u>51.57%</u> | <u>56.35%</u> | <u>30.70%</u> | <u>47.13%</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 | 158,720 | na | na | na |
| 2010 | 158,720 | 6,803,210,800 | 42,863 | 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).

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>

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

| Employer | 2011* | | 2002** | |
|-------------------------------------|--------------|------|--------------|------|
| | Employees | Rank | Employees | Rank |
| MacNeal Hospital | 2,200 | 1 | 1,800 | 2 |
| A&R Janitorial Services, Inc. | 900 | 2 | 1,800 | 2 |
| USF Holland, Inc. | 500 | 3 | 500 | 4 |
| Meade Electric Co. | 400 | 4 | | |
| Terrace Paper Co., Inc. | 400 | 4 | | |
| Campagna-Turano Baker, Inc. | 300 | 5 | 300 | 8 |
| Brad Foote Gear Works, Inc. | 250 | 6 | | |
| Grout Industries, Inc. | 250 | 6 | | |
| Morton College | 250 | 6 | | |
| Tru-View, Inc. | 250 | 6 | | |
| World Marketing - Chicago | 250 | 6 | | |
| General Motors - Electromotive Div. | | | 2,202 | 1 |
| Reynolds (McCook) Metals Co. | | | 650 | 3 |
| UOP, LLC | | | 420 | 5 |
| National Castings | | | 400 | 6 |
| Waste Management, Inc - Metro | | | 350 | 7 |
| GE Co. | | | 300 | 8 |
| AKZO Nobel Chemicals, Inc. | | | 250 | 9 |
| Chicago Extruded Metals Co. | | | 225 | 10 |
| Total | <u>5,950</u> | | <u>9,197</u> | |

Sources:

*2011 Illinois Services and Manufacturer's Directories and Harris Illinois Industrial Directory.

**2001 Illinois Services and Manufacturer's Directories.

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

| | 2011 | 2010 | 2009 | 2008 |
|--|--------------|--------------|--------------|--------------|
| Instructional services: | | | | |
| Regular programs | | | | |
| Teachers | 334.0 | 369.0 | 324.2 | 317.8 |
| Clerical | - | - | - | - |
| Special programs | | | | |
| Administrators | 3.0 | 3.0 | - | - |
| Teachers | 58.0 | 68.0 | 59.0 | 61.2 |
| Teaching assistants/clerical | 70.0 | 63.0 | 63.0 | 57.0 |
| Other programs | | | | |
| Administrators | 1.0 | - | - | - |
| Teachers | 9.0 | 68.0 | 53.2 | 60.4 |
| Teaching assistants/clerical | 6.0 | 26.0 | 26.0 | 27.0 |
| Support services: | | | | |
| Pupil support services | | | | |
| Dean of students/administrators | 9.0 | 9.0 | 9.0 | 9.0 |
| Social workers | 9.0 | 9.0 | 9.0 | 8.0 |
| Guidance counselors | 26.0 | 28.0 | 27.0 | 25.0 |
| Psychologists | 4.0 | 4.0 | 3.0 | 3.6 |
| Speech pathologists | 3.0 | 3.0 | 3.0 | 3.0 |
| Clerical | 34.0 | 34.0 | 33.5 | 31.5 |
| Instructional staff services | | | | |
| Administrators | 5.0 | 5.0 | 7.8 | - |
| Testing facilitator | - | - | - | - |
| Teachers | - | - | - | - |
| Librarians | 3.0 | 5.0 | 5.0 | 5.0 |
| Clerical/aides | 9.0 | 13.0 | 13.0 | 13.0 |
| General administration services | | | | |
| Treasurer | 1.0 | 1.0 | 1.2 | 0.2 |
| Superintendent/asst. superintendents | 2.0 | 3.0 | 1.0 | 1.0 |
| Special area administration | 1.0 | 7.0 | 6.3 | 5.0 |
| Clerical | 9.0 | 9.0 | 9.0 | 9.0 |
| School administration services | | | | |
| Principals and assistant principals | 11.0 | 12.0 | 17.0 | 17.0 |
| Clerical | 13.0 | 17.0 | 17.5 | 16.5 |
| Business services | | | | |
| Direction of business services | 1.0 | 1.0 | 1.8 | 1.8 |
| Fiscal services | 18.0 | 18.0 | 18.0 | 18.0 |
| Food service | 25.0 | 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 | 70.0 | 70.0 |
| Security | 47.0 | 47.0 | 47.0 | 39.0 |
| Transportation services | | | | |
| Bus drivers | 2.0 | 2.0 | 2.0 | 2.0 |
| Central services | | | | |
| Information services | - | - | 1.0 | 2.0 |
| Data processing services | 10.0 | 10.0 | 12.0 | 11.0 |
| Total employees | 796.0 | 932.0 | 866.5 | 841.0 |

Source: District records - full time equivalents.

Information prior to 2003 is unavailable.

