

**Lake Forest Community
High School District No. 115**

Annual Financial Report

Year Ended June 30, 2011

Lake Forest Community High School District No. 115

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2011

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Lake Forest Community High School District No. 115

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2011

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(Concluded)

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
Lake Forest Community High School District No. 115
Lake Forest, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lake Forest Community High School District No. 115, as of and for the year ended June 30, 2011, which collectively comprise the Lake Forest Community High School District No. 115's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Lake Forest Community High School District No. 115's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the District's June 30, 2010 financial statements and, in our report dated December 15, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lake Forest Community High School District No. 115 as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

(Continued)

In accordance with *Government Auditing Standards*, we have issued our report dated December 15, 2011 on our consideration of Lake Forest Community High School District No. 115's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 10, the Illinois Municipal Retirement Fund and Other Postemployment Retirement Benefits historical data on pages 49 and 50, respectively, and the budgetary comparison schedules and notes to required supplementary information on pages 51 through 70 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lake Forest Community High School District No. 115's basic financial statements. The other schedules, listed in the table of contents as supplementary financial information and other supplemental information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
December 15, 2011

Lake Forest Community High School District No. 115

Management's Discussion and Analysis

For the Year Ended June 30, 2011

The discussion and analysis of Lake Forest Community High School District No. 115 (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2011. The management of the District encourages readers to consider the information presented herein in conjunction with the financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

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

For fiscal year 2011, the District employed a combination of expenditure reductions and reserve utilization to honor contract commitments from a 2006 labor agreement with the Lake Forest Education Association in effect through the end of 2011. The average salary increase associated with this contract was over 5% each of the last 2 years of the contract. Despite this obligation, the total expenditure increase in the General Fund (the largest operating fund of the District), was 2.41% and 0.25% for those same two years.

- Overall revenues were \$49,016,313, \$24,857 less than the overall expenditures of \$49,041,170.
- The District had \$47,480,838 in expenses related to governmental activities, of which \$10,829,999 of these expenses were offset by program-specific charges or grants.
- Net assets of the District increased by \$1,530,659, or 4.4%.

Overview of the Financial Statements

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

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

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

Government-wide financial statements

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

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

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

Lake Forest Community High School District No. 115

Management's Discussion and Analysis

For the Year Ended June 30, 2011

Overview of the Financial Statements (Continued)

Government-wide financial statements (Continued)

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

Fund financial statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental 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 – General, Operations and Maintenance, Debt Service, Transportation, Municipal Retirement / Social Security, and Capital Projects. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for all funds, as all the District's funds are considered to be major funds.

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

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

Notes to the financial statements

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

Lake Forest Community High School District No. 115

Management's Discussion and Analysis

For the Year Ended June 30, 2011

Overview of the Financial Statements (Continued)

Other information

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

District-Wide Financial Analysis

Net assets increased \$1,530,659, or 4.4%, due to operations in 2011. Summaries of each net asset component and the current year change in net assets are presented in Tables 1 and 2. Property taxes accounted for most of the District's revenues, contributing 75.7%. Property tax revenue increased 4.3% over the prior year. The remainder of the District's revenues came from state and federal aid, fee charges for services, and miscellaneous sources. As noted on Table 2, the District's expenses are predominantly related to student instruction and direct support services.

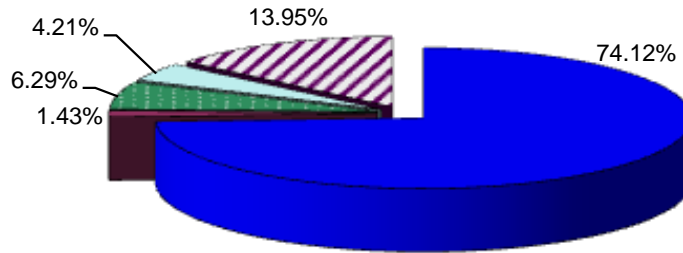
Table 1 Condensed Statement of Net Assets <i>(in millions of dollars)</i>		
	<u>2010</u>	<u>2011</u>
Current and other assets	\$ 40.15	\$ 39.12
Capital assets	<u>95.52</u>	<u>92.61</u>
Total assets	<u>135.67</u>	<u>131.73</u>
Long-term liabilities	63.39	58.97
Other liabilities	<u>37.83</u>	<u>36.78</u>
Total liabilities	<u>101.22</u>	<u>95.75</u>
Net assets:		
Invested in capital assets, net of related debt	34.28	34.91
Restricted	1.16	1.59
Unrestricted	<u>(.99)</u>	<u>(.52)</u>
Total net assets	<u>\$ 34.45</u>	<u>\$ 35.98</u>

Lake Forest Community High School District No. 115
Management's Discussion and Analysis
For the Year Ended June 30, 2011

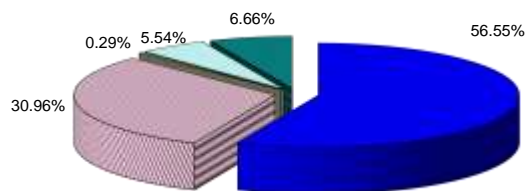
Table 2 Changes in Net Assets <i>(in millions of dollars)</i>		
	<u>2010</u>	<u>2011</u>
Revenues:		
Program revenues:		
Charges for services	\$ 7.80	\$ 4.88
Operating grants and contributions	6.56	5.95
General revenues:		
Taxes	35.85	37.45
State aid – formula grants	.39	.39
Other	<u>.33</u>	<u>.34</u>
Total revenues	<u>50.93</u>	<u>49.01</u>
Expenses:		
Instruction	27.85	26.85
Support Services	15.15	14.70
Nonprogrammed charges	1.19	.14
Interest and fees	2.84	2.63
Other	<u>3.11</u>	<u>3.16</u>
Total expenses	<u>50.14</u>	<u>47.48</u>
Increase in net assets	\$ <u>.79</u>	\$ <u>1.53</u>

**Lake Forest Community High School District No. 115
Management's Discussion and Analysis
For the Year Ended June 30, 2011**

Government-Wide Revenues by Source



Government-Wide Expenses



Lake Forest Community High School District No. 115

Management's Discussion and Analysis

For the Year Ended June 30, 2011

Financial Analysis of the District's Funds

The financial performance of the District's funds as a whole is reflected in the governmental funds statement of revenues, expenditures, and changes in fund balances. Total revenue in the governmental funds was \$49,016,313 compared to \$51,142,272 in the prior year, a decrease of \$2,125,959. Total expenditures in the governmental funds were \$49,041,170, compared to \$53,521,659 in the prior year, a decrease of \$4,480,489. Expenditures exceed revenues by \$24,857. As a result, the fund balances in the governmental funds decreased from \$2,775,939 in the prior year to \$2,751,082 as of June 30, 2011.

General Fund: The largest revenue source in the General Fund is property taxes at 70.7% of all revenue. Property tax revenue in the 2011 fiscal year was 0.5% higher than the prior fiscal year. Total revenue of the General Fund decreased by 0.7%. State revenue sources represent 15.3% of all revenues in the General Fund. The state of Illinois makes employer pension and THIS contributions on behalf of the District. These payments are reported as both revenues and expenditures for the fiscal year, essentially a pass-through. For fiscal year 2011, these payments totaled \$4,267,239.

Total expenditures of \$34,897,662 in the General Fund represent an increase of \$88,410, or 0.25% over the prior year. As a result of expenditures exceeding revenues, the fund balance decreased by \$602,296 from the prior year.

Operations and Maintenance Fund: The revenues in the Operations and Maintenance Fund increased by \$254,727 as a result of increased local revenues. Total expenditures decreased by \$313,504, resulting in an ending fund deficit of \$89,914.

Debt Service Fund: The revenues in the Debt Service Fund are derived from property taxes and interest earnings, while the expenditures are for the repayment of outstanding debt. The fund balance decreased by \$411,591 for the 2011 fiscal year, ending at \$667,840.

Transportation Fund: The revenues in the Transportation Fund decreased by \$369,018 primarily due to decreased state revenues. Expenditures decreased by \$89,002. Correspondingly, the fund balance increased by \$111,767, for an ending fund balance of \$664,672.

Municipal Retirement/Social Security Fund: The Municipal Retirement/Social Security Fund is solely funded by property taxes and interest earnings. For the 2011 fiscal year, revenue increased by \$199,860. Expenditures decreased by \$23,387, thus resulting in an increase of \$54,605 to the fund balance, for a total deficit fund balance of \$248,180. Municipal Retirement, Social Security, and Medicare contribution rates are fixed, and the expenses to the Fund are formula-based from salaries.

Capital Projects Fund: The Capital Projects Fund ended the fiscal year with a fund balance of \$1,085,019. A large component of the revenue for this Fund in 2011 was the acceleration of an intergovernmental agreement debt payment schedule from Lake Forest Elementary School District 67. Expenditures are a result of life safety and capital outlay projects identified in long-range plans.

Lake Forest Community High School District No. 115

Management's Discussion and Analysis

For the Year Ended June 30, 2011

General Fund Budgetary Highlights

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

The District's budget anticipated that expenditures would exceed revenues and other financing sources by \$437,166 in the General Fund. The actual results for the year show expenditures over revenues by \$602,296. Actual revenues exceeded budget figures by \$162,724, primarily due to state revenue sources. Actual expenditures were \$327,854 higher than anticipated primarily due to unanticipated special education tuition costs. Net of the variances associated with the increases in the on-behalf revenue and payments, actual revenues were short of budget by \$26,582 and actual expenditures exceeded budget by \$138,548.

Capital Asset and Debt Administration

Capital assets

By the end of 2011, the District had compiled a total investment of \$135,470,180 (\$92,615,235 net of accumulated depreciation) in a broad range of capital assets including buildings, improvements other than buildings, land, equipment, and vehicles. Total depreciation expense for the year was \$3,157,321, while additions for buildings, land improvements, and equipment amounted to \$319,468. Additional details regarding capital assets can be found in Note E of the notes to the financial statements.

Table 3 Capital Assets (net of depreciation) <i>(in millions of dollars)</i>		
	<u>2010</u>	<u>2011</u>
Land	\$ 1.68	\$ 1.68
Depreciable buildings, property, and equipment	<u>93.84</u>	<u>90.94</u>
Total	<u>\$ 95.52</u>	<u>\$ 92.62</u>

Lake Forest Community High School District No. 115 Management's Discussion and Analysis For the Year Ended June 30, 2011

Capital Asset and Debt Administration (Continued)

Long-term debt

At the year-end, the District had \$58,970,255 in general obligation bonds and other long-term debt outstanding. More detailed information regarding long-term liabilities can be found in Note F of the notes to the financial statements.

