



**Board of Education - Finance Committee Meeting
District Office
1936 Green Bay Rd.
Highland Park, IL 60035**

Tuesday, October 19, 2021 5:45 PM

Agenda

Mission Statement

The mission of North Shore School District 112, a community partnership committed to a world-class education, is to nurture every child to become an inspired learner, a well-rounded individual and contributing member of a global community by striving for excellence within an environment that fosters innovation, respect, engagement and intellectual inquiry

No Live Stream

This meeting will be held in person and adhere to Governor Pritzker's Executive Order 2021-18, requiring all persons inside school buildings to wear face coverings regardless of vaccination status.

1. Call to Order/Roll Call (5:45 p.m.)
2. Approval of Agenda
3. Presentation of 2021 Tentative Tax Levy Recommendation
4. Year-End-Budget Analysis
5. Presentation FY21 Audit Report
6. Treasurer's Report - September 2021
7. Public Comments
8. Other
9. Adjournment

2021 Property Tax Levy Presentation

October 19, 2021

Finance Committee Meeting

Tax Levy Information

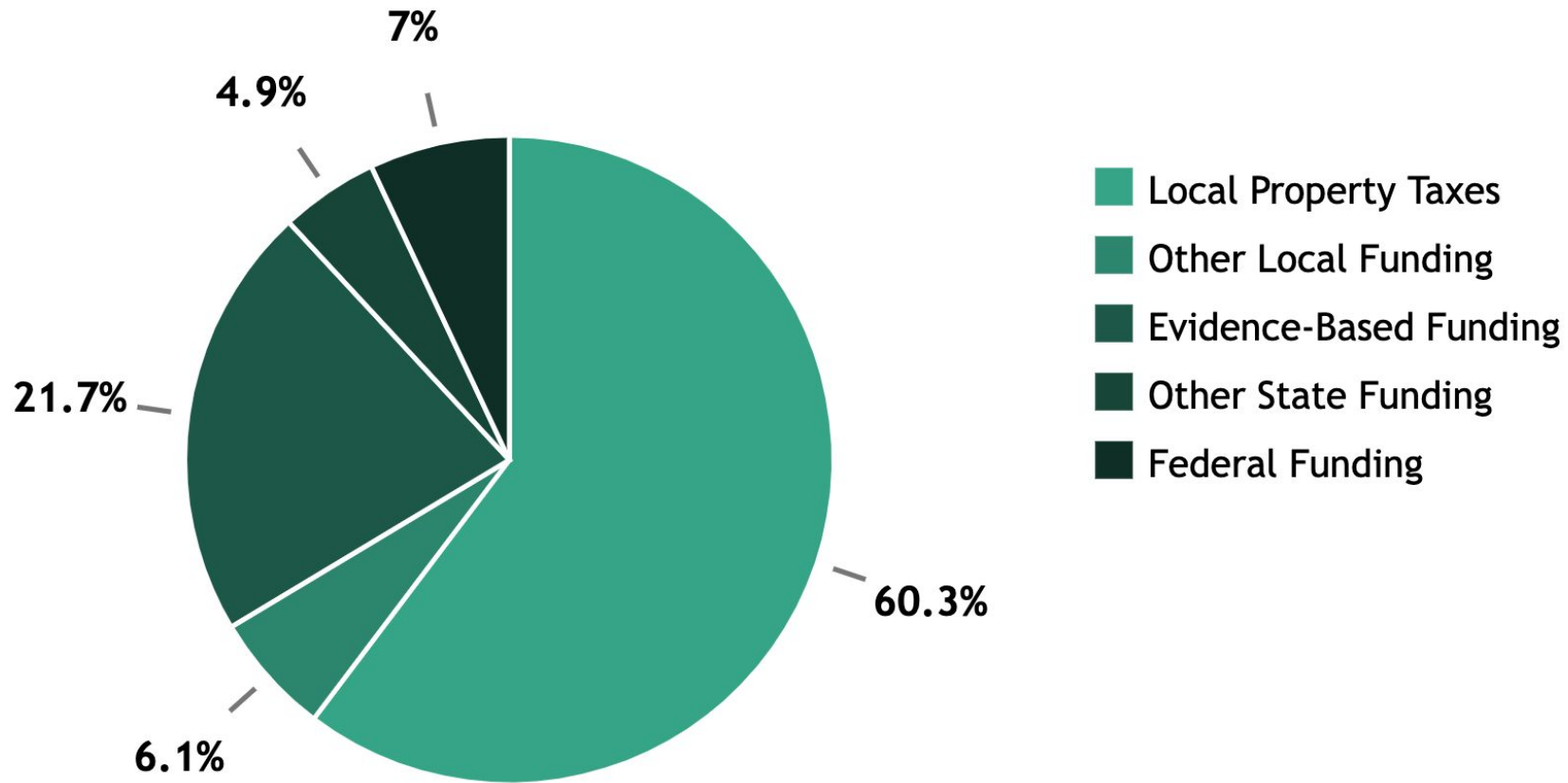
What is the difference between a tax levy and a tax extension?

- A tax levy is the amount of money a school district requests to be raised from property taxes. A tax extension is the amount of money that a school district receives from property taxes.

Why are a tax levy and tax extension important?

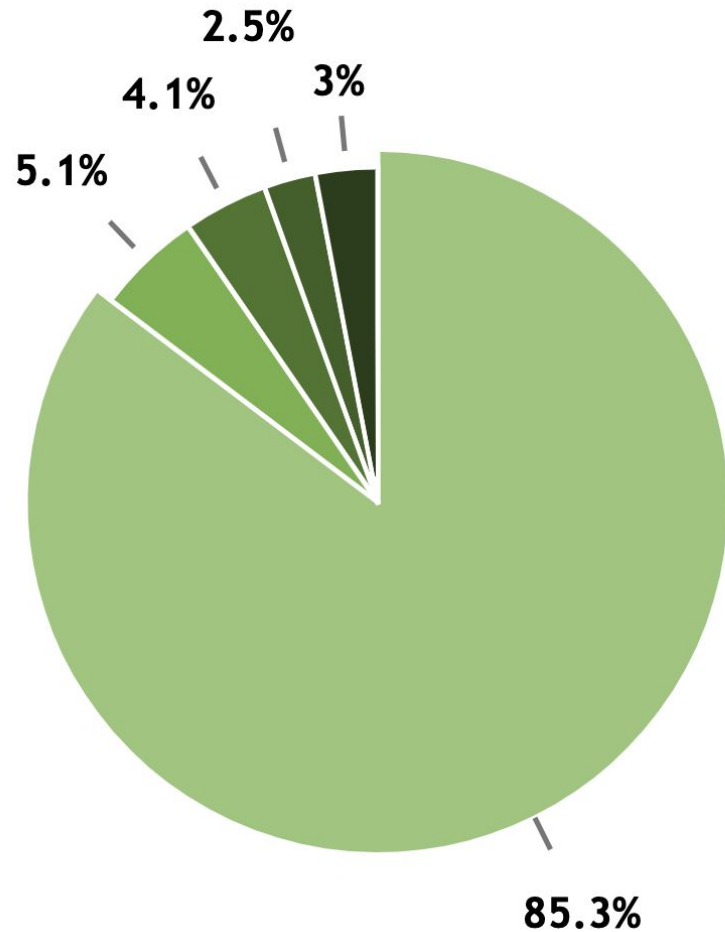
- Most Illinois school district revenue comes from local property taxes.
- For tax-capped school districts, each tax extension is limited by its prior year tax extension plus inflation (CPI-U) on its existing base.

Illinois School District Averages - Revenue Percentages (FY 2019)



Source: [Illinois School District Report Card](#)

District Financial Information - Revenue Percentages (FY 2019)



\$82 M

- Local Property Taxes
- Other Local Funding
- Evidence-Based Funding
- Other State Funding
- Federal Funding

Source: [Illinois School District Report Card](#)

Tax Levy Information



What is the Property Tax Extension Limitation Law (PTELL)?

- Each tax extension is limited by the prior year's tax extension multiplied by the December Consumer Price Index for all Urban Consumers (CPI-U) for the preceding calendar year. PTELL is also known as a "tax cap."

Does new property count against the tax cap?

- No, new property is added to the tax rolls after the "limiting rate" is calculated. Thus, new property provides additional revenue in excess of the tax cap.

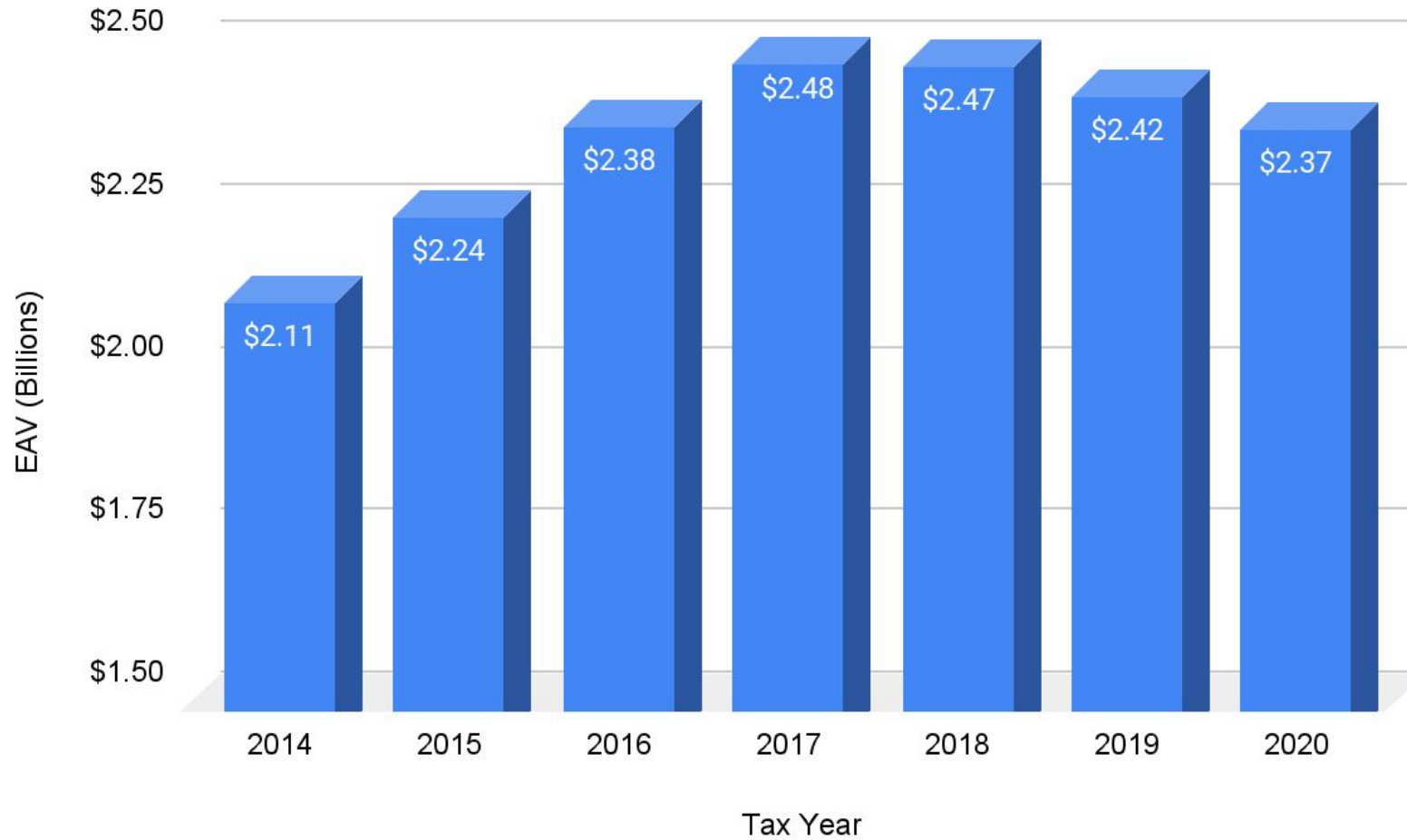
Tax Levy Information



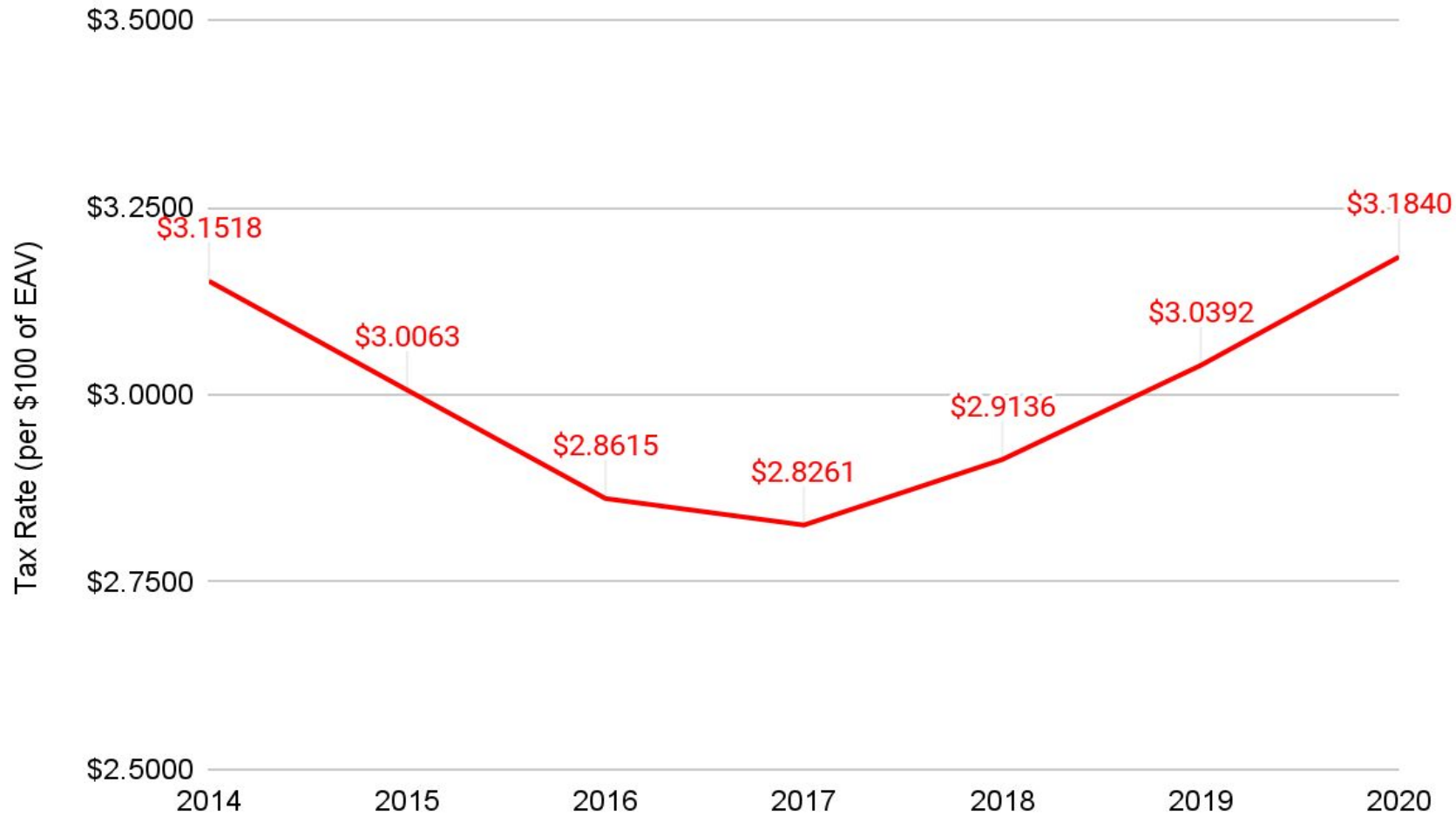
$$\text{Tax Rate} = \frac{\text{Tax Extension}}{\text{EAV}}$$

EAV = Equalized Assessed Valuation (D112 property values)

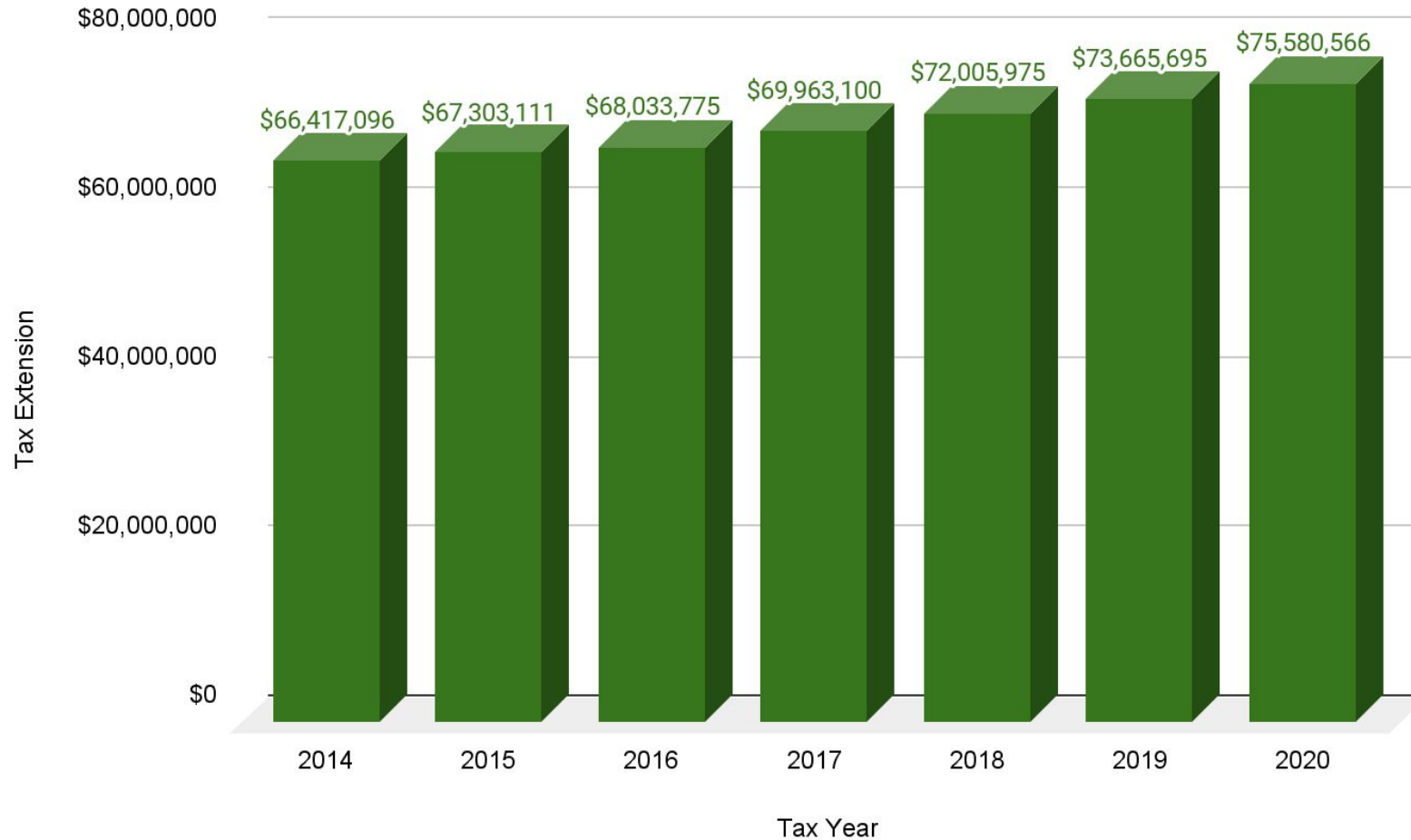
Historical D112 EAV



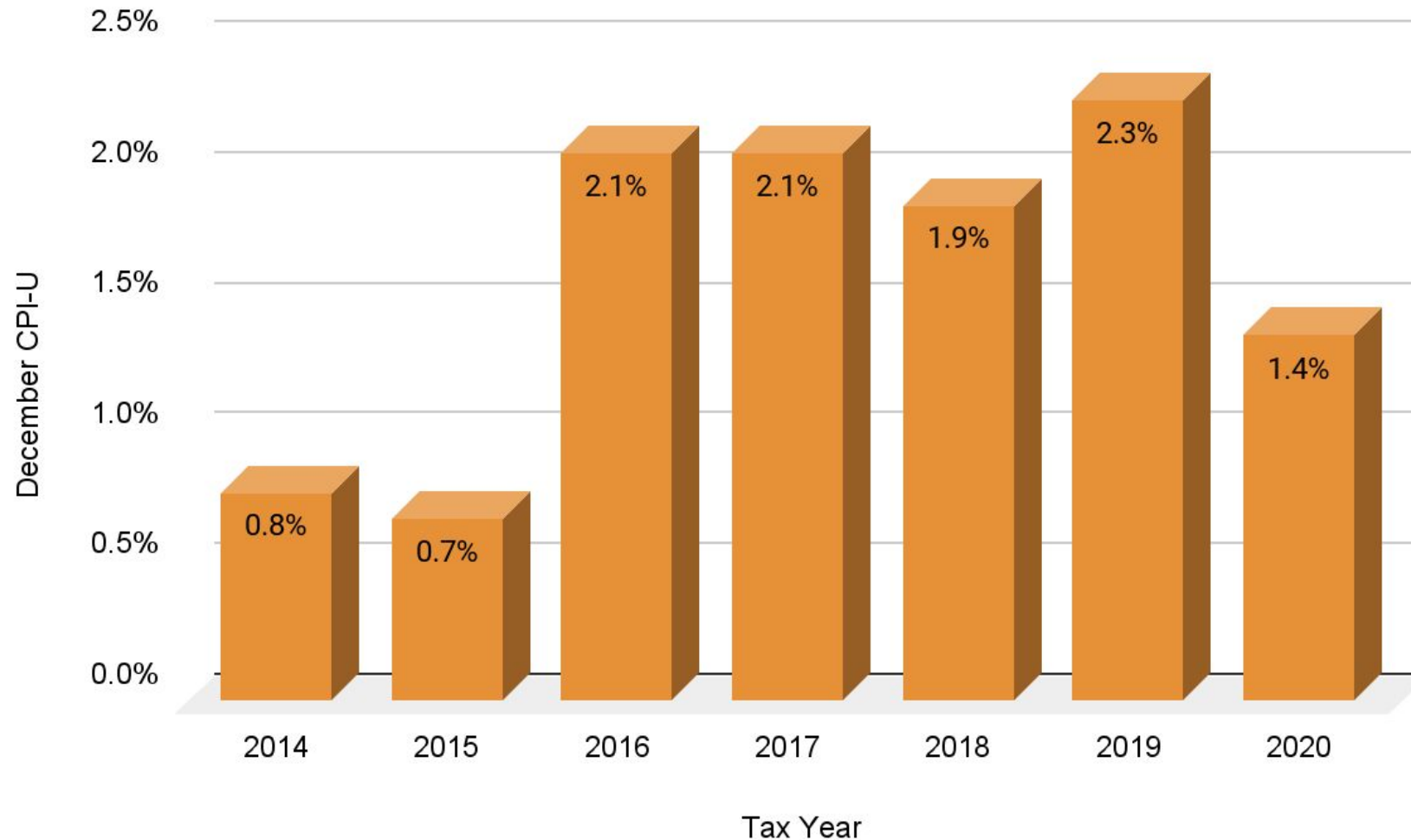
Historical D112 Tax Rate



Historical D112 Tax Extension



Historical CPI-U



Where is the CPI-U headed?

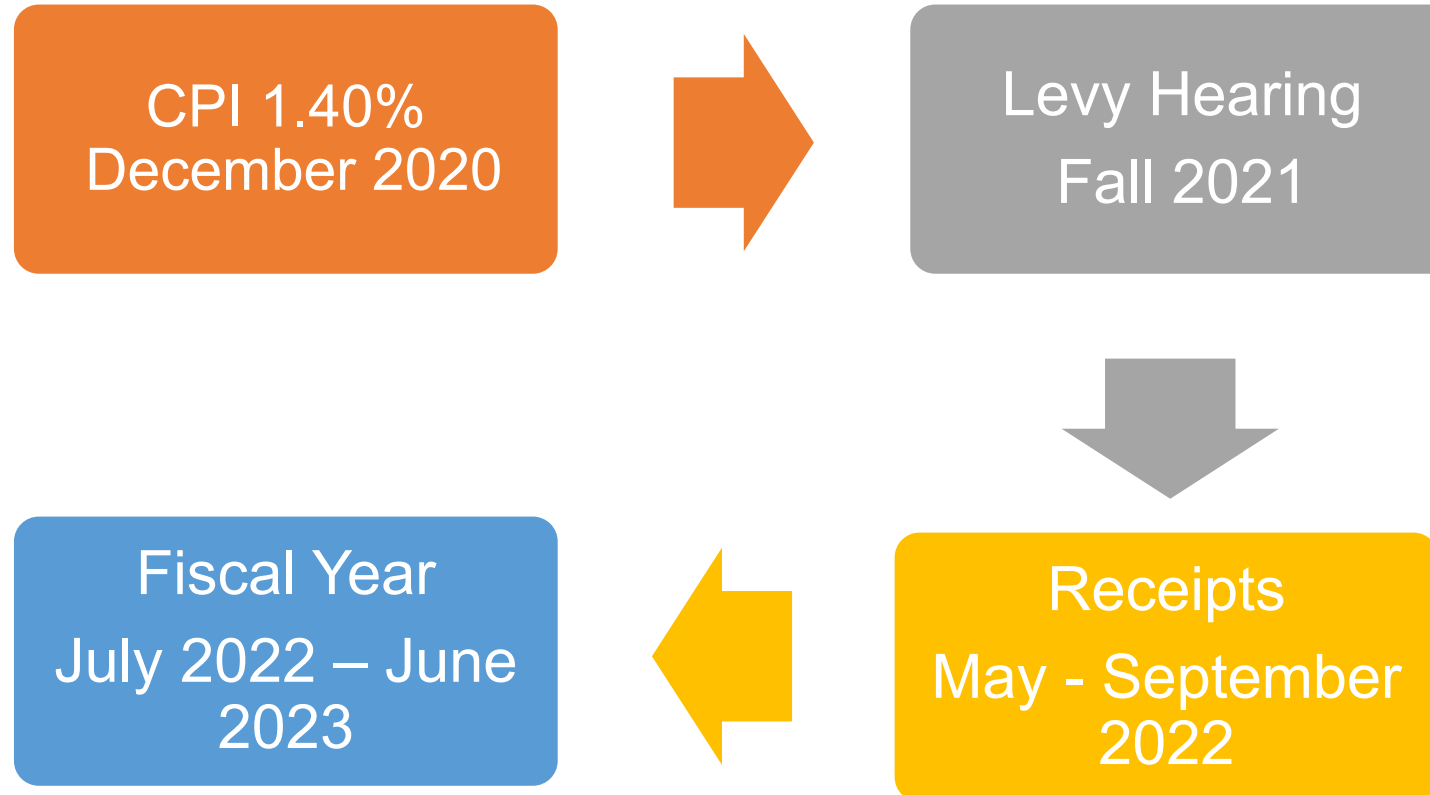


Seasonally adjusted changes from preceding month

	Mar. 2021	Apr. 2021	May 2021	June 2021	July 2021	Aug. 2021	Sep. 2021	Un- adjusted 12-mos. ended Sep. 2021
All items.....	.6	.8	.6	.9	.5	.3	.4	5.4

Source: [U.S. Bureau of Labor Statistics](https://www.bls.gov/)

Levy Process Flow



Levy Comparison

Prior Year, Current Request, & Anticipated Extension



Fund	Actual Prior Year Extension	Recommended Levy Request	Levy Request % Increase	Est. Current Year Extension	\$ Change from Prior Year	% Change from Prior Year
Education	\$57,770,016	\$64,710,341	12.01%	\$64,069,644	\$6,299,627	10.90%
Operations & Maintenance	\$13,055,500	\$12,486,257	-4.36%	\$12,362,630	-\$692,870	-5.31%
Transportation	\$3,850,019	\$0	-100.00%	\$0	-\$3,850,019	-100.00%
Working Cash	\$5,009	\$211,940	4131.55%	\$209,842	\$204,833	4089.66%
Municipal Retirement	\$100,005	\$0	-100.00%	\$0	-\$100,005	-100.00%
Social Security	\$100,005	\$0	-100.00%	\$0	-\$100,005	-100.00%
Special Education	\$700,012	\$723,645	3.38%	\$716,480	\$16,468	2.35%
Total Levy/Extension	\$75,580,566	\$78,132,183	3.38%	\$77,358,595	\$1,778,029	2.35%

Historical New Property



Why is NSSD 112 Requesting an Increased Levy?



- 6 of the District's 7 elementary schools have millions of dollars in deferred maintenance that must be addressed.
- District 112's Collective Bargaining agreements increase salary costs in future fiscal years (approximately 3.6% for teachers; CPI-U for support staff).
- Inflation (CPI-U), as noted earlier, is currently running over 5% higher than the previous year.

What does this mean for an individual taxpayer?



Fair Cash Value of House:	\$400,000
EAV of House (1/3 of Fair Cash Value):	\$133,333
2020 D112 Tax Rate:	\$3.1840 per \$100 of EAV
Estimated 2021 Increase:	2.35%
2020 D112 Taxes Paid:	(\$4,245.39)
Estimated 2021 D112 Taxes:	<u>\$4,345.16</u>
Estimated 2020 Increase:	\$99.17*



*Estimated tax increase is \$8.31 per month for a \$400,000 house

Levy Timeline

- Approve 2021 tentative tax levy on October 19, 2021.
- Hold a public hearing and approve the 2021 final tax levy on November 16, 2021.
- File the 2021 adopted certificate of tax levy no later than the last Tuesday of December in 2021 (December 22nd).

Key Takeaways



- District 112's tax increase is inflationary and will provide NSSD 112 with the revenue it needs to sustain its operations while costs are increasing.
- District 112 has millions of dollars in deferred maintenance that must be addressed.



Questions and Comments

Levy Comparison

Prior Year, Current Request, & Anticipated Extension



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Total Levy/Extension	\$75,580,566	\$78,132,183	3.38%	\$77,358,595	\$1,778,029	2.35%

Year-End Budget Reconciliation

October 19, 2021

Finance Committee Meeting

2020-2021 Budgeted Operating Surplus



- The District had an operating budget surplus of **\$44,363** during the prior fiscal year.

Mission Statement

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Revenue Reconciliation



- 2019 Tax Levy (received in summer 2020 for 2020-2021 school year)
 - Receipts were budgeted conservatively at 98.0% of NSSD 112's tax extension. The District received 99.1%.
 - NSSD 112 received **\$829,413 more** than it budgeted in this line item.
- Corporate Personal Property Replacement Taxes (CPPRT)
 - The District conservatively budgeted \$494,560, but received \$1,015,425. The prior year, the District had received \$728,794.
 - NSSD 112 received **\$520,865 more** than it budgeted in this line item.

Revenue Reconciliation

- State Transportation Reimbursements
 - The District budgeted \$850,000, but received \$1,848,605
 - NSSD 112 received **\$998,605 more** than it budgeted in this line item.
- Federal Student Free Lunch and Breakfast
 - The District budgeted \$178,000, but received \$477,058. District 112 had free meals given to all its students as part of the Seamless Summer Option (SSO) offered by the USDA.
 - NSSD 112 received **\$299,058 more** than it budgeted in this line item.

