

**NORTH MAC COMMUNITY UNIT**  
**SCHOOL DISTRICT NO. 34**

GIRARD, ILLINOIS

ANNUAL FINANCIAL REPORT  
INCLUDING FEDERAL COMPLIANCE SECTION  
JUNE 30, 2014

# **NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

## TABLE OF CONTENTS

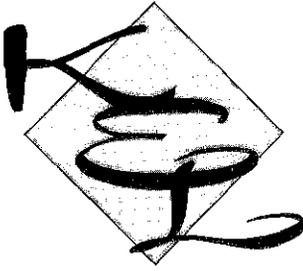
	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-3
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	4-5
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133	6-7
<u>BASIC FINANCIAL STATEMENTS:</u>	
<u>Exhibit</u>	
A Statement of Assets, Liabilities and Fund Equity Arising from Cash Transactions - All Funds and Account Groups	8-9
B Statement of Revenues Received, Expenditures Disbursed, Other Financing Sources (Uses) and Changes in Fund Balance - All Funds	10-11
NOTES TO BASIC FINANCIAL STATEMENTS	12-31
<u>SUPPLEMENTAL INFORMATION:</u>	
<u>Schedule</u>	
1 Education Fund - Schedule of Revenues Received	32
2 Operations and Maintenance Fund - Schedule of Revenues Received	33
3 Transportation Fund - Schedule of Revenues Received	34
4 Municipal Retirement / Social Security Fund- Schedule of Revenues Received	35
5 Bond and Interest Fund - Schedule of Revenues Received	36
6 Fire Prevention and Safety - Schedule of Revenues Received	37
7 Working Cash Fund - Schedule of Revenues Received	38
8 Tort Fund - Schedule of Revenues Received	39
9 Schedule of Expenditures Disbursed, Budget to Actual - All Funds	40-45

SUPPLEMENTAL INFORMATION: (Continued)

<u>Schedule</u>	<u>PAGE</u>
10 Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions - Activity Funds	46-48
11 Schedule of Per Capita Tuition Charge and Average Daily Attendance (Unaudited)	49

ANNUAL FEDERAL COMPLIANCE SECTION

Annual Federal Financial Compliance Report, Cover Sheet	50
Reconciliation of Federal Revenues	51
Schedule of Expenditures of Federal Awards	52-56
Note to Schedule of Expenditures of Federal Awards	57
Schedule of Findings and Questioned Costs	58-60
Summary Schedule of Prior Audit Findings	61
Corrective Action Plan for Current Year Audit Findings	62



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## Independent Auditor's Report

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October 3, 2014

To the Board of Education  
North Mac Community Unit School District No. 34  
Girard, Illinois 62640

We have audited the accompanying financial statements and the related notes to the financial statements of the North Mac Community Unit School District No. 34, as of and for the fiscal year ended June 30, 2014, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Illinois State Board of Education. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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

## **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1.D, the financial statements are prepared by North Mac Community Unit School District No. 34, on the basis of the financial reporting provisions of Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Illinois State Board of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1.D and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of North Mac Community Unit School District No. 34, as of June 30, 2014, or changes in its financial position for the year then ended.

The District has omitted disclosures required by Governmental Accounting Standards Board Statement 45 *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The amount by which this disclosure would affect the financial statements is not reasonably determinable.

## **Opinion on Regulatory Basis of Accounting**

In our opinion, except for the effects of the omissions described in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets and liabilities arising from cash transactions of balances of each fund of North Mac Community Unit School District No. 34, as of June 30, 2014, and their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of the financial reporting provisions of Illinois State Board of Education as described in Note 1.D.

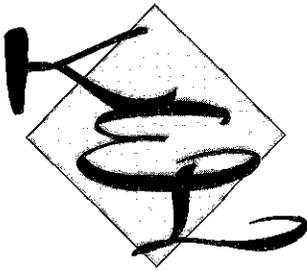
In accordance with Government Auditing Standards, we have also issued a report dated October 3, 2014, on our consideration of the North Mac Community Unit School District No. 34's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedules listed in the table of contents as "Supplemental Information" are presented for the purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements of North Mac Community Unit School District No. 34. The "Supplemental Information" and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

The 2013 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures applied by us and our report dated October 1, 2013, expressed an unqualified opinion that such information was fairly stated in all material respects in relation to the 2013 financial statements taken as a whole.

*Kenneth E. Long & Company, P.C.*

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Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

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October 3, 2014

To the Board of Education  
North Mac Community Unit School District No. 34  
Girard, Illinois 62640

We have audited, in accordance with the 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, the financial statements and the related notes to the financial statements, which collectively comprise of North Mac Community Unit School District No. 34's basic financial statements, and have issued our report thereon dated October 3, 2014. Our opinion was adverse because financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated, except for the effects of the omitted disclosures required by Governmental Accounting Standard Board Statement 45, *Accounting and Financial Reporting for Post -Employment Benefits Other Than Pensions*, on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles. 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.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered North Mac Community Unit School District No. 34's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Mac Community Unit School District No. 34's internal control. Accordingly, we do not express an opinion on the effectiveness of North Mac Community Unit School District No. 34's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether North Mac Community Unit School District No. 34's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

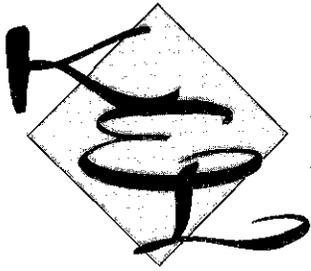
In accordance with SAS No. 114 The Auditor's Communication With Those Charged With Governance, we have issued a separate letter dated October 3, 2014 to the Board of Education addressing those required communications.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kenneth E. Loy & Company, P.C.*

Certified Public Accountants



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Independent Auditor's Report on Compliance  
For Each Major Program and on Internal Control  
Over Compliance Required by OMB Circular A-133

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October 3, 2014

To the Board of Education  
North Mac Community Unit School District No. 34  
Girard, Illinois 62640

### **Report on Compliance for Each Major Federal Program**

We have audited North Mac Community Unit School District No. 34's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of North Mac Community Unit School District No. 34's major federal programs for the year ended June 30, 2014. North Mac Community Unit School District No. 34's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of North Mac Community Unit School District No. 34's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about North Mac Community Unit School District No. 34's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of North Mac Community Unit School District No. 34's compliance.

## Opinion on Each Major Federal Program

In our opinion, North Mac Community Unit School District No. 34 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## Report on Internal Control Over Compliance

Management of North Mac Community Unit School District No. 34, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered North Mac Community Unit School District No. 34's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of North Mac Community Unit School District No. 34's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type compliance requirement of federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Kenneth E. Loy & Company, P.C.*

Certified Public Accountants

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY ARISING FROM CASH TRANSACTIONS  
ALL FUNDS AND ACCOUNT GROUPS  
JUNE 30, 2014

<u>ASSETS</u>	Educational Fund	Operations & Maintenance Fund	Bond and Interest Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
Cash	\$ 2,813,775	\$ 114,575	\$ 73,644	\$ 241,734	\$ 134,227
Investments	-	-	-	-	-
Due From Education Fund	-	-	-	-	-
Due From Transportation Fund	-	-	-	-	-
Due from IMRF Fund	-	-	-	-	-
General Fixed Assets	-	-	-	-	-
Amount Available in Debt Service Fund	-	-	-	-	-
Amount to be Provided for Payment of Bonds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,813,775</b>	<b>\$ 114,575</b>	<b>\$ 73,644</b>	<b>\$ 241,734</b>	<b>\$ 134,227</b>
<u>LIABILITIES AND FUND EQUITY</u>					
<b>LIABILITIES:</b>					
Due to Activity Funds					
Due to Working Cash Fund	\$ 150,000			\$ 120,000	\$ 240,000
Bonds Payable	-			-	-
Loans Payable	-	\$ -	\$ -	-	-
<b>Total Liabilities</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 120,000</b>	<b>\$ 240,000</b>
<b>FUND EQUITY:</b>					
Restricted			\$ 73,644		
Unassigned	\$ 2,663,775	\$ 114,575	-	\$ 121,734	\$ (105,773)
Investment In General Fixed Assets	-	-	-	-	-
<b>Total Fund Equity</b>	<b>\$ 2,663,775</b>	<b>\$ 114,575</b>	<b>\$ 73,644</b>	<b>\$ 121,734</b>	<b>\$ (105,773)</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 2,813,775</b>	<b>\$ 114,575</b>	<b>\$ 73,644</b>	<b>\$ 241,734</b>	<b>\$ 134,227</b>

See Accompanying Notes to the Basic Financial Statements.