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

Table 4		
Outstanding Long-Term Liabilities		
<i>(in millions of dollars)</i>		
	<u>2010</u>	<u>2011</u>
General obligation bonds	\$ 62.80	\$ 58.11
Other long-term liabilities	<u>.60</u>	<u>.86</u>
Total	<u>\$ 63.40</u>	<u>\$ 58.97</u>

Factors Bearing on the District's Future

The District currently participates in a shared-services agreement with Lake Forest Elementary School District 67 in an effort to provide a greater articulation within the curriculum, increase efficiencies, and reduce administrative costs. This is expected to continue.

Enrollment has stabilized, with a slight decline projected. For fiscal year 2012, the District's approved budget will begin to rebuild reserves. In addition, a tentative agreement for a one-year contract has been reached with the Lake Forest Education Association. This agreement reflects no increase in base and step salaries for the 2011-12 year. For fiscal year 2013 and beyond, it is anticipated that a new labor agreement will be reached that continues to be reflective of current economic conditions. District reserves are expected to be restored through a combination of the new labor agreement along with the receipt of tax incremental financing (TIF) funds.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

Lake Forest Community High School District No. 115
 STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES
June 30, 2011

ASSETS

Cash and investments	\$ 20,558,436
Receivables (net of allowance for uncollectibles):	
Interest	17,837
Property taxes	17,553,244
Replacement taxes	41,947
Intergovernmental	486,760
Inventory	444,865
Other current assets	13,082
Capital assets:	
Land	1,679,178
Depreciable buildings, property, and equipment, net	<u>90,936,057</u>
 Total assets	 <u>131,731,406</u>

LIABILITIES

Accounts payable	279,109
Salaries and wages payable	151,673
Claims payable	29,488
Payroll deductions payable	81,267
Other current liabilities	145
Interest payable	429,675
Unearned revenue	35,805,571
Long-term liabilities:	
Due within one year	2,540,000
Due after one year	<u>56,430,255</u>
 Total liabilities	 <u>95,747,183</u>

NET ASSETS

Invested in capital assets, net of related debt	34,909,392
Restricted For:	
Operations and maintenance	2,135
Debt service	241,502
Student transportation	664,838
Capital projects	685,862
Unrestricted	<u>(519,506)</u>
 Total net assets	 <u>\$ 35,984,223</u>

The accompanying notes are an integral part of this statement.

Lake Forest Community High School District No. 115

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction:				
Regular programs	\$ 15,860,573	\$ 1,496,567	\$ 119,797	\$ (14,244,209)
Special programs	3,815,238	779,458	1,216,688	(1,819,092)
Other instructional programs	2,905,276	1,395,939	8,572	(1,500,765)
State retirement contributions	4,267,239	-	4,267,239	-
Support services:				
Pupils	3,667,153	-	-	(3,667,153)
Instructional staff	466,024	-	36,366	(429,658)
General administration	463,537	-	-	(463,537)
School administration	1,519,870	-	-	(1,519,870)
Business	1,418,074	686,631	14,306	(717,137)
Transportation	716,724	124,850	290,392	(301,482)
Operations and maintenance	4,857,416	393,194	-	(4,464,222)
Central	1,057,646	-	-	(1,057,646)
Other supporting services	535,025	-	-	(535,025)
Community services	7,500	-	-	(7,500)
Nonprogrammed charges - excluding special education	137,744	-	-	(137,744)
Interest and fees	2,628,478	-	-	(2,628,478)
Unallocated depreciation	3,157,321	-	-	(3,157,321)
 Total governmental activities	 <u>\$ 47,480,838</u>	 <u>\$ 4,876,639</u>	 <u>\$ 5,953,360</u>	 <u>(36,650,839)</u>
 General revenues:				
Taxes:				
				24,263,000
				5,900,852
				6,942,042
				340,794
				388,789
				87,795
				258,226
				<u>38,181,498</u>
				1,530,659
				<u>34,453,564</u>
				<u>\$ 35,984,223</u>

The accompanying notes are an integral part of this statement.

Lake Forest Community High School District No. 115

Governmental Funds

BALANCE SHEET

June 30, 2011

With Comparative Totals for June 30, 2010

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 13,150,094	\$ 2,223,190	\$ 593,839	\$ 518,718
Receivables (net of allowance for uncollectibles):				
Interest	11,664	2,135	166	535
Property taxes	12,451,483	2,088,533	79,715	669,606
Replacement taxes	-	27,685	7,131	7,131
Accounts	-	-	-	-
Intergovernmental	341,377	-	145,383	-
Inventory	444,865	-	-	-
Other current assets	13,082	-	-	-
	<u>26,412,565</u>	<u>4,341,543</u>	<u>826,234</u>	<u>1,195,990</u>
Total assets	<u>\$ 26,412,565</u>	<u>\$ 4,341,543</u>	<u>\$ 826,234</u>	<u>\$ 1,195,990</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 92,320	\$ 98,880	\$ -	\$ 87,909
Salaries and wages payable	49,801	101,872	-	-
Claims payable	29,488	-	-	-
Payroll deductions payable	81,267	-	-	-
Other current liabilities	145	-	-	-
Unearned revenue	25,487,899	4,230,705	161,562	1,356,261
	<u>25,740,920</u>	<u>4,431,457</u>	<u>161,562</u>	<u>1,444,170</u>
Total liabilities	<u>25,740,920</u>	<u>4,431,457</u>	<u>161,562</u>	<u>1,444,170</u>
Fund balances (deficit):				
Nonspendable	444,865	-	-	-
Restricted	-	-	664,672	-
Unassigned	226,780	(89,914)	-	(248,180)
	<u>671,645</u>	<u>(89,914)</u>	<u>664,672</u>	<u>(248,180)</u>
Total fund balance (deficit)	<u>671,645</u>	<u>(89,914)</u>	<u>664,672</u>	<u>(248,180)</u>
Total liabilities and fund balance (deficit)	<u>\$ 26,412,565</u>	<u>\$ 4,341,543</u>	<u>\$ 826,234</u>	<u>\$ 1,195,990</u>

Debt Service	Capital Projects	Total	
		2011	2010
\$ 2,987,576	\$ 1,085,019	\$ 20,558,436	\$ 20,541,701
3,337	-	17,837	22,652
2,263,907	-	17,553,244	18,433,303
-	-	41,947	39,340
-	-	-	6,100
-	-	486,760	759,821
-	-	444,865	339,241
-	-	13,082	7,183
<u>\$ 5,254,820</u>	<u>\$ 1,085,019</u>	<u>\$ 39,116,171</u>	<u>\$ 40,149,341</u>
\$ -	\$ -	\$ 279,109	\$ 450,205
-	-	151,673	90,567
-	-	29,488	-
-	-	81,267	400
-	-	145	-
<u>4,586,980</u>	<u>-</u>	<u>35,823,407</u>	<u>36,832,230</u>
<u>4,586,980</u>	<u>-</u>	<u>36,365,089</u>	<u>37,373,402</u>
-	-	444,865	339,241
667,840	1,085,019	2,417,531	1,632,336
-	-	(111,314)	804,362
<u>667,840</u>	<u>1,085,019</u>	<u>2,751,082</u>	<u>2,775,939</u>
<u>\$ 5,254,820</u>	<u>\$ 1,085,019</u>	<u>\$ 39,116,171</u>	<u>\$ 40,149,341</u>

Lake Forest Community High School District No. 115
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
For the Year Ended June 30, 2011

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

Total fund balances - governmental funds	\$ 2,751,082
Net capital assets used in governmental activities and included in the statement of net assets do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.	92,615,235
Interest on long-term liabilities accrued in the statement of net assets will not be paid with current financial resources and, accordingly, is not included in the governmental funds balance sheet.	(429,675)
Certain revenues receivable (interest) by the District and recognized in the statement of net assets do not provide current financial resources and are deferred in the governmental funds balance sheet.	17,836
Long-term liabilities included in the statement of net assets are not due and payable in the current period and, accordingly, are not included in the governmental funds balance sheet.	<u>(58,970,255)</u>
Net assets - governmental activities	<u>\$ 35,984,223</u>

The accompanying notes are an integral part of this statement.

Lake Forest Community High School District No. 115

Governmental Funds

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

For the Year Ended June 30, 2011

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

	General	Operations and Maintenance	Transportation
Revenues			
Property taxes	\$ 24,263,000	\$ 4,442,995	\$ 347,131
Replacement taxes	-	224,924	57,935
State aid	5,258,448	-	290,392
Federal aid	793,309	-	-
Interest	65,727	9,682	935
Other	<u>3,914,882</u>	<u>460,428</u>	<u>131,057</u>
Total revenues	<u>34,295,366</u>	<u>5,138,029</u>	<u>827,450</u>
Expenditures			
Current:			
Instruction:			
Regular programs	15,092,592	-	-
Special programs	1,631,476	-	-
Other instructional programs	2,903,032	-	-
State retirement contributions	4,267,239	-	-
Support services:			
Pupils	3,458,722	-	-
Instructional staff	430,773	-	-
General administration	463,229	-	-
School administration	1,374,778	-	-
Business	1,379,931	21,247	-
Transportation	-	-	715,683
Operations and maintenance	-	4,653,946	-
Central	987,464	-	-
Other supporting services	530,084	-	-
Community services	7,500	-	-
Nonprogrammed charges	2,320,050	-	-
Debt service:			
Principal	-	-	-
Interest and other	-	-	-
Capital outlay	<u>50,792</u>	<u>46,040</u>	<u>-</u>
Total expenditures	<u>34,897,662</u>	<u>4,721,233</u>	<u>715,683</u>
Excess (deficiency) of revenues over expenditures	<u>(602,296)</u>	<u>416,796</u>	<u>111,767</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(602,296)	416,796	111,767
Fund balance (deficit), beginning of year (as restated - see Note Q)	<u>1,273,941</u>	<u>(506,710)</u>	<u>552,905</u>
Fund balance (deficit), end of year	<u>\$ 671,645</u>	<u>\$ (89,914)</u>	<u>\$ 664,672</u>

The accompanying notes are an integral part of this statement.