Revenue Reconciliation

- 2020-2021 Student Fees
 - The District budgeted \$315,000, but received \$563,152.
 - NSSD 112 received **\$248,152 more** than it budgeted in this line item.
- Federal Impact Aid
 - The District budgeted \$200,000, but received \$345,490
 - NSSD 112 received **\$145,490 more** than it budgeted in this line item
- Federal COVID-19 Stimulus Funds
 - The District budgeted \$0, but received **\$1,517,272.**

Revenue Reconciliation



- Interest on Investments
 - The District budgeted \$1,617,378, but received only \$769,042.
 - NSSD 112 received **\$848,333 less** than it budgeted in this line item.

- All Other Revenue Sources
 - NSSD 112 received **\$340,241 less** than it budgeted in all other revenue line items.

Revenue Summary



- **Revenues exceeded the budget by \$3,370,281.**
 - The District budgeted \$81,089,881, but received \$84,460,162.



Expenditure Reconciliation

- Salaries
 - The District budgeted \$45,749,772, but spent only \$42,289,309.
 - NSSD 112 spent **\$3,460,463 less** than it budgeted in this line item.

- Benefits
 - The District budgeted benefits accurately.

- Transportation
 - The District budgeted \$4,449,369, but spent only \$3,378,958
 - NSSD 112 spent **\$1,070,411 less** than it budgeted in this line item.

Expenditure Reconciliation



- Purchased Services (No Transportation)
 - The District budgeted \$9,723,872, but spent \$10,492,348.
 - Virtual schooling, temporary air, and additional custodial services.
 - NSSD 112 spent **\$768,476 more** than it budgeted in this line item.

- Supplies (No Transportation)
 - The District budgeted \$3,295,273, but spent \$3,777,217.
 - COVID-19 supplies; additional curricular purchases
 - NSSD 112 spent **\$481,944 more** than it budgeted in this line item.



Expenditure Reconciliation

- Capital Outlay (no Fund 60)
 - The District budgeted \$2,743,000, but spent \$5,735,871.
 - Apple device refresh; air quality control
 - NSSD 112 spent **\$2,992,871 more** than it budgeted in this line item.

- Other Objects (Tuition, Dues & Fees)
 - The District budgeted \$2,520,000, but spent only \$2,035,517.
 - Special Education Tuition Program savings
 - NSSD 112 spent **\$484,483 less** than it budgeted in this line item.

Expenditure Reconciliation



- All other expenditures
 - NSSD 112 spent **\$25,094 more** than it budgeted in all other expenditure line items.

Expenditure Summary



- **Expenditures were less than the budget by \$746,972.**
 - The District budgeted \$81,045,518, but spent only \$80,298,546.

Budget Reconciliation Summary



Budgeted Surplus	\$44,363
Additional Revenue Received	\$3,370,281
Expenditures Under Budget	\$746,972
Total 2020-2021 Operating Surplus	\$4,161,616

Reconciliation to July Estimate of \$6.0 Million Surplus

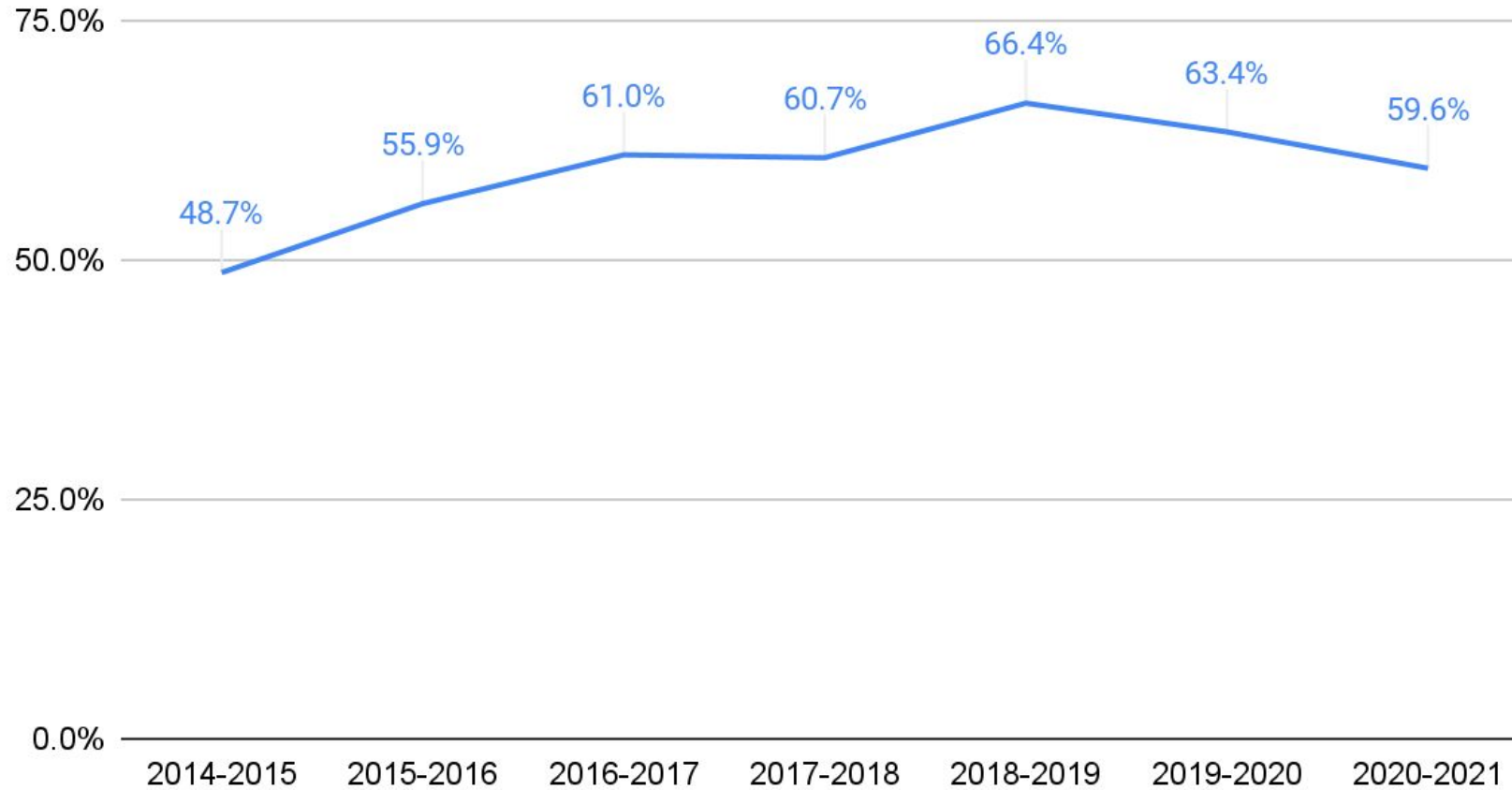


Amounts in Millions

Projected Surplus Prior to Audit Adjustments	\$6.0
Additional Capital Expenditures (HLS; Oak Terrace Roof)	(\$1.1)
Decrease in Value of Investments (Cost vs. FMV)	(\$0.4)
Decrease in Recognition of Student Fees	(\$0.2)
Transportation Bills Higher Than Anticipated	(\$0.1)
Audited Operating Surplus	\$4.2

Annual Financial Report

Historical Fund Balance to Revenue Ratio



Where Will We End the 2021-2022 Fiscal Year?



Budgeted Operating Surplus	\$5,994
Capital Expenditures (HLS; Oak Terrace Roof)	\$839,672
State Transportation Reimbursements	\$396,535
Private Facility Reimbursements	\$94,437
Student Fees	\$248,152
10/19/21 Estimated Operating Surplus	\$1,584,790



Questions, Comments and Discussion



Highland Park, Illinois

Comprehensive Annual Financial Report

For the fiscal year
Ended June 30, 2021

"The mission of North Shore School District 112, a community partnership committed to a world-class education, is to nurture every child to become an inspired learner, a well-rounded individual and contributing member of a global community by striving for excellence within an environment that fosters innovation, respect, engagement and intellectual inquiry."

COMPREHENSIVE ANNUAL FINANCIAL
REPORT

OF

**NORTH SHORE SCHOOL DISTRICT
112**

HIGHLAND PARK, ILLINOIS

As of and for the Year Ended June 30, 2021

Officials Issuing Report

Jeremy Davis
Assistant Superintendent for Finance & Operations

Department Issuing Report

Business Office

NORTH SHORE SCHOOL DISTRICT 112

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NORTH SHORE SCHOOL DISTRICT 112

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October 8, 2021

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

The Comprehensive Annual Financial Report of North Shore School District 112 (District 112), Highland Park, Illinois, for the fiscal year ended June 30, 2021, is attached. The Assistant Superintendent of Finance and Operations prepared the report. The report date on the underlying financial statements is October 8, 2021, and an unmodified auditors' opinion on the financial statement has been issued.

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

Financial Statements

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

Other information on the District's financial results can be obtained from the Management Discussion & Analysis included with this Comprehensive Annual Financial Report.

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

History of the District

The District was organized on July 1, 1993, and is governed by an elected seven-member Board of Education. The District maintains grades kindergarten through eighth in eight elementary school buildings and three middle school buildings. Pre-kindergarten and certain special education programs are also provided in the District's administrative building.

The District provides educational instruction to children residing in the City of Highland Park, the City of Highwood, Fort Sheridan, and a portion of Deerfield. The District's operations are funded primarily through local

property taxes. The District operates under guidelines and restrictions set forth in the Illinois School Code and various federal statutes.

The District has ten buildings, eight elementary schools, and two middle schools. The age of the elementary school buildings are as follows: Braeside -1929, Indian Trail -1955, Oak Terrace-2001, Ravinia - 1913, Red Oak -1958, Sherwood-1961, Wayne Thomas-1957, and Green Bay-1929. The age of the middle school buildings is as follows: Edgewood -1951, and Northwood-1959.

The District's year-over-year enrollment is relatively stable, with some fluctuation during the year generated by military housing in the Fort Sheridan Army base. Absent a growth spurt related to completing the new military housing in fiscal 2009, typically, the District has experienced minor annual or aggregate volatility in enrollment over the previous ten years. In the 2021 school year, the total number of regular and special education students enrolled in the District was 3,718. Dr. John Kasarda will be performing an enrollment study in the fiscal year 2022. The report will provide a projected enrollment for the next five to ten years.

Accounting Systems and Budgetary Control

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

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

The District's independent auditors run tests to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, and determine that the District has complied with applicable laws and regulations. The results of the tests for the fiscal year ended June 30, 2020, did not indicate any instances of material weaknesses in the internal control structure. No significant violations of applicable laws and regulations were noted.

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

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

The General Fund Activities, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds are included in the annual budget. The level of budgetary control is established at the individual fund level. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

General Governmental Activities

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

Property taxes are the most significant revenue source of the District. The three factors that affect property tax revenues are assessed valuation, the tax multiplier, and the tax rate. The District's equalized assessed valuation of \$2,373,727,211 represents a decrease in the tax base of 2.07% over the prior year. The tax multiplier is determined by a state agency that attempts to equalize the real property assessment to determine the property value for taxing purposes. This value is referred to as the equalized assessed valuation (EAV).

Economic Condition and Outlook

The District is located in a mature “built out” community in the northeastern part of the state. The District’s tax base is primarily made up of residential communities, with some retail businesses and little industry. The economic condition of the Highland Park and Highwood areas is relatively stable, though the COVID-19 pandemic has caused some retail businesses to close. Assessed property values in the District’s community have fallen now for 3 consecutive years. We are hoping that the recent nation-wide increase in housing values begins to increase assessed property values within the District over the next few years, possibly reducing the District’s tax rate if the trend continues.

Despite the recent downturn in the local real estate market, the District’s community continues to demonstrate its ability to pay taxes levied. Additionally, since District 112 is impacted by the Property Tax Extension Limitation Law (PTELL), the District’s tax extension has continued to increase approximately by inflation. However, if the District’s aggregate property values declined so significantly that tax rates exceeded authorized individual fund maximums, revenues could decline, an event not considered probable.

Like all districts in the state, District 112 has fiscal challenges provided by current global economic conditions that may negatively impact future operations and the ability to maintain balanced budgets. Certainly, the pandemic will continue to have an impact on District 112 finances. However, unlike many other districts, District 112 has fund balance reserves to help sustain reasonably reduced operations and overall negative economic impacts should District 112’s economic outlook diminish.

STRATEGIC PLAN, MISSION, BELIEFS, PARAMETERS, OBJECTIVES, AND STRATEGIES

Mission Statement

The mission statement is a clear and concise expression of the District’s identity, purpose, and means. It is the keystone of the Strategic Plan.

The mission of North Shore School District 112, a community partnership committed to a world-class education, is to nurture every child to become an inspired learner, well-rounded individual, and contributing member of a global community by striving for excellence within an environment that fosters innovation, respect, engagement and intellectual inquiry.

Beliefs

The beliefs are the driving force of the entire Strategic Plan. They can be described as the non-negotiable principles that underlie the entire plan and reflect our most deep and abiding convictions.

We Believe That...

- All individuals have inherent value.
- Hard work, self-confidence, and determination increase the probability of achieving full potential.
- Individuals are responsible for their own decisions and actions.
- Any community benefits when people willingly contribute to the well-being of others.
- Everyone can be a successful learner.
- Effective education enhances the quality of life.
- Understanding diversity is essential for people to thrive in an interdependent world.
- Honesty and integrity build trusting relationships.
- Effective education is a partnership among school, family, and the broader community.
- Change involves risk and is necessary for continuous improvement in a dynamic world.

Parameters

The parameters of the Strategic Plan are absolute pronouncements that establish the boundaries to prevent the overzealous pursuit of the Mission. The parameters are self-imposed limitations that are applied throughout the strategic planning process and the development of the Strategic Plan.

1. We will always provide safe, supportive, and nurturing learning and working environments.
2. We will not tolerate behavior that is disrespectful or demeaning to any individual or group.
3. No new program or service will be accepted unless:
 - It is consistent with the strategic plan
 - Its benefits justify costs, and
 - Provisions are made for professional development and program evaluation.
4. No program or service will be retained unless it makes an optimal contribution to the mission and benefits continue to justify the cost.
5. We practice fiscal responsibility while maintaining an operating fund balance of at least 25%.
6. The scope of our programming will always attend to the social, emotional, and physical well-being of our students.
7. The School Improvement Plans will always be consistent with the District's Strategic Plan.
8. We will always consider the environmental impact of our decisions as we pursue our Mission.

Objectives

The objectives of the Strategic Plan are the School District's commitments to achieve specific and measurable results. The objectives are tied very closely to the mission statement and are derived from and define the mission.

- Every student will achieve personal academic excellence by demonstrating growth as measured by North Shore School District 112 standards and assessments.
- Every child will develop, understand, and consistently demonstrate the character attributes of respect, responsibility, trustworthiness, caring, fairness, and citizenship at school and in the community.

Strategies

The strategies of the Strategic Plan describe the broad statements of how the School District's resources will be deployed to achieve our mission and objectives. The strategies are directly related to the mission and objectives and are designed to close the gap between what is and what could be. These strategies will provide focus and total system concentration of our effort and resources.

1. We will continue to align our curriculum and develop standards and student assessments in all curricular areas.
2. We will ensure our educators have the support necessary to utilize effective instructional

strategies and interventions to inspire creativity and intellectual curiosity for each student to grow to academic excellence.

3. We will develop and implement plans to ensure the sustainability of the District's financial and human resources and their equitable distribution.
4. We will develop and implement plans to ensure we have the facilities and technology infrastructure needed to achieve our mission and objectives.
5. We will develop plans to unify our District and community by improving understanding of the benefits of its rich diversity and engaging it as a critical partner in the education of our children.
6. (Combined with Strategy 2, May 2013)
7. We will model, integrate, recognize, reinforce, and develop means to assess the character traits of responsibility, respect, fairness, caring, citizenship, and trustworthiness throughout the District.

Strategy 1

We will continue to align our curriculum, standards, and student assessments in all curricular areas.

Plan 1: Operationalize a system that collects, stores, and analyzes student information and performance data from multiple sources.

Plan 2: Communicate the District's adopted curriculum and its development process to all stakeholders.

Plan 3: We will implement Common Core State Standards with fidelity as part of the established curricular and programmatic review cycles.

Plan 4: Improve vertical and horizontal content collaboration focused on student learning.

Plan 5: Identify and implement unit assessments in the Common Core State Standard areas.

Plan 6: Ensure differentiated staff professional development to address various stages of curriculum development and assessments.

Plan 7: Develop an elementary standards-based report card on adopted District standards.

Plan 8: Embed diversity themes and activities District-adopted curricula.

Strategy 2

We will ensure our educators have the support necessary to utilize effective instructional strategies and interventions to inspire creativity and intellectual curiosity for each student to grow to academic excellence.

Plan 1: Ensure academic excellence for all North Shore School District 112 students by providing interventions and advanced learning opportunities in addition to Tier I/Core instruction when students demonstrate need.

Plan 2: All District staff will participate in professional development opportunities based on identified needs related to curriculum (Common Core State Standards, Power Standards), instruction (Differentiation, Response to Intervention, English Language Learners, principles of effective, intentional teaching, technology integration), and assessment (formative, summative).

Plan 3: We will increase awareness and access to all instructional programs, resources, tools, and community partnerships available to the North Shore School District 112 faculty.

Strategy 3

We will develop and implement plans to ensure the sustainability of the District's financial and human resources and their equitable distribution.

Plan 1: The District will maximize the efficient, effective, equitable delivery of personnel, programs, and services. (Special Ed Program Realignment, Language Acquisition Programs, Custodial Services) (Diversity)

Plan 2: The District will improve the efficient and equitable use of the facilities and property (physical) assets.

Plan 3: The District will improve upon the statistical reporting so the District can measure the equitable distribution of financial and human resources.

Strategy 4

We will develop and implement plans to ensure we have the facilities and technology infrastructure needed to achieve our Mission and Objectives.

Plan 1: Secure our buildings to make them a safer learning environment.

Plan 2: Decrease power usage and material waste by 20%.

Plan 3: Develop a common model for disposal (removal) of outdated and/or unneeded District equipment.

Plan 4: Study and recommend a district model for facilities PreK-8.

Plan 5: Create technology standards for teachers.

Plan 6: Standardize software applications.

Plan 7: Implement a plan to increase Internet bandwidth to the industry best.

Plan 8: Complete Promethean Board deployment.

Plan 9: Improve the computer-to-student ratio.

Strategy 5

We will develop plans to unify our District and community by improving understanding of the benefits of its rich diversity and engaging it as a critical partner in the education of our children.

Plan 1: Newly-hired District 112 employees will examine and broaden their understanding of diversity so they can meet the needs of District 112's diverse community.

Plan 2: The District will increase awareness of existing community events to increase stakeholder participation.

Plan 3: North Shore School District 112 will develop and implement communications plans that highlight the diversity across the District and promote the Community – School partnership.

Strategy 6

Embedded in Strategy 2.

Strategy 7

Model, integrate, recognize, and develop the means to assess the character traits of trustworthiness, respect, responsibility, fairness, caring, and citizenship throughout the District.

Plan 1: Develop a consistent framework for expectations of good character for students, parents, staff, and community members.

Plan 2: Create an organizational culture within each school that supports the District’s character framework and nurtures the social-emotional growth of each student.

Plan 3: Create an organizational culture within each school that supports the District’s character framework and nurtures the social-emotional growth of each student.

Plan 4: The District will create and implement a communication plan regarding its character programs and activities (“character plan”).

Plan 5: The District will develop partnerships with various organizations to strengthen the character strengths of students, parents, staff, and community members.

Plan 6: Develop ways to celebrate good character.

OTHER INFORMATION


Independent Audit

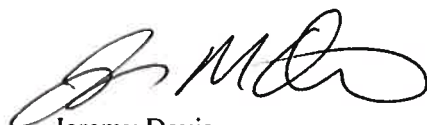
State statutes require an annual audit of the books of accounts, financial records, and transactions of all funds of the District. As of June 30, 2021, the financial statements audit and the year then ended was performed by the independent certified public accounting firm, Baker Tilly US, LLP. The unmodified auditors’ report is included in the financial section of this report.

Awards and Acknowledgments

We wish to thank the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District responsibly and progressively. We also wish to thank the efficient and dedicated business office staff for their assistance in the timely preparation of this report. Their service was instrumental in our receiving of the CAFR awards for both ASBO & GFOA for the year ended June 30, 2020.

Respectfully submitted,


Michael Lubelfeld
Superintendent of Schools


Jeremy Davis
Assistant Superintendent of Finance and Operations

-vii-



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

North Shore School District 112

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2020.

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink that reads 'W. Edward Chabal'.

W. Edward Chabal
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**North Shore School District 112
Illinois**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

Board of Education



Dr. Michael Lubelfeld
Superintendent of Schools



Dr. Monica Schroeder
Deputy Superintendent

School Leadership Admin
Admin Support Staff

Office of the Superintendent

Mr. Nicholas Glenn
Director of Communication

Mr. Charlie Privett
Director of Operations

Mr. Jeremy Wickham
Director of Information Technology

Ms. Audrey Beresid
Executive Assistant

Mr. Jeremy Davis
Assistant Superintendent for Finance & Operations



- Director of Fiscal Services
- Accounting Manager
- Payroll Manager
- Admin Support Staff

Dr. Holly Colin
Assistant Superintendent Student Services



- Admin Support Staff

Dr. Kevin Ryan
Assistant Superintendent Teaching & Learning



- Director of Curriculum & Instruction
- Director of Languages
- Curriculum Learning Coordinators
- Admin Support Staff

NORTH SHORE SCHOOLS DISTRICT 112
1936 Green Bay Road
Highland Park, IL 60035

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2021

Officers and Officials

Board of Education

		<u>Term Expires</u> (April)
Alexander Brunk	President	2025
Lisa Hirsh	Vice-President	2023
Melissa Itkin	Secretary	2023
Dan Jenks	Member	2025
Art Kessler	Member	2025
Adam Kornblatt	Member	2023
Bennett Lasko	Member	2025

District Administration

Michael Lubelfeld, Ed.D.
Superintendent

Official Issuing Report

Jeremy Davis
Assistant Superintendent for Finance & Operations

Department Issuing Report

Business Office

Independent Auditors' Report

To the Board of Education of
North Shore School District 112

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of North Shore School District 112, Illinois, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise North Shore School District 112's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to North Shore School District 112's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of North Shore School District 112's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of North Shore School District 112, Illinois, as of June 30, 2021 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3, North Shore School District 112 adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended June 30, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise North Shore School District 112's basic financial statements. The supplementary information for the year ended June 30, 2021 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2021, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2021.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of North Shore School District 112 as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated October 8, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The supplementary information for the year ended June 30, 2020 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise North Shore School District 112's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited North Shore School District 112's 2020 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information in our report dated October 8, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2021 on our consideration of North Shore School District 112's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of North Shore School District 112's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Shore School District 112's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Oak Brook, Illinois
October 8, 2021

North Shore School District 112

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2021

The discussion and analysis of North Shore School District 112's (the "District") financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2021. The management of the District encourages readers to consider the information presented herein in conjunction with the transmittal letter found in the introductory section and the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- In total, net position increased by \$7.4 million. This represents a 8% increase from 2020 and due to the timing of construction payments for the renovation of Northwood Middle School, interest income, returned TRS overpayments, and reductions in expenses due to the COVID-19 pandemic.
- General revenues accounted for \$78.0 million in revenue or 67% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$38.5 or 33% of total revenues of \$116.5 million.
- The District had \$109.1 million in expenses related to government activities. However, only \$38.5 of these expenses were offset by program specific charges and grants.

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 basic financial statements.

This report also contains other supplementary 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 position presents information on all of the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

North Shore School District 112

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2021

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, operation 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 are governmental funds (the District maintains no proprietary or fiduciary 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 fund balance sheet and the governmental fund 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. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Operations and Maintenance Fund, Transportation Fund, IMRF/Social Security Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds.

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

Notes to basic 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 and other post-employment benefits to its employees.

North Shore School District 112
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2021

Government-Wide Financial Analysis

The District's combined net position was higher on June 30, 2021, than it was the year before, increasing 8% to \$99.6 million.

Table 1		
Condensed Statements of Net Position		
(in millions of dollars)		
	<u>2020*</u>	<u>2021</u>
Assets:		
Current and other assets	\$ 185.8	\$ 172.2
Capital assets	<u>99.5</u>	<u>120.6</u>
Total assets	<u>285.3</u>	<u>292.8</u>
Total deferred outflows of resources	<u>2.4</u>	<u>2.2</u>
Liabilities:		
Current liabilities	8.9	8.5
Long-term debt outstanding	<u>98.4</u>	<u>94.1</u>
Total liabilities	<u>107.3</u>	<u>102.6</u>
Total deferred inflows of resources	<u>88.4</u>	<u>92.8</u>
Net position:		
Net investment in capital assets	82.1	85.6
Restricted	6.4	10.3
Unrestricted (deficit)	<u>3.5</u>	<u>3.7</u>
Total net position	<u>\$ 92.0</u>	<u>\$ 99.6</u>

* Prior year information has not been updated for the District's implementation of GASB Statement No. 84 in fiscal year 2020.

Revenues in the governmental activities of the District of \$116.5 million exceeded expenses by \$7.4 million.

North Shore School District 112
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2021

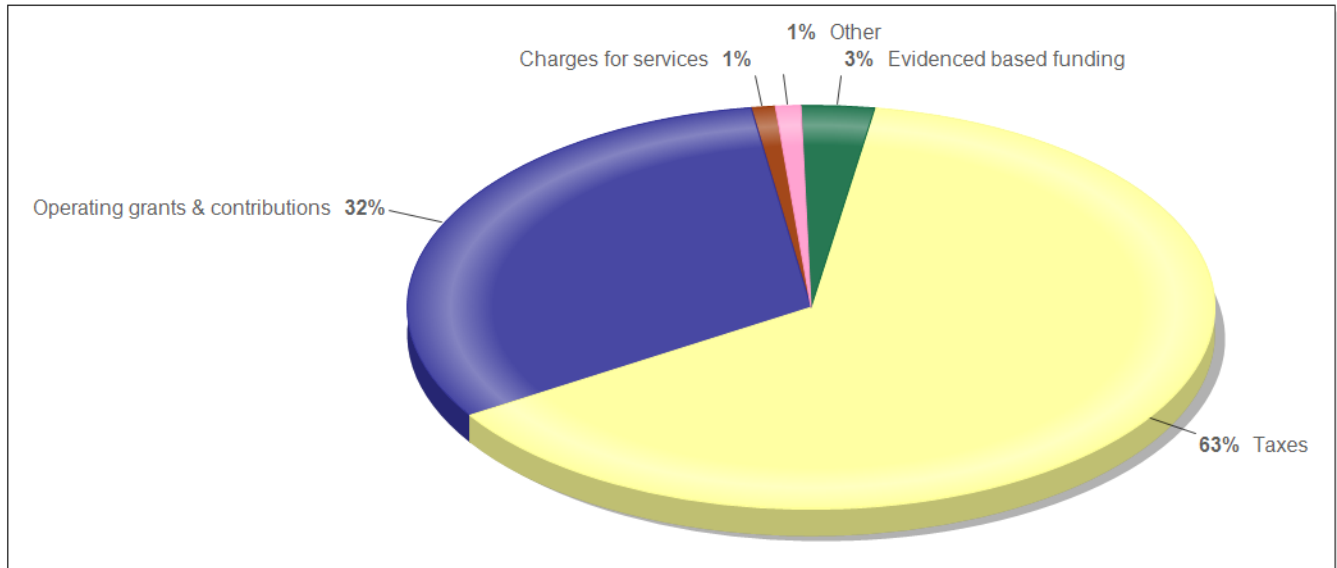
Table 2		
Changes in Net Position		
(in millions of dollars)		
	<u>2020*</u>	<u>2021</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 1.5	\$ 0.9
Operating grants & contributions	33.3	37.2
Capital grants & contributions	0.1	0.4
<i>General revenues:</i>		
Taxes	72.3	74.0
Evidenced based funding	3.4	3.4
Other	4.3	0.6
Total revenues	<u>114.9</u>	<u>116.5</u>
Expenses:		
Instruction	69.0	71.6
Pupil & instructional staff services	11.5	12.1
Administration & business	7.1	7.9
Transportation	4.0	3.4
Operations & maintenance	8.9	11.2
Interest & fees	1.9	1.8
Other	1.2	1.1
Total expenses	<u>103.6</u>	<u>109.1</u>
Increase in net position	11.3	7.4
Net position, beginning of year (as restated)	<u>80.7</u>	<u>92.2</u>
Net position, end of year	<u>\$ 92.0</u>	<u>\$ 99.6</u>

* Prior year information has not been updated for the District's implementation of GASB Statement No. 84 in fiscal year 2020.

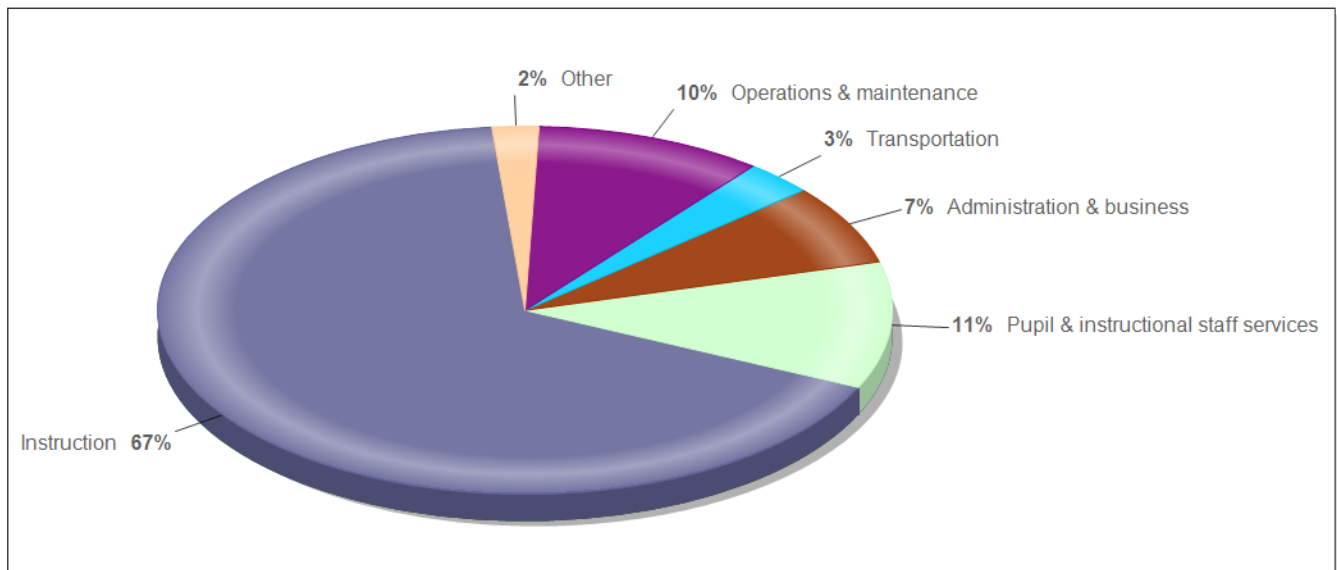
Property taxes accounted for the largest portion of the District's revenues, contributing 63%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$109.1 million, mainly related to instructing and caring for the students and student transportation at 81%.

