



NORTH SHORE
SCHOOL DISTRICT 112

Highland Park, Illinois

Annual Comprehensive Financial Report

For the fiscal year
Ended June 30, 2026

"North Shore School District 112 is a transformative learning organization where curiosity inspires minds, innovation shapes the future, and students, staff, and families engage to create a kind and connected community that is committed to excellence."

Annual Comprehensive Financial Report
of
North Shore School District 112
June 30, 2026

Officials Issuing Report
Jeremy Wickham
Assistant Superintendent for Finance and Operations, CSBO

Department Issuing Report
Business Office

North Shore School District 112

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INTRODUCTORY SECTION

September 30, 2026

President, Members of the Board of Education, and Citizens of Highland Park North Shore
School District 112
Highland Park, IL 60035

The Annual Comprehensive Financial Report of North Shore School District 112 (District 112), Highland Park, Illinois, for the fiscal year ended June 30, 2026, is attached. The Assistant Superintendent of Finance & Operations/CSBO prepared the report. The report date on the underlying financial statements is September 30, 2026, and an unmodified auditors' opinion on the financial statement has been issued.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to present the financial position and results of operations of the District fairly. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Financial Statements

The Annual Comprehensive Financial Report includes all funds controlled by or dependent on the Board of Education of the District and is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the District's organizational chart, a list of principal officials, the Certificate of Excellence, and the Certificate of Achievement for Excellence in Financial Reporting. The financial section includes Management's Discussion and Analysis (MD&A) of the District's financial performance for the year, the basic financial statements, and the fund financial statements and schedules, as well as the auditors' report on the financial statements and schedules and the notes to the financial statements. The statistical section includes selected unaudited financial and demographic information, generally presented on a multi-year basis.

The District does not have financial accountability over any other entity and, thus, does not include any other entity as a component unit in this report. Additionally, the District is an independent entity, not includable as a component unit of any other reporting entity.

History of the District

The District was organized on July 1, 1993, and is governed by an elected seven-member Board of Education. The District maintains grades kindergarten through eighth in seven elementary school buildings and two middle school buildings. Pre-kindergarten is housed at Oak Terrace Elementary School. The District's Continuum of Opportunities for Readiness and Engagement (CORE) special education programming is housed at the recently renovated Ravinia Elementary School.

The District provides educational instruction to children residing in the City of Highland Park, the City of Highwood, Fort Sheridan, and a portion of Deerfield. The District's operations are funded primarily through local property taxes. The District operates under guidelines and restrictions set forth in the Illinois School Code and various federal statutes.

In November 2022, North Shore School District 112 voters overwhelmingly approved a \$114.4 million referendum to renovate five of the District's elementary schools: Indian Trail, Ravinia, Braeside, Sherwood, and Wayne Thomas. As a result, the District issued its \$114.4 million of General Obligation Bonds in 2 tranches: \$56.3 million in December 2022 and then \$58.1 million in November 2024 to fund the renovations.

The District currently operates nine buildings. The elementary school buildings vary in age, with Braeside dating back to 1929, Indian Trail to 1955, Oak Terrace to 2001, Ravinia to 1913, Red Oak to 1958, Sherwood to 1961, and Wayne Thomas to 1957. Edgewood was built in 1951 and Northwood in 1959, but both schools have undergone recent renovations. The District's administration has temporarily relocated to rented facilities, with Green Bay and Elm Place serving as swing sites during these renovation projects.

The District's enrollment has remained relatively stable, with approximately 3,668 students enrolled for the 2026-2027 school year, including both regular and special education students. There are some fluctuations in enrollment throughout the year due to military housing in Fort Sheridan. Demographer Matthew Cropper's 2025 Demographic Report, posted on the District website, projects relatively steady enrollment in the District over the next five years.

Accounting Systems and Budgetary Control

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

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

The District's independent auditors run tests to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, and determine that the District has complied with applicable laws and regulations. The results of the tests for the fiscal year ended June 30, 2026, did not indicate any instances of material weaknesses in the internal control structure. No significant violations of applicable laws and regulations were noted.

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

During the second half of the fiscal year, the business office provides the Board with estimated year-end variance reports on a monthly basis. The Board is also provided with other monthly financial information, including revenue and expenditure detail, check registers and cash, receivable, and investment summaries. Additional financial information is routinely provided as needed.

The General Fund Activities, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds are included in the annual budget. The level of budgetary control is established at the individual fund level.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

General Governmental Activities

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

Property taxes are by far the most significant revenue source for the District. The three factors that affect property tax revenues are assessed valuation, the tax multiplier, and the tax rate. The District's equalized assessed valuation of \$3,102,099,677 represents an increase in the tax base of 5.8% over the prior year. The tax multiplier is determined by a state agency that attempts to equalize the real property assessment to determine the property value for taxing purposes. This value is referred to as the equalized assessed valuation (EAV).

Economic Condition and Outlook

The District is located in a mature, "built-out" community in the northeastern part of the state, with a tax base predominantly made up of residential communities, alongside some retail businesses and limited industry. The economic stability of the Highland Park and Highwood areas remains strong, and assessed property values within the District have continued to rise over the past three years. According to Lake County projections, the District's taxable EAV is expected to increase by over 7% for the 2026 tax year. If this projected growth is realized, the District anticipates a reduction from its current tax rate of \$3.2864 per \$100 of EAV.

The community's ongoing ability to meet its tax obligations remains evident. Additionally, as the District operates under the Property Tax Extension Limitation Law (PTELL), increases in applicable property tax extensions are generally limited to the lesser of 5% or the applicable increase in the Consumer Price Index. Despite inflationary pressures in recent years, the District has continued to manage its finances prudently, producing operational surpluses annually.

In terms of capital projects, the District continues to make significant progress on Phase 2 of its Long-Range Facilities Plan, funded in part by the \$114.4 million referendum. Renovations at Indian Trail, Ravinia, and Sherwood are complete, with Sherwood students returning for the start of the 2026–2027 school year. Active construction is currently underway at Braeside and Wayne Thomas. Looking ahead to Phase 3, the Board approved a \$12 million renovation at Oak Terrace Elementary, with construction planned for summer 2027, to prepare the building for the consolidated K–5 Dual Language program following Red Oak's closure after the 2026–2027 school year.

With Wayne Thomas scheduled for completion in November 2027 and construction at Oak Terrace planned to begin in summer 2027, fund balances are expected to decrease over the next two years as the District continues to fund capital commitments with reserve contributions.

As of June 30, 2026, District 112 holds approximately \$61.9 million in non-capital fund reserves and reported an operating surplus of approximately \$5.4 million for the fiscal year. These resources, together with the District's planned use of reserves, support the remaining projects included in its Long-Range Facilities Plan.

STRATEGIC CHANGE AGENDA, MISSION, VISION, AND VALUES

The board approved the district's new Strategic Change Agenda in March 2025, marking the culmination of a months-long process that engaged more than 200 community members, including parents, staff, and students. This agenda outlines the district's renewed mission, vision, values, and goal areas, providing a clear roadmap for the future.

The Process

In spring 2024, North Shore School District 112 recognized the need to develop a forward-thinking strategic plan to meet the evolving needs of students, staff and the broader community. Seeking an approach that went beyond traditional planning methods, the district partnered with the Schlechty Center, which offered a unique framework known as the Strategic Change Agenda. This student-centered, adaptive approach emphasized meaningful engagement and long-term transformation. To ensure a comprehensive and inclusive process, the district involved community members at every level, aiming to build a shared vision rooted in meaningful input from those directly impacted by its outcomes.

This commitment to collaboration laid the foundation for a strategic change process designed to drive continuous improvement and student success.

In September 2024, a Discovery Team was assembled for a two-day session to assess the organization's capacity to move in our desired direction. This team included a cross-section of community partners, the superintendent, deputy superintendent, school board members, leadership team members, staff, community members, students, and association leadership. Their role was to identify patterns, trends, and issues by serving as auditors as part of a capacity-building process. This process provided valuable insights, highlighting areas where the district operates effectively as a learning organization and where further exploration was needed. A few other frameworks provided by the Schlechty Center, including the Images of School, Defining Moments, and the ten System Capacity Standards, were used throughout the discovery process.

Subsequently, the Extended Discovery process involved multiple 45-minute focus conversations in October 2024 (in English and Spanish). These sessions included principals, associate principals, central office staff, students, community members, and families/caregivers.

In November 2024, when all focus conversations and assessments were completed, the data from those conversations were compiled and sorted to once again look for themes, patterns, and trends. Central office administrators looked for areas in which the district was doing well and areas in which the district could improve. The results were compiled and analyzed to identify areas of strength and opportunities for growth, then refined to identify key goal areas.

A small team representing the Office of the Superintendent and various departments collaborated to refine the goal areas, draft the mission, vision, and values, and create pictures of success. The draft was then reviewed again with the Discovery Team. In total, over 225 community members, including 80 students ranging from 5th grade through high school, contributed meaningfully to shaping these shared aspirations. The results of this inclusive process are proudly presented in this document.

In February 2025, a draft of the strategic change agenda was presented to the board of education during a committee of the whole meeting. This meeting provided an opportunity for an in-depth discussion about the development process, key findings, and the proposed direction for the district's future. The board engaged in thoughtful dialogue, ensuring the agenda aligned with the district's goals and the community's needs.

Following this discussion, in March 2025, the board of education formally approved the strategic change agenda, setting the stage for its implementation. This milestone marked a commitment to continuous improvement and the realization of the district's long-term vision. Next, district and school administrators will use the agenda as a foundation for developing specific operational goals at both the district and school levels, translating the strategic priorities into actionable steps that drive meaningful progress.

This document will be reviewed annually to ensure goals and pictures of success remain in alignment with educational best practices and the needs of our students, staff, families/caregivers, and community.

Our Mission

North Shore School District 112 is a transformative learning organization where curiosity inspires minds, innovation shapes the future, and students, staff, and families engage to create a kind and connected community that is committed to excellence.

Our Vision

Our vision is to be a thriving, inclusive, learning community where each student is empowered to reach their full potential and achieve their greatest aspirations. By utilizing evidence-based practices, innovations in teaching and learning, and personalized support, we create an environment where each student learns, grows, and achieves academic excellence. We nurture resilience and foster meaningful relationships, while developing transformative leaders, engaged learners, and responsible citizens who are inspired and equipped to make a positive impact.

Our Values

COMPASSION

We value cultivating a compassionate community where students actively demonstrate empathy, kindness, and understanding toward others to uphold personal growth and social responsibility.

CONNECTION

We value connection as the foundation of our thriving learning organization. By encouraging meaningful relationships and two-way communication among students, families, staff, and the broader community, we build a supportive environment where everyone feels valued and engaged.

EQUITY

We value equity in our district by creating opportunities for each student by addressing individual needs, dismantling barriers, and amplifying student voices. We provide each student with the personalized resources and support to succeed, designing culturally responsive environments to meet each student where they are.

GROWTH

We value continuous growth by setting rigorous academic standards and high expectations for each student.

INTEGRITY

We value integrity in our learning organization by upholding honesty, respect, and accountability in how we act and how we treat others, and by nurturing students who make meaningful contributions to the community and the world.

SAFETY

We value safety and well-being, both physical and emotional, by creating a secure and supportive learning environment for students, staff, and the community.

Goal Areas

GOAL AREA ONE: FOCUS ON STUDENT SUCCESS AND WELL-BEING

We are committed to empowering each student to achieve personal success, experience continuous growth, and feel valued as a unique individual in a safe, inclusive, and culturally responsive learning environment. We are dedicated to designing learning experiences that ignite curiosity, strengthen students' ability to adapt and persevere through challenges, and nurture a sense of purpose. Through innovative approaches, we personalize instruction and intentionally leverage the power of curricular resources and technology to make learning exciting, meaningful, and rigorous. Student success is defined, celebrated, and communicated. We value student choice and student voice, encouraging each learner to take an active role in their education, follow their passions, make meaningful decisions, and shape their path. Social-emotional learning is prioritized to ensure that each student develops compassion, resilience, and connection. Together, we foster a community where each student finds inspiration, and explores new possibilities, and becomes an engaged learner.

GOAL AREA TWO: DEVELOP RELATIONSHIPS AND PARTNERSHIPS

We are committed to prioritizing strong relationships and partnerships with families and the community. Through two-way communication, the district fosters an environment that values transparency and connection, aiming to be a good neighbor by engaging respectfully and collaboratively with community members. With a commitment to accessibility, the district involves its multilingual community, ensuring that outreach efforts are inclusive and effective. By empowering families with the information they need, the district helps families confidently engage with tools and resources, strengthening the home-school connection. New families are welcomed through intentional onboarding, building trust and confidence in the district's dedication to equity, safety, and community integration. Classroom communication is a central focus, with open, timely, and meaningful updates that keep families informed about learning and classroom activities. Real-time, accessible technology supports family engagement, and the district's communication structure provides continuity and consistency. The district encourages collaboration within the community, between schools and families, and with local agencies and organizations, fostering a support network to help each child thrive in school and beyond. Decision making considers community input to ensure actions are aligned with the community's values and needs. Together, these elements create a unified, thriving community where families, students and educators collaborate seamlessly, grounded in trust, mutual support and respect.

GOAL AREA THREE: FOCUS ON ATTRACTING, DEVELOPING, AND RETAINING QUALITY STAFF BY USING RESOURCES STRATEGICALLY, RESPONSIBLY, AND FLEXIBLY

We are committed to establishing and maintaining a positive culture in which staff are highly engaged and highly satisfied. Attracting, developing, and retaining quality staff by using resources strategically, responsibly, and flexibly is essential to building a supportive, positive, and high-performing learning organization. We build a collaborative culture by selecting candidates who exemplify our philosophy of the human capital management system, "one more like our best" and exhibit high levels of integrity and professionalism. We provide intentional instructional coaching, mentoring, and purposeful professional development for staff to grow and effectively perform in their roles. We are committed to building capacity for both those seeking advancement within the district and those who wish to lead from where they are, empowering all staff to contribute meaningfully. Financial accountability enables us to invest thoughtfully in our people, facilities, and technology, ensuring staff and students have the resources to feel safe, supported, and well-equipped for success. By maintaining flexibility in our approach, we can adapt to changing needs, creating a resilient workplace that attracts and retains top talent committed to excellence.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit of the books of accounts, financial records, and transactions of all funds of the District. As of June 30, 2026, the financial statements audit and the year then ended was performed by the independent certified public accounting firm, Baker Tilly US, LLP. The unmodified auditors' report is included in the financial section of this report.

Awards and Acknowledgments

We wish to thank the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District responsibly and progressively. We also wish to thank the efficient and dedicated business office staff for their assistance in the timely preparation of this report. Their service was instrumental in our receiving of the ACFR awards for both ASBO & GFOA for the year ended June 30, 2025.

Respectfully submitted,



Dr. Monica Schroeder
Superintendent of Schools



Mr. Jeremy Wickham
Assistant Superintendent for Finance &
Operations/CSBO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

North Shore School District 112

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2025.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Lynn Knight'.

**Lynn Knight
President**

A handwritten signature in black ink, reading 'James M. Rowan'.

**James M. Rowan, CAE, SFO
CEO/Executive Director**



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**North Shore School District 112
Illinois**

**For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended**

June 30, 2025

and issued to the public 102 days after the fiscal year end



Christopher P. Morill

Executive Director/CEO



NORTH SHORE SCHOOL DISTRICT 112

ORGANIZATIONAL CHART

Board of Education

Superintendent of Schools

Asst. Supt. for Finance and Operations

Business Services Staff
Director of Finance
Director of Operations
Food Service Manager
Operations Staff
Transportation Manager

Asst. Supt. for Student Services

Director of Early Childhood
Student Services Staff

Asst. Supt. for Teaching and Learning

Director of Curriculum and Instruction
Director of Multilingual Learners
Teaching and Learning Staff

Director of Technology and Innovation

Technology Services Staff

Exec. Director of Personnel Services

Personnel Services Staff

Principals

Associate Principals
Education Support Staff (NSSSA)
Teaching Staff (NSEA)

Superintendent's Office

Dir. of Comms. and Community Relations
Director of Safety and Security
Executive Assistant to the Superintendent

NORTH SHORE SCHOOL DISTRICT 112
445 Sheridan Rd
Highwood, IL 60040

A n n u a l C o m p r e h e n s i v e F i n a n c i a l R e p o r t

For the Fiscal Year Ended June 30, 2026

Officers and Officials

Board of Education

		<u>Term Expires</u> (April)
Art Kessler	President	2029
Melissa Itkin	Vice-President	2027
Jenny Butler	Secretary	2027
Lisa Hirsh	Member	2027
Bennett Lasko	Member	2029
Lori Fink	Member	2029
Jaret Fishman	Member	2029

District Administration

Monica Schroeder, Ed.D.
Superintendent

Official Issuing Report

Jeremy Wickham
Assistant Superintendent for Finance and Operations/CSBO

Department Issuing Report

Business Office

FINANCIAL SECTION

Independent Auditors' Report

To the Board of Education of
North Shore School District 112

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the North Shore School District 112 (the District), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2026 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 3, the District adopted the provisions of GASB Statement No. 103, effective July 1, 2025. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended June 30, 2026 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information for the year ended June 30, 2026 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2026, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2026.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended June 30, 2025 (not presented herein), and have issued our report thereon dated October 10, 2025, which contained unmodified opinions on the respective financial statements of the governmental activities and each major fund. The supplementary information for the year ended June 30, 2025 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2025 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2025 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2025.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections as listed in the table of contents but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the District's 2025 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and each major fund in our report dated October 10, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2026 on our consideration of the District'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 solely 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Chicago, Illinois
September 24, 2026

North Shore School District 112

Management's Discussion and Analysis

June 30, 2026

(Unaudited)

The management's discussion and analysis (MD&A) provides an overview and analysis of the financial activities of North Shore School District 112 (the District) for the fiscal year ended June 30, 2026. This section is intended to assist readers in understanding the basic financial statements by offering a narrative explanation of the District's financial performance, condition and why amounts changed from the prior year. Readers are encouraged to consider the information presented here in conjunction with the accompanying financial statements and notes.

Overview of the Financial Statements

The District's financial report contains basic financial statements. Those financial statements present the District's finances at both an overall and a detailed level and are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements.

The government-wide financial statements provide a broad overview of the District's overall financial position and results of operations, similar in nature to private-sector financial statements. These statements are reported using the economic resources measurement focus and the accrual basis of accounting and consists of the following two statements:

- The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position.
- The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements cover the District's governmental activities comprising the District's most basic functions, such as instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services. Governmental activities are supported by taxes and intergovernmental revenues.