	Municipal	Debt Service	Capital Projects	Total	
	Retirement / Soc. Sec.			2011	2010
\$ 1,110,726	\$ 6,942,042	\$ -	\$ 37,105,894	\$ 35,590,315	
57,935	-	-	340,794	262,792	
-	-	-	5,548,840	5,857,749	
-	-	-	793,309	1,313,977	
2,255	14,012	-	92,611	113,503	
<u>-</u>	<u>-</u>	<u>628,498</u>	<u>5,134,865</u>	<u>8,003,936</u>	
<u>1,170,916</u>	<u>6,956,054</u>	<u>628,498</u>	<u>49,016,313</u>	<u>51,142,272</u>	
467,677	-	-	15,560,269	14,661,779	
-	-	-	1,631,476	1,826,156	
-	-	-	2,903,032	3,311,407	
-	-	-	4,267,239	4,245,500	
197,189	-	-	3,655,911	2,987,883	
33,350	-	-	464,123	1,244,815	
291	-	-	463,520	367,897	
137,266	-	-	1,512,044	1,844,847	
50,995	-	-	1,452,173	1,584,612	
1,041	-	-	716,724	806,474	
157,430	-	-	4,811,376	5,104,166	
66,397	-	-	1,053,861	620,812	
4,675	-	-	534,759	563,224	
-	-	-	7,500	7,500	
-	-	-	2,320,050	4,719,246	
-	4,690,000	-	4,690,000	3,170,000	
-	2,677,645	-	2,677,645	2,851,798	
<u>-</u>	<u>-</u>	<u>222,636</u>	<u>319,468</u>	<u>3,603,543</u>	
<u>1,116,311</u>	<u>7,367,645</u>	<u>222,636</u>	<u>49,041,170</u>	<u>53,521,659</u>	
<u>54,605</u>	<u>(411,591)</u>	<u>405,862</u>	<u>(24,857)</u>	<u>(2,379,387)</u>	
-	-	-	-	12,156	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,156)</u>	
-	-	-	-	-	
54,605	(411,591)	405,862	(24,857)	(2,379,387)	
<u>(302,785)</u>	<u>1,079,431</u>	<u>679,157</u>	<u>2,775,939</u>	<u>5,155,326</u>	
<u>\$ (248,180)</u>	<u>\$ 667,840</u>	<u>\$ 1,085,019</u>	<u>\$ 2,751,082</u>	<u>\$ 2,775,939</u>	

Lake Forest Community High School District No. 115
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

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

Net change in fund balances - total governmental funds.	\$	(24,857)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.		(2,908,058)
Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.		49,167
Certain revenues included in the statement of activities do not provide current financial resources and, therefore, are deferred in the governmental fund statements.		(4,816)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		<u>4,419,223</u>
Change in net assets - governmental activities	\$	<u><u>1,530,659</u></u>

The accompanying notes are an integral part of this statement.

Lake Forest Community High School District No. 115

Agency Fund

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

June 30, 2011

	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	\$ <u>495,591</u>
LIABILITIES	
Due to student groups	\$ <u>495,591</u>

The accompanying notes are an integral part of this statement.

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lake Forest Community High School District No. 115 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

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

1. Reporting Entity

The District is located in Lake County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all personnel, budgetary, taxing, and debt matters.

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

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

2. Fund Accounting

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

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

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Accounting (Continued)

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

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

3. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues instead.

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

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

a. General Fund

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

b. Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than those accounted for in the debt service, capital projects, or fiduciary funds) that are legally restricted to expenditures for specified purposes.

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

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

Transportation Fund - accounts for all revenues and expenditures made for student transportation. Revenues are derived primarily from local property taxes and state reimbursement grants.

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

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

c. Debt Service Fund

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

d. Capital Projects Fund

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

e. Fiduciary Fund

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

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

Convenience accounts account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

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

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

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

5. Budgetary Data

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

6. Deposits and Investments

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

7. Personal Property Replacement Taxes

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

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Improvements other than buildings	20
Equipment and vehicles	5 - 10

9. Comparative Total Data

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

10. Long-Term Obligations

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

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

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Use of Estimates

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

12. Compensated Absences

Full-time employees who work twelve calendar months per year earn vacation days after completing a full year of service. These vacation days are accrued at the end of the fiscal year, and must be taken within the next two years or are lost. Employees who work less than twelve calendar months per year do not earn vacation days. At June 30, 2010, accumulated unpaid vacation pay was \$85,710.

13. Restricted Net Assets

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

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

14. Fund Balance

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

a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash, such as prepaid items or inventories.

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Balance (Continued)

b. *Restricted* - refers to amounts that are subject to outside restrictions, such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds are by definition restricted for those specified purposes.

c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds.

d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegates the authority to assign amounts to be used for specific purposes. The Board of Education delegated this authority to the Assistant Superintendent of Business Services.

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

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

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

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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

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

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

General obligation bonds	\$ (58,105,000)
Compensated absences	(85,710)
Other postemployment benefits	(728,068)
Net pension obligation - IMRF	<u>(51,477)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets of governmental activities	\$ <u>(58,970,255)</u>

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

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

Capital outlay	\$ 319,468
Loss on disposal of assets	(70,205)
Depreciation expense	<u>(3,157,321)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net assets of governmental activities	\$ <u>(2,908,058)</u>

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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

(Continued)

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

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

Principal payments		
General obligation bonds	\$	4,690,000
Compensated absences (net change)		(510)
Other postemployment benefits (net change)		(218,790)
Net pension obligation - (net change)		<u>(51,477)</u>
Net adjustment to increase net change in fund balances – total governmental funds to arrive at change in net assets - governmental activities	\$	<u><u>4,419,223</u></u>

NOTE C - DEPOSITS AND INVESTMENTS

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

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ <u>20,558,436</u>	\$ <u>495,591</u>	\$ <u>21,054,027</u>

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

	<u>Total</u>
Cash on hand	\$ 3,500
Deposits with financial institutions	<u>21,050,527</u>
	<u>\$ 21,054,027</u>

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Interest Rate Risk

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

2. Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return.

3. Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. At June 30, 2011, the bank balance of the District's deposits with financial institutions totaled \$21,761,212, of which \$409,410 was uninsured and uncollateralized.

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE D - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on December 7, 2010. The District's property tax is levied each year on all taxable real property located in the District and becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year. The District's annual property tax levy is subject to two statutory limitations: individual rate ceilings and the Property Tax Extension Limitation Act (PTELA).

The County Clerk adds the Equalized Assessed Valuation of all real property in the county to the valuation of property assessed directly by the state (to which the Equalization Factor is not applied) to arrive at the base amount (the Assessment Base) used to calculate the annual tax rates, as described above. The Equalized Assessed Valuation for the extension for the 2010 tax levy was \$3,260,522,422.

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

The portion of the 2010 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectibles of 1%. The District considers that the 2010 levy is to be used to finance operations in fiscal 2012. Therefore, the entire 2010 levy, including amounts collected in fiscal 2011, has been recognized as unearned revenue in the accompanying financial statements.

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE E - CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2011</u>
Capital assets, not being depreciated				
Land	\$ 1,679,178	\$ -	\$ -	\$ 1,679,178
Total capital assets, not being depreciated	<u>1,679,178</u>	<u>-</u>	<u>-</u>	<u>1,679,178</u>
Capital assets, being depreciated				
Buildings	115,526,877	-	-	115,526,877
Improvements other than buildings	6,126,224	147,455	-	6,273,679
Equipment	12,003,635	172,013	185,202	11,990,446
Total capital assets, being depreciated	<u>133,656,736</u>	<u>319,468</u>	<u>185,202</u>	<u>133,791,002</u>
Less accumulated depreciation for:				
Buildings	26,868,293	2,330,427	-	29,198,720
Improvements other than buildings	3,891,015	298,906	-	4,189,921
Equipment	9,053,313	527,988	114,997	9,466,304
Total accumulated depreciation	<u>39,812,621</u>	<u>3,157,321</u>	<u>114,997</u>	<u>42,854,945</u>
Total capital assets, being depreciated, net	<u>93,844,115</u>	<u>(2,837,853)</u>	<u>70,205</u>	<u>90,936,057</u>
Governmental activities capital assets, net	<u>\$ 95,523,293</u>	<u>\$ (2,837,853)</u>	<u>\$ 70,205</u>	<u>\$ 92,615,235</u>

Depreciation expense was not charged to functions of the District as the amounts were undeterminable at this time.

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE F - LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance
Bonds payable	\$ 62,795,000	\$ -	\$ 4,690,000	\$ 58,105,000
Compensated absences	85,200	85,710	85,200	85,710
Other postemployment benefits	509,278	381,870	163,080	728,068
Net pension obligation - IMRF	-	51,477	-	51,477
 Total long-term liabilities	 \$ 63,389,478	 \$ 519,057	 \$ 4,938,280	 \$ 58,970,255
 Due within one year:				
General obligation bonds	\$ 2,540,000			

1. Bonds Payable

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

	Bonds Payable July 1, 2010	Debt Issued	Debt Retired	Bonds Payable June 30, 2011
General obligation bonds dated December 29, 2006, interest at 4.0% to 5.0%.	\$ 53,205,000	\$ -	\$ 2,060,000	\$ 51,145,000
General obligation bonds dated October 1, 2001, interest at 4.5% to 5.0%.	2,350,000	-	2,350,000	-
General obligation bonds dated April 15, 2009, interest at 2.0% to 4.2%.	7,240,000	-	280,000	6,960,000
 Total	 \$ 62,795,000	 \$ -	 \$ 4,690,000	 \$ 58,105,000

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE F - LONG-TERM LIABILITIES (Continued)

1. Bonds Payable (Continued)

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

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 2,540,000	\$ 2,530,100	\$ 5,070,100
2013	2,765,000	2,431,050	5,196,050
2014	2,885,000	2,326,650	5,211,650
2015	2,995,000	2,217,106	5,212,106
2016	3,105,000	2,101,925	5,206,925
2017-2021	17,125,000	8,427,769	25,552,769
2022-2026	21,325,000	3,875,949	25,200,949
2027-2028	<u>5,365,000</u>	<u>144,250</u>	<u>5,509,250</u>
Total	\$ <u>58,105,000</u>	\$ <u>24,054,799</u>	\$ <u>82,159,799</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$667,840 in the Debt Service Fund to service the outstanding bonds payable. As of June 30, 2011, the District was in compliance with all significant bond covenants.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9 percent of the most recent available equalized assessed valuation of the District. As of June 30, 2011, the statutory debt limit for the District was \$224,976,047, of which \$166,871,047 is fully available.