North Shore School District 112
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2021

District-Wide Revenues by Source



District-Wide Expenses by Function



Financial Analysis of the District's Funds

The District's Governmental Funds balance decreased from \$103.0 million to \$86.5 million.

The District is engaged in a multi-year capital project to renovate its two middle schools, Northwood Middle School and Edgewood Middle School. The bond proceeds received in 2019 are being drawn down to fund this construction, which is the primary driver of the fund balance decrease.

North Shore School District 112
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2021

General Fund Budgetary Highlights

The General Fund balance has decreased primarily due to ongoing construction and renovation at the District's two middle schools.

Capital Assets and Debt Administration

Capital assets

By the end of 2021, the District had compiled a total investment of \$183.7 million (\$120.6 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$3.7 million. More detailed information about capital assets can be found in Note 5 of the basic financial statements.

Table 3		
Capital Assets (net of depreciation)		
(in millions of dollars)		
	<u>2020</u>	<u>2021</u>
Land	\$ 4.1	\$ 4.1
Construction in progress	17.4	3.3
Buildings and building improvements	74.6	108.0
Furniture, equipment, and vehicles	3.0	4.6
Land improvements	0.4	0.6
Total	<u>\$ 99.5</u>	<u>\$ 120.6</u>

Long-term debt

The District retired \$2.1 million in bonds, including premium in 2021. At the end of fiscal 2021, the District had a debt margin of \$116.4 million. More detailed information on long-term debt can be found in Note 6 of the basic financial statements.

Table 4		
Outstanding Long-Term Debt		
(in millions of dollars)		
	<u>2020</u>	<u>2021</u>
Compensated absences and other	\$ 0.2	\$ 0.2
Net pension liabilities	5.2	3.7
Net OPEB liabilities	39.5	38.7
General obligation bonds, including premium	53.5	51.5
Total	<u>\$ 98.4</u>	<u>\$ 94.1</u>

North Shore School District 112
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2021

Factors Bearing on the District's Future

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

The COVID-19 pandemic will certainly impact the District's financial operations for at least the coming fiscal year. The District has reopened schools in a hybrid learning environment, requiring additional spending for PPE, cleaning/disinfecting, and transportation. Until the pandemic is contained, these incremental expenditures will continue.

The District also has planned construction, which will continue through 2023, as noted earlier.

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, contact the Business Office:

Jeremy Davis
North Shore School District 112
1936 Green Bay Road
Highland Park, Illinois 60035

NORTH SHORE SCHOOL DISTRICT 112

STATEMENT OF NET POSITION

AS OF JUNE 30, 2021

	GOVERNMENTAL ACTIVITIES
Assets	
Cash and investments	\$ 128,566,527
Student activity cash	225,753
Receivables:	
Property taxes	40,510,581
Replacement taxes	190,070
Intergovernmental	894,482
Accounts	25,160
Prepaid items	47,699
Net pension asset	1,641,661
Capital assets:	
Land	4,063,204
Construction in progress	3,288,943
Capital assets being depreciated, net of accumulated depreciation	<u>113,288,432</u>
Total assets	<u>292,742,512</u>
Deferred outflows of resources	
Deferred outflows related to pensions	1,109,588
Deferred outflows related to OPEB	<u>1,100,695</u>
Total deferred outflows of resources	<u>2,210,283</u>
Liabilities	
Accounts payable	3,511,777
Salaries and wages payable	4,081,168
Retainage payable	263,783
Other current liabilities	3,046
Payroll deductions payable	32,547
Unearned student fees	463,503
Interest payable	163,907
Long-term liabilities:	
Other long-term liabilities - due within one year	2,049,559
Other long-term liabilities - due after one year	<u>92,038,767</u>
Total liabilities	<u>102,608,057</u>
Deferred inflows of resources	
Property taxes levied for a future period	75,580,568
Deferred inflows related to pensions	5,529,218
Deferred inflows related to OPEB	<u>11,658,469</u>
Total deferred inflows of resources	<u>92,768,255</u>
Net position	
Net investment in capital assets	85,571,450
Restricted for:	
Operations and maintenance	2,269,175
Student transportation	3,278,424
Retirement benefits	4,722,681
Debt service	33,708
Unrestricted	<u>3,701,045</u>
Total net position	<u>\$ 99,576,483</u>

See Notes to Basic Financial Statements

NORTH SHORE SCHOOL DISTRICT 112

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE			NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
Governmental activities					
Instruction:					
Regular programs	\$ 22,949,415	\$ 820,112	\$ 1,294,937	\$ 361,361	\$ (20,473,005)
Special programs	10,803,370	-	1,624,948	-	(9,178,422)
Other instructional programs	6,092,880	-	13,102	-	(6,079,778)
Student activities	36,119	49,659	-	-	13,540
State retirement contributions	31,754,171	-	31,754,171	-	-
Support Services:					
Pupils	5,148,808	-	-	-	(5,148,808)
Instructional staff	6,963,538	-	82,686	-	(6,880,852)
General administration	2,660,867	-	-	-	(2,660,867)
School administration	3,509,193	-	-	-	(3,509,193)
Business	1,683,042	-	532,456	-	(1,150,586)
Transportation	3,358,881	11,756	1,848,605	-	(1,498,520)
Operations and maintenance	11,205,139	44,892	-	-	(11,160,247)
Central	1,087,887	-	-	-	(1,087,887)
Other supporting services	2,620	-	-	-	(2,620)
Community services	6,360	-	-	-	(6,360)
Interest and fees	1,804,720	-	-	-	(1,804,720)
Total governmental activities	\$ 109,067,010	\$ 926,419	\$ 37,150,905	\$ 361,361	(70,628,325)

General revenues:

Taxes:

Real estate taxes, levied for general purposes	57,143,629
Real estate taxes, levied for specific purposes	15,878,164
Personal property replacement taxes	1,015,425
State aid-formula grants	3,365,702
Coronavirus Relief Funds	206,464
Investment income	312,304
Miscellaneous	85,245
Total general revenues	78,006,933
Change in net position	7,378,608
Net position, beginning of year (as restated)	92,197,875
Net position, end of year	\$ 99,576,483

See Notes to Basic Financial Statements

NORTH SHORE SCHOOL DISTRICT 112
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2021
WITH COMPARATIVE TOTALS AS OF JUNE 30, 2020

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Assets				
Cash and investments	\$ 71,915,893	\$ 12,193,574	\$ 7,118,499	\$ 3,295,775
Student activity cash	225,753	-	-	-
Receivables:				
Interest	-	-	-	-
Property taxes	31,342,154	6,997,644	2,063,579	107,204
Replacement taxes	-	19,097	30,395	140,578
Intergovernmental	434,498	-	459,984	-
Accounts	8,395	15,583	-	1,182
Prepaid items	47,699	-	-	-
Total assets	<u>\$ 103,974,392</u>	<u>\$ 19,225,898</u>	<u>\$ 9,672,457</u>	<u>\$ 3,544,739</u>
Liabilities				
Accounts payable	\$ 718,479	\$ 1,044,710	\$ 1,193,868	\$ 3,298
Salaries and wages payable	4,081,168	-	-	-
Retainage payable	-	-	-	-
Other current liabilities	2,939	-	-	107
Payroll deductions payable	22,878	9,450	-	219
Unearned student fees	449,750	-	13,753	-
Total liabilities	<u>5,275,214</u>	<u>1,054,160</u>	<u>1,207,621</u>	<u>3,624</u>
Deferred inflows of resources				
Property taxes levied for a future period	58,475,037	13,055,500	3,850,019	200,012
Unavailable state and federal aid receivable	-	-	-	-
Unavailable interest receivable	-	-	-	-
Total deferred inflows of resources	<u>58,475,037</u>	<u>13,055,500</u>	<u>3,850,019</u>	<u>200,012</u>
Fund balance				
Nonspendable	47,699	-	-	-
Restricted	-	2,269,175	3,278,424	3,081,020
Assigned	225,753	2,847,063	1,336,393	260,083
Unassigned	39,950,689	-	-	-
Total fund balance	<u>40,224,141</u>	<u>5,116,238</u>	<u>4,614,817</u>	<u>3,341,103</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 103,974,392</u>	<u>\$ 19,225,898</u>	<u>\$ 9,672,457</u>	<u>\$ 3,544,739</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL	
		2021	2020
\$ 75,125	\$ 33,967,661	\$ 128,566,527	\$ 141,586,660
-	-	225,753	-
-	-	-	520,994
-	-	40,510,581	42,304,533
-	-	190,070	103,918
-	-	894,482	1,187,221
-	-	25,160	43,475
-	-	47,699	47,699
<u>\$ 75,125</u>	<u>\$ 33,967,661</u>	<u>\$ 170,460,272</u>	<u>\$ 185,794,500</u>
\$ -	\$ 551,422	\$ 3,511,777	\$ 3,085,991
-	-	4,081,168	4,054,828
-	263,783	263,783	1,364,518
-	-	3,046	4,246
-	-	32,547	18,485
-	-	463,503	243,978
-	<u>815,205</u>	<u>8,355,824</u>	<u>8,772,046</u>
-	-	75,580,568	73,665,696
-	-	-	399
-	-	-	456,741
-	-	<u>75,580,568</u>	<u>74,122,836</u>
-	-	47,699	47,699
33,708	13,910,269	22,572,596	44,475,019
41,417	19,242,187	23,952,896	15,408,025
-	-	39,950,689	42,968,875
<u>75,125</u>	<u>33,152,456</u>	<u>86,523,880</u>	<u>102,899,618</u>
<u>\$ 75,125</u>	<u>\$ 33,967,661</u>	<u>\$ 170,460,272</u>	<u>\$ 185,794,500</u>

NORTH SHORE SCHOOL DISTRICT 112
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

Total fund balances - governmental funds		\$ 86,523,880
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.		120,640,579
Net pension asset recognized in the Statement of Net Position does not provide current financial resources and is not included as an asset in the Governmental Funds Balance Sheet.		1,641,661
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		1,109,588
Deferred outflows of resources related to OPEB do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		1,100,695
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(5,529,218)
Deferred inflows of resources related to OPEB do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(11,658,469)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.		
Balances at June 30, 2021 are:		
Bonds payable	\$ (47,415,000)	
Unamortized bond premium	(4,093,338)	
Net OPEB liability	(38,696,700)	
Net pension liability	(3,733,729)	
Compensated absences	<u>(149,559)</u>	
		(94,088,326)
Interest on long-term liabilities accrued in the Statement of Net Position will not be paid with current financial resources and, therefore, is not recognized in the Governmental Funds Balance Sheet.		<u>(163,907)</u>
Net position of governmental activities		<u>\$ 99,576,483</u>

See Notes to Basic Financial Statements

NORTH SHORE SCHOOL DISTRICT 112
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Revenues				
Property taxes	\$ 57,148,554	\$ 12,737,776	\$ 2,939,505	\$ 195,958
Corporate personal property replacement taxes	-	101,541	162,468	751,416
State aid	20,899,669	-	1,848,605	-
Federal aid	4,051,877	-	-	-
Investment income (loss)	(19,257)	72,880	37,546	25,448
Student activities	49,659	-	-	-
Other	694,723	255,526	11,756	-
Total revenues	<u>82,825,225</u>	<u>13,167,723</u>	<u>4,999,880</u>	<u>972,822</u>
Expenditures				
Current:				
Instruction:				
Regular programs	22,500,493	-	-	271,546
Special programs	8,061,926	-	-	260,097
Other instructional programs	6,064,802	-	-	131,873
Student activities	36,119	-	-	-
State retirement contributions	17,469,491	-	-	-
Support Services:				
Pupils	5,029,385	-	-	127,417
Instructional staff	5,860,803	-	-	117,981
General administration	1,933,492	-	-	26,478
School administration	3,148,700	-	-	138,167
Business	1,761,951	-	-	121,850
Transportation	-	-	3,375,958	16,319
Operations and maintenance	7,732	8,433,169	-	209,049
Central	1,119,587	-	-	55,726
Other supporting services	2,437	-	-	49
Community services	32,482	-	-	3,441
Payments to other districts and gov't units	1,881,902	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	3,051,181	2,684,690	-	-
Total expenditures	<u>77,962,483</u>	<u>11,117,859</u>	<u>3,375,958</u>	<u>1,479,993</u>
Excess (deficiency) of revenues over expenditures	<u>4,862,742</u>	<u>2,049,864</u>	<u>1,623,922</u>	<u>(507,171)</u>
Other financing sources (uses)				
Transfers in	-	5,867,388	-	-
Transfers (out)	(7,867,388)	(8,867,388)	-	-
Total other financing sources (uses)	<u>(7,867,388)</u>	<u>(3,000,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(3,004,646)	(950,136)	1,623,922	(507,171)
Fund balance, beginning of year (as restated)	<u>43,228,787</u>	<u>6,066,374</u>	<u>2,990,895</u>	<u>3,848,274</u>
Fund balance, end of year	<u>\$ 40,224,141</u>	<u>\$ 5,116,238</u>	<u>\$ 4,614,817</u>	<u>\$ 3,341,103</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL	
		2021	2020
\$ -	\$ -	\$ 73,021,793	\$ 71,594,376
-	-	1,015,425	728,794
-	-	22,748,274	21,401,857
-	-	4,051,877	2,777,614
13,662	638,766	769,045	3,298,508
-	-	49,659	-
-	-	962,005	2,354,731
<u>13,662</u>	<u>638,766</u>	<u>102,618,078</u>	<u>102,155,880</u>
-	-	22,772,039	22,442,338
-	-	8,322,023	8,002,627
-	-	6,196,675	6,090,419
-	-	36,119	-
-	-	17,469,491	16,817,921
-	-	5,156,802	4,969,338
-	-	5,978,784	5,803,233
-	-	1,959,970	1,965,024
-	-	3,286,867	3,088,408
-	-	1,883,801	1,578,649
-	-	3,392,277	4,004,492
-	120	8,650,070	6,799,319
-	-	1,175,313	1,059,201
-	-	2,486	9,168
-	-	35,923	6,579
-	-	1,881,902	1,967,537
1,810,000	-	1,810,000	1,720,000
2,057,863	-	2,057,863	2,143,863
-	21,401,753	27,137,624	20,487,908
<u>3,867,863</u>	<u>21,401,873</u>	<u>119,206,029</u>	<u>108,956,024</u>
<u>(3,854,201)</u>	<u>(20,763,107)</u>	<u>(16,587,951)</u>	<u>(6,800,144)</u>
3,867,388	7,000,000	16,734,776	13,863,388
-	-	(16,734,776)	(13,863,388)
<u>3,867,388</u>	<u>7,000,000</u>	<u>-</u>	<u>-</u>
13,187	(13,763,107)	(16,587,951)	(6,800,144)
<u>61,938</u>	<u>46,915,563</u>	<u>103,111,831</u>	<u>109,699,762</u>
<u>\$ 75,125</u>	<u>\$ 33,152,456</u>	<u>\$ 86,523,880</u>	<u>\$ 102,899,618</u>

NORTH SHORE SCHOOL DISTRICT 112
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net change in fund balances - total governmental funds		\$ (16,587,951)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Net Position, the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the Statement of Activities.		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		24,796,471
Depreciation is reported in the government-wide financial statements		(3,679,263)
Net book value of assets retired		(1,049)
Certain revenues included in the Statement of Activities do not provide current financial resources and, therefore, are included as deferred inflows of resources in the fund statements:		
State and federal aid	\$ (399)	
Interest	<u>(456,741)</u>	
		(457,140)
The issuance of long-term debt (bonds, capital leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount of current year principal repayments.		
		1,810,000
Governmental funds report the effects of premiums, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the Statement of Activities. This is the amount of the current year, net effect of these differences.		
		245,601
In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:		
Interest payable	\$ 7,542	
Compensated absences	3,414	
Net OPEB liability	790,294	
Deferred outflows related to OPEB	513,420	
Deferred inflows related to OPEB	(980,586)	
Net pension asset	1,641,661	
Net pension liability	1,423,268	
Deferred outflows related to pensions	(694,033)	
Deferred inflows related to pensions	<u>(1,453,041)</u>	
		<u>1,251,939</u>
Change in net position of governmental activities		<u>\$ 7,378,608</u>

See Notes to Basic Financial Statements

NORTH SHORE SCHOOL DISTRICT 112
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Basis of Presentation

Government-wide Financial Statements

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

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

Governmental Funds Financial Statements

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

Separate financial statements are provided for all governmental funds.

NORTH SHORE SCHOOL DISTRICT 112
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Measurement Focus and Basis of Accounting

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

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

Major Governmental Funds

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

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

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

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

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

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

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

NORTH SHORE SCHOOL DISTRICT 112
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

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

Capital Projects Fund - accounts for construction projects and renovations financed through transfers from the Operations and Maintenance Fund and debt issuance.

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

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

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

All Financial Statements

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

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

Deposits and Investments

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

Receivables and Payables

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

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2020 levy resolution was approved during the November 17, 2020 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

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

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is “new growth” in the District’s tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2020 and 2019 tax levies were 1.4% and 2.3%, respectively.

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

The 2020 property tax levy is recognized as a receivable in fiscal 2021, less amounts already received. The District considers that the 2020 levy is to be used to finance operations in fiscal 2022. Therefore, the entire 2020 levy, including amounts collected in fiscal 2021, has been recognized as a deferred inflow of resources, in the accompanying financial statements.

Personal Property Replacement Taxes

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

Prepaid Items

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

Capital Assets

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

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

<i>Assets</i>	<i>Years</i>
Buildings and building improvements	40
Land improvements	20
Furniture, equipment, and vehicles	5-10

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

NORTH SHORE SCHOOL DISTRICT 112
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Deferred Outflows of Resources

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

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2021 are determined on the basis of current salary rates and include salary related payments.

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

Long-Term Obligations

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

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

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time. These include items such as property taxes levied for future periods and the District's deferred inflows related to its net pension liabilities.

NORTH SHORE SCHOOL DISTRICT 112
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Equity Classifications

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

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

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

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

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

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

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

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

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

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

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

NORTH SHORE SCHOOL DISTRICT 112
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

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

The District has a formal minimum fund balance policy. The policy states that unrestricted reserves in the operating funds shall be maintained at a level equal to approximately 25% of the current year expenditures and transfers exclusive of on-behalf payments. The operating budget is comprised of the Educational Accounts and Working Cash Accounts within the General Fund, Operations and Maintenance, and the Transportation Fund. As of June 30, 2021, the District is in compliance with the formal minimum fund balance policy.

The assigned fund balance in the General Fund of \$225,753 is for student activity purposes. The remaining restricted and assigned fund balances are for the purposes of the respective funds as described above in the Major Governmental Funds section.

Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2020, from which such summarized information was derived.

Eliminations and Reclassifications

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Budget

For the year ended June 30, 2021, expenditures exceeded budget in the Operations and Maintenance and Debt Service Funds by \$2,552,694 and \$4,475, respectively. These excesses were funded by available financial resources.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

In January 2017, the Governmental Accounting Standards Board issued statement No. 84 - *Fiduciary Activities*. This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes. This standard was implemented July 1, 2020.

NORTH SHORE SCHOOL DISTRICT 112
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS

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

	Government- wide
Cash and investments	\$ 128,566,527
Student activity cash	<u>225,753</u>
Total	<u>\$ 128,792,280</u>

For disclosure purposes, this amount is segregated into the following components:

	Cash and investments
Cash on hand	\$ 644
Deposits with financial institutions	10,433,936
ISDLAF+	59,247,856
Money market mutual funds	5,153,107
Other investments	<u>53,956,737</u>
Total	<u>\$ 128,792,280</u>

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

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

At year end, the District had the following investments subject to interest rate risk:

	Investment Maturity (In Years)				
	Fair Value	Less than one	1-5	5-10	More than 10
Federal Farm Credit Banks	\$ 6,737,798	\$ 1,000,140	\$ 5,737,658	\$ -	\$ -
Negotiable Certificates of Deposit	22,723,940	10,395,523	12,328,417	-	-
U.S. Treasury Notes	19,790,401	16,653,146	3,137,255	-	-
Commercial paper	<u>4,704,598</u>	<u>4,704,598</u>	-	-	-
Total	<u>\$ 53,956,737</u>	<u>\$ 32,753,407</u>	<u>\$ 21,203,330</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH SHORE SCHOOL DISTRICT 112
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District's investment policy does not specifically address credit risk. The District's investments in the money market mutual fund consist of investments in the JP Morgan U.S. Government Money Market Fund, Fidelity Government Money Market Fund, and the Federated Government Obligations Money Market Fund. These funds invest exclusively in high-quality, short-term securities that are issued or guaranteed by the U.S. government or by U.S. government agencies and instrumentalities. The JP Morgan U.S. Government Money Market Fund as well as the Fidelity Money Market Government Portfolio - Institutional Class, the Federated Government Obligations Money Market were rated Aaa-mf by Moody's Investor Services and AAAm by Standard and Poor's. The District's investments in the Federal Farm Credit Banks were also rated Aaa by Moody's Investors Service and AA+ by Standard and Poor's. Commercial paper was rated A-1 by Standard and Poor's. Ratings were not available for the Negotiable Certificates of Deposit investments.

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

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from 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 Treasurer to meet the District's ongoing need for safety, liquidity, and rate of return. At June 30, 2021, the District had positions in the following issuers that totaled 5% or more of the other investments category: Commercial Paper (8.7%).

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2021, the bank balance of the District's deposit with financial institutions totaled \$11,363,147 which was completely collateralized.

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

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

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2021 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<i>Capital assets not being depreciated:</i>				
Land	\$ 4,063,204	\$ -	\$ -	\$ 4,063,204
Construction in progress	<u>17,411,530</u>	<u>21,462,475</u>	<u>35,585,062</u>	<u>3,288,943</u>
Total capital assets not being depreciated	<u>21,474,734</u>	<u>21,462,475</u>	<u>35,585,062</u>	<u>7,352,147</u>
<i>Capital assets being depreciated:</i>				
Land improvements	1,559,282	225,000	-	1,784,282
Buildings and improvements	119,578,189	36,247,628	-	155,825,817
Furniture, equipment, and vehicles	<u>16,369,835</u>	<u>2,446,430</u>	<u>110,868</u>	<u>18,705,397</u>
Total capital assets being depreciated	<u>137,507,306</u>	<u>38,919,058</u>	<u>110,868</u>	<u>176,315,496</u>
<i>Less Accumulated Depreciation for:</i>				
Land improvements	1,132,858	50,421	-	1,183,279
Buildings and improvements	45,025,556	2,762,904	-	47,788,460
Furniture, equipment, and vehicles	<u>13,299,206</u>	<u>865,938</u>	<u>109,819</u>	<u>14,055,325</u>
Total accumulated depreciation	<u>59,457,620</u>	<u>3,679,263</u>	<u>109,819</u>	<u>63,027,064</u>
Net capital assets being depreciated	<u>78,049,686</u>	<u>35,239,795</u>	<u>1,049</u>	<u>113,288,432</u>
Net governmental activities capital assets	<u>\$ 99,524,420</u>	<u>\$ 56,702,270</u>	<u>\$ 35,586,111</u>	<u>\$ 120,640,579</u>

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

	<i>Governmental Activities</i>	<i>Depreciation</i>
Regular programs		\$ 1,024,908
Special programs		29,628
Pupils		537,978
General administration		2,303
School administration		1,947
Business		4,029
Transportation		3,565
Operations and maintenance		2,058,198
Central		8,980
Food		<u>7,727</u>
Total depreciation expense - governmental activities		<u>\$ 3,679,263</u>

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - LONG TERM LIABILITIES

Changes in General Long-term Liabilities. The following is the long-term liability activity for the District for the year ended June 30, 2021:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
General obligation bonds	\$ 49,225,000	\$ -	\$ 1,810,000	\$ 47,415,000	\$ 1,900,000
Unamortized premium	<u>4,338,939</u>	<u>-</u>	<u>245,601</u>	<u>4,093,338</u>	<u>-</u>
Total bonds payable	<u>53,563,939</u>	<u>-</u>	<u>2,055,601</u>	<u>51,508,338</u>	<u>1,900,000</u>
Net pension liability	5,156,997	4,442,567	5,865,835	3,733,729	-
Net OPEB liability	39,486,994	2,801,474	3,591,768	38,696,700	-
Compensated absences	<u>152,973</u>	<u>432,710</u>	<u>436,124</u>	<u>149,559</u>	<u>149,559</u>
Total long-term liabilities - governmental activities	<u>\$ 98,360,903</u>	<u>\$ 7,676,751</u>	<u>\$ 11,949,328</u>	<u>\$ 94,088,326</u>	<u>\$ 2,049,559</u>

The obligations for the compensated absences and the OPEB liabilities will be repaid from the General Fund. The obligations for the net pension liabilities will be repaid from the General Fund and the Municipal Retirement/Social Security Fund.

General Obligation Bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Original Indebtedness	Carrying Amount
Series 2019 General Obligation School Bonds (Alternative Revenue Source) dated March 14, 2019 are due in annual installments through June 1, 2038	3.25% - 5.0%	\$ 50,945,000	\$ 47,415,000
Total		<u>\$ 50,945,000</u>	<u>\$ 47,415,000</u>

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

	Principal	Interest	Total
2022	\$ 1,900,000	\$ 1,966,888	\$ 3,866,888
2023	1,995,000	1,871,888	3,866,888
2024	2,095,000	1,772,138	3,867,138
2025	2,200,000	1,667,387	3,867,387
2026	2,310,000	1,557,388	3,867,388
2027 - 2031	13,365,000	5,963,487	19,328,487
2032 - 2036	16,215,000	3,117,387	19,332,387
2037 - 2038	<u>7,335,000</u>	<u>396,250</u>	<u>7,731,250</u>
Total	<u>\$ 47,415,000</u>	<u>\$ 18,312,813</u>	<u>\$ 65,727,813</u>

NORTH SHORE SCHOOL DISTRICT 112
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - LONG TERM LIABILITIES - (CONTINUED)

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2021, the statutory debt limit for the District was \$163,787,178, providing a debt margin of \$116,372,178.

NOTE 7 - RISK MANAGEMENT

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

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

NOTE 8 - JOINT AGREEMENTS

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

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

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

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

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

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

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.24% of pay during the year ended June 30, 2021. State of Illinois contributions of \$461,863 were recognized as revenues and expenditures by the District during the year in the General Fund based on the current financial resources measurement basis. On the economic resources measurement basis, the District recognizes revenues and expenses of \$608,587 of this amount during the year.

Contributions. The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.92% during the year ended June 30, 2021. The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2021, the District paid \$342,673 to the THIS Fund, respectively, which was 100 percent of the required contribution for the year.

THIS Fiduciary Net Position. Detailed information about the THIS Fund's fiduciary net position as of June 30, 2020 is available in the separately issued THIS Annual Financial Report.

Net OPEB Liability. At June 30, 2021, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for the state's retiree insurance support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collection net OPEB liability	\$ 38,462,103
State's proportionate share of the collective net OPEB liability associated with the District	<u>52,105,675</u>
Total	<u><u>\$ 90,567,778</u></u>

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2020, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2020 and 2019, the District's proportion was 0.143859% and 0.141857%, respectively.

NORTH SHORE SCHOOL DISTRICT 112
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Actuarial Assumptions. The net OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	4.00% to 9.50%
Investment Rate of Return	0.00%
Healthcare Cost Trend Rates - Initial	Medicare and Non-Medicare - 8.25%
Healthcare Cost Trend Rates - Ultimate	4.25%
Fiscal Year the Ultimate Rate is Reached	2037

Mortality rates were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants, mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

Discount Rate. At June 30, 2020, the discount rate used to measure the total OPEB liability was a blended rate of 2.45%, which was a change from the June 30, 2019 rate of 3.13%. Since THIS is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.45%) or 1-percentage-point higher (3.45%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	<u>\$ 46,226,055</u>	<u>\$ 38,462,103</u>	<u>\$ 32,311,179</u>

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (initial rate of 7.25% decreasing to an ultimate rate of 3.25%) for Medicare and non-Medicare coverage or 1-percentage-point higher (initial rate of 9.25% decreasing to an ultimate rate of 5.25%) for Medicare and non-Medicare coverage than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	<u>\$ 30,935,283</u>	<u>\$ 38,462,103</u>	<u>\$ 48,637,052</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2021, the District recognized OPEB expense of \$496,583 and on-behalf revenue and expense of \$608,587 for support provided by the state. At June 30, 2021, the District's deferred outflows of resources and deferred inflows of resources related to OPEBs were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 1,021,898
Changes in Assumptions	13,024	6,344,276
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	1,095
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	725,466	4,243,368
District Contributions Subsequent to the Measurement Date	<u>342,673</u>	<u>-</u>
Total	<u>\$ 1,081,163</u>	<u>\$ 11,610,637</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net OPEB liability for the year ending June 30, 2022. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB (\$ (10,872,147)) will be recognized in OPEB expense as follows in these reporting years:

	Year Ending June 30,	Amount
2022		\$ (1,483,364)
2023		(1,483,364)
2024		(1,483,364)
2025		(1,483,363)
2026		(1,483,090)
Thereafter		<u>(3,455,602)</u>
Total		<u>\$ (10,872,147)</u>

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Retiree's Health Plan

Plan Description. The District's group health insurance plan, a single-employer defined benefit plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

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

Employees Covered by Benefit Terms. At June 30, 2021, the actuarial valuation date, the following employees were covered by the benefit terms:

Retired Plan Members	1
Active Employees Not Yet Eligible	-
Active Employees Fully Eligible	<u>122</u>
Total	<u><u>123</u></u>

Total OPEB Liability. The District's total OPEB liability of \$234,594 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020.

Inflation	3.00%
Election at Retirement	10.00%
Discount Rate	2.18%
Healthcare Cost Trend Rate - Initial	4.50%
Healthcare Cost Trend Rate - Ultimate	4.50%
Fiscal Year the Ultimate Rate is Reached	Not applicable

The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2021.

Mortality rates were based on those found in the December 31, 2019 IMRF Actuarial Valuation Report.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the assumptions about future events.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Changes in Total OPEB Liability. The District's changes in total OPEB liability for the year ended June 30, 2021 was as follows:

	Total OPEB Liability
Balance at June 30, 2020	\$ 224,581
Service Cost	13,005
Interest	5,751
Changes in Assumptions and Other Inputs	8,048
Benefit Payments	<u>(16,788)</u>
Net Changes	<u>10,016</u>
Balance at June 30, 2021	<u>\$ 234,597</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.18%) or 1-percentage-point higher (3.18%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	<u>\$ 252,548</u>	<u>\$ 234,597</u>	<u>\$ 218,094</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.50%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	<u>\$ 212,430</u>	<u>\$ 234,597</u>	<u>\$ 260,565</u>

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2021, the District recognized OPEB expense of \$12,926. The District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Difference Between Expected and Actual Experience	\$ -	\$ 29,577
Assumption Changes	<u>19,532</u>	<u>18,255</u>
Total	<u>\$ 19,532</u>	<u>\$ 47,832</u>

The amounts reported as deferred outflows and inflows of resources related to OPEB (\$(28,300)) will be recognized in OPEB expense as follows:

	<i>Year Ending June 30,</i>	<i>Amount</i>
2022		\$ (5,829)
2023		(5,829)
2024		(5,829)
2025		(5,502)
2026		(5,080)
Thereafter		<u>(231)</u>
Total		<u>\$ (28,300)</u>

NOTE 10 - RETIREMENT SYSTEMS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. The total pension expense for both of these plans during the year totaled \$(936,879). Each retirement system is discussed below.