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY ARISING FROM CASH TRANSACTIONS  
ALL FUNDS AND ACCOUNT GROUPS  
JUNE 30, 2014

<u>ASSETS</u>	Working Cash Fund	Tort Fund	Fire Prevention and Safety Fund	Activity Funds	General Fixed Assets Group	General Long-Term Debt	Total (Memorandum Only)
Cash	\$ 67,666	\$ 222,277	\$ 157,746	\$ 167,974			\$ 3,993,618
Investments	295,236	-	98,847	-			394,083
Due From Education Fund	150,000	-	-	-			150,000
Due From Transportation Fund	120,000	-	-	-			120,000
Due From IMRF Fund	240,000	-	-	-			240,000
General Fixed Assets	-	-	-	-	\$ 21,070,695		21,070,695
Amount Available in Debt Service Fund	-	-	-	-		\$ 73,644	73,644
Amount to be Provided for Payment of Bonds	-	-	-	-		2,863,736	2,863,736
<b>TOTAL ASSETS</b>	<b>\$ 872,902</b>	<b>\$ 222,277</b>	<b>\$ 256,593</b>	<b>\$ 167,974</b>	<b>\$ 21,070,695</b>	<b>\$ 2,937,380</b>	<b>\$ 28,905,776</b>
 <u>LIABILITIES AND FUND EQUITY</u>							
<b>LIABILITIES:</b>							
Due to Activity Funds				\$ 167,974			\$ 167,974
Due to Working Cash Fund				-			510,000
Bonds Payable				-		\$ 2,855,000	2,855,000
Loans Payable	\$ -	\$ -	\$ -	-	\$ -	82,380	82,380
Total Liabilities	\$ -	\$ -	\$ -	\$ 167,974	\$ -	\$ 2,937,380	\$ 3,615,354
 <b>FUND EQUITY:</b>							
Restricted		\$ 222,277	\$ 256,593				\$ 552,514
Unassigned	\$ 872,902	-	-				3,667,213
Investment In General Fixed Assets	-	-	-	\$ -	\$ 21,070,695	\$ -	21,070,695
Total Fund Equity	\$ 872,902	\$ 222,277	\$ 256,593	\$ -	\$ 21,070,695	\$ -	\$ 25,290,422
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 872,902</b>	<b>\$ 222,277</b>	<b>\$ 256,593</b>	<b>\$ 167,974</b>	<b>\$ 21,070,695</b>	<b>\$ 2,937,380</b>	<b>\$ 28,905,776</b>

See Accompanying Notes to the Basic Financial Statements.

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE  
ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	Educational Fund	Operation & Maintenance Fund	Bond and Interest Fund	Transportation Fund	Municipal Retirement/ Social Security Fund	Working Cash Fund	Tort Fund	Fire Prevention & Safety Fund	Total (Memorandum Only)
<b>REVENUES RECEIVED:</b>									
Local Sources	\$ 3,998,648	\$ 759,385	\$ 744,253	\$ 291,580	\$ 542,293	\$ 57,108	\$ 350,975	\$ 57,072	\$ 6,801,314
State Sources	6,622,703	400,000	-	529,323	-	-	-	-	7,552,026
Federal Sources	1,044,236	-	-	-	-	-	-	-	1,044,236
Total Direct Revenues Received	\$ 11,665,587	\$ 1,159,385	\$ 744,253	\$ 820,903	\$ 542,293	\$ 57,108	\$ 350,975	\$ 57,072	\$ 15,397,576
On-Behalf Payments	1,964,622	-	-	-	-	-	-	-	1,964,622
Total Revenues Received	\$ 13,630,209	\$ 1,159,385	\$ 744,253	\$ 820,903	\$ 542,293	\$ 57,108	\$ 350,975	\$ 57,072	\$ 17,362,198
<b>EXPENDITURES DISBURSED:</b>									
Instruction	\$ 5,602,246				\$ 104,333				\$ 5,706,579
Support Services	2,412,061	\$ 1,137,261		\$ 703,281	355,843		\$ 290,178	\$ 29,729	4,928,353
Payments to Other Districts & Govt. Un	1,994,054	-		-	-		-	-	1,994,054
Debt Service	-	-	\$ 764,099	69,225	-	\$ -	-	-	833,324
Total Direct Expenditures Disbursed	\$ 10,008,361	\$ 1,137,261	\$ 764,099	\$ 772,506	\$ 460,176	\$ -	\$ 290,178	\$ 29,729	\$ 13,462,310
On-Behalf Payments	1,964,622	-	-	-	-	-	-	-	1,964,622
Total Expenditures Disbursed	\$ 11,972,983	\$ 1,137,261	\$ 764,099	\$ 772,506	\$ 460,176	\$ -	\$ 290,178	\$ 29,729	\$ 15,426,932

See Accompanying Notes to the Basic Financial Statements.

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE  
ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Educational Fund</u>	<u>Operation &amp; Maintenance Fund</u>	<u>Bond and Interest Fund</u>	<u>Transportation Fund</u>	<u>Municipal Retirement/ Social Security Fund</u>	<u>Working Cash Fund</u>	<u>Tort Fund</u>	<u>Fire Prevention &amp; Safety Fund</u>	<u>Total (Memorandum Only)</u>
REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	\$ 1,657,226	\$ 22,124	\$ (19,846)	\$ 48,397	\$ 82,117	\$ 57,108	\$ 60,797	\$ 27,343	\$ 1,935,266
FUND BALANCE, BEGINNING OF YEAR	<u>1,006,549</u>	<u>92,451</u>	<u>93,490</u>	<u>73,337</u>	<u>(187,890)</u>	<u>815,794</u>	<u>161,480</u>	<u>229,250</u>	<u>2,284,461</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,663,775</u>	<u>\$ 114,575</u>	<u>\$ 73,644</u>	<u>\$ 121,734</u>	<u>\$ (105,773)</u>	<u>\$ 872,902</u>	<u>\$ 222,277</u>	<u>\$ 256,593</u>	<u>\$ 4,219,727</u>

See Accompanying Notes to the Basic Financial Statements.

# **NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of North Mac Community Unit School District No. 34 have been prepared using the cash basis of accounting. The more significant of the District's accounting policies are described below:

### **A. Financial Reporting Entity**

The District's financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards. Include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

### **B. Basis of Presentation - Fund Accounting**

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, (arising from cash transactions) fund balance, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

#### Individual Funds --

Educational Fund -- Is the General Operating Fund of the District and is used for all financial resources except those required to be accounted for in another fund. Special Education is included in these funds.

Operations and Maintenance Fund -- is another General Operating Fund of the District, used primarily for maintenance and improvements to District facilities.

# **NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2014

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### B. Basis of Presentation - Fund Accounting (Continued)

##### Individual Funds -- (Continued)

Bond and Interest Fund -- is used to account for the accumulation of resources for, and the payment of, general long-term principal, interest, and related costs.

Transportation Fund -- is used to account for the District's transportation system and related costs.

IMRF / Social Security Fund -- is used to account for retirement plan costs for employees under these retirement plans.

Working Cash Fund - is used to make temporary interfund loans to the operating funds.

Tort Fund -- is used to account for restricted funds available for only the cost of risk management programs.

Fire Prevention and Safety Fund -- is used to account for restricted funds available only for qualified life safety expenditures necessary for District facilities improvements.

The Activity Fund -- includes both Student Activity Funds and Convenience Accounts. They account for assets held by the District as an agent for students and teachers. These funds are custodial in nature and do not involve measurement of the results of operations. The amounts due to the activity fund organizations are equal to assets.

##### General Fixed Assets and General Long-Term Debt Account Groups --

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

#### C. Fund Balance Reporting

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. The Regulatory Model, followed by the District, only reports Reserved and Unreserved Fund Balances. Below are definitions of the differences and reconciliation of how these balances are reported.

# **NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2014

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### C. Fund Balance Reporting (Continued)

Nonspendable Fund Balance -- The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the cash basis nature of the district all such items are expensed at the time of purchase, so there is nothing to report for this classification.

Restricted Fund Balance -- The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories -

Special Education - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

Leasing Levy - Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Educational Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

State Grants - Proceeds from state grants and the related expenditures have been included in the Educational Fund. At June 30, 2014, expenditures disbursed exceeded revenue received from state grants, resulting in no restricted balances.

Federal Grants - Proceeds from federal grants and the related expenditures have been included in the Educational, Fund. At June 30, 2014, expenditures disbursed exceeded revenue received from federal grants, resulting in no restricted balances.

Social Security - Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Funds. At June 30, 2014, expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

# **NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### C. Fund Balance Reporting (Continued)

Committed Fund Balance -- The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The School Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance -- The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance -- The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Unassigned Fund Balance amounts are shown in the financial statements as Unreserved Fund Balances in the Educational, Operations and Maintenance, Transportation and Working Cash Funds.

