

**The City of Lake Forest  
School District No. 67**

**Annual Financial Report**

**Year Ended June 30, 2011**

# The City of Lake Forest School District No. 67

## ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2011

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ANNUAL FINANCIAL REPORT  
For the Year Ended June 30, 2011

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# MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education  
The City of Lake Forest School District No. 67  
Lake Forest, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The City of Lake Forest School District No. 67, as of and for the year ended June 30, 2011, which collectively comprise The City of Lake Forest School District No. 67's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of The City of Lake Forest School District No. 67's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the District's June 30, 2010 financial statements and, in our report dated November 11, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of The City of Lake Forest School District No. 67 as of June 30, 2011, and the respective changes in the financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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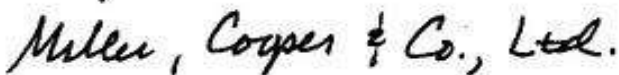
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In accordance with *Government Auditing Standards*, we have issued our report dated December 15, 2011, on our consideration of The City of Lake Forest School District No. 67's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 10, the Illinois Municipal Retirement Fund and Other Postemployment Benefits historical data on pages 50 and 51, respectively, and the budgetary comparison schedules and notes to required supplementary information on pages 52 through 70 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The City of Lake Forest School District No. 67's basic financial statements. The other schedules, listed in the table of contents as supplementary financial information and other supplemental information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

MILLER, COOPER & CO., LTD.



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Certified Public Accountants

Deerfield, Illinois  
December 15, 2011

**The City of Lake Forest School District No. 67**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**

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The discussion and analysis of The City of Lake Forest School District No. 67 (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2011. The management of the District encourages readers to consider the information presented herein in conjunction with the financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Current economic conditions have impacted the District's financial position. However, the impact is mitigated partially due to the fact that a large majority of the District's funding is from local property taxes, which are by design a very stable source.

For fiscal year 2011, the District employed a combination of staffing and expenditure reductions to keep General Fund expenditures relatively flat in anticipation of a projected 2012 budget deficit. Despite average negotiated labor contract increases of over 4% each year, total expenditure increases were 0.81% in fiscal year 2010 and 0.43% in fiscal year 2011.

- Overall revenues were \$37,020,441, \$173,782 more than the overall expenditures of \$36,846,659.
- Property tax revenue which accounts for 73.6% of total revenues remained a stable source of funding.
- The District had \$36,320,181 in expenses related to governmental activities, of which \$7,505,191 were offset by program specific charges or grants.
- Net assets of the District increased by \$740,128, or 2.9%.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

This report also contains other supplemental information in addition to the basic financial statements.

*Government-wide financial statements*

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**The City of Lake Forest School District No. 67**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**

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**Overview of the Financial Statements** (Continued)

*Government-wide financial statements* (Continued)

The statement of activities presents information showing how the government's net assets changed during the fiscal year being reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education, and other), supporting services, operations and maintenance of facilities, and transportation services.

*Fund financial statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds (the District maintains no proprietary funds).

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a school district's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

**The City of Lake Forest School District No. 67**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**

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**Overview of the Financial Statements (Continued)**

*Notes to the financial statements*

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

*Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its noncertified employees.

**Government-Wide Financial Analysis**

Net assets increased \$740,128, or 2.9% due to operations in 2011. Summaries of each net asset component and the current year change in net assets are presented in Tables 1 and 2. Property taxes accounted for most of the District's revenue, contributing 73.6%. Property tax revenue increased 0.85%, primarily from standard CPI growth. The remainder of the District's revenue came from state and federal aid, fees charged for services, and miscellaneous sources. As noted on Table 2, the District's expenses are predominately related to student instruction and support services.

<b>Table 1</b>		
<b>Condensed Statement of Net Assets</b>		
<i>(in millions of dollars)</i>		
	<u>2010</u>	<u>2011</u>
Current and other assets	\$ 35.44	\$ 37.55
Capital assets	<u>36.50</u>	<u>35.98</u>
Total assets	<u>71.94</u>	<u>73.53</u>
Long-term liabilities	17.08	16.03
Other liabilities	<u>29.43</u>	<u>31.33</u>
Total liabilities	<u>46.51</u>	<u>47.36</u>
Net assets:		
Invested in capital assets, net of related debt	22.25	22.98
Restricted	1.19	.72
Unrestricted	<u>1.99</u>	<u>2.47</u>
Total net assets	<u>\$ 25.43</u>	<u>\$ 26.17</u>

**The City of Lake Forest School District No. 67**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**

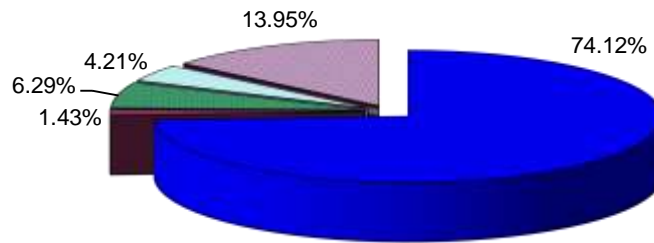
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<b>Table 2</b>		
<b>Changes in Net Assets</b>		
<i>(in millions of dollars)</i>		
	<u>2010</u>	<u>2011</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 2.43	\$ 2.33
Operating grants and contributions	5.92	5.17
General revenues:		
Taxes	27.19	27.47
State aid – formula grants	.47	.53
Other	<u>2.65</u>	<u>1.56</u>
Total revenues	<u>38.66</u>	<u>37.06</u>
<b>Expenses:</b>		
Instruction	22.20	21.38
Support services	13.21	13.23
Community services	.02	.02
Nonprogrammed charges	.52	1.03
Interest and fees	<u>.72</u>	<u>.66</u>
Total expenses	<u>36.67</u>	<u>36.32</u>
<b>Increase in net assets</b>	<u>\$ 1.99</u>	<u>\$ .74</u>

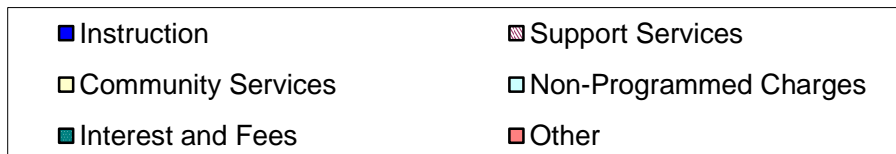
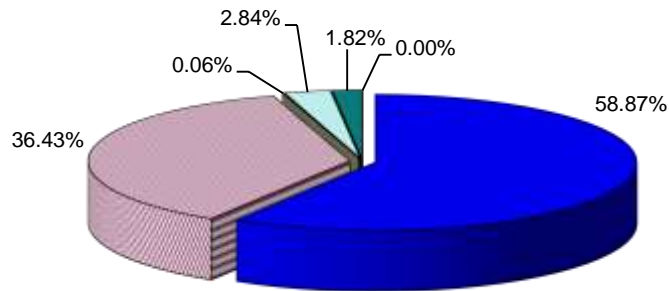
**The City of Lake Forest School District No. 67  
Management's Discussion and Analysis  
For the Year Ended June 30, 2011**

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## Government-Wide Revenues by Source



## Government-Wide Expenses



**The City of Lake Forest School District No. 67**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**

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**General Fund Budgetary Highlights**

The *General Fund*, for the purpose of this analysis, is comprised of the Educational Fund and Working Cash Fund (due to the implementation of GASB 54) and is the principal operating fund of the District. Over the course of the year, the District did not amend the annual operating budget; however budget transfers were utilized in accordance with the Illinois School Code to allow for minor adjustments among individual line items.

The District's budget anticipated that revenues and other financing sources would exceed expenditures by \$583,761 in the General Fund. The actual results for the year show revenues and other financing sources over expenditures by \$1,105,602. Actual revenues fell short of the budget figures by \$61,994. Actual expenditures were \$583,835 less than anticipated, due to staffing and cost reductions.

**Financial Analysis of the District's Funds**

The financial performance of the District's funds as a whole is reflected in the governmental funds statement of revenues, expenditures, and change in fund balances. Total revenue in the governmental funds was \$37,020,441, compared to \$38,727,505 in the prior year, a decrease of \$1,707,064. Total expenditures in the governmental funds was \$36,846,659 compared to \$36,737,146 in the prior year, an increase of \$112,513, or 0.31%. Revenues exceed expenditures by \$173,782. As a result, the fund balances in the governmental funds increased from \$5,977,090 in the prior year to \$6,150,872 as of June 30, 2011.

**General Fund:** The largest revenue source in the General Fund is property taxes at 75.41% of all revenue. Property tax revenue in the 2011 fiscal year remained relatively flat, while state aid and interest earnings decreased. Correspondingly, total revenue in the General Fund increased by \$365,301 over the prior year. State revenue sources represent 16.67% of all revenue in the General Fund. The state of Illinois makes employer pension contributions and THIS contributions on behalf of the District. These payments are reported as both revenues and expenditures for the fiscal year, essentially a pass-through. For fiscal year 2011, these payments total \$3,854,050.

Total expenditures of \$29,274,908 in the General Fund represent an increase of \$124,075 or 0.43% over the prior year. Overall the fund balance increased by \$1,105,602 over the prior year.

**Operations and Maintenance Fund:** The revenue in the Operations and Maintenance Fund decreased by \$23,922. Total expenditures increased by \$353,014. Other financing sources, primarily transfers among funds, contributed to the ending decrease in fund balance of \$622,271 from the prior year.

**Debt Service Fund:** The revenue in the Debt Service Fund is derived from property taxes and interest earnings, while the expenditures are for the repayment of bonded debt. Transfers from other funds assist in the repayment of debt. The fund balance increased by \$17,945 for the 2011 fiscal year.

**Transportation Fund:** The revenue in the Transportation Fund increased by \$18,969 due to increased property tax revenue. Expenditures decreased by \$4,017 as a direct result of the contractor cost associated with the transportation of students. Overall, the fund balance decreased by \$121,383 ending with a deficit fund balance of \$181,542.

**The City of Lake Forest School District No. 67**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**

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**Financial Analysis of the District's Funds (Continued)**

**Municipal Retirement/Social Security Fund:** The Municipal Retirement/Social Security Fund is solely funded by property taxes, replacement taxes, and interest earnings. For the 2011 fiscal year, revenue increased by \$32,226. Expenditures decreased by \$6,344, resulting in an increase of \$140,436 to the fund balance, for an ending fund balance of \$525,007. IMRF, Social Security, and Medicare contribution rates are fixed and the expenses to the Fund are formula-based from salaries.

**Capital Projects Fund:** The ending fund balance for the Capital Projects Fund decreased by \$633,034, ending at \$66,957. A large component of the expenditures for this Fund in 2011 was the advanced payoff of an intergovernmental loan with Lake Forest Community High School District No. 115. Revenue sources and other financing sources included interest earnings and transfers from other funds. Expenditures are a result of life safety and capital outlay projects identified in long-range plans.

**Capital Asset and Debt Administration**

*Capital assets*

By the end of 2011, the District had compiled a total investment of \$61,007,868 (\$35,975,239 net of accumulated depreciation) in a broad range of capital assets, including buildings, improvements other than buildings, land, equipment, and transportation equipment. Total net depreciation expense for the year was \$1,301,700, while net additions for buildings, land improvements and equipment amounted to \$783,487. Additional details regarding capital assets can be found in Note E of the notes to the financial statements.