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE G - RETIREMENT FUND COMMITMENTS

1. Teachers' Retirement System of the State of Illinois

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

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

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

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

On-behalf Contributions

The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2011, state of Illinois contributions were based on 23.10 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$4,110,643 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2010 and June 30, 2009, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.38 percent, \$4,098,257, and 17.08 percent, \$2,921,864, respectively.

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

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE G - RETIREMENT FUND COMMITMENTS (Continued)

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

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2011 were \$103,211. Contributions for the years ended June 30, 2010 and June 30, 2009 were \$101,668 and \$99,220, respectively.

Federal and Special Trust Fund Contributions

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

For the year ended June 30, 2011, the employer pension contribution was 23.10 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2010 and 2009, the employer contribution was 23.38 and 17.08 percent, respectively, of salaries paid from federal and special trust funds. For the year ended June 30, 2011, salaries totaling \$72,022 were paid from federal and special trust funds that required employer contributions of \$16,637. For the years ended June 30, 2010 and June 30, 2009, required District contributions were \$17,366 and \$9,794, respectively.

Early Retirement Option (ERO)

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

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

For the year ended June 30, 2011, the District paid \$51,378 to TRS for employer contributions under the ERO program. For the years ended June 30, 2010 and June 30, 2009, the District paid \$60,423 and \$0, respectively, in employer ERO contributions.

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE G - RETIREMENT FUND COMMITMENTS (Continued)

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

Salary Increases Over 6 Percent and Excess Sick Leave

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

For the year ended June 30, 2011, the District paid \$11,967 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2010 and June 30, 2009, the District paid \$0 and \$0, respectively, to TRS for employer contributions due on salary increases in excess of 6 percent.

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

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

Further Information on TRS

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

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

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE G - RETIREMENT FUND COMMITMENTS (Continued)

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

THIS Fund Employer Contributions

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action, with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan, with the cooperation of TRS. The Director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires that all active contributors to the TRS who are not employees of the state make a contribution to the THIS Fund.

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

On-behalf Contributions to the THIS Fund

The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members, which were 0.88 percent of pay during the year ended June 30, 2011. State of Illinois contributions were \$156,596, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2010 and June 30, 2009 were 0.84 percent of pay. State contributions on behalf of district employees were \$147,243 and \$143,698, respectively.

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE G - RETIREMENT FUND COMMITMENTS (Continued)

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

THIS Fund Employer Contributions (Continued)

Employer Contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.66 percent during the year ended June 30, 2011 and 0.63 percent during the years ended June 30, 2010 and June 30, 2009. For the year ended June 30, 2011, the District paid \$117,447 to the THIS Fund. For the years ended June 30, 2010 and June 30, 2009, the District paid \$110,432 and \$107,774, respectively, to the THIS Fund, which was 100 percent of the required contribution.

Further Information on the THIS Fund

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

2. Illinois Municipal Retirement Fund

Plan Description

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

Funding Policy

As set by state statute, the District's regular plan members are required to contribute 4.5 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The contribution rate for calendar year 2010 used by the District was 9.41 percent of annual covered payroll. The District annual required contribution rate for calendar year 2010 was 10.14 percent. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE G - RETIREMENT FUND COMMITMENTS (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Annual Pension Cost

For the calendar year ended December 31, 2010, the District's actual contributions for pension cost for the regular plan were \$500,380. Its required contribution for calendar year 2010 was \$539,198.

Three-Year Trend Information for the Regular Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$ 539,198	93%	\$ -
12/31/09	493,081	100%	-
12/31/08	429,018	100%	-

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

Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the regular plan was 79.96 percent funded. The actuarial accrued liability for benefits was \$12,273,235 and the actuarial value of assets was \$9,813,350, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,459,885. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$5,317,533 and the ratio of the UAAL to the covered payroll was 46 percent.

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

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE G - RETIREMENT FUND COMMITMENTS (Continued)

3. Social Security/Medicare

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

NOTE H - OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). For Illinois Municipal Retirement (IMRF) retirees, the plan provides the ability for retirees and their spouses to access the District's group health insurance plan during retirement, provided they are on the group health insurance plan at the time of retirement. For Teacher Retirement System (TRS) retirees, the District pays a portion of their premium to the Teachers' Retirement Insurance Program. If a retiree elects to leave the health plan, they may not return to the plan in a future year. Retirees are responsible to contribute a premium toward the cost of their insurance. For 2010, a total of 71 former employees or spouses accessed a postemployment benefit through the District.

Funding Policy

Retirees under the age of 65 contribute the full Consolidated Omnibus Budget Reconciliation Act (COBRA) equivalent rate. The contributions required by the District are negotiated between the District and union representatives. Retirees who are Medicare eligible may access a Medicare supplemental policy through the District. Currently, the District contributes 36.5 percent to the postemployment benefits. For fiscal year 2011, the District contributed \$163,080 toward the cost of the postemployment benefits for retirees.

Annual OPEB Cost and Net OPEB Obligation

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

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

	<u>June 30, 2011</u>
Annual required contribution	\$ 373,382
Interest on net OPEB obligation	25,464
Adjustment to annual required contribution	<u>(16,976)</u>
Annual OPEB cost	381,870
Contributions made	<u>(163,080)</u>
Increase in net OPEB obligation	218,790
Net OPEB obligation, beginning of year	<u>509,278</u>
Net OPEB obligation, end of year	<u>\$ 728,068</u>

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

<u>Actuarial Valuation Date</u>	<u>Annual OPEB Cost</u>	<u>Percentage Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/11	\$ 377,321	43.2%	\$ 728,068
6/30/10*	385,201	29.2%	509,278
6/30/09	372,401	36.5%	236,369

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

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Funding Status and Funding Progress

As of June 30, 2011, the actuarial accrued liability for benefits was \$3,941,974, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) and the ratio of the unfunded actuarial accrued liability to the covered payroll was not available.

The projection of future benefit payments for an ongoing plan involved estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

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

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Methods and Assumptions

The following simplifying assumptions were made:

Contribution rates:	
District	Not Applicable
Plan members	0.00%
Actuarial valuation date	June 30, 2011
Actuarial cost method	Entry age
Amortization period	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases	5.00%
Healthcare inflation rate	8.00% initial 6.00% ultimate
Mortality, Turnover, Disability, Retirement ages	Same rates utilized for IMRF
Percentage of active employees assumed to elect benefit	Admin and certified 100%, Non-certified 20%
Employer provided benefit	Explicit (Admin and Non-certified): \$125- \$300/mo for 10 years Implicit (Non-certified): 40% of premium to age 65 (\$500/mo)

*Includes inflation at 3.00%

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE I - DEFICIT FUND BALANCE

The District had deficit fund balances in the Operations and Maintenance Fund of \$89,914 and the Municipal Retirement/Social Security Fund of \$248,180 at June 30, 2011.

NOTE J - RISK MANAGEMENT

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

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District is self-insured for dental coverage that is provided to District personnel. A third-party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third-party administrator for payment of employee dental claims and administration fees. The District's liability will not exceed \$885,000, as there were 590 covered participants at year-end and each participants' individual annual limit is \$1,500.

At June 30, 2011, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$29,488. These estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other nonincremental costs to the claims liability.

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

	<u>2011</u>
Unpaid claims, beginning of fiscal year	\$ -
Incurred claims (including IBNRs)	260,134
Claim payments	<u>(230,646)</u>
Unpaid claims, end of fiscal year	<u>\$ 29,488</u>

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE K - BOUNDARY AGREEMENT

In 1997, the District entered into an intergovernmental agreement with Stevenson High School District No. 125, Libertyville High School District No. 128, the City of Lake Forest, the County Clerk of Lake County, and three elementary districts to resolve a lawsuit concerning the annexation and detachment of territory and other issues. The 20-year agreement outlines a process and revenue-sharing terms when territories are annexed and detached by the three high school districts and the elementary districts.

NOTE L - JOINT AGREEMENTS

The District is a member of North Suburban Special Education District (NSSSED), a joint agreement that provides certain special education services to residents of many school districts. It is also a member of the risk management pool stated in Note J. 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 required to be included as component units of the District.

NOTE M - RENTAL AND LEASE OF DISTRICT PROPERTY

The District currently rents use of its smokestack and ground at the base of the smokestack for use by four mobile service providers for the operation of antenna facilities. The lease with Cricket Communications expires in February 2014. The lease with T-Mobile expires in December 2013. The lease with US Cellular was renewed in 2008 for a period of five years. A lease with Clear Wireless, LLC went into effect in February 2010 for five years and is renewable five times for 5 years each. Terms of the leases provide for annual rent as follows:

Year Ending		Total
June 30		
2012	\$	172,853
2013		190,143
2014		94,966
2015		42,960
2016		23,960
2017		12,156
Total	\$	<u>537,038</u>

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE N - OPERATING LEASE AGREEMENTS

The District entered into a service agreement with Johnson Controls, Inc. on October 1, 2007. Terms of the lease are for annual payments of \$5,200 to \$6,786 for 10 years. The District entered into service agreements with Sovereign Leasing, LLC on March 15, 2010 and January 15, 2011. Terms of the lease are for annual payments of \$21,627 for three years, with the first payment due on July 15, 2010, and for \$7,209 for three years, with the first payment due on July 15, 2011. The District entered into a lease agreement with PMA for three copiers on August 15, 2010. Terms of the lease are for monthly payments of \$1,891 for five years. Total costs for such leases were \$26,318 for the year ended June 30, 2011. Future lease payments are as follows:

Year Ending		Total
June 30		Total
2012	\$	57,381
2013		57,557
2014		36,111
2015		8,287
2016		6,588
2017		<u>6,786</u>
Total	\$	<u><u>172,710</u></u>

NOTE O - CONTINGENCIES

1. Litigation

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

2. Grants

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

Lake Forest Community High School District No. 115

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE P - FUND BALANCE REPORTING

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

General Fund

Nonspendable	\$	444,865
Unassigned		<u>226,780</u>
Fund Balance	\$	<u><u>671,645</u></u>

NOTE Q - PRIOR PERIOD ADJUSTMENT

The implementation of GASB 54 (Note A-14) required the restatement of the General Fund to include the Working Cash Fund. Prior to GASB 54, this Fund was reported as a special revenue fund. As a result of this implementation, the beginning fund balance of the General Fund was restated by \$1,002,540.