#### Regulatory - Fund Balance Definitions --

Reserved Fund Balances are those balances that are reserved for a specified purpose, other than the regular purpose of any given fund. Unreserved Fund Balances are all balances that are not reserved for a specific purpose other than the specified purpose of a fund.

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. Fund Balance Reporting (Continued)

Reconciliation of Fund Balance Reporting --

The first five columns of the following table represent Fund Balance Reporting according to generally accepted accounting principles. The last two columns represent Fund Balance Reporting under the regulatory basis of accounting utilized in preparation of the financial statements.

Fund	<u>Generally Accepted Accounting Principles</u>					<u>Regulatory Basis</u>	
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Financial Statements-Reserved	Financial Statements-Unreserved
Educational	-	-	-	-	\$ 2,663,775	-	\$2,663,775
Operations & Maintenance	-	-	-	-	114,575	-	114,575
Bond & Interest	-	\$ 73,644	-	-	-	\$ 73,644	-
Transportation	-	-	-	-	121,734	-	121,734
Municipal Retirement	-	-	-	-	(105,773)	-	(105,773)
Working Cash	-	-	-	-	872,902	-	872,902
Tort Liability	-	222,277	-	-	-	222,277	-
Fire Prevention and Safety	-	256,593	-	-	-	256,593	-

Expenditures of Fund Balance --

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

# **NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2014

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **D. Basis of Accounting/Measurement Focus**

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and reported in the financial statements. The District maintains its accounts records for all funds and account groups on a cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly revenues are recognized and recorded when cash is received and expenditures are recognized and recorded upon the disbursement of cash.

Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, results from previous cash transactions. Cash basis financial statements omit recognition of receivables and payable and other accrued and deferred items that do not arise from previous cash transactions.

#### **E. Budgets and Budgetary Accounting**

The budget for all individual funds are prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Act 5, Article 17-1 of the Illinois Revised Statutes. The budget was passed on September 25, 2013.

For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the Superintendent submitted to the Board of Education a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures to be disbursed and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding, in the aggregate, 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

# **NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2014

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### F. Investments

Investments are stated at the lower of cost or market. Gains or losses on the sale of investments are recognized upon realization. The District invests in NOW accounts, interest-bearing checking accounts, certificates of deposit and external investment pools. The institutions in which investments are made must be approved by the Board of Education.

#### G. General Fixed Assets

General Fixed Assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as expenditures disbursed in the Governmental or Activity Funds and capitalized at cost in the General Fixed Assets Account Group.

Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge).

#### H. Total Memorandum Only

The "Total Memorandum Only" column represents the aggregation (by addition) of the line item amounts reported for each fund and account group. No consolidating or other eliminations were made in arriving at the totals; thus they do not present consolidated information.

These totals are presented only to facilitate financial analysis and are not intended to reflect the financial position or results of operations of the District as a whole.

### **NOTE 2. CASH AND INVESTMENTS**

Cash and investments as of June 30, 2014 are classified in the accompanying financial statements as follows:

Cash	\$ 3,993,618
Investments	<u>394,083</u>
Total	<u>\$ 4,387,701</u>

# **NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2014

### **NOTE 2. CASH AND INVESTMENTS (Continued)**

The District may invest in the following:

1. Bonds, notes, certificates of indebtedness, treasury bills or other securities, which we guaranteed by the full faith and credit of the United States of America
2. Bonds, notes, debentures, or similar obligations of the United States of America or its agencies
3. Interest bearing savings accounts or certificates of deposits
4. Short-term obligations of domestic corporations with assets exceeding \$500,000,000
5. Money Market mutual funds
6. Short-term discount obligations of the Federal National Mortgage Association
7. Dividend-bearing share accounts of an Illinois or United States chartered credit union
8. Illinois Funds, an external investment pool sponsored by the State
9. Illinois School District Liquid Asset Fund Plus
10. Repurchase agreements of government securities
11. Any investment as authorized by the Public Funds Investment Act

#### A. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

# **NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2014

### **NOTE 2. CASH AND INVESTMENTS (Continued)**

#### A. Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity.

	<u>Amount</u>	<u>Maturity Date</u>
State Investment Pool/Savings Account	\$ 394,083	N/A
	<u>\$ 394,083</u>	

#### B. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's state investment pool has earned Standard and Poor's highest rating (AAAm).

#### C. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Of the District's total cash and investments, \$0 was subject to custodial credit risk.

The District's investment in the state investment pool is fully collateralized, but not in the District's name. The District maintains a separate investment account representing a proportionate share of the pool assets and its respective collateral; therefore no collateral is identified with the District.

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE 3. PROPERTY TAXES**

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The Board passed the 2013 levy on December 18, 2013. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments one and two months after billing by the County. The District receives significant distributions of tax receipts beginning in August and September of each year. Property taxes recorded in these financial statements are from the 2013 and prior tax levies.

The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per \$100 of assessed valuation, extensions and collections:

	Rate <u>Limit</u>	<u>2013</u>	<u>Tax Levy Years</u> <u>2012</u>	<u>2011</u>
<u>Tax Rates by Levy:</u>				
Educational	2.89000	2.8900	2.8900	2.8900
Operations and Maintenance	0.59000	0.5900	0.5900	0.5900
Bond and Interest	As Needed	0.4289	0.6599	0.6879
Transportation	0.24000	0.2400	0.2400	0.2400
Municipal Retirement	As Needed	0.2369	0.2416	0.0662
Tort Immunity	As Needed	0.3177	0.3018	0.2971
Special Education	0.04000	0.0400	0.0400	0.0400
Fire Prevention and Safety	0.05000	0.0500	0.0500	0.0500
Social Security	As Needed	0.2115	0.2153	0.0811
Working Cash	0.05000	0.0500	0.0500	0.0500
Facility Leasing	0.05000	<u>0.0500</u>	<u>0.0500</u>	<u>0.0500</u>
Total		<u>5.1049</u>	<u>5.3286</u>	<u>5.0422</u>
ASSESSED VALUATION		<u>\$ 116,686,629</u>	<u>\$ 115,630,151</u>	<u>\$ 110,461,469</u>
<u>Tax Extensions by Levy:</u>				
Educational		\$ 3,372,243	\$ 3,341,521	\$ 3,192,057
Operations and Maintenance		688,451	682,218	651,723
Bond and Interest		500,759	767,065	761,245
Transportation		280,048	277,512	265,107
Municipal Retirement		276,550	280,910	73,246
Tort Immunity		370,864	350,820	328,753
Special Education		46,674	46,252	44,185
Fire Prevention and Safety		58,343	57,815	55,231
Social Security		246,912	250,278	89,767
Working Cash		58,343	57,815	55,231
Facility Leasing		<u>58,343</u>	<u>57,815</u>	<u>55,231</u>
Total		<u>\$ 5,957,530</u>	<u>\$ 6,170,021</u>	<u>\$ 5,571,776</u>
<u>Tax Collections by Year Ending:</u>				
2013				\$ 5,548,752
2014			\$ 6,138,771	
Total			<u>\$ 6,138,771</u>	<u>\$ 5,548,752</u>
Percent of Total Levy Collected			<u>99.49%</u>	<u>99.59%</u>

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE 4. SPECIAL TAX LEVIES AND RESTRICTED LEVIES**

Fire Prevention and Safety

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Fire Prevention and Safety Fund. A portion of this fund's equity represents the excess of cumulative receipts over cumulative disbursements which is restricted for future fire prevention and safety project expenditures in accordance with Chapter 122, Paragraph 17-2.11 of the Illinois Revised Statutes.

Unexpended Balance, July 1, 2013	\$ 229,250
Proceeds from Tax Levy	56,886
Interest Earned	186
Amounts (Expended) for Fire and Safety Construction	<u>(29,729)</u>
Unexpended Balance, June 30, 2014	<u>\$ 256,593</u>

Tort Immunity

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Tort Fund. A portion of these funds' equity represents the excess of cumulative receipts over cumulative disbursements which is restricted for future tort Immunity disbursements in accordance with Chapter 85, Paragraphs 9-101 to 9-107 of the Illinois Revised Statutes.

	<u>Total</u>
Unexpended Balance, July 1, 2013	\$ 161,480
<b>TORT RECEIPTS:</b>	
Proceeds from Tax Levy	350,939
Interest	<u>36</u>
Total Available	<u>\$ 512,455</u>
<b>TORT EXPENDITURES:</b>	
Insurance	\$ 216,886
Legal Services	35,658
Risk Management	<u>37,634</u>
Total Expended	<u>\$ 290,178</u>
Unexpended Balance, June 30, 2014	<u>\$ 222,277</u>

Special Education

Cash receipts and the related cash disbursements of this special education tax levy are accounted for in the Education Fund. No portion of this fund's equity is restricted, as cumulative disbursements have exceeded cumulative receipts. Special Education disbursements are made in accordance with Chapter 105, Act 5, Article 17-2.2a of the Illinois Compiled Statutes.