The fund financial statements provide more detailed information about the District's funds. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The District's governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

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

North Shore School District 112

Management's Discussion and Analysis

June 30, 2026

(Unaudited)

Financial Summary and Detailed Analysis

Table 1
Condensed Statements of Net Position

	2026	2025
Assets		
Current and other assets	\$ 192,788,631	\$ 215,528,283
Capital assets, net	<u>275,266,660</u>	<u>245,959,001</u>
Total assets	<u>468,055,291</u>	<u>461,487,284</u>
Total deferred outflows of resources	<u>5,094,581</u>	<u>3,648,279</u>
Liabilities		
Current liabilities	16,757,622	15,252,211
Long-term liabilities	<u>160,481,599</u>	<u>166,590,695</u>
Total liabilities	<u>177,239,221</u>	<u>181,842,906</u>
Total deferred inflows of resources	<u>124,971,722</u>	<u>122,887,235</u>
Net Position		
Net investment in capital assets	126,394,769	117,805,605
Restricted	2,656,264	1,104,889
Unrestricted	<u>41,887,896</u>	<u>41,494,928</u>
Total net position	<u>\$ 170,938,929</u>	<u>\$ 160,405,422</u>

Revenues in the governmental activities of the District of \$130.7 million exceeded expenses by \$10.5 million. This was attributable primarily to the capitalization of completed construction projects—such as Ravinia Elementary School—moving out of construction in progress into permanent buildings, alongside new active work at Sherwood and Braeside. The increase to net position was further supported by strong performance in property tax collections and investment income.

North Shore School District 112

Management's Discussion and Analysis

June 30, 2026

(Unaudited)

Table 2
Changes in Net Position

	2026	2025
Revenues		
Program revenues:		
Charges for services	\$ 1,688,161	\$ 1,495,214
Operating grants and contributions	20,813,315	20,840,767
Capital grants and contributions	50,000	50,000
General revenues:		
Taxes	98,851,306	95,197,599
Evidence based funding	3,383,365	3,379,836
Other	5,934,652	8,782,896
Total revenues	130,720,799	129,746,312
Expenses		
Instruction	52,419,820	48,699,354
Pupil and instructional staff services	15,976,468	15,751,200
Administration and business	8,213,336	6,669,862
Transportation	8,434,426	6,906,138
Operations and maintenance	12,935,207	12,937,968
Intergovernmental	15,135,426	15,376,966
Interest and fees	5,392,472	5,246,246
Other	1,680,137	2,478,811
Total expenses	120,187,292	114,066,545
Change in net position	10,533,507	15,679,767
Net Position, Beginning	160,405,422	144,725,655
Net Position, Ending	\$ 170,938,929	\$ 160,405,422

Property taxes accounted for the largest portion of the District's revenues, contributing 76%, as local real estate levies remain the primary funding source for District operations under Illinois public school finance structure. The remainder of revenues came from state aid, federal grants, and other sources. The total cost of all District programs was \$120.2 million, with 64% of expenses driven primarily by direct classroom instruction, pupil support services, and rising contracted student transportation costs required to maintain educational and operational services across District facilities.

Detailed Analysis of the District's Funds

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds. Significant changes to the major funds are discussed in detail below.

North Shore School District 112

Management's Discussion and Analysis

June 30, 2026

(Unaudited)

General Fund

During the current fiscal year, fund balance of the General Fund decreased by \$5 million, or 8.8%. This decrease was primarily driven by planned fund balance transfers totaling \$14.9 million - including \$12.0 million transferred to the Operations and Maintenance Fund to finance ongoing capital projects and \$1.5 million transferred to the Transportation Fund - which offset an operating surplus of \$9.2 million generated from operations.

Operations and Maintenance Fund

During the current fiscal year, fund balance of the Operations and Maintenance Fund increased by \$0.1 million, or 1.3%. This increase was primarily due to property tax revenues exceeding operating expenditures to generate a \$4.1 million operating surplus, which offset net interfund transfers out. These transfers included \$12.0 million transferred in from the General Fund (Educational Accounts) and transferred out to the Capital Projects Fund to finance ongoing referendum construction projects as bond proceeds were fully spent down, as well as transfers out to the Debt Service Fund totaling \$3.87 million for Series 2019 Alternate Revenue Bond payments.

Transportation Fund

During the current fiscal year, fund balance of the Transportation Fund decreased by \$0.02 million or 4.7%. This decrease was due to increases in student transportation operating costs, which generated an operating deficit of \$1.5 million that was largely offset by a \$1.5 million transfer in from the General Fund.

IMRF Fund

During the current fiscal year, fund balance of the IMRF Fund decreased by \$0.9 million, or 32%. This decrease was primarily due to total benefit expenditures (\$1.8 million) exceeding revenues, as property taxes were not levied for this fund during the year.

Debt Service Fund

During the current fiscal year, fund balance of the Debt Service Fund increased by \$0.3 million, or 46.3%. This increase was primarily due to interfund transfers totaling \$5.8 million from the General Fund and Operations & Maintenance Fund to cover scheduled debt service principal and interest payments.

Capital Projects

During the current fiscal year, fund balance of the Capital Projects Fund decreased by \$23.4 million, or 68.6%. This decrease occurred as the District fully spent down its remaining referendum bond proceeds and began utilizing allocated fund reserves transferred from the General Fund (Educational Accounts) to the Operations and Maintenance Fund and ultimately into the Capital Projects Fund. These resources were used in order to fund ongoing construction, renovations, and additions at Ravinia, Sherwood, and Braeside Elementary Schools.

North Shore School District 112

Management's Discussion and Analysis

June 30, 2026

(Unaudited)

Significant Capital Asset and Long-Term Financial Activity

Capital Assets

During the current fiscal year, the District completed \$38.4 million of construction in progress and transferred into the buildings and improvement asset class, which primarily related to renovations and additions at Ravinia Elementary School. Total capital outlay additions for the year totaled \$38.3 million, including \$32.7 million in active construction in progress for ongoing projects at Sherwood and Braeside Elementary Schools. The District has fully spent down original referendum bond proceeds, and the District has begun to utilize allocated fund reserves from the General Fund alongside remaining capital project funds to support its \$36.5 million in ongoing construction commitments. More detailed information about capital assets can be found in Note 5 of the basic financial statements.

Long-Term Debt

During the current fiscal year, the District made scheduled principal debt repayments totaling \$7.5 million across general obligation bonds, alternate revenue bonds, leases, and installment contracts. The District also recognized \$1.0 million in new lease obligations, comprising \$0.7 million for copiers and equipment and \$0.3 million for facility space. Following the successful November 2022 referendum, the District previously issued the remaining \$54.3 million of General Obligation Bonds in November 2024 to fund ongoing capital projects. At June 30, 2026, total general obligation bond debt and alternate revenue bonds outstanding amounted to \$130.9 million, and the District maintained a strong credit rating alongside a legal debt margin of \$117.6 million. More detailed information on long-term debt can be found in Note 6 of the basic financial statements.

Currently Known Facts, Decisions or Conditions

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

- The District is continuing to advance its Long-Range Facilities Plan. Following the successful completions at Ravinia and Sherwood Elementary Schools, major renovation projects are now active at Braeside and Wayne Thomas Elementary Schools, with students temporarily relocated to Green Bay and Elm Place, respectively, for the 2026–2027 school year. Braeside students are scheduled to return to their home building in March 2027, while Wayne Thomas students will remain at Elm Place through November 2027. Having fully spent down its referendum bond proceeds, The District is strategically utilizing allocated fund balance reserves from the General Fund (Educational Accounts), which includes a budgeted \$30 million transfer in FY2027 transferred through the Operations and Maintenance Fund to the Capital Projects Fund to support these remaining construction commitments.
- To address declining program enrollment and optimize resources, the District is executing a phased consolidation of its K-5 Dual Language Program at Oak Terrace Elementary School, which will result in the closure of Red Oak Elementary School after the 2026–2027 school year.
- The District is also expanding its National School Lunch Program across upgraded facilities, with full rollout to all District schools upon completion of the Braeside renovation project.
- Supported by multi-year collective bargaining agreements through FY28 and FY29 and a balanced operational outlook, the District remains well-positioned to complete these facility transitions while preserving long-term financial stability.

North Shore School District 112

Management's Discussion and Analysis

June 30, 2026

(Unaudited)

- Furthermore, to address rising operational demand and contracted service cost increases in student transportation, the District supported these expenditures through a \$1.5 million transfer in from the General Fund (Educational Accounts) alongside the allocation of \$500,000 in Evidence-Based Funding (EBF) state awards.

North Shore School District 112

Statement of Net Position

June 30, 2026

	<u>Governmental Activities</u>
Assets and Deferred Outflows of Resources	
Assets	
Cash and investments	\$ 130,128,741
Student activity cash	241,572
Receivables:	
Interest	436,310
Property taxes	53,908,053
Replacement taxes	200,754
Intergovernmental	505,357
Accounts	981
Prepaid items	5,876,200
Net pension asset	1,490,663
Capital Assets	
Land	4,061,995
Construction in progress	55,480,265
Capital assets being depreciated/amortized, net of accumulated depreciation/amortization	<u>215,724,400</u>
Total assets	<u>468,055,291</u>
Deferred Outflows of Resources	
Deferred outflows related to pensions	1,011,466
Deferred outflows related to OPEB	<u>4,083,115</u>
Total deferred outflows of resources	<u>5,094,581</u>
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	7,308,736
Salaries and wages payable	3,993,041
Retainage payable	1,980,819
Other current liabilities	46,953
Payroll deductions payable	2,567,530
Unearned student fees	376,599
Interest payable	483,944
Long-term liabilities:	
Other long-term liabilities, due within one year	7,823,577
Other long-term liabilities, due after one year	<u>152,658,022</u>
Total liabilities	<u>177,239,221</u>
Deferred Inflows of Resources	
Property taxes levied for a future period	101,948,489
Deferred inflows related to pensions	2,618,965
Deferred inflows related to OPEB	<u>20,404,268</u>
Total deferred inflows of resources	<u>124,971,722</u>
Net Position	
Net investment in capital assets	126,394,769
Restricted for:	
Retirement benefits	2,656,264
Unrestricted	<u>41,887,896</u>
Total net position	<u>\$ 170,938,929</u>

See notes to basic financial statements

North Shore School District 112

Statement of Activities

Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenue			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular programs	\$ 30,271,573	\$ 831,490	\$ 238,440	\$ -	\$ (29,201,643)
Special programs	16,040,113	-	2,651,895	-	(13,388,218)
Other instructional programs	6,003,273	-	65,932	-	(5,937,341)
Student activities	104,861	112,715	-	-	7,854
Support services:					
Pupils	8,660,196	-	3,197	-	(8,656,999)
Instructional staff	7,316,272	-	100,154	-	(7,216,118)
General administration	1,995,890	-	-	-	(1,995,890)
School administration	3,700,930	-	-	-	(3,700,930)
Business	2,516,516	649,819	428,295	-	(1,438,402)
Transportation	8,434,426	42,797	2,189,976	-	(6,201,653)
Operations and maintenance	12,935,207	51,340	-	50,000	(12,833,867)
Central	1,679,106	-	-	-	(1,679,106)
Other supporting services	(151)	-	-	-	151
Intergovernmental:					
State retirement contributions	15,135,426	-	15,135,426	-	-
Other:					
Community services	1,182	-	-	-	(1,182)
Interest and fees	5,392,472	-	-	-	(5,392,472)
Total governmental activities	\$ 120,187,292	\$ 1,688,161	\$ 20,813,315	\$ 50,000	(97,635,816)

General Revenues

Taxes:	
Real estate taxes, levied for general purposes	73,192,905
Real estate taxes, levied for specific purposes	16,724,490
Real estate taxes, levied for debt service	7,914,707
Intergovernmental, unrestricted:	
Personal property replacement taxes	1,019,204
State aid-formula grants	3,383,365
Investment income	5,763,188
Unrealized gain/loss on investments	(255,642)
Miscellaneous	427,106

Total general revenues 108,169,323

Change in net position 10,533,507

Net Position, Beginning 160,405,422

Net Position, Ending \$ 170,938,929

See notes to basic financial statements

North Shore School District 112

Balance Sheet -

Governmental Funds

June 30, 2026

With Comparative Totals as of June 30, 2025

	<u>General Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Transportation Fund</u>
Assets			
Cash and investments	\$ 95,194,217	\$ 13,968,015	\$ 3,569,561
Student activity cash	241,572	-	-
Receivables:			
Interest	436,310	-	-
Property taxes	40,566,001	6,999,242	2,121,185
Replacement taxes	-	20,165	32,105
Intergovernmental	505,357	-	-
Accounts	-	-	-
Prepaid items	-	82,950	-
	<u>-</u>	<u>82,950</u>	<u>-</u>
Total assets	<u>\$ 136,943,457</u>	<u>\$ 21,070,372</u>	<u>\$ 5,722,851</u>
Liabilities, Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts payable	\$ 1,447,887	\$ 595,514	\$ 1,231,148
Salaries and wages payable	3,993,041	-	-
Retainage payable	-	-	-
Other current liabilities	46,835	-	11
Payroll deductions payable	2,559,368	7,837	1
Unearned student fees	353,544	-	23,055
	<u>8,400,675</u>	<u>603,351</u>	<u>1,254,215</u>
Total liabilities	<u>8,400,675</u>	<u>603,351</u>	<u>1,254,215</u>
Deferred Inflows of Resources			
Property taxes levied for a future period	76,716,600	13,236,651	4,011,489
Unavailable state and federal aid receivable	-	-	-
Unavailable interest receivable	263,233	-	-
	<u>76,979,833</u>	<u>13,236,651</u>	<u>4,011,489</u>
Total deferred inflows of resources	<u>76,979,833</u>	<u>13,236,651</u>	<u>4,011,489</u>
Fund Balance			
Nonspendable	-	82,950	-
Restricted	-	-	-
Assigned	241,572	7,147,420	457,147
Unassigned	51,321,377	-	-
	<u>51,562,949</u>	<u>7,230,370</u>	<u>457,147</u>
Total fund balance	<u>51,562,949</u>	<u>7,230,370</u>	<u>457,147</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 136,943,457</u>	<u>\$ 21,070,372</u>	<u>\$ 5,722,851</u>

See notes to basic financial statements

Municipal Retirement/ Social Security Fund	Debt Service Fund	Capital Projects Fund	Total	
			2026	2025
\$ 1,868,465	\$ 4,593,730	\$ 10,934,753	\$ 130,128,741	\$ 163,510,349
-	-	-	241,572	233,718
-	-	-	436,310	1,437,631
-	4,221,625	-	53,908,053	49,635,748
148,484	-	-	200,754	159,761
-	-	-	505,357	467,145
981	-	-	981	981
-	-	5,793,250	5,876,200	82,950
<u>\$ 2,017,930</u>	<u>\$ 8,815,355</u>	<u>\$ 16,728,003</u>	<u>\$ 191,297,968</u>	<u>\$ 215,528,283</u>
\$ 3,298	\$ -	\$ 4,030,889	\$ 7,308,736	\$ 6,495,040
-	-	-	3,993,041	3,877,757
-	-	1,980,819	1,980,819	1,530,802
107	-	-	46,953	43,858
324	-	-	2,567,530	2,498,669
-	-	-	376,599	298,120
<u>3,729</u>	<u>-</u>	<u>6,011,708</u>	<u>16,273,678</u>	<u>14,744,246</u>
-	7,983,749	-	101,948,489	98,712,107
-	-	-	-	9,390
-	-	-	263,233	305,496
<u>-</u>	<u>7,983,749</u>	<u>-</u>	<u>102,211,722</u>	<u>99,026,993</u>
-	-	5,793,250	5,876,200	82,950
1,165,601	70,181	-	1,235,782	25,846,073
848,600	761,425	4,923,045	14,379,209	19,540,643
-	-	-	51,321,377	56,287,378
<u>2,014,201</u>	<u>831,606</u>	<u>10,716,295</u>	<u>72,812,568</u>	<u>101,757,044</u>
<u>\$ 2,017,930</u>	<u>\$ 8,815,355</u>	<u>\$ 16,728,003</u>	<u>\$ 191,297,968</u>	<u>\$ 215,528,283</u>

See notes to basic financial statements

North Shore School District 112

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2026

Total Fund Balances, Governmental Funds \$ 72,812,568

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

Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet. 275,266,660

Net pension asset recognized in the Statement of Net Position does not provide current financial resources and is not included as an asset in the Governmental Funds Balance Sheet. 1,490,663

Certain revenues receivable by the District and recognized in the Statement of Net Position do not provide current financial resources and are included as deferred inflows of resources in the Governmental Funds Balance Sheet, as follows:

Unavailable interest revenue \$ 263,233 263,233

Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet. 1,011,466

Deferred outflows of resources related to OPEB do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet. 4,083,115

Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet. (2,618,965)

Deferred inflows of resources related to OPEB do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet. (20,404,268)

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

Balances at June 30, 2026 are:

Bonds payable	(130,855,000)	
Lease liabilities	(1,507,866)	
Unamortized bond premium	(10,553,078)	
OPEB liabilities	(12,968,474)	
Net pension liability	(3,448,064)	
Installment contract payable	(957,869)	
Compensated absences	(191,248)	
		(160,481,599)

Interest on long-term liabilities accrued in the Statement of Net Position will not be paid with current financial resources and, therefore, is not recognized in the Governmental Funds Balance Sheet. (483,944)

Net Position of Governmental Activities \$ 170,938,929

See notes to basic financial statements

North Shore School District 112

Statement of Revenues, Expenditures and Changes in Fund Balances -

Governmental Funds

Year Ended June 30, 2026

With Comparative Totals for the Year Ended June 30, 2025

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
Revenues				
Property taxes	\$ 73,412,228	\$ 12,666,500	\$ 3,838,667	\$ -
Corporate personal property replacement taxes	-	101,920	163,073	754,211
State aid	25,666,354	50,000	2,689,976	-
Federal aid	2,545,416	-	-	-
Investment income	3,857,671	588,112	133,870	132,115
Student activities	112,715	-	-	-
Other	1,496,532	463,223	42,797	-
Total revenues	107,090,916	13,869,755	6,868,383	886,326
Expenditures				
Current:				
Instruction:				
Regular programs	29,175,434	-	-	364,712
Special programs	13,455,489	-	-	399,452
Other instructional programs	6,200,132	-	-	110,095
Student activities	104,861	-	-	-
Support services:				
Pupils	7,452,320	223,500	-	189,182
Instructional staff	6,046,517	-	-	166,829
General administration	2,422,340	-	-	31,178
School administration	4,081,691	-	-	141,999
Business	2,310,321	-	-	112,047
Transportation	-	-	8,390,970	21,804
Operations and maintenance	(10,866)	8,128,085	-	212,365
Central	1,585,610	-	-	83,828
Other supporting services	(83)	-	-	-
Community services	1,182	-	-	-
Intergovernmental:				
State retirement contributions	21,831,102	-	-	-
Payments to other districts and government units	2,256,301	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	948,835	1,391,181	-	-
Total expenditures	97,861,186	9,742,766	8,390,970	1,833,491
Excess (deficiency) of revenues over expenditures	9,229,730	4,126,989	(1,522,587)	(947,165)
Other Financing Sources (Uses)				
Transfers in	-	12,000,000	1,500,000	-
Transfers (out)	(14,900,286)	(16,353,559)	-	-
Principal on bonds sold	-	-	-	-
Premium on bonds sold	-	-	-	-
Lease issuance	712,409	316,420	-	-
Total other financing sources (uses)	(14,187,877)	(4,037,139)	1,500,000	-
Net change in fund balance	(4,958,147)	89,850	(22,587)	(947,165)
Fund Balance, Beginning	56,521,096	7,140,520	479,734	2,961,366
Fund Balance, Ending	\$ 51,562,949	\$ 7,230,370	\$ 457,147	\$ 2,014,201