NOTE R - SUBSEQUENT EVENT

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

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Lake Forest Community High School District No. 115

SCHEDULE OF FUNDING PROGRESS ILLINOIS MUNICIPAL RETIREMENT FUND

June 30, 2011

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
12/31/10	\$ 9,813,350	\$ 12,273,235	79.96 %	\$ 2,459,885	\$ 5,317,533	46.26 %
12/31/09	9,299,318	11,791,655	78.86	2,492,337	5,767,034	43.22
12/31/08	9,921,335	11,553,524	85.87	1,632,189	5,219,203	31.27

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$10,511,795. On a market basis, the funded ratio would be 85.65%.

Lake Forest Community High School District No. 115

SCHEDULE OF FUNDING PROGRESS OTHER POSTEMPLOYMENT BENEFITS

June 30, 2011

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5)
6/30/11	\$ -	\$ 3,941,974	0.00 %	\$ 3,941,974	NA	NA
6/30/10	NA	3,473,683	NA	3,473,683	NA	NA
6/30/09	NA	3,473,683	0.00	3,473,683	NA	NA

NA - not available

Lake Forest Community High School District No. 115

General Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 24,312,246	\$ 24,263,000	\$ (49,246)	\$ 23,964,081
Special education levy	-	-	-	177,735
Summer school tuition from pupils or parents	206,500	14,587	(191,913)	235,083
Adult tuition from Pupils or Parents	1,269,880	1,381,352	111,472	1,303,142
Interest on investments	75,000	65,727	(9,273)	89,184
Sales to pupils - lunch	638,295	626,536	(11,759)	642,279
Sales to adults	17,747	35,966	18,219	39,009
Other food service	40,000	24,129	(15,871)	29,870
Admissions - athletic	30,000	33,225	3,225	26,570
Fees	913,968	916,759	2,791	936,566
Book store sales	12,000	12,481	481	13,460
Sales - regular textbook	511,484	530,506	19,022	544,434
Sales - summer school textbook	3,500	3,596	96	3,573
Rentals	85,800	114,467	28,667	87,078
Payment from other Districts	20,000	17,277	(2,723)	-
Other	149,000	204,001	55,001	151,530
Total local sources	<u>28,285,420</u>	<u>28,243,609</u>	<u>(41,811)</u>	<u>28,243,594</u>
State sources				
General State Aid	390,000	388,789	(1,211)	320,641
Special Education - Private Facility Tuition	30,796	109,151	78,355	159,441
Special Education - Extraordinary	55,594	224,377	168,783	278,878
Special Education - Personnel	55,660	220,609	164,949	273,123
Special Education - Summer School	595	2,167	1,572	2,379
CTE -				
Secondary Program Improvement (CTEI)	5,100	4,700	(400)	-
Driver Education	9,288	40,144	30,856	37,154

(Continued)

Lake Forest Community High School District No. 115

General Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
School Safety and Educational Block Grant (Flat Grant)	\$ 8,600	\$ -	\$ (8,600)	\$ 15,378
Other state sources	315,364	1,272	(314,092)	1,760
On Behalf Payments to TRS from the State	<u>4,077,933</u>	<u>4,267,239</u>	<u>189,306</u>	<u>4,245,500</u>
Total state sources	<u>4,948,930</u>	<u>5,258,448</u>	<u>309,518</u>	<u>5,334,254</u>
Federal sources				
Special Milk Program	7,534	14,306	6,772	15,146
Title I - Low Income	75,091	78,155	3,064	98,703
Safe and Drug Free Schools - Form. (Title IV)	4,628	-	(4,628)	4,628
Fed. - Sp. Ed. - I.D.E.A. - Flow Through	221,285	208,880	(12,405)	193,474
Fed. - Sp. Ed. - I.D.E.A. - Room and Board	500,000	416,105	(83,895)	502,114
CTE. - Perkins - Title III E Technical Prep.	1,200	3,872	2,672	2,147
CTE - Other	12,600	-	(12,600)	17,500
ARRA General State Aid - Ed. Stabilization	-	-	-	53,480
ARRA General State Aid - Other Govt Svcs Stal	-	-	-	17,827
Other ARRA Funds - XI	-	35,399	35,399	-
Learn and Serve America	13,500	-	(13,500)	338
Title II - Teacher Quality	34,954	35,094	140	39,396
Medicaid Matching Funds - Administrative Outreach	26,000	-	(26,000)	22,536
Other federal sources	<u>1,500</u>	<u>1,498</u>	<u>(2)</u>	<u>1,895</u>
Total federal sources	<u>898,292</u>	<u>793,309</u>	<u>(104,983)</u>	<u>969,184</u>
Total revenues	<u>34,132,642</u>	<u>34,295,366</u>	<u>162,724</u>	<u>34,547,032</u>

(Continued)

Lake Forest Community High School District No. 115

General Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Expenditures				
Instruction				
Regular programs				
Salaries	\$ 12,205,551	\$ 12,080,527	\$ 125,024	\$ 11,834,624
Employee benefits	2,215,305	1,798,067	417,238	1,738,975
On-behalf payments to TRS from the state	4,077,933	4,267,239	(189,306)	4,245,500
Purchased services	104,085	74,581	29,504	36,077
Supplies and materials	526,241	420,188	106,053	683,897
Capital outlay	31,380	48,065	(16,685)	46,756
Termination benefits	114,000	111,620	2,380	34,000
Total	<u>19,274,495</u>	<u>18,800,287</u>	<u>474,208</u>	<u>18,619,829</u>
Special education programs				
Salaries	1,658,352	1,628,824	29,528	1,549,634
Employee benefits	-	239,092	(239,092)	226,620
Supplies and materials	20,000	2,652	17,348	6,155
Total	<u>1,678,352</u>	<u>1,870,568</u>	<u>(192,216)</u>	<u>1,782,409</u>
Adult/continuing education programs				
Salaries	1,021,747	995,600	26,147	1,024,065
Employee benefits	-	145,722	(145,722)	151,131
Purchased services	27,675	23,465	4,210	18,616
Supplies and materials	105,493	77,496	27,997	69,176
Capital outlay	5,000	-	5,000	-
Other objects	24,710	22,474	2,236	23,530
Total	<u>1,184,625</u>	<u>1,264,757</u>	<u>(80,132)</u>	<u>1,286,518</u>

(Continued)

Lake Forest Community High School District No. 115

General Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
CTE programs				
Purchased services	\$ -	\$ 2,537	\$ (2,537)	\$ 663
Supplies and materials	-	18,926	(18,926)	9,941
Capital outlay	-	-	-	7,899
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,899</u>
 Total	 <u>-</u>	 <u>21,463</u>	 <u>(21,463)</u>	 <u>18,503</u>
 Interscholastic programs				
Salaries	1,370,420	1,329,486	40,934	1,315,174
Employee benefits	-	195,249	(195,249)	192,517
Purchased services	122,677	113,549	9,128	104,494
Supplies and materials	113,694	88,179	25,515	90,073
Other objects	37,560	36,203	1,357	37,350
	<u>1,644,351</u>	<u>1,762,666</u>	<u>(118,315)</u>	<u>1,739,608</u>
 Total	 <u>1,644,351</u>	 <u>1,762,666</u>	 <u>(118,315)</u>	 <u>1,739,608</u>
 Summer school programs				
Salaries	187,563	188,348	(785)	170,235
Employee benefits	-	27,546	(27,546)	24,902
Purchased services	1,900	2,219	(319)	325
Supplies and materials	3,709	2,740	969	2,719
Other objects	500	1,810	(1,310)	5,350
	<u>193,672</u>	<u>222,663</u>	<u>(28,991)</u>	<u>203,531</u>
 Total	 <u>193,672</u>	 <u>222,663</u>	 <u>(28,991)</u>	 <u>203,531</u>
 Total instruction	 <u>23,975,495</u>	 <u>23,942,404</u>	 <u>33,091</u>	 <u>23,650,398</u>

(Continued)

Lake Forest Community High School District No. 115

General Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Support services				
Pupils				
Attendance and social work services				
Salaries	\$ -	\$ 240	\$ (240)	\$ -
Employee benefits	<u>1,189,257</u>	<u>-</u>	<u>1,189,257</u>	<u>3,080</u>
Total	<u>1,189,257</u>	<u>240</u>	<u>1,189,017</u>	<u>3,080</u>
Guidance services				
Salaries	1,504,120	1,507,671	(3,551)	1,549,554
Employee benefits	-	340,978	(340,978)	334,560
Purchased services	28,500	25,637	2,863	22,734
Supplies and materials	<u>4,000</u>	<u>3,464</u>	<u>536</u>	<u>2,070</u>
Total	<u>1,536,620</u>	<u>1,877,750</u>	<u>(341,130)</u>	<u>1,908,918</u>
Health services				
Salaries	139,034	139,217	(183)	132,107
Employee benefits	-	31,759	(31,759)	28,504
Purchased services	200	270	(70)	178
Supplies and materials	<u>3,000</u>	<u>3,692</u>	<u>(692)</u>	<u>3,392</u>
Total	<u>142,234</u>	<u>174,938</u>	<u>(32,704)</u>	<u>164,181</u>
Psychological services				
Purchased services	<u>140,000</u>	<u>120,164</u>	<u>19,836</u>	<u>118,399</u>
Total	<u>140,000</u>	<u>120,164</u>	<u>19,836</u>	<u>118,399</u>

(Continued)