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE 5. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in General Fixed Assets follows:

	Balance 07/01/13	Additions	Deletions	Balance 06/30/14
Land	\$ 307,026			\$ 307,026
Improvements	505,417	\$ 32,786		538,203
Buildings	15,319,273	-		15,319,273
Transportation Equipment	1,724,467	-		1,724,467
Other Equipment	3,081,504	100,222	\$ -	3,181,726
Totals	<u>\$ 20,937,687</u>	<u>\$ 133,008</u>	<u>\$ -</u>	<u>\$ 21,070,695</u>

**NOTE 6. RETIREMENT FUND COMMITMENTS**

The District participates in two retirement systems: The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Members of TRS consist of all full-time teachers and teachers employed on a part-time basis in positions where services are expected to be rendered for a full and complete school term. Employees, other than teachers, who meet prescribed annual hourly standards are members of IMRF.

Teachers' Retirement System of the State of Illinois

The school district (employer) 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 the 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 licensure is required. The active member contribution rate for the year ended June 30, 2014 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, 2013 and 2012.

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

# **NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2014

### **NOTE 6. RETIREMENT FUND COMMITMENTS (Continued)**

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

##### ● On Behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2014, state of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the district recognized revenue and expenditures of \$1,912,240 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2013 and June 30, 2012, the contribution rates were 28.05 percent (\$1,649,713) and 24.91 percent (\$1,521,096), respectively.

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

##### ● 2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2014 were \$31,322. Contributions for the years ending June 30, 2013 and June 30, 2012, were \$34,112 and \$35,417, 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 has been in effect since 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. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and June 30, 2012, the employer contribution was 28.05 and 24.91 percent, respectively. For the year ended June 30, 2014, salaries totaling \$179,797 were paid from federal and special trust funds that required employer contributions of \$63,666. For the years ended June 30, 2013 and June 30, 2012, required district contributions were \$69,775 and \$61,333, respectively.

##### ● Early Retirement Option (ERO)

The employer 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 under the current program is 146.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2014, the district paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2013 and June 30, 2012, the District paid \$0 and \$0, respectively.

## **NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

### **NOTE 6. RETIREMENT FUND COMMITMENTS (Continued)**

#### ● Salary Increased 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, 2014, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2013 and June 30, 2012, the District paid \$0 and \$0, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, 2014).

For the year ended June 30, 2014, the district paid \$0 to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2013 and June 30, 2012, the district paid \$0 and \$0, respectively.

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, 2013. The report for the year ended June 30, 2014, is expected to be available in late 2014.

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, IL 62794-9253. The most current report is also available on the TRS Web site at <http://trs.illinois.gov>.

The District (employer) participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants who enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to THIS Fund.

## **NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

### **NOTE 6. RETIREMENT FUND COMMITMENTS (Continued)**

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

Salary Increased Over 6 Percent and Excess Sick Leave (Continued)

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

#### ● On Behalf Contributions to THIS Fund

The state of Illinois makes employer retiree health insurance contributions on behalf of the district. State contributions are intended to match contributions to THIS Fund from active members which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$52,383 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, 2013 and June 30, 2012 were 0.92 and 0.88 percent of pay, respectively. State contributions on behalf of employees were \$54,108 and \$53,736, respectively.

Teachers' Health Insurance Security Fund of the State of Illinois

#### ● Employer Contributions to THIS Fund

The employer (district) also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.72 percent during the year ended June 30, 2014, and 0.69 and 0.66 percent during the years ended June 30, 2013 and June 30, 2012, respectively. For the year ended June 30, 2014, the district paid \$38,882 to the THIS Fund. For the years ended June 30, 2013 and June 30, 2012, the district paid \$40,581 and \$40,302, respectively, which was 100 percent of the required contribution.

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

Illinois Municipal Retirement System - Defined Benefit Pension Plan

**Plan Description.** The employer's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer 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 (RSI). That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE 6. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement System - Defined Benefit Pension Plan (Continued)

**Funding Policy.** As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2013 was 15.71 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Annual Pension Cost.** The required contribution for calendar year 2013 was \$256,813.

TREND INFORMATION

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$ 256,813	100%	\$ *
12/31/12	193,675	100%	-
12/31/11	201,397	100%	-

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of your employer regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2011 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, 2013, the most recent actuarial valuation date, the Regular plan was 47.63 percent funded. The actuarial accrued liability for benefits was \$3,397,004 and the actuarial value of assets was \$1,617,852, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,779,152. The covered payroll for the calendar year 2013 (annual payroll of active employees covered by the plan) was \$1,634,710 and the ratio of the UAAL to the covered payroll was 109 percent.

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE 6. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement System - Defined Benefit Pension Plan (Continued)

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

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) --Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
12/31/13	\$ 1,617,852	\$ 3,397,004	\$ 1,779,152	47.63%	\$ 1,634,710	108.84%
12/31/12	1,152,970	3,300,972	2,148,002	34.93%	1,749,551	122.77%
12/31/11	1,764,033	3,684,113	1,920,080	47.88%	1,851,078	103.73%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$2,325,033. On a market basis, the funded ratio would be 68.44 percent.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100 percent funded.

Social Security

Employees not qualifying for coverage under the Illinois Downstate Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$109,569 the total required contribution for the current fiscal year.

**NOTE 7. CHANGES IN LONG-TERM DEBT**

The following is a summary of changes in long-term debt of the District for the year ended June 30, 2014:

	Loans Payable	Bonds Payable	Total
Beginning July 1, 2013	\$ 145,739	\$ 3,460,000	\$ 3,605,739
Issued During the Year	-	-	-
Retired During the Year	63,359	605,000	668,359
Ending June 30, 2014	<u>\$ 82,380</u>	<u>\$ 2,855,000</u>	<u>\$ 2,937,380</u>

## **NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

### **NOTE 8. RISK MANAGEMENT**

Significant losses are covered by commercial insurance for all major programs: property, liability, and workers' compensation. During the year ended June 30, 2014, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

### **NOTE 9. COMPLIANCE, STEWARDSHIP AND ACCOUNTABILITY**

#### A. Legal Debt Margin --

The District's legal debt limit as set by state statute is limited to 13.8 percent of total assessed valuation which approximates \$16,102,755. As of June 30, 2014, the District's debt is under the debt limit by \$13,165,375.

#### B. Excess of Expenses over Budget

The Debt Service Fund had expenditures of \$764,099, which exceeded the adopted annual operating budget of \$763,948 by \$151.

The Tort Fund had expenditures of \$290,178, which exceeded the adopted annual operating budget of \$288,972 by \$1,206.

All expenditures in excess of adopted budgets were to pay Board approved expenditures.

#### C. Deficit Fund Balance

The IMRF Fund had a deficit fund balance as of June 30, 2014 in the amount of (\$105,773).

### **NOTE 10. IMPREST CASH FUND**

The District maintains imprest funds at the individual learning centers which are reimbursed as required. All imprest funds are reconciled and expenses report to the District on a monthly basis.

### **NOTE 11. COMMON BANK ACCOUNT**

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

# **NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2014

### **NOTE 11. COMMON BANK ACCOUNT (Continued)**

Occasionally certain funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the School Board.

### **NOTE 12. COMPENSATED ABSENCES**

As of June 30, 2014, the District's employees had accumulated a total of 19,418 days of unused vacation, sick and other leave benefits. The District's obligation relating to the employees' rights to receive compensation for future absences is attributable to services already rendered. Future expense to the District as a result of these compensated absences is approximately \$1,247,000.

### **NOTE 13. DEBT SERVICE REQUIREMENTS**

As of June 30, 2014 the District had general obligation debt service requirements as follows:

- a) 2001 Refunding Bond Issue, due in annual installments; interest is payable at rates varying from 5.35 percent to 8.50 percent per annum.
- b) 2009 Series A and B School Bonds Issue, due in annual installments; interest is payable at rates varying from 3.45 percent to 4.85 percent per annum.
- c) 2012 Refunding Bond Issue, due in annual installments; interest is payable at rates varying from 2.00 percent to 3.00 percent per annum.