See notes to basic financial statements

		Total	
Debt Service Fund	Capital Projects Fund	2026	2025
\$ 7,914,707	\$ -	\$ 97,832,102	\$ 94,271,718
-	-	1,019,204	925,881
-	-	28,406,330	27,413,902
-	-	2,545,416	2,700,056
256,630	581,411	5,549,809	7,649,998
-	-	112,715	132,247
-	-	2,002,552	1,657,549
<u>8,171,337</u>	<u>581,411</u>	<u>137,468,128</u>	<u>134,751,351</u>
-	-	29,540,146	28,481,419
-	-	13,854,941	12,445,426
-	-	6,310,227	6,122,472
-	-	104,861	127,297
-	-	7,865,002	7,000,081
-	-	6,213,346	7,221,411
-	-	2,453,518	2,285,839
-	-	4,223,690	3,932,532
-	-	2,422,368	1,877,321
-	-	8,412,774	6,884,490
-	-	8,329,584	8,852,050
-	-	1,669,438	1,563,126
-	-	(83)	858,457
-	-	1,182	1,788
-	-	21,831,102	21,229,711
-	-	2,256,301	1,971,298
7,530,922	-	7,530,922	10,041,846
6,131,173	-	6,131,173	5,669,441
-	35,950,925	38,290,941	46,605,851
<u>13,662,095</u>	<u>35,950,925</u>	<u>167,441,433</u>	<u>173,171,856</u>
<u>(5,490,758)</u>	<u>(35,369,514)</u>	<u>(29,973,305)</u>	<u>(38,420,505)</u>
5,753,845	12,000,000	31,253,845	9,209,284
-	-	(31,253,845)	(9,209,284)
-	-	-	54,300,000
-	-	-	5,623,081
-	-	1,028,829	-
<u>5,753,845</u>	<u>12,000,000</u>	<u>1,028,829</u>	<u>59,923,081</u>
263,087	(23,369,514)	(28,944,476)	21,502,576
<u>568,519</u>	<u>34,085,809</u>	<u>101,757,044</u>	<u>80,254,468</u>
<u>\$ 831,606</u>	<u>\$ 10,716,295</u>	<u>\$ 72,812,568</u>	<u>\$ 101,757,044</u>

See notes to basic financial statements

North Shore School District 112

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2026

Net Change in Fund Balances, Total Governmental Funds \$ (28,944,476)

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay is reported as an expenditure in the governmental funds but is capitalized in the Statement of Activities	\$ 38,257,309	
Depreciation is reported in the Statement of Activities	<u>(8,949,650)</u>	29,307,659

Certain revenues included in the Statement of Activities do not provide current financial resources and, therefore, are included as deferred inflows of resources in the fund statements:

Unavailable interest revenue	(42,263)	
Unavailable state and federal aid	<u>(9,390)</u>	(51,653)

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.

This is the amount of current year principal repayments that exceeded proceeds from current year long-term financing arrangements.	6,502,093
--	-----------

Governmental funds report the effects of premiums, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the Statement of Activities. This is the amount of the current year, net effect of these differences.

714,679

In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:

Interest payable	24,021	
Compensated absences	(23,456)	
State on-behalf contribution revenue	(6,695,676)	
State on-behalf contribution expense	6,695,676	
OPEB liabilities	(1,982,500)	
Deferred outflows related to OPEB	2,121,101	
Deferred inflows related to OPEB	3,450,820	
Net pension asset	1,490,663	
Net pension liability	898,280	
Deferred outflows related to pensions	(674,799)	
Deferred inflows related to pensions	<u>(2,298,925)</u>	
		<u>3,005,205</u>

Change in Net Position of Governmental Activities \$ 10,533,507

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

1. Summary of Significant Accounting Policies

North Shore School District 112 (the District) operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to the accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

Reporting Entity

This report includes all of the funds of the District. The District is located in Lake County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all personnel, budgeting, taxing and debt matters. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet these criteria.

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) amounts paid by the recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Funds Financial Statements

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for all governmental funds.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

On-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

Property taxes, replacement taxes, certain state and federal aid and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

Major Governmental Funds

General Fund - the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid.

This fund also includes student activity funds held and controlled by the District, under the direction of district personnel and administrative involvement of the board of education.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund or Capital Projects Funds.

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

Transportation Fund - accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

Debt Service Fund - accounts for the accumulation of resources that are restricted, committed or assigned for and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

Capital Projects Fund - accounts for the financial resources that are restricted, committed or assigned to be used for the acquisition or construction of and/or additions to, major capital facilities.

Capital Projects Fund - accounts for construction projects and renovations financed through transfers from other funds and debt issuance proceeds.

All Financial Statements

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity**Deposits and Investments**

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2025 levy resolution was approved during the November 19, 2025 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

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

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2025 and 2024 tax levies were 2.9% and 3.4%, respectively.

Property taxes are collected by the County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments: the first due on June 1 and the second due on September 1. Property taxes are normally collected by the District within 60 days of the respective installment dates.

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

The 2025 property tax levy is recognized as a receivable in fiscal 2026, less amounts already received. The District considers that the 2025 levy is to be used to finance operations in fiscal 2027. Therefore, the entire 2025 levy, including amounts collected in fiscal 2026, has been recognized as a deferred inflow of resources, in the accompanying financial statements.

Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement / Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include land, land improvements, buildings and building improvements and furniture, equipment and vehicles are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$500 for furniture and equipment and \$100,000 for buildings and improvements, with an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and building improvements	40
Land improvements	20
Furniture, equipment and vehicles	5-20
Right-to-use lease assets	5-8

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

Under terms of employment, employees are granted vacations in varying amounts.

Vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation will be made at rates in effect when the benefits are used. Accumulated vacation liabilities at June 30, 2026 are determined on the basis of current salary rates and include salary related payments.

Employees who work a twelve-month year are entitled to be compensated for vacation time. Employees have six months to use their vacation time after it is earned or allotted.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Deferred Inflows of Resources

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

Equity Classifications

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

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

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

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

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

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

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

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

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

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

Assigned - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. The Board of Education has declared that the Superintendent may assign amounts for a specific purpose. The Board of Education may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended in is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance and lastly, unassigned fund balance.

The District has a formal minimum fund balance policy. The policy states that unrestricted reserves in the operating funds shall be maintained at a level equal to approximately 25% of the current year expenditures and transfers exclusive of on-behalf payments. The operating budget is comprised of the Educational Accounts and Working Cash Accounts within the General Fund, Operations and Maintenance and the Transportation Fund. As of June 30, 2026, the District is in compliance with the formal minimum fund balance policy.

Governmental fund balances reported on the fund financial statements at June 30, 2026 are as follows:

The nonspendable fund balances in the Operations and Maintenance Fund and Capital Projects Fund are for prepaid items. The assigned fund balance in the General Fund is for student activity purposes. The restricted and remaining assigned fund balances are for the purpose of the respective fund as described above in the Major Governmental Funds section.

Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2025, from which such summarized information was derived.

Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

2. Stewardship, Compliance and Accountability

Excess of Expenditures Over Budget

For the year ended June 30, 2026, expenditures exceeded budget in the Transportation Fund by \$736,865. Expenditures also exceeded budget in the Debt Service Fund by \$1,886,882. These excesses were funded by available financial resources.

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

3. Changes in Accounting Principles

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement improves key components of the financial reporting model to enhance the effectiveness of governmental financial reports, including requirements related to management's discussion and analysis, unusual or infrequent items, proprietary fund statements, major component units and budgetary comparison information. This standard was implemented July 1, 2025.

4. Deposits and Investments

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

	<u>Carrying Value</u>	<u>Statement Balances</u>
Deposits with financial institutions	\$ 37,862,699	\$ 38,045,637
ISDLAF+	20,620,764	20,428,003
Money market mutual funds	119,090	119,090
ISDLAF+ Term Series	51,950,000	51,950,000
U.S. agencies, implicitly guaranteed	3,009,870	3,009,870
U.S. treasuries	7,354,549	7,354,549
Negotiable certificates of deposit	9,452,697	9,452,697
Petty cash	644	-
Total	<u>\$ 130,370,313</u>	<u>\$ 130,359,846</u>
Reconciliation to financial statements		
Per statement of net position:		
Cash and investments	\$ 130,128,741	
Student activity cash	<u>241,572</u>	
Total	<u>\$ 130,370,313</u>	

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments detailed in the interest rate risk table below are measured using the market valuation method and Level 2 valuation inputs with exception of U.S. treasuries which are Level 1 valuation inputs.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District's investment policy seeks to ensure preservation of capital in the District's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The policy does not limit investment maturities as a means for managing its exposure to fair value losses arising from increasing interest rates. However, the policy requires the District's investment portfolio to be sufficiently liquid to enable the District to meet all operating requirements as they come due. A portion of the portfolio is required to be invested in readily available funds to ensure appropriate liquidity.

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

At year end, the District had the following investments:

Investment Type	Investment Maturity (in Years)				
	Fair Value	Less Than One	1-5	5-10	More Than 10
U.S. agencies	\$ 3,009,870	\$ 3,009,870	\$ -	\$ -	\$ -
U.S. treasuries	7,354,549	7,354,549	-	-	-
Negotiable certificates of deposit	9,452,697	9,452,697	-	-	-
Total	<u>\$ 19,817,116</u>	<u>\$ 19,817,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Redemption Notice Period

Investments in ISDLAF's Term Series may be redeemed upon seven days' advance notice. Redemption prior to maturity may result in the realization of a loss on the investment, including a penalty in an amount necessary to recoup the Term Series penalty charges, losses and other costs attributable to the early redemption.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District's investments in the U.S. agencies were rated Aa1 by Moody's Investors Service and AA+ by Standard and Poor's. Ratings were not available for the Negotiable Certificates of Deposit and the ISDLAF + Term Series investments.

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from over concentration in a particular type of security, risk factor, issuer or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Treasurer to meet the District's ongoing need for safety, liquidity and rate of return. At June 30, 2026, the District held 15.1% of their investments in FHLBs.

Custodial Credit Risk - Deposits

With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2026, the bank balance of the District's deposit with financial institutions totaled \$38,045,637 which was fully collateralized and insured.

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

Custodial Credit Risk - Investments

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

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

5. Capital Assets

Capital asset activity for the District for the year ended June 30, 2026 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated / amortized:				
Land	\$ 4,061,995	\$ -	\$ -	\$ 4,061,995
Construction in progress	61,265,495	32,659,117	38,444,347	55,480,265
Total capital assets not being depreciated / amortized	65,327,490	32,659,117	38,444,347	59,542,260
Capital assets being depreciated / amortized:				
Land improvements	1,858,382	27,450	-	1,885,832
Buildings	225,233,836	40,880,544	-	266,114,380
Buildings, right-to-use lease asset	1,691,849	316,420	-	2,008,269
Furniture, equipment and vehicles	37,629,346	2,105,716	-	39,735,062
Equipment, right-to-use lease asset	669,138	712,409	669,138	712,409
Total capital assets being depreciated / amortized	267,082,551	44,042,539	669,138	310,455,952
Less accumulated depreciation / amortization for:				
Land improvements	1,349,132	37,508	-	1,386,640
Buildings	61,768,431	5,114,693	-	66,883,124
Buildings, right-to-use lease asset	677,630	430,587	-	1,108,217
Furniture, equipment and vehicles	22,043,601	3,205,375	-	25,248,976
Equipment, right-to-use lease asset	612,246	161,487	669,138	104,595
Total accumulated depreciation / amortization	86,451,040	8,949,650	669,138	94,731,552
Net capital assets being depreciated / amortized	180,631,511	35,092,889	-	215,724,400
Net governmental activities capital assets	\$ 245,959,001	\$ 67,752,006	\$ 38,444,347	\$ 275,266,660

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

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

Governmental Activities	Depreciation / Amortization
Regular programs	\$ 2,005,168
Special programs	57,965
Pupils	2,373,332
General administration	4,506
School administration	3,810
Business	7,882
Transportation	6,975
Operations and maintenance	4,457,325
Central	17,569
Food	15,118
Total depreciation and amortization expense, governmental activities	<u>\$ 8,949,650</u>

6. Long-Term Liabilities**Changes in General Long-Term Liabilities**

The following is the long-term liability activity for the District for the year ended June 30, 2026:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
General obligation bonds	\$136,620,000	\$ -	\$ 5,765,000	\$130,855,000	\$ 6,055,000
Unamortized premium	11,267,757	-	714,679	10,553,078	-
Total bonds payable	<u>147,887,757</u>	<u>-</u>	<u>6,479,679</u>	<u>141,408,078</u>	<u>6,055,000</u>
Lease liabilities	1,085,636	1,028,829	606,599	1,507,866	578,541
Installment contract payable	2,117,192	-	1,159,323	957,869	957,869
Compensated absences (net change)	167,792	23,456	-	191,248	191,248
Net pension liability	4,346,344	5,130,546	6,028,826	3,448,064	-
OPEB liabilities	<u>10,985,974</u>	<u>2,360,329</u>	<u>377,829</u>	<u>12,968,474</u>	<u>40,919</u>
Total long-term liabilities, governmental activities	<u>\$166,590,695</u>	<u>\$ 8,543,160</u>	<u>\$ 14,652,256</u>	<u>\$160,481,599</u>	<u>\$ 7,823,577</u>

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

The obligations for the net pension liability and OPEB liabilities will be repaid from the General Fund.

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District.

General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Carrying Amount</u>
Series 2019 General Obligation Bonds (Alternative Revenue Source) dated March 14, 2019 are due in annual installments through June 1, 2038	3.25%-5.00%	\$ 50,945,000	\$ 36,915,000
Series 2022 General Obligation Bonds dated December 30, 2022 are due in annual installments through December 1, 2042	4.00%-5.00%	54,045,000	43,095,000
Series 2024 General Obligation Bonds dated November 5, 2024 are due in annual installments through December 1, 2042	4.00%-5.00%	<u>54,300,000</u>	<u>50,845,000</u>
Total		<u>\$159,290,000</u>	<u>\$130,855,000</u>

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

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2027	\$ 6,055,000	\$ 5,716,588	\$ 11,771,588
2028	6,360,000	5,409,213	11,769,213
2029	6,685,000	5,086,213	11,771,213
2030	7,025,000	4,746,838	11,771,838
2031	7,355,000	4,418,263	11,773,263
2032-2036	42,050,000	16,432,225	58,482,225
2037-2041	40,130,000	7,514,359	47,644,359
2042-2043	<u>15,195,000</u>	<u>613,900</u>	<u>15,808,900</u>
Total	<u>\$ 130,855,000</u>	<u>\$ 49,937,599</u>	<u>\$ 180,792,599</u>

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2026, the statutory debt limit for the District was \$214,044,878, providing a debt margin of \$117,639,143.

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

Leases

The District has entered into lease agreements as a lessee for financing the temporary acquisition of general office and warehouse space, office space, buildings and printers/copiers. These agreements qualify as leases for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. The obligations for the office space and general office and warehouse space will be repaid from the Debt Service Fund and funded by a transfer of resources from the Operations and Maintenance Fund. The obligations for the printers/copiers will be repaid from the Debt Service Fund and funded by a transfer of resources from the General Fund (Educational Accounts).

<u>Description</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance</u>
General office and warehouse space, 1495 Old Deerfield Road	4/12/2023	4/12/2029	5.0%	\$ 332,306	\$ 163,687
General office and warehouse space, 1465 Busch Parkway	1/18/2023	6/30/2029	5.0%	658,481	316,420
Office space, 445 Sheridan Road	12/31/2022	12/31/2027	5.0%	1,068,313	419,945
Canon, printers/copiers	9/1/2025	8/31/2030	5.0%	712,409	607,814
Total				<u>\$ 2,771,509</u>	<u>\$ 1,507,866</u>

Annual debt service requirements to maturity for the lease liabilities are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2027	\$ 578,541	\$ 83,739	\$ 662,280
2028	436,776	47,326	484,102
2029	307,299	25,858	333,157
2030	157,590	9,762	167,352
2031	27,660	232	27,892
Total	<u>\$ 1,507,866</u>	<u>\$ 166,917</u>	<u>\$ 1,674,783</u>

Installment Contracts Payable

The District has entered into agreements to purchase laptops and Ipads. The obligations will be repaid from the Debt Service Fund and funded by a transfer of resources from the General Fund (Educational Accounts).

<u>Description</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance</u>
Apple iPads	02/19/2024	02/19/2027	2.54%	\$ 3,928,896	\$ 957,869
Total				<u>\$ 3,928,896</u>	<u>\$ 957,869</u>

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

Annual debt service requirements to maturity for installment contracts are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2027	\$ 957,869	\$ 24,355	\$ 982,224

7. Risk Management

The District is exposed to various risks of loss related to workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the following public entity risk pool: Collective Liability Insurance Cooperative (CLIC). The District pays annual premiums to the pool for insurance coverage. The arrangements with the pool provides that it will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

The District continues to carry commercial insurance for all other risks of loss related to torts. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

8. Joint Agreements

The District is a member of TrueNorth Educational Cooperative 804, a joint agreement that provides certain special education services to residents of many school districts. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

9. Other Postemployment Benefits

For the year ended June 30, 2026, the District recognized the following balances in the government-wide financial statements:

	<u>OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>OPEB Expense</u>
Teachers' Health Insurance System (THIS)	\$ 12,692,079	\$ 4,017,719	\$ 20,322,649	\$ (3,254,811)
Retiree's Health Plan	276,395	65,396	81,619	19,335
Total	<u>\$ 12,968,474</u>	<u>\$ 4,083,115</u>	<u>\$ 20,404,268</u>	<u>\$ (3,235,476)</u>

Teachers' Health Insurance Security**Plan Description**

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 retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription and behavioral health benefits, but it does not provide vision, dental or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

Benefits Provided

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

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 0.90% of pay during the year ended June 30, 2026. State of Illinois contributions of \$416,608 were recognized as revenues and expenditures by the District during the year in the General Fund based on the current financial resources measurement basis. On the economic resources measurement basis, the District recognizes revenues and expenses of \$(4,236,046) in Governmental Activities equal to the proportion of the State of Illinois's OPEB expense associated with the employer.