<b>Table 3</b> <b>Capital Assets (net of depreciation)</b> <i>(in millions of dollars)</i>		
	<u>2010</u>	<u>2011</u>
Land	\$ .31	\$ .31
Depreciable buildings, property, and equipment	<u>36.19</u>	<u>35.66</u>
Total	<u>\$ 36.50</u>	<u>\$ 35.97</u>

**The City of Lake Forest School District No. 67  
Management's Discussion and Analysis  
For the Year Ended June 30, 2011**

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**Capital Asset and Debt Administration (Continued)**

*Long-term debt*

At year-end, the District had \$16,028,327 in general obligation bonds and other long-term liabilities outstanding. More detailed information regarding long-term liabilities can be found in Note F of the notes to the financial statements.

Table 4 presents a summary of changes in long-term liabilities for the year ended June 30, 2011.

<b>Table 4 Outstanding Long-Term Debt (in millions of dollars)</b>		
	<u>2010</u>	<u>2011</u>
General obligation bonds and debt certificates	\$ 16.58	\$ 15.35
Other long term liabilities	<u>.50</u>	<u>.68</u>
Total	<u>\$ 17.08</u>	<u>\$ 16.03</u>

**Factors Bearing on the District's Future**

To remain financially stable in the current economic climate, the administration and the Board of Education must continue to increase efficiencies, explore additional revenue streams show forethought in regard to expenditures. The District currently participates in a shared services agreement with Lake Forest High School District 115 in an effort to provide a greater articulation in the curriculum, increase efficiencies, and reduce administrative costs.

Enrollment is fairly stable, with a slight decline projected over the next couple of years. The District's labor force is also stable, with labor agreements in effect through fiscal year 2012 (SEIU and LFEA).

**Requests for Information**

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact the District's Assistant Superintendent for Business Services at (847) 234-6010.

## **BASIC FINANCIAL STATEMENTS**

**The City of Lake Forest School District No. 67**  
**STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES**  
June 30, 2011

ASSETS

Cash and investments	\$ 23,136,278
Receivables (net of allowance for uncollectibles):	
Interest	34,197
Property taxes	13,852,973
Replacement taxes	26,386
Accounts	18,727
Intergovernmental	487,737
Capital assets:	
Land	312,145
Depreciable buildings, property, and equipment, net	<u>35,663,094</u>
Total assets	<u>73,531,537</u>

LIABILITIES

Accounts payable	1,633,286
Claims payable	25,782
Salaries and wages payable	760,284
Payroll deductions payable	37,195
Other current liabilities	53,819
Unearned revenue	28,818,192
Long-term liabilities:	
Due within one year	1,480,858
Due after one year	<u>14,547,469</u>
Total liabilities	<u>47,356,885</u>

NET ASSETS

Invested in capital assets, net of related debt	22,985,215
Restricted For:	
Debt service	125,232
Retirement benefits	525,394
Capital projects	67,010
Unrestricted	<u>2,471,801</u>
Total net assets	<u>\$ 26,174,652</u>

The accompanying notes are an integral part of this statement.

## The City of Lake Forest School District No. 67

### STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction:				
Regular programs	\$ 12,368,672	\$ 1,114,228	\$ 56,316	\$ (11,198,128)
Special programs	3,886,090	-	1,003,179	(2,882,911)
Other instructional programs	1,270,181	-	200	(1,269,981)
State retirement contributions	3,854,050	-	3,854,050	-
Support services:				
Pupils	1,594,465	-	-	(1,594,465)
Instructional staff	1,683,165	-	81,635	(1,601,530)
General administration	954,425	-	-	(954,425)
School administration	1,657,542	-	-	(1,657,542)
Business	2,120,132	760,542	24,502	(1,335,088)
Transportation	1,103,853	421,516	151,187	(531,150)
Operations and maintenance	3,069,152	37,836	-	(3,031,316)
Central	1,051,978	-	-	(1,051,978)
Community services	16,274	-	-	(16,274)
Nonprogrammed charges - excluding special education	1,026,841	-	-	(1,026,841)
Interest and fees	663,361	-	-	(663,361)
 Total governmental activities	 <u>\$ 36,320,181</u>	 <u>\$ 2,334,122</u>	 <u>\$ 5,171,069</u>	 <u>(28,814,990)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				22,909,923
Real estate taxes, levied for specific purposes				3,904,748
Real estate taxes, levied for debt service				436,902
Personal property replacement taxes				214,374
State aid-formula grants				529,359
Investment earnings				82,552
Miscellaneous				1,477,260
Total general revenues				<u>29,555,118</u>
 Change in net assets				 740,128
 Net assets, beginning of year				 <u>25,434,524</u>
 Net assets, end of year				 <u>\$ 26,174,652</u>

The accompanying notes are an integral part of this statement.

## The City of Lake Forest School District No. 67

Governmental Funds

BALANCE SHEET

June 30, 2011

With Comparative Totals for June 30, 2010

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
<b>ASSETS</b>				
Cash and investments	\$ 19,298,703	\$ 1,969,189	\$ 560,808	\$ 877,158
Receivables (net of allowance for uncollectibles):				
Interest	31,268	1,785	253	502
Property taxes	9,969,081	2,757,943	581,952	328,928
Replacement taxes	-	2,386	-	24,000
Accounts	18,727	-	-	-
Intergovernmental	<u>412,068</u>	<u>-</u>	<u>75,669</u>	<u>-</u>
Total assets	<u>\$ 29,729,847</u>	<u>\$ 4,731,303</u>	<u>\$ 1,218,682</u>	<u>\$ 1,230,588</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	\$ 89,559	\$ 55,400	\$ 7,036	\$ -
Claims payable	25,782	-	-	-
Salaries and wages payable	2,178,640	43,695	-	-
Payroll deductions payable	-	-	-	38,630
Other current liabilities	53,819	-	-	-
Deferred revenue	<u>20,808,527</u>	<u>5,590,263</u>	<u>1,393,188</u>	<u>666,951</u>
Total liabilities	<u>23,156,327</u>	<u>5,689,358</u>	<u>1,400,224</u>	<u>705,581</u>
<b>Fund balances (deficit):</b>				
Restricted	-	-	-	525,007
Unassigned	<u>6,573,520</u>	<u>(958,055)</u>	<u>(181,542)</u>	<u>-</u>
Total fund balance (deficit)	<u>6,573,520</u>	<u>(958,055)</u>	<u>(181,542)</u>	<u>525,007</u>
Total liabilities and fund balance (deficit)	<u>\$ 29,729,847</u>	<u>\$ 4,731,303</u>	<u>\$ 1,218,682</u>	<u>\$ 1,230,588</u>

The accompanying notes are an integral part of this statement.

<hr/>			
Debt	Capital	Total	
Service	Projects	2011	2010
<hr/>			
\$ 345,674	\$ 84,746	\$ 23,136,278	\$ 20,957,679
320	69	34,197	7,500
215,069	-	13,852,973	13,664,633
-	-	26,386	24,747
-	-	18,727	35,582
-	-	487,737	750,011
<hr/>	<hr/>	<hr/>	<hr/>
\$ 561,063	\$ 84,815	\$ 37,556,298	\$ 35,440,152
\$ -	\$ 17,805	\$ 169,800	\$ 96,008
-	-	25,782	-
-	-	2,222,335	2,119,518
-	-	38,630	36,194
-	-	53,819	9,997
436,078	53	28,895,060	27,201,345
<hr/>	<hr/>	<hr/>	<hr/>
436,078	17,858	31,405,426	29,463,062
124,985	66,957	716,949	1,191,602
-	-	5,433,923	4,785,488
<hr/>	<hr/>	<hr/>	<hr/>
124,985	66,957	6,150,872	5,977,090
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\$ 561,063	\$ 84,815	\$ 37,556,298	\$ 35,440,152

**The City of Lake Forest School District No. 67**  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET ASSETS  
For the Year Ended June 30, 2011

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

Total fund balances of governmental funds	\$ 6,150,872
Net capital assets used in governmental activities and included in the statement of net assets do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.	35,975,239
Certain revenue receivables by the District recognized in the statement of net assets do not provide current financial resources and are deferred in the governmental funds balance sheet.	76,868
Long-term liabilities included in the statement of net assets are not due and payable in the current period and, accordingly, are not included in the governmental funds balance sheet.	<u>(16,028,327)</u>
Net assets of governmental activities	<u>\$ 26,174,652</u>

The accompanying notes are an integral part of this statement.

## The City of Lake Forest School District No. 67

Governmental Funds

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)

For the Year Ended June 30, 2011

With Comparative Actual Totals for the Year Ended June 30, 2010

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 22,909,923	\$ 2,730,599	\$ 409,581	\$ 764,568
Replacement taxes	-	190,374	-	24,000
State aid	5,062,526	-	151,187	-
Federal aid	486,715	-	-	-
Interest	61,451	1,394	186	390
Other	<u>1,859,895</u>	<u>1,448,164</u>	<u>421,516</u>	<u>-</u>
Total revenues	<u>30,380,510</u>	<u>4,370,531</u>	<u>982,470</u>	<u>788,958</u>
Expenditures				
Current:				
Instruction:				
Regular programs	11,675,143	-	-	135,679
Special programs	2,249,758	-	-	93,781
Other instructional programs	1,355,603	-	-	21,460
State retirement contributions	3,854,050	-	-	-
Support services:				
Pupils	1,571,450	-	-	23,015
Instructional staff	1,622,998	-	-	50,014
General administration	903,595	-	-	36,381
School administration	1,547,316	-	-	80,808
Business	1,282,347	-	-	10,360
Transportation	-	-	1,103,853	-
Operations and maintenance	-	2,901,795	-	144,251
Central	989,192	-	-	52,773
Community services	16,274	-	-	-
Nonprogrammed charges	1,702,313	24,602	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>504,869</u>	<u>23,106</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>29,274,908</u>	<u>2,949,503</u>	<u>1,103,853</u>	<u>648,522</u>
Excess (deficiency) of revenues over expenditures	<u>1,105,602</u>	<u>1,421,028</u>	<u>(121,383)</u>	<u>140,436</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	(1,756,812)	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,756,812)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,105,602	(335,784)	(121,383)	140,436
Fund balance (deficit), beginning of year (as restated - see Note O)	<u>5,467,918</u>	<u>(622,271)</u>	<u>(60,159)</u>	<u>384,571</u>
Fund balance (deficit), end of year	<u>\$ 6,573,520</u>	<u>\$ (958,055)</u>	<u>\$ (181,542)</u>	<u>\$ 525,007</u>

The accompanying notes are an integral part of this statement.