Teachers' Retirement System

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

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2020>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

NORTH SHORE SCHOOL DISTRICT 112
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional *Tier 3* hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring *Tier 1* members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested *Tier 1* and *Tier 2* members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2020 was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2021, State of Illinois contributions recognized by the District were based on the state's proportionate share of with the pension expense associated with the District, and the District recognized revenue and expenses of \$31,145,584 in governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$17,007,628 in the General Fund based on the current financial resources measurement basis.

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2021, were \$216,226, and are deferred because they were paid after the June 30, 2020 measurement date.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Federal and Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total District normal cost beginning with the year ended June 30, 2018.

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

For the year ended June 30, 2021, the District pension contribution was 10.41 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2021, were \$62,288, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2020 measurement date.

TRS Fiduciary Net Position. Detailed information about the TRS's fiduciary net position as of June 30, 2020 is available in the separately issued TRS Comprehensive Annual Financial Report.

Net Pension Liability. At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 3,733,729
State's proportionate share of the collective net pension liability associated with the District	<u>292,445,011</u>
Total	<u>\$ 296,178,740</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2020, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2020 and 2019, the District's proportion was 0.00433071 percent and 0.00446638 percent, respectively.

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

Actuarial Assumptions. The assumptions used to measure the total pension liability in the June 30, 2020 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit, and (c) inflation of 2.50%.

Mortality. Mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are used on a fully-generational basis using projection table MP-2017. The assumptions were based on the results of an experience study dated September 18, 2018.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	16.50 %	6.10 %
U.S. equities small/mid cap	2.30 %	7.20 %
International equities developed	12.20 %	7.00 %
Emerging market equities	3.00 %	9.40 %
U.S. bonds core	7.00 %	2.20 %
U.S. bonds high yield	2.50 %	4.10 %
International debt developed	3.10 %	1.50 %
Emerging international debt	3.20 %	4.50 %
Real estate	16.00 %	5.70 %
Private debt	5.20 %	6.30 %
Hedge funds (absolute return)	10.00 %	4.30 %
Private equity	15.00 %	10.50 %
Infrastructure	4.00 %	6.20 %

Discount Rate. At June 30, 2020, the discount rate used to measure the total pension liability was a blended rate of 7.00 percent, which was the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2020 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. *Tier 1's* liability is partially funded by *Tier 2* members, as the *Tier 2* member contribution is higher than the cost of *Tier 2* benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	<u>\$ 4,532,066</u>	<u>\$ 3,733,729</u>	<u>\$ 3,076,466</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2021, the District recognized pension expense of \$383,939 and on-behalf revenue of \$31,145,584 for support provided by the state. At June 30, 2021, the District's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 36,184	\$ 996
Net difference between projected and actual earnings on pension plan investments	111,484	-
Assumption changes	15,299	39,176
Changes in proportion and differences between District contributions and proportionate share of contributions	325,514	2,165,144
District contributions subsequent to the measurement date	<u>278,514</u>	<u>-</u>
Total	<u>\$ 766,995</u>	<u>\$ 2,205,316</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2022. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$(1,716,835)) will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2022	\$ (512,665)
2023	(766,863)
2024	(399,388)
2025	(29,478)
2026	<u>(8,441)</u>
Total	<u>\$ (1,716,835)</u>

NORTH SHORE SCHOOL DISTRICT 112
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Illinois Municipal Retirement Fund

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

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

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

Plan Membership. At December 31, 2020, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	314
Inactive, non-retired members	396
Active members	109
Total	819

Contributions. As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2020 was 11.43 percent of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NORTH SHORE SCHOOL DISTRICT 112
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

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

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2020 annual actuarial valuation included (a) 7.25% investment rate of return, (b) projected salary increases from 2.85% to 13.75%, and (c) price inflation of 2.25%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.

Mortality. For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020 were used. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020 were used. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020 were used.

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

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	37.00 %	6.35 %	5.00 %
International equities	18.00 %	7.65 %	6.00 %
Fixed income	28.00 %	1.40 %	1.30 %
Real estate	9.00 %	7.10 %	6.20 %
Alternatives	7.00 %		
Private equity		10.35 %	6.95 %
Hedge funds		N/A	N/A
Commodities		3.90 %	2.85 %
Cash equivalents	1.00 %	0.70 %	0.70 %

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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

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

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 43,317,036	\$ 39,354,026	\$ 36,171,706
Plan fiduciary net position	<u>40,995,687</u>	<u>40,995,687</u>	<u>40,995,687</u>
Net pension liability/(asset)	<u>\$ 2,321,349</u>	<u>\$ (1,641,661)</u>	<u>\$ (4,823,981)</u>

Changes in Net Pension Liability/(Asset). The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2020 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at December 31, 2019	\$ 38,684,107	\$ 37,149,711	\$ 1,534,396
Service cost	555,769	-	555,769
Interest on total pension liability	2,738,472	-	2,738,472
Differences between expected and actual experience of the total pension liability	124,319	-	124,319
Change of assumptions	(368,706)	-	(368,706)
Benefit payments, including refunds of employee contributions	(2,379,935)	(2,379,935)	-
Contributions - employer	-	589,455	(589,455)
Contributions - employee	-	235,169	(235,169)
Net investment income	-	5,313,573	(5,313,573)
Other (net transfer)	<u>-</u>	<u>87,714</u>	<u>(87,714)</u>
Balances at December 31, 2020	<u>\$ 39,354,026</u>	<u>\$ 40,995,687</u>	<u>\$ (1,641,661)</u>

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2021, the District recognized pension income of \$872,005. The District's deferred outflows and inflows of resources related to pension were from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	\$ 22,676	\$ -
Assumption changes	-	67,254
Net difference between projected and actual earnings on pension plan investments	-	3,256,648
Contributions subsequent to the measurement date	<u>319,917</u>	<u>-</u>
Total	<u>\$ 342,593</u>	<u>\$ 3,323,902</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2022. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$3,301,226) will be recognized in pension expense as follows:

	<i>Year Ending June 30,</i>	<i>Amount</i>
2022		\$ (1,093,529)
2023		(379,601)
2024		(1,293,413)
2025		<u>(534,683)</u>
Total		<u>\$ (3,301,226)</u>

NOTE 11 - CONTINGENT LIABILITIES

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

NOTE 12 - STATE AND FEDERAL AID CONTINGENCIES

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

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 13 - RESTATEMENT

Net position and beginning fund balances have been restated due to the implementation of GASB Statement No. 84 - *Fiduciary Activities*. The restatement is necessary to present student activity amounts within the governmental activities and governmental funds

	Governmental Activities
Net position as previously reported, June 30, 2020	\$ 91,985,662
Adjustment to record student activity net position as of June 30, 2020	<u>212,213</u>
Net position as restated, June 30, 2020	<u>\$ 92,197,875</u>

	General Fund
Fund balance as previously reported, June 30, 2020	\$ 43,016,574
Adjustment to to record student activity fund balances as of June 30, 2020	<u>212,213</u>
Fund balance as restated, June 30, 2020	<u>\$ 43,228,787</u>

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 87, *Leases*, GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 93, *Replacement of Interbank Offered Rates*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87, which was postponed by one and a half years.

When they become effective, application of these standards may restate portions of these financial statements.

NORTH SHORE SCHOOL DISTRICT 112

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 15 - INTERFUND TRANSFERS

During the year, the District transferred \$2,000,000 of fund balance from the General Fund - Working Cash Accounts to the Capital Projects Fund. The purpose of this transfer was to provide a funding source to the Capital Projects Fund for upcoming capital projects.

The District also transferred \$5,867,388 of fund balance from the General Fund - Educational Accounts to the Operations and Maintenance Fund to provide a funding source to the Operation and Maintenance Fund for fund operations.

The District also transferred \$5,000,000 of fund balance from the Operations and Maintenance Fund to the Capital Projects Fund. The purpose of this transfer was to provide a funding source to the Capital Projects Fund for upcoming capital projects.

The District also transferred \$3,867,388 of fund balance from the Operations and Maintenance Fund to the Debt Service Fund to provide a funding source for the interest and principal paid on the 2019 Series General Obligation Bonds (alternative revenue source).

NOTE 16 - CONSTRUCTION COMMITMENTS

As of June 30, 2021, the District is committed to approximately \$31,076,350 in expenditures in the upcoming years for the Edgewood Middle School and Northwood Jr High School Renovations. These expenditures will be paid through the available fund balances and alternative revenue bonds already issued.

NORTH SHORE SCHOOL DISTRICT 112
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY
AND RELATED RATIOS
Seven Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total pension liability			
Service cost	\$ 555,769	\$ 575,979	\$ 587,622
Interest	2,738,472	2,665,153	2,600,132
Differences between expected and actual experience	124,319	33,075	114,528
Changes of assumptions	(368,706)	-	900,301
Benefit payments, including refunds of member contributions	<u>(2,379,935)</u>	<u>(2,125,679)</u>	<u>(2,083,226)</u>
Net change in total pension liability	669,919	1,148,528	2,119,357
Total pension liability - beginning	<u>38,684,107</u>	<u>37,535,579</u>	<u>35,416,222</u>
Total pension liability - ending (a)	<u>\$ 39,354,026</u>	<u>\$ 38,684,107</u>	<u>\$ 37,535,579</u>
Plan fiduciary net position			
Employer contributions	\$ 589,455	\$ 469,646	\$ 624,192
Employee contributions	235,169	250,828	260,336
Net investment income	5,313,573	6,101,118	(1,950,418)
Benefit payments, including refunds of member contributions	(2,379,935)	(2,125,679)	(2,083,226)
Other (net transfer)	<u>87,714</u>	<u>(152,047)</u>	<u>480,767</u>
Net change in plan fiduciary net position	3,845,976	4,543,866	(2,668,349)
Plan fiduciary net position - beginning	<u>37,149,711</u>	<u>32,605,845</u>	<u>35,274,194</u>
Plan fiduciary net position - ending (b)	<u>\$ 40,995,687</u>	<u>\$ 37,149,711</u>	<u>\$ 32,605,845</u>
Employer's net pension liability (asset) - ending (a) - (b)	<u>\$ (1,641,661)</u>	<u>\$ 1,534,396</u>	<u>\$ 4,929,734</u>
Plan fiduciary net position as a percentage of the total pension liability / (asset)	104.17%	96.03%	86.87%
Covered payroll	\$ 5,157,302	\$ 5,300,731	\$ 5,543,458
Employer's net pension liability / (asset) as a percentage of covered payroll	-31.83%	28.95%	88.93%

Notes to Schedule:

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 651,947	\$ 650,206	\$ 667,664	\$ 718,390
2,610,710	2,438,032	2,331,010	2,122,147
(108,775)	1,260,509	418,802	526,739
(1,175,599)	(74,501)	35,695	1,345,471
<u>(2,091,097)</u>	<u>(2,028,224)</u>	<u>(1,915,914)</u>	<u>(1,806,182)</u>
(112,814)	2,246,022	1,537,257	2,906,565
<u>35,529,036</u>	<u>33,283,014</u>	<u>31,745,757</u>	<u>28,839,192</u>
<u>\$ 35,416,222</u>	<u>\$ 35,529,036</u>	<u>\$ 33,283,014</u>	<u>\$ 31,745,757</u>
\$ 665,976	\$ 668,374	\$ 645,638	\$ 693,937
274,398	259,568	285,528	271,543
5,645,455	2,021,493	145,061	1,698,754
(2,091,097)	(2,028,224)	(1,915,914)	(1,806,182)
<u>(890,503)</u>	<u>1,413,289</u>	<u>670,656</u>	<u>377,670</u>
3,604,229	2,334,500	(169,031)	1,235,722
<u>31,669,965</u>	<u>29,335,465</u>	<u>29,504,496</u>	<u>28,268,774</u>
<u>\$ 35,274,194</u>	<u>\$ 31,669,965</u>	<u>\$ 29,335,465</u>	<u>\$ 29,504,496</u>
<u>\$ 142,028</u>	<u>\$ 3,859,071</u>	<u>\$ 3,947,549</u>	<u>\$ 2,241,261</u>
99.60%	89.14%	88.14%	92.94%
\$ 5,781,286	\$ 5,722,380	\$ 5,751,951	\$ 5,795,851
2.46%	67.44%	68.63%	38.67%

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF DISTRICT CONTRIBUTIONS Seven Most Recent Fiscal Years

	2021	2020	2019	2018
Actuarially determined contribution	\$ 589,480	\$ 469,645	\$ 624,193	\$ 658,488
Contributions in relation to the actuarially determined contribution	<u>(589,455)</u>	<u>(469,646)</u>	<u>(624,192)</u>	<u>(665,976)</u>
Contribution deficiency (excess)	<u>\$ 25</u>	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ (7,488)</u>
Covered payroll	\$ 5,244,902	\$ 5,612,704	\$ 5,470,121	\$ 5,781,286
Contributions as a percentage of covered payroll	11.24%	8.37%	11.41%	11.52%
		2017	2016	2015
Actuarially determined contribution		\$ 668,374	\$ 652,271	\$ 690,286
Contributions in relation to the actuarially determined contribution		<u>(668,374)</u>	<u>(645,638)</u>	<u>(693,937)</u>
Contribution deficiency (excess)		<u>\$ -</u>	<u>\$ 6,633</u>	<u>\$ (3,651)</u>
Covered payroll		\$ 5,722,380	\$ 5,751,951	\$ 5,795,851
Contributions as a percentage of covered payroll		11.68%	11.22%	11.97%

Notes to Schedule:

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Inflation	2.50%
Salary increases	3.35% to 14.25%, including inflation
Investment rate of return	7.25%
Retirement Age	
Mortality	Experience-based table of rates that are specific to the type of eligibility condition RP-2014 Employee Mortality Table, adjusted to match current IMRF experience

Other information:

There were no benefit changes during the year.

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112
TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE COLLECTIVE NET PENSION LIABILITY AND SCHEDULE OF DISTRICT CONTRIBUTIONS
Seven Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.0043307051%	0.0044663825%	0.0051371907%
District's proportionate share of the net pension liability	\$ 3,733,729	\$ 3,622,601	\$ 4,004,175
State's proportionate share of the net pension liability	<u>292,445,011</u>	<u>257,816,553</u>	<u>274,302,765</u>
Total net pension liability	<u>\$ 296,178,740</u>	<u>\$ 261,439,154</u>	<u>\$ 278,306,940</u>
Covered payroll	\$ 37,247,016	\$ 36,313,246	\$ 34,875,687
District's proportionate share of the net pension liability as a percentage of covered payroll	10.02%	9.98%	11.48%
Plan fiduciary net position as a percentage of the total pension liability	37.80%	39.60%	40.00%
Contractually required contribution	\$ 278,320	\$ 211,118	\$ 225,568
Contributions in relation to the contractually required contribution	<u>(278,514)</u>	<u>(211,118)</u>	<u>(310,182)</u>
Contribution deficiency (excess)	<u>\$ (194)</u>	<u>\$ -</u>	<u>\$ (84,614)</u>
Contributions as a percentage of covered payroll	0.7477%	0.5814%	0.8894%

Notes to Schedule:

The District implemented GASB 68 in 2015. Information for fiscal years prior to 2015 is not applicable.

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

Key Assumptions:

Long-term expected rate of return	7.00%	7.00%	7.00%
Municipal bond index	2.21%	3.50%	3.87%
Single equivalent discount rate	7.00%	7.00%	7.00%
Inflation rate	2.50%	2.50%	2.50%
Projected salary increases	4.00% to 9.50% varying by service	4.00% to 9.50% varying by service	4.00% to 9.50% varying by service

See Auditors' Report and Notes to Required Supplementary Information

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0010507300%	0.0092197824%	0.0044071134%	0.0093547000%
\$ 8,027,380	\$ 7,277,732	\$ 2,887,103	\$ 5,693,111
<u>275,779,322</u>	<u>297,041,611</u>	<u>241,581,897</u>	<u>220,632,818</u>
<u>\$ 283,806,702</u>	<u>\$ 304,319,343</u>	<u>\$ 244,469,000</u>	<u>\$ 226,325,929</u>
\$ 36,799,959	\$ 37,236,364	\$ 37,390,153	\$ 37,372,407
21.81%	19.54%	7.72%	15.23%
39.30%	36.40%	41.50%	43.00%
\$ 283,026	\$ 418,881	\$ 356,851	\$ 257,839
<u>(322,673)</u>	<u>(477,837)</u>	<u>(356,851)</u>	<u>(257,960)</u>
<u>\$ (39,647)</u>	<u>\$ (58,956)</u>	<u>\$ -</u>	<u>\$ (121)</u>
0.8768%	1.2833%	0.9544%	0.6902%
7.00%	7.00%	7.50%	7.50%
3.58%	2.85%	3.73%	N/A
7.00%	6.83%	7.47%	7.50%
2.50%	2.50%	3.00%	3.00%
3.25% to 9.25% varying by service	3.25% to 9.25% varying by service	3.75% to 9.75% varying by service	5.75%

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112
RETIREES' HEALTH PLAN
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS
Four Most Recent Fiscal Years

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

Notes to Schedule:

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

NORTH SHORE SCHOOL DISTRICT 112
TEACHERS' HEALTH INSURANCE SECURITY FUND
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE COLLECTIVE NET OPEB LIABILITY AND SCHEDULE OF DISTRICT CONTRIBUTIONS
Four Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.1438590000%	0.1418570000%	0.1552500000%	0.1618870000%
District's proportionate share of the net OPEB liability	\$ 38,462,103	\$ 39,262,413	\$ 40,901,840	\$ 42,008,930
State's proportionate share of the net OPEB liability	<u>52,105,675</u>	<u>53,166,317</u>	<u>54,922,350</u>	<u>55,168,164</u>
Total net OPEB liability	<u>\$ 90,567,778</u>	<u>\$ 92,428,730</u>	<u>\$ 95,824,190</u>	<u>\$ 97,177,094</u>
Covered payroll	\$ 36,313,246	\$ 34,875,687	\$ 36,799,959	\$ 37,236,364
District's proportionate share of the net OPEB liability as a percentage of covered payroll	105.92%	112.58%	111.15%	112.82%
Plan fiduciary net position as a percentage of the total pension liability	0.70%	0.25%	-0.07%	-0.17%
Contractually required contribution	\$ 342,673	\$ 334,082	\$ 320,856	\$ 323,840
Contributions in relation to the contractually required contribution	<u>(342,673)</u>	<u>(334,082)</u>	<u>(320,856)</u>	<u>(323,842)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2)</u>
Contributions as a percentage of covered payroll	0.9437%	0.9579%	0.8719%	0.8697%

Notes to Schedule:

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

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

Key Assumptions:

Long-term expected rate of return	0.00%	0.00%	0.00%	0.00%
Municipal bond index	2.45%	3.13%	3.62%	3.56%
Single equivalent discount rate	2.45%	3.13%	3.62%	3.56%
Inflation rate	2.50%	2.50%	2.75%	2.75%
Healthcare cost trend rates - initial	Medicare and Non-Medicare - 8.25%	Medicare - 9.00% Non-Medicare - 8.00%	Medicare - 9.00% Non-Medicare - 8.00%	Medicare - 9.00% Non-Medicare - 8.00%
Healthcare cost trend rates - ultimate	4.25%	4.50%	4.50%	4.50%
Mortality	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables

NORTH SHORE SCHOOL DISTRICT 112
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 55,821,341	\$ 56,462,668	\$ 641,327	\$ 54,389,431
Special education levy	678,095	685,886	7,791	692,156
Investment income (loss)	548,653	(19,257)	(567,910)	1,656,375
Sales to pupils - lunch	30,000	-	(30,000)	16,228
Student activities	-	49,659	49,659	-
Contributions and donations from private sources	-	1,000	1,000	-
Refund of prior years' expenditures	28,000	62,045	34,045	481,158
Proceeds from vendor contracts	60,000	-	(60,000)	46,993
Other local fees	315,000	578,172	263,172	595,689
Other	51,800	53,506	1,706	554,911
Total local sources	<u>57,532,889</u>	<u>57,873,679</u>	<u>340,790</u>	<u>58,432,941</u>
State sources				
Evidence based funding	3,357,390	3,365,702	8,312	3,365,702
Special education - private facility tuition	177,150	21,742	(155,408)	42,355
Special education - orphanage - individual	-	33,130	33,130	-
Special education - orphanage - summer	-	431	431	-
State free lunch & breakfast	825	9,173	8,348	4,677
School breakfast initiative	3,075	-	(3,075)	-
Total state sources	<u>3,538,440</u>	<u>3,430,178</u>	<u>(108,262)</u>	<u>3,412,734</u>
Federal sources				
Federal impact aid	200,000	345,490	145,490	238,853
Other unrestricted grants-in-aid received directly	381,498	-	(381,498)	-
National school lunch program	130,000	314,337	184,337	245,801
Special milk program	18,000	-	(18,000)	7,597
School breakfast program	30,000	162,721	132,721	55,497
Food service - other	-	46,624	46,624	48,574
Title I - Low income	493,234	439,178	(54,056)	478,646
Federal - special education - preschool flow-through	25,000	32,153	7,153	24,060
Federal - special education - IDEA - flow-through/low incident	927,199	868,338	(58,861)	923,711
Federal - special education - IDEA - room & board	31,000	31,120	120	48,183
Title III - English language acquisition	75,000	13,102	(61,898)	70,288
Title II - Teacher quality	95,156	82,686	(12,470)	95,156
Medicaid matching funds - administrative outreach	23,000	76,780	53,780	62,480
Medicaid matching funds - fee-for-service program	30,000	122,076	92,076	96,741
Other restricted revenue from federal sources	-	1,517,272	1,517,272	382,027
Total federal sources	<u>2,459,087</u>	<u>4,051,877</u>	<u>1,592,790</u>	<u>2,777,614</u>
Total revenues	<u>63,530,416</u>	<u>65,355,734</u>	<u>1,825,318</u>	<u>64,623,289</u>

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Expenditures				
Instruction				
Regular programs				
Salaries	\$ 20,965,483	\$ 18,875,351	\$ 2,090,132	\$ 18,714,067
Employee benefits	6,241,038	3,052,185	3,188,853	2,722,165
Purchased services	673,723	268,063	405,660	88,724
Supplies and materials	641,039	304,894	336,145	626,278
Capital outlay	<u>150,500</u>	<u>35,328</u>	<u>115,172</u>	<u>14,602</u>
Total	<u>28,671,783</u>	<u>22,535,821</u>	<u>6,135,962</u>	<u>22,165,836</u>
Pre-K programs				
Salaries	-	756,711	(756,711)	774,122
Employee benefits	112	29,268	(29,156)	158,959
Purchased services	6,000	1,599	4,401	1,736
Supplies and materials	62,000	55,133	6,867	5,529
Capital outlay	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total	<u>68,612</u>	<u>842,711</u>	<u>(774,099)</u>	<u>940,346</u>
Special education programs				
Salaries	5,849,299	5,291,298	558,001	5,275,817
Employee benefits	59,205	817,580	(758,375)	720,774
Purchased services	79,000	220,744	(141,744)	271,638
Supplies and materials	100,000	214,873	(114,873)	85,291
Capital outlay	12,000	65,753	(53,753)	8,564
Other objects	<u>-</u>	<u>828</u>	<u>(828)</u>	<u>716</u>
Total	<u>6,099,504</u>	<u>6,611,076</u>	<u>(511,572)</u>	<u>6,362,800</u>
Special education programs Pre-K				
Salaries	9,611	60,609	(50,998)	50,675
Employee benefits	750	2,119	(1,369)	7,529
Purchased services	2,000	-	2,000	-
Supplies and materials	<u>-</u>	<u>24,807</u>	<u>(24,807)</u>	<u>48,493</u>
Total	<u>12,361</u>	<u>87,535</u>	<u>(75,174)</u>	<u>106,697</u>
Remedial and supplemental programs K - 12				
Salaries	799,316	849,627	(50,311)	998,982
Employee benefits	<u>9,037</u>	<u>129,698</u>	<u>(120,661)</u>	<u>111,207</u>
Total	<u>808,353</u>	<u>979,325</u>	<u>(170,972)</u>	<u>1,110,189</u>
Remedial and supplemental programs Pre - K				
Salaries	60,049	-	60,049	-
Employee benefits	<u>877</u>	<u>7,576</u>	<u>(6,699)</u>	<u>-</u>
Total	<u>60,926</u>	<u>7,576</u>	<u>53,350</u>	<u>-</u>

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Summer school programs				
Salaries	\$ 112,810	\$ 132,477	\$ (19,667)	\$ 95,094
Employee benefits	2,571	23,073	(20,502)	18,899
Supplies and materials	5,000	-	5,000	-
Total	<u>120,381</u>	<u>155,550</u>	<u>(35,169)</u>	<u>113,993</u>
Gifted programs				
Salaries	690,185	356,710	333,475	683,648
Employee benefits	30,324	92,429	(62,105)	86,849
Total	<u>720,509</u>	<u>449,139</u>	<u>271,370</u>	<u>770,497</u>
Bilingual programs				
Salaries	4,089,875	4,027,798	62,077	3,608,670
Employee benefits	43,394	582,028	(538,634)	506,363
Total	<u>4,133,269</u>	<u>4,609,826</u>	<u>(476,557)</u>	<u>4,115,033</u>
Special education programs K -12 - private tuition				
Other objects	300,000	449,743	(149,743)	177,848
Total	<u>300,000</u>	<u>449,743</u>	<u>(149,743)</u>	<u>177,848</u>
Truants alternative/opt. ed. programs private tuition				
Student activities				
Other objects	-	36,119	(36,119)	-
Total	<u>-</u>	<u>36,119</u>	<u>(36,119)</u>	<u>-</u>
Total instruction	<u>40,995,698</u>	<u>36,764,421</u>	<u>4,231,277</u>	<u>35,863,239</u>
Support services				
Pupils				
Guidance services				
Salaries	1,235,072	1,282,614	(47,542)	1,219,938
Employee benefits	17,129	175,041	(157,912)	151,431
Total	<u>1,252,201</u>	<u>1,457,655</u>	<u>(205,454)</u>	<u>1,371,369</u>
Health services				
Salaries	614,356	509,582	104,774	472,509
Employee benefits	1,072	78,639	(77,567)	70,433
Purchased services	71,500	13,250	58,250	30,453
Supplies and materials	5,000	1,421	3,579	13,358
Capital outlay	25,000	3,104	21,896	19,803
Total	<u>716,928</u>	<u>605,996</u>	<u>110,932</u>	<u>606,556</u>

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Psychological services				
Salaries	\$ 950,525	\$ 789,895	\$ 160,630	\$ 837,157
Employee benefits	12,390	131,779	(119,389)	118,131
Purchased services	5,000	-	5,000	6,200
Supplies and materials	<u>8,000</u>	<u>7,484</u>	<u>516</u>	<u>7,227</u>
Total	<u>975,915</u>	<u>929,158</u>	<u>46,757</u>	<u>968,715</u>
Speech pathology and audiology services				
Salaries	1,764,544	1,388,901	375,643	1,344,107
Employee benefits	21,846	206,939	(185,093)	137,772
Purchased services	1,000	-	1,000	2,350
Supplies and materials	<u>2,000</u>	<u>4,621</u>	<u>(2,621)</u>	<u>566</u>
Total	<u>1,789,390</u>	<u>1,600,461</u>	<u>188,929</u>	<u>1,484,795</u>
Other support services - pupils				
Salaries	659,835	319,806	340,029	325,583
Employee benefits	38,423	119,413	(80,990)	111,002
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>669</u>
Total	<u>698,258</u>	<u>439,219</u>	<u>259,039</u>	<u>437,254</u>
Total pupils	<u>5,432,692</u>	<u>5,032,489</u>	<u>400,203</u>	<u>4,868,689</u>
Instructional staff				
Improvement of instructional services				
Salaries	1,248,093	694,108	553,985	571,817
Employee benefits	186,390	391,006	(204,616)	229,410
Purchased services	833,814	816,324	17,490	1,353,742
Supplies and materials	508,925	937,590	(428,665)	660,130
Capital outlay	<u>-</u>	<u>47,326</u>	<u>(47,326)</u>	<u>87,314</u>
Total	<u>2,777,222</u>	<u>2,886,354</u>	<u>(109,132)</u>	<u>2,902,413</u>
Educational media services				
Salaries	1,423,295	1,200,056	223,239	1,304,638
Employee benefits	40,613	195,219	(154,606)	195,683
Purchased services	956,500	1,176,461	(219,961)	899,045
Supplies and materials	368,500	449,074	(80,574)	478,646
Capital outlay	500,000	2,896,275	(2,396,275)	857,714
Other objects	<u>1,500</u>	<u>965</u>	<u>535</u>	<u>2,283</u>
Total	<u>3,290,408</u>	<u>5,918,050</u>	<u>(2,627,642)</u>	<u>3,738,009</u>
Total instructional staff	<u>6,067,630</u>	<u>8,804,404</u>	<u>(2,736,774)</u>	<u>6,640,422</u>

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
General administration				
Board of education services				
Employee benefits	\$ -	\$ -	\$ -	\$ 99
Purchased services	740,000	598,346	141,654	695,508
Supplies and materials	10,000	8,043	1,957	7,555
Other objects	-	30,505	(30,505)	17,410
Total	<u>750,000</u>	<u>636,894</u>	<u>113,106</u>	<u>720,572</u>
Executive administration services				
Salaries	515,753	448,250	67,503	426,247
Employee benefits	71,748	181,567	(109,819)	153,959
Purchased services	12,000	59,045	(47,045)	4,071
Supplies and materials	2,000	658	1,342	1,981
Other objects	17,500	7,440	10,060	17,979
Total	<u>619,001</u>	<u>696,960</u>	<u>(77,959)</u>	<u>604,237</u>
Tort immunity services				
Salaries	-	-	-	117,000
Purchased services	842,262	599,638	242,624	498,342
Total	<u>842,262</u>	<u>599,638</u>	<u>242,624</u>	<u>615,342</u>
Total general administration	<u>2,211,263</u>	<u>1,933,492</u>	<u>277,771</u>	<u>1,940,151</u>
School administration				
Office of the principal services				
Salaries	2,063,858	2,635,646	(571,788)	2,520,345
Employee benefits	276,728	506,389	(229,661)	433,571
Purchased services	19,750	6,665	13,085	7,921
Total	<u>2,360,336</u>	<u>3,148,700</u>	<u>(788,364)</u>	<u>2,961,837</u>
Total school administration	<u>2,360,336</u>	<u>3,148,700</u>	<u>(788,364)</u>	<u>2,961,837</u>
Business				
Direction of business support services				
Salaries	441,417	474,374	(32,957)	438,126
Employee benefits	24,256	107,363	(83,107)	102,698
Purchased services	-	10,974	(10,974)	20,553
Supplies and materials	-	-	-	23
Other objects	-	(100)	100	2,190
Total	<u>465,673</u>	<u>592,611</u>	<u>(126,938)</u>	<u>563,590</u>