Contributions

The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.67% during the year ended June 30, 2026. The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2026, the District paid \$310,141 to the THIS Fund, respectively, which was 100% of the required contribution for the year.

THIS Fiduciary Net Position

Detailed information about the THIS Fund's fiduciary net position as of June 30, 2025 is available in the separately issued THIS Annual Financial Report.

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

Net OPEB Liability

At June 30, 2026, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for the state's retiree insurance support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related state support and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collection net OPEB liability	\$ 12,692,079
State's proportionate share of the collective net OPEB liability associated with the District	<u>17,217,556</u>
Total	<u>\$ 29,909,635</u>

The net OPEB liability was measured as of June 30, 2025, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2024 rolled forward to June 30, 2025. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2025, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2025 and 2024, the District's proportion was 0.140861% and 0.134702%, respectively.

Actuarial Assumptions

The net OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	4.00% to 8.50%
Investment Rate of Return	2.75%
Healthcare Cost Trend Rates, Initial	8.00%
Healthcare Cost Trend Rates, Ultimate	4.25%
Fiscal Year the Ultimate Rate is Reached	2042

Mortality rates for retirement and beneficiary annuitants were based on the PubT-2010 Retiree Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the PubNS-2010 Non-Safety Disabled Retiree Table. Mortality rates for pre-retirement were based on the PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2021.

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience study for the period July 1, 2020 through June 30, 2023.

Discount Rate

At June 30, 2025, the discount rate used to measure the total OPEB liability was a blended rate of 5.20%, which was a change from the June 30, 2024 rate of 3.97%. Since THIS is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 14,141,954	\$ 12,692,079	\$ 11,373,821

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (initial rate of 7.00% decreasing to an ultimate rate of 3.25%) or 1-percentage-point higher (initial rate of 9.00% decreasing to an ultimate rate of 5.25%) than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 10,981,329	\$ 12,692,079	\$ 14,692,742

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2026, the District recognized OPEB expense of \$(3,254,811) and on-behalf revenue and expense of \$(4,236,046) for support provided by the state. At June 30, 2026, the District's deferred outflows of resources and deferred inflows of resources related to OPEBs were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,293,653	\$ 3,808,887
Changes in assumptions	292,346	13,431,173
Net difference between projected and actual earnings on OPEB plan investments	-	20,410
Changes in proportion and differences between District contributions and proportionate share of contributions	2,121,579	3,062,179
District contributions subsequent to the measurement date	310,141	-
Total	<u>\$ 4,017,719</u>	<u>\$ 20,322,649</u>

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net OPEB liability for the year ending June 30, 2027. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB was \$(16,615,071). Amounts will be recognized in OPEB expense as follows in these reporting years:

<u>Years Ending June 30,</u>	<u>Amount</u>
2027	\$ (2,135,356)
2028	(2,135,356)
2029	(2,135,356)
2030	(2,135,354)
2031	(2,130,253)
Thereafter	(5,943,396)
Total	<u><u>\$ (16,615,071)</u></u>

Retiree's Health Plan

Plan Description

The District's group health insurance plan, a single-employer defined benefit plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy. No assets are accumulated in a GASB-compliant trust.

Contributions and Benefits Provided

Eligible retirees may continue medical coverage into retirement on the District plans on a pay-all basis. Coverage is also available for eligible dependents on a pay-all basis. Coverage can continue when Medicare eligible. Coverage for dependents can continue upon the death of the retiree given that contributions continue.

Employees Covered by Benefit Term

At June 30, 2026, the actuarial valuation date, the following employees were covered by the benefit terms:

Retired plan members	2
Active employees not yet eligible	-
Active employees fully eligible	<u>138</u>
Total	<u><u>140</u></u>

Total OPEB Liability

The District's total OPEB liability of \$276,395 was measured as of June 30, 2026, and was determined by an actuarial valuation as of that date.

Inflation	3.00%
Election at Retirement	10.00%
Discount Rate	4.32%
Healthcare Cost Trend Rate, Initial	6.50%
Healthcare Cost Trend Rate, Ultimate	4.50%
Fiscal Year the Ultimate Rate is Reached	2047

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2026.

Mortality rates were based on December 31, 2025 IMRF Actuarial Valuation Report.

The actuarial assumptions used in the June 30, 2026 valuation were based on the results of the assumptions about future events.

Changes in Total OPEB Liability

The District's changes in total OPEB liability for the year ended June 30, 2026 was as follows:

	Total OPEB Liability
Balance at June 30, 2025	\$ 320,327
Changes for the year:	
Service cost	9,140
Interest	14,615
Differences between expected and actual experience	(55,971)
Changes in assumptions and other inputs	21,232
Benefit payments	<u>(32,948)</u>
Net changes	<u>(43,932)</u>
Balance at June 30, 2026	<u>\$ 276,395</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.32%) or 1-percentage-point higher (5.32%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 292,336	\$ 276,395	\$ 261,714

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.00%) or 1-percentage-point higher (5.00%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 258,157	\$ 276,395	\$ 297,338

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2026, the District recognized OPEB expense of \$19,335. The District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 30,370	\$ 49,059
Assumption changes	35,026	32,560
Total	<u>\$ 65,396</u>	<u>\$ 81,619</u>

The amounts reported as deferred outflows and inflows of resources related to OPEB (\$(16,223)) will be recognized in OPEB expense as follows:

Years Ending June 30:	Amount
2027	\$ (212)
2028	1,299
2029	(2,535)
2030	(5,811)
2031	(6,666)
Thereafter	(2,298)
Total	<u>\$ (16,223)</u>

10. Retirement Systems

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

For the year ended June 30, 2026, the District recognized the following balances in the government-wide financial statements:

	Net Pension Asset	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
TRS	\$ -	\$ 3,448,064	\$ 597,472	\$ 230,516	\$ 255,451
IMRF	1,490,663	-	413,994	2,388,449	1,197,836
Total	<u>\$ 1,490,663</u>	<u>\$ 3,448,064</u>	<u>\$ 1,011,466</u>	<u>\$ 2,618,965</u>	<u>\$ 1,453,287</u>

Teachers' Retirement System

Plan Description

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

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs/fy2025>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

TRS provides retirement, disability and death benefits. *Tier 1* members have TRS or reciprocal system service prior to January 1, 2011. *Tier 1* members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2% of final average salary up to a maximum of 75% with 34 years of service.

Tier 2 members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the highest four. Disability provisions for *Tier 2* are identical to those of *Tier 1*. Death benefits are payable under a formula that is different from *Tier 1*.

Essentially all *Tier 1* retirees receive an annual 3% increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. *Tier 2* annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional *Tier 3* hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring *Tier 1* members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested *Tier 1* and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.

Contributions

The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of fiscal year 2045.

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2025 was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

On Behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2026, State of Illinois contributions recognized by the District were based on the state's proportionate share of with the pension expense associated with the District, and the District recognized revenue and expense of \$19,371,472 in governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$21,414,494 in the General Fund based on the current financial resources measurement basis.

2.2 Formula Contributions

Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2026, were \$268,481, and are deferred because they were paid after the June 30, 2025 measurement date.

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 Public Act 100-0340, the federal and special trust fund contribution rate is the total District normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2026, the District pension contribution was 10.34% of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2026, were \$31,340, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2025 measurement date.

Salary Increases Over 6%

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. For the year ended June 30, 2026, the District paid \$15 to TRS for employer contributions due on salary increases in excess of 6%.

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2025 is available in the separately issued TRS Annual Comprehensive Financial Report.

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

Net Pension Liability

At June 30, 2026, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 3,448,064
State's proportionate share of the collective net pension liability associated with the District	<u>277,079,708</u>
Total	<u>\$ 280,527,772</u>

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024, and rolled forward to June 30, 2025. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2025, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2025 and 2024, the District's proportion was 0.00406844% and 0.00373415%, respectively.

Summary of Significant Accounting Policies

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of TRS and additions to/deductions from TRS fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions

The assumptions used to measure the total pension liability in the June 30, 2025 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit and (c) inflation of 2.5%. These actuarial assumptions were based on an experience study dated August 16, 2024.

Mortality

In the June 30, 2025 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table 2024 Adjusted Scale MP-2021.

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

Long-Term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equity	37.00 %	4.59 %
Private equity	15.00	7.93
Public income	15.00	3.52
Private credit	8.00	6.70
Real estate	16.00	4.76
Infra/other real assets	2.00	5.38
Diversifying strategies	6.00	2.83
Cash equivalents	1.00	0.25

Discount Rate

At June 30, 2025, the discount rate used to measure the total pension liability was a blended rate of 7.00%, which was the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2025 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. *Tier 1's* liability is partially funded by *Tier 2* members, as the *Tier 2* member contribution is higher than the cost of *Tier 2* benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the collective net pension liability	\$ 4,289,440	\$ 3,448,064	\$ 2,749,902

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2026, the District recognized pension expense of \$255,451 and on-behalf revenue of \$19,371,472 for support provided by the state. At June 30, 2026, the District's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,621	\$ 5,523
Net difference between projected and actual earnings on pension plan investments	-	49,218
Assumption changes	35,781	665
Changes in proportion and differences between District contributions and proportionate share of contributions	252,249	175,110
District contributions subsequent to the measurement date	<u>299,821</u>	<u>-</u>
Total	<u>\$ 597,472</u>	<u>\$ 230,516</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2027. The remaining amounts reported as deferred outflows and inflows of resources related to pensions was \$67,135. Amounts will be recognized in pension expense as follows:

Years Ending June 30,	Amount
2027	\$ 1,587
2028	183
2029	14,986
2030	28,380
2031	<u>21,999</u>
Total	<u>\$ 67,135</u>

Illinois Municipal Retirement Fund

Plan Description

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

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual 2% for each year of service credit after 15 years to a maximum of 75% of their *Regular Tier 2*, final rate retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under *Regular Tier 2*, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Plan Membership

At December 31, 2025, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	331
Inactive, nonretired members	410
Active members	<u>138</u>
Total	<u><u>879</u></u>

Contributions

As set by statute, District employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2025 was 6.96% of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2025, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions

The assumptions used to measure the total pension liability in the December 31, 2025 annual actuarial valuation included (a) 7.25% investment rate of return, (b) projected salary increases from 2.85% to 13.75% and (c) price inflation of 2.25%. The actuarial cost method was entry age normal and asset valuation method was market value. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.

Mortality

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2021.

Long-Term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	32.50 %	4.85 %	7.35 %
International equities	18.00	4.95	7.45
Fixed income	24.00	2.25	4.75
Real estate	10.50	3.75	6.25
Alternatives	14.00		
Private equity		6.00	8.50
Commodities		1.40	3.90
Cash equivalents	1.00	0.50	3.00

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

Discount Rate

The discount rate used to measure the total pension liability for IMRF was 7.25%, the same rate as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.25% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability/(asset)	\$ 2,957,282	\$ (1,490,663)	\$ (5,097,890)

Changes in Net Pension Liability/(Asset)

The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2025 was as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/ (Asset) (a) - (b)</u>
Balances at December 31, 2024	\$ 43,903,825	\$ 42,763,833	\$ 1,139,992
Service cost	637,992	-	637,992
Interest on total pension liability	3,104,560	-	3,104,560
Differences between expected and actual experience of the total pension liability	627,247	-	627,247
Benefit payments, including refunds of employee contributions	(2,802,601)	(2,802,601)	-
Contributions, employer	-	504,076	(504,076)
Contributions, employee	-	325,911	(325,911)
Net investment income	-	6,651,349	(6,651,349)
Other (net transfer)	-	(480,882)	480,882
Balances at December 31, 2025	<u>\$ 45,471,023</u>	<u>\$ 46,961,686</u>	<u>\$ (1,490,663)</u>

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2026, the District recognized pension expense of \$1,197,836. The District's deferred outflows and inflows of resources related to pension were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 109,588	\$ -
Net difference between projected and actual earnings on pension plan investments	-	2,388,449
Contributions subsequent to the measurement date	304,406	-
Total	<u>\$ 413,994</u>	<u>\$ 2,388,449</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2027. The remaining amounts reported as deferred outflows and inflows of resources related to pensions was \$(2,278,861). Amounts will be recognized in pension expense as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2027	\$ 702,139
2028	(1,278,876)
2029	(974,142)
2030	<u>(727,982)</u>
Total	<u>\$ (2,278,861)</u>

11. Interfund Transfers

The Board of Education transferred \$3,867,388 of fund balance from the Operations and Maintenance Fund to the Debt Service Fund to provide a funding source for the interest and principal paid on the 2019 Series General Obligation Bonds (Alternative Revenue Source). The Board of Education also transferred \$12,000,000 of fund balance from the General Fund (Educational Accounts) to the Operations and Maintenance Fund and from the Operations and Maintenance Fund to the Capital Projects Fund for ongoing projects. Additionally, the Board of Education transferred \$1,500,000 of fund balance from the General Fund (Educational Accounts) to the Transportation Fund.

During the year, the District transferred \$1,400,286 from the General Fund (Educational Accounts) and \$486,171 from the Operations and Maintenance Fund to the Debt Service Fund for the payment of principal and interest on the District's leases and installment contracts.

12. Contingent Liabilities

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

North Shore School District 112

Notes to Basic Financial Statements

June 30, 2026

13. State and Federal Aid Contingencies

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

14. Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 105, *Subsequent Events*.

15. Construction Commitments

As of June 30, 2026, the District is committed to approximately \$36,505,750 in expenditures in the upcoming years for the Sherwood Elementary School, Wayne Thomas School and Braeside Elementary School Additions and Renovations. These expenditures will be paid through the District's reserves as proceeds from referendum bonds already issued have been fully expended.

REQUIRED SUPPLEMENTARY INFORMATION

North Shore School District 112

Schedule of Changes in the District's Net Pension Liability/(Asset) and Related Ratios -
 Illinois Municipal Retirement Fund
 Ten Most Recent Fiscal Years

	2026	2025	2024	2023
Total Pension Liability				
Service cost	\$ 637,992	\$ 587,157	\$ 534,695	\$ 506,394
Interest	3,104,560	3,031,977	2,943,260	2,877,703
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	627,247	116,893	444,576	221,271
Changes of assumptions	-	-	(27,678)	-
Benefit payments, including refunds of member contributions	(2,802,601)	(2,717,983)	(2,676,818)	(2,753,769)
Net change in total pension liability	1,567,198	1,018,044	1,218,035	851,599
Total Pension Liability, Beginning	<u>43,903,825</u>	<u>42,885,781</u>	<u>41,667,746</u>	<u>40,816,147</u>
Total Pension Liability, Ending (a)	<u>\$ 45,471,023</u>	<u>\$ 43,903,825</u>	<u>\$ 42,885,781</u>	<u>\$ 41,667,746</u>
Plan Fiduciary Net Position				
Employer contributions	\$ 504,076	\$ 426,746	\$ 362,635	\$ 491,300
Employee contributions	325,911	302,924	271,954	245,856
Net investment income	6,651,349	4,129,386	4,257,042	(6,057,248)
Benefit payments, including refunds of member contributions	(2,802,601)	(2,717,983)	(2,676,818)	(2,753,769)
Other (net transfer)	(480,882)	(703,898)	778,009	(232,307)
Net change in plan fiduciary net position	4,197,853	1,437,175	2,992,822	(8,306,168)
Plan Fiduciary Net Position, Beginning	<u>42,763,833</u>	<u>41,326,658</u>	<u>38,333,836</u>	<u>46,640,004</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 46,961,686</u>	<u>\$ 42,763,833</u>	<u>\$ 41,326,658</u>	<u>\$ 38,333,836</u>
Employer's Net Pension Liability/(Asset), Ending (a) - (b)	<u>\$ (1,490,663)</u>	<u>\$ 1,139,992</u>	<u>\$ 1,559,123</u>	<u>\$ 3,333,910</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.28%	97.40%	96.36%	92.00%
Covered Payroll	\$ 7,239,582	\$ 6,741,662	\$ 5,969,825	\$ 5,420,000
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	-20.59%	16.91%	26.12%	61.51%

Notes to Schedule:

Actuary valuations are as of December 31st, which is 6 months prior to the end of the fiscal year.