Lake Forest Community High School District No. 115

General Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Speech pathology and audiology services				
Purchased services	\$ 153,000	\$ 146,412	\$ 6,588	\$ 146,896
Total	<u>153,000</u>	<u>146,412</u>	<u>6,588</u>	<u>146,896</u>
Other support services - pupils				
Salaries	284,274	286,477	(2,203)	275,062
Employee benefits	-	65,267	(65,267)	56,295
Purchased services	125,300	130,081	(4,781)	116,914
Supplies and materials	15,515	2,093	13,422	954
Capital outlay	-	2,727	(2,727)	-
Total	<u>425,089</u>	<u>486,645</u>	<u>(61,556)</u>	<u>449,225</u>
Total pupils	<u>3,586,200</u>	<u>2,806,149</u>	<u>780,051</u>	<u>2,790,699</u>
Instructional staff				
Improvement of instruction services				
Salaries	111,582	94,376	17,206	123,821
Employee benefits	-	21,551	(21,551)	27,015
Purchased services	52,713	30,739	21,974	76,765
Supplies and materials	-	-	-	455
Total	<u>164,295</u>	<u>146,666</u>	<u>17,629</u>	<u>228,056</u>
Educational media services				
Salaries	243,535	232,289	11,246	662,830
Employee benefits	-	53,043	(53,043)	138,952
Purchased services	5,400	2,026	3,374	18,609
Supplies and materials	62,549	59,875	2,674	96,463
Capital outlay	-	-	-	36,730
Total	<u>311,484</u>	<u>347,233</u>	<u>(35,749)</u>	<u>953,584</u>

(Continued)

Lake Forest Community High School District No. 115

General Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Assessment and testing				
Purchased services	\$ 17,000	\$ 11,468	\$ 5,532	\$ 18,055
Total	<u>17,000</u>	<u>11,468</u>	<u>5,532</u>	<u>18,055</u>
Total instructional staff	<u>492,779</u>	<u>505,367</u>	<u>(12,588)</u>	<u>1,199,695</u>
General administration				
Board of education services				
Purchased services	93,950	135,183	(41,233)	50,110
Supplies and materials	4,189	2,466	1,723	2,104
Other objects	<u>18,822</u>	<u>20,214</u>	<u>(1,392)</u>	<u>16,006</u>
Total	<u>116,961</u>	<u>157,863</u>	<u>(40,902)</u>	<u>68,220</u>
Executive administration services				
Salaries	3,185	2,850	335	2,500
Employee benefits	-	651	(651)	539
Purchased services	272,931	299,908	(26,977)	287,530
Supplies and materials	2,000	487	1,513	3,135
Other objects	<u>3,000</u>	<u>2,121</u>	<u>879</u>	<u>-</u>
Total	<u>281,116</u>	<u>306,017</u>	<u>(24,901)</u>	<u>293,704</u>
Special area administrative services				
Salaries	-	-	-	4,368
Employee benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>942</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,310</u>
Total general administration	<u>398,077</u>	<u>463,880</u>	<u>(65,803)</u>	<u>367,234</u>

(Continued)

Lake Forest Community High School District No. 115

General Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Office of the principal services				
Salaries	\$ 1,257,173	\$ 1,228,263	\$ 28,910	\$ 1,261,669
Employee benefits	-	278,752	(278,752)	272,488
Purchased services	16,426	13,463	2,963	13,976
Supplies and materials	<u>15,986</u>	<u>8,625</u>	<u>7,361</u>	<u>14,112</u>
Total	<u>1,289,585</u>	<u>1,529,103</u>	<u>(239,518)</u>	<u>1,562,245</u>
Other support services - school administration				
Salaries	121,586	123,822	(2,236)	121,634
Employee benefits	-	28,275	(28,275)	26,220
Purchased services	3,870	95	3,775	444
Supplies and materials	<u>2,000</u>	<u>510</u>	<u>1,490</u>	<u>499</u>
Total	<u>127,456</u>	<u>152,702</u>	<u>(25,246)</u>	<u>148,797</u>
Total school administration	<u>1,417,041</u>	<u>1,681,805</u>	<u>(264,764)</u>	<u>1,711,042</u>

(Continued)

Lake Forest Community High School District No. 115

General Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Business				
Direction of business support services				
Salaries	\$ 168,837	\$ 169,074	\$ (237)	\$ 174,550
Employee benefits	4,724	43,202	(38,478)	21,119
Purchased services	269,747	283,569	(13,822)	254,286
Supplies and materials	1,000	238	762	149
Capital outlay	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
Total	<u>446,808</u>	<u>496,083</u>	<u>(49,275)</u>	<u>450,104</u>
Fiscal services				
Salaries	73,675	73,662	13	52,032
Employee benefits	-	16,919	(16,919)	-
Purchased services	103,776	105,271	(1,495)	100,911
Supplies and materials	2,000	2,262	(262)	1,480
Capital outlay	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>1,942</u>
Total	<u>181,951</u>	<u>198,114</u>	<u>(16,163)</u>	<u>156,365</u>
Pupil transportation services				
Purchased services	<u>-</u>	<u>-</u>	<u>-</u>	<u>700</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>700</u>
Food services				
Salaries	263,846	258,822	5,024	259,065
Employee benefits	-	58,534	(58,534)	55,845
Purchased services	2,250	304	1,946	2,836
Supplies and materials	335,566	384,533	(48,967)	377,062
Capital outlay	<u>3,857</u>	<u>-</u>	<u>3,857</u>	<u>3,857</u>
Total	<u>605,519</u>	<u>702,193</u>	<u>(96,674)</u>	<u>698,665</u>

(Continued)

Lake Forest Community High School District No. 115

General Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Internal services				
Purchased services	\$ 107,519	\$ 96,047	\$ 11,472	\$ 91,745
Supplies and materials	<u>3,626</u>	<u>1,555</u>	<u>2,071</u>	<u>1,786</u>
Total	<u>111,145</u>	<u>97,602</u>	<u>13,543</u>	<u>93,531</u>
Total business	<u>1,345,423</u>	<u>1,493,992</u>	<u>(148,569)</u>	<u>1,399,365</u>
Central				
Information services				
Salaries	54,449	54,471	(22)	75,899
Employee benefits	-	12,438	(12,438)	16,361
Purchased services	91,696	106,675	(14,979)	88,481
Supplies and materials	<u>465</u>	<u>160</u>	<u>305</u>	<u>379</u>
Total	<u>146,610</u>	<u>173,744</u>	<u>(27,134)</u>	<u>181,120</u>
Staff services				
Salaries	178,896	182,012	(3,116)	183,138
Employee benefits	-	41,562	(41,562)	20,893
Purchased services	36,250	32,035	4,215	38,619
Supplies and materials	<u>5,000</u>	<u>4,478</u>	<u>522</u>	<u>3,331</u>
Total	<u>220,146</u>	<u>260,087</u>	<u>(39,941)</u>	<u>245,981</u>
Data processing services				
Salaries	417,316	414,210	3,106	3,129
Employee benefits	-	94,510	(94,510)	-
Purchased services	74,230	75,539	(1,309)	150,781
Supplies and materials	<u>125,403</u>	<u>117,884</u>	<u>7,519</u>	<u>160</u>
Total	<u>616,949</u>	<u>702,143</u>	<u>(85,194)</u>	<u>154,070</u>
Total central	<u>983,705</u>	<u>1,135,974</u>	<u>(152,269)</u>	<u>581,171</u>

(Continued)

Lake Forest Community High School District No. 115

General Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Other supporting services				
Salaries	\$ 71,359	\$ 48,005	\$ 23,354	\$ 63,121
Employee benefits	-	10,457	(10,457)	13,936
Purchased services	1,425	720	705	763
Supplies and materials	<u>442,043</u>	<u>481,359</u>	<u>(39,316)</u>	<u>479,162</u>
Total	<u>514,827</u>	<u>540,541</u>	<u>(25,714)</u>	<u>556,982</u>
Total support services	<u>8,738,052</u>	<u>8,627,708</u>	<u>110,344</u>	<u>8,606,188</u>
Community services				
Other objects	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Total	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Payments to Other Districts and Gov't Units				
Payments for regular programs				
Other objects	<u>12,000</u>	<u>-</u>	<u>12,000</u>	<u>32,809</u>
Total	<u>12,000</u>	<u>-</u>	<u>12,000</u>	<u>32,809</u>
Payments for special education programs				
Other objects	<u>1,606,561</u>	<u>2,182,306</u>	<u>(575,745)</u>	<u>2,287,671</u>
Total	<u>1,606,561</u>	<u>2,182,306</u>	<u>(575,745)</u>	<u>2,287,671</u>
Payments for CTE education programs				
Other objects	<u>34,200</u>	<u>30,942</u>	<u>3,258</u>	<u>30,719</u>
Total	<u>34,200</u>	<u>30,942</u>	<u>3,258</u>	<u>30,719</u>

(Continued)

Lake Forest Community High School District No. 115

General Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Other payments to in-state governmental units				
Other objects	\$ 196,000	\$ 106,657	\$ 89,343	\$ 193,967
Total	<u>196,000</u>	<u>106,657</u>	<u>89,343</u>	<u>193,967</u>
Payments for other programs - transfers				
Other objects	<u>-</u>	<u>145</u>	<u>(145)</u>	<u>-</u>
Total payments to other districts and other Gov'ts	<u>1,848,761</u>	<u>2,320,050</u>	<u>(471,289)</u>	<u>2,545,166</u>
Total expenditures	<u>34,569,808</u>	<u>34,897,662</u>	<u>(327,854)</u>	<u>34,809,252</u>
Deficiency of revenues over expenditures	<u>(437,166)</u>	<u>(602,296)</u>	<u>(165,130)</u>	<u>(262,220)</u>
Other financing sources				
Permanent transfer of interest - in	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,156</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,156</u>
Net change to fund balance	<u>\$ (437,166)</u>	<u>(602,296)</u>	<u>\$ (165,130)</u>	<u>(250,064)</u>
Fund balance, beginning of year		<u>1,273,941</u>		<u>1,524,005</u>
Fund balance, end of year		<u>\$ 671,645</u>		<u>\$ 1,273,941</u>

(Concluded)

Lake Forest Community High School District No. 115

Operations and Maintenance Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 4,452,027	\$ 4,442,995	\$ (9,032)	\$ 4,302,150
Corporate personal property replacement taxes	200,000	224,924	24,924	173,442
Other payments in lieu of taxes	5,000	19,980	14,980	9,990
Interest on investments	6,600	9,682	3,082	9,140
Rentals	277,186	278,727	1,541	265,458
Payment from other Districts	129,478	133,683	4,205	38,488
Other local fees	-	-	-	51,423
Other	<u>8,000</u>	<u>28,038</u>	<u>20,038</u>	<u>33,211</u>
Total local sources	<u>5,078,291</u>	<u>5,138,029</u>	<u>59,738</u>	<u>4,883,302</u>
Total revenues	<u>5,078,291</u>	<u>5,138,029</u>	<u>59,738</u>	<u>4,883,302</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction services				
Purchased services	<u>33,000</u>	<u>21,247</u>	<u>11,753</u>	<u>28,223</u>
Total	<u>33,000</u>	<u>21,247</u>	<u>11,753</u>	<u>28,223</u>