As of June 30, 2014, the annual cash flow requirements of bond principal and interest are as follows:

Year Ending	Bond	Interest	
<u>June</u>	<u>Maturities</u>	<u>Requirements</u>	<u>Totals</u>
2015	375,000	127,848	502,848
2016	405,000	97,298	502,298
2017	435,000	64,118	499,118
2018	460,000	40,525	500,525
2019	480,000	27,600	507,600
Thereafter	700,000	16,800	716,800
	<u>\$ 2,855,000</u>	<u>\$ 374,189</u>	<u>\$ 3,229,189</u>

# **NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2014

### **NOTE 13. DEBT SERVICE REQUIREMENTS (Continued)**

#### Loans Payable

DCFS USA LLC lease dated September 29, 2010 provides for 5 yearly payments of \$14,203, including principal and interest, at an interest rate of 4.49%.

Mercedes-Benz Financial USA LLC lease dated July 15, 2011 provides for 5 yearly payments of \$27,205, including principal and interest, at an interest rate of 2.39%.

Mercedes-Benz Financial USA LLC lease dated January 20, 2012 provides for 5 yearly payments of \$9,092, including principal and interest, at an interest rate of 2.28%.

The annual requirements to amortize all loans payable at June 30, 2014 are as follows:

Year Ending	Principal	Interest	Total
<u>June 30,</u>			
2015	47,367	3,133	50,500
2016	35,013	1,284	36,297
	<u>\$ 82,380</u>	<u>\$ 4,417</u>	<u>\$ 86,797</u>

### **NOTE 14. FEDERAL AND STATE GRANTS**

In the normal course of operations, the District receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with condition precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**EDUCATIONAL FUND  
SCHEDULE OF REVENUES RECEIVED  
FOR THE YEAR ENDED JUNE 30, 2014

## REVENUES RECEIVED:

## Local Sources:

Taxes -		
Property Taxes	\$ 3,343,480	
Property Taxes - Leasing Levy	56,710	
Property Taxes - Special Education Levy	45,008	
Other Tax Levies	10,705	
Personal Property Replacement Taxes	<u>178,507</u>	
Total Taxes		\$ 3,634,410
Other -		
Summer School Tuition	\$ 1,000	
Regular Tuition	2,900	
Interest Income	2,087	
Food Service	83,133	
Student Activities	52,731	
Textbooks	115,494	
Services Provided Other LEA's	<u>106,893</u>	
Total Other		<u>364,238</u>
Total Local Sources		\$ 3,998,648

## State Sources:

General State Aid	\$ 4,832,891	
Reorganization Incentives	585,672	
Driver Education	19,699	
Career and Technical Education	1,722	
Special Education	714,093	
School Lunch	10,312	
Early Childhood	457,202	
Other Revenue	<u>1,112</u>	
Total State Sources		6,622,703

## Federal Sources:

Title I - Low Income	\$ 232,662	
Food Service	570,111	
Medicaid Matching	40,876	
Special Education	154,476	
Title II - Teacher Quality	<u>46,111</u>	
Total Federal Sources		<u>1,044,236</u>

TOTAL REVENUES RECEIVED

\$ 11,665,587

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

OPERATIONS AND MAINTENANCE FUND  
 SCHEDULE OF REVENUES RECEIVED  
 FOR THE YEAR ENDED JUNE 30, 2014

REVENUES RECEIVED:

Local Sources:

Taxes -

Property Taxes

\$ 681,774

Other Tax Levies

2,118

Total Taxes

\$ 683,892

Other -

Interest Income

\$ 70

Other Local Revenues

75,423

Total Other

75,493

Total Local Sources

\$ 75,493

State Sources:

General State Aid

\$ 400,000

Total State Sources

400,000

TOTAL REVENUES RECEIVED

\$ 1,159,385

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

TRANSPORTATION FUND  
 SCHEDULE OF REVENUES RECEIVED  
 FOR THE YEAR ENDED JUNE 30, 2014

REVENUES RECEIVED:

Local Sources:

Taxes -

Property Taxes

\$ 276,387

Other Tax Levies

858

Total Taxes

\$ 277,245

Other -

Interest Income

\$ 28

Other Local Revenues

14,307

Total Other

14,335

Total Local Sources

\$ 14,335

State Sources:

Transportation Aid - Regular

\$ 315,739

Transportation Aid - Special Ed

213,584

Total State Sources

529,323

TOTAL REVENUES RECEIVED

\$ 820,903

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

MUNICIPAL RETIREMENT / SOCIAL SECURITY FUND  
 SCHEDULE OF REVENUES RECEIVED  
 FOR THE YEAR ENDED JUNE 30, 2014

REVENUES RECEIVED:

Local Sources:

Taxes -

Property Taxes - IMRF Levy	\$ 277,859
Property Taxes - Social Security Levy	247,803
Other Tax Levies	1,634
Personal Property Replacement Taxes	<u>14,943</u>
Total Taxes	\$ 542,239

Other -

Interest Income	<u>54</u>
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TOTAL REVENUES RECEIVED	<u>\$ 542,293</u>
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**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

BOND AND INTEREST FUND  
 SCHEDULE OF REVENUES RECEIVED  
 FOR THE YEAR ENDED JUNE 30, 2014

REVENUES RECEIVED:

Local Sources:

Property Taxes	\$ 741,806	
Other Tax Levies	<u>2,369</u>	
Total Taxes		\$ 744,175
Other -		
Interest Income		<u>78</u>

TOTAL REVENUES RECEIVED \$ 744,253

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

FIRE PREVENTION AND SAFETY FUND  
 SCHEDULE OF REVENUES RECEIVED  
 FOR THE YEAR ENDED JUNE 30, 2014

REVENUES RECEIVED:

Local Sources:

Taxes -

Property Taxes

\$ 56,710

Other Tax Levies

176

Total Taxes

\$ 56,886

Other -

Interest Income

186

TOTAL REVENUES RECEIVED

\$ 57,072

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

WORKING CASH FUND  
SCHEDULE OF REVENUES RECEIVED  
FOR THE YEAR ENDED JUNE 30, 2014

REVENUES RECEIVED:

Local Sources:

Property Taxes	\$ 56,710	
Other Tax Levies	<u>176</u>	
Total Taxes		\$ 56,886
Other -		
Interest Income		<u>222</u>

TOTAL REVENUES RECEIVED \$ 57,108

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

TORT FUND  
 SCHEDULE OF REVENUES RECEIVED  
 FOR THE YEAR ENDED JUNE 30, 2014

REVENUES RECEIVED:

Local Sources:

Property Taxes	\$ 349,857	
Other Tax Levies	<u>1,082</u>	
Total Taxes		\$ 350,939
Other -		
Interest Income		<u>36</u>

TOTAL REVENUES RECEIVED \$ 350,975

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

EDUCATIONAL FUND:	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Total	Budget
Instruction:								
Regular Programs	\$ 3,752,574	\$ 867,851	\$ 6,237	\$ 86,113	\$ 16,773		\$ 4,729,548	\$ 4,933,746
Pre-K Programs	293,481	74,123	297	5,968	-		373,869	392,914
Remedial and Supplemental Programs K-12	194,126	102,904	32,469	2,049	-		331,548	346,412
Interscholastic Programs	<u>113,006</u>	<u>9,136</u>	<u>22,962</u>	<u>22,177</u>	-	\$ -	<u>167,281</u>	<u>208,175</u>
Total Instruction	<u>\$ 4,353,187</u>	<u>\$ 1,054,014</u>	<u>\$ 61,965</u>	<u>\$ 116,307</u>	<u>\$ 16,773</u>	<u>\$ -</u>	<u>\$ 5,602,246</u>	<u>\$ 5,881,247</u>
Support Services:								
Pupils --								
Attendance and Social Work Services								
Guidance Services	\$ 154,612	\$ 36,773	\$ 214	\$ 992			\$ 192,591	\$ 200,776
Health Services	<u>64,819</u>	<u>12,784</u>	<u>300</u>	<u>1,461</u>	\$ -	\$ -	<u>79,364</u>	<u>85,190</u>
Total Pupils	<u>\$ 219,431</u>	<u>\$ 49,557</u>	<u>\$ 514</u>	<u>\$ 2,453</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271,955</u>	<u>\$ 285,966</u>
Instructional Staff --								
Improvement of Instruction Services								
Educational Media Services	\$ 177,308	\$ 39,874	\$ 129,396	\$ 10,209	\$ 40,604	\$ -	\$ 397,391	\$ 492,960
Total Instructional Staff	<u>\$ 177,308</u>	<u>\$ 39,874</u>	<u>\$ 129,642</u>	<u>\$ 10,209</u>	<u>\$ 40,604</u>	<u>\$ -</u>	<u>\$ 397,637</u>	<u>\$ 492,960</u>
General Administration --								
Board of Education Services	\$ 800	\$ 38	\$ 9,189	\$ 1,422		\$ 22,810	\$ 34,259	\$ 55,050
Executive Administration Services	<u>147,885</u>	<u>26,173</u>	<u>837</u>	<u>705</u>	\$ -	<u>895</u>	<u>176,495</u>	<u>200,690</u>
Total General Administration	<u>\$ 148,685</u>	<u>\$ 26,211</u>	<u>\$ 10,026</u>	<u>\$ 2,127</u>	<u>\$ -</u>	<u>\$ 23,705</u>	<u>\$ 210,754</u>	<u>\$ 255,740</u>
School Administration --								
Office of Principal Services	<u>\$ 606,122</u>	<u>\$ 152,767</u>	<u>\$ 2,695</u>	<u>\$ 5,089</u>	<u>\$ 1,130</u>	<u>\$ -</u>	<u>\$ 767,803</u>	<u>\$ 770,445</u>