	Debt Service	Capital Projects	Total	
			2011	2010
\$	436,902	\$ -	\$ 27,251,573	\$ 27,020,623
	-	-	214,374	165,308
	-	-	5,213,713	5,296,902
	-	-	486,715	1,099,196
	244	19	63,684	220,388
	-	60,807	3,790,382	4,925,088
	<u>437,146</u>	<u>60,826</u>	<u>37,020,441</u>	<u>38,727,505</u>
	-	-	11,825,409	11,663,113
	-	-	2,343,539	2,340,185
	-	-	1,377,063	1,364,811
	-	-	3,854,050	3,824,515
	-	-	1,594,465	1,572,206
	-	-	1,673,012	1,890,126
	-	-	939,976	965,164
	-	-	1,628,124	1,908,727
	-	-	1,292,707	1,255,450
	-	-	1,103,853	1,107,870
	-	-	3,046,046	2,691,854
	-	-	1,041,965	959,853
	-	-	16,274	19,549
	-	712,563	2,424,891	2,914,559
	1,375,000	-	1,375,000	1,391,327
	526,798	-	526,798	568,733
	-	255,512	783,487	296,104
	<u>1,901,798</u>	<u>968,075</u>	<u>36,846,659</u>	<u>36,734,146</u>
	<u>(1,464,652)</u>	<u>(907,249)</u>	<u>173,782</u>	<u>1,993,359</u>
	1,482,597	274,215	1,756,812	284,470
	-	-	(1,756,812)	(370,520)
	-	-	-	86,050
	<u>1,482,597</u>	<u>274,215</u>	<u>-</u>	<u>-</u>
	17,945	(633,034)	173,782	1,993,359
	<u>107,040</u>	<u>699,991</u>	<u>5,977,090</u>	<u>3,983,731</u>
\$	<u>124,985</u>	<u>\$ 66,957</u>	<u>\$ 6,150,872</u>	<u>\$ 5,977,090</u>

**The City of Lake Forest School District No. 67**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

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

Net change in fund balances - total governmental funds	\$	173,782
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.		(528,226)
Certain revenues (other local sources) included in the statement of activities do not provide current financial resources and, therefore, are deferred in the governmental fund statements.		39,868
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		<u>1,054,704</u>
Change in net assets - governmental activities	\$	<u><u>740,128</u></u>

The accompanying notes are an integral part of this statement.

**The City of Lake Forest School District No. 67**  
Agency Fund  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
June 30, 2011

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	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	<u>\$ 196,052</u>
LIABILITIES	
Due to student groups	<u>\$ 196,052</u>

The accompanying notes are an integral part of this statement.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of The City of Lake Forest School District No. 67 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

#### 1. Reporting Entity

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, budgetary, taxing, and debt matters.

The District includes all funds of its operations that are controlled by or dependent upon the District, as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The accompanying financial statements include only those funds of the District, as there are no organizations for which it has financial accountability.

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

#### 2. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental and fiduciary.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2. Fund Accounting (Continued)

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (Debt Service Fund), and the acquisition or construction of major capital facilities (Capital Projects Fund). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District.

#### 3. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

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) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3. Government-Wide and Fund Financial Statements (Continued)

##### a. General Fund

The *General Fund* includes the Educational Account and the Working Cash Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources held by the District to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Fund Account to other funds must be repaid within one year. As allowed by the School Code of Illinois, this Fund may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Account of at least .05% of the District's current equalized assessed valuation.

##### b. Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than those accounted for in the Debt Service, Capital Projects, or Fiduciary Funds) that are legally restricted to expenditures for specified purposes.

Each of the District's special revenue funds has been established as a separate fund in accordance with the fund structure required by the state of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's special revenue funds is as follows:

*Operations and Maintenance Fund* - is used for expenditures made for operations, repair, and maintenance of the District's building and land. Revenues consist primarily of local property taxes.

*Transportation Fund* - accounts for all revenues and expenditures made for student transportation. Revenues are 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 noncertified employees. Revenues to finance contributions are derived primarily from local property taxes and personal property replacement taxes.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3. Government-Wide and Fund Financial Statements (Continued)

##### c. Debt Service Fund

*Debt Service Fund* - is used for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue source is local property taxes levied specifically for debt service.

##### d. Capital Projects Fund

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

##### e. Fiduciary Fund

The Fiduciary Fund accounts for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

The *Student Activity Funds* are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for assets held by the District which are owned, operated, and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational, or cultural purposes. They account for activities such as student yearbook, student clubs and council, and scholarships.

#### 4. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund statements. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. The District considers most revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues that are paid to the District by the Illinois State Board of Education are considered available if vouchered by year-end. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, interest, and intergovernmental grant revenue associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports unearned revenue on its financial statements. Unearned revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

#### 5. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted at the fund level for the governmental funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year-end.

#### 6. 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 the fair value of investments are included as investment income.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 7. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund, with the balance allocated at the discretion of the District.

#### 8. Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, and equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$2,500 and an estimated useful life of five years or more. Such assets are recorded at historical cost or estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of capital assets is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	50
Improvements other than buildings	20
Equipment	10
Transportation equipment	8

#### 9. Comparative Total Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 10. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### 11. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### 12. Compensated Absences

Full-time employees who work twelve calendar months per year earn vacation days after completing a full year of service. These vacation days are accrued at the end of the fiscal year, and must be taken within the next two years or are lost. Employees who work less than twelve calendar months per year do not earn vacation days. At June 30, 2011, accumulated unpaid vacation pay was \$50,858.

#### 13. Restricted Net Assets

For the government-wide financial statements, net assets are reported as restricted when constraints placed on net assets are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, (2) imposed by law through constitutional provisions, or (3) imposed by enabling legislation. All of the District's restricted net assets were restricted as a result of enabling legislation.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 13. Restricted Net Assets (Continued)

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, as they are needed.

#### 14. Fund Balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), which was adopted by the District as of the fiscal year ended June 30, 2011. In the fund financial statements, governmental funds now report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items or inventories.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds.
- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegates the authority to assign amounts to be used for specific purposes. The Board of Education delegated this authority to the Assistant Superintendent of Business Services.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 14. Fund Balance (Continued)

- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the general fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

See Note N for additional detail on the components of the General Fund's fund balance at June 30, 2011.

### NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

#### 1. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Assets

The governmental funds balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “Long-term liabilities included in the statement of net assets are not due and payable in the current period and, accordingly, are not included in the governmental funds balance sheet.” The details of this difference are as follows:

Capital appreciation bonds	\$ (2,740,413)
Debt certificates	(12,605,000)
Compensated absences	(50,858)
Other postemployment benefits	<u>(632,056)</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net assets of governmental activities	<u>\$ (16,028,327)</u>

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(Continued)

2. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	\$	(783,487)
Loss on disposal		10,013
Depreciation expense		<u>1,301,700</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net assets of governmental activities	\$	<u><u>528,226</u></u>

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." The details of this difference are as follows:

Principal repayments		
Capital appreciation bonds and certificate	\$	415,000
Debt certificates		960,000
Accreted interest		(136,563)
Compensated absences (net change)		(4,985)
Other postemployment benefits (net change)		<u>(178,748)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net assets of governmental activities	\$	<u><u>1,054,704</u></u>

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE C - DEPOSITS AND INVESTMENTS

At June 30, 2011, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ <u>23,136,278</u>	\$ <u>196,052</u>	\$ <u>23,332,330</u>

For disclosure purposes, this amount is segregated into three components: 1) cash on hand; 2) deposits with financial institutions, which include amounts held in demand accounts, savings accounts, and nonnegotiable certificates of deposit; and 3) other investments, which consist of all investments other than certificates of deposit, as follows:

	<u>Total</u>
Cash on hand	\$ 500
Deposits with financial institutions	22,581,797
Illinois School District Liquid Asset Fund Plus	<u>750,033</u>
	<u>\$ 23,332,330</u>

#### 1. Interest Rate Risk

The District's investment policy seeks to ensure preservation of capital in the District's overall portfolio. The highest return on investments is sought, consistent with the preservation of principal and prudent investment principles. The investment portfolio is required to provide sufficient liquidity to pay District obligations as they come due, considering maturity and marketability. The investment portfolio is also required to be diversified as to maturities and investments, as appropriate to the nature, purpose, and amount of funds. The District will also consider investments in local financial institutions, recognizing their contribution to the community's economic development.

#### 2. Credit Risk

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is an unrated, 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, but operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments are valued at share price, which is the price for which the investment could be sold.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE C - DEPOSITS AND INVESTMENTS (Continued)

#### 3. Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration 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 Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return.

#### 4. Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The 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. At June 30, 2011, the bank balance of the District's deposits with financial institutions totaled \$23,023,261.

### NOTE D - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on December 14, 2010. 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 (the lien date) in any year is liable for taxes of that year. The District's annual property tax levy is subject to two statutory limitations: individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELA).

The County Clerk adds the equalized assessed valuation of all real property in the county to the valuation of property assessed directly by the state (to which the equalization factor is not applied) to arrive at the base amount (the assessment base) used to calculate the annual tax rates, as described above. The equalized assessed valuation for the extension for the 2010 tax levy was \$2,576,593,206.

Property taxes are collected by the Lake 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.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

### NOTE D - PROPERTY TAXES RECEIVABLE (Continued)

The 2010 property tax levy is recognized as a receivable in fiscal 2011, net of estimated uncollectible amounts of approximately 1%. The District considers that the 2010 levy is to be used to finance operations in fiscal 2012. Therefore, the entire 2010 levy, including amounts collected in fiscal 2011, has been recognized as unearned revenue in the accompanying financial statements.

### NOTE E - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 312,145	\$ -	\$ -	\$ 312,145
Total capital assets not being depreciated	312,145	-	-	312,145
Capital assets, being depreciated				
Buildings	51,536,364	-	-	51,536,364
Improvements other than buildings	899,100	255,512	-	1,154,612
Equipment	7,488,838	511,069	82,689	7,917,218
Transportation equipment	70,623	16,906	-	87,529
Total capital assets being depreciated	59,994,925	783,487	82,689	60,695,723
Less accumulated depreciation for:				
Buildings	16,147,895	1,030,727	-	17,178,622
Improvements other than buildings	833,574	14,479	-	848,053
Equipment	6,796,660	246,533	72,676	6,970,517
Transportation equipment	25,476	9,961	-	35,437
Total accumulated depreciation	23,803,605	1,301,700	72,676	25,032,629
Total capital assets being depreciated, net	36,191,320	(518,213)	10,013	35,663,094
Governmental activities capital assets, net	\$ 36,503,465	\$ (518,213)	\$ 10,013	\$ 35,975,239

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

**NOTE E - CAPITAL ASSETS** (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General Government	
Regular programs	\$ 359,530
Special education programs	2,213
Interscholastic programs	35,406
Instructional staff	10,153
General administration	14,449
School administration	29,418
Food services	13,798
Operations and maintenance	<u>836,733</u>
	<u>\$ 1,301,700</u>

**NOTE F - LONG-TERM LIABILITIES**

The following is the long-term liability activity for the District for the year ended June 30, 2011:

	Beginning Balance	Additions/ Accretion	Reductions	Ending Balance
Bonds payable:				
Capital appreciation	\$ 3,018,850	\$ 136,563	\$ 415,000	\$ 2,740,413
Debt certificates	13,565,000	-	960,000	12,605,000
Compensated absences	45,873	50,858	45,873	50,858
Other postemployment benefits	<u>453,308</u>	<u>296,817</u>	<u>118,069</u>	<u>632,056</u>
	<u>\$ 17,083,031</u>	<u>\$ 484,238</u>	<u>\$ 1,538,942</u>	<u>\$ 16,028,327</u>

**The City of Lake Forest School District No. 67**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE F - LONG-TERM LIABILITIES (Continued)

Due within one year:

Capital appreciation bonds	\$	415,000
Debt certificates		1,015,000
Compensated absences		<u>50,858</u>
	\$	<u><u>1,480,858</u></u>

1. Bonds Payable

The face amount of the bonds payable at June 30, 2011 is as follows:

<u>Purpose</u>	<u>Bonds Payable</u>	<u>Face Amount</u>
Capital appreciation bonds dated May 15, 1999	\$ <u>2,740,413</u>	\$ <u>3,300,000</u>

At June 30, 2011, the District's future cash flow requirements for retirement of bond principal were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>
2012	\$ 415,000
2013	415,000
2014	415,000
2015	415,000
2016	415,000
2017 - 2019	<u>1,225,000</u>
Total	\$ <u><u>3,300,000</u></u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$124,985 in the Debt Service Fund to service the outstanding bonds payable. As of June 30, 2011, the District was in compliance with all significant bond covenants.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

**NOTE F - LONG-TERM LIABILITIES (Continued)**

1. Bonds Payable (Continued)

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2011, the statutory debt limit for the District was \$177,784,931, of which \$162,439,518 is fully available.