(Continued)

Lake Forest Community High School District No. 115

Operations and Maintenance Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Operations and maintenance of plant services				
Salaries	\$ 1,624,836	\$ 1,584,151	\$ 40,685	\$ 1,615,871
Employee benefits	310,358	323,935	(13,577)	313,892
Purchased services	1,527,643	1,404,213	123,430	1,491,018
Supplies and materials	1,285,500	1,341,647	(56,147)	1,524,145
Capital outlay	<u>70,000</u>	<u>46,040</u>	<u>23,960</u>	<u>61,588</u>
Total	<u>4,818,337</u>	<u>4,699,986</u>	<u>118,351</u>	<u>5,006,514</u>
Total business	<u>4,851,337</u>	<u>4,721,233</u>	<u>130,104</u>	<u>5,034,737</u>
Total support services	<u>4,851,337</u>	<u>4,721,233</u>	<u>130,104</u>	<u>5,034,737</u>
Total expenditures	<u>4,851,337</u>	<u>4,721,233</u>	<u>130,104</u>	<u>5,034,737</u>
Excess (deficiency) of revenues over expenditures	<u>226,954</u>	<u>416,796</u>	<u>189,842</u>	<u>(151,435)</u>
Other financing sources				
Permanent transfer	<u>225,000</u>	<u>-</u>	<u>(225,000)</u>	<u>-</u>
Total other financing sources	<u>225,000</u>	<u>-</u>	<u>(225,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 451,954</u>	416,796	<u>\$ (35,158)</u>	(151,435)
Fund deficit, beginning of year		<u>(506,710)</u>		<u>(355,275)</u>
Fund deficit, end of year		<u>\$ (89,914)</u>		<u>\$ (506,710)</u>

(Concluded)

Lake Forest Community High School District No. 115

Transportation Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 347,814	\$ 347,131	\$ (683)	\$ 497,763
Corporate personal property replacement taxes	50,623	57,935	7,312	44,675
Regular transportation fees from pupils or parents	129,000	103,935	(25,065)	110,448
Regular transportation fees cocurricular activities	-	20,915	20,915	19,029
Interest on investments	750	935	185	1,058
Other	-	6,207	6,207	-
Total local sources	<u>528,187</u>	<u>537,058</u>	<u>8,871</u>	<u>672,973</u>
State sources				
Transportation - Regular/Vocational	8,600	31,049	22,449	42,554
Transportation - Special Education	103,818	259,343	155,525	480,941
Transportation - Other	224,835	-	(224,835)	-
Total state sources	<u>337,253</u>	<u>290,392</u>	<u>(46,861)</u>	<u>523,495</u>
Total revenues	<u>865,440</u>	<u>827,450</u>	<u>(37,990)</u>	<u>1,196,468</u>

(Continued)

Lake Forest Community High School District No. 115

Transportation Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Expenditures				
Support services				
Business				
Pupil transportation services				
Salaries	\$ 13,000	\$ 10,194	\$ 2,806	\$ 11,281
Employee benefits	5,462	2,417	3,045	2,067
Purchased services	814,951	694,567	120,384	785,378
Supplies and materials	<u>9,500</u>	<u>8,505</u>	<u>995</u>	<u>5,959</u>
Total	<u>842,913</u>	<u>715,683</u>	<u>127,230</u>	<u>804,685</u>
Total support services	<u>842,913</u>	<u>715,683</u>	<u>127,230</u>	<u>804,685</u>
Total expenditures	<u>842,913</u>	<u>715,683</u>	<u>127,230</u>	<u>804,685</u>
Excess of revenues over expenditures	<u>22,527</u>	<u>111,767</u>	<u>89,240</u>	<u>391,783</u>
Other financing uses				
Permanent transfer	<u>(225,000)</u>	<u>-</u>	<u>225,000</u>	<u>-</u>
Total other financing uses	<u>(225,000)</u>	<u>-</u>	<u>225,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (202,473)</u>	111,767	<u>\$ 314,240</u>	391,783
Fund balance, beginning of year		<u>552,905</u>		<u>161,122</u>
Fund balance, end of year		<u>\$ 664,672</u>		<u>\$ 552,905</u>

(Concluded)

Lake Forest Community High School District No. 115

Municipal Retirement / Social Security Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 556,503	\$ 555,363	\$ (1,140)	\$ 462,208
Social security/medicare only levy	556,503	555,363	(1,140)	462,208
Corporate personal property replacement taxes	50,623	57,935	7,312	44,675
Interest on investments	<u>1,350</u>	<u>2,255</u>	<u>905</u>	<u>1,965</u>
Total local sources	<u>1,164,979</u>	<u>1,170,916</u>	<u>5,937</u>	<u>971,056</u>
Total revenues	<u>1,164,979</u>	<u>1,170,916</u>	<u>5,937</u>	<u>971,056</u>
Expenditures				
Instruction				
Regular programs	487,994	348,324	139,670	334,206
Special education programs	-	46,965	(46,965)	43,747
Adult/continuing education programs	-	28,624	(28,624)	29,175
Interscholastic programs	-	38,353	(38,353)	37,164
Summer school programs	<u>-</u>	<u>5,411</u>	<u>(5,411)</u>	<u>4,807</u>
Total instruction	<u>487,994</u>	<u>467,677</u>	<u>20,317</u>	<u>449,099</u>

(Continued)

Lake Forest Community High School District No. 115

Municipal Retirement / Social Security Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Support services				
Pupils				
Attendance and social work services	\$ 697,817	\$ -	\$ 697,817	\$ -
Guidance services	-	153,810	(153,810)	149,867
Health services	-	14,199	(14,199)	12,768
Other support services -pupils	-	29,180	(29,180)	34,549
Total pupils	<u>697,817</u>	<u>197,189</u>	<u>500,628</u>	<u>197,184</u>
Instructional staff				
Improvement of instruction services	-	9,635	(9,635)	12,101
Educational media services	-	23,715	(23,715)	69,749
Total instructional staff	<u>-</u>	<u>33,350</u>	<u>(33,350)</u>	<u>81,850</u>
General administration				
Executive administration services	-	291	(291)	241
Special area administrative services	-	-	-	422
Total general administration	<u>-</u>	<u>291</u>	<u>(291)</u>	<u>663</u>
School administration				
Office of the principal services	-	124,625	(124,625)	122,060
Other support services - school administration	-	12,641	(12,641)	11,745
Total school administration	<u>-</u>	<u>137,266</u>	<u>(137,266)</u>	<u>133,805</u>

(Continued)

Lake Forest Community High School District No. 115

Municipal Retirement / Social Security Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Business				
Direction of business support services	\$ -	\$ 17,261	\$ (17,261)	\$ 33,939
Fiscal services	-	7,564	(7,564)	11,930
Operations and maintenance of plant services	-	157,430	(157,430)	159,240
Pupil transportation services	-	1,041	(1,041)	1,089
Food services	-	26,170	(26,170)	25,016
Total business	-	209,466	(209,466)	231,214
Central				
Information services	-	5,561	(5,561)	7,329
Staff services	-	18,582	(18,582)	32,312
Data processing services	-	42,254	(42,254)	-
Total central	-	66,397	(66,397)	39,641
Other support services	-	4,675	(4,675)	6,242
Total support services	697,817	648,634	49,183	690,599
Total expenditures	1,185,811	1,116,311	69,500	1,139,698
Excess (deficiency) of revenues over expenditures	\$ (20,832)	54,605	\$ 75,437	(168,642)
Fund deficit, beginning of year		(302,785)		(134,143)
Fund deficit, end of year		\$ (248,180)		\$ (302,785)

(Concluded)

Lake Forest Community High School District No. 115

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2011

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

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

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Management is authorized to transfer budget amounts, provided that funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- e) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 7, 2010.
- g) All budget appropriations lapse at the end of the fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGETS

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

<u>Funds</u>	<u>Amount</u>
General	\$ 327,854
Debt Service	500

SUPPLEMENTARY FINANCIAL INFORMATION

Lake Forest Community High School District No. 115

General Fund

COMBINING BALANCE SHEET

June 30, 2011

	Educational	Working Cash	Total
ASSETS			
Cash and investments	\$ 12,147,554	\$ 1,002,540	\$ 13,150,094
Receivables (net of allowance for uncollectibles):			
Interest	11,664	-	11,664
Property taxes	12,451,483	-	12,451,483
Intergovernmental	341,377	-	341,377
Inventory	444,865	-	444,865
Other current assets	<u>13,082</u>	<u>-</u>	<u>13,082</u>
 Total assets	 <u>\$ 25,410,025</u>	 <u>\$ 1,002,540</u>	 <u>\$ 26,412,565</u>
LIABILITIES AND FUND BALANCES			
Accounts payable	\$ 92,320	\$ -	\$ 92,320
Salaries and wages payable	49,801	-	49,801
Claims payable	29,488	-	29,488
Payroll deductions payable	81,267	-	81,267
Other current liabilities	145	-	145
Deferred revenue	<u>25,487,899</u>	<u>-</u>	<u>25,487,899</u>
 Total liabilities	 <u>25,740,920</u>	 <u>-</u>	 <u>25,740,920</u>
Fund balances (deficit):			
Nonspendable	444,864	-	444,864
Unassigned	<u>(775,759)</u>	<u>1,002,540</u>	<u>226,781</u>
 Total fund balance (deficit)	 <u>(330,895)</u>	 <u>1,002,540</u>	 <u>671,645</u>
 Total liabilities and fund balance (deficit)	 <u>\$ 25,410,025</u>	 <u>\$ 1,002,540</u>	 <u>\$ 26,412,565</u>

Lake Forest Community High School District No. 115

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)