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

EDUCATIONAL FUND: (Continued)	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Total	Budget
Support Services: (Continued)								
Business --								
Fiscal Services	\$ 61,584	\$ 8,585	\$ 4,734	\$ 8,503			\$ 83,406	\$ 78,640
Food Services	<u>197,633</u>	<u>36,268</u>	<u>2,690</u>	<u>439,377</u>	\$ 4,538	\$ -	<u>680,506</u>	<u>659,460</u>
Total Business	<u>\$ 259,217</u>	<u>\$ 44,853</u>	<u>\$ 7,424</u>	<u>\$ 447,880</u>	<u>\$ 4,538</u>	<u>\$ -</u>	<u>\$ 763,912</u>	<u>\$ 738,100</u>
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support Services	<u>\$ 1,410,763</u>	<u>\$ 313,262</u>	<u>\$ 150,301</u>	<u>\$ 467,758</u>	<u>\$ 46,272</u>	<u>\$ 23,705</u>	<u>\$ 2,412,061</u>	<u>\$ 2,543,211</u>
Nonprogrammed Charges:								
Payments to Other Government Units --								
Payments for Special Education Programs						\$ 1,956,974	\$ 1,956,974	\$ 2,434,413
Payments for Vocational Programs	\$ -	\$ -	\$ -	\$ -	\$ -	37,080	37,080	60,000
Total Nonprogrammed Charges	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,994,054</u>	<u>\$ 1,994,054</u>	<u>\$ 2,494,413</u>
Total Expenditures Disbursed	<u>\$ 5,763,950</u>	<u>\$ 1,367,276</u>	<u>\$ 212,266</u>	<u>\$ 584,065</u>	<u>\$ 63,045</u>	<u>\$ 2,017,759</u>	<u>\$ 10,008,361</u>	<u>\$ 10,918,871</u>

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies &amp; Materials</u>	<u>Capital Outlay</u>	<u>Other Objects</u>	<u>Total</u>	<u>Budget</u>
<b>OPERATIONS AND MAINTENANCE FUND:</b>								
Support Services:								
Business --								
Operation & Maintenance of Plant Service	\$ 431,062	\$ 84,749	\$ 222,905	\$ 349,879	\$ 48,666	\$ -	\$ 1,137,261	\$ 1,252,960
<b>Total Expenditures Disbursed</b>	<b>\$ 431,062</b>	<b>\$ 84,749</b>	<b>\$ 222,905</b>	<b>\$ 349,879</b>	<b>\$ 48,666</b>	<b>\$ -</b>	<b>\$ 1,137,261</b>	<b>\$ 1,252,960</b>
<b>BOND AND INTEREST FUND:</b>								
Debt Services:								
State Aid Anticipation Certificates								\$ 350
Interest on Bonds						\$ 157,999	\$ 157,999	187,998
Bond Principal Retired						605,000	605,000	575,000
Other	\$ -	\$ -	\$ -	\$ -	\$ -	1,100	1,100	600
<b>Total Expenditures Disbursed</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 764,099</b>	<b>\$ 764,099</b>	<b>\$ 763,948</b>
<b>TRANSPORTATION FUND:</b>								
Support Services:								
Business --								
Pupil Transportation Services	\$ 489,220	\$ 57,756	\$ 31,695	\$ 124,610	\$ -	\$ -	\$ 703,281	\$ 824,350
Debt Services:								
Interest						\$ 5,866	\$ 5,866	
Debt Services	\$ -	\$ -	\$ -	\$ -	\$ -	63,359	63,359	\$ -
Total Debt Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,225	\$ 69,225	\$ -
<b>Total Expenditures Disbursed</b>	<b>\$ 489,220</b>	<b>\$ 57,756</b>	<b>\$ 31,695</b>	<b>\$ 124,610</b>	<b>\$ -</b>	<b>\$ 69,225</b>	<b>\$ 772,506</b>	<b>\$ 824,350</b>

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies &amp; Materials</u>	<u>Capital Outlay</u>	<u>Other Objects</u>	<u>Total</u>	<u>Budget</u>
MUNICIPAL RETIREMENT/ SOCIAL SECURITY FUND:								
Instruction:								
Regular Programs		\$ 66,182					\$ 66,182	\$ 72,810
Pre-K Programs		20,202					20,202	21,975
Remedial and Supplemental Programs K-12		13,075					13,075	15,125
Interscholastic Programs	\$ -	4,874	\$ -	\$ -	\$ -	\$ -	4,874	3,350
Total Instruction	\$ -	\$ 104,333	\$ -	\$ -	\$ -	\$ -	\$ 104,333	\$ 113,260
Support Services:								
Pupils --								
Guidance Services		\$ 2,040					\$ 2,040	\$ 1,300
Health Services	\$ -	15,896	\$ -	\$ -	\$ -	\$ -	15,896	16,500
Total Pupils	\$ -	\$ 17,936	\$ -	\$ -	\$ -	\$ -	\$ 17,936	\$ 17,800
Instructional Staff --								
Educational Media Services	\$ -	\$ 1,497	\$ -	\$ -	\$ -	\$ -	\$ 1,497	\$ 2,800
Total Instructional Staff	\$ -	\$ 1,497	\$ -	\$ -	\$ -	\$ -	\$ 1,497	\$ 2,800

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies &amp; Materials</u>	<u>Capital Outlay</u>	<u>Other Objects</u>	<u>Total</u>	<u>Budget</u>
MUNICIPAL RETIREMENT/ SOCIAL SECURITY FUND: (Continued)								
Support Services:								
General Administration --								
Board of Education Services		\$ 200					\$ 200	\$ 215
Executive Administration Services		10,532					10,532	10,840
Judgement and Settlements	\$ -	1,190	\$ -	\$ -	\$ -	\$ -	1,190	-
Total General Administration	\$ -	\$ 11,922	\$ -	\$ -	\$ -	\$ -	\$ 11,922	\$ 11,055
School Administration --								
Office of the Principal Services	\$ -	\$ 45,480	\$ -	\$ -	\$ -	\$ -	\$ 45,480	\$ 43,950
Business --								
Fiscal Services		\$ 15,359					\$ 15,359	\$ 15,315
Operation & Maintenance of Plant Services		102,612					102,612	105,900
Pupil Transportation Services		114,803					114,803	116,550
Food Services	\$ -	46,234	\$ -	\$ -	\$ -	\$ -	46,234	47,800
Total Business	\$ -	\$ 279,008	\$ -	\$ -	\$ -	\$ -	\$ 279,008	\$ 285,565
Total Support Services	\$ -	\$ 355,843	\$ -	\$ -	\$ -	\$ -	\$ 355,843	\$ 361,170
Total Expenditures Disbursed	\$ -	\$ 460,176	\$ -	\$ -	\$ -	\$ -	\$ 460,176	\$ 474,430

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies &amp; Materials</u>	<u>Capital Outlay</u>	<u>Other Objects</u>	<u>Total</u>	<u>Budget</u>
TORT FUND								
Support Services:								
General Administration --								
Workers' Compensation Payments			\$ 91,203				\$ 91,203	\$ 129,525
Unemployment Insurance Payments			17,017				17,017	-
Insurance Payments			108,666				108,666	102,047
Educational, Inspectional, Supervisory Service			25,281	\$ 2,991		\$ 9,362	37,634	32,400
Legal Services	\$ -	\$ -	35,658	-	\$ -	-	35,658	25,000
<b>Total Expenditures Disbursed</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 277,825</b>	<b>\$ 2,991</b>	<b>\$ -</b>	<b>\$ 9,362</b>	<b>\$ 290,178</b>	<b>\$ 288,972</b>
FIRE PREVENTION AND SAFETY FUND:								
Support Services:								
Business --								
Facilities Acquisition and Construction Services			\$ 7,774	\$ 459	\$ 21,296		\$ 29,529	\$ 39,500
Other Support Services	\$ -	\$ -	200	-	-	\$ -	200	-
<b>Total Expenditures Disbursed</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,974</b>	<b>\$ 459</b>	<b>\$ 21,296</b>	<b>\$ -</b>	<b>\$ 29,729</b>	<b>\$ 39,500</b>