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

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

| | 2011 | 2010 | 2009 | 2008 |
|--|--------------|--------------|--------------|--------------|
| Instruction | | | | |
| Enrollment | | | | |
| Regular education | 7,730 | 7,414 | 7,392 | 7,145 |
| Special Education | 823 | 992 | 1,018 | 963 |
| Total enrollment | <u>8,553</u> | <u>8,406</u> | <u>8,410</u> | <u>8,108</u> |
| Percentage of limited English proficient | 6.3% | 5.6% | 5.4% | 3.6% |
| Pupil support services | | | | |
| Percentage of students with disabilities | 9.7% | 11.8% | 12.1% | 11.9% |
| School administration | | | | |
| Student attendance rate | 86.9% | 84.8% | 90.5% | 89.7% |
| Fiscal services | | | | |
| Purchase orders processed | 4,099 | 4,600 | 4,700 | 4,500 |
| W-2's issued | 1,200 | 1,214 | 1,226 | 1,232 |
| Maintenance | | | | |
| District square footage maintained by custodians and maintenance staff | 1,345,425 | 1,345,425 | 1,345,425 | 1,345,425 |
| District acreage maintained by grounds | 69 | 69 | 69 | 69 |

Source of information: District records.

Information prior to 2003 is unavailable.

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

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

| | 2011 | 2010 | 2009 | 2008 |
|---|---------|---------|---------|---------|
| Morton East | | | | |
| Grounds area (acres) | 12.75 | 12.75 | 12.75 | 12.75 |
| Buildings (square feet) | 639,997 | 639,997 | 639,997 | 639,997 |
| Available capacity (students) | 3,300 | 3,300 | 3,300 | 3,300 |
| Enrollment (students housed) | 3,220 | 3,220 | 3,539 | 3,496 |
| Morton West | | | | |
| Grounds area (acres) | 41.60 | 41.60 | 41.60 | 41.60 |
| Buildings (square feet) | 471,868 | 471,868 | 471,868 | 471,868 |
| Available capacity (students) | 3,000 | 3,000 | 3,000 | 3,000 |
| Enrollment (students housed) | 3,892 | 3,892 | 3,501 | 3,184 |
| Morton Freshman Center (2004) | | | | |
| Grounds area (acres) | 14.17 | 14.17 | 14.17 | 14.17 |
| Buildings (square feet) | 213,030 | 213,030 | 213,030 | 213,030 |
| Available capacity (students) | 1,500 | 1,500 | 1,500 | 1,500 |
| Enrollment (students housed) | 1,337 | 1,337 | 1,260 | 1,265 |
| Morton Alternative School (2008) | | | | |
| Grounds area (acres) | 3.06 | 3.06 | 3.06 | 3.06 |
| Buildings (square feet) | 20,530 | 20,530 | 20,530 | 20,530 |
| Available capacity (students) | 126 | 126 | 126 | 126 |
| Enrollment (students housed) | 104 | 104 | 76 | 82 |
| Morton Alternative School (leased) | | | | |
| Enrollment (students housed) | n/a | n/a | n/a | n/a |

Sources:

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

Information prior to 2003 is unavailable.

| 2007 | 2006 | 2005 | 2004 | 2003 |
|---------|---------|---------|---------|---------|
| 12.75 | 12.75 | 12.75 | 12.75 | 12.75 |
| 639,997 | 639,997 | 639,997 | 639,997 | 639,997 |
| 3,300 | 3,300 | 3,300 | 3,300 | 3,300 |
| 3,300 | 3,362 | 3,061 | 4,071 | 3,932 |
| 41.60 | 41.60 | 41.60 | 41.60 | 41.60 |
| 471,868 | 471,868 | 471,868 | 471,868 | 471,868 |
| 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| 3,428 | 3,452 | 3,369 | 3,403 | 3,255 |
| 17.23 | 17.23 | 17.23 | n/a | n/a |
| 213,030 | 213,030 | 213,030 | n/a | n/a |
| 1,500 | 1,500 | 1,500 | n/a | n/a |
| 1,223 | 1,326 | 1,228 | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a |
| 61 | 63 | 63 | 55 | 53 |

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

| Fiscal Year Ended June 30, | Expenses (1) | Average Daily Attendance | Net operating expenditures per pupil | Percentage Change |
|-------------------------------------|---------------|--------------------------------|--|----------------------|
| 2011 | \$ 62,194,719 | 7,223.83 | \$ 8,610 | -32.78% |
| 2010 | 84,671,293 | 6,610.30 | 12,809 | 18.52% |
| 2009 | 80,587,998 | 7,456.42 | 10,808 | 4.77% |
| 2008 | 75,034,719 | 7,273.88 | 10,316 | 9.07% |
| 2007 | 64,260,276 | 6,794.18 | 9,458 | 7.42% |
| 2006 | 60,574,808 | 6,879.54 | 8,805 | 2.52% |
| 2005 | 58,624,776 | 6,826.00 | 8,588 | -0.97% |
| 2004 | 56,915,989 | 6,563.00 | 8,672 | 4.65% |
| 2003 | 52,057,420 | 6,282.00 | 8,287 | 0.09% |
| 2002 | 48,748,333 | 5,888.25 | 8,279 | 2.82% |

(1) Total allowance for per capita tuition computation