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 496,582	\$ 555,769	\$ 575,979	\$ 587,622	\$ 651,947	\$ 650,206
2,777,426	2,738,472	2,665,153	2,600,132	2,610,710	2,438,032
-	-	-	-	-	-
774,086	124,319	33,075	114,528	(108,775)	1,260,509
-	(368,706)	-	900,301	(1,175,599)	(74,501)
<u>(2,585,973)</u>	<u>(2,379,935)</u>	<u>(2,125,679)</u>	<u>(2,083,226)</u>	<u>(2,091,097)</u>	<u>(2,028,224)</u>
1,462,121	669,919	1,148,528	2,119,357	(112,814)	2,246,022
<u>39,354,026</u>	<u>38,684,107</u>	<u>37,535,579</u>	<u>35,416,222</u>	<u>35,529,036</u>	<u>33,283,014</u>
<u>\$ 40,816,147</u>	<u>\$ 39,354,026</u>	<u>\$ 38,684,107</u>	<u>\$ 37,535,579</u>	<u>\$ 35,416,222</u>	<u>\$ 35,529,036</u>
\$ 608,369	\$ 589,455	\$ 469,646	\$ 624,192	\$ 665,976	\$ 668,374
244,146	235,169	250,828	260,336	274,398	259,568
6,961,704	5,313,573	6,101,118	(1,950,418)	5,645,455	2,021,493
(2,585,973)	(2,379,935)	(2,125,679)	(2,083,226)	(2,091,097)	(2,028,224)
<u>416,071</u>	<u>87,714</u>	<u>(152,047)</u>	<u>480,767</u>	<u>(890,503)</u>	<u>1,413,289</u>
5,644,317	3,845,976	4,543,866	(2,668,349)	3,604,229	2,334,500
<u>40,995,687</u>	<u>37,149,711</u>	<u>32,605,845</u>	<u>35,274,194</u>	<u>31,669,965</u>	<u>29,335,465</u>
<u>\$ 46,640,004</u>	<u>\$ 40,995,687</u>	<u>\$ 37,149,711</u>	<u>\$ 32,605,845</u>	<u>\$ 35,274,194</u>	<u>\$ 31,669,965</u>
<u>\$ (5,823,857)</u>	<u>\$ (1,641,661)</u>	<u>\$ 1,534,396</u>	<u>\$ 4,929,734</u>	<u>\$ 142,028</u>	<u>\$ 3,859,071</u>
114.27%	104.17%	96.03%	86.87%	99.60%	89.14%
\$ 5,228,629	\$ 5,157,302	\$ 5,300,731	\$ 5,543,458	\$ 5,781,286	\$ 5,722,380
-111.38%	-31.83%	28.95%	88.93%	2.46%	67.44%

See notes to required supplementary information

North Shore School District 112

Schedule of District Contributions -
Illinois Municipal Retirement Fund
Ten Most Recent Fiscal Years

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined contribution	\$ 503,875	\$ 426,747	\$ 352,220	\$ 472,641	\$ 587,698
Contributions in relation to the actuarially determined contribution	<u>(504,076)</u>	<u>(426,746)</u>	<u>(362,635)</u>	<u>(491,300)</u>	<u>(608,369)</u>
Contribution deficiency (excess)	<u>\$ (201)</u>	<u>\$ 1</u>	<u>\$ (10,415)</u>	<u>\$ (18,659)</u>	<u>\$ (20,671)</u>
Covered payroll	\$ 7,239,582	\$ 6,741,662	\$ 5,969,825	\$ 5,420,000	\$ 5,228,629
Contributions as a percentage of covered payroll	6.96%	6.33%	6.07%	9.06%	11.64%
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 589,480	\$ 469,645	\$ 624,193	\$ 658,488	\$ 668,374
Contributions in relation to the actuarially determined contribution	<u>(589,455)</u>	<u>(469,646)</u>	<u>(624,192)</u>	<u>(665,976)</u>	<u>(668,374)</u>
Contribution deficiency (excess)	<u>\$ 25</u>	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ (7,488)</u>	<u>\$ -</u>
Covered payroll	\$ 5,157,302	\$ 5,300,731	\$ 5,543,458	\$ 5,781,286	\$ 5,722,380
Contributions as a percentage of covered payroll	11.43%	8.86%	11.26%	11.52%	11.68%

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Wage growth	2.75%
Inflation	2.25%
Salary increases	2.85% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	MP-2021

Other information:

There were no benefit changes during the year.

North Shore School District 112

Schedule of the District's Proportionate Share of the Collective Net Pension Liability

and Schedule of District Contributions -

Teachers' Retirement System

Ten Most Recent Fiscal Years

	2026	2025	2024	2023
District's proportion of the net pension liability	0.00406838%	0.00373415%	0.00391542%	0.00386524%
District's proportionate share of the net pension liability	\$ 3,448,064	\$ 3,206,352	\$ 3,327,347	\$ 3,240,628
State's proportionate share of the net pension liability	<u>277,079,708</u>	<u>267,340,963</u>	<u>287,151,748</u>	<u>281,103,002</u>
Total net pension liability	<u>\$ 280,527,772</u>	<u>\$ 270,547,315</u>	<u>\$ 290,479,095</u>	<u>\$ 284,343,630</u>
Covered payroll	\$ 43,932,639	\$ 40,140,890	\$ 40,585,640	\$ 39,549,855
District's proportionate share of the net pension liability as a percentage of covered payroll	7.85%	7.99%	8.20%	8.19%
Plan fiduciary net position as a percentage of the total pension liability	47.7%	45.4%	43.9%	42.8%
Contractually required contribution	\$ 300,294	\$ 281,460	\$ 261,062	\$ 308,028
Contributions in relation to the contractually required contribution	<u>(299,821)</u>	<u>(279,665)</u>	<u>(256,752)</u>	<u>(307,473)</u>
Contribution deficiency (excess)	<u>\$ 473</u>	<u>\$ 1,795</u>	<u>\$ 4,310</u>	<u>\$ 555</u>
Covered payroll	\$ 46,289,739	\$ 43,932,639	\$ 40,140,890	\$ 40,585,640
Contributions as a percentage of covered payroll	0.6477%	0.6366%	0.6396%	0.7576%

Notes to Schedule:

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Key Assumptions:

Long-term expected rate of return	7.00%	7.00%	7.00%	7.00%
Municipal bond index	5.20%	3.93%	3.65%	3.54%
Single equivalent discount rate	7.00%	7.00%	7.00%	7.00%
Inflation rate	2.50%	2.50%	2.50%	2.50%
Projected salary increases	4.00% to 8.50%	4.00% to 8.50%	3.75% to 8.75%	3.75% to 8.75%
	varying by service	varying by service	varying by service	varying by service

See notes to required supplementary information

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
0.00414898%	0.00433071%	0.00446638%	0.00513719%	0.00105073%	0.00921978%
\$ 3,236,672	\$ 3,733,729	\$ 3,622,601	\$ 4,004,175	\$ 8,027,380	\$ 7,277,732
<u>271,267,544</u>	<u>292,445,011</u>	<u>257,816,553</u>	<u>274,302,765</u>	<u>275,779,322</u>	<u>297,041,611</u>
<u>\$ 274,504,216</u>	<u>\$ 296,178,740</u>	<u>\$ 261,439,154</u>	<u>\$ 278,306,940</u>	<u>\$ 283,806,702</u>	<u>\$ 304,319,343</u>
\$ 37,247,016	\$ 36,313,246	\$ 34,875,687	\$ 36,799,959	\$ 37,236,364	\$ 37,390,153
8.69%	10.28%	10.39%	10.88%	21.56%	19.46%
45.1%	37.8%	39.6%	40.0%	39.3%	36.4%
\$ 330,427	\$ 278,320	\$ 211,118	\$ 225,568	\$ 283,026	\$ 418,881
<u>(324,385)</u>	<u>(278,514)</u>	<u>(211,118)</u>	<u>(310,182)</u>	<u>(322,673)</u>	<u>(477,837)</u>
<u>\$ 6,042</u>	<u>\$ (194)</u>	<u>\$ -</u>	<u>\$ (84,614)</u>	<u>\$ (39,647)</u>	<u>\$ (58,956)</u>
\$ 39,549,855	\$ 37,247,016	\$ 36,313,246	\$ 34,875,687	\$ 36,799,959	\$ 37,236,364
0.8202%	0.7477%	0.5814%	0.8894%	0.8768%	1.2833%
7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
2.16%	2.21%	3.50%	3.87%	3.58%	2.85%
7.00%	7.00%	7.00%	7.00%	7.00%	6.83%
2.25%	2.50%	2.50%	2.50%	2.50%	2.50%
3.50% to 8.50%	4.00% to 9.50%	4.00% to 9.50%	4.00% to 9.50%	3.25% to 9.25%	3.25% to 9.25%
varying by service	varying by service	varying by service	varying by service	varying by service	varying by service

See notes to required supplementary information

North Shore School District 112

Schedule of Changes in the District's Total OPEB Liability and Related Ratios -
Retiree's Health Plan
Nine Most Recent Fiscal Years

	2026	2025	2024	2023	2022
Total OPEB Liability					
Service cost	\$ 9,140	\$ 12,022	\$ 13,511	\$ 6,304	\$ 9,840
Interest	14,615	13,160	11,113	10,802	5,026
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(55,971)	-	28,892	-	48,268
Changes of assumptions	21,232	(13,910)	(2,879)	(690)	(17,680)
Benefit payments, including refunds of member contributions	<u>(32,948)</u>	<u>(7,053)</u>	<u>(7,249)</u>	<u>(15,617)</u>	<u>(8,130)</u>
Net change in total OPEB liability	(43,932)	4,219	43,388	799	37,324
Total OPEB Liability, Beginning	<u>320,327</u>	<u>316,108</u>	<u>272,720</u>	<u>271,921</u>	<u>234,597</u>
Total OPEB Liability, Ending	<u>\$ 276,395</u>	<u>\$ 320,327</u>	<u>\$ 316,108</u>	<u>\$ 272,720</u>	<u>\$ 271,921</u>
Covered-Employee Payroll	\$ 6,995,839	\$ 3,447,082	\$ 3,314,502	\$ 4,219,038	\$ 5,228,629
District's Total OPEB Liability as a Percentage of Covered Payroll	3.95%	9.29%	9.54%	6.46%	5.20%

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 13,005	\$ 14,591	\$ 13,946	\$ 15,059
Interest	5,751	7,087	7,337	7,179
Changes of benefit terms	-	(16,215)	(4,900)	(7,343)
Differences between expected and actual experience	-	(40,688)	-	-
Changes of assumptions	8,048	13,279	3,183	1,974
Benefit payments, including refunds of member contributions	<u>(16,788)</u>	<u>(14,989)</u>	<u>(8,483)</u>	<u>(19,042)</u>
Net change in total OPEB liability	10,016	(36,935)	11,083	(2,173)
Total OPEB Liability, Beginning	<u>224,581</u>	<u>261,516</u>	<u>250,433</u>	<u>252,606</u>
Total OPEB Liability, Ending	<u>\$ 234,597</u>	<u>\$ 224,581</u>	<u>\$ 261,516</u>	<u>\$ 250,433</u>
Covered-Employee Payroll	\$ 5,244,902	\$ 4,847,730	\$ 5,470,121	\$ 5,091,337
District's Total OPEB Liability as a Percentage of Covered Payroll	4.47%	4.63%	4.78%	4.92%

Notes to Schedule:

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available. There are no assets accumulated in a trust that meets the criteria of GASB codification P52.101 to pay related benefits for the OPEB plan.

North Shore School District 112

Schedule of the District's Proportionate Share of the Collective Net OPEB Liability
and Schedule of District Contributions -
Teachers' Health Insurance Security Fund
Nine Most Recent Fiscal Years

	2026	2025	2024	2023
District's proportion of the net OPEB liability	0.140861%	0.134702%	0.146606%	0.143310%
District's proportionate share of the net OPEB liability	\$ 12,692,079	\$ 10,665,646	\$ 10,449,118	\$ 9,809,097
State's proportionate share of the net OPEB liability	<u>17,217,556</u>	<u>14,484,429</u>	<u>14,130,537</u>	<u>13,344,311</u>
Total net OPEB liability	<u>\$ 29,909,635</u>	<u>\$ 25,150,075</u>	<u>\$ 24,579,655</u>	<u>\$ 23,153,408</u>
Covered payroll	\$ 43,932,639	\$ 40,140,890	\$ 40,585,640	\$ 39,549,855
District's proportionate share of the net OPEB liability as a percentage of covered payroll	28.89%	26.57%	25.75%	24.80%
Plan fiduciary net position as a percentage of the total pension liability	8.03%	7.43%	6.21%	5.24%
Contractually required contribution	\$ 310,141	\$ 294,349	\$ 268,944	\$ 271,924
Contributions in relation to the contractually required contribution	<u>(310,141)</u>	<u>(294,349)</u>	<u>(268,944)</u>	<u>(271,924)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 46,289,739	\$ 43,932,639	40,140,890	\$ 40,585,640
Contributions as a percentage of covered payroll	0.67%	0.67%	0.67%	0.67%

Notes to Schedule:

The District implemented GASB 75 in fiscal year 2018. Information for fiscal years prior to 2018 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Key Assumptions:

Long-term expected rate of return	2.75%	2.75%	2.75%	2.75%
Municipal bond index	5.20%	3.97%	3.86%	3.69%
Single equivalent discount rate	5.20%	3.97%	3.86%	3.69%
Inflation rate	2.25%	2.25%	2.25%	2.25%
Healthcare cost trend rates - initial	Medicare and Non-Medicare - 8.00%	Medicare and Non-Medicare - 8.00%	Medicare and Non-Medicare - 8.00%	Medicare and Non-Medicare - 8.00%
Healthcare cost trend rates - ultimate	4.25%	4.25%	4.25%	4.25%
Mortality	PubT-2010	PubT-2010	PubT-2010	PubT-2010

See notes to required supplementary information

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
0.143393%	0.143859%	0.141857%	0.155250%	0.161887%
\$ 31,625,902	\$ 38,462,103	\$ 39,262,413	\$ 40,901,840	\$ 42,008,930
<u>42,880,107</u>	<u>52,105,675</u>	<u>53,166,317</u>	<u>54,922,350</u>	<u>55,168,164</u>
<u>\$ 74,506,009</u>	<u>\$ 90,567,778</u>	<u>\$ 92,428,730</u>	<u>\$ 95,824,190</u>	<u>\$ 97,177,094</u>
\$ 37,247,016	\$ 36,313,246	\$ 34,875,687	\$ 36,799,959	\$ 37,236,364
84.91%	105.92%	112.58%	111.15%	112.82%
1.40%	0.70%	0.25%	-0.07%	-0.17%
\$ 264,984	\$ 342,673	\$ 334,082	\$ 320,856	\$ 323,840
<u>(264,984)</u>	<u>(342,673)</u>	<u>(334,082)</u>	<u>(320,856)</u>	<u>(323,842)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2)</u>
\$ 39,549,855	\$ 37,247,016	\$ 36,313,246	\$ 34,875,687	\$ 36,799,959
0.67%	0.92%	0.92%	0.92%	0.88%
2.75%	0.00%	0.00%	0.00%	0.00%
1.92%	2.45%	3.13%	3.62%	3.56%
1.92%	2.45%	3.13%	3.62%	3.56%
2.50%	2.50%	2.50%	2.75%	2.75%
Medicare and Non-Medicare - 8.00%	Medicare and Non-Medicare - 8.25%	Medicare - 9.00% Non-Medicare - 8.00%	Medicare - 9.00% Non-Medicare - 8.00%	Medicare - 9.00% Non-Medicare - 8.00%
4.25%	4.25%	4.50%	4.50%	4.50%
RP-2014 Tables	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables

See notes to required supplementary information

North Shore School District 112

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

General Fund

Year Ended June 30, 2026

With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026		Actual Variance	
	Original and Final Budget	Actual	With Final Budget	2025 Actual
Revenues				
Property taxes	\$ 73,405,600	\$ 73,412,228	\$ 6,628	\$ 70,310,060
State aid	29,378,351	25,666,354	(3,711,997)	25,637,306
Federal aid	2,283,661	2,545,416	261,755	2,700,056
Investment income	2,598,020	3,857,671	1,259,651	4,651,446
Student activities	200,000	112,715	(87,285)	132,247
Other	819,315	1,496,532	677,217	1,548,820
Total revenues	108,684,947	107,090,916	(1,594,031)	104,979,935
Expenditures				
Current:				
Instruction:				
Regular programs	29,998,428	29,175,434	822,994	28,131,651
Special programs	13,440,376	13,455,489	(15,113)	12,080,869
Other instructional programs	6,051,863	6,200,132	(148,269)	6,017,310
Student activities	200,000	104,861	95,139	127,297
Support services:				
Pupils	7,554,916	7,452,320	102,596	6,857,471
Instructional staff	7,858,988	6,046,517	1,812,471	7,062,328
General administration	2,357,880	2,422,340	(64,460)	2,256,535
School administration	3,987,474	4,081,691	(94,217)	3,797,861
Business	1,905,665	2,310,321	(404,656)	1,764,703
Operations and maintenance	10,000	(10,866)	20,866	13,016
Central	1,673,824	1,585,610	88,214	1,485,085
Other supporting services	5,100	(83)	5,183	858,457
Community services	7,000	1,182	5,818	1,788
Intergovernmental:				
State retirement contributions	25,000,000	21,831,102	3,168,898	21,229,711
Payments to other districts and government units	1,871,319	2,256,301	(384,982)	1,971,298
Capital outlay	1,506,513	948,835	557,678	1,282,922
Total expenditures	103,429,346	97,861,186	5,568,160	94,938,302
Excess (deficiency) of revenues over expenditures	5,255,601	9,229,730	3,974,129	10,041,633
Other Financing Sources (Uses)				
Transfers (out)	(13,500,000)	(14,900,286)	(1,400,286)	(4,862,504)
Lease issuance	-	712,409	712,409	-
Total other financing sources (uses)	(13,500,000)	(14,187,877)	(687,877)	(4,862,504)
Net change in fund balance	\$ (8,244,399)	(4,958,147)	\$ 3,286,252	5,179,129
Fund Balance, Beginning		56,521,096		51,341,967
Fund Balance, Ending		\$ 51,562,949		\$ 56,521,096

See notes to required supplementary information

North Shore School District 112

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

Operations and Maintenance Fund

Year Ended June 30, 2026

With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			
	Original and Final Budget	Actual	Actual Variance With Final Budget	2025 Actual
Revenues				
Property taxes	\$ 12,665,300	\$ 12,666,500	\$ 1,200	\$ 12,131,259
Corporate personal property replacement taxes	60,000	101,920	41,920	92,588
State aid	50,000	50,000	-	50,000
Investment income	355,295	588,112	232,817	529,194
Other	105,000	463,223	358,223	70,692
Total revenues	13,235,595	13,869,755	634,160	12,873,733
Expenditures				
Current:				
Support services:				
Pupils	277,200	223,500	53,700	-
Operations and maintenance	8,171,831	8,128,085	43,746	8,619,066
Capital outlay	2,455,709	1,391,181	1,064,528	877,456
Provision for contingencies	800,000	-	800,000	-
Total expenditures	11,704,740	9,742,766	1,961,974	9,496,522
Excess (deficiency) of revenues over expenditures	1,530,855	4,126,989	2,596,134	3,377,211
Other Financing Sources (Uses)				
Transfers in	12,000,000	12,000,000	-	3,500,000
Transfers (out)	(15,867,388)	(16,353,559)	(486,171)	(4,346,780)
Lease issuance	-	316,420	316,420	-
Total other financing sources (uses)	(3,867,388)	(4,037,139)	(169,751)	(846,780)
Net change in fund balance	\$ (2,336,533)	89,850	\$ 2,426,383	2,530,431
Fund Balance, Beginning		7,140,520		4,610,089
Fund Balance, Ending		\$ 7,230,370		\$ 7,140,520

See notes to required supplementary information

North Shore School District 112

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

Transportation Fund

Year Ended June 30, 2026

With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			
	Original and Final Budget	Actual	Actual Variance With Final Budget	2025 Actual
Revenues				
Property taxes	\$ 3,838,300	\$ 3,838,667	\$ 367	\$ 3,676,440
Corporate personal property replacement taxes	96,000	163,073	67,073	148,141
State aid	1,725,000	2,689,976	964,976	1,726,596
Investment income	118,571	133,870	15,299	184,255
Other	40,000	42,797	2,797	38,037
Total revenues	5,817,871	6,868,383	1,050,512	5,773,469
Expenditures				
Current:				
Support services:				
Transportation	7,654,105	8,390,970	(736,865)	6,865,845
Total expenditures	7,654,105	8,390,970	(736,865)	6,865,845
Excess (deficiency) of revenues over expenditures	(1,836,234)	(1,522,587)	313,647	(1,092,376)
Other Financing Sources (Uses)				
Transfers in	1,500,000	1,500,000	-	-
Total other financing sources (uses)	1,500,000	1,500,000	-	-
Net change in fund balance	\$ (336,234)	(22,587)	\$ 313,647	(1,092,376)
Fund Balance, Beginning		479,734		1,572,110
Fund Balance, Ending		\$ 457,147		\$ 479,734

See notes to required supplementary information

North Shore School District 112

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

Municipal Retirement/Social Security Fund

Year Ended June 30, 2026

With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			
	Original and Final Budget	Actual	Actual Variance With Final Budget	2025 Actual
Revenues				
Corporate personal property replacement taxes	\$ 444,000	\$ 754,211	\$ 310,211	\$ 685,152
Investment income	107,393	132,115	24,722	178,079
Total revenues	551,393	886,326	334,933	863,231
Expenditures				
Current:				
Instruction:				
Regular programs	350,519	364,712	(14,193)	349,768
Special programs	399,496	399,452	44	364,557
Other instructional programs	110,365	110,095	270	105,162
Support services:				
Pupils	158,811	189,182	(30,371)	142,610
Instructional staff	169,213	166,829	2,384	159,083
General administration	30,118	31,178	(1,060)	29,304
School administration	170,518	141,999	28,519	134,671
Business	120,668	112,047	8,621	112,618
Transportation	21,513	21,804	(291)	18,645
Operations and maintenance	211,476	212,365	(889)	219,968
Central	98,450	83,828	14,622	78,041
Total expenditures	1,841,147	1,833,491	7,656	1,714,427
Net change in fund balance	\$ (1,289,754)	(947,165)	\$ 342,589	(851,196)
Fund Balance, Beginning		2,961,366		3,812,562
Fund Balance, Ending		\$ 2,014,201		\$ 2,961,366

See notes to required supplementary information

North Shore School District 112

Notes to Required Supplementary Information
Year Ended June 30, 2026

Stewardship, Compliance and Accountability

Budgetary Data

The budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

The Board of Education follows these procedures in establishing the budgetary data reflected in the general purpose financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

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

Excess of Expenditures Over Budget

For the year ended June 30, 2026, expenditures exceeded budget in the Transportation Fund by \$736,865. This excess was funded by available financial resources.