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE  
ARISING FROM CASH TRANSACTIONS  
ACTIVITY FUNDS  
JUNE 30, 2014ASSETS

Cash	\$ 167,974
Total Assets	<u>\$ 167,974</u>

LIABILITIES AND FUND BALANCE

6th Grade	\$ 2,352
6th Volleyball Donation Account	201
Activities/Athletics	3,728
Barn to Barn FFA	4,080
Bowling/Skating	8
Class of 2010	59
Class of 2013	3,002
Class of 2014	483
Class of 2015	2,258
Class of 2016	5,391
Class of 2017	2,574
Drama Club	3,710
Eight Grade Teachers	173
FCA	3
FCCLA	307
FFA	1,780
Football	5,593
French Club	1,400
General Fund Resale Uniforms	3,212
Girard Elem Principal Office	2,971
Girard Elementary PBIS	738
Girard Yearbook	1,404
Golf	75
HS Art Club	374
HS Band	3,546
HS Baseball	343
HS Bass Fishing Donation Account	452
HS Boys Basketball	5,095
HS Boys Soccer Donation Account	11,420
HS Cheerleaders	1,654
HS Girls Basketball	4,233
HS Library	857
HS Library Fines	1,394
HS PBIS	39
HS Principal Office	<u>4,765</u>
Sub-Total	<u>\$ 79,674</u>

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE  
ARISING FROM CASH TRANSACTIONS  
ACTIVITY FUNDS  
JUNE 30, 2014LIABILITIES AND FUND BALANCE (Continued)

HS Scholastic	\$	56
HS Science Club		574
HS Soccer		724
HS Social Committee		62
HS Softball		1,631
HS Student Council		2,756
HS Track		15
HS Volleyball		3,229
KC Donation to SASSED		2,424
Key Club		861
Math Club		140
Misc. Account-Brady		4,239
MS Activity Fund		540
MS Baseball Donation Account		5,138
MS BB Tournament		2,199
MS Boys Baseball Donation		338
MS Boys Basketball		871
MS Builders Club		416
MS Cheerleaders		1,499
MS Cheerleading Donation Account		611
MS Drama Club		4,743
MS Girls Basketball		129
MS Girls Softball Donation		241
MS Principal Office		136
MS Scholastic		565
MS Science Club		2,221
MS Social Committee		302
MS Softball Donation Account		5,766
MS Student Council		7,935
MS Track		750
MS Yearbook		630
National Honor Society		490
North Campus Nurse		969
North Campus Teachers Lounge		682
North Mac Foundation		9,444
PBIS		3,439
Revolving Account		(1,105)
Santa's Workshop		2,413
Science		24
South Campus Vocal Music		2,241
South Campus Library		<u>731</u>
Sub-Total	\$	<u>71,069</u>

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE  
ARISING FROM CASH TRANSACTIONS  
ACTIVITY FUNDS  
JUNE 30, 2014LIABILITIES AND FUND BALANCE (Continued)

South Campus Nurse	\$	481
South Campus Elem Reading Program		724
Spanish Club		503
Student Damage Items		154
Tournament Account		2,412
Unit Office		4,105
Varsity Account		133
Virden Elem Library		3,719
Virden Elementary		1,945
Virden Elementary PBIS		225
Virden Yearbook		<u>2,830</u>
Sub-Totals (This Page)	\$	17,231
Sub-Totals (Page 1)		79,674
Sub-Totals (Page 2)		<u>71,069</u>
Total School Activity Funds	\$	<u>167,974</u>
Total Liabilities and Fund Balance	\$	<u>167,974</u>

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

SCHEDULE OF PER CAPITA TUITION CHARGE  
AND AVERAGE DAILY ATTENDANCE  
(UNAUDITED)

<u>Year Ending</u>	<u>Per Capita Tuition</u>	<u>Allowable Expenses</u>	<u>Average Daily Attendance</u>
2011	6,770	9,401,282	1,388.69
2012	7,621	10,777,608	1,414.20
2013	5,803	8,414,186	1,449.78
2014	5,928	8,134,841	1,372.39

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)**  
**DISTRICT/JOINT AGREEMENT**  
**Year Ending June 30, 2014**

DISTRICT/JOINT AGREEMENT NAME <b>NORTH MAC COMMUNITY UNIT SCHOOL</b>	RCDT NUMBER <b>40-056-0340-26</b>	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER <b>060-003363</b>
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) <b>MARICA CULLEN</b>	NAME AND ADDRESS OF AUDIT FIRM <b>KENNETH E. LOY &amp; COMPANY, P.C.</b> <b>#2 CROSSROADS COURT</b> <b>ALTON IL 62002</b>	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code)  <b>525 NORTH THIRD STREET</b>  <b>GIRARD</b> <b>62640</b>	E-MAIL ADDRESS <b>KEN@KENLOYCPA.COM</b>	
	NAME OF AUDIT SUPERVISOR <b>KENNETH E. LOY</b>	
	CPA FIRM TELEPHONE NUMBER <b>618-465-1196</b>	FAX NUMBER <b>618-465-2900</b>

**THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE A-133 SINGLE AUDIT REPORT:**

- A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to ISBE (either with the audit or under separate cover).
- Financial Statements including footnotes § .310 (a)
- Schedule of Expenditures of Federal Awards including footnotes § .310 (b)
- Independent Auditor's Report § .505
- Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards* § .505
- Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 § .505
- Schedule of Findings and Questioned Costs § .505 (d)
- Summary Schedule of Prior Year Audit Findings § .315 (b)
- Corrective Action Plan § .315 (c)

**THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:**

- Copy of Federal Data Collection Form § .320 (b)
- Copy(ies) of Management Letter(s)

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT #34**  
**40-056-0340-26**

**RECONCILIATION OF FEDERAL REVENUES**

Annual Financial Report to Schedule of Expenditures of Federal Awards

**TOTAL FEDERAL REVENUE IN AFR**

Account Summary 7-8, Line 7	Account 4000	\$ 1,044,236
Flow-through Federal Revenues		
Revenues 9-14, Line 112	Account 2200	-
Value of Commodities		
Indirect Cost Info 30, Line 11		<u>46,530</u>
Less: Medicaid Fee-for-Service		
Revenues 9-14, Line 270	Account 4992	<u>(20,186)</u>
<b>AFR TOTAL FEDERAL REVENUES:</b>		<u><u>\$ 1,070,580</u></u>

**ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:**

Reason for Adjustment:


<b>ADJUSTED AFR FEDERAL REVENUES</b>	<u>\$ 1,070,580</u>
--------------------------------------	---------------------

Total Current Year Federal Revenues Reported on SEFA:	
Federal Revenues	Column D
	<u>\$ 1,070,580</u>

**Adjustments to SEFA Federal Revenues:**

Reason for Adjustment:


ADJUSTED SEFA FEDERAL REVENUE:	<u>\$ 1,070,580</u>
--------------------------------	---------------------

DIFFERENCE:	<u>\$ -</u>
-------------	-------------

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT #34**  
**40-056-0340-26**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2014**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/12-6/30/13 (C)	Year 7/1/13-6/30/14 (D)	Year 7/1/12-6/30/13 (E)	Year 7/1/13-6/30/14 (F)			
U.S. DEPARTMENT OF AGRICULTURE PASS-THROUGH PROGRAMS FROM ILLINOIS STATE BOARD OF EDUCATION:									
(M) NATIONAL SCHOOL LUNCH PROGRAM	10.555	14-4210-00		341,004		341,004		341,004	N/A
NATIONAL SCHOOL LUNCH PROGRAM	10.555	13-4210-00	243,304	80,643	243,304	80,643		323,947	N/A
(M) SCHOOL BREAKFAST PROGRAM	10.553	14-4220-00		119,044		119,044		119,044	N/A
SCHOOL BREAKFAST PROGRAM	10.553	13-4220-00	75,718	26,223	75,718	26,223		101,941	N/A
(M) SPECIAL MILK PROGRAM	10.556	14-4215-00		2,768		2,768		2,768	N/A
SPECIAL MILK PROGRAM	10.556	13-4215-00	3,243	429	3,243	429		3,672	N/A
COMMODITIES (NON-CASH)	10.555	14-4250-00		34,414		34,414		34,414	N/A
DEPARTMENT OF DEFENSE FRESH FRUITS & VEGETABLES	10.555	14-4250-00		12,116		12,116		12,116	N/A
TOTAL U.S. DEPARTMENT OF AGRICULTURE PASS-THROUGH PROGRAMS			322,265	616,641	322,265	616,641	0	938,906	0

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- <sup>1</sup> To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- <sup>2</sup> When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- <sup>3</sup> When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- <sup>4</sup> Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT #34**  
**40-056-0340-26**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2014**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/12-6/30/13 (C)	Year 7/1/13-6/30/14 (D)	Year 7/1/12-6/30/13 (E)	Year 7/1/13-6/30/14 (F)			
U.S. DEPARTMENT OF EDUCATION PASS-THROUGH PROGRAMS FROM ILLINOIS STATE BOARD OF EDUCATION:									
(M) TITLE I - LOW INCOME	84.010	14-4300-00		181,648		251,747	31,835	283,582	343,655
TITLE I - LOW INCOME	84.010	13-4300-00	272,530	51,014	279,942	43,602		323,544	333,425
TITLE II - TEACHER QUALITY	84.367	14-4932-00		33,387		49,035	6,598	55,633	77,785
TITLE II - TEACHER QUALITY	84.367	13-4932-00	67,843	12,724	78,834	1,733		80,567	80,567
TOTAL U.S. DEPARTMENT OF EDUCATION - PASS- THROUGH PROGRAMS			340,373	278,773	358,776	346,117	38,433	743,326	835,432

• (M) Program was audited as a major program as defined by OMB Circular A-133.