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Fiscal services				
Salaries	\$ 269,393	\$ 223,595	\$ 45,798	\$ 258,506
Employee benefits	18,699	49,883	(31,184)	45,556
Purchased services	610,500	113,044	497,456	69,925
Supplies and materials	10,000	7,646	2,354	8,106
Capital outlay	-	-	-	776
Other objects	65,000	71,349	(6,349)	51,756
Total	<u>973,592</u>	<u>465,517</u>	<u>508,075</u>	<u>434,625</u>
Operation and maintenance of plant services				
Salaries	-	-	-	876
Employee benefits	-	-	-	13
Purchased services	-	7,542	(7,542)	7,064
Supplies and materials	-	190	(190)	-
Total	<u>-</u>	<u>7,732</u>	<u>(7,732)</u>	<u>7,953</u>
Food services				
Purchased services	521,160	653,253	(132,093)	408,823
Supplies and materials	204,792	46,624	158,168	48,507
Capital outlay	-	-	-	1,957
Total	<u>725,952</u>	<u>699,877</u>	<u>26,075</u>	<u>459,287</u>
Internal services				
Salaries	998	-	998	105
Employee benefits	-	126	(126)	113
Purchased services	1,404	-	1,404	1,872
Supplies and materials	1,368	3,820	(2,452)	3,130
Total	<u>3,770</u>	<u>3,946</u>	<u>(176)</u>	<u>5,220</u>
Total business	<u>2,168,987</u>	<u>1,769,683</u>	<u>399,304</u>	<u>1,470,675</u>
Central				
Direction of central support services				
Employee benefits	-	123,323	(123,323)	597
Total	<u>-</u>	<u>123,323</u>	<u>(123,323)</u>	<u>597</u>
Information services				
Salaries	82,783	87,838	(5,055)	85,279
Employee benefits	7,079	18,052	(10,973)	16,506
Purchased services	89,500	67,767	21,733	63,306
Supplies and materials	5,000	8,532	(3,532)	3,912
Capital outlay	5,000	3,395	1,605	-
Other objects	2,000	4,108	(2,108)	1,960
Total	<u>191,362</u>	<u>189,692</u>	<u>1,670</u>	<u>170,963</u>

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Staff services				
Salaries	\$ 525,574	\$ 541,693	\$ (16,119)	\$ 534,015
Employee benefits	34,772	105,349	(70,577)	87,777
Purchased services	251,000	126,459	124,541	198,702
Supplies and materials	20,000	35,465	(15,465)	15,064
Other objects	<u>1,000</u>	<u>1,001</u>	<u>(1)</u>	<u>500</u>
Total	<u>832,346</u>	<u>809,967</u>	<u>22,379</u>	<u>836,058</u>
Total central	<u>1,023,708</u>	<u>1,122,982</u>	<u>(99,274)</u>	<u>1,007,618</u>
Other supporting services				
Salaries	14,299	284	14,015	4,967
Employee benefits	-	1,804	(1,804)	1,606
Purchased services	101,488	-	101,488	-
Supplies and materials	<u>525</u>	<u>349</u>	<u>176</u>	<u>1,771</u>
Total	<u>116,312</u>	<u>2,437</u>	<u>113,875</u>	<u>8,344</u>
Total support services	<u>19,380,928</u>	<u>21,814,187</u>	<u>(2,433,259)</u>	<u>18,897,736</u>
Community services				
Salaries	1,219	18,663	(17,444)	4,024
Employee benefits	115	168	(53)	439
Purchased services	571	7,518	(6,947)	-
Supplies and materials	<u>29,125</u>	<u>6,133</u>	<u>22,992</u>	<u>1,801</u>
Total community services	<u>31,030</u>	<u>32,482</u>	<u>(1,452)</u>	<u>6,264</u>
Payments to other districts and governmental units				
Payments for special education programs				
Purchased services	<u>-</u>	<u>412,262</u>	<u>(412,262)</u>	<u>384,815</u>
Total	<u>-</u>	<u>412,262</u>	<u>(412,262)</u>	<u>384,815</u>
Other payments to in-state governmental units				
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,058</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,058</u>
Payments for special education programs - tuition				
Other objects	<u>2,133,000</u>	<u>1,469,640</u>	<u>663,360</u>	<u>1,545,664</u>
Total	<u>2,133,000</u>	<u>1,469,640</u>	<u>663,360</u>	<u>1,545,664</u>
Total payments to other districts and governmental units	<u>2,133,000</u>	<u>1,881,902</u>	<u>251,098</u>	<u>1,967,537</u>

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Total expenditures	\$ 62,540,656	\$ 60,492,992	\$ 2,047,664	\$ 56,734,776
Excess (deficiency) of revenues over expenditures	<u>989,760</u>	<u>4,862,742</u>	<u>3,872,982</u>	<u>7,888,513</u>
Other financing sources (uses)				
Permanent transfer from working cash fund - abatement	(2,000,000)	(2,000,000)	-	(10,000,000)
Transfer to operations and maintenance fund	<u>(5,863,388)</u>	<u>(5,867,388)</u>	<u>(4,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,863,388)</u>	<u>(7,867,388)</u>	<u>(4,000)</u>	<u>(10,000,000)</u>
Net change in fund balance	<u>\$ (6,873,628)</u>	(3,004,646)	<u>\$ 3,868,982</u>	(2,111,487)
Fund balance, beginning of year (as restated)		<u>43,228,787</u>		<u>45,128,061</u>
Fund balance, end of year		<u>\$ 40,224,141</u>		<u>\$ 43,016,574</u>

See Auditors' Report and Notes to Required Supplementary Information

**NORTH SHORE SCHOOL DISTRICT 112
OPERATIONS AND MAINTENANCE FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 12,593,093	\$ 12,737,776	\$ 144,683	\$ 11,964,360
Corporate personal property replacement taxes	24,640	101,541	76,901	72,880
Investment income	84,881	72,880	(12,001)	217,254
Rentals	-	44,892	44,892	24,410
Impact fees from municipal or county governments	100,000	22,200	(77,800)	269,297
Other	250,000	188,434	(61,566)	341,522
Total local sources	<u>13,052,614</u>	<u>13,167,723</u>	<u>115,109</u>	<u>12,889,723</u>
State sources				
School infrastructure - maintenance projects	-	-	-	50,000
Total state sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Total revenues	<u>13,052,614</u>	<u>13,167,723</u>	<u>115,109</u>	<u>12,939,723</u>
Expenditures				
Support services				
Business				
Operation and maintenance of plant services				
Salaries	1,284,233	1,241,492	42,741	1,088,694
Employee benefits	13,232	167,828	(154,596)	153,409
Purchased services	3,905,700	5,333,019	(1,427,319)	4,205,581
Supplies and materials	1,312,000	1,690,791	(378,791)	1,153,840
Capital outlay	2,050,000	2,684,690	(634,690)	2,206,126
Other objects	-	39	(39)	-
Total	<u>8,565,165</u>	<u>11,117,859</u>	<u>(2,552,694)</u>	<u>8,807,650</u>
Total business	<u>8,565,165</u>	<u>11,117,859</u>	<u>(2,552,694)</u>	<u>8,807,650</u>
Total support services	<u>8,565,165</u>	<u>11,117,859</u>	<u>(2,552,694)</u>	<u>8,807,650</u>
Total expenditures	<u>8,565,165</u>	<u>11,117,859</u>	<u>(2,552,694)</u>	<u>8,807,650</u>
Excess (deficiency) of revenues over expenditures	<u>4,487,449</u>	<u>2,049,864</u>	<u>(2,437,585)</u>	<u>4,132,073</u>

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112
OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Other financing sources (uses)				
Transfer among funds	\$ 5,863,388	\$ 5,867,388	\$ 4,000	\$ -
Transfer to pay principal on revenue bonds	(1,720,000)	(1,810,000)	(90,000)	(1,720,000)
Transfer to pay interest on revenue bonds	(2,143,388)	(2,057,388)	86,000	(2,143,388)
Transfer to capital projects fund	<u>(5,000,000)</u>	<u>(5,000,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>-</u>	<u>(3,863,388)</u>
Net change in fund balance	<u>\$ 1,487,449</u>	(950,136)	<u>\$ (2,437,585)</u>	268,685
Fund balance, beginning of year		<u>6,066,374</u>		<u>5,797,689</u>
Fund balance, end of year		<u>\$ 5,116,238</u>		<u>\$ 6,066,374</u>

See Auditors' Report and Notes to Required Supplementary Information

**NORTH SHORE SCHOOL DISTRICT 112
TRANSPORTATION FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 2,906,117	\$ 2,939,505	\$ 33,388	\$ 3,164,117
Corporate personal property replacement taxes	82,720	162,468	79,748	116,607
Regular transportation fees from pupils or parents	16,000	11,756	(4,244)	24,523
Investment income	33,049	37,546	4,497	84,160
Total local sources	<u>3,037,886</u>	<u>3,151,275</u>	<u>113,389</u>	<u>3,389,407</u>
State sources				
Transportation - regular/vocational	100,000	804,566	704,566	144,855
Transportation - special education	750,000	1,044,039	294,039	976,347
Total state sources	<u>850,000</u>	<u>1,848,605</u>	<u>998,605</u>	<u>1,121,202</u>
Total revenues	<u>3,887,886</u>	<u>4,999,880</u>	<u>1,111,994</u>	<u>4,510,609</u>
Expenditures				
Support Services				
Business				
Pupil transportation services				
Salaries	77,897	81,931	(4,034)	84,276
Employee benefits	4,047	13,689	(9,642)	12,432
Purchased services	4,351,478	3,275,000	1,076,478	3,867,928
Supplies and materials	15,947	5,338	10,609	25,248
Total	<u>4,449,369</u>	<u>3,375,958</u>	<u>1,073,411</u>	<u>3,989,884</u>
Total business	<u>4,449,369</u>	<u>3,375,958</u>	<u>1,073,411</u>	<u>3,989,884</u>
Total support services	<u>4,449,369</u>	<u>3,375,958</u>	<u>1,073,411</u>	<u>3,989,884</u>
Total expenditures	<u>4,449,369</u>	<u>3,375,958</u>	<u>1,073,411</u>	<u>3,989,884</u>
Net change in fund balance	<u>\$ (561,483)</u>	1,623,922	<u>\$ 2,185,405</u>	520,725
Fund balance, beginning of year		<u>2,990,895</u>		<u>2,470,170</u>
Fund balance, end of year		<u>\$ 4,614,817</u>		<u>\$ 2,990,895</u>

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 96,867	\$ 97,979	\$ 1,112	\$ 692,156
Social security/Medicare only levy	96,867	97,979	1,112	692,156
Corporate personal property replacement taxes	387,200	751,416	364,216	539,307
Investment income	<u>30,952</u>	<u>25,448</u>	<u>(5,504)</u>	<u>84,637</u>
Total local sources	<u>611,886</u>	<u>972,822</u>	<u>360,936</u>	<u>2,008,256</u>
Total revenues	<u>611,886</u>	<u>972,822</u>	<u>360,936</u>	<u>2,008,256</u>
Expenditures				
Instruction				
Regular programs	382,775	271,546	111,229	291,104
Pre-K programs	-	43,271	(43,271)	64,566
Special education programs	286,843	247,575	39,268	239,225
Special education programs Pre-K	-	880	(880)	728
Remedial and supplemental programs K-12	8,012	11,642	(3,630)	13,704
Remedial and supplemental programs Pre-K	852	-	852	-
Summer school programs	4,250	3,949	301	2,911
Gifted programs	10,176	4,990	5,186	9,782
Bilingual programs	<u>70,389</u>	<u>79,663</u>	<u>(9,274)</u>	<u>73,291</u>
Total instruction	<u>763,297</u>	<u>663,516</u>	<u>99,781</u>	<u>695,311</u>
Support services				
Pupils				
Guidance services	15,933	17,552	(1,619)	16,589
Health services	105,789	78,568	27,221	70,808
Psychological services	12,373	11,274	1,099	11,922
Speech pathology and audiology services	21,253	15,017	6,236	16,048
Other support services - pupils	<u>8,163</u>	<u>5,006</u>	<u>3,157</u>	<u>5,085</u>
Total pupils	<u>163,511</u>	<u>127,417</u>	<u>36,094</u>	<u>120,452</u>
Instructional staff				
Improvement of instructional staff	22,666	20,140	2,526	17,544
Educational media services	<u>109,484</u>	<u>97,841</u>	<u>11,643</u>	<u>90,295</u>
Total instructional staff	<u>132,150</u>	<u>117,981</u>	<u>14,169</u>	<u>107,839</u>
General administration				
Board of education services	-	-	-	490
Executive administration services	<u>28,926</u>	<u>26,478</u>	<u>2,448</u>	<u>24,383</u>
Total general administration	<u>28,926</u>	<u>26,478</u>	<u>2,448</u>	<u>24,873</u>

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
School administration				
Office of the principal services	\$ 116,488	\$ 138,167	\$ (21,679)	\$ 126,571
Total school administration	<u>116,488</u>	<u>138,167</u>	<u>(21,679)</u>	<u>126,571</u>
Business				
Direction of business support services	64,901	77,594	(12,693)	71,269
Fiscal services	55,861	44,256	11,605	47,390
Operations and maintenance of plant services	229,449	209,049	20,400	189,842
Pupil transportation services	15,627	16,319	(692)	14,608
Internal services	<u>14</u>	<u>-</u>	<u>14</u>	<u>1</u>
Total business	<u>365,852</u>	<u>347,218</u>	<u>18,634</u>	<u>323,110</u>
Central				
Information services	16,034	18,155	(2,121)	16,499
Staff services	<u>38,286</u>	<u>37,571</u>	<u>715</u>	<u>35,084</u>
Total central	<u>54,320</u>	<u>55,726</u>	<u>(1,406)</u>	<u>51,583</u>
Other supporting services				
Total support services	<u>2,320</u>	<u>49</u>	<u>2,271</u>	<u>824</u>
Community services				
Total expenditures	<u>76</u>	<u>3,441</u>	<u>(3,365)</u>	<u>315</u>
Total expenditures	<u>1,626,940</u>	<u>1,479,993</u>	<u>146,947</u>	<u>1,450,878</u>
Net change in fund balance	<u>\$ (1,015,054)</u>	<u>(507,171)</u>	<u>\$ 507,883</u>	<u>557,378</u>
Fund balance, beginning of year		<u>3,848,274</u>		<u>3,290,896</u>
Fund balance, end of year		<u>\$ 3,341,103</u>		<u>\$ 3,848,274</u>

See Auditors' Report and Notes to Required Supplementary Information

NORTH SHORE SCHOOL DISTRICT 112
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Except for the exclusion of on-behalf payments from other governments, discussed below, the budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

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

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

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

Budget Reconciliations

The Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (GAAP basis) includes “on-behalf” payments received and made for the amounts contributed by the State of Illinois for the employer’s share of the Teachers Retirement System pension. The District does not budget for these amounts in the Educational Accounts of the General Fund. The differences between the budget and GAAP basis are as follows:

	<i>Revenues</i>	<i>Expenditures</i>
General Fund Budgetary Basis	\$ 65,355,734	\$ 60,492,992
To adjust for on-behalf payments received	17,469,491	-
To adjust for on-behalf payments made	-	17,469,491
General Fund GAAP Basis	\$ 82,825,225	\$ 77,962,483

Excess of Expenditures over Budget

For the year ended June 30, 2021, expenditures exceeded budget in the Operations and Maintenance Fund by \$2,496,488. These excesses were funded by available financial resources.

See Auditors' Report

NORTH SHORE SCHOOL DISTRICT 112
DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
Investment income	\$ 7,079	\$ 13,662	\$ 6,583	\$ 25,038
Total local sources	<u>7,079</u>	<u>13,662</u>	<u>6,583</u>	<u>25,038</u>
Total revenues	<u>7,079</u>	<u>13,662</u>	<u>6,583</u>	<u>25,038</u>
Expenditures				
Debt services				
Payments on long term debt				
Interest on long term debt	3,863,388	2,057,388	1,806,000	2,143,388
Principal payments on long term debt	<u>-</u>	<u>1,810,000</u>	<u>(1,810,000)</u>	<u>1,720,000</u>
Total	<u>3,863,388</u>	<u>3,867,388</u>	<u>(4,000)</u>	<u>3,863,388</u>
Other debt service				
Purchased services	<u>-</u>	<u>475</u>	<u>(475)</u>	<u>475</u>
Total	<u>-</u>	<u>475</u>	<u>(475)</u>	<u>475</u>
Total debt services	<u>3,863,388</u>	<u>3,867,863</u>	<u>(4,475)</u>	<u>3,863,863</u>
Total expenditures	<u>3,863,388</u>	<u>3,867,863</u>	<u>(4,475)</u>	<u>3,863,863</u>
Excess (deficiency) of revenues over expenditures	<u>(3,856,309)</u>	<u>(3,854,201)</u>	<u>2,108</u>	<u>(3,838,825)</u>
Other financing sources (uses)				
Transfer to pay principal on revenue bonds	1,720,000	1,810,000	90,000	1,720,000
Transfer to pay interest on revenue bonds	<u>2,143,388</u>	<u>2,057,388</u>	<u>(86,000)</u>	<u>2,143,388</u>
Total other financing sources (uses)	<u>3,863,388</u>	<u>3,867,388</u>	<u>4,000</u>	<u>3,863,388</u>
Net change in fund balance	<u>\$ 7,079</u>	13,187	<u>\$ 6,108</u>	24,563
Fund balance, beginning of year		<u>61,938</u>		<u>37,375</u>
Fund balance, end of year		<u>\$ 75,125</u>		<u>\$ 61,938</u>

NORTH SHORE SCHOOL DISTRICT 112

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2020 ACTUAL
Revenues				
Local sources				
Investment income	\$ 912,764	\$ 638,766	\$ (273,998)	\$ 1,231,044
Total local sources	<u>912,764</u>	<u>638,766</u>	<u>(273,998)</u>	<u>1,231,044</u>
Total revenues	<u>912,764</u>	<u>638,766</u>	<u>(273,998)</u>	<u>1,231,044</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction service				
Supplies and materials	-	120	(120)	-
Capital outlay	<u>23,324,794</u>	<u>21,401,753</u>	<u>1,923,041</u>	<u>17,291,052</u>
Total	<u>23,324,794</u>	<u>21,401,873</u>	<u>1,922,921</u>	<u>17,291,052</u>
Total business	<u>23,324,794</u>	<u>21,401,873</u>	<u>1,922,921</u>	<u>17,291,052</u>
Total support services	<u>23,324,794</u>	<u>21,401,873</u>	<u>1,922,921</u>	<u>17,291,052</u>
Total expenditures	<u>23,324,794</u>	<u>21,401,873</u>	<u>1,922,921</u>	<u>17,291,052</u>
Excess (deficiency) of revenues over expenditures	<u>(22,412,030)</u>	<u>(20,763,107)</u>	<u>1,648,923</u>	<u>(16,060,008)</u>
Other financing sources (uses)				
Permanent transfer from working cash fund - abatement	2,000,000	2,000,000	-	10,000,000
Transfer from operations and maintenance fund	<u>5,000,000</u>	<u>5,000,000</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>7,000,000</u>	<u>7,000,000</u>	<u>-</u>	<u>10,000,000</u>
Net change in fund balance	<u>\$ (15,412,030)</u>	<u>(13,763,107)</u>	<u>\$ 1,648,923</u>	<u>(6,060,008)</u>
Fund balance, beginning of year		<u>46,915,563</u>		<u>52,975,571</u>
Fund balance, end of year		<u>\$ 33,152,456</u>		<u>\$ 46,915,563</u>

NORTH SHORE SCHOOL DISTRICT 112

GENERAL FUND

COMBINING BALANCE SHEET

AS OF JUNE 30, 2021

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Assets			
Cash and investments	\$ 68,947,024	\$ 2,968,869	\$ 71,915,893
Student activity cash	225,753	-	225,753
Receivables:			
Property taxes	31,339,469	2,685	31,342,154
Intergovernmental	434,498	-	434,498
Accounts	8,395	-	8,395
Prepaid items	<u>47,699</u>	<u>-</u>	<u>47,699</u>
Total assets	<u>\$ 101,002,838</u>	<u>\$ 2,971,554</u>	<u>\$ 103,974,392</u>
Liabilities, deferred inflows of resources, and fund balance			
Liabilities			
Accounts payable	\$ 718,479	\$ -	\$ 718,479
Salaries and wages payable	4,081,168	-	4,081,168
Other current liabilities	2,939	-	2,939
Payroll deductions payable	22,878	-	22,878
Unearned student fees	<u>449,750</u>	<u>-</u>	<u>449,750</u>
Total liabilities	<u>5,275,214</u>	<u>-</u>	<u>5,275,214</u>
Deferred inflows of resources			
Property taxes levied for a future period	<u>58,470,028</u>	<u>5,009</u>	<u>58,475,037</u>
Total deferred inflows of resources	<u>58,470,028</u>	<u>5,009</u>	<u>58,475,037</u>
Fund balance			
Nonspendable	47,699	-	47,699
Assigned	225,753	-	225,753
Unassigned	<u>36,984,144</u>	<u>2,966,545</u>	<u>39,950,689</u>
Total fund balance	<u>37,257,596</u>	<u>2,966,545</u>	<u>40,224,141</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 101,002,838</u>	<u>\$ 2,971,554</u>	<u>\$ 103,974,392</u>

NORTH SHORE SCHOOL DISTRICT 112

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2021

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Revenues			
Property taxes	\$ 57,143,629	\$ 4,925	\$ 57,148,554
State aid	20,899,669	-	20,899,669
Federal aid	4,051,877	-	4,051,877
Investment income (loss)	(19,511)	254	(19,257)
Student activities	49,659	-	49,659
Other	694,723	-	694,723
Total revenues	<u>82,820,046</u>	<u>5,179</u>	<u>82,825,225</u>
Expenditures			
Current:			
Instruction:			
Regular programs	22,500,493	-	22,500,493
Special programs	8,061,926	-	8,061,926
Other instructional programs	6,064,802	-	6,064,802
Student activities	36,119	-	36,119
State retirement contributions	17,469,491	-	17,469,491
Support Services:			
Pupils	5,029,385	-	5,029,385
Instructional staff	5,860,803	-	5,860,803
General administration	1,933,492	-	1,933,492
School administration	3,148,700	-	3,148,700
Business	1,761,951	-	1,761,951
Operations and maintenance	7,732	-	7,732
Central	1,119,587	-	1,119,587
Other supporting services	2,437	-	2,437
Community services	32,482	-	32,482
Payments to other districts and gov't units	1,881,902	-	1,881,902
Capital outlay	3,051,181	-	3,051,181
Total expenditures	<u>77,962,483</u>	<u>-</u>	<u>77,962,483</u>
Excess (deficiency) of revenues over expenditures	<u>4,857,563</u>	<u>5,179</u>	<u>4,862,742</u>
Other financing sources (uses)			
Transfers (out)	(5,867,388)	(2,000,000)	(7,867,388)
Total other financing sources (uses)	<u>(5,867,388)</u>	<u>(2,000,000)</u>	<u>(7,867,388)</u>
Net change in fund balance	(1,009,825)	(1,994,821)	(3,004,646)
Fund balance, beginning of year (as restated)	38,267,421	4,961,366	43,228,787
Fund balance, end of year	<u>\$ 37,257,596</u>	<u>\$ 2,966,545</u>	<u>\$ 40,224,141</u>

NORTH SHORE SCHOOL DISTRICT 112
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Revenues				
Local sources				
General levy	\$ 55,816,471	\$ 56,457,743	\$ 641,272	\$ 54,383,484
Special education levy	678,095	685,886	7,791	692,156
Investment income (loss)	450,814	(19,511)	(470,325)	1,528,773
Sales to pupils - lunch	30,000	-	(30,000)	16,228
Student activities	-	49,659	49,659	-
Contributions and donations from private sources	-	1,000	1,000	-
Refund of prior years' expenditures	28,000	62,045	34,045	481,158
Proceeds from vendor contracts	60,000	-	(60,000)	46,993
Other local fees	315,000	578,172	263,172	595,689
Other	51,800	53,506	1,706	554,911
Total local sources	<u>57,430,180</u>	<u>57,868,500</u>	<u>438,320</u>	<u>58,299,392</u>
State sources				
Evidence based funding	3,357,390	3,365,702	8,312	3,365,702
Special education - private facility tuition	177,150	21,742	(155,408)	42,355
Special education - orphanage - individual	-	33,130	33,130	-
Special education - orphanage - summer	-	431	431	-
State free lunch & breakfast	825	9,173	8,348	4,677
School breakfast initiative	3,075	-	(3,075)	-
Total state sources	<u>3,538,440</u>	<u>3,430,178</u>	<u>(108,262)</u>	<u>3,412,734</u>
Federal sources				
Federal impact aid	200,000	345,490	145,490	238,853
Other unrestricted grants-in-aid received directly	381,498	-	(381,498)	-
National school lunch program	130,000	314,337	184,337	245,801
Special milk program	18,000	-	(18,000)	7,597
School breakfast program	30,000	162,721	132,721	55,497
Food service - other	-	46,624	46,624	48,574
Title I - Low income	493,234	439,178	(54,056)	478,646
Federal - special education - preschool flow-through	25,000	32,153	7,153	24,060
Federal - special education - IDEA - flow-through/low incident	927,199	868,338	(58,861)	923,711
Federal - special education - IDEA - room & board	31,000	31,120	120	48,183
Title III - English language acquisition	75,000	13,102	(61,898)	70,288
Title II - Teacher quality	95,156	82,686	(12,470)	95,156
Medicaid matching funds - administrative outreach	23,000	76,780	53,780	62,480
Medicaid matching funds - fee-for-service program	30,000	122,076	92,076	96,741
Other restricted revenue from federal sources	-	1,517,272	1,517,272	382,027
Total federal sources	<u>2,459,087</u>	<u>4,051,877</u>	<u>1,592,790</u>	<u>2,777,614</u>
Total revenues	<u>63,427,707</u>	<u>65,350,555</u>	<u>1,922,848</u>	<u>64,489,740</u>

NORTH SHORE SCHOOL DISTRICT 112
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Expenditures				
Instruction				
Regular programs				
Salaries	\$ 20,965,483	\$ 18,875,351	\$ 2,090,132	\$ 18,714,067
Employee benefits	6,241,038	3,052,185	3,188,853	2,722,165
Purchased services	673,723	268,063	405,660	88,724
Supplies and materials	641,039	304,894	336,145	626,278
Capital outlay	<u>150,500</u>	<u>35,328</u>	<u>115,172</u>	<u>14,602</u>
Total	<u>28,671,783</u>	<u>22,535,821</u>	<u>6,135,962</u>	<u>22,165,836</u>
Pre-K programs				
Salaries	-	756,711	(756,711)	774,122
Employee benefits	112	29,268	(29,156)	158,959
Purchased services	6,000	1,599	4,401	1,736
Supplies and materials	62,000	55,133	6,867	5,529
Capital outlay	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total	<u>68,612</u>	<u>842,711</u>	<u>(774,099)</u>	<u>940,346</u>
Special education programs				
Salaries	5,849,299	5,291,298	558,001	5,275,817
Employee benefits	59,205	817,580	(758,375)	720,774
Purchased services	79,000	220,744	(141,744)	271,638
Supplies and materials	100,000	214,873	(114,873)	85,291
Capital outlay	12,000	65,753	(53,753)	8,564
Other objects	<u>-</u>	<u>828</u>	<u>(828)</u>	<u>716</u>
Total	<u>6,099,504</u>	<u>6,611,076</u>	<u>(511,572)</u>	<u>6,362,800</u>
Special education programs Pre-K				
Salaries	9,611	60,609	(50,998)	50,675
Employee benefits	750	2,119	(1,369)	7,529
Purchased services	2,000	-	2,000	-
Supplies and materials	<u>-</u>	<u>24,807</u>	<u>(24,807)</u>	<u>48,493</u>
Total	<u>12,361</u>	<u>87,535</u>	<u>(75,174)</u>	<u>106,697</u>
Remedial and supplemental programs K - 12				
Salaries	799,316	849,627	(50,311)	998,982
Employee benefits	<u>9,037</u>	<u>129,698</u>	<u>(120,661)</u>	<u>111,207</u>
Total	<u>808,353</u>	<u>979,325</u>	<u>(170,972)</u>	<u>1,110,189</u>

NORTH SHORE SCHOOL DISTRICT 112
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Remedial and supplemental programs Pre - K				
Salaries	\$ 60,049	\$ -	\$ 60,049	\$ -
Employee benefits	<u>877</u>	<u>7,576</u>	<u>(6,699)</u>	<u>-</u>
Total	<u>60,926</u>	<u>7,576</u>	<u>53,350</u>	<u>-</u>
Summer school programs				
Salaries	112,810	132,477	(19,667)	95,094
Employee benefits	2,571	23,073	(20,502)	18,899
Supplies and materials	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Total	<u>120,381</u>	<u>155,550</u>	<u>(35,169)</u>	<u>113,993</u>
Gifted programs				
Salaries	690,185	356,710	333,475	683,648
Employee benefits	<u>30,324</u>	<u>92,429</u>	<u>(62,105)</u>	<u>86,849</u>
Total	<u>720,509</u>	<u>449,139</u>	<u>271,370</u>	<u>770,497</u>
Bilingual programs				
Salaries	4,089,875	4,027,798	62,077	3,608,670
Employee benefits	<u>43,394</u>	<u>582,028</u>	<u>(538,634)</u>	<u>506,363</u>
Total	<u>4,133,269</u>	<u>4,609,826</u>	<u>(476,557)</u>	<u>4,115,033</u>
Special education programs K -12 - private tuition				
Other objects	<u>300,000</u>	<u>449,743</u>	<u>(149,743)</u>	<u>177,848</u>
Total	<u>300,000</u>	<u>449,743</u>	<u>(149,743)</u>	<u>177,848</u>
Student activities				
Other objects	<u>-</u>	<u>36,119</u>	<u>(36,119)</u>	<u>-</u>
Total	<u>-</u>	<u>36,119</u>	<u>(36,119)</u>	<u>-</u>
Total instruction	<u>40,995,698</u>	<u>36,764,421</u>	<u>4,231,277</u>	<u>35,863,239</u>
Support services				
Pupils				
Guidance services				
Salaries	1,235,072	1,282,614	(47,542)	1,219,938
Employee benefits	<u>17,129</u>	<u>175,041</u>	<u>(157,912)</u>	<u>151,431</u>
Total	<u>1,252,201</u>	<u>1,457,655</u>	<u>(205,454)</u>	<u>1,371,369</u>

NORTH SHORE SCHOOL DISTRICT 112
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Health services				
Salaries	\$ 614,356	\$ 509,582	\$ 104,774	\$ 472,509
Employee benefits	1,072	78,639	(77,567)	70,433
Purchased services	71,500	13,250	58,250	30,453
Supplies and materials	5,000	1,421	3,579	13,358
Capital outlay	<u>25,000</u>	<u>3,104</u>	<u>21,896</u>	<u>19,803</u>
Total	<u>716,928</u>	<u>605,996</u>	<u>110,932</u>	<u>606,556</u>
Psychological services				
Salaries	950,525	789,895	160,630	837,157
Employee benefits	12,390	131,779	(119,389)	118,131
Purchased services	5,000	-	5,000	6,200
Supplies and materials	<u>8,000</u>	<u>7,484</u>	<u>516</u>	<u>7,227</u>
Total	<u>975,915</u>	<u>929,158</u>	<u>46,757</u>	<u>968,715</u>
Speech pathology and audiology services				
Salaries	1,764,544	1,388,901	375,643	1,344,107
Employee benefits	21,846	206,939	(185,093)	137,772
Purchased services	1,000	-	1,000	2,350
Supplies and materials	<u>2,000</u>	<u>4,621</u>	<u>(2,621)</u>	<u>566</u>
Total	<u>1,789,390</u>	<u>1,600,461</u>	<u>188,929</u>	<u>1,484,795</u>
Other support services - pupils				
Salaries	659,835	319,806	340,029	325,583
Employee benefits	38,423	119,413	(80,990)	111,002
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>669</u>
Total	<u>698,258</u>	<u>439,219</u>	<u>259,039</u>	<u>437,254</u>
Total pupils	<u>5,432,692</u>	<u>5,032,489</u>	<u>400,203</u>	<u>4,868,689</u>
Instructional staff				
Improvement of instructional services				
Salaries	1,248,093	694,108	553,985	571,817
Employee benefits	186,390	391,006	(204,616)	229,410
Purchased services	833,814	816,324	17,490	1,353,742
Supplies and materials	508,925	937,590	(428,665)	660,130
Capital outlay	<u>-</u>	<u>47,326</u>	<u>(47,326)</u>	<u>87,314</u>
Total	<u>2,777,222</u>	<u>2,886,354</u>	<u>(109,132)</u>	<u>2,902,413</u>