2. Debt Certificates

Debt certificates currently outstanding are as follows:

Purpose	Interest Rates	Amount
2002 G.O. Limited Tax Debt Certificates	3.50% - 5.00%	\$ 2,610,000
2004 G.O. Limited Tax Debt Certificates	3.90% - 4.20%	3,820,000
2005 G.O. Limited Tax Debt Certificates	3.10% - 4.125%	4,470,000
2008 G.O. Limited Tax Debt Certificates	3.70% - 4.00%	1,705,000
Total		\$ 12,605,000

At June 30, 2011, the District's future cash flow requirements for retirement of debt certificate principal and interest were as follows:

Year Ending	Principal	Interest	Total
June 30			
2012	\$ 1,015,000	\$ 504,560	\$ 1,519,560
2013	1,075,000	465,880	1,540,880
2014	1,145,000	424,380	1,569,380
2015	1,195,000	379,368	1,574,368
2016	1,265,000	331,568	1,596,568
2017 - 2021	6,570,000	858,240	7,428,240
2022 - 2023	340,000	19,745	359,745
Total	\$ 12,605,000	\$ 2,983,741	\$ 15,588,741

The obligations for these certificates will be repaid from the Debt Service Fund with funding provided by transfers from the Operations and Maintenance Fund.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE G - RETIREMENT FUND COMMITMENTS

#### 1. Teachers' Retirement System of the State of Illinois

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

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2011 was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2010 and 2009.

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

#### On-behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2011, state of Illinois contributions were based on 23.10 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$3,712,617 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2010 and June 30, 2009, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.38 percent \$3,691,873, and 17.08 percent \$2,783,699, respectively.

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

#### 2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2011 were \$93,217. Contributions for the years ended June 30, 2010 and June 30, 2009, were \$91,586 and \$94,528 respectively.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE G - RETIREMENT FUND COMMITMENTS (Continued)

#### 1. Teachers' Retirement System of the State of Illinois (Continued)

##### Federal and Special Trust Fund Contributions

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

For the year ended June 30, 2011, the employer pension contribution was 23.10 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2010 and 2009, the employer contribution was 23.38 and 17.08 percent, respectively, of salaries paid from federal and special trust funds. For the year ended June 30, 2011, salaries totaling \$5,000 were paid from federal and special trust funds that required employer contributions of \$1,155. For the years ended June 30, 2010 and June 30, 2009, required District contributions were \$3,627 and \$0, respectively.

##### Early Retirement Option (ERO)

The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

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

For the year ended June 30, 2011, the District paid \$5,858 to TRS for employer contributions under the ERO program. For the years ended June 30, 2010 and June 30, 2009, the District paid \$140,091 and \$0, respectively, in employer ERO contributions.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE G - RETIREMENT FUND COMMITMENTS (Continued)

#### 1. Teachers' Retirement System of the State of Illinois (Continued)

##### Salary Increases Over 6 Percent and Excess Sick Leave

If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2011, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2010 and June 30, 2009, the District paid \$0 and \$0, respectively, to TRS for employer contributions due on salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.03 percent of salary during the year ended June 30, 2011, as recertified pursuant to Public Act 96-1511).

For the year ended June 30, 2011, the District paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2010 and June 30, 2009, the District paid \$0 and \$0, respectively, in employer contributions granted for sick leave days.

##### Further Information on TRS

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer, and state funding requirements can be found in the TRS Comprehensive Annual Financial Report for the year ended June 30, 2010. The report for the year ended June 30, 2011 is expected to be available in late 2011.

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

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE G - RETIREMENT FUND COMMITMENTS (Continued)

#### 1. Teachers' Retirement System of the State of Illinois (Continued)

##### THIS Fund Employer Contributions

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

The State Employees Group Insurance Act of 1971 (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 Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan, with the cooperation of TRS. The Director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires that all active contributors to the TRS who are not employees of the state make a contribution to the THIS Fund.

The percentage of employer-required contributions in the future will be determined by the Director of HFS and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

##### On-behalf Contributions to the 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 the THIS Fund from active members, which were 0.88 percent of pay during the year ended June 30, 2011. State of Illinois contributions were \$141,433, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2010 and June 30, 2009 were 0.84 percent of pay. State contributions on behalf of district employees were \$132,642 and \$136,903, respectively.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE G - RETIREMENT FUND COMMITMENTS (Continued)

#### 1. Teacher's Retirement System of the State of Illinois (Continued)

##### Employer Contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.66 percent during the year ended June 30, 2011 and 0.63 percent during the years ended June 30, 2010 and June 30, 2009. For the year ended June 30, 2011, the District paid \$106,075 to the THIS Fund. For the years ended June 30, 2010 and June 30, 2009, the District paid \$99,482 and \$102,677, respectively, to the THIS Fund, which was 100 percent of the required contribution.

##### Further Information on the THIS Fund

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

#### 2. 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 affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent, multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

##### *Funding Policy*

As set by state statute, the District's regular plan members are required to contribute 4.5 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District annual required contribution rate for calendar year 2010 was 9.68 percent. The employer annual required contribution rate for calendar year 2010 was 11.70 percent. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE G - RETIREMENT FUND COMMITMENTS (Continued)

#### 2. Illinois Municipal Retirement Fund (Continued)

##### *Annual Pension Cost*

For calendar year ended December 31, 2010, the District's actual contributions for pension cost for the regular program were \$1,674,247. Its required contribution for calendar year 2010 was \$1,961,263.

##### Trend Information

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$ 1,961,263	85%	\$ -
12/31/09	1,539,975	100%	-
12/31/08	1,479,304	100%	-

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3 percent annually. The actuarial value of the District's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial value and market value of assets. The District's regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

##### *Funded Status and Funding Progress*

As of December 31, 2010, the most recent actuarial valuation date, the regular plan was 78.93 percent funded. The actuarial accrued liability for benefits was \$50,163,288 and the actuarial value of assets was \$39,595,430, resulting in an underfunded actuarial accrued liability (UAAL) of \$10,567,858. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$16,762,932 and the ratio of the UAAL to the covered payroll was 63 percent.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE G - RETIREMENT FUND COMMITMENTS (Continued)

#### 2. Illinois Municipal Retirement Fund (Continued)

##### *Funded Status and Funding Progress* (Continued)

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

#### 3. Social Security/Medicare

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare. The District paid the total required contribution for the current fiscal year.

### NOTE H - OTHER POSTEMPLOYMENT BENEFITS

#### *Plan Description*

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides the ability for IMRF covered retirees and their families to access the District's group health insurance plan during retirement, provided they are on the group health insurance plan at the time of retirement. Administrators, on a contract-by-contract basis, and their families may also have access to the plan. If a retiree elects to leave the health plan, he/she may not return to the plan in a future year. Retirees are responsible to contribute a premium toward the cost of their insurance. Retirees may also access dental insurance benefits on a "direct pay" basis. For 2011, a total of 4 former employees or spouses accessed postemployment benefits through the District.

#### *Funding Policy*

Retirees under the age of 65 contribute the full Consolidated Omnibus Budget Reconciliation Act (COBRA) equivalent rate. The contributions required by the District are negotiated between the District and union representatives. Retirees who are Medicare eligible may access a Medicare supplemental policy through the District. Currently, the District contributes 25.1 percent to the postemployment benefits. For fiscal year 2011, the District contributed \$118,069 toward the cost of the postemployment benefits for retirees.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### *Annual OPEB Cost and Net OPEB Obligation*

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Retiree Health Plan:

	<u>June 30,</u> <u>2011</u>
Annual required contribution	\$ 289,262
Interest on net OPEB obligation	22,665
Adjustment to annual required	<u>(15,110)</u>
Annual OPEB cost	296,817
Contributions made	<u>(118,069)</u>
Increase in net OPEB obligation	178,748
Net OPEB obligation, beginning of year	<u>453,308</u>
Net OPEB obligation, end of year	<u>\$ 632,056</u>

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### *Annual OPEB Cost and Net OPEB Obligation* (Continued)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2011 and the two preceding fiscal years were as follows:

<u>Actuarial Valuation Date</u>	<u>Annual OPEB Cost</u>	<u>Percentage Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/11	\$ 296,817	39.8%	\$ 632,056
6/30/10*	300,055	20.1%	453,308
6/30/09	288,098	25.1%	215,869

\* Annual OPEB cost estimated using ARC from most recent valuation information.

#### *Funding Status and Funding Progress*

As of June 30, 2011, the actuarial accrued liability for benefits was \$2,912,492, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) and the ratio of the unfunded actuarial accrued liability to the covered payroll was not available.

The projection of future benefit payments for an ongoing plan involved estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

#### *Methods and Assumptions*

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

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### *Methods and Assumptions (Continued)*

The following simplifying assumptions were made:

Contribution rates:	
District	Not Applicable
Plan members	0.00%
Actuarial valuation date	June 30, 2011
Actuarial cost method	Entry age
Amortization period	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases	5.00%
Healthcare inflation rate	8.00% initial 6.00% ultimate
Mortality, Turnover, Disability, Retirement ages	Same rates utilized for IMRF
Percentage of active employees assumed to elect benefit	All 100%
Employer provided benefit	Explicit (Admin and certified): \$152/mo for 10 years (Non-certified): \$0-\$152/mo to age 65 Implicit (Non-certified): 40% of premium to age 65 (\$500/mo)

\*Includes inflation at 3.00%

# **The City of Lake Forest School District No. 67**

## **NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2011

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### NOTE I - INTERFUND TRANSFERS

The District transferred \$960,000 to the Debt Service Fund from the Operations and Maintenance Fund at June 30, 2011. The amount transferred represents payment of principal on the District's debt certificates.

The District transferred \$522,597 to the Debt Service Fund from the Operations and Maintenance Fund at June 30, 2011. The amount transferred represents payment of interest on the District's debt certificates.

The District transferred \$274,215 to the Capital Projects Fund from the Operations and Maintenance Fund at June 30, 2011. The amount transferred represents funding for capital projects.

### NOTE J - DEFICIT FUND BALANCE

The District had deficit fund balances in the Operations and Maintenance Fund of \$958,055 and in the Transportation Fund of \$181,542 at June 30, 2011.

### NOTE K - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District purchases coverage against such risks. To protect the District from such risks, the District participates in the Collective Liability Insurance Cooperative (CLIC) public entity risk pool for property damage and injury claims. The arrangements with the pool provide that the pool will be self-sustaining through member premiums, and will reinsure through commercial companies for claims in excess of certain levels established by the pool.

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. 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.

The District is self-insured for dental coverage that is provided to District personnel. A third-party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third-party administrator for payment of employee dental claims and administration fees. The District's liability will not exceed \$784,500, as there were 523 covered participants at year-end and each participants' individual annual limit is \$1,500.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE K - RISK MANAGEMENT (Continued)

At June 30, 2011, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$25,782. These estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other nonincremental costs to the claims liability.