**The accompanying notes are an integral part of this schedule.**

<sup>1</sup> To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

<sup>2</sup> When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

<sup>3</sup> When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.

<sup>4</sup> Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT #34**  
**40-056-0340-26**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2014**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/12-6/30/13 (C)	Year 7/1/13-6/30/14 (D)	Year 7/1/12-6/30/13 (E)	Year 7/1/13-6/30/14 (F)			
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES -									
PASS-THROUGH PROGRAMS FROM THE ILLINOIS DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES									
MEDICAL ASSISTANCE PROGRAM	93.778			20,690		20,690		20,690	N/A
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			0	20,690	0	20,690	0	20,690	0

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- <sup>1</sup> To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- <sup>2</sup> When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- <sup>3</sup> When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- <sup>4</sup> Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT #34**  
**40-056-0340-26**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2014**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/12-6/30/13 (C)	Year 7/1/13-6/30/14 (D)	Year 7/1/12-6/30/13 (E)	Year 7/1/13-6/30/14 (F)			
OTHER PASS-THROUGH ENTITIES									
PASS-THROUGH FROM SPECIAL EDUCATION REGION:									
IDEA FLOW THROUGH	84.027	14-4620-00		108,811		108,811		14,660	N/A
IDEA PART B PRESCHOOL	84.173	14-4600-00		14,660		14,660		14,660	N/A
IDEA ROOM & BOARD	84.027	13-4625-00		31,005		31,005		14,660	N/A
TOTAL OTHER PASS-THROUGH ENTITIES			0	154,476	0	154,476	0	43,980	0

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- 1 To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- 2 When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- 3 When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- 4 Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT #34**  
**40-056-0340-26**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2014**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/12-6/30/13 (C)	Year 7/1/13-6/30/14 (D)	Year 7/1/12-6/30/13 (E)	Year 7/1/13-6/30/14 (F)			
TOTAL FEDERAL FUNDS:									
PASS-THROUGH ILLINOIS STATE BOARD OF EDUCATION			662,638	895,414	681,041	962,758	38,433	1,682,232	835,432
PASS-THROUGH DEPARTMENT OF PUBLIC AID			0	20,690	0	20,690	0	20,690	0
PASS-THROUGH OTHER ENTITIES			0	154,476	0	154,476	0	43,980	0
TOTAL FEDERAL FUNDS			662,638	1,070,580	681,041	1,137,924	38,433	1,746,902	835,432

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- <sup>1</sup> To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- <sup>2</sup> When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- <sup>3</sup> When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- <sup>4</sup> Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

## **NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2014

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### General

The accompanying Schedule of Expenditures of Federal Financial Awards presents the activity of federal programs of North Mac Community Unit School District No. 34. The District's reporting entity is defined in Note 1-A to the District's basic financial statements.

#### Basis of Accounting

The accompanying Schedule of Expenditures of Federal Financial Awards is presented using the cash basis of accounting, which is described in Note 1 to the District's basic financial statements.

#### Relationship to Basic Financial Statements

Federal Awards Received are reflected in the District's basic financial statements within the Educational Fund as receipts from federal sources.

#### Relationship to Program Financial Reports

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the Program Financial Reports for programs which have filed final reports at June 30, 2014, with the Illinois State Board of Education.

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT #34**  
**40-056-0340-26**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2014**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

1. FINDING NUMBER:<sup>11</sup>    2014-\_\_\_\_\_    2. THIS FINDING IS:     New     Repeat from Prior Year?  
Year originally reported? \_\_\_\_\_

3. Criteria or specific requirement  
NO AUDIT FINDINGS FOR FISCAL YEAR END JUNE 30, 2014

4. Condition

5. Context<sup>12</sup>

6. Effect

7. Cause

8. Recommendation

9. Management's response<sup>13</sup>

**For ISBE Review**

Date:	Resolution Criteria Code Number
Initials:	Disposition of Questioned Costs Code Letter

<sup>11</sup> A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2014 would be assigned a reference number of 2014-001, 2014-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

<sup>12</sup> Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

<sup>13</sup> See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT #34  
40-056-0340-26  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2014

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:<sup>14</sup>      2014- \_\_\_\_\_      2. THIS FINDING IS:       New       Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year: \_\_\_\_\_

4. Project No.: \_\_\_\_\_

5. CFDA No.: \_\_\_\_\_

6. Passed Through: \_\_\_\_\_

7. Federal Agency: \_\_\_\_\_

8. Criteria or specific requirement (including statutory, regulatory, or other citation)  
NO AUDIT FINDINGS FOR FISCAL YEAR END JUNE 30, 2014

9. Condition<sup>16</sup>

10. Questioned Costs<sup>16</sup>

11. Context<sup>17</sup>

12. Effect

13. Cause

14. Recommendation

15. Management's response<sup>18</sup>

For ISBE Review

Date: \_\_\_\_\_

Resolution Criteria Code Number: \_\_\_\_\_

Initials: \_\_\_\_\_

Disposition of Questioned Costs Code Letter: \_\_\_\_\_

<sup>14</sup> See footnote 11.

<sup>15</sup> Include facts that support the deficiency identified on the audit finding.

<sup>16</sup> Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.

<sup>17</sup> See footnote 12.

<sup>18</sup> To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

# **NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2014

### Summary of Auditor's Results

1. We have audited the combined cash basis financial statements of North Mac Community Unit School District No. 34 as of and for the year ended June 30, 2014. The District's policy is to prepare its basic financial statements on the cash basis which is a comprehensive basis of accounting other than generally accepted accounting principles. Also, the cash basis financial statements are issued in a format to comply with regulatory provisions prescribed by the Illinois State Board of Education. This practice differs from generally accepted accounting principles in that combined and combining financial statements are not required. The auditor's report expresses an adverse opinion on the basic financial statements prepared in accordance with a comprehensive basis of accounting other than generally accepted accounting principles.
2. No reportable condition relating to the audit of the financial statements was reported in the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.
3. Our audit disclosed no instances of noncompliance which are material to the financial statements of North Mac Community Unit School District No. 34.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program, Internal Control Over Compliance in Accordance With OMB Circular A-133, and Schedule of Expenditures of Federal Awards.
5. We have audited the compliance of North Mac Community Unit School District No. 34 with the types of compliance requirements described in the Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major programs for the year ended June 30, 2014, and have issued our unqualified opinion thereon dated October 3, 2014.
6. The following programs were identified as major programs in accordance with requirements described in Section 520 of the U.S. of Management and Budget (OMB) Circular A-133:

<u>Program</u>	<u>CFDA Number</u>
National School Lunch Program	10.555
School Breakfast Program	10.553
Special Milk Program	10.556
Title I - Low Income	84.010

7. The threshold for distinguishing types A and B programs was \$300,000.
8. North Mac Community Unit School District No. 34 was considered as a high risk auditee.

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT #34**  
**40-056-0340-26**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>**  
**Year Ending June 30, 2014**

[If there are no prior year audit findings, please submit schedule and indicate NONE]

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status<sup>20</sup></u>
NONE		

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When possible, all prior findings should be on the same page

<sup>19</sup> See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

<sup>20</sup> Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT #34**  
**40-056-0340-26**  
**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS<sup>21</sup>**  
**Year Ending June 30, 2014**

Corrective Action Plan

Finding No.: **2014- N/A**

Condition:

Plan:

Anticipated Date of Completion:

Name of Contact Person: [Name and Title of person responsible for implementation]

Management Response: [If applicable, an explanation giving specific reasons if the district officials do not agree with the finding and believe that corrective action is unnecessary.]

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<sup>21</sup> See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.