NORTH SHORE SCHOOL DISTRICT 112
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Educational media services				
Salaries	\$ 1,423,295	\$ 1,200,056	\$ 223,239	\$ 1,304,638
Employee benefits	40,613	195,219	(154,606)	195,683
Purchased services	956,500	1,176,461	(219,961)	899,045
Supplies and materials	368,500	449,074	(80,574)	478,646
Capital outlay	500,000	2,896,275	(2,396,275)	857,714
Other objects	<u>1,500</u>	<u>965</u>	<u>535</u>	<u>2,283</u>
Total	<u>3,290,408</u>	<u>5,918,050</u>	<u>(2,627,642)</u>	<u>3,738,009</u>
Total instructional staff	<u>6,067,630</u>	<u>8,804,404</u>	<u>(2,736,774)</u>	<u>6,640,422</u>
General administration				
Board of education services				
Employee benefits	-	-	-	99
Purchased services	740,000	598,346	141,654	695,508
Supplies and materials	10,000	8,043	1,957	7,555
Other objects	<u>-</u>	<u>30,505</u>	<u>(30,505)</u>	<u>17,410</u>
Total	<u>750,000</u>	<u>636,894</u>	<u>113,106</u>	<u>720,572</u>
Executive administration services				
Salaries	515,753	448,250	67,503	426,247
Employee benefits	71,748	181,567	(109,819)	153,959
Purchased services	12,000	59,045	(47,045)	4,071
Supplies and materials	2,000	658	1,342	1,981
Other objects	<u>17,500</u>	<u>7,440</u>	<u>10,060</u>	<u>17,979</u>
Total	<u>619,001</u>	<u>696,960</u>	<u>(77,959)</u>	<u>604,237</u>
Tort immunity services				
Salaries	-	-	-	117,000
Purchased services	<u>842,262</u>	<u>599,638</u>	<u>242,624</u>	<u>498,342</u>
Total	<u>842,262</u>	<u>599,638</u>	<u>242,624</u>	<u>615,342</u>
Total general administration	<u>2,211,263</u>	<u>1,933,492</u>	<u>277,771</u>	<u>1,940,151</u>
School administration				
Office of the principal services				
Salaries	2,063,858	2,635,646	(571,788)	2,520,345
Employee benefits	276,728	506,389	(229,661)	433,571
Purchased services	<u>19,750</u>	<u>6,665</u>	<u>13,085</u>	<u>7,921</u>
Total	<u>2,360,336</u>	<u>3,148,700</u>	<u>(788,364)</u>	<u>2,961,837</u>
Total school administration	<u>2,360,336</u>	<u>3,148,700</u>	<u>(788,364)</u>	<u>2,961,837</u>

NORTH SHORE SCHOOL DISTRICT 112
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Business				
Direction of business support services				
Salaries	\$ 441,417	\$ 474,374	\$ (32,957)	\$ 438,126
Employee benefits	24,256	107,363	(83,107)	102,698
Purchased services	-	10,974	(10,974)	20,553
Supplies and materials	-	-	-	23
Other objects	-	(100)	100	2,190
Total	<u>465,673</u>	<u>592,611</u>	<u>(126,938)</u>	<u>563,590</u>
Fiscal services				
Salaries	269,393	223,595	45,798	258,506
Employee benefits	18,699	49,883	(31,184)	45,556
Purchased services	610,500	113,044	497,456	69,925
Supplies and materials	10,000	7,646	2,354	8,106
Capital outlay	-	-	-	776
Other objects	65,000	71,349	(6,349)	51,756
Total	<u>973,592</u>	<u>465,517</u>	<u>508,075</u>	<u>434,625</u>
Operation and maintenance of plant services				
Salaries	-	-	-	876
Employee benefits	-	-	-	13
Purchased services	-	7,542	(7,542)	7,064
Supplies and materials	-	190	(190)	-
Total	<u>-</u>	<u>7,732</u>	<u>(7,732)</u>	<u>7,953</u>
Food services				
Purchased services	521,160	653,253	(132,093)	408,823
Supplies and materials	204,792	46,624	158,168	48,507
Capital outlay	-	-	-	1,957
Total	<u>725,952</u>	<u>699,877</u>	<u>26,075</u>	<u>459,287</u>
Internal services				
Salaries	998	-	998	105
Employee benefits	-	126	(126)	113
Purchased services	1,404	-	1,404	1,872
Supplies and materials	1,368	3,820	(2,452)	3,130
Total	<u>3,770</u>	<u>3,946</u>	<u>(176)</u>	<u>5,220</u>
Total business	<u>2,168,987</u>	<u>1,769,683</u>	<u>399,304</u>	<u>1,470,675</u>
Central				
Direction of central support services				
Employee benefits	-	123,323	(123,323)	597
Total	<u>-</u>	<u>123,323</u>	<u>(123,323)</u>	<u>597</u>

NORTH SHORE SCHOOL DISTRICT 112
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Information services				
Salaries	\$ 82,783	\$ 87,838	\$ (5,055)	\$ 85,279
Employee benefits	7,079	18,052	(10,973)	16,506
Purchased services	89,500	67,767	21,733	63,306
Supplies and materials	5,000	8,532	(3,532)	3,912
Capital outlay	5,000	3,395	1,605	-
Other objects	<u>2,000</u>	<u>4,108</u>	<u>(2,108)</u>	<u>1,960</u>
Total	<u>191,362</u>	<u>189,692</u>	<u>1,670</u>	<u>170,963</u>
Staff services				
Salaries	525,574	541,693	(16,119)	534,015
Employee benefits	34,772	105,349	(70,577)	87,777
Purchased services	251,000	126,459	124,541	198,702
Supplies and materials	20,000	35,465	(15,465)	15,064
Other objects	<u>1,000</u>	<u>1,001</u>	<u>(1)</u>	<u>500</u>
Total	<u>832,346</u>	<u>809,967</u>	<u>22,379</u>	<u>836,058</u>
Total central	<u>1,023,708</u>	<u>1,122,982</u>	<u>(99,274)</u>	<u>1,007,618</u>
Other supporting services				
Salaries	14,299	284	14,015	4,967
Employee benefits	-	1,804	(1,804)	1,606
Purchased services	101,488	-	101,488	-
Supplies and materials	<u>525</u>	<u>349</u>	<u>176</u>	<u>1,771</u>
Total	<u>116,312</u>	<u>2,437</u>	<u>113,875</u>	<u>8,344</u>
Total support services	<u>19,380,928</u>	<u>21,814,187</u>	<u>(2,433,259)</u>	<u>18,897,736</u>
Community services				
Salaries	1,219	18,663	(17,444)	4,024
Employee benefits	115	168	(53)	439
Purchased services	571	7,518	(6,947)	-
Supplies and materials	<u>29,125</u>	<u>6,133</u>	<u>22,992</u>	<u>1,801</u>
Total community services	<u>31,030</u>	<u>32,482</u>	<u>(1,452)</u>	<u>6,264</u>
Payments to other districts and governmental units				
Payments for special education programs				
Purchased services	<u>-</u>	<u>412,262</u>	<u>(412,262)</u>	<u>384,815</u>
Total	<u>-</u>	<u>412,262</u>	<u>(412,262)</u>	<u>384,815</u>
Other payments to in-state governmental units				
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,058</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,058</u>

NORTH SHORE SCHOOL DISTRICT 112
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2021
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Payments for special education programs - tuition				
Other objects	\$ 2,133,000	\$ 1,469,640	\$ 663,360	\$ 1,545,664
Total	<u>2,133,000</u>	<u>1,469,640</u>	<u>663,360</u>	<u>1,545,664</u>
Total payments to other districts and governmental units	<u>2,133,000</u>	<u>1,881,902</u>	<u>251,098</u>	<u>1,967,537</u>
Total expenditures	<u>62,540,656</u>	<u>60,492,992</u>	<u>2,047,664</u>	<u>56,734,776</u>
Excess (deficiency) of revenues over expenditures	<u>887,051</u>	<u>4,857,563</u>	<u>3,970,512</u>	<u>7,754,964</u>
Other financing sources (uses)				
Transfer to operations and maintenance fund	<u>(5,863,388)</u>	<u>(5,867,388)</u>	<u>(4,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,863,388)</u>	<u>(5,867,388)</u>	<u>(4,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (4,976,337)</u>	<u>(1,009,825)</u>	<u>\$ 3,966,512</u>	<u>7,754,964</u>
Fund balance, beginning of year (as restated)		<u>38,267,421</u>		<u>30,300,244</u>
Fund balance, end of year		<u>\$ 37,257,596</u>		<u>\$ 38,055,208</u>

NORTH SHORE SCHOOL DISTRICT 112

WORKING CASH ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2020 ACTUAL
Revenues				
Local sources				
General levy	\$ 4,870	\$ 4,925	\$ 55	\$ 5,947
Investment income	<u>97,839</u>	<u>254</u>	<u>(97,585)</u>	<u>127,602</u>
Total local sources	<u>102,709</u>	<u>5,179</u>	<u>(97,530)</u>	<u>133,549</u>
Total revenues	<u>102,709</u>	<u>5,179</u>	<u>(97,530)</u>	<u>133,549</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>102,709</u>	<u>5,179</u>	<u>(97,530)</u>	<u>133,549</u>
Other financing sources (uses)				
Permanent transfer from working cash fund - abatement	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>-</u>	<u>(10,000,000)</u>
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>-</u>	<u>(10,000,000)</u>
Net change in fund balance	<u>\$ (1,897,291)</u>	<u>(1,994,821)</u>	<u>\$ (97,530)</u>	<u>(9,866,451)</u>
Fund balance, beginning of year		<u>4,961,366</u>		<u>14,827,817</u>
Fund balance, end of year		<u>\$ 2,966,545</u>		<u>\$ 4,961,366</u>

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	81 - 92
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	93 - 96
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	97 - 100
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	101 - 104
Operating Information These schedules contain information about the District's services and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it	105 - 106

NORTH SHORE SCHOOL DISTRICT 112

Net Position by Component
Last Ten Fiscal Years

	Fiscal Year			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018***</u>
Governmental Activities:				
Net investment in capital assets	\$ 85,571,450	\$ 82,112,891	\$ 80,246,759	\$ 77,225,869
Restricted				
Operations and maintenance	2,269,175	3,649,258	4,305,936	1,901,116
Student transportation	3,278,424	1,866,272	1,570,837	1,655,424
Retirement benefits	4,722,681	793,175	990,281	991,833
Capital projects	-	-	-	-
Tort immunity	-	-	-	-
Debt service	33,708	33,708	33,708	33,708
Unrestricted (deficit)	<u>3,701,045</u>	<u>3,530,358</u>	<u>(6,477,011)</u>	<u>(8,954,459)</u>
 Total net position	 <u>\$ 99,576,483</u>	 <u>\$ 91,985,662</u>	 <u>\$ 80,670,510</u>	 <u>\$ 72,853,491</u>

Note: Due to the implementation of GASB Statement No. 63 during fiscal year ended June 30, 2013, the District is now required to report net assets as net position.

* Net Position by component adjusted in 2013 due to restatement identified during fiscal year 2014 audit. Prior years not restated.

**Net Position restated due to GASB Statement No. 68 implementation as of June 30, 2014. Prior years not restated.

***Net Position restated due to GASB Statement No. 75 implementation as of June 30, 2017. Prior years not restated.

Fiscal Year					
<u>2017</u>	<u>2016</u>	<u>2015**</u>	<u>2014</u>	<u>2013*</u>	<u>2012</u>
\$ 70,739,137	\$ 67,998,467	\$ 68,680,537	\$ 64,808,837	\$ 63,122,681	\$ 57,079,378
1,334,784	1,707,408	1,729,994	4,147,494	4,071,621	2,512,058
2,188,423	1,903,340	1,802,912	1,346,866	-	587,395
1,409,808	1,164,837	1,813,653	1,942,691	1,592,970	1,129,517
-	1,536,694	80,089	1,547,521	154,394	142,468
-	-	-	203,055	625,757	826,292
33,708	2,406	2,406	643,106	2,137,013	2,026,575
<u>38,806,684</u>	<u>33,160,795</u>	<u>26,277,098</u>	<u>25,903,146</u>	<u>21,540,113</u>	<u>24,602,652</u>
<u>\$ 114,512,544</u>	<u>\$ 107,473,947</u>	<u>\$ 100,386,689</u>	<u>\$ 100,542,716</u>	<u>\$ 93,244,549</u>	<u>\$ 88,906,335</u>

NORTH SHORE SCHOOL DISTRICT 112

Changes in Net Position
Last Ten Fiscal Years

Expenses	Fiscal Year				
	2021	2020	2019	2018	2017
Governmental Activities:					
Instruction					
Regular Programs	\$ 22,949,415	\$ 23,337,480	\$ 22,715,295	\$ 23,867,323	\$ 24,769,383
Special Programs	10,803,370	10,229,019	9,461,508	9,998,574	10,005,498
Other Programs	6,092,880	6,051,864	6,356,340	6,802,804	5,662,970
Student activities	36,119	-	-	-	-
State On-behalf Contributions to TRS	31,754,171	29,350,056	28,230,342	27,575,120	29,596,726
Support services					
Pupils	5,148,808	5,474,390	5,163,931	7,220,973	6,239,677
Instructional Staff	6,963,538	6,028,086	6,490,806	7,226,009	4,615,680
District Administration	2,660,867	2,173,984	2,045,035	1,431,123	1,551,617
School Administration	3,509,193	3,207,865	3,612,142	4,025,350	3,142,361
Business	1,683,042	1,698,450	1,690,192	1,523,766	1,510,867
Transportation	3,358,881	4,020,805	3,597,466	3,339,234	2,817,920
Operations and Maintenance	11,205,139	8,978,220	10,433,070	8,354,742	9,298,769
Central	1,087,887	1,110,769	1,201,309	1,228,281	1,175,479
Other Supporting Services	2,620	9,884	11,003	33,994	22,484
Community Services	6,360	7,526	187,741	33,773	61,748
Payments to other Districts and Government Units- excluding Special Education	-	37,058	-	-	65,168
Interest on Debt	1,804,720	1,891,095	1,163,702	-	-
Total Governmental Expenses	109,067,010	103,606,551	102,359,882	102,661,066	100,536,347
Program Revenues					
Governmental Activities:					
Charges for Services:					
Instruction					
Regular Programs	820,112	1,492,122	1,395,013	648,625	1,099,583
Other Programs	-	-	-	1,571	38,018
Student activities	49,659	-	-	-	-
Support Services					
Transportation	11,756	24,523	33,616	22,193	54,116
Business	-	16,228	34,152	33,523	34,813
Operations and Maintenance	44,892	24,410	34,063	88,625	97,997
Operating Grants and Contributions:					
Instruction					
Regular Programs	1,294,937	620,880	304,036	275,130	416,939
Special Programs	1,624,948	1,676,176	1,809,437	2,824,918	4,651,419
Other Programs	13,102	70,288	122,512	101,704	458,534
State On-behalf Contributions to TRS	31,754,171	29,350,056	28,230,342	27,575,120	29,596,726
Support services					
Pupils	-	-	-	-	-
Instructional Staff	82,686	95,156	113,348	131,058	172,027
Transportation	1,848,605	1,121,202	1,160,483	619,199	348,792
Business	532,456	361,890	330,167	307,190	718,150
Payments to other Districts and Government Units- excluding Special Education	-	-	-	-	12,000
Capital Grants and Contributions:					
Instruction					
Regular Programs	361,361	-	-	-	-
Support services					
Operations and Maintenance	-	50,000	-	-	-
Total Government Program Revenues	38,438,685	34,902,931	33,567,169	32,628,856	37,699,114
Net (Expense) Revenue	(70,628,325)	(68,703,620)	(68,792,713)	(70,032,210)	(62,837,233)
General Revenues:					
Governmental Activities:					
Taxes					
Property Taxes	73,021,793	71,594,376	\$ 69,650,798	\$ 67,455,017	\$ 67,272,865
Replacement Taxes	1,015,425	728,794	674,008.00	690,421	735,781
General State Aid	3,365,702	3,365,702	3,361,213.00	3,356,655	1,267,676
Investment Earnings	312,304	3,532,452	2,864,768.00	583,741	452,122
Other General Revenues	291,709	797,448	58,945	108,507	147,386
Total General Revenues	78,006,933	80,018,772	76,609,732	72,194,341	69,875,830
Change in Net Position	\$ 7,378,608	\$ 11,315,152	\$ 7,817,019	\$ 2,162,131	\$ 7,038,597

*Property tax revenues adjusted for 2013 due to restatement identified during fiscal year 2014 audit.

Fiscal Year				
2016	2015	2014	2013*	2012
\$ 25,768,271	\$ 24,437,351	\$ 23,536,690	\$ 23,352,715	\$ 24,826,055
10,618,189	12,141,245	13,059,882	12,521,987	13,420,182
4,489,402	5,558,022	5,004,500	5,298,953	5,693,955
-	-	-	-	-
20,192,502	18,144,483	12,958,399	10,008,093	9,076,276
5,869,190	5,617,111	4,491,877	4,020,115	4,078,422
4,056,260	3,930,168	3,723,817	4,541,275	4,008,660
1,731,554	1,584,879	1,616,177	1,409,685	1,269,129
3,324,345	3,390,702	3,330,904	3,269,095	3,474,934
1,467,777	1,457,453	1,381,477	2,366,492	2,162,251
2,858,449	2,568,430	2,458,682	2,492,615	2,621,684
7,683,641	8,140,562	7,566,338	7,342,641	6,163,719
1,034,870	1,008,172	613,487	2,987,918	855,004
22,307	6,723	94,014	83,705	28,781
38,037	23,205	47,647	20,061	18,557
-	-	-	-	-
-	392,481	343,964	569,191	910,012
89,154,794	88,400,987	80,227,855	80,284,541	78,607,621
1,023,967	1,322,665	1,202,464	672,824	691,713
8,105	560	15,697	51,413	45,348
-	-	-	-	-
2,624	-	110	26,325	36,732
48,458	32,969	33,947	101,509	118,296
46,906	67,965	53,316	162,261	159,076
370,659	327,342	324,403	838,148	904,366
4,655,445	3,702,270	3,609,722	3,175,049	3,396,087
99,384	212,786	279,400	318,105	311,794
20,192,502	18,144,483	12,958,399	10,008,093	9,076,276
-	-	-	-	(351)
128,787	20,885	73,232	124,531	124,845
978,775	1,059,844	1,047,278	690,014	560,947
311,252	350,420	366,893	366,409	390,063
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
27,866,864	25,242,189	19,964,861	16,534,681	15,815,192
(61,287,930)	(63,158,798)	(60,262,994)	(63,749,860)	(62,792,429)
\$ 66,281,835	\$ 64,802,614	\$ 65,388,504	\$ 67,303,032	\$ 63,775,733
581,440	727,678	676,619	668,843	654,610
1,207,820	1,186,814	1,192,276	1,161,746	1,181,508
221,497	265,139	146,699	273,817	254,898
82,596	35,513	157,063	1,875,197	1,770,145
68,375,188	67,017,758	67,561,161	71,282,635	67,636,894
\$ 7,087,258	\$ 3,858,960	\$ 7,298,167	\$ 7,532,775	\$ 4,844,465

NORTH SHORE SCHOOL DISTRICT 112

Fund Balances - Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund				
Nonspendable	\$ 47,699	\$ 47,699	\$ 23,405	\$ -
Restricted				
Assigned	225,753	-	-	-
Unassigned	39,950,689	42,968,875	45,104,656	40,417,522
Reserved				
Prepaid Items	-	-	-	-
Unreserved				
Designated for self-insurance	-	-	-	-
Undesignated	-	-	-	-
Total General Fund	<u>\$ 40,224,141</u>	<u>\$ 43,016,574</u>	<u>\$ 45,128,061</u>	<u>\$ 40,417,522</u>
All Other Governmental Funds:				
Nonspendable, reported in:				
Special revenue funds	\$ -	\$ -	\$ -	\$ -
Debt service funds	-	-	-	-
Restricted, reported in:				
Special revenue funds	8,628,619	9,129,169	9,017,671	6,298,722
Debt service funds	33,708	33,708	33,708	33,708
Capital projects fund	13,910,269	35,312,142	52,603,194	-
Assigned, reported in:				
Special revenue funds	4,443,539	3,776,374	2,541,084	2,334,856
Debt service funds	41,417	28,230	3,667	3,000
Capital projects fund	19,242,187	11,603,421	372,377	276
Total All Other Governmental Funds	<u>\$ 46,299,739</u>	<u>\$ 59,883,044</u>	<u>\$ 64,571,701</u>	<u>\$ 8,670,562</u>

Fiscal Year

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 21,722	\$ 34,422	\$ 16,897	\$ -	\$ 82,219	\$ 154,790
-	-	-	203,055	625,757	826,292
-	-	-	2,945	14,398,654	16,568,067
40,796,509	35,244,638	29,953,400	25,387,182	5,761,952	2,754,039
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 40,818,231</u>	<u>\$ 35,279,060</u>	<u>\$ 29,970,297</u>	<u>\$ 25,593,182</u>	<u>\$ 20,868,582</u>	<u>20,303,188</u>
\$ -	\$ -	\$ -	\$ -	\$ 11,549	\$ -
-	-	-	-	259,857	282,945
6,159,366	6,322,264	5,994,046	7,437,051	4,080,248	3,638,526
33,708	2,406	2,406	643,106	1,997,088	1,900,890
-	1,536,694	80,089	1,547,521	154,394	140,896
1,778,269	1,209,887	776,055	303,622	2,406,320	2,073,906
2,556	33,708	23,989	10,432	-	-
-	2,213	1,549	623	-	-
<u>\$ 7,973,899</u>	<u>\$ 9,107,172</u>	<u>\$ 6,878,134</u>	<u>\$ 9,942,355</u>	<u>\$ 8,909,456</u>	<u>\$ 8,037,163</u>

NORTH SHORE SCHOOL DISTRICT 112

Governmental Funds Revenues

Last Ten Fiscal Years

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	68,297,428	\$ 67,255,103	\$ 67,742,840	\$ 70,359,572	\$ 67,154,365
	4,108,543	4,848,657	4,820,676	4,554,132	4,625,659
	2,854,473	2,011,704	2,072,528	2,769,780	2,588,358
	<u>20,192,502</u>	<u>18,144,483</u>	<u>12,958,399</u>	<u>10,008,093</u>	<u>9,076,276</u>
\$	<u>95,452,946</u>	<u>\$ 92,259,947</u>	<u>\$ 87,594,443</u>	<u>\$ 87,691,577</u>	<u>\$ 83,444,658</u>

NORTH SHORE SCHOOL DISTRICT 112

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current:			
Instruction			
Regular programs	\$ 22,772,039	\$ 22,442,338	\$ 21,429,240
Special programs	8,322,023	8,002,627	7,302,687
Other instructional programs	6,196,675	6,090,419	5,959,324
Student activities	36,119	-	-
State retirement contributions	17,469,491	16,817,921	15,433,490
Total instruction	<u>54,796,347</u>	<u>53,353,305</u>	<u>50,124,741</u>
Supporting services			
Pupils	5,156,802	4,969,338	5,032,862
Instructional staff	5,978,784	5,803,233	6,157,252
General administration	1,959,970	1,965,024	1,756,816
School administration	3,286,867	3,088,408	3,069,125
Business	1,883,801	1,578,649	1,556,540
Transportation	3,392,277	4,004,492	3,584,612
Operations and maintenance	8,650,070	6,799,319	8,411,386
Central	1,175,313	1,059,201	1,172,275
Other supporting services	2,486	9,168	10,631
Total supporting services	<u>31,486,370</u>	<u>29,276,832</u>	<u>30,751,499</u>
Community services	<u>35,923</u>	<u>6,579</u>	<u>130,583</u>
Payments to other districts and gov't units	<u>1,881,902</u>	<u>1,967,537</u>	<u>1,976,265</u>
Total current expenditures	<u>88,200,542</u>	<u>84,604,253</u>	<u>82,983,088</u>
Capital outlay	<u>27,137,624</u>	<u>20,487,908</u>	<u>8,828,354</u>
Debt service			
Principal	1,810,000	1,720,000	-
Interest and fiscal charges	<u>2,057,863</u>	<u>2,143,863</u>	<u>1,066,954</u>
Total debt service	<u>3,867,863</u>	<u>3,863,863</u>	<u>1,066,954</u>
Total expenditures	<u>\$ 119,206,029</u>	<u>\$ 108,956,024</u>	<u>\$ 92,878,396</u>
Debt service required as a percentage of noncapital expenditures	4.10%	4.37%	1.27%
Debt service as a percentage of total expenditures	3.24%	3.55%	1.15%

Note: Expenditures by function not available before 2013.

Fiscal Year						
<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 22,149,485	\$ 23,759,650	\$ 24,908,073	\$ 23,446,996	\$ 22,710,782	\$ 22,511,288	
7,818,010	8,154,935	8,845,182	9,992,820	10,618,072	9,224,801	
6,225,403	5,718,821	4,653,924	5,678,753	5,520,181	5,647,562	
-	-	-	-	-	-	
27,575,120	29,596,726	20,192,502	18,144,483	12,958,399	10,008,093	
63,768,018	67,230,132	58,599,681	57,263,052	51,807,434	47,391,744	
6,169,659	5,754,210	5,351,221	5,077,790	4,058,354	3,598,777	
6,437,861	4,466,319	3,871,885	3,836,369	3,789,155	4,009,771	
1,458,128	1,599,472	1,727,553	1,556,412	1,614,322	1,407,882	
3,155,342	3,199,396	3,452,753	3,346,522	3,329,335	3,267,570	
1,435,398	1,520,007	1,321,923	1,382,542	1,364,767	1,351,630	
3,328,696	2,813,469	2,845,174	2,558,139	2,455,810	2,489,603	
7,018,004	7,226,023	6,257,255	6,419,905	5,742,346	6,199,475	
1,144,932	1,167,720	955,930	834,624	612,119	2,980,883	
34,274	21,162	18,785	6,601	94,014	83,705	
<u>30,182,294</u>	<u>27,767,778</u>	<u>25,802,479</u>	<u>25,018,904</u>	<u>23,060,222</u>	<u>25,389,296</u>	
<u>28,315</u>	<u>61,766</u>	<u>38,471</u>	<u>18,536</u>	<u>47,647</u>	<u>20,061</u>	
<u>1,768,568</u>	<u>1,823,781</u>	<u>1,503,862</u>	<u>1,750,133</u>	<u>1,837,749</u>	<u>2,925,373</u>	
<u>95,747,195</u>	<u>96,883,457</u>	<u>85,944,493</u>	<u>84,050,625</u>	<u>76,753,052</u>	<u>75,726,474</u>	<u>\$ 75,159,901</u>
<u>9,128,649</u>	<u>6,004,025</u>	<u>1,970,652</u>	<u>1,820,159</u>	<u>1,618,932</u>	<u>3,306,410</u>	<u>1,619,351</u>
-	-	-	4,975,000	3,076,748	6,687,036	3,905,000
-	-	-	101,269	388,212	533,970	1,030,749
-	-	-	5,076,269	3,464,960	7,221,006	4,935,749
<u>\$ 104,875,844</u>	<u>\$ 102,887,482</u>	<u>\$ 87,915,145</u>	<u>\$ 90,947,053</u>	<u>\$ 81,836,944</u>	<u>\$ 86,253,890</u>	<u>\$ 81,715,001</u>
0.00%	0.00%	0.00%	5.70%	4.32%	8.71%	6.16%
0.00%	0.00%	0.00%	5.58%	4.23%	8.37%	6.04%

NORTH SHORE SCHOOL DISTRICT 112

Other Financing Sources and Uses and

Net Change in Fund Balances

Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (16,587,951)	\$ (6,800,144)	\$ 5,000,270	\$ 295,954
Other financing sources (uses)				
Transfers in	16,734,776	13,863,388	8,458,447	10,000,000
Bond proceeds	-	-	50,945,000	-
Premium on bonds sold	-	-	4,666,408	-
Transfers out	<u>(16,734,776)</u>	<u>(13,863,388)</u>	<u>(8,458,447)</u>	<u>(10,000,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>55,611,408</u>	<u>-</u>
Net change in fund balances	<u>\$ (16,587,951)</u>	<u>\$ (6,800,144)</u>	<u>\$ 60,611,678</u>	<u>\$ 295,954</u>

Fiscal Year					
<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 4,405,898	\$ 7,537,801	\$ 1,312,894	\$ 5,757,499	\$ 1,437,687	\$ 1,729,657
-	-	4,435,569	37,845	1,703,788	1,628,369
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(4,435,569)</u>	<u>(37,845)</u>	<u>(1,703,788)</u>	<u>(1,628,369)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 4,405,898</u>	<u>\$ 7,537,801</u>	<u>\$ 1,312,894</u>	<u>\$ 5,757,499</u>	<u>\$ 1,437,687</u>	<u>\$ 1,729,657</u>

NORTH SHORE SCHOOL DISTRICT 112
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Tax Levy Years

<u>Tax Levy Year</u>	<u>Equalized Assessed Valuation</u>		<u>Total Equalized Assessed Value</u>	<u>Actual Estimated Value</u>	<u>Total Direct Rate</u>
	<u>Real Estate</u>	<u>Railroad</u>			
2020	\$ 2,370,078,113	\$ 3,649,098	\$ 2,373,727,211	\$ 7,193,112,761	3.184%
2019	2,420,333,320	3,508,602	2,423,841,922	7,344,975,521	3.039%
2018	2,468,137,523	3,231,303	2,471,368,826	7,488,996,442	2.914%
2017	2,472,548,411	3,021,625	2,475,570,036	7,501,727,382	2.830%
2016	2,374,567,316	2,965,779	2,377,533,095	7,204,645,742	2.862%
2015	2,235,806,902	2,918,358	2,238,725,260	6,784,015,939	3.006%
2014	2,104,832,545	2,465,263	2,107,297,808	6,385,750,933	3.150%
2013	2,116,481,601	2,372,736	2,118,854,337	6,420,770,718	3.076%
2012	2,221,715,371	1,960,279	2,223,675,650	6,738,411,061	2.957%
2011	2,388,796,816	1,563,287	2,390,360,103	7,243,515,464	2.818%