Balance of claims liability at June 30, 2011 is as follows:

	<u>2011</u>
Unpaid claims, beginning of fiscal year	\$ -
Incurred claims (including IBNRs)	232,959
Claim payments	<u>(207,177)</u>
Unpaid claims, end of fiscal year	<u>\$ 25,782</u>

### NOTE L - CONTINGENCIES

#### 1. Litigation

The District is not involved in any significant litigation that would materially affect the balances reported at June 30, 2011. With regard to other pending matters, the eventual outcome and related liability, if any, is not determinable at this time. No provision has been made in the accompanying financial statements for settlement costs.

#### 2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

# The City of Lake Forest School District No. 67

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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### NOTE M - JOINT AGREEMENTS

The District is a member of the North Suburban Special Education District (NSSED), a joint agreement that provides certain special education services to residents of many school districts. It is also a member of the risk management pools listed in Note K. 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.

### NOTE N - OPERATING LEASE AGREEMENTS

The District entered into a service agreement with Interact Business Products on July 14, 2010 for the lease of copy machines. Terms of the lease are for monthly payments of \$799 for three years. The District entered into a service agreement with Kyocera on September 29, 2010 for the lease of copy machines. Terms of the lease are for monthly payments of \$143 for three years. The District entered into a service agreement with Gordon Flesch Leasing Company on June 20, 2011 for the lease of copy machines. Terms of the lease are for monthly payments of \$4,980 for three years. Total cost for such leases were \$15,056 for the year ended June 30, 2011. Future lease payments are as follows:

	Year Ending	
	June 30	Total
	2012	\$ 71,064
	2013	71,064
	2014	63,814
	2015	<u>14,940</u>
	Total	\$ <u>220,882</u>

### NOTE O - FUND BALANCE REPORTING

As defined in Note A-14, the District had the following components of fund balance in the General fund at June 30, 2011:

#### General Fund

Unassigned \$ 6,573,520

# **The City of Lake Forest School District No. 67**

## **NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2011

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### NOTE P - PRIOR PERIOD ADJUSTMENT

The implementation of GASB 54 (Note A-14) required the restatement of the General Fund to include the Working Cash Fund. Prior to GASB 54 the Working Cash Fund was reported as special revenue fund. As a result of this implementation the beginning fund balance of the General fund was restated by \$1,104,022.

### NOTE Q - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 15, 2011, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the balance sheet date that require disclosure in the financial statements other than those covered in Note N.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Unaudited)**

**The City of Lake Forest School District No. 67**  
**SCHEDULE OF FUNDING PROGRESS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
June 30, 2011

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Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
12/31/10	\$ 39,595,430	\$ 50,163,288	78.93 %	\$ 10,567,858	\$ 16,762,932	63.04 %
12/31/09	38,670,158	49,164,282	78.65	10,494,124	17,499,712	59.97
12/31/08	35,762,935	46,155,124	77.48	10,392,189	17,062,328	60.91

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$42,396,514. On a market basis, the funded ratio would be 84.52%.

**The City of Lake Forest School District No. 67**  
**SCHEDULE OF FUNDING PROGRESS**  
**OTHER POSTEMPLOYMENT BENEFITS**  
June 30, 2011

---

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5)
6/30/2011	\$ -	\$ 2,912,492	0.00	% \$ 2,912,492	\$ NA	NA %
6/30/2010	-	2,538,023	0.00	2,538,023	NA	NA
6/30/2009	-	2,538,023	0.00	2,538,023	NA	NA

**The City of Lake Forest School District No. 67**  
 General Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2011  
 With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 22,956,314	\$ 22,909,923	\$ (46,391)	\$ 22,764,569
Special education levy	-	-	-	139,966
Regular tuition from pupils or parents	-	22,137	22,137	-
Interest on investments	152,000	61,451	(90,549)	189,468
Sales to pupils - lunch	680,000	695,386	15,386	682,623
Sales to adults	500	736	236	346
Other food service	4,000	2,133	(1,867)	3,954
Admissions - athletic	5,831	4,250	(1,581)	4,880
Fees	37,500	35,705	(1,795)	39,501
Other District/school activity revenue	435,000	444,882	9,882	536,127
Rentals - regular textbook	600,000	586,254	(13,746)	601,337
Rentals	3,850	4,293	443	4,275
Services provided other Districts	-	5,509	5,509	-
Other	86,000	58,610	(27,390)	28,411
<b>Total local sources</b>	<u>24,960,995</u>	<u>24,831,269</u>	<u>(129,726)</u>	<u>24,995,457</u>
<b>State sources</b>				
General State Aid	475,000	466,872	(8,128)	386,195
Special Education - Private Facility Tuition	39,412	62,487	23,075	157,649
Special Education - Extraordinary	68,098	267,994	199,896	272,393
Special Education - Personnel	90,254	382,618	292,364	361,014
Special Education - Orphanage - Individual	876	5,453	4,577	3,503
Special Education - Orphanage - Summer Individual	-	(1,684)	(1,684)	-
Special Education - Summer School	421	3,881	3,460	1,684
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	3,644	200	(3,444)	3,338
State Free Lunch and Breakfast	51	199	148	205
Reading Improvement Block Grant	70,380	-	(70,380)	70,073

(Continued)

**The City of Lake Forest School District No. 67**  
 General Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2011  
 With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
School Safety and Educational Block Grant (Flat Grant)	\$ 4,735	\$ -	\$ (4,735)	\$ 18,940
Other state sources	523,825	20,456	(503,369)	38,729
On Behalf Payments to TRS from the State	<u>3,689,593</u>	<u>3,854,050</u>	<u>164,457</u>	<u>3,824,515</u>
Total state sources	<u>4,966,289</u>	<u>5,062,526</u>	<u>96,237</u>	<u>5,138,238</u>
Federal sources				
Special Milk Program	16,552	24,303	7,751	21,919
Title I - Low Income	55,215	56,316	1,101	64,958
Safe and Drug Free Schools - Form. (Title IV)	-	-	-	4,968
Fed. - Sp. Ed. - I.D.E.A. - Flow Through	289,382	293,904	4,522	293,983
Fed. - Sp. Ed. - I.D.E.A. - Room and Board	-	8,504	8,504	16,085
ARRA General State Aid - Ed. Stabilization	-	-	-	64,405
ARRA IDEA - Part B - Preschool	28,145	-	(28,145)	28,145
ARRA IDEA - Part B - Flow-Through	14,747	-	(14,747)	2,936
ARRA General State Aid - Other Govt Svcs Stab.	-	42,509	42,509	21,468
Title II - Teacher Quality	61,179	61,179	-	60,857
Medicaid Matching Funds - Administrative Outreach	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>	<u>32,392</u>
Total federal sources	<u>515,220</u>	<u>486,715</u>	<u>(28,505)</u>	<u>612,116</u>
Total revenues	<u>30,442,504</u>	<u>30,380,510</u>	<u>(61,994)</u>	<u>30,745,811</u>

(Continued)

**The City of Lake Forest School District No. 67**  
 General Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2011  
 With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Expenditures				
Instruction				
Regular programs				
Salaries	\$ 9,903,885	\$ 9,640,088	\$ 263,797	\$ 9,462,698
Employee benefits	1,162,465	1,175,956	(13,491)	1,195,835
On-behalf payments to TRS from the state	3,689,593	3,854,050	(164,457)	3,824,515
Purchased services	79,150	74,714	4,436	59,718
Supplies and materials	832,551	784,385	48,166	806,382
Capital outlay	-	2,550	(2,550)	-
Total	<u>15,667,644</u>	<u>15,531,743</u>	<u>135,901</u>	<u>15,349,148</u>
Special education programs				
Salaries	1,507,251	1,613,492	(106,241)	1,633,439
Employee benefits	175,778	199,227	(23,449)	174,895
Purchased services	5,600	1,138	4,462	19,078
Supplies and materials	<u>45,000</u>	<u>42,350</u>	<u>2,650</u>	<u>30,987</u>
Total	<u>1,733,629</u>	<u>1,856,207</u>	<u>(122,578)</u>	<u>1,858,399</u>
Special education programs pre-K				
Salaries	110,756	111,833	(1,077)	61,419
Employee benefits	1,551	7,737	(6,186)	1,788
Purchased services	19,019	19,019	-	19,000
Supplies and materials	<u>2,000</u>	<u>2,102</u>	<u>(102)</u>	<u>20,016</u>
Total	<u>133,326</u>	<u>140,691</u>	<u>(7,365)</u>	<u>102,223</u>

(Continued)

**The City of Lake Forest School District No. 67**  
 General Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2011  
 With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Remedial and Supplemental programs K-12				
Salaries	\$ 324,724	\$ 358,949	\$ (34,225)	\$ 363,145
Employee benefits	<u>26,724</u>	<u>34,602</u>	<u>(7,878)</u>	<u>27,905</u>
Total	<u>351,448</u>	<u>393,551</u>	<u>(42,103)</u>	<u>391,050</u>
Inter scholastic programs				
Salaries	195,000	247,365	(52,365)	217,622
Employee benefits	18,172	18,700	(528)	16,201
Purchased services	13,000	8,537	4,463	11,590
Supplies and materials	<u>12,500</u>	<u>11,788</u>	<u>712</u>	<u>11,777</u>
Total	<u>238,672</u>	<u>286,390</u>	<u>(47,718)</u>	<u>257,190</u>
Summer school programs				
Salaries	49,000	43,803	5,197	28,494
Employee benefits	<u>452</u>	<u>445</u>	<u>7</u>	<u>472</u>
Total	<u>49,452</u>	<u>44,248</u>	<u>5,204</u>	<u>28,966</u>
Gifted programs				
Salaries	678,653	691,064	(12,411)	776,244
Employee benefits	76,454	75,191	1,263	77,194
Purchased services	3,500	406	3,094	300
Supplies and materials	<u>7,000</u>	<u>8,831</u>	<u>(1,831)</u>	<u>3,834</u>
Total	<u>765,607</u>	<u>775,492</u>	<u>(9,885)</u>	<u>857,572</u>
Bilingual programs				
Salaries	98,482	94,838	3,644	91,664
Employee benefits	6,233	13,079	(6,846)	6,223
Supplies and materials	<u>924</u>	<u>865</u>	<u>59</u>	<u>931</u>
Total	<u>105,639</u>	<u>108,782</u>	<u>(3,143)</u>	<u>98,818</u>
Total instruction	<u>19,045,417</u>	<u>19,137,104</u>	<u>(91,687)</u>	<u>18,943,366</u>

(Continued)

**The City of Lake Forest School District No. 67**  
 General Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2011  
 With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Support services				
Pupils				
Attendance and social work services				
Salaries	\$ 322,346	\$ 259,204	\$ 63,142	\$ 255,711
Employee benefits	30,442	34,122	(3,680)	31,041
Purchased services	-	12,984	(12,984)	-
Supplies and materials	<u>400</u>	<u>252</u>	<u>148</u>	<u>32</u>
Total	<u>353,188</u>	<u>306,562</u>	<u>46,626</u>	<u>286,784</u>
Health services				
Salaries	287,717	293,938	(6,221)	278,504
Employee benefits	13,896	16,820	(2,924)	13,911
Supplies and materials	<u>6,500</u>	<u>5,083</u>	<u>1,417</u>	<u>5,873</u>
Total	<u>308,113</u>	<u>315,841</u>	<u>(7,728)</u>	<u>298,288</u>
Psychological services				
Salaries	432,559	410,419	22,140	463,074
Employee benefits	45,626	49,397	(3,771)	48,917
Purchased services	10,000	6,012	3,988	12,696
Supplies and materials	<u>4,600</u>	<u>4,344</u>	<u>256</u>	<u>4,729</u>
Total	<u>492,785</u>	<u>470,172</u>	<u>22,613</u>	<u>529,416</u>
Speech pathology and audiology services				
Salaries	226,404	250,486	(24,082)	217,245
Employee benefits	23,381	33,774	(10,393)	23,924
Purchased services	<u>31,580</u>	<u>31,580</u>	<u>-</u>	<u>28,000</u>
Total	<u>281,365</u>	<u>315,840</u>	<u>(34,475)</u>	<u>269,169</u>