For the Year Ended June 30, 2011

	General	Working Cash	Total
Revenues			
Property taxes	\$ 24,263,000	\$ -	\$ 24,263,000
State aid	5,258,448	-	5,258,448
Federal aid	793,309	-	793,309
Interest	65,727	-	65,727
Other	<u>3,914,882</u>	<u>-</u>	<u>3,914,882</u>
 Total revenues	 <u>34,295,366</u>	 <u>-</u>	 <u>34,295,366</u>
Expenditures			
Current:			
Instruction:			
Regular programs	15,092,592	-	15,092,592
Special programs	1,631,476	-	1,631,476
Other instructional programs	2,903,032	-	2,903,032
State retirement contributions	4,267,239	-	4,267,239
Support services:			
Pupils	3,458,722	-	3,458,722
Instructional staff	430,773	-	430,773
General administration	463,229	-	463,229
School administration	1,374,778	-	1,374,778
Business	1,379,931	-	1,379,931
Central	987,464	-	987,464
Other supporting services	530,084	-	530,084
Community services	7,500	-	7,500
Nonprogrammed charges	2,320,050	-	2,320,050
Capital outlay	<u>50,792</u>	<u>-</u>	<u>50,792</u>
 Total expenditures	 <u>34,897,662</u>	 <u>-</u>	 <u>34,897,662</u>
 Deficiency of revenues over expenditures	 (602,296)	 -	 (602,296)
 Fund balance, beginning of year (as restated - see Note Q)	 <u>271,401</u>	 <u>1,002,540</u>	 <u>1,273,941</u>
 Fund balance (deficit), end of year	 <u>\$ (330,895)</u>	 <u>\$ 1,002,540</u>	 <u>\$ 671,645</u>

Lake Forest Community High School District No. 115

Debt Service Fund

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

For the Year Ended June 30, 2011

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

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 6,956,293	\$ 6,942,042	\$ (14,251)	\$ 5,724,170
Interest on investments	<u>7,500</u>	<u>14,012</u>	<u>6,512</u>	<u>12,156</u>
Total local sources	<u>6,963,793</u>	<u>6,956,054</u>	<u>(7,739)</u>	<u>5,736,326</u>
Total revenues	<u>6,963,793</u>	<u>6,956,054</u>	<u>(7,739)</u>	<u>5,736,326</u>
Expenditures				
Debt service				
Debt services - interest				
Bonds - interest	<u>2,674,925</u>	<u>2,674,925</u>	<u>-</u>	<u>2,849,578</u>
Total debt service - interest	<u>2,674,925</u>	<u>2,674,925</u>	<u>-</u>	<u>2,849,578</u>
Principal payments on long-term debt	<u>4,690,000</u>	<u>4,690,000</u>	<u>-</u>	<u>3,170,000</u>
Other debt service				
Purchased services	<u>2,220</u>	<u>2,720</u>	<u>(500)</u>	<u>2,220</u>
Total	<u>2,220</u>	<u>2,720</u>	<u>(500)</u>	<u>2,220</u>
Total debt service	<u>7,367,145</u>	<u>7,367,645</u>	<u>(500)</u>	<u>6,021,798</u>
Total expenditures	<u>7,367,145</u>	<u>7,367,645</u>	<u>(500)</u>	<u>6,021,798</u>
Deficiency of revenues over expenditures	<u>(403,352)</u>	<u>(411,591)</u>	<u>(8,239)</u>	<u>(285,472)</u>

(Continued)

Lake Forest Community High School District No. 115

Debt Service Fund

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

For the Year Ended June 30, 2011

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

	2011			2010 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Other financing sources				
Permanent transfer of interest - out	\$ -	\$ -	\$ -	\$ (12,156)
Total other financing sources	-	-	-	(12,156)
Net change in fund balance	<u>\$ (403,352)</u>	(411,591)	<u>\$ (8,239)</u>	(297,628)
Fund balance, beginning of year		<u>1,079,431</u>		<u>1,377,059</u>
Fund balance, end of year		<u>\$ 667,840</u>		<u>\$ 1,079,431</u>

(Concluded)

Lake Forest Community High School District No. 115

Capital Projects Fund

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

For the Year Ended June 30, 2011

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

	2011			
	Original and Final Budget	Actual	Variance From Final Budget	2010 Actual
Revenues				
Local sources				
Payment from other LEAs	\$ 100,000	\$ 628,498	\$ 528,498	\$ 3,454,118
Total local sources	<u>100,000</u>	<u>628,498</u>	<u>528,498</u>	<u>3,463,295</u>
ARRA IDEA - Part B - Flow-Through	<u>-</u>	<u>-</u>	<u>-</u>	<u>344,793</u>
Total federal sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>344,793</u>
Total revenues	<u>100,000</u>	<u>628,498</u>	<u>528,498</u>	<u>3,808,088</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	-	-	-	92,638
Capital outlay	<u>361,000</u>	<u>222,636</u>	<u>138,364</u>	<u>3,444,771</u>
Total	<u>361,000</u>	<u>222,636</u>	<u>138,364</u>	<u>3,537,409</u>
Total support services	<u>361,000</u>	<u>222,636</u>	<u>138,364</u>	<u>3,537,409</u>
Payments to other districts and Gov't units				
Payment for special education programs	-	-	-	1,246,435
Payments to other governmental units	<u>-</u>	<u>-</u>	<u>-</u>	<u>927,645</u>
Total nonprogrammed charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,174,080</u>
Total expenditures	<u>361,000</u>	<u>222,636</u>	<u>138,364</u>	<u>5,711,489</u>

(Continued)

Lake Forest Community High School District No. 115

Capital Projects Fund

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

For the Year Ended June 30, 2011

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

	2011			2010
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Excess (deficiency) of revenues over expenditures	<u>\$ (261,000)</u>	405,862	<u>\$ 666,862</u>	(1,903,401)
Fund balance, beginning of year		<u>679,157</u>		<u>2,582,558</u>
Fund balance, end of year		<u>\$ 1,085,019</u>		<u>\$ 679,157</u>

(Concluded)

Lake Forest Community High School District No. 115

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND - STUDENT ACTIVITY FUNDS

Year Ended June 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
Assets				
Cash	\$ <u>493,441</u>	\$ <u>1,642,529</u>	\$ <u>1,640,379</u>	\$ <u>495,591</u>
Liabilities				
LFHS Student Activities Acct	\$ 488,548	\$ 1,629,874	\$ 1,626,981	\$ 491,441
LFHS Introduction to Business - Blue	1,588	12,652	11,696	2,544
LFHS Introduction to Business - Gold	<u>3,305</u>	<u>1</u>	<u>1,700</u>	<u>1,606</u>
Total Liabilities	\$ <u>493,441</u>	\$ <u>1,642,527</u>	\$ <u>1,640,377</u>	\$ <u>495,591</u>

OTHER SUPPLEMENTAL INFORMATION

Lake Forest Community High School District No. 115
PROPERTY TAX RATES - LEVIES AND COLLECTIONS
LAST FIVE TAX LEVY YEARS

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Rates Extended					
Educational	0.7810	0.6990	0.6740	0.6670	0.6860
Special Education	-	-	0.0050	-	-
Operations and Maintenance	0.1310	0.1280	0.1210	0.1190	0.1200
Transportation	0.0050	0.0100	0.0140	0.0130	0.0120
Municipal Retirement	0.0210	0.0160	0.0130	0.0120	0.0090
Social Security	0.0210	0.0160	0.0130	0.0120	0.0180
Debt Service	0.1420	0.2000	0.1610	0.1360	0.1160
Total rates extended	<u><u>1.1010</u></u>	<u><u>1.0690</u></u>	<u><u>1.0010</u></u>	<u><u>0.9590</u></u>	<u><u>0.9610</u></u>
Levies Extended					
Educational	\$ 25,464,680	\$ 24,312,247	\$ 24,025,071	\$ 23,070,798	\$ 22,188,370
Special Education	-	-	178,228	-	-
Operations and Maintenance	4,271,284	4,452,028	4,313,106	4,116,079	3,881,348
Transportation	163,026	347,815	499,037	449,656	388,135
Municipal Retirement	684,710	556,503	463,392	415,067	291,101
Social Security	684,710	556,503	463,392	415,067	582,202
Debt Service	4,629,842	6,956,294	5,738,926	4,704,091	3,751,969
Total levies extended	<u><u>\$ 35,898,252</u></u>	<u><u>\$ 37,181,390</u></u>	<u><u>\$ 35,681,152</u></u>	<u><u>\$ 33,170,758</u></u>	<u><u>\$ 31,083,125</u></u>
Total collections	<u><u>\$ 17,986,125</u></u>	<u><u>\$ 37,105,894</u></u>	<u><u>\$ 35,590,315</u></u>	<u><u>\$ 33,109,618</u></u>	<u><u>\$ 31,056,393</u></u>
Percentage of extensions collected	<u><u>50.10%</u></u>	<u><u>99.80%</u></u>	<u><u>99.75%</u></u>	<u><u>99.82%</u></u>	<u><u>99.91%</u></u>

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

Lake Forest Community High School District No. 115

OPERATING COSTS AND TUITION CHARGE

June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>1,632</u>	<u>1,649</u>
Operating costs:		
Educational	\$ 30,630,423	\$ 30,563,752
Operations and Maintenance	4,721,233	5,034,737
Transportation	715,683	804,685
Municipal Retirement/Social Security	1,116,311	1,139,698
Debt Service	<u>7,367,645</u>	<u>6,021,798</u>
Subtotal	<u>44,551,295</u>	<u>43,564,670</u>
Less Revenues/Expenditures of Nonregular Programs:		
Payments to other districts and govt. units	2,320,050	2,545,166
Community Services	7,500	7,500
Continuing education	1,119,035	1,315,693
Summer school	195,117	208,338
Capital outlay	96,832	158,772
Debt retired	<u>4,690,000</u>	<u>3,170,000</u>
Subtotal	<u>8,428,534</u>	<u>7,405,469</u>
Operating costs	<u>\$ 36,122,761</u>	<u>\$ 36,159,201</u>
Operating costs per pupil - based on ADA	<u>\$ 22,130</u>	<u>\$ 21,931</u>
Tuition Charge		
Operating costs	\$ 36,122,761	\$ 36,159,201
Less - revenues from specific programs, such as special education or lunch programs	<u>4,534,727</u>	<u>4,942,174</u>
Net operating costs	31,588,034	31,217,027
Depreciation allowance	<u>3,157,321</u>	<u>3,108,200</u>
Allowance tuition costs	<u>\$ 34,745,355</u>	<u>\$ 34,325,227</u>
Tuition charge per pupil - based on ADA	<u>\$ 21,286</u>	<u>\$ 20,819</u>