Budgetary Highlights

For the year ended June 30, 2026, the most significant differences between final budgets and actual results for revenues, expenditures and other financing sources (uses) were as follows:

North Shore School District 112

Notes to Required Supplementary Information
Year Ended June 30, 2026

	Original and Final Budget	Actual	Actual Variance With Final Budget
General Fund			
Revenues			
State aid	\$ 29,378,351	\$ 25,666,354	\$ (3,711,997)
Investment income	2,598,020	3,857,671	1,259,651
Other	819,315	1,496,532	677,217
Expenditures			
Regular programs	29,998,428	29,175,434	822,994
Instructional staff	7,858,988	6,046,517	1,812,471
Business	1,905,665	2,310,321	(404,656)
State retirement contributions	25,000,000	21,831,102	3,168,898
Payments to other districts and government units	1,871,319	2,256,301	(384,982)
Capital outlay	1,506,513	948,835	557,678
Other Financing Sources (Uses)			
Lease issuance	-	712,409	712,409

General Fund revenues benefited from higher interest earnings (primarily in Educational Accounts), increased E-Rate reimbursements, and higher Medicaid revenues due to year-to-year variation, though State Aid fell short due to lower state TRS pension on-behalf adjustments. General Fund expenditures reflected favorable variances from curriculum savings as budgeted funding for the language arts update was not utilized, private tuition savings, technology purchased services savings, and capital outlay variances tied to lease structure timing under GASB 87 rather than unspent equipment allocations. These expenditure savings were partially offset by higher spending in public tuition and increased food service costs driven by the emergency Organic Life contract and the addition of schools onto the National School Lunch Program (NSLP).

North Shore School District 112

Notes to Required Supplementary Information
Year Ended June 30, 2026

	Original and Final Budget	Actual	Actual Variance With Final Budget
Operations and Maintenance Fund			
Revenues			
Corporate personal property replacement taxes	\$ 60,000	\$ 101,920	\$ 41,920
Investment income	355,295	588,112	232,817
Other	105,000	463,223	358,223
Expenditures			
Pupils	277,200	223,500	53,700
Operations and maintenance	8,171,831	8,128,085	43,746
Capital outlay	2,455,709	1,391,181	1,064,528
Provision for contingencies	800,000	-	800,000
Other Financing Sources (Uses)			
Transfers (out)	(15,867,388)	(16,353,559)	(486,171)

Operations & Maintenance Fund revenues exceeded budget primarily due to higher interest earnings on cash reserves, increased corporate personal property replacement taxes (CPPRT), and higher "Other" income driven by E-Rate technology reimbursements, developer impact fees, and facility rentals. Operations & Maintenance Fund expenditures came in significantly under budget, driven by \$1,064,528 in Capital Outlay savings—primarily because actual capital projects came in well below initial conservative budget allocations—alongside an unspent \$800,000 contingency reserve set aside for emergency repairs. Transfers Out reflected a \$486,171 audit reclassification variance to transfer funds to Debt Service to cover principal and interest for facility leases under GASB 87 standards.

	Original and Final Budget	Actual	Actual Variance With Final Budget
Transportation Fund			
Revenues			
Corporate personal property replacement taxes	\$ 96,000	\$ 163,073	\$ 67,073
State aid	1,725,000	2,689,976	964,976
Investment income	118,571	133,870	15,299
Expenditures			
Transportation	7,654,105	8,390,970	(736,865)

Transportation Fund revenues exceeded budget primarily due to higher State Aid reimbursements—driven by the allocation of \$500,000 in Evidence-Based Funding (EBF), prior-year claim reconciliations, and higher state-claimable transportation expenses in the prior year that resulted in increased funding in the current year—alongside increased corporate personal property replacement taxes (CPPRT) and interest earnings. Transportation Fund expenditures exceeded budget by \$736,865 due to increased demand and rising costs for specialized student transportation services contracted through First Student.

North Shore School District 112

Notes to Required Supplementary Information

Year Ended June 30, 2026

	Original and Final Budget	Actual	Actual Variance With Final Budget
IMRF Fund			
Revenues			
Corporate personal property replacement taxes	\$ 444,000	\$ 754,211	\$ 310,211
Investment income	107,393	132,115	24,722

Municipal Retirement/Social Security Fund revenues exceeded budget primarily due to higher corporate replacement tax (CPPRT) receipts and interest earnings on cash reserves.

SUPPLEMENTARY INFORMATION

North Shore School District 112

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

Debt Service Fund

Year Ended June 30, 2026

With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			
	Original and Final Budget	Actual	Actual Variance With Final Budget	2025 Actual
Revenues				
Property taxes	\$ 7,985,900	\$ 7,914,707	\$ (71,193)	\$ 8,153,959
Investment income	153,009	256,630	103,621	236,522
Total revenues	8,138,909	8,171,337	32,428	8,390,481
Expenditures				
Debt service:				
Principal	-	7,530,922	(7,530,922)	10,041,846
Interest and other	1,000	6,131,173	(6,130,173)	5,669,441
State aid anticipation certificates	11,774,213	-	11,774,213	-
Total expenditures	11,775,213	13,662,095	(1,886,882)	15,711,287
Excess (deficiency) of revenues over expenditures	(3,636,304)	(5,490,758)	(1,854,454)	(7,320,806)
Other Financing Sources (Uses)				
Transfers in	3,867,388	5,753,845	1,886,457	5,709,284
Principal on bonds sold	-	-	-	1,854,103
Total other financing sources (uses)	3,867,388	5,753,845	1,886,457	7,563,387
Net change in fund balance	\$ 231,084	263,087	\$ 32,003	242,581
Fund Balance, Beginning		568,519		325,938
Fund Balance, Ending		\$ 831,606		\$ 568,519

North Shore School District 112

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

Capital Projects Fund

Year Ended June 30, 2026

With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026		Actual Variance With Final Budget	2025 Actual
	Original and Final Budget	Actual		
Revenues				
Investment income	\$ -	\$ 581,411	\$ 581,411	\$ 1,870,502
Total revenues	-	581,411	581,411	1,870,502
Expenditures				
Capital outlay	46,233,866	35,950,925	10,282,941	44,445,473
Total expenditures	46,233,866	35,950,925	10,282,941	44,445,473
Excess (deficiency) of revenues over expenditures	(46,233,866)	(35,369,514)	10,864,352	(42,574,971)
Other Financing Sources (Uses)				
Transfers in	12,000,000	12,000,000	-	-
Principal on bonds sold	-	-	-	52,445,897
Premium on bonds sold	-	-	-	5,623,081
Total other financing sources (uses)	12,000,000	12,000,000	-	58,068,978
Net change in fund balance	\$ (34,233,866)	(23,369,514)	\$ 10,864,352	15,494,007
Fund Balance, Beginning		34,085,809		18,591,802
Fund Balance, Ending		\$ 10,716,295		\$ 34,085,809

North Shore School District 112

Combining Balance Sheet -
General Fund
June 30, 2026

	Educational Accounts	Working Cash Accounts	Total
Assets			
Cash and investments	\$ 90,955,872	\$ 4,238,345	\$ 95,194,217
Student activity cash	241,572	-	241,572
Receivables (net allowance for uncollectibles):			
Interest	436,310	-	436,310
Property taxes	40,444,799	121,202	40,566,001
Intergovernmental	505,357	-	505,357
Total assets	<u>\$ 132,583,910</u>	<u>\$ 4,359,547</u>	<u>\$ 136,943,457</u>
Liabilities, Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts payable	\$ 1,447,887	\$ -	\$ 1,447,887
Salaries and wages payable	3,993,041	-	3,993,041
Other current liabilities	46,835	-	46,835
Payroll deductions payable	2,559,368	-	2,559,368
Unearned student fees	353,544	-	353,544
Total liabilities	<u>8,400,675</u>	<u>-</u>	<u>8,400,675</u>
Deferred Inflows of Resources			
Property taxes levied for a future period	76,487,387	229,213	76,716,600
Unavailable interest receivable	263,233	-	263,233
Total deferred inflows of resources	<u>76,750,620</u>	<u>229,213</u>	<u>76,979,833</u>
Fund Balance			
Assigned	241,572	-	241,572
Unassigned	47,191,043	4,130,334	51,321,377
Total fund balance	<u>47,432,615</u>	<u>4,130,334</u>	<u>51,562,949</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 132,583,910</u>	<u>\$ 4,359,547</u>	<u>\$ 136,943,457</u>

North Shore School District 112

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -

General Fund

Year Ended June 30, 2026

	Educational Accounts	Working Cash Accounts	Total
Revenues			
Property taxes	\$ 73,192,905	\$ 219,323	\$ 73,412,228
State aid	25,666,354	-	25,666,354
Federal aid	2,545,416	-	2,545,416
Investment income	3,852,940	4,731	3,857,671
Student activities	112,715	-	112,715
Other	1,496,532	-	1,496,532
Total revenues	106,866,862	224,054	107,090,916
Expenditures			
Current:			
Instruction:			
Regular programs	29,175,434	-	29,175,434
Special programs	13,455,489	-	13,455,489
Other instructional programs	6,200,132	-	6,200,132
Student activities	104,861	-	104,861
Support services:			
Pupils	7,452,320	-	7,452,320
Instructional staff	6,046,517	-	6,046,517
General administration	2,422,340	-	2,422,340
School administration	4,081,691	-	4,081,691
Business	2,310,321	-	2,310,321
Operations and maintenance	(10,866)	-	(10,866)
Central	1,585,610	-	1,585,610
Other supporting services	(83)	-	(83)
Community services	1,182	-	1,182
Intergovernmental:			
State retirement contributions	21,831,102	-	21,831,102
Payments to other districts and government units	2,256,301	-	2,256,301
Capital outlay	948,835	-	948,835
Total expenditures	97,861,186	-	97,861,186
Excess (deficiency) of revenues over expenditures	9,005,676	224,054	9,229,730
Other Financing Sources (Uses)			
Transfers (out)	(14,900,286)	-	(14,900,286)
Lease issuance	712,409	-	712,409
Total other financing sources (uses)	(14,187,877)	-	(14,187,877)
Net change in fund balance	(5,182,201)	224,054	(4,958,147)
Fund Balance, Beginning	52,614,816	3,906,280	56,521,096
Fund Balance, Ending	\$ 47,432,615	\$ 4,130,334	\$ 51,562,949

North Shore School District 112

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

Educational Accounts

Year Ended June 30, 2026

With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			
	Original and Final Budget	Actual	Actual Variance With Final Budget	2025 Actual
Revenues				
Property taxes	\$ 73,186,400	\$ 73,192,905	\$ 6,505	\$ 70,099,964
State aid	29,378,351	25,666,354	(3,711,997)	25,637,306
Federal aid	2,283,661	2,545,416	261,755	2,700,056
Investment income	2,593,220	3,852,940	1,259,720	4,533,095
Student activities	200,000	112,715	(87,285)	132,247
Other	819,315	1,496,532	677,217	1,548,820
Total revenues	<u>108,460,947</u>	<u>106,866,862</u>	<u>(1,594,085)</u>	<u>104,651,488</u>
Expenditures				
Current:				
Instruction:				
Regular programs	29,998,428	29,175,434	822,994	28,131,651
Special programs	13,440,376	13,455,489	(15,113)	12,080,869
Other instructional programs	6,051,863	6,200,132	(148,269)	6,017,310
Student activities	200,000	104,861	95,139	127,297
Support services:				
Pupils	7,554,916	7,452,320	102,596	6,857,471
Instructional staff	7,858,988	6,046,517	1,812,471	7,062,328
General administration	2,357,880	2,422,340	(64,460)	2,256,535
School administration	3,987,474	4,081,691	(94,217)	3,797,861
Business	1,905,665	2,310,321	(404,656)	1,764,703
Operations and maintenance	10,000	(10,866)	20,866	13,016
Central	1,673,824	1,585,610	88,214	1,485,085
Other supporting services	5,100	(83)	5,183	858,457
Community services	7,000	1,182	5,818	1,788
Intergovernmental:				
State retirement contributions	25,000,000	21,831,102	3,168,898	21,229,711
Payments to other districts and government units	1,871,319	2,256,301	(384,982)	1,971,298
Capital outlay	1,506,513	948,835	557,678	1,282,922
Total expenditures	<u>103,429,346</u>	<u>97,861,186</u>	<u>5,568,160</u>	<u>94,938,302</u>
Excess (deficiency) of revenues over expenditures	<u>5,031,601</u>	<u>9,005,676</u>	<u>3,974,075</u>	<u>9,713,186</u>
Other Financing Sources (Uses)				
Transfers (out)	(13,500,000)	(14,900,286)	(1,400,286)	(4,862,504)
Lease issuance	-	712,409	712,409	-
Total other financing sources (uses)	<u>(13,500,000)</u>	<u>(14,187,877)</u>	<u>(687,877)</u>	<u>(4,862,504)</u>
Net change in fund balance	<u>\$ (8,468,399)</u>	<u>(5,182,201)</u>	<u>\$ 3,286,198</u>	<u>4,850,682</u>
Fund Balance, Beginning		<u>52,614,816</u>		<u>47,764,134</u>
Fund Balance, Ending		<u>\$ 47,432,615</u>		<u>\$ 52,614,816</u>

North Shore School District 112

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Working Cash Accounts
Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			
	Original and Final Budget	Actual	Actual Variance With Final Budget	2025 Actual
Revenues				
Property taxes	\$ 219,200	\$ 219,323	\$ 123	\$ 210,096
Investment income	4,800	4,731	(69)	118,351
Total revenues	<u>224,000</u>	<u>224,054</u>	<u>54</u>	<u>328,447</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>224,000</u>	<u>224,054</u>	<u>54</u>	<u>328,447</u>
Net change in fund balance	<u><u>\$ 224,000</u></u>	<u>224,054</u>	<u><u>\$ 54</u></u>	<u>328,447</u>
Fund Balance, Beginning		<u>3,906,280</u>		<u>3,577,833</u>
Fund Balance, Ending		<u><u>\$ 4,130,334</u></u>		<u><u>\$ 3,906,280</u></u>

STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	69 - 80
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	81 - 84
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.	85 - 88
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.	89 - 91
Operating Information These schedules contain information about the District's services and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	92 - 94

North Shore School District 112

Net Position by Component

Last Ten Fiscal Years

	Fiscal Year				
	2026	2025	2024	2023	2022
Governmental Activities					
Net investment in capital assets	\$ 126,394,769	\$ 117,805,605	\$ 110,513,247	\$ 108,467,851	\$ 95,795,290
Restricted					
Operations and maintenance	-	-	-	-	1,359,847
Student transportation	-	-	-	-	3,617,664
Retirement benefits	2,656,264	1,104,889	1,715,033	383,651	9,249,784
Capital projects	-	-	9,809,392	-	-
Debt service	-	-	-	-	33,708
Unrestricted (deficit)	41,887,896	41,494,928	22,687,983	12,350,739	330,670
Total net position	\$ 170,938,929	\$ 160,405,422	\$ 144,725,655	\$ 121,202,241	\$ 110,386,963

Fiscal Year				
2021	2020	2019	2018	2017
\$ 85,571,450	\$ 82,112,891	\$ 80,246,759	\$77,225,869	\$70,739,137
2,269,175	3,649,258	4,305,936	1,901,116	1,334,784
3,278,424	1,866,272	1,570,837	1,655,424	2,188,423
4,722,681	793,175	990,281	991,833	1,409,808
-	-	-	-	-
33,708	33,708	33,708	33,708	33,708
3,701,045	3,530,358	(6,477,011)	(8,954,459)	38,806,684
<u>\$ 99,576,483</u>	<u>\$ 91,985,662</u>	<u>\$ 80,670,510</u>	<u>\$ 72,853,491</u>	<u>\$ 114,512,544</u>