(Continued)

**The City of Lake Forest School District No. 67**  
 General Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2011  
 With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Other support services - pupils				
Salaries	\$ 75,526	\$ 41,666	\$ 33,860	\$ 51,908
Employee benefits	11,132	12,020	(888)	11,285
Purchased services	<u>110,516</u>	<u>109,349</u>	<u>1,167</u>	<u>102,749</u>
Total	<u>197,174</u>	<u>163,035</u>	<u>34,139</u>	<u>165,942</u>
Total pupils	<u>1,632,625</u>	<u>1,571,450</u>	<u>61,175</u>	<u>1,549,599</u>
Instructional staff				
Improvement of instruction services				
Salaries	761,970	622,188	139,782	718,496
Employee benefits	231,184	194,745	36,439	229,855
Purchased services	123,295	84,707	38,588	97,302
Supplies and materials	52,300	24,267	28,033	38,791
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,320</u>
Total	<u>1,168,749</u>	<u>925,907</u>	<u>242,842</u>	<u>1,095,764</u>
Educational media services				
Salaries	507,992	480,253	27,739	468,502
Employee benefits	46,594	40,032	6,562	46,400
Purchased services	485	119	366	144
Supplies and materials	48,787	49,426	(639)	64,111
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,182</u>
Total	<u>603,858</u>	<u>569,830</u>	<u>34,028</u>	<u>614,339</u>
Assessment and testing				
Salaries	59,401	61,620	(2,219)	54,400
Employee benefits	4,056	4,340	(284)	3,679
Purchased services	79,459	57,953	21,506	118,983
Supplies and materials	<u>3,800</u>	<u>3,348</u>	<u>452</u>	<u>2,491</u>
Total	<u>146,716</u>	<u>127,261</u>	<u>19,455</u>	<u>179,553</u>
Total instructional staff	<u>1,919,323</u>	<u>1,622,998</u>	<u>296,325</u>	<u>1,889,656</u>

(Continued)

**The City of Lake Forest School District No. 67**  
 General Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2011  
 With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
General administration				
Board of education services				
Salaries	\$ -	\$ -	\$ -	\$ 5,750
Purchased services	305,937	276,465	29,472	300,512
Supplies and materials	9,500	5,602	3,898	7,243
Capital outlay	-	-	-	8,070
Other objects	18,895	15,026	3,869	25,388
Non-capitalized equipment	-	-	-	1,320
Total	<u>334,332</u>	<u>297,093</u>	<u>37,239</u>	<u>348,283</u>
Executive administration services				
Salaries	271,078	206,561	64,517	206,545
Employee benefits	65,418	68,500	(3,082)	52,215
Purchased services	21,661	8,150	13,511	6,540
Supplies and materials	5,250	2,168	3,082	4,065
Other objects	7,000	925	6,075	8,767
Total	<u>370,407</u>	<u>286,304</u>	<u>84,103</u>	<u>278,132</u>
Special area administrative services				
Salaries	242,385	248,216	(5,831)	240,609
Employee benefits	54,196	51,709	2,487	49,022
Purchased services	6,700	9,976	(3,276)	8,838
Supplies and materials	8,796	7,106	1,690	2,833
Other objects	4,200	3,191	1,009	1,673
Total	<u>316,277</u>	<u>320,198</u>	<u>(3,921)</u>	<u>302,975</u>
Total general administration	<u>1,021,016</u>	<u>903,595</u>	<u>117,421</u>	<u>929,390</u>

(Continued)

**The City of Lake Forest School District No. 67**  
 General Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2011  
 With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
<b>Office of the principal services</b>				
Salaries	\$ 1,231,000	\$ 1,301,841	\$ (70,841)	\$ 1,274,637
Employee benefits	262,834	232,157	30,677	429,531
Purchased services	5,050	644	4,406	1,347
Supplies and materials	19,627	12,003	7,624	8,312
Other objects	<u>1,750</u>	<u>671</u>	<u>1,079</u>	<u>754</u>
Total	<u>1,520,261</u>	<u>1,547,316</u>	<u>(27,055)</u>	<u>1,714,581</u>
<b>Other support services -</b>				
Salaries	-	-	-	90,700
Employee benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,563</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,263</u>
Total school administration	<u>1,520,261</u>	<u>1,547,316</u>	<u>(27,055)</u>	<u>1,819,844</u>
<b>Business</b>				
<b>Direction of business support services</b>				
Salaries	93,145	63,194	29,951	87,817
Employee benefits	25,651	25,840	(189)	23,185
Purchased services	132,291	147,704	(15,413)	138,163
Supplies and materials	3,000	2,881	119	-
Other objects	<u>800</u>	<u>300</u>	<u>500</u>	<u>730</u>
Total	<u>254,887</u>	<u>239,919</u>	<u>14,968</u>	<u>249,895</u>
<b>Fiscal services</b>				
Salaries	153,176	74,458	78,718	73,082
Employee benefits	16,727	14,255	2,472	257
Purchased services	271,867	274,510	(2,643)	247,481
Supplies and materials	24,630	12,922	11,708	13,699
Capital outlay	2,370	-	2,370	-
Other objects	<u>300</u>	<u>1,075</u>	<u>(775)</u>	<u>190</u>
Total	<u>469,070</u>	<u>377,220</u>	<u>91,850</u>	<u>334,709</u>

(Continued)

**The City of Lake Forest School District No. 67**  
 General Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2011  
 With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Food services				
Purchased services	\$ 640,000	\$ 661,328	\$ (21,328)	\$ 630,410
Supplies and materials	4,200	3,880	320	2,220
Capital outlay	<u>28,000</u>	<u>28,499</u>	<u>(499)</u>	<u>44,117</u>
Total	<u>672,200</u>	<u>693,707</u>	<u>(21,507)</u>	<u>676,747</u>
Total business	<u>1,396,157</u>	<u>1,310,846</u>	<u>85,311</u>	<u>1,261,351</u>
Central				
Information services				
Salaries	93,391	56,895	36,496	54,179
Employee benefits	8,161	6,900	1,261	7,277
Purchased services	139,822	142,994	(3,172)	128,318
Supplies and materials	<u>10,700</u>	<u>5,665</u>	<u>5,035</u>	<u>3,322</u>
Total	<u>252,074</u>	<u>212,454</u>	<u>39,620</u>	<u>193,096</u>
Staff services				
Salaries	12,000	1,897	10,103	4,452
Purchased services	240,506	245,475	(4,969)	230,126
Supplies and materials	<u>8,500</u>	<u>3,791</u>	<u>4,709</u>	<u>3,597</u>
Total	<u>261,006</u>	<u>251,163</u>	<u>9,843</u>	<u>238,175</u>
Data processing services				
Salaries	222,649	229,349	(6,700)	207,322
Employee benefits	24,474	35,992	(11,518)	22,044
Purchased services	300,181	251,426	48,755	222,450
Supplies and materials	-	8,808	(8,808)	30,441
Capital outlay	<u>476,665</u>	<u>473,820</u>	<u>2,845</u>	<u>-</u>
Total	<u>1,023,969</u>	<u>999,395</u>	<u>24,574</u>	<u>482,257</u>
Total central	<u>1,537,049</u>	<u>1,463,012</u>	<u>74,037</u>	<u>913,528</u>
Total support services	<u>9,026,431</u>	<u>8,419,217</u>	<u>607,214</u>	<u>8,363,368</u>

(Continued)

**The City of Lake Forest School District No. 67**  
 General Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2011  
 With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011			2010 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Community services				
Purchased services	\$ 11,274	\$ 11,274	\$ -	\$ 10,105
Supplies and materials	-	-	-	9,444
Other objects	-	5,000	(5,000)	-
Total	<u>11,274</u>	<u>16,274</u>	<u>(5,000)</u>	<u>19,549</u>
Payments to Other Districts and Gov't Units				
Payments for regular programs				
Other objects	<u>1,000</u>	-	<u>1,000</u>	<u>820</u>
Total	<u>1,000</u>	-	<u>1,000</u>	<u>820</u>
Payments for special education programs				
Purchased services	-	-	-	1,747
Other objects	<u>1,513,945</u>	<u>1,398,050</u>	<u>115,895</u>	<u>1,470,471</u>
Total	<u>1,513,945</u>	<u>1,398,050</u>	<u>115,895</u>	<u>1,472,218</u>
Other payments to in-state governmental units				
Other objects	<u>260,676</u>	<u>304,263</u>	<u>(43,587)</u>	<u>351,512</u>
Total	<u>260,676</u>	<u>304,263</u>	<u>(43,587)</u>	<u>351,512</u>
Total payments to other districts and other Gov'ts	<u>1,775,621</u>	<u>1,702,313</u>	<u>73,308</u>	<u>1,824,550</u>
Total expenditures	<u>29,858,743</u>	<u>29,274,908</u>	<u>583,835</u>	<u>29,150,833</u>
Excess of revenues over expenditures	<u>583,761</u>	<u>1,105,602</u>	<u>521,841</u>	<u>1,594,978</u>

(Continued)

**The City of Lake Forest School District No. 67**  
 General Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2011  
 With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011			2010 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Other financing sources (uses)				
Trans to Debt Svc Fund for Prin on Cap Leases	\$ -	\$ -	\$ -	\$ (81,327)
Trans to Debt Svc Fund for Int on Cap Leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,723)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(86,050)</u>
Net change to fund balance	<u>\$ 583,761</u>	1,105,602	<u>\$ 521,841</u>	1,508,928
Fund balance, beginning of year		<u>5,467,918</u>		<u>3,958,990</u>
Fund balance, end of year		<u>\$ 6,573,520</u>		<u>\$ 5,467,918</u>

(Concluded)

# The City of Lake Forest School District No. 67

Operations and Maintenance Fund

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND DEFICITS - BUDGET AND ACTUAL

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011			2010 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 2,735,556	\$ 2,730,599	\$ (4,957)	\$ 2,604,069
Corporate personal property replacement taxes	120,000	190,374	70,374	141,308
Other payments in lieu of taxes	1,325,000	1,333,316	8,316	1,509,158
Interest on investments	14,000	1,394	(12,606)	18,939
Rentals	40,000	33,543	(6,457)	58,334
Services provided other Districts	58,000	56,778	(1,222)	56,294
Other	6,000	24,527	18,527	6,351
Total local sources	4,298,556	4,370,531	71,975	4,394,453
Total revenues	4,298,556	4,370,531	71,975	4,394,453
<b>Expenditures</b>				
<b>Support services</b>				
<b>Business</b>				
<b>Operation and maintenance of plant services</b>				
Salaries	725,599	808,104	(82,505)	692,236
Employee benefits	102,668	103,149	(481)	81,837
Purchased services	1,109,325	1,230,624	(121,299)	1,085,700
Supplies and materials	770,500	759,918	10,582	703,667
Capital outlay	32,000	23,106	8,894	19,417
Total business	2,740,092	2,924,901	(184,809)	2,582,857
Total support services	2,740,092	2,924,901	(184,809)	2,582,857