Source: Lake County Clerk's Office

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

NORTH SHORE SCHOOL DISTRICT 112
Property Tax Rates - All Direct and Overlapping Governments
Last Ten Tax Levy Years

Tax Levy Year	District Direct Rates												Total Tax Rate
	NSSD 112	Highland Park	Lake County	HSD 113	Highland Park District	North Sanitary	Lake County Forest Preserve	Township of Moraine	College of Lake County	South Lake Mosquito Abatement	Total Overlapping Government		
2020	\$ 3.184	\$ 0.875	\$ 0.598	\$ 2.391	\$ 0.572	\$ 0.157	\$ 0.182	\$ 0.055	\$ 0.290	\$ 0.012	\$ 5.133	\$ 8.317	
2019	3.039	0.809	0.597	2.280	0.560	0.153	0.180	0.056	0.282	0.012	4.927	7.966	
2018	2.914	0.772	0.612	2.222	0.535	0.153	0.182	0.054	0.282	0.011	4.824	7.738	
2017	2.826	0.726	0.622	2.164	0.521	0.153	0.187	0.054	0.281	0.011	4.718	7.544	
2016	2.862	0.737	0.632	2.187	0.529	0.157	0.193	0.056	0.285	0.012	4.788	7.649	
2015	3.006	0.749	0.663	2.309	0.520	0.166	0.208	0.063	0.299	0.012	4.989	7.995	
2014	3.152	0.795	0.682	2.421	0.508	0.169	0.210	0.066	0.306	0.013	5.171	8.323	
2013	3.076	0.785	0.663	2.364	0.497	0.164	0.218	0.070	0.296	0.007	5.064	8.140	
2012	2.957	0.709	0.608	2.178	0.445	0.150	0.212	0.066	0.272	0.015	4.655	7.612	
2011	2.818	0.643	0.554	2.167	0.410	0.150	0.201	0.059	0.240	0.014	4.438	7.256	

Source: Lake County Clerk's Office

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

NORTH SHORE SCHOOL DISTRICT 112

Principal Taxpayers
Tax Levy Year 2020 and Nine Years Ago

<u>Taxpayer</u>	<u>2020</u>		<u>2011</u>	
	<u>Equalized Assessed Valuation</u>	<u>Percentage of Total</u>	<u>Equalized Assessed Valuation</u>	<u>Percentage of Total</u>
T Renaissance II IL LLC	\$ 9,832,350	0.41%	\$ -	0.00%
Klairmont Investments, LLC	9,041,396	0.37%	-	0.00%
FPACP3 Sheridan LLC - North Shore Estates Property	8,661,510	0.36%	-	0.00%
Federal Realty Investment Trust	7,600,486	0.31%	6,959,622	0.29%
American Nat'L Bank & Trust Of Chicago	6,687,284	0.28%	-	0.00%
United States Of America	6,055,067	0.25%	-	0.00%
Dimitriou LLC: Central, 2nd, Greenbay, Sheridan	5,596,235	0.23%	-	0.00%
Mcgovern Flats LLC	4,533,786	0.19%	-	0.00%
Highland Park Associates II, LLC	4,459,300	0.18%	4,622,192	0.19%
Highland Park V Building LLC	4,201,850	0.17%	-	0.00%
Metzler I Renaissance Place LP	-	0.00%	12,536,295	0.52%
Midwest Family Associates II, LLC	-	0.00%	8,359,476	0.35%
Klairmont Family Associates, LP	-	0.00%	4,808,813	0.20%
Chicago Title Land Trust Co.	-	0.00%	4,628,730	0.19%
Americana Apartments	-	0.00%	4,175,498	0.17%
Morningside Highwood LLC	-	0.00%	4,163,356	0.17%
Sunset Food Mart, Inc.	-	0.00%	4,054,897	0.17%
Northern Trust Company	-	-	3,750,879	0.16%
Total Principal Taxpayers in District	<u>66,669,264</u>	<u>2.75%</u>	<u>58,059,758</u>	<u>2.41%</u>
Other Taxpayers in District	<u>2,307,057,947</u>	<u>95.18%</u>	<u>2,332,300,345</u>	<u>97.55%</u>
District's Total EAV	<u>\$ 2,423,841,922</u>	<u>100.00%</u>	<u>\$ 2,390,360,103</u>	<u>100.00%</u>

Source: 2020 Information - Office of the County Clerk - Lake County, IL
2011 Information- 2012 CAFR

NORTH SHORE SCHOOL DISTRICT 112

Property Tax Levies and Collections

Last Ten Tax Levy Years

Tax Levy Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Subsequent Year Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2020	\$ 75,580,566	\$ 35,069,986	46.40%	\$ -	\$ 35,069,986	46.40%
2019	73,665,695	31,361,162	42.57%	41,660,631	73,021,793	99.13%
2018	72,005,975	35,561,608	49.39%	36,032,166	71,593,774	99.43%
2017	69,963,100	41,871,249	59.85%	27,779,549	69,650,798	99.55%
2016	68,033,775	34,178,718	50.24%	33,276,494	67,455,212	99.15%
2015	67,303,111	33,840,154	50.28%	33,432,460	67,272,614	99.95%
2014	66,417,096	33,244,394	50.05%	33,037,441	66,281,835	99.80%
2013	65,175,159	32,401,169	49.71%	32,306,679	64,707,848	99.28%
2012	65,754,089	32,840,980	49.95%	32,547,526	65,388,506	99.44%
2011	67,944,380	33,643,832	49.52%	33,549,740	67,193,572	98.89%
2010	64,111,980	31,646,316	49.36%	32,130,112	63,776,428	99.48%

NORTH SHORE SCHOOL DISTRICT 112

Outstanding Debt by Type
Last Ten Fiscal Years

Government Activities							
Fiscal Year	General Obligation Bonds and Certificates	Capital Leases	Total Primary Government	Equalized Assessed Valuation	Ratio of General Bonded Debt to Actual Estimated Value	Percentage of Personal Income*	Debt Outstanding per Capita
2021	\$ 51,508,338	\$ -	\$ 51,508,338	\$ 2,373,727,211	0.70%	1.81%	1,483
2020	53,563,939	-	53,563,939	2,423,841,922	0.73%	1.94%	1,542
2019	55,529,540	-	55,529,540	2,471,368,826	0.68%	1.95%	1,460
2018	-	-	-	2,475,570,036	0.00%	NA	-
2017	-	-	-	2,377,533,095	0.00%	NA	-
2016	-	-	-	2,238,725,260	0.00%	NA	-
2015	-	-	-	2,107,297,808	0.00%	NA	-
2014	5,041,680	-	5,041,680	2,118,854,337	0.07%	NA	143
2013	7,920,000	188,558	8,108,558	2,223,675,650	0.11%	NA	221
2012	14,370,000	425,594	14,795,594	2,390,360,103	0.18%	NA	401

NA - not available

* See the schedule of Demographic Statistics on page 102 for personal income and population data.

NORTH SHORE SCHOOL DISTRICT 112

Computation of Direct and Overlapping Debt

June 30, 2021

<u>Taxing Authority</u>	<u>Gross Bonded Debt Outstanding</u>	<u>Overlapping Percent</u>	<u>Applicable to District</u>
Lake County	\$ - (1)	8.729%	\$ -
Lake County Forest Preserve	200,815,000 (2)	8.729%	17,529,141
City of Highland Park	10,220,822 (3)	96.793%	9,893,040
City of Highwood	4,705,000 (1)	100.000%	4,705,000
Park District of Highland Park	12,340,000 (2)	95.462%	11,780,011
Township High School District 113	75,365,000	55.669%	41,954,942
Community College #532	10,325,000 (1)	9.167%	946,493
			<hr/>
Total Overlapping Bonded Debt			\$ 86,808,627
 Direct Debt			
North Shore School District 112	<u>51,508,338</u>	100.000%	<u>51,508,338</u>
 Total Overlapping and Direct Debt	<u>\$ 365,279,160</u>		<u>\$ 138,316,965</u>

Source of Information - Office of Lake County Clerk

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

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

NORTH SHORE SCHOOL DISTRICT 112

Legal Debt Margin Information Last Ten Fiscal Years

	Fiscal Year				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Assessed Valuation	\$ 2,373,727,211	\$ 2,423,841,922	\$ 2,471,368,826	\$ 2,475,570,036	\$ 2,377,533,095
Statutory Debt Limitation (6.9% of assessed valuation)	163,787,178	167,245,093	170,524,449	170,814,332	164,049,784
Bonded Debt June 30	<u>47,415,000</u>	<u>49,225,000</u>	<u>50,945,000</u>	-	-
Legal Bonded Debt Margin	<u>\$ 116,372,178</u>	<u>\$ 118,020,093</u>	<u>\$ 119,579,449</u>	<u>\$ 170,814,332</u>	<u>\$ 164,049,784</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>28.95%</u>	<u>29.43%</u>	<u>29.88%</u>	<u>0.00%</u>	<u>0.00%</u>

Fiscal Year				
<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 2,107,297,808	\$ 2,107,297,808	\$ 2,118,854,337	\$ 2,223,675,650	\$ 2,390,360,103
145,403,549	145,403,549	146,200,949	153,433,620	164,934,847
-	-	4,975,000	8,108,558	14,795,594
<u>\$ 145,403,549</u>	<u>\$ 145,403,549</u>	<u>\$ 141,225,949</u>	<u>\$ 145,325,062</u>	<u>\$ 150,139,253</u>
<u>0.00%</u>	<u>0.00%</u>	<u>3.40%</u>	<u>5.28%</u>	<u>8.97%</u>

NORTH SHORE SCHOOL DISTRICT 112

Demographic and Economic Statistics Last Ten Calendar Years

Calendar Year	Population		Unemployment Rate		Personal	Per Capita
	Highland		Highland		Income	Personal
	<u>Park</u>	<u>Highwood</u>	<u>Park</u>	<u>Highwood</u>	(in thousands)	Income
2020	29,515	5,224	6.6	6.9	\$ 2,853,625	NA
2019	29,515	5,224	3.0	3.5	2,762,810	NA
2018	29,622	5,272	3.5	3.8	2,609,697	NA
2017	29,767	5,325	3.4	4.2	2,480,013	NA
2016	29,641	5,324	4.2	5.2	2,327,814	NA
2015	29,743	5,352	4.1	5	2,198,848	NA
2014	29,871	5,387	5.0	6.3	2,164,473	NA
2013	29,902	5,338	6.3	7.8	NA	NA
2012	29,914	5,354	6	8.7	NA	NA
2011	29,763	5,405	8.6	8.6	39,305,689	55,656

Source of Information:

- * Population: Quickfacts.Census.Gov
- * Unemployment Rate: Illinois Department of Security
- Prior years: U.S. Census Data, Sperling's Best places website
- Personal Income and Per Capital Personal Income:
Bureau of Economic Analysis.gov

Note: The personal income figure 2011 and prior years is for the entire County. Personal income for 2014 is for the two applicable cities only.

NA - not available

NORTH SHORE SCHOOL DISTRICT 112

Principal Employers
Current Year and Eight Years Ago

<u>Employer</u>	<u>Type of Business or Property</u>	<u>2021</u>		<u>2012</u>	
		<u>Number Employed</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Highland Park Hospital-North Shore University Health System	Highland Park	1,200	7.54%	1,050	6.4%
Highland Park - Park District	Highland Park	401	2.52%	-	0.0%
Ravinia Music Festival (FTE)	Highland Park	185	1.16%	515	3.1%
Township High School District #113	Highland Park	635	3.99%	-	0.0%
North Shore Elementary School District #112 (FTE)	Highland Park	542	3.41%	-	0.0%
North Suburban Special Education District	Highland Park	420	2.64%	-	0.0%
City of Highland Park (FTE)	Highland Park	276	1.73%	-	0.0%
Target	Highland Park	224	1.41%	180	1.1%
Jewel-Osco	Highland Park	150	0.94%	220	1.3%
First Bank of Highland Park	Highland Park	128	0.80%	-	0.0%
Sunset Foods		-	-	145	90.0%
Skokie Valley Laundry & Cleaners		-	-	70	40.0%

* Includes full-time and part-time and/or seasonal employees.

Sources:

- (1) Village Records /School District Records
- (2) Employer Official Website
- (3) A to Z Database

Calculating applicable percentages to the Illinois Department of Employment Security Reports the estimated number of persons employed in the District in 2020 is 15,912.

Note: Only top six employer information was available for 2012

NORTH SHORE SCHOOL DISTRICT 112

Full-time Equivalent District Employees by Type

Last Ten Fiscal Years

Fiscal Year	Full-time Equivalent Employees									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Instruction										
Total instruction	<u>409</u>	<u>415</u>	<u>417</u>	<u>*445</u>	<u>*452</u>	<u>*463</u>	<u>*464</u>	<u>*462</u>	<u>465</u>	<u>482</u>
Support Services										
Total support services	<u>129</u>	<u>127</u>	<u>124.6</u>	<u>*125</u>	<u>*128</u>	<u>*134</u>	<u>*145</u>	<u>*155</u>	<u>155</u>	<u>149</u>
Total	<u><u>538</u></u>	<u><u>542</u></u>	<u><u>542</u></u>	<u><u>570</u></u>	<u><u>580</u></u>	<u><u>597</u></u>	<u><u>609</u></u>	<u><u>617</u></u>	<u><u>620</u></u>	<u><u>631</u></u>

* as of September of that fiscal year

NORTH SHORE SCHOOL DISTRICT 112

Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Average Daily Attendance	Operating Expenditures	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio
2021	2,777	\$ 69,243,635	24,938	21.50%	\$ 80,298,546	28,920	25.28%	388 *	7.2
2020	3,242	66,548,990	20,526	17.90%	74,847,051	23,085	21.32%	383 *	8.5
2019	3,736	65,042,635	17,410	-5.93%	71,095,013	19,030	-6.74%	377 *	9.9
2018	3,494	64,661,271	18,506	5.21%	71,299,836	20,406	-6.15%	405 *	8.6
2017	3,573	62,853,161	17,591	6.50%	77,696,654	21,745	21.73%	410 *	8.7
2016	3,791	62,617,698	16,518	5.51%	67,722,640	17,865	-5.07%	422 *	9.0
2015	3,868	60,564,282	15,658	-1.79%	72,802,570	18,822	502.00%	427 *	9.1
2014	3,843	61,278,220	15,944	2.52%	68,878,545	17,923	-6.74%	428 *	9.0
2013	3,967	61,703,864	15,553	2.68%	76,245,797	19,220	4.95%	433 *	9.2
2012	3,961	59,998,244	15,147	0.96%	72,540,834	18,314	-4.11%	482	8.2

* as of September of that fiscal year

Source of Information: District Personnel Department records
Annual Financial Report 2012-2021 (ISBE Form SD50-35/JA50-60)

NORTH SHORE SCHOOL DISTRICT 112

Operating Indicators by Function

June 30, 2021

Function	2021
Instruction	
Regular and Special student enrollment	3,718
Support Services	
Pupil	
% of student population from Non-English Language Background	28%
School Administration	
Average daily attendance	2,777
Fiscal	
Purchase Orders Processed	3,859
Maintenance	
District Square Footage Maintained by Custodians and Maintenance Staff	853,000
District Acreage Maintained by Grounds Staff	96
Transportation	
Avg. number of regular pupils transported per year	2,877
Avg. number of regular bus runs to/from school	292
*Extra Curricular Activities	
Number of competitive sports	26
Number of student clubs	117
% of Students eligible to file for Federally funded Free or Reduced Lunches	21.76%

* Extracurricular Activities: Due to the coronavirus pandemic (COVID-19), District 112 schools were closed. The competitive sports and student clubs represent the numbers as if the school district was operating on a regular school year.

Source of Information:

ISBE Fall Enrollment

Infinite Campus Student Data System

NORTH SHORE SCHOOL DISTRICT 112

School Building Information Last Ten Fiscal Years

	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Elementary Schools -										
Braeside										
Square Feet*	43,636	43,636	43,636	43,636	43,636	43,636	43,636	43,636	43,636	43,636
Enrollment **	273	270	271	255	265	283	265	266	262	276
Indian Trail										
Square Feet	65,403	65,403	65,403	65,403	65,403	65,403	65,403	65,403	65,403	65,403
Enrollment	400	426	424	285	318	356	389	400	395	379
Lincoln										
Square Feet	48,471	48,471	48,471	48,471	48,471	48,471	48,471	48,471	48,471	48,471
Enrollment	School Closed	School Closed	School Clc	207	210	227	237	248	261	270
Oak Terrace										
Square Feet	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Enrollment	432	468	487	526	523	534	533	534	501	489
Ravinia										
Square Feet	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634	51,634
Enrollment	241	239	225	235	243	274	300	301	302	309
Red Oak										
Square Feet	57,153	57,153	57,153	57,153	57,153	57,153	57,153	57,153	57,153	57,153
Enrollment	260	259	249	320	327	326	297	289	320	341
Sherwood										
Square Feet	50,863	50,863	50,863	50,863	50,863	50,863	50,863	50,863	50,863	50,863
Enrollment	387	376	384	292	291	302	318	338	358	358
Wayne Thomas										
Square Feet	56,221	56,221	56,221	56,221	56,221	56,221	56,221	56,221	56,221	56,221
Enrollment	306	319	323	298	286	298	316	327	349	355
Green Bay**										
Square Feet	60,808	60,808	60,808	60,808	60,808	60,808	60,808	60,808	60,808	60,808
Enrollment	174	278	271	266	219	268	255	239	218	232
Totals - Elementary										
Square Feet	519,189	519,189	519,189	519,189	519,189	519,189	519,189	519,189	519,189	519,189
Enrollment	2,473	2,635	2,634	2,684	2,682	2,868	2,910	2,942	2,966	3,009
Middle Schools -										
Edgewood										
Square Feet	136,492	136,492	136,492	136,492	136,492	136,492	136,492	136,492	136,492	136,492
Enrollment	727	769	793	524	517	569	617	615	607	579
Elm Place										
Square Feet	113,493	113,493	113,493	113,493	113,493	113,493	113,493	113,493	113,493	113,493
Enrollment	School Closed	School Closed	School Closed	302	349	374	376	374	410	439
Northwood										
Square Feet	83,826	83,826	83,826	83,826	83,826	83,826	83,826	83,826	83,826	83,826
Enrollment	518	508	515	492	479	511	512	491	471	443
Totals - Middle Schools										
Square Feet	333,811	333,811	333,811	333,811	333,811	333,811	333,811	333,811	333,811	333,811
Enrollment	1,245	1,277	1,308	1,318	1,345	1,454	1,505	1,480	1,488	1,461
District Totals:										
Square Feet	853,000	853,000	853,000	853,000	853,000	853,000	853,000	853,000	853,000	853,000
Enrollment	3,718	3,912	3,942	4,002	4,027	4,322	4,415	4,422	4,454	4,470

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

** Enrollment data from ISBE End of Year Report for FY12 through FY18.

Enrollment data from Infinite Campus Student Enrollment Report for FY19 through FY21

Source of Information:

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



Reporting and insights from 2021 audit: North Shore School District 112

June 30, 2021

Executive summary

We have completed our audit of the financial statements of North Shore School District 112 (the "District") for the year ended June 30, 2021, and have issued our report thereon dated October 8, 2021. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your District's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

Additionally, we have included information on key risk areas North Shore School District 112 should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Nicholus Cavaliere CFE, CPA, Partner: n.cavaliere@bakertilly.com or +1 (630) 645 6244
- Amy Hausmann, CPA, Manager: amy.hausmann@bakertilly.com or +1 (630) 891 1024

Sincerely,

Baker Tilly US, LLP

A handwritten signature in black ink that reads "Nicholus Cavaliere". The signature is written in a cursive, flowing style.

Nicholus Cavaliere, CFE, CPA, Partner

Amy Hausmann, CPA, Manager

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THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

Responsibilities



Responsibilities

Our responsibilities




As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the District's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of those charged with governance:
 - Are free from material misstatement
 - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Performing tests related to compliance with certain provisions of laws, regulations, contracts and grants, as required by *Government Auditing Standards*.
- Considering internal control over compliance with requirements that could have a direct and material effect on major federal programs to design tests of both controls and compliance with identified requirements.
- Forming and expressing an opinion based on our audit in accordance with OMB's *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) about the entity's compliance with requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs.

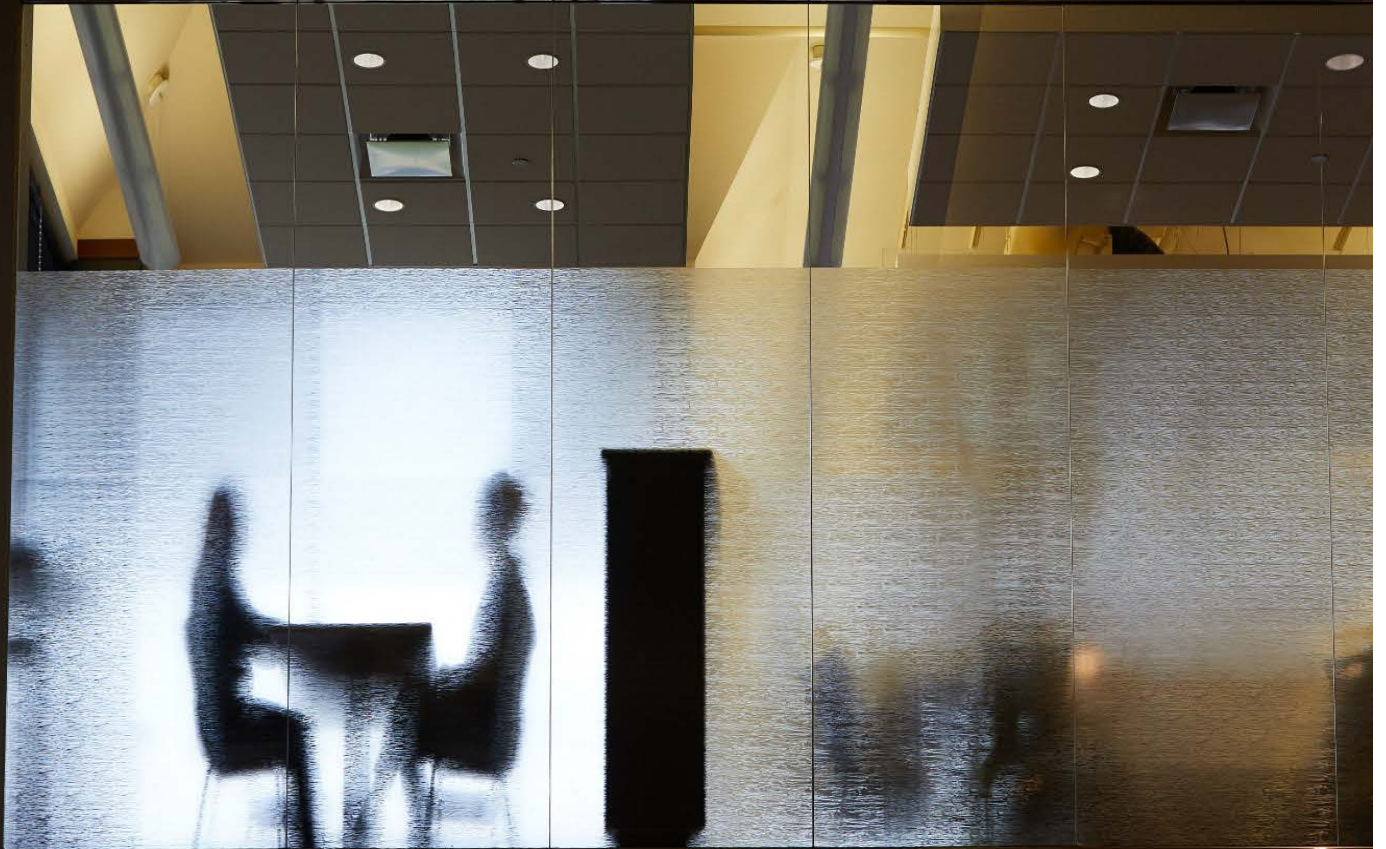
We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of those charged with governance, including:

- Qualitative aspects of the District's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant difficulties encountered
- Disagreements with management
- Corrected and uncorrected misstatements
- Internal control matters
- Significant estimates
- Other findings or issues arising from the audit

Management's responsibilities

Management	Auditor
 <p>Prepare and fairly present the financial statements</p>	<p>Our audit does not relieve management or those charged with governance of their responsibilities</p>
 <p>Establish and maintain effective internal control over financial reporting and compliance with laws, regulations, contracts and grants</p>	<p>An audit includes consideration of internal control over financial reporting, but not an expression of an opinion on those controls</p>
<p>Compliance with the types of requirements described in the <i>OMB Compliance Supplement</i></p>	<p>While our audit provides a reasonable basis for our opinion on compliance, it does not provide a legal determination on compliance with those requirements.</p>
 <p>Provide us with written representations at the conclusion of the audit</p>	<p>See Appendix for a copy of management's representations</p>

Audit status



Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Audit approach and results



Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the District and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the District's current year results.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

Other key areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other key areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension and OPEB liabilities	Long-term debt
Capital assets	Fund balance/net position calculations	Financial reporting and required disclosures

Internal control matters

We considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by District are described in Note 1 to the financial statements. As described in Note 3, the District changed accounting policies related to identifying fiduciary activities by adopting *GASB Statement No. 84, Fiduciary Activities*. We noted no transactions entered into by the District during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Net pension liability and related deferrals	Evaluation of information provided by the Illinois Municipal Retirement Fund and other actuarial studies	Reasonable in relation to the financial statements as a whole
State of Illinois on-behalf payments	Evaluation of information provided by the Teacher's Retirement System and the Teacher's Health Insurance Security Fund	Reasonable in relation to the financial statements as a whole
Net/Total OPEB liability and related deferrals	Key assumptions set by management with the assistance of a third party actuary	Reasonable in relation to the financial statements as a whole
Depreciation	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial, and to communicate accumulated misstatements to management. A description of uncorrected financial statement misstatement identified during the course of the audit is as follows:

- Governmental activities net position to be understated by \$58,321 as of July 1, 2020.
- Governmental activities net position to be understated by \$230,999 as of June 30, 2021.
- Net pension liability reported in the governmental activities is understated by \$230,999 as of June 30, 2021.
- Expenses reported in the governmental activities are overstated by \$172,678 in the fiscal year 2021 financial statements.
- The resulting differences to other aspects of the actuarial reports are unable to be determined.

The District maintains its general ledger on the cash basis of accounting. As part of the audit, we made all necessary entries to convert the District's fund level cash basis information to the modified accrual basis of accounting used for external reporting. These entries have been furnished to management. We also made all entries required to prepare the District-wide Statement of Net Position. These entries are summarized on the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities, both of which are included within the District's Basic Financial Statements.

In our judgment, none of the misstatements that management has corrected, either individually or in the aggregate, indicate matters that could have had a significant effect on the District's financial reporting process.

Management has determined that the effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the District or that otherwise appear to be unusual due to their timing, size or nature.

Other information in documents containing audited consolidated financial statements

Official statements

The District's audited financial statements are "general purpose" financial statements. General purpose financial statements consist of the basic financial statements that can be used by a broad group of people for a broad range of activities. Once we have issued our audit report, we have no further obligation to update our report for events occurring subsequent to the date of our report. The District can use the audited financial statements in other client prepare documents, such as official statements related to the issuance of debt, without our acknowledgement. Unless we have been engaged to perform services in connection with any subsequent transaction requiring the inclusion of our audit report, as well as to issue an auditor's acknowledgment letter, we have neither read the document nor performed subsequent event procedures in order to determine whether or not our report remains appropriate.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The Appendix includes copies of other material written communications, including a copy of the management representation letter.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

We will issue a separate document which contains the results of our audit procedures to comply with the Uniform Guidance.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the District's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date the financial statements are issued or available to be issued, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the District that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the District's related parties.

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information [which accompanies the financial statements but is not RSI]. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the other information, which accompanies the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation
- Adjusting and conversion journal entries
- Compiled regulatory reports
- Trial balance formatting from general ledger data
- Schedule of Expenditures of Federal Awards (SEFA)
- Preparation of the auditee section of the data collection form
- Site-based reporting assistance

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

A man in a dark suit, light blue shirt, and blue patterned tie is walking from left to right in a modern office setting. He is holding a black folder or tablet. The background is a large wall with a complex, abstract pattern of overlapping, concentric lines and shapes, creating a textured, almost architectural appearance. The lighting is soft and even.

Accounting changes relevant to the District

Accounting changes relevant to the District

Future accounting standards update

GASB Statement Number	Description	Potentially Impacts you	Effective Date
87	Leases	✓	6/30/22*
89	Accounting for Interest Incurred before the End of a Construction Period	✓	6/30/22*
91	Conduit Debt		6/30/23*
92	Omnibus 2020		6/30/22*
93	Replacement of Interfund Bank Offered Rates		6/30/22*
94	Public-Private and Public-Public Partnerships and Availability Payment Arrangements		6/30/23
96	Subscription-Based Information Technology Arrangements	✓	6/30/23
97	Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans		6/30/22

*The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years. The effective date reflected above is the required revised implementation date.

Further information on upcoming [GASB pronouncements](#).

Preparing for the new lease standard

GASB's new single model for lease accounting will be effective soon. This standard will require governments to identify and evaluate contracts that convey control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Contracts meeting the criteria for control, term and other items within the standard will result in recognizing a right to use asset and lease liability or a receivable and deferred inflow of resources.

We recommend the District review this standard and start planning now as to how this will affect your financial reporting. We recommend that you begin by completing an inventory of all contracts that might meet the definition of a lease. The contract listing should include key terms of the contracts such as:

- Description of contract
- Underlying asset
- Contract term
- Options for extensions and terminations
- Service components, if any
- Dollar amount of lease

In addition, the District should begin to establish a lease policy to address the treatment of common lease types, including a dollar threshold for each lease. We are available to discuss this further and help you develop an action plan.

Learn more about [GASB 87](#).

Trending challenges and opportunities for organizations



Trending challenges and opportunities for organizations

Management and governing bodies must keep the future in mind as they evaluate strategies to achieve future growth. Keeping a balance between risk and sustainability is key, and organizations need to think beyond their immediate needs to their long-term goals. Economic uncertainty, coupled with key risk areas and fast-paced technology change, make strategic planning complex. Begin the discussion with your management team to find your path to your future.

Turning toward recovery and growth

Many organizations are focusing on the strategic restart and ramp up of their operations.

With great uncertainty about what recovery will look like—or how long it will take—it is essential for your organization to understand the scenarios you may face and plan your path back to growth.

We can help you chart a way forward that will enhance and maximize your value, minimize further disruption and keep your workforce safe.

Recommendation

Follow our [road map](#) to reopen, recover and reset.



Compliance with federal awards



Challenge

The COVID-19 crisis has had a significant effect on the nation, including recipients of federal awards resulting from various congressional acts. Federal funding adds an increased level of scrutiny and brings new challenges around compliance, reporting and administration.

Finance and spending departments are operating in unprecedented times as they manage and administer these funds while also remaining economically viable, maintaining operations and adapting to the “new normal.”

Recommendation

Learn more about [compliance for federal funds](#) obtained for pandemic response efforts.

Recession proofing measures



Challenge

Ever aware of the need to balance the needs of diverse constituents against constrained revenue streams and conflicting priorities, public leaders strive to effectively deploy scarce resources while maintaining the highest levels of accountability and transparency.