North Shore School District 112

Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year				
	2026	2025	2024	2023	2022
Expenses					
Governmental Activities					
Instruction:					
Regular programs	\$ 30,271,573	\$ 28,435,963	\$ 24,971,800	\$ 26,271,627	\$ 31,457,281
Special programs	16,040,113	14,342,681	14,081,836	12,025,747	7,925,350
Other programs	6,003,273	5,793,413	5,421,093	4,731,102	3,734,773
Student activities	104,861	127,297	125,572	119,617	136,038
Support services:					
Pupils	8,660,196	7,569,482	6,760,322	6,371,864	6,002,713
Instructional staff	7,316,272	8,181,718	8,678,955	5,424,078	6,707,286
District administration	1,995,890	1,660,441	1,392,116	4,432,026	1,091,632
School administration	3,700,930	3,040,442	3,277,186	346,385	1,243,559
Business	2,516,516	1,968,979	1,868,967	2,046,394	1,754,161
Transportation	8,434,426	6,906,138	5,883,712	5,253,890	4,527,732
Operations and maintenance	12,935,207	12,937,968	10,411,026	11,604,400	9,594,137
Central	1,679,106	1,618,310	1,169,567	737,011	1,468,224
Other supporting services	(151)	858,206	16,241	2,483	2,128
Intergovernmental:					
State retirement contributions	15,135,426	15,376,966	17,341,127	15,295,355	17,596,864
Payments to other districts and government units, excluding special education	-	-	-	-	-
Community services	1,182	2,295	4,529	(20,928)	119,395
Interest on debt	5,392,472	5,246,246	3,785,301	3,675,514	1,779,933
Total governmental expenses	120,187,292	114,066,545	105,189,350	98,316,565	95,141,206
Program Revenues					
Governmental Activities					
Charges for services:					
Instruction					
Regular Programs	831,490	1,130,464	905,990	761,186	772,804
Other Programs	-	-	-	-	-
Student activities	112,715	132,247	146,989	126,883	110,370
Support services:					
Transportation	42,797	38,037	33,342	25,246	20,916
Business	649,819	189,846	211,811	175,985	12,120
Operations and Maintenance	51,340	4,620	11,144	65,349	15,921
Operating grants and contributions:					
Instruction					
Regular programs	238,440	466,534	527,235	934,484	1,459,168
Special programs	2,651,895	2,762,284	3,210,888	2,306,978	1,817,813
Other programs	65,932	51,693	127,686	6,172	70,111
Support services:					
Pupils	3,197	6,981	342,392	228,603	231,462
Instructional staff	100,154	94,700	110,970	110,865	361,321
Operations and Maintenance	-	-	-	-	1,006,496
Transportation	2,189,976	1,726,596	1,603,632	1,288,427	1,064,411
Business	428,295	355,013	418,495	491,508	876,014
Central	-	-	-	834	223,739
Intergovernmental:					
State retirement contributions	15,135,426	15,376,966	17,341,127	15,295,355	17,596,864
Payments to other districts and government units, excluding special education	-	-	-	-	-
Capital grants and contributions:					
Instruction:					
Regular programs	-	-	-	-	-
Support services:					
Business	-	50,000	50,000	50,000	-
Operations and maintenance	50,000	-	-	-	-
Total government program revenues	22,551,476	22,385,981	25,041,701	21,867,875	25,639,530
Net (expense) revenue	(97,635,816)	(91,680,564)	(80,147,649)	(76,448,690)	(69,501,676)
General Revenues:					
Governmental Activities					
Taxes:					
Property taxes	97,832,102	94,271,718	90,200,838	77,512,687	74,963,196
Intergovernmental, unrestricted :					
Replacement taxes	1,019,204	925,881	1,380,722	2,291,346	2,195,536
State aid-formula grants	3,383,365	3,379,836	3,376,554	3,373,338	3,369,558
Investment earnings	5,763,188	8,168,532	6,028,587	3,317,727	574,263
Unrealized gain/(loss) on investments	(255,642)	319,782	515,263	534,821	(1,208,720)
Miscellaneous	427,106	294,582	264,506	234,049	418,323
Gain on disposal of capital assets	-	-	1,904,593	-	-
Total general revenues and gain on disposal of capital assets	108,169,323	107,360,331	103,671,063	87,263,968	80,312,156
Change in net position	\$ 10,533,507	\$ 15,679,767	\$ 23,523,414	\$ 10,815,278	\$ 10,810,480

Fiscal Year				
2021	2020	2019	2018	2017
\$ 22,949,415	\$ 23,337,480	\$ 22,715,295	\$ 23,867,323	\$ 24,769,383
10,803,370	10,229,019	9,461,508	9,998,574	10,005,498
6,092,880	6,051,864	6,356,340	6,802,804	5,662,970
36,119	-	-	-	-
5,148,808	5,474,390	5,163,931	7,220,973	6,239,677
6,963,538	6,028,086	6,490,806	7,226,009	4,615,680
2,660,867	2,173,984	2,045,035	1,431,123	1,551,617
3,509,193	3,207,865	3,612,142	4,025,350	3,142,361
1,683,042	1,698,450	1,690,192	1,523,766	1,510,867
3,358,881	4,020,805	3,597,466	3,339,234	2,817,920
11,205,139	8,978,220	10,433,070	8,354,742	9,298,769
1,087,887	1,110,769	1,201,309	1,228,281	1,175,479
2,620	9,884	11,003	33,994	22,484
31,754,171	29,350,056	28,230,342	27,575,120	29,596,726
-	37,058	-	-	65,168
6,360	7,526	187,741	33,773	61,748
1,804,720	1,891,095	1,163,702	-	-
<u>109,067,010</u>	<u>103,606,551</u>	<u>102,359,882</u>	<u>102,661,066</u>	<u>100,536,347</u>
820,112	1,492,122	1,395,013	648,625	1,099,583
-	-	-	1,571	38,018
49,659	-	-	-	-
11,756	24,523	33,616	22,193	54,116
-	16,228	34,152	33,523	34,813
44,892	24,410	34,063	88,625	97,997
1,294,937	620,880	304,036	275,130	416,939
1,624,948	1,676,176	1,809,437	2,824,918	4,651,419
13,102	70,288	122,512	101,704	458,534
-	-	-	-	-
82,686	95,156	113,348	131,058	172,027
-	-	-	-	-
1,848,605	1,121,202	1,160,483	619,199	348,792
532,456	361,890	330,167	307,190	718,150
-	-	-	-	-
31,754,171	29,350,056	28,230,342	27,575,120	29,596,726
-	-	-	-	12,000
361,361	-	-	-	-
-	-	-	-	-
-	50,000	-	-	-
<u>38,438,685</u>	<u>34,902,931</u>	<u>33,567,169</u>	<u>32,628,856</u>	<u>37,699,114</u>
<u>(70,628,325)</u>	<u>(68,703,620)</u>	<u>(68,792,713)</u>	<u>(70,032,210)</u>	<u>(62,837,233)</u>
73,021,793	71,594,376	69,650,798	67,455,017	67,272,865
1,015,425	728,794	674,008	690,421	735,781
3,365,702	3,365,702	3,361,213	3,356,655	1,267,676
312,304	3,532,452	2,864,768	583,741	452,122
-	-	-	-	-
291,709	797,448	58,945	108,507	147,386
-	-	-	-	-
<u>78,006,933</u>	<u>80,018,772</u>	<u>76,609,732</u>	<u>72,194,341</u>	<u>69,875,830</u>
<u>\$ 7,378,608</u>	<u>\$ 11,315,152</u>	<u>\$ 7,817,019</u>	<u>\$ 2,162,131</u>	<u>\$ 7,038,597</u>

North Shore School District 112

Fund Balances - Governmental Funds
Last Ten Fiscal Years

	Fiscal Year				
	2026	2025	2024	2023	2022
General Fund					
Nonspendable	\$ -	\$ -	\$ 47,699	\$ 47,699	\$ 47,699
Restricted	-	-	-	-	-
Assigned	241,572	233,718	228,768	207,351	200,085
Unassigned	51,321,377	56,287,378	51,065,500	45,721,745	42,450,620
Total general fund	\$ 51,562,949	\$ 56,521,096	\$ 51,341,967	\$ 45,976,795	\$ 42,698,404
All Other Governmental Funds					
Nonspendable, reported in:					
Special revenue funds	\$ 82,950	\$ 82,950	\$ 86,789	\$ -	\$ -
Capital projects fund	5,793,250	-	-	-	-
Restricted, reported in:					
Special revenue funds	1,165,601	2,244,881	3,274,156	3,717,561	8,403,438
Debt service funds	70,181	63,724	57,665	33,233	33,708
Capital projects fund	-	23,537,468	9,809,392	50,027,288	-
Assigned, reported in:					
Special revenue funds	8,453,167	8,253,789	6,633,816	6,036,221	5,454,151
Debt service funds	761,425	504,795	268,273	86,935	44,149
Capital projects fund	4,923,045	10,548,341	8,782,410	4,060,912	10,418,429
Total all other governmental funds	\$ 21,249,619	\$ 45,235,948	\$ 28,912,501	\$ 63,962,150	\$ 24,353,875

Fiscal Year				
2021	2020	2019	2018	2017
\$ 47,699	\$ 47,699	\$ 23,405	\$ -	\$ 21,722
-	-	-	-	-
225,753	-	-	-	-
39,950,689	42,968,875	45,104,656	40,417,522	40,796,509
<u>\$ 40,224,141</u>	<u>\$ 43,016,574</u>	<u>\$ 45,128,061</u>	<u>\$ 40,417,522</u>	<u>\$ 40,818,231</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
8,628,619	9,129,169	9,017,671	6,298,722	6,159,366
33,708	33,708	33,708	33,708	33,708
13,910,269	35,312,142	52,603,194	-	-
4,443,539	3,776,374	2,541,084	2,334,856	1,778,269
41,417	28,230	3,667	3,000	2,556
19,242,187	11,603,421	372,377	276	-
<u>\$ 46,299,739</u>	<u>\$ 59,883,044</u>	<u>\$ 64,571,701</u>	<u>\$ 8,670,562</u>	<u>\$ 7,973,899</u>

North Shore School District 112

Governmental Funds Revenues

Last Ten Fiscal Years

	Fiscal Years				
	2026	2025	2024	2023	2022
Local sources	\$ 106,516,382	\$ 104,637,393	\$ 101,141,248	\$ 84,136,043	\$ 77,874,729
State sources	6,575,228	6,184,191	6,189,063	4,989,144	4,609,747
Federal sources	2,545,416	2,700,056	3,649,608	3,756,213	5,845,379
On-behalf sources	<u>21,831,102</u>	<u>21,229,711</u>	<u>18,763,693</u>	<u>19,909,405</u>	<u>19,973,007</u>
Total revenues	<u>\$ 137,468,128</u>	<u>\$ 134,751,351</u>	<u>\$ 129,743,612</u>	<u>\$ 112,790,805</u>	<u>\$ 108,302,862</u>

Fiscal Years				
2021	2020	2019	2018	2017
\$ 75,817,927	\$ 77,976,409	\$ 74,522,566	\$ 69,632,223	\$ 69,944,681
5,278,783	4,583,936	5,446,620	5,639,141	4,777,093
4,051,877	2,777,614	2,475,990	2,325,314	2,974,880
<u>17,469,491</u>	<u>16,817,921</u>	<u>15,433,490</u>	<u>27,575,120</u>	<u>29,596,726</u>
<u>\$ 102,618,078</u>	<u>\$ 102,155,880</u>	<u>\$ 97,878,666</u>	<u>\$ 105,171,798</u>	<u>\$ 107,293,380</u>

North Shore School District 112

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2026	2025	2024	2023	2022
Current					
Instruction:					
Regular programs	\$ 29,540,146	\$ 28,481,419	\$ 25,736,840	\$ 27,563,290	\$ 26,733,736
Special programs	13,854,941	12,445,426	12,700,583	10,151,086	8,544,469
Other instructional programs	6,310,227	6,122,472	5,879,275	5,238,956	5,444,401
Student activities	104,861	127,297	125,572	119,617	136,038
Total instruction	49,810,175	47,176,614	44,442,270	43,072,949	40,858,644
Supporting services:					
Pupils	7,865,002	7,000,081	6,517,979	5,795,633	5,537,036
Instructional staff	6,213,346	7,221,411	7,879,668	6,693,800	6,380,395
General administration	2,453,518	2,285,839	2,358,975	2,063,943	1,907,950
School administration	4,223,690	3,932,532	3,914,369	3,370,272	3,422,572
Business	2,422,368	1,877,321	1,892,814	1,764,690	1,956,416
Transportation	8,412,774	6,884,490	5,895,389	5,235,762	4,570,534
Operations and maintenance	8,329,584	8,852,050	7,138,091	7,768,392	6,982,602
Central	1,669,438	1,563,126	1,183,918	1,125,113	1,300,765
Other supporting services	(83)	858,457	16,216	1,801	2,216
Total supporting services	41,589,637	40,475,307	36,797,419	33,819,406	32,060,486
Community services	1,182	1,788	2,585	25,308	95,745
Total current expenditures	91,400,994	87,653,709	81,242,274	76,917,663	73,014,875
Intergovernmental:					
State retirement contributions	21,831,102	21,229,711	18,763,693	19,909,405	19,973,007
Payments to other districts and gov't units	2,256,301	1,971,298	1,911,614	1,853,498	1,619,820
Total intergovernmental	24,087,403	23,201,009	20,675,307	21,762,903	21,592,827
Capital outlay	38,290,941	46,605,851	49,834,492	25,148,470	29,380,853
Debt service:					
Principal	7,530,922	10,041,846	8,582,412	2,807,525	2,261,083
Interest and fiscal charges	6,131,173	5,669,441	5,229,049	2,793,386	2,033,450
Total debt service	13,662,095	15,711,287	13,811,461	5,600,911	4,294,533
Total expenditures	\$ 167,441,433	\$ 173,171,856	\$ 165,563,534	\$ 129,429,947	\$ 128,283,088
Debt service required as a percentage of noncapital expenditures	10.58%	12.41%	11.86%	5.35%	4.32%
Debt service as a percentage of total expenditures	8.16%	9.07%	8.34%	4.33%	3.35%

Fiscal Year				
2021	2020	2019	2018	2017
\$ 22,772,039	\$ 22,442,338	\$ 21,429,240	\$ 22,149,485	\$ 23,759,650
8,322,023	8,002,627	7,302,687	7,818,010	8,154,935
6,196,675	6,090,419	5,959,324	6,225,403	5,718,821
36,119	-	-	-	-
37,326,856	36,535,384	34,691,251	36,192,898	37,633,406
5,156,802	4,969,338	5,032,862	6,169,659	5,754,210
5,978,784	5,803,233	6,157,252	6,437,861	4,466,319
1,959,970	1,965,024	1,756,816	1,458,128	1,599,472
3,286,867	3,088,408	3,069,125	3,155,342	3,199,396
1,883,801	1,578,649	1,556,540	1,435,398	1,520,007
3,392,277	4,004,492	3,584,612	3,328,696	2,813,469
8,650,070	6,799,319	8,411,386	7,018,004	7,226,023
1,175,313	1,059,201	1,172,275	1,144,932	1,167,720
2,486	9,168	10,631	34,274	21,162
31,486,370	29,276,832	30,751,499	30,182,294	27,767,778
35,923	6,579	130,583	28,315	61,766
68,849,149	65,818,795	65,573,333	66,403,507	65,462,950
17,469,491	16,817,921	15,433,490	27,575,120	29,596,726
1,881,902	1,967,537	1,976,265	1,768,568	1,823,781
19,351,393	18,785,458	17,409,755	29,343,688	31,420,507
27,137,624	20,487,908	8,828,354	9,128,649	6,004,025
1,810,000	1,720,000	-	-	-
2,057,863	2,143,863	1,066,954	-	-
3,867,863	3,863,863	1,066,954	-	-
\$ 119,206,029	\$ 108,956,024	\$ 92,878,396	\$ 104,875,844	\$ 102,887,482
4.10%	4.37%	1.27%	0.00%	0.00%
3.24%	3.55%	1.15%	0.00%	0.00%

North Shore School District 112

Other Financing Sources and Uses and Net Change in Fund Balances

Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2026	2025	2024	2023	2022
Excess (deficiency) of revenues over (under) expenditures	\$ (29,973,305)	\$ (38,420,505)	\$ (35,819,922)	\$ (16,639,142)	\$ (19,980,226)
Other financing sources (uses):					
Transfers in	31,253,845	9,209,284	8,164,148	16,768,009	4,294,058
Bond proceeds	-	54,300,000	-	54,045,000	-
Premium on bonds sold	-	5,623,081	-	3,133,729	-
Proceeds from sale of capital assets	-	-	1,904,593	-	-
Lease issuance	1,028,829	-	399,375	1,541,263	508,625
Installment contract proceeds	-	-	3,831,477	805,816	-
Transfers out	(31,253,845)	(9,209,284)	(8,164,148)	(16,768,009)	(4,294,058)
Total other financing sources (uses)	1,028,829	59,923,081	6,135,445	59,525,808	508,625
Net change in fund balances	\$ (28,944,476)	\$ 21,502,576	\$ (29,684,477)	\$ 42,886,666	\$ (19,471,601)

Fiscal Year				
2021	2020	2019	2018	2017
\$ (16,587,951)	\$ (6,800,144)	\$ 5,000,270	\$ 295,954	\$ 4,405,898
16,734,776	13,863,388	8,458,447	10,000,000	-
-	-	50,945,000	-	-
-	-	4,666,408	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(16,734,776)	(13,863,388)	(8,458,447)	(10,000,000)	-
-	-	55,611,408	-	-
\$ (16,587,951)	\$ (6,800,144)	\$ 60,611,678	\$ 295,954	\$ 4,405,898

North Shore School District 112

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Tax Levy Years

Tax Levy Year	Equalized Assessed Valuation		Total Equalized Assessed Value	Actual Estimated Value	Total Direct Rate
	Real Estate	Railroad			
2025	\$ 3,098,762,792	\$ 3,336,885	\$ 3,102,099,677	\$ 9,400,302,052	3.286%
2024	2,927,970,781	4,420,964	2,932,391,745	8,886,035,591	3.366%
2023	2,667,246,807	4,650,314	2,671,897,121	8,096,657,942	3.560%
2022	2,466,055,441	4,316,744	2,470,372,185	7,485,976,318	3.676%
2021	2,369,794,568	3,649,098	2,373,443,666	7,192,253,533	3.299%
2020	2,370,078,113	3,649,098	2,373,727,211	7,193,112,761	3.184%
2019	2,420,333,320	3,508,602	2,423,841,922	7,344,975,521	3.039%
2018	2,468,137,523	3,231,303	2,471,368,826	7,488,996,442	2.914%
2017	2,472,548,411	3,021,625	2,475,570,036	7,501,727,382	2.830%
2016	2,374,567,316	2,965,779	2,377,533,095	7,204,645,742	2.862%

Source: Lake County Clerk's Office

Note: The county assesses property at approximately 33.3% of actual value for all types of real property. Estimated actual value is calculated by dividing assessed value by that percentage. Tax rates are per \$100 of assessed value.