(Continued)

## The City of Lake Forest School District No. 67

Operations and Maintenance Fund

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND DEFICITS - BUDGET AND ACTUAL

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Payments to other districts and Gov't units				
Payments to other governmental units (in-state)				
Other payments to in-state governmental units				
Other objects	\$ 64,060	\$ 24,602	\$ 39,458	\$ 13,632
Total other payments	<u>64,060</u>	<u>24,602</u>	<u>39,458</u>	<u>13,632</u>
Total expenditures	<u>2,804,152</u>	<u>2,949,503</u>	<u>(145,351)</u>	<u>2,596,489</u>
Excess (deficiency) of revenues over expenditures	<u>1,494,404</u>	<u>1,421,028</u>	<u>(73,376)</u>	<u>1,797,964</u>
Other financing sources (uses)				
Permanent transfer of interest - in	-	-	-	3,877
Trans to debt svc fund				
for prin on debt certificates	(960,000)	(960,000)	-	(895,000)
Trans to debt svc fund				
for int on debt certificates	(522,597)	(522,597)	-	(560,710)
Transfer to capital projects fund	<u>(433,000)</u>	<u>(274,215)</u>	<u>158,785</u>	<u>(277,997)</u>
Total other financing sources (uses)	<u>(1,915,597)</u>	<u>(1,756,812)</u>	<u>158,785</u>	<u>(1,729,830)</u>
Net change in fund balance	<u>\$ (421,193)</u>	(335,784)	<u>\$ 85,409</u>	68,134
Fund deficit, beginning of year		<u>(622,271)</u>		<u>(690,405)</u>
Fund deficit, end of year		<u>\$ (958,055)</u>		<u>\$ (622,271)</u>

(Concluded)

**The City of Lake Forest School District No. 67**

Transportation Fund

SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND DEFICITS - BUDGET AND ACTUAL

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011			2010 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 410,333	\$ 409,581	\$ (752)	\$ 336,002
Regular transportation fees from pupils or parents	465,000	421,516	(43,484)	465,851
Interest on investments	<u>1,300</u>	<u>186</u>	<u>(1,114)</u>	<u>2,984</u>
Total local sources	<u>876,633</u>	<u>831,283</u>	<u>(45,350)</u>	<u>804,837</u>
<b>State sources</b>				
Transportation - Regular/Vocational	3,506	9,195	5,689	14,023
Transportation - Special Education	36,160	141,992	105,832	144,641
Other State Sources	<u>79,332</u>	<u>-</u>	<u>(79,332)</u>	<u>-</u>
Total state sources	<u>118,998</u>	<u>151,187</u>	<u>32,189</u>	<u>158,664</u>
Total revenues	<u>995,631</u>	<u>982,470</u>	<u>(13,161)</u>	<u>963,501</u>

(Continued)

**The City of Lake Forest School District No. 67**

Transportation Fund

SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND DEFICITS - BUDGET AND ACTUAL

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Expenditures				
Support services				
Business				
Pupil transportation services				
Purchased services	\$ 1,165,426	\$ 1,103,766	\$ 61,660	\$ 1,106,829
Supplies and materials	<u>1,100</u>	<u>87</u>	<u>1,013</u>	<u>1,041</u>
Total support services	<u>1,166,526</u>	<u>1,103,853</u>	<u>62,673</u>	<u>1,107,870</u>
Total expenditures	<u>1,166,526</u>	<u>1,103,853</u>	<u>62,673</u>	<u>1,107,870</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (170,895)</u>	<u>(121,383)</u>	<u>\$ 49,512</u>	<u>(144,369)</u>
Fund deficit, beginning of year		<u>(60,159)</u>		<u>84,210</u>
Fund deficit, end of year		<u>\$ (181,542)</u>		<u>\$ (60,159)</u>

(Concluded)

## The City of Lake Forest School District No. 67

Municipal Retirement / Social Security Fund

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 382,977	\$ 382,284	\$ (693)	\$ 364,002
Social security/medicare only levy	382,977	382,284	(693)	364,002
Corporate personal property replacement taxes	24,000	24,000	-	24,000
Interest on investments	<u>3,500</u>	<u>390</u>	<u>(3,110)</u>	<u>4,728</u>
Total local sources	<u>793,454</u>	<u>788,958</u>	<u>(4,496)</u>	<u>756,732</u>
Total revenues	<u>793,454</u>	<u>788,958</u>	<u>(4,496)</u>	<u>756,732</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Regular programs	153,647	135,679	17,968	138,480
Special education programs	89,738	88,922	816	85,624
Special education programs pre-K	566	1,597	(1,031)	504
Remedial and supplemental programs K-12	5,748	4,859	889	5,112
Interscholastic programs	7,101	7,886	(785)	6,825
Summer school programs	2,299	2,952	(653)	2,299
Gifted programs	10,232	7,755	2,477	9,144
Bilingual programs	<u>1,428</u>	<u>1,270</u>	<u>158</u>	<u>1,270</u>
Total instruction	<u>270,759</u>	<u>250,920</u>	<u>19,839</u>	<u>249,258</u>

(Continued)

## The City of Lake Forest School District No. 67

Municipal Retirement / Social Security Fund

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Support services				
Pupils				
Attendance and social work services	\$ 3,930	\$ 3,508	\$ 422	\$ 3,495
Health services	6,317	5,998	319	5,758
Psychological services	6,526	5,520	1,006	5,803
Speech pathology and audiology services	3,380	3,380	-	3,006
Other support services -pupils	<u>4,667</u>	<u>4,609</u>	<u>58</u>	<u>4,545</u>
Total pupils	<u>24,820</u>	<u>23,015</u>	<u>1,805</u>	<u>22,607</u>
Instructional staff				
Improvement of instruction services	15,465	10,558	4,907	14,957
Educational media services	32,670	38,573	(5,903)	31,164
Assessment and testing	<u>932</u>	<u>883</u>	<u>49</u>	<u>851</u>
Total instructional staff	<u>49,067</u>	<u>50,014</u>	<u>(947)</u>	<u>46,972</u>
General administration				
Executive administration services	13,830	14,038	(208)	23,374
Special area administrative services	<u>21,526</u>	<u>22,343</u>	<u>(817)</u>	<u>20,470</u>
Total general administration	<u>35,356</u>	<u>36,381</u>	<u>(1,025)</u>	<u>43,844</u>
School administration				
Office of the principal services	77,083	80,808	(3,725)	73,252
Other support services - school administration	<u>16,334</u>	<u>-</u>	<u>16,334</u>	<u>15,631</u>
Total school administration	<u>93,417</u>	<u>80,808</u>	<u>12,609</u>	<u>88,883</u>

(Continued)

**The City of Lake Forest School District No. 67**  
Municipal Retirement / Social Security Fund  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2011  
With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011			2010 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
<b>Business</b>				
Direction of business support services	\$ 1,421	\$ 1,211	\$ 210	\$ 2,521
Fiscal services	13,181	9,149	4,032	26,042
Operation and maintenance of plant services	<u>123,044</u>	<u>144,251</u>	<u>(21,207)</u>	<u>128,414</u>
Total business	<u>137,646</u>	<u>154,611</u>	<u>(16,965)</u>	<u>156,977</u>
<b>Central</b>				
Information services	9,971	10,633	(662)	9,519
Staff services	221	129	92	209
Data processing services	<u>38,122</u>	<u>42,011</u>	<u>(3,889)</u>	<u>36,597</u>
Total central	<u>48,314</u>	<u>52,773</u>	<u>(4,459)</u>	<u>46,325</u>
Other support services	<u>18,955</u>	<u>-</u>	<u>18,955</u>	<u>-</u>
Total support services	<u>407,575</u>	<u>397,602</u>	<u>9,973</u>	<u>405,608</u>
Total expenditures	<u>678,334</u>	<u>648,522</u>	<u>29,812</u>	<u>654,866</u>
Excess of revenues over expenditures	<u>\$ 115,120</u>	140,436	<u>\$ 25,316</u>	101,866
Fund balance, beginning of year		<u>384,571</u>		<u>282,705</u>
Fund balance, end of year		<u>\$ 525,007</u>		<u>\$ 384,571</u>

(Concluded)

**The City of Lake Forest School District No. 67**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2011

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1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

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

- a) 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.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Management is authorized to transfer budget amounts, provided that 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 a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- e) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 28, 2010.

2. EXPENDITURES IN EXCESS OF BUDGETS

The following funds had expenditures in excess of budgets at June 30, 2011:

<u>Funds</u>	<u>Amount</u>
Operations and Maintenance	\$ 145,351
Debt Service	201
Capital Projects	215,597

**SUPPLEMENTARY FINANCIAL INFORMATION**

# The City of Lake Forest School District No. 67

General Fund

COMBINING BALANCE SHEET

June 30, 2011

	Educational	Working Cash	Total
<b>ASSETS</b>			
Cash and investments	\$ 18,194,680	\$ 1,104,023	\$ 19,298,703
Receivables (net of allowance for uncollectibles):			
Interest	31,232	36	31,268
Property taxes	9,969,081	-	9,969,081
Accounts	18,727	-	18,727
Intergovernmental	412,068	-	412,068
Total assets	\$ 28,625,788	\$ 1,104,059	\$ 29,729,847
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable	\$ 1,551,610	\$ -	\$ 1,551,610
Salaries and wages payable	716,589	-	716,589
Other current liabilities	79,601	-	79,601
Deferred revenue	20,808,499	28	20,808,527
Total liabilities	23,156,299	28	23,156,327
<b>Fund balances:</b>			
Unassigned	5,469,489	1,104,031	6,573,520
Total fund balance	5,469,489	1,104,031	6,573,520
Total liabilities and fund balance	\$ 28,625,788	\$ 1,104,059	\$ 29,729,847

# The City of Lake Forest School District No. 67

## General Fund

### COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2011

	General	Working Cash	Total
<b>Revenues</b>			
Property taxes	\$ 22,909,923	\$ -	\$ 22,909,923
State aid	5,062,526	-	5,062,526
Federal aid	486,715	-	486,715
Interest	61,442	9	61,451
Other	<u>1,859,895</u>	<u>-</u>	<u>1,859,895</u>
 Total revenues	 <u>30,380,501</u>	 <u>9</u>	 <u>30,380,510</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular programs	11,675,143	-	11,689,730
Special programs	2,249,758	-	2,249,758
Other instructional programs	1,355,603	-	1,355,603
State retirement contributions	3,854,050	-	3,854,050
Support services:			
Pupils	1,571,450	-	1,571,450
Instructional staff	1,622,998	-	1,622,998
General administration	903,595	-	903,595
School administration	1,547,316	-	1,547,316
Business	1,282,347	-	1,282,347
Central	989,192	-	989,192
Community services	16,274	-	16,274
Nonprogrammed charges	1,702,313	-	1,702,313
Capital outlay	<u>504,869</u>	<u>-</u>	<u>504,869</u>
 Total expenditures	 <u>29,274,908</u>	 <u>-</u>	 <u>29,274,908</u>
 Excess of revenues over expenditures	 <u>1,105,593</u>	 <u>9</u>	 <u>1,105,602</u>
 Fund balance, beginning of year (as restated - see Note O)	 <u>4,363,896</u>	 <u>1,104,022</u>	 <u>5,467,918</u>
 Fund balance, end of year	 <u>\$ 5,469,489</u>	 <u>\$ 1,104,031</u>	 <u>\$ 6,573,520</u>