In times of crisis, additional challenges emerge to maintain essential services, ensure citizen safety, protect their workforce and jumpstart programs to mitigate negative local economic impacts—all while focusing on planning for long-term effects of revenue shortages and the subsequent recovery.

Developing strategic clarity, aligning resources with priorities, strengthening performance, optimizing processes and leveraging

technology are imperative.

Recommendation

Learn about [proactive measures to insulate your organization](#) from financial hardship and to [optimize your organization's performance](#).

Recruiting and hiring

Challenge

Public sector entities in need of key workforce personnel, such as city or county managers and administrators, city or county attorneys, fire chiefs, police chiefs and other departmental directors, may find themselves in an unenviable position during a pandemic.

Organizations need the talent, but a pandemic can disrupt essential business processes and cause apprehension about access to desirable candidates.

Hiring leaders should proactively discuss what-if scenarios, evaluate short-term and long-term hiring priorities, and plan for situations where immediate recruitment is imperative.

Recommendation

Learn the key considerations and actions for [recruiting and hiring](#) in a crisis.



Risk assessment

Challenge



Organizations today manage ever-expanding priorities in a constantly evolving, disruptive risk environment. Undetected risks, insufficient internal controls and inefficient business processes may negatively impact not only the entity but also its workforce and the community at large.

Risk assessment and internal audit prove essential to identifying top risks and the appropriateness of response in order to:

- Manage risk and compliance
- Enhance governance and strategy
- Optimize operations
- Gain assurance around key functions and processes that contribute toward meeting organizational goals

Recommendation

Learn about the key considerations for the [risk assessment process and internal audit planning](#).

Economic development

Challenge

In today's complex economic landscape, communities face the daunting challenge of rebuilding their local economies. Restoring the momentum of economic expansion and investment to enhance quality of life for residents and produce long-term financial gain for the community is at the forefront of concerns.

Whether attracting growth to maximize opportunity built around community strengths or accounting for the many unknowns caused by major disruptions, a robust economic development strategy is essential to recovery.

Recommendation

Learn about the advantages of creating an [economic development strategic plan and the framework](#) to follow.



Harnessing data and analytics for strategic insight and decision-making



Challenge

In crisis and recovery, organizations are investing in advanced analytic solutions to help them not only make better decisions faster and more consistently, but also to improve operational efficiency and performance. Of all the business analytics available, advanced analytic solutions should be at the top of your priority list given the impact it can have on your business.

Recommendation

Learn more about [data & analytics strategy and roadmaps](#), [MDM and data process re-engineering](#), [AI strategy](#), [data visualization](#) and other digital and analytic capabilities.

Information technology and cybersecurity



Challenge

While return-to-work scenarios are being developed, it is likely that remote workforces will remain a reality for many organizations in the short- to mid-term. Though many organizations have been able to adapt on a short-term basis, some will not be prepared for long-term operation on a remote and virtual basis. Organizations should increase monitoring of invasive cyber events, given the likely increase in hackers sending out fake emails, website links and ransomware attacks – and also consider:

- Adequacy of IT controls and security
- Performance of remote infrastructure supporting operations
- Improvements to remote applications for communication, collaboration and workflow
- Alternatives for data entry, work and information flow

Recommendation

[Learn more](#) about information technology and cybersecurity, including [System & Organization Controls reporting](#).

A low-angle, upward-looking photograph of a modern building's interior or exterior structure. The image is dominated by a complex grid of dark metal beams and large glass panels, creating a sense of height and architectural scale. The lighting is bright, casting reflections and creating a blue-green tint across the glass surfaces.

Appendix A: Management representation letter

October 8, 2021

Baker Tilly US, LLP
1301 W. 22nd Street
Suite 400
Oak Brook, IL 60523

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of North Shore School District 112 as of June 30, 2021, and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of North Shore School District 112 and the respective changes in financial position in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, if any, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties, have been appropriately accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America.
- 7) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
- 8) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 9) We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the basic financial statements as a whole. In addition, you have recommended adjusting journal entries, and we are in agreement with those adjustments.
- 10) All known audit and bookkeeping adjustments have been included in our financial statements, and we are in agreement with those adjustments.
- 11) There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
- 12) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 13) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Education or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 14) We have not completed an assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- 15) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
- 17) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 18) There are no known related parties or related party relationships and transactions of which we are aware.

Other

- 19) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- 20) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that you have reported to us.
- 21) We have a process to track the status of audit findings and recommendations.
- 22) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 23) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 24) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 25) There are no:
 - a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
 - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.

- c) Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.
 - d) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
 - e) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.
- 26) In regards to the nonattest services performed by you listed below, we have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.
- a) Financial statement preparation
 - b) Adjusting and conversion journal entries
 - c) SEFA preparation
 - d) Compiled regulatory reports
 - e) Trial balance formatting from general ledger data
 - f) Preparation of auditee sections of the data collection form
 - g) Site-based reporting consulting

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

- 27) North Shore School District 112 has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral.
- 28) North Shore School District 112 has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 29) The financial statements properly classify all funds and activities.
- 30) All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such, and all other funds that are presented as major are particularly important to financial statement users.
- 31) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (non spendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 32) North Shore School District 112 has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars, or caps.
- 33) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

- 34) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- 35) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 36) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
- 37) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
- 38) Tax-exempt bonds issued have retained their tax-exempt status.
- 39) We have appropriately disclosed North Shore School District 112's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted, and unrestricted net position are available and have determined that net position were properly recognized under the policy. We have also disclosed our policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available.
- 40) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 41) With respect to the supplementary information, (SI):
 - a) We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
 - c) We acknowledge our responsibility for presenting the Consolidated Year-End Financial Report (CYEFR) in accordance with the standards set forth by the GATA Accountability and Transparency Act, and we believe the CYEFR, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. We have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the CYEFR.
- 42) We assume responsibility for, and agree with, the findings of specialists in evaluating the estimated valuation of the net OPEB liabilities and the net pension liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.
- 43) We agree with the restatement presented in the current year's financial statements.

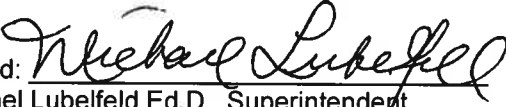
- 44) We assume responsibility for, and agree with, the information provided by the Illinois Municipal Retirement Fund, Teachers' Retirement System, and The Department of Central Management Services as audited by their auditors relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.
- 45) We have evaluated and considered all potential tax abatements and believe all material tax abatements have been properly reported and disclosed.
- 46) We have implemented GASB Statement No. 84, *Fiduciary Activities*, and believe that all activities that meet the criteria for presentation as fiduciary activities have been identified and presented as such. In addition, we believe that all required disclosures and other accounting considerations have been identified and properly classified in the financial statements in compliance with the Standard.
- 47) We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as the measurement date in accordance with the requirements of GASB 72 – *Fair Value Measurement*. In addition our disclosures related to fair value measurements are consistent with the objectives outlined in GASB 72. We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the financial statements and believe this information to be reliable and consistent with the requirements.
- 48) With respect to federal award programs:
 - a) We are responsible for understanding and complying with and have complied with the requirements of the Single Audit Act Amendments of 1996, *OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards (SEFA).
 - b) We acknowledge our responsibility for presenting the SEFA in accordance with the requirements of the Uniform Guidance and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
 - c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditors' report thereon.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - e) We are responsible for understanding and complying with, and have complied with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program.


- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provide reasonable assurance that we are administering our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended. Also, no changes have been made in the internal control over compliance or other factors to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to control deficiencies reported in the schedule of findings and questioned costs.
- g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to the programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements including when applicable, those set forth in the OMB Compliance Supplement relating to federal awards.
- j) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation agreements, and internal or external monitoring that directly relate to the objectives of the compliance audit, if any, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance.
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to the compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) We are not aware of any instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control subsequent to the date as of which compliance was audited.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

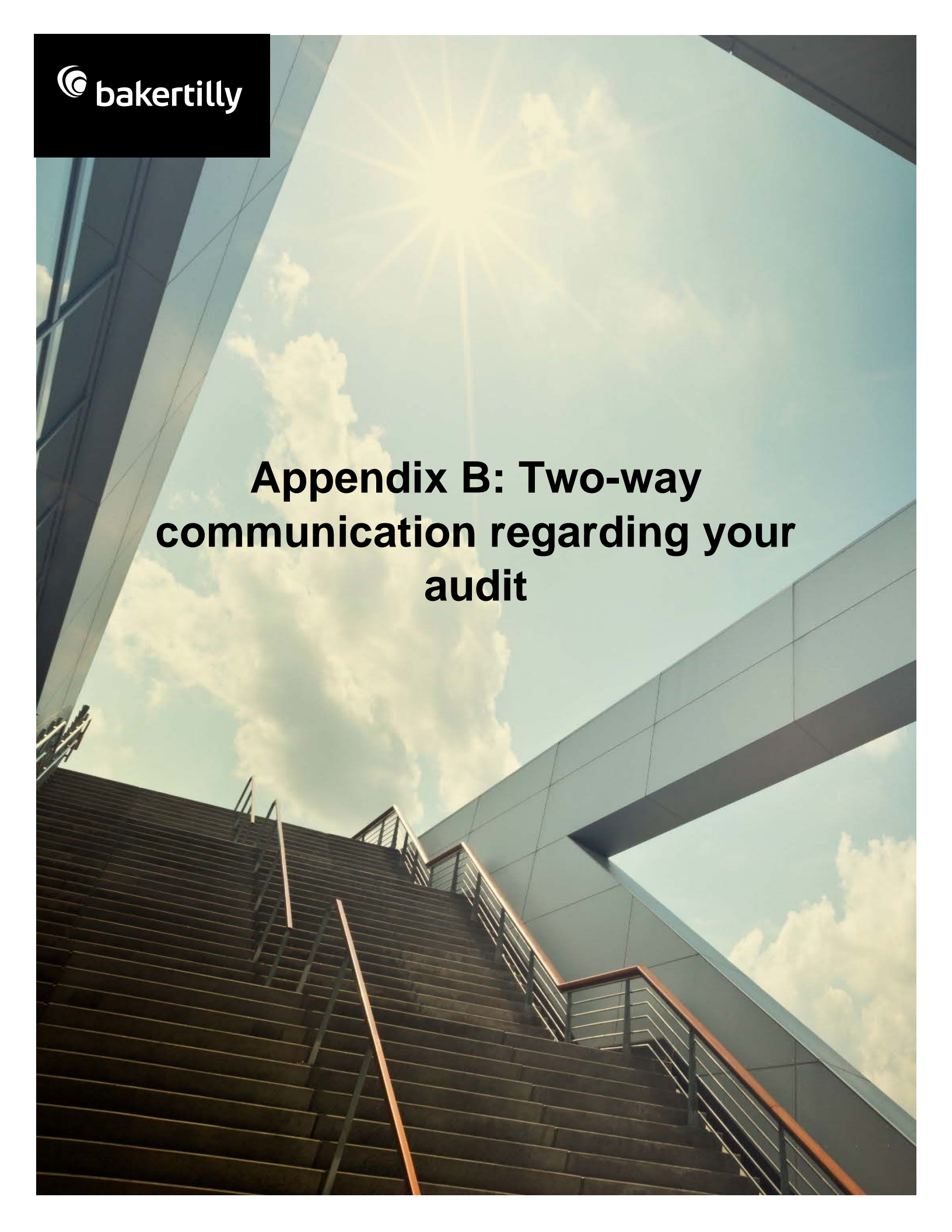
- t) We have charged costs to federal awards in accordance with applicable cost principles.
- u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- v) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- w) We have disclosed to you all contracts or other agreements with our service organizations, and we have disclosed to you all communications from the service organization relating to noncompliance at the service organizations.

Sincerely,

North Shore School District 112

Signed: 
Michael Lubefeld Ed.D., Superintendent

Signed: 
Jeremy Davis, Assistant Superintendent for Finance & Operations

A low-angle photograph of a modern building's exterior. In the foreground, a wide, dark stone staircase with metal railings leads upwards. The building's facade is composed of large, light-colored panels. The sky is bright blue with scattered white clouds, and a bright sun is visible in the upper center, creating a lens flare effect.

Appendix B: Two-way communication regarding your audit

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - Identify types of potential misstatements.
 - Consider factors that affect the risks of material misstatement.
 - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs. For audits performed in accordance with *Government Auditing Standards*, our report will include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*., *OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs. For audits done in accordance with *Government Auditing Standards*, the Uniform Guidance, our report will include a paragraph that states that the purpose of the report is solely to describe (a) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (b) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance and, (c) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and the Uniform Guidance, in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. We anticipate that the District will receive an unmodified opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of April-June, and sometimes early in July. Our final financial fieldwork is scheduled during the late summer or fall to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide feedback. We welcome the opportunity to hear from you.

MEMORANDUM
NORTH SHORE SCHOOL DISTRICT 112

TO: Dr. Michael Lubelfeld, Superintendent of Schools
Members of the Board of Education

FROM: Mr. Jeremy Davis, Assistant Superintendent of Finance and Operations

RE: **Business Office Monthly Report of Summary Financial Performance Data for September 2021**

Policy Alignment: Policy 4.8 – Accounting and Audits

DATE: October 19, 2021

1. Investments

See Treasurer’s Report for month and summary of cash and investments.

2. Financial Packet

The Financial Packet for the month of September, 2021, including the following reports, is presented for your review.

- a. Summary reports of Expenditures for the month.
- b. Check Summaries for disbursements processed from the last to the current Board meeting are provided for separate Board approval.

The status of the Education Fund expenses (in \$ millions) are as follows:

TOTAL	SPENT	
BUDGET	YTD	BALANCE
\$62.8	\$11.9	\$50.9

**North Shore School District 112
Summary of Cash & Investments
September 30, 2021**

	<u>Cash & Investments September 30, 2021</u>	<u>% of Total</u>	<u>Cash & Investments August 31, 2021</u>	<u>Monthly Change in Cash & Investments</u>	<u>Cash & Investments September 30, 2020</u>	<u>% of Total</u>	<u>Annual Change in Cash & Investments</u>
10 Education	\$ 74,204,361.17	57%	\$ 65,507,316.16	\$ 8,697,045.01	68,552,372.30	47%	\$ 5,651,988.87
20 Operations and Maintenance	\$ 12,833,709.30	10%	\$ 11,448,540.62	\$ 1,385,168.68	11,426,159.81	8%	\$ 1,407,549.49
30 Debt Service	\$ 75,211.92	0%	\$ 75,188.63	\$ 23.29	3,931,527.87	3%	\$ (3,856,315.95)
40 Transportation	\$ 7,638,092.64	6%	\$ 6,968,504.85	\$ 669,587.79	5,221,188.24	4%	\$ 2,416,904.40
50 Municipal Retirement	\$ 3,113,025.45	2%	\$ 3,198,637.69	\$ (85,612.24)	3,693,455.40	3%	\$ (580,429.95)
60 Capital Projects	\$ 30,076,003.98	23%	\$ 31,549,463.50	\$ (1,473,459.52)	50,186,320.39	34%	\$ (20,110,316.41)
70 Working Cash	\$ 2,970,598.03	2%	\$ 2,969,469.91	\$ 1,128.12	2,965,320.97	2%	\$ 5,277.06
Total District Funds	\$ 130,911,002.49	100%	\$ 121,717,121.36	\$ 9,193,881.13	\$ 145,976,344.98	100%	\$ (15,065,342.49)
99 Student Activity	224,602.38	0%	235,923.02	\$ (11,320.64)	206,036.24	0%	\$ 18,566.14
Total All Funds	\$ 131,135,604.87	100%	\$ 121,953,044.38	\$ 9,182,560.49	\$ 146,182,381.22	100%	\$ (15,046,776.35)

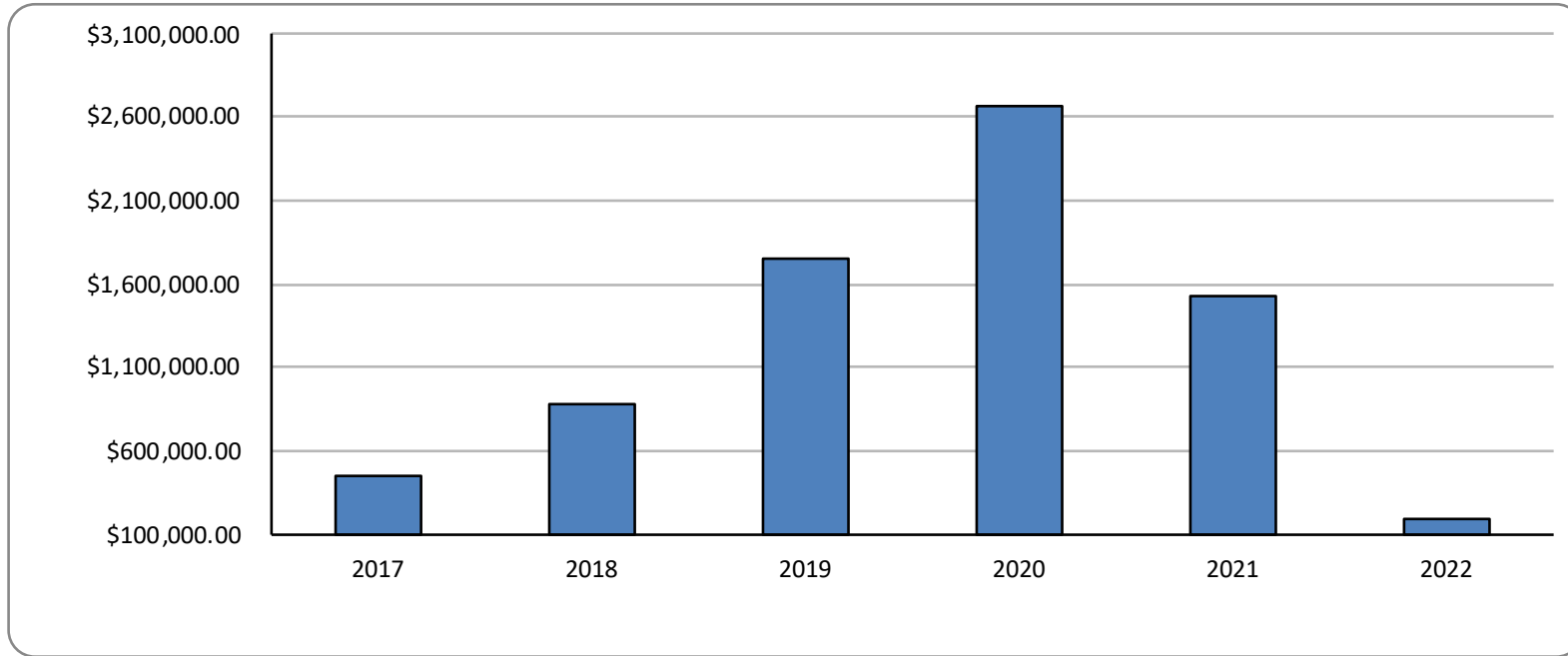
**Please note that the District is reporting cash and investments on a cost basis.

North Shore School District 112
Fund Balance Summary
September 30, 2021

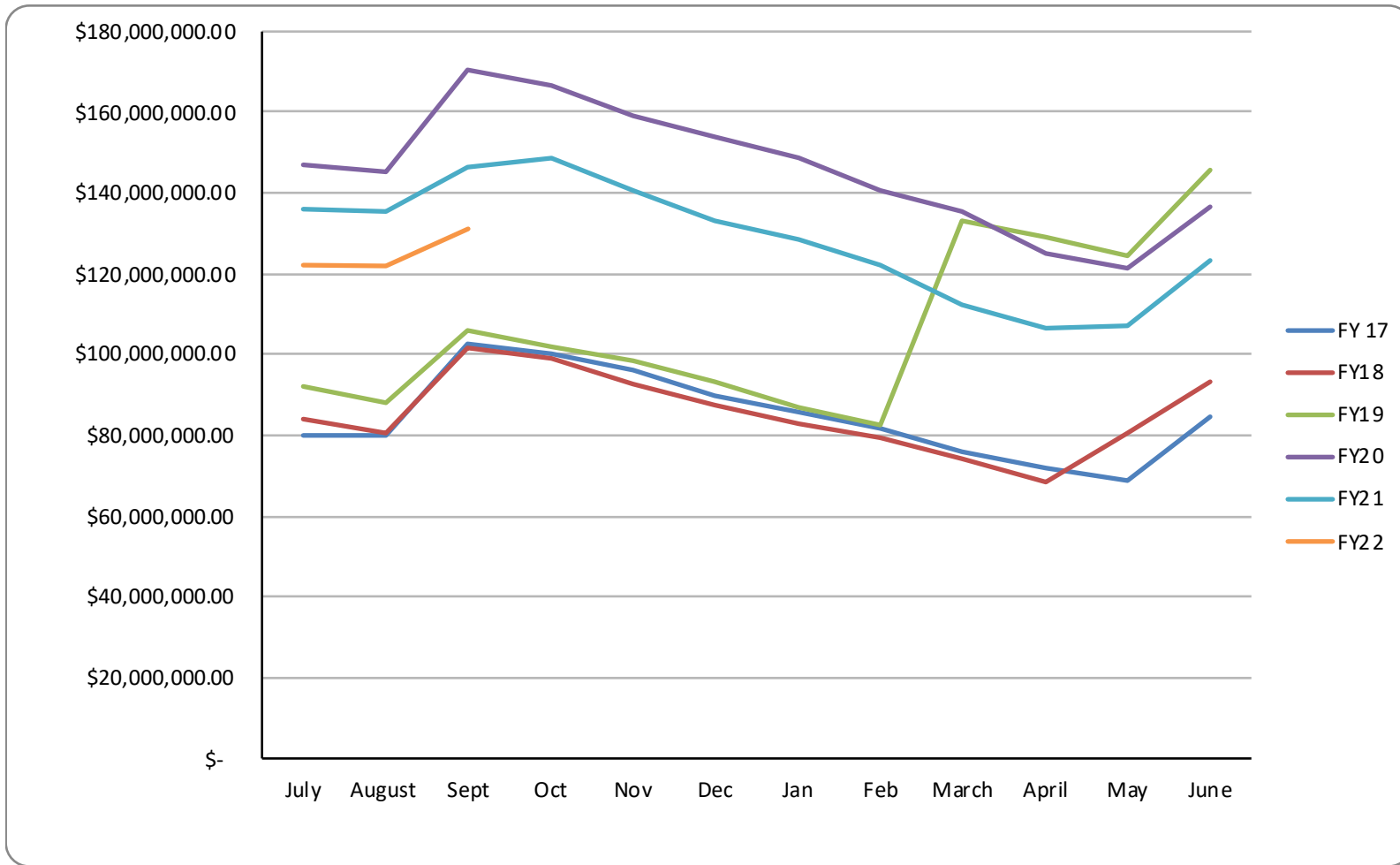
Fund	Audited Fund Balance June 30, 2021	2021-22 Fiscal Year to Date Revenues	2021-22 Fiscal Year to Date Expenditures	Excess / (Deficiency) of Revenues Over Expenditures	2021-22 Other Financing Sources/Uses	Unaudited Fund Balance September 30, 2021
(10) Education	\$ 37,031,843	\$ 48,442,273	\$ 11,921,415	\$ 36,520,858	\$ -	\$ 73,552,700
(20) Operations and Maintenance	\$ 5,116,238	\$ 10,659,157	\$ 3,829,524	\$ 6,829,633	\$ -	\$ 11,945,871
(40) Transportation	\$ 4,614,817	\$ 3,552,029	\$ 794,723	\$ 2,757,307	\$ -	\$ 7,372,124
(50) Municipal Retirement	\$ 3,341,103	\$ 162,795	\$ 252,738	\$ (89,943)	\$ -	\$ 3,251,160
(70) Working Cash	\$ 2,966,545	\$ 4,020	\$ -	\$ 4,020	\$ -	\$ 2,970,565
Total Operating Funds	\$ 53,070,546	\$ 62,820,274	\$ 16,798,400	\$ 46,021,874	\$ -	\$ 99,092,420
(30) Debt Service	\$ 75,125	\$ 86	\$ -	\$ 86	\$ -	\$ 75,211
(60) Capital Projects	\$ 33,152,456	\$ 113,099	\$ 3,336,657	\$ (3,223,558)	\$ -	\$ 29,928,898
Total Non-Operating Funds	\$ 33,227,581	\$ 113,185	\$ 3,336,657	\$ (3,223,472)	\$ -	\$ 30,004,109
Total All Funds	\$ 86,298,127	\$ 62,933,459	\$ 20,135,057	\$ 42,798,402	\$ -	\$ 129,096,529

*Please note fund balance is the net of all District assets and liabilities (including audit accruals).

Interest Received



Cash Balance



North Shore School District 112
Statement of Revenue, Expenditures and Change in Fund Balance
Total Governmental Funds by Object
Fiscal Year to Date through September 30, 2021

	Operating Funds												Total Governmental Funds
	General Fund		Special Revenue Funds										
	Education & Working Cash Funds	% Bud	Operations & Maintenance Fund	% Bud	Transportation Fund	% Bud	Municipal Retirement / Social Security Fund	% Bud	Debt Service Fund	% Bud	Capital Projects Fund	% Bud	
Revenue:													
Local Sources	\$ 47,009,018	80%	\$ 10,659,157	80%	\$ 3,092,046	77%	\$ 162,795	16%	\$ 86	25%	\$ 113,099	50%	\$ 61,036,201
State Sources	648,670	19%	-		459,983	71%	-		-		-		\$ 1,108,653
Federal Sources	788,605	21%	-		-		-		-		-		\$ 788,605
Total Revenue	\$ 48,446,293	73%	\$ 10,659,157	80%	\$ 3,552,029	76%	\$ 162,795	16%	\$ 86	25%	\$ 113,099	50%	\$ 62,933,459
Expenditures:													
Salaries	\$ 4,780,201	11%	\$ 332,026	31%	\$ 20,995	25%	\$ -		\$ -		\$ -		\$ 5,133,222
Employee Benefits	\$ 1,734,822	23%	2,120	25%	989	24%	252,738	17%	-		-		\$ 1,990,670
Purchased Services	\$ 2,446,651	40%	1,070,444	18%	770,738	17%	-		-		-		\$ 4,287,833
Supplies	\$ 847,673	38%	304,545	29%	2,001	8%	-		-		-		\$ 1,154,218
Capital Outlay	\$ 807,683	67%	2,120,389	51%	-		-		-		3,336,657		\$ 6,264,729
Debt Service Payment	-		-		-		-		-		-		\$ -
Other	\$ 1,304,384	19%	-		-		-		-		-		\$ 1,304,384
Total Expenditures	\$ 11,921,415	18%	\$ 3,829,524	31%	\$ 794,723	17%	\$ 252,738	17%	\$ -	0%	\$ 3,336,657		\$ 20,135,057
Excess (Deficiency) of Revenue over (under) Expenditures	\$ 36,524,878		\$ 6,829,633		\$ 2,757,307		\$ (89,943)		\$ 86		\$ (3,223,558)		\$ 42,798,402
Other Financing Sources/(Uses):													
Other Sources of Funds	-		-		-		-		-		-		\$ -
Other Uses of Funds	-		-		-		-		-		-		\$ -
Total Sources/(Uses)	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
Change in Fund Balance	\$ 36,524,878		\$ 6,829,633		\$ 2,757,307		\$ (89,943)		\$ 86		\$ (3,223,558)		\$ 42,798,402
Beginning Fund Balance as of 6/30/21	\$ 39,998,388		\$ 5,116,238		\$ 4,614,816		\$ 3,341,104		\$ 75,126		\$ 33,152,456		\$ 86,298,127
Ending Fund Balance as of 9/30/21	\$ 76,523,266		\$ 11,945,871		\$ 7,372,122		\$ 3,251,161		\$ 75,212		\$ 29,928,898		\$ 129,096,529

Northshore School District 112
Cash and Investments
30-Sep-21

	<u>Account Balance</u>	<u>% of Total</u>
Petty Cash		
Statement Balance	\$ 643.67	
Less: Outstanding Checks	\$ -	
Plus Deposits in Transit	\$ -	
Adjusted	<u><u>\$ 643.67</u></u>	0.00%
PMA 1030		
Statement Balance	\$ 58,981,266.26	
Less: Outstanding Checks and transfers	\$ (2,714,580.04)	
Plus Deposits in Transit and transfers	\$ 1,428,604.57	
Other Transactions	\$ 38,591.49	
Adjusted	<u><u>\$ 57,733,882.28</u></u>	44.03%
PMA 1033 ST Investments		
Statement Balance	\$ 1,998,700.00	
Less: Outstanding Checks	\$ -	
Plus Deposits in Transit	\$ -	
Adjusted	<u><u>\$ 1,998,700.00</u></u>	1.52%
PMA 1034 LT Cash		
Statement Balance	\$ 7,721,498.72	
Less: Outstanding Checks	\$ -	
Plus Deposits in Transit	\$ -	
Adjusted	<u><u>\$ 7,721,498.72</u></u>	5.89%
PMA 1047 LT Investments		
Statement Balance	\$ 249,098.29	
Less: Outstanding Checks	\$ -	
Plus Deposits in Transit	\$ -	
Adjusted	<u><u>\$ 249,098.29</u></u>	0.19%
PMA Flex 1048		
Statement Balance	\$ 50,214.53	
Less: Outstanding Checks	\$ -	
Plus Deposits in Transit	\$ (3,003.61)	
Adjusted	<u><u>\$ 47,210.92</u></u>	0.04%

PMA Stud Activity Account			
Statement Balance	\$	313,934.72	
Less: Outstanding Checks	\$	(1,201.92)	
Plus Deposits in Transit	\$	146.43	
Adjusted	\$	312,879.23	0.24%
PMA 1056 Bonds			
Statement Balance	\$	14,124,313.09	
Less: Outstanding Checks (Transfer)	\$	(1,473,825.36)	
Plus Deposits in Transit	\$	70,076.00	
Adjusted	\$	12,720,563.73	9.70%
Wells Fargo 1022			
Statement Balance	\$	2,798,879.16	
Less: Outstanding Checks (Transfer)	\$	-	
Unrealized (gain)/loss	\$	31.81	
(Increase)/decrease in investment cost value	\$	-	
Adjusted	\$	2,798,910.97	2.13%
Fifth Third Bank 1024			
Statement Balance	\$	24,002,124.78	
Unrealized (gain)/loss	\$	(81,614.38)	
(Increase)/decrease in investment cost value	\$	65,898.16	
Adjusted	\$	23,986,408.56	18.29%
JP Morgan Investments 1051			
Statement Balance	\$	6,175,803.19	
Unrealized (gain)/loss	\$	54.96	
Accrued Interest	\$	(63.10)	
(Increase)/decrease in investment cost value	\$	(795.05)	
Adjusted	\$	6,175,000.00	4.71%
Fifth Third Bank WC 1055			
Statement Balance	\$	100,247.78	
Unrealized (gain)/loss	\$	-	
(Increase)/decrease in investment cost value	\$	-	
Adjusted	\$	100,247.78	0.08%
Fifth Third Bank-Capital Projects 1057			
Statement Balance	\$	17,292,191.66	
Plus Deposits in Transit (Transfer)	\$	-	
Unrealized (gain)/loss	\$	(33,559.03)	
(Increase)/decrease in investment cost value	\$	31,928.09	
Adjusted	\$	17,290,560.72	13.19%
Total Cash and Investments	\$	131,135,604.87	100.00%