North Shore School District 112

Property Tax Rates - All Direct and Overlapping Governments
Last Ten Tax Levy Years

		District Direct Rates		Overlapping Rates										Total Tax Rate
				Highland	Lake		Park	North	Forest	Township of	College of	South Lake	Total	
Tax Levy Year	NSSD 112	Park	County	HSD 113	District	Sanitary	Preserve	Moraine	Lake County	Mosquito Abatement	Overlapping Government			
2025	\$ 3.286	\$ 0.882	\$ 0.520	\$ 2.449	\$ 0.559	\$ 0.144	\$ 0.157	\$ 0.072	\$ 0.269	\$ 0.009	\$ 5.059	\$ 8.346		
2024	3.366	0.852	0.551	2.396	0.572	0.150	0.162	0.076	0.280	0.010	5.048	8.414		
2023	3.560	0.872	0.586	2.477	0.596	0.159	0.168	0.050	0.294	0.010	5.212	8.772		
2022	3.676	0.909	0.589	2.525	0.612	0.160	0.173	0.054	0.296	0.012	5.329	9.005		
2021	3.299	0.904	0.598	2.486	0.608	0.158	0.179	0.056	0.293	0.013	5.296	8.595		
2020	3.184	0.875	0.598	2.391	0.572	0.157	0.182	0.055	0.290	0.012	5.133	8.317		
2019	3.039	0.809	0.597	2.280	0.560	0.153	0.180	0.056	0.282	0.012	4.927	7.966		
2018	2.914	0.772	0.612	2.222	0.535	0.153	0.182	0.054	0.282	0.011	4.824	7.738		
2017	2.826	0.726	0.622	2.164	0.521	0.153	0.187	0.054	0.281	0.011	4.718	7.544		
2016	2.862	0.737	0.632	2.187	0.529	0.157	0.193	0.056	0.285	0.012	4.788	7.649		

Source: Lake County Clerk's Office

Note: Tax rates are per \$100 of assessed value

North Shore School District 112

Principal Taxpayers

Tax Levy Year 2025 and Nine Years Ago

Taxpayer	2025		2016	
	Equalized Assessed Valuation	Percentage of Total	Equalized Assessed Valuation	Percentage of Total
Albion Jacobs Renaissance Place LLC	\$ 28,382,238	0.91%	\$ -	-
Alliance Tax Advisors	13,335,059	0.43%	-	-
SE McGovern House Transitory LLC	9,730,300	0.31%	-	-
Federal Realty Investment Trust	9,418,012	0.30%	6,906,411	0.29%
Americana Associates	9,213,026	0.30%	-	-
Midwest Family Housing LLC	8,703,287	0.28%	6,953,239	0.29%
T Renaissance IL LLC	8,628,569	0.28%	-	-
Ernie D Semersky	5,624,015	0.18%	-	-
James & Wendy Abrams	5,582,389	0.18%	-	-
Metzler I Renaissance Place LP	-	-	12,436,842	0.52%
Morningside Highwood LLC	-	-	5,648,943	0.24%
Klairmont Family Associates LP	-	-	4,573,431	0.19%
Americana Apartments	-	-	5,035,806	0.21%
Highland Park Associates II, LLC	-	-	4,586,851	0.19%
Keyes, Scott	-	-	3,845,373	0.16%
LB & M Real Estate Management Inc.	-	-	3,131,208	0.13%
Target Corporation	-	-	3,118,803	0.13%
Total Principal Taxpayers in District	98,616,895	3.18%	56,236,907	2.37%
Other Taxpayers in District	3,003,482,782	96.82%	2,321,296,188	97.63%
District's Total EAV	<u>\$ 3,102,099,677</u>	<u>100.00%</u>	<u>\$ 2,377,533,095</u>	<u>100.00%</u>

Source: Office of the County Clerk - Lake County, IL
2016 Information - 2017 ACFR

North Shore School District 112

Property Tax Levies and Collections

Last Ten Tax Levy Years

Tax Levy Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Subsequent Year Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025	\$ 101,948,490	\$ 48,040,437	47.12%	\$ -	\$ 48,040,437	47.12%
2024	98,712,107	49,076,360	49.72%	48,755,741	97,832,101	99.11%
2023	95,132,683	47,509,154	49.94%	46,762,563	94,271,717	99.09%
2022	90,820,096	42,906,098	47.24%	47,294,740	90,200,838	99.32%
2021	78,308,547	34,779,954	44.41%	42,732,733	77,512,687	98.98%
2020	75,580,566	35,069,986	46.40%	39,893,210	74,963,196	99.18%
2019	73,665,695	31,361,162	42.57%	41,660,631	73,021,793	99.13%
2018	72,005,975	35,561,608	49.39%	36,032,166	71,593,774	99.43%
2017	69,963,100	41,871,249	59.85%	27,779,549	69,650,798	99.55%
2016	68,033,775	34,178,718	50.24%	33,276,494	67,455,212	99.15%

North Shore School District 112

Outstanding Debt by Type
Last Ten Fiscal Years

	Government Activities									
Fiscal Year	General Obligation Bonded Debt ⁽¹⁾	General Obligation Bonds (Alternate Revenue Source) ⁽¹⁾	Lease and Installment Contract Liabilities	Less: Amounts Available for Debt Service	Total Primary Government	Equalized Assessed Valuation	Ratio of General Bonded Debt to Actual Estimated Value	Percentage of Personal Income*	Debt Outstanding per Capita	General Bonded Debt per Capita
2026	\$ 101,627,744	\$ 39,780,334	\$ 2,465,735	\$ -	\$ 143,873,813	\$ 3,102,099,677	1.08%	4.38%	\$ 4,056	\$ 2,865
2025	105,551,823	42,335,934	3,202,828	-	151,090,585	2,932,391,745	1.19%	4.61%	4,259	2,976
2024	52,113,691	44,781,535	4,924,674	-	101,819,900	2,671,897,121	1.20%	3.10%	2,862	1,465
2023	57,100,377	47,122,136	2,351,234	-	106,573,747	2,470,372,185	1.39%	3.42%	3,002	1,609
2022	-	49,362,737	816,680	-	50,179,417	2,373,443,666	0.00%	1.72%	1,411	-
2021	-	51,508,338	-	-	51,508,338	2,373,727,211	0.00%	1.81%	1,483	-
2020	-	53,563,939	-	-	53,563,939	2,423,841,922	0.00%	1.94%	1,542	-
2019	-	55,529,540	-	-	55,529,540	2,471,368,826	0.00%	2.13%	1,591	-
2018	-	-	-	-	-	2,475,570,036	0.00%	0.00%	-	-
2017	-	-	-	-	-	2,377,533,095	0.00%	0.00%	-	-

(1) Net of related premiums, discounts, and adjustments

* See the schedule of Demographic Statistics for personal income and population data.

North Shore School District 112

Computation of Direct and Overlapping Debt
June 30, 2026

Taxing Authority	Gross Bonded Debt Outstanding	Overlapping Percent	Applicable to District
Lake County	\$ - (1)	8.641%	\$ -
Lake County Forest Preserve	156,220,000 (2)	8.641%	13,498,970
City of Highland Park	33,531,826 (3)	97.121%	32,566,445
City of Highwood	10,320,000	100.000%	10,320,000
Park District of Highland Park	12,460,000 (2)	95.895%	11,948,517
North Shore Water Reclamation District	- (1)	27.073%	-
Township High School District 113	80,305,000 (1)	58.536%	47,007,335
Community College #532	<u>2,070,000 (1)</u>	9.056%	<u>187,459</u>
Total overlapping bonded debt	294,906,826		115,528,726
Direct Debt			
North Shore School District 112	<u>93,940,000 (1)</u>	100.000%	<u>93,940,000</u>
Total overlapping and direct debt	<u>\$ 388,846,826</u>		<u>\$ 209,468,726</u>

Source of Information - Office of Lake County Clerk

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

Note: Percent applicable to School District is calculated using assessed valuation of the School District area value contained within the noted governmental unit divided by assessed valuation of the governmental unit.

North Shore School District 112Legal Debt Margin Information
Last Ten Fiscal Years

	2026*	2025*	Fiscal Year 2024*	2023*	2022*
Assessed Valuation	\$ 3,102,099,677	\$ 2,932,391,745	\$ 2,671,897,121	\$ 2,470,372,185	\$ 2,373,443,666
Statutory Debt Limitation (6.9% of assessed valuation)	214,044,878	202,335,030	184,360,901	170,455,681	163,767,613
Debt June 30	96,405,735	100,597,828	54,139,674	56,396,234	816,680
Legal Bonded Debt Margin	<u>\$ 117,639,143</u>	<u>\$ 101,737,202</u>	<u>\$ 130,221,227</u>	<u>\$ 114,059,447</u>	<u>\$ 162,950,933</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>45.04%</u>	<u>49.72%</u>	<u>29.37%</u>	<u>33.09%</u>	<u>0.50%</u>

*Excludes alternative revenue bonds pursuant to the Debt Reform Act.

<u>2021*</u>	<u>2020*</u>	<u>Fiscal Year 2019*</u>	<u>2018</u>	<u>2017</u>
\$ 2,373,727,211	\$ 2,423,841,922	\$ 2,471,368,826	\$ 2,475,570,036	\$ 2,377,533,095
163,787,178	167,245,093	170,524,449	170,814,332	164,049,784
-	-	-	-	-
<u>\$ 116,372,178</u>	<u>\$ 118,020,093</u>	<u>\$ 119,579,449</u>	<u>\$ 170,814,332</u>	<u>\$ 164,049,784</u>
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

North Shore School District 112

Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population		Unemployment Rate		Personal	Per Capita
	Highland		Highland		Income	Personal
	Park	Highwood	Park	Highwood	(in thousands)	Income*
2025**	30,767 †	5,323 †	3.9	3.8	\$ 3,285,743	\$ 91,362
2024	30,229	5,243	4.2	3.9	3,285,743	91,362
2023	30,272	5,304	4.0	4.2	3,279,542	92,184
2022	30,163	5,335	3.1	4.0	3,113,298	87,703
2021	30,177	5,374	3.7	4.1	2,923,409	82,231
2020	29,515	5,224	6.6	6.9	2,853,625	82,145
2019	29,515	5,224	3.0	3.5	2,762,810	79,530
2018	29,622	5,272	3.5	3.8	2,609,697	74,789
2017	29,767	5,325	3.4	4.2	2,480,013	70,672
2016	29,641	5,324	4.2	5.2	2,327,814	66,576

Source of Information: † American Community Survey Data Profiles (2019-2023) 5-year average

* Population: Quickfacts.Census.Gov

** Estimated. 2025 information not available. 2023 information was used.

% Unemployment Rate: Illinois Department of Employment Security

Prior years: U.S. Census Data, Sperling's Best places website

Personal Income and Per Capital Personal Income:

Bureau of Economic Analysis.gov

North Shore School District 112

Principal Employers

Current Year and Nine Years Ago

Employer	2026		2017	
	Number Employed	Percentage of Total Employment	Number Employed	Percentage of Total Employment
Highland Park Hospital-North Shore University Health System	1,200	7.28%	1,200	7.09%
Ravinia Music Festival	890	5.40%	690	4.08%
North Shore Elementary School District #112 (FTE)	570	3.46%	750	4.43%
North Suburban Special Education District	420	2.55%	356	2.10%
City of Highland Park (FTE)	275	1.67%	276	1.63%
Sunset Foods	250	1.52%	250	1.48%
Target	225	1.36%	224	1.32%
Jewel-Osco	200	1.21%	200	1.18%
Highland Park - Park District (Full-time Only)	145	0.88%	727	4.29%
First Bank of Highland Park	130	0.79%	-	-
Township High School District 113	-	-	400	2.36%

This list may include full-time and part-time and/or seasonal employees for some employers

Sources:

City Records / School District Records
Employer Official Website
Data Axle Reference Solutions for Business
2017 Information - 2017 ACFR

* Calculating applicable percentages to the Illinois Department of Employment Security Reports
the estimated number of persons employed in the District as of January 2026 is 16,487.

North Shore School District 112

Full-time Equivalent District Employees by Type
Last Ten Fiscal Years

Fiscal Year	Full-Time Equivalent Employees									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Instruction										
Total instruction	<u>412</u>	<u>399</u>	<u>378</u>	<u>403</u>	<u>401</u>	<u>409</u>	<u>415</u>	<u>417</u>	<u>*445</u>	<u>*452</u>
Support Services										
Total support services	<u>180</u>	<u>170</u>	<u>155</u>	<u>153</u>	<u>151</u>	<u>129</u>	<u>127</u>	<u>125</u>	<u>*125</u>	<u>*128</u>
Total	<u>592</u>	<u>569</u>	<u>552</u>	<u>552</u>	<u>552</u>	<u>538</u>	<u>542</u>	<u>542</u>	<u>570</u>	<u>580</u>

* as of September of that fiscal year

North Shore School District 112

Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Average Daily Attendance	Operating Expenditures**	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio
2026	\$ 3,388	\$ 95,053,032	\$ 28,056	5.95%	\$ 120,187,292	\$ 35,474	6.36%	358 *	9.5
2025	3,420	90,558,792	26,479	9.22%	114,066,545	33,353	8.79%	335 *	10.2
2024	3,431	83,178,506	24,243	9.85%	105,189,350	30,659	7.79%	333 *	10.3
2023	3,457	76,284,315	22,070	2.96%	98,316,565	28,444	4.10%	356 *	9.7
2022	3,482	74,634,695	21,434	-15.86%	95,141,206	27,324	-30.44%	354 *	9.8
2021	2,777	70,731,051	25,474	21.83%	109,067,010	39,281	22.92%	388 *	7.2
2020	3,242	67,786,332	20,909	15.64%	103,606,551	31,958	16.64%	383 *	8.5
2019	3,736	67,549,598	18,081	-7.33%	102,359,882	27,398	-6.75%	377 *	9.9
2018	3,494	68,172,075	19,511	3.61%	102,661,066	29,382	4.42%	405 *	8.6
2017	3,573	67,286,731	18,832	8.57%	100,536,347	28,138	19.64%	410 *	8.7

* as of September of that fiscal year

** calculated based on total current expenditures, less state retirement contributions

Source of Information: District Personnel Department records
Annual Financial Report 2017-2026 (ISBE Form SD50-35/JA50-60)

North Shore School District 112

Operating Indicators by Function

June 30, 2026

Function	2026
Instruction	
Regular and Special student enrollment	3,728
Support Services	
Pupil	
% of student population from Non-English Language Background	31%
School Administration	
Average daily attendance	3,388
Fiscal	
Purchase Orders Processed	4,960
Maintenance	
District Square Footage Maintained by Custodians and Maintenance Staff	853,000
District Acreage Maintained by Grounds Staff	96
Transportation	
Avg. number of regular pupils transported per year	2,817
Avg. number of regular bus runs to/from school	194
Extra Curricular Activities	
Number of competitive sports	26
Number of student clubs	117
% of Students eligible to file for Federally funded Free or Reduced Lunches	17%

Source of Information:

ISBE Fall Enrollment

Infinite Campus Student Data System

District Records

North Shore School District 112

School Building Information
Last Ten Fiscal Years

	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Elementary Schools -										
Braeside										
Square Feet*	43,636	43,636	43,636	43,636	43,636	43,636	43,636	43,636	43,636	43,636
Enrollment**	253	269	274	270	278	273	270	271	255	265
Indian Trail										
Square Feet	65,403	65,403	65,403	65,403	65,403	65,403	65,403	65,403	65,403	65,403
Enrollment	454	455	473	471	460	400	426	424	285	318
Lincoln										
Square Feet	Sold	Sold	Sold	School	School	School	School	School	48,471	48,471
Enrollment	Sold	Sold	Sold	Closed	Closed	Closed	Closed	Closed	207	210
Oak Terrace										
Square Feet	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Enrollment	517	551	606	376	419	432	468	487	526	523
Ravinia										
Square Feet	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634
Enrollment	339	280	274	255	256	241	239	225	235	243
Red Oak										
Square Feet	57,153	57,153	57,153	57,153	57,153	57,153	57,153	57,153	57,153	57,153
Enrollment	200	225	209	211	224	260	259	249	320	327
Sherwood										
Square Feet	50,863	50,863	50,863	50,863	50,863	50,863	50,863	50,863	50,863	50,863
Enrollment	386	375	368	382	419	387	376	384	292	291
Wayne Thomas										
Square Feet	56,221	56,221	56,221	56,221	56,221	56,221	56,221	56,221	56,221	56,221
Enrollment	422	438	425	392	339	306	319	323	298	286
Green Bay										
Square Feet	School	School	School	60,808	60,808	60,808	60,808	60,808	60,808	60,808
Enrollment	Closed	Closed	Closed	266	261	174	278	271	266	219
Totals - Elementary										
Square Feet	409,910	409,910	409,910	470,718	470,718	470,718	470,718	470,718	519,189	519,189
Enrollment	2,571	2,593	2,629	2,623	2,656	2,473	2,635	2,634	2,684	2,682
Middle Schools -										
Edgewood										
Square Feet	145,923	145,923	145,923	145,923	Under	136,492	136,492	136,492	136,492	136,492
Enrollment	679	657	649	673	Renovation	727	769	793	524	517
Elm Place										
Square Feet	School	School	School	School	113,493	113,493	113,493	School	113,493	113,493
Enrollment	Closed	Closed	Closed	Closed	692	518	508	Closed	302	349
Northwood										
Square Feet	121,160	121,160	121,160	121,160	121,160	Under	Under	83,826	83,826	83,826
Enrollment	478	534	522	534	490	Renovation	Renovation	515	492	479
Totals - Middle Schools										
Square Feet	267,083	267,083	267,083	267,083	234,653	249,985	249,985	220,318	333,811	333,811
Enrollment	1,157	1,191	1,171	1,207	1,182	1,245	1,277	1,308	1,318	1,345
District Totals:										
Square Feet	676,993	676,993	676,993	737,801	705,371	720,703	720,703	691,036	853,000	853,000
Enrollment	3,728	3,784	3,800	3,830	3,838	3,718	3,912	3,942	4,002	4,027

* Square footage represents the total square footage of the building.

** Enrollment data from ISBE End of Year Report for FY15 through FY18.

Enrollment data from Infinite Campus Student Enrollment Report for FY19 through FY26

Source of Information:

1. Architect/Engineer Data
2. ISBE End-of-Year Report & Infinite Campus Student Enrollment Summary Report