# The City of Lake Forest School District No. 67

## Debt Service Fund

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011			2010 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 437,688	\$ 436,902	\$ (786)	\$ 448,013
Interest on investments	<u>1,500</u>	<u>244</u>	<u>(1,256)</u>	<u>3,739</u>
Total local sources	<u>439,188</u>	<u>437,146</u>	<u>(2,042)</u>	<u>451,752</u>
Total revenues	<u>439,188</u>	<u>437,146</u>	<u>(2,042)</u>	<u>451,752</u>
Expenditures				
Debt service				
Debt services - interest				
Bonds - interest	<u>692,979</u>	<u>522,598</u>	<u>170,381</u>	<u>565,433</u>
Total debt service - interest	<u>692,979</u>	<u>522,598</u>	<u>170,381</u>	<u>565,433</u>
Principal payments on long-term debt	<u>1,204,618</u>	<u>1,375,000</u>	<u>(170,382)</u>	<u>1,391,327</u>
Other debt service				
Purchased services	4,000	4,200	(200)	-
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,300</u>
Total	<u>4,000</u>	<u>4,200</u>	<u>(200)</u>	<u>3,300</u>
Total debt service	<u>1,901,597</u>	<u>1,901,798</u>	<u>(201)</u>	<u>1,960,060</u>
Total expenditures	<u>1,901,597</u>	<u>1,901,798</u>	<u>(201)</u>	<u>1,960,060</u>

(Continued)

# The City of Lake Forest School District No. 67

## Debt Service Fund

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Deficiency of revenues over expenditures	\$ (1,462,409)	\$ (1,464,652)	\$ (2,243)	\$ (1,508,308)
Other financing sources (uses)				
Permanent transfer of interest - out	-	-	-	(3,877)
Transfer to pay for principal on capital leases	-	-	-	81,327
Transfer to pay for interest on capital leases	-	-	-	4,723
Transfer to pay principal on debt certificates	960,000	960,000	-	895,000
Transfer to pay interest on debt certificates	<u>522,597</u>	<u>522,597</u>	<u>-</u>	<u>560,710</u>
Total other financing sources (uses)	<u>1,482,597</u>	<u>1,482,597</u>	<u>-</u>	<u>1,537,883</u>
Net change in fund balance	<u>\$ 20,188</u>	17,945	<u>\$ (2,243)</u>	29,575
Fund balance, beginning of year		<u>107,040</u>		<u>77,465</u>
Fund balance, end of year		<u>\$ 124,985</u>		<u>\$ 107,040</u>

(Concluded)

# The City of Lake Forest School District No. 67

## Capital Projects Fund

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011			2010 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
<b>Revenues</b>				
<b>Local sources</b>				
Interest on investments	\$ -	\$ 19	\$ 19	\$ 530
Other	<u>-</u>	<u>60,807</u>	<u>60,807</u>	<u>927,646</u>
Total local sources	<u>-</u>	<u>60,826</u>	<u>60,826</u>	<u>928,176</u>
<b>Federal sources</b>				
ARRA IDEA - Part B - Flow-Through	-	-	-	487,080
Total federal sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>487,080</u>
Total revenues	<u>-</u>	<u>60,826</u>	<u>60,826</u>	<u>1,415,256</u>
<b>Expenditures</b>				
<b>Support services</b>				
<b>Facilities acquisition and construction services</b>				
Purchased services	-	-	-	9,653
Capital outlay	<u>583,000</u>	<u>255,512</u>	<u>327,488</u>	<u>177,998</u>
Total support services	<u>583,000</u>	<u>255,512</u>	<u>327,488</u>	<u>187,651</u>

(Continued)

# The City of Lake Forest School District No. 67

## Capital Projects Fund

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011			2010 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Payments to other districts and Gov't units				
Payment for special education programs	\$ -	\$ -	\$ -	\$ 924,954
Payments to in-state government units	<u>169,478</u>	<u>712,563</u>	<u>(543,085)</u>	<u>151,423</u>
Total nonprogrammed charges	<u>169,478</u>	<u>712,563</u>	<u>(543,085)</u>	<u>1,076,377</u>
Total expenditures	<u>752,478</u>	<u>968,075</u>	<u>(215,597)</u>	<u>1,264,028</u>
Excess (deficiency) of revenues over expenditures	<u>(752,478)</u>	<u>(907,249)</u>	<u>(154,771)</u>	<u>151,228</u>
Other financing sources				
Transfer in	<u>433,000</u>	<u>274,215</u>	<u>(158,785)</u>	<u>277,997</u>
Total other financing sources	<u>433,000</u>	<u>274,215</u>	<u>(158,785)</u>	<u>277,997</u>
Net change in fund balance	<u>\$ (319,478)</u>	(633,034)	<u>\$ (313,556)</u>	429,225
Fund balance, beginning of year		<u>699,991</u>		<u>270,766</u>
Fund balance, end of year		<u>\$ 66,957</u>		<u>\$ 699,991</u>

(Concluded)

**The City of Lake Forest School District No. 67**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND - STUDENT ACTIVITY FUNDS**  
Year Ended June 30, 2011

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2011</u>
<b>Assets</b>				
Cash	\$ 173,466	\$ 357,179	\$ 334,593	\$ 196,052
<b>Liabilities</b>				
Administration Accounts:				
General Administration	\$ 121,687	\$ 162,401	\$ 143,003	\$ 141,085
Primary School Accounts				
Cherokee School	7,781	25,918	24,886	8,813
Sheridan School	4,003	18,183	16,029	6,157
Everett School	10,359	34,126	34,083	10,402
Deerpath Junior High School:	<u>29,636</u>	<u>116,551</u>	<u>116,592</u>	<u>29,595</u>
	<u>\$ 173,466</u>	<u>\$ 357,179</u>	<u>\$ 334,593</u>	<u>\$ 196,052</u>

**OTHER SUPPLEMENTAL INFORMATION**

**The City of Lake Forest School District No. 67**  
**PROPERTY TAX RATES - LEVIES AND COLLECTIONS**  
**LAST TEN TAX LEVY YEARS**

	<u>2010*</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Rates Extended</b>				
Educational	0.788	0.8390	0.8130	0.8010
Special Education	-	-	0.0050	-
Operations and Maintenance	0.218	0.1000	0.0930	0.0920
Transportation	0.046	0.0150	0.0120	0.0110
Municipal Retirement	0.026	0.0280	0.0260	0.0240
Debt Service	0.017	0.0160	0.0160	0.0160
	<u>1.0950</u>	<u>0.9980</u>	<u>0.9650</u>	<u>0.9440</u>
<b>Levies Extended</b>				
Educational	\$ 20,303,555	\$ 22,951,315	\$ 22,798,128	\$ 21,830,930
Special Education	-	-	140,210	-
Operations and Maintenance	5,616,973	2,735,556	2,607,904	2,507,423
Transportation	1,185,233	410,333	336,504	299,801
Municipal Retirement	669,914	765,956	729,092	654,110
Debt Service	438,021	437,689	448,671	436,074
	<u>\$ 28,213,696</u>	<u>\$ 27,300,849</u>	<u>\$ 27,060,509</u>	<u>\$ 25,728,338</u>
Total collections	<u>\$ 14,219,654</u>	<u>\$ 27,246,907</u>	<u>\$ 27,013,476</u>	<u>\$ 25,692,376</u>
Percentage of extensions collected	<u>50.40%</u>	<u>99.80%</u>	<u>99.83%</u>	<u>99.86%</u>

Note: Tax rates are expressed in dollars per \$100 of assessed valuation.

\* Most recent information available

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
0.8190	0.8430	0.8580	0.8830	0.9140	0.9910
-	0.0200	0.0200	0.0200	0.0200	0.0200
0.0930	0.0960	0.1090	0.1280	0.1310	0.1020
0.0110	0.0110	0.0270	0.0290	0.0360	0.0560
0.0240	0.0240	0.0170	0.0180	0.0260	0.0280
0.0170	0.0190	0.0200	0.0230	0.0250	0.0270
<u>0.9640</u>	<u>1.0130</u>	<u>1.0510</u>	<u>1.1010</u>	<u>1.1520</u>	<u>1.2240</u>
\$ 21,015,640	\$ 19,645,271	\$ 18,267,561	\$ 17,352,638	\$ 16,516,819	\$ 16,284,169
-	466,080	425,817	393,038	361,418	328,641
2,386,391	2,237,184	2,320,704	2,515,445	2,367,290	1,676,070
282,261	256,344	574,853	569,906	650,553	920,195
615,843	559,296	361,945	353,734	469,844	460,098
436,222	442,776	425,817	451,994	451,773	443,665
<u>\$ 24,736,357</u>	<u>\$ 23,606,951</u>	<u>\$ 22,376,697</u>	<u>\$ 21,636,755</u>	<u>\$ 20,817,697</u>	<u>\$ 20,112,838</u>
<u>\$ 24,714,804</u>	<u>\$ 23,509,614</u>	<u>\$ 22,322,054</u>	<u>\$ 21,539,390</u>	<u>\$ 20,702,913</u>	<u>\$ 20,075,183</u>
<u>99.91%</u>	<u>99.59%</u>	<u>99.76%</u>	<u>99.55%</u>	<u>99.45%</u>	<u>99.81%</u>

# The City of Lake Forest School District No. 67

## OPERATING COSTS AND TUITION CHARGE

June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>Operating costs per pupil</b>		
Average Daily Attendance (ADA):	<u>1,934.37</u>	<u>2,012.10</u>
Operating costs:		
Educational	\$ 25,420,858	\$ 25,326,318
Operations and Maintenance	2,949,503	2,596,489
Transportation	1,103,853	1,107,870
Municipal Retirement/Social Security	648,522	654,866
Debt Service	<u>1,901,798</u>	<u>1,960,060</u>
Subtotal	<u>32,024,534</u>	<u>31,645,603</u>
Less Revenues/Expenditures of Nonregular Programs:		
Noncapitalized equipment		1,320
Community services	16,274	19,549
Summer school	47,200	31,265
Special education	142,288	102,727
Total payments to other Districts and Gov't units	1,726,915	1,838,182
Capital outlay	527,975	118,106
Debt principal retired	<u>1,375,000</u>	<u>1,391,327</u>
Subtotal	<u>3,835,652</u>	<u>3,502,476</u>
Operating costs	<u>\$ 28,188,882</u>	<u>\$ 28,143,127</u>
Operating costs per pupil - based on ADA	<u>\$ 14,573</u>	<u>\$ 13,987</u>
<b>Tuition Charge</b>		
Operating costs	\$ 28,188,882	\$ 28,143,127
Less - revenues from specific programs, such as special education or lunch programs	<u>3,670,491</u>	<u>4,009,663</u>
Net operating costs	24,518,391	24,133,464
Depreciation allowance	<u>1,301,700</u>	<u>1,239,841</u>
Allowance tuition costs	<u>\$ 25,820,091</u>	<u>\$ 25,373,305</u>
Tuition charge per pupil - based on ADA	<u>\$ 13,348</u>	<u>\$ 12,610</u>