

**NORTH MAC COMMUNITY UNIT**  
**SCHOOL DISTRICT NO. 34**  
GIRARD, ILLINOIS

ANNUAL FINANCIAL REPORT  
INCLUDING FEDERAL COMPLIANCE SECTION  
JUNE 30, 2012

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

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Independent Auditor's Report

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September 26, 2012

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

We have audited the accompanying financial statements of the North Mac Community Unit School District No. 34, as of and for the fiscal year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the North Mac Community Unit School District No. 34's management. 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note #1D, North Mac Community Unit School District No. 34 has prepared these financial statements using accounting practices prescribed or permitted by the Illinois State Board of Education, which practices differ from accounting principles generally accepted in the United States of America. Also as described in Note #1D, North Mac Community Unit School District No. 34 prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity 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, 2012, or changes in financial position for the fiscal 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.

In our opinion, except for the effects of the omissions described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of North Mac Community Unit School District No. 34 as of June 30, 2012, and its revenue received and expenditures disbursed during the fiscal year then ended, on the basis of accounting described in Note #1D.

In accordance with Government Auditing Standards, we have also issued a report dated September 26, 2012, 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 our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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 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 State, 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 2011 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures applied by us and our report dated September 26, 2011 expressed an unqualified opinion that such information was fairly stated in all material respects in relation to the 2011 financial statements taken as a whole.

Certified Public Accountants

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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September 26, 2012

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

We have audited the financial statements of the North Mac Community Unit School District No. 34 as of and for the year ended June 30, 2012, and have issued our report thereon dated September 26, 2012. 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 Standards Boards 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

Management of North Mac Community Unit School District No. 34 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered North Mac Community Unit School District No. 34's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the school district's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the school district's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the school district's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### 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 of 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 September 26, 2012 to the Board of Education addressing those required communications.

This report is intended solely for the information and use of the Board of Education, management, the Illinois State Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Certified Public Accountants

Independent Auditor's Report on Compliance with Requirements  
That Could Have a Direct and Material Effect on  
Each Major Program and Internal Control Over  
Compliance in Accordance with OMB Circular A-133  
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September 26, 2012

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

Compliance

We have audited North Mac Community Unit School District No. 34's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of North Mac Community Unit School District No. 34's management. Our responsibility is to express an opinion on North Mac Community Unit School District No. 34's compliance based on our audit.

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. Our audit does not provide a legal determination on North Mac Community Unit School District No. 34's compliance with those requirements.

In our opinion, North Mac Community Unit School District No. 34 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

## Internal Control Over Compliance

The management of North Mac Community Unit School District No. 34 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered North Mac Community Unit School District No. 34's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above.

This report is intended solely for the information of the Board of Education, management, the Illinois State Board of Education, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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, 2012

<u>ASSETS</u>	Educational Fund	Operations & Maintenance Fund	Bond and Interest Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
Cash	\$ 274,669	\$ 89,214	\$ 81,132	\$ 1,860	\$ 41,116
Investments	-	-	-	-	-
Due From Transportation Fund	-	-	-	-	-
General Fixed Assets	-	-	-	-	-
Amount Available in Debt Service Fund	-	-	-	-	-
Amount to be Provided for Payment of Bonds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 274,669</u></b>	<b><u>\$ 89,214</u></b>	<b><u>\$ 81,132</u></b>	<b><u>\$ 1,860</u></b>	<b><u>\$ 41,116</u></b>
 <u>LIABILITIES AND FUND EQUITY</u>					
<b>LIABILITIES:</b>					
Due to Activity Funds					
Due to Working Cash Fund				\$ 120,000	
Bonds Payable				-	
Loans Payable	\$ -	\$ -	\$ -	-	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ -</u>
 <b>FUND EQUITY:</b>					
Restricted			\$ 81,132		\$ 41,116
Unassigned	\$ 274,669	\$ 89,214	-	\$ (118,140)	-
Investment In General Fixed Assets	-	-	-	-	-
Total Fund Equity	<u>\$ 274,669</u>	<u>\$ 89,214</u>	<u>\$ 81,132</u>	<u>\$ (118,140)</u>	<u>\$ 41,116</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 274,669</u></b>	<b><u>\$ 89,214</u></b>	<b><u>\$ 81,132</u></b>	<b><u>\$ 1,860</u></b>	<b><u>\$ 41,116</u></b>

**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, 2012

<u>ASSETS</u>	<u>Working Cash Fund</u>	<u>Tort Fund</u>	<u>Fire Prevention and Safety Fund</u>	<u>Activity Funds</u>	<u>General Fixed Assets Group</u>	<u>General Long-Term Debt</u>	<u>Total (Memorandum Only)</u>
Cash	\$ 154,920	\$ 61,244	\$ 81,313	\$ 132,654			\$ 918,122
Investments	484,202	-	98,508	-			582,710
Due From Transportation Fund	120,000	-	-	-			120,000
General Fixed Assets	-	-	-	-	\$ 20,814,638		20,814,638
Amount Available in Debt Service Fund	-	-	-	-		\$ 81,132	81,132
Amount to be Provided for Payment of Bonds	-	-	-	-	-	4,191,623	4,191,623
<b>TOTAL ASSETS</b>	<b><u>\$ 759,122</u></b>	<b><u>\$ 61,244</u></b>	<b><u>\$ 179,821</u></b>	<b><u>\$ 132,654</u></b>	<b><u>\$ 20,814,638</u></b>	<b><u>\$ 4,272,755</u></b>	<b><u>\$ 26,708,225</u></b>
 <u>LIABILITIES AND FUND EQUITY</u>							
LIABILITIES:							
Due to Activity Funds				\$ 132,654			\$ 132,654
Due to Working Cash Fund				-			120,000
Bonds Payable				-		\$ 4,035,000	4,035,000
Loans Payable	\$ -	\$ -	\$ -	-	\$ -	237,755	237,755
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,654</u>	<u>\$ -</u>	<u>\$ 4,272,755</u>	<u>\$ 4,525,409</u>
 FUND EQUITY:							
Restricted		\$ 61,244	\$ 179,821				\$ 363,313
Unassigned	\$ 759,122	-	-				1,004,865
Investment In General Fixed Assets	-	-	-	\$ -	\$ 20,814,638	\$ -	20,814,638
Total Fund Equity	<u>\$ 759,122</u>	<u>\$ 61,244</u>	<u>\$ 179,821</u>	<u>\$ -</u>	<u>\$ 20,814,638</u>	<u>\$ -</u>	<u>\$ 22,182,816</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 759,122</u></b>	<b><u>\$ 61,244</u></b>	<b><u>\$ 179,821</u></b>	<b><u>\$ 132,654</u></b>	<b><u>\$ 20,814,638</u></b>	<b><u>\$ 4,272,755</u></b>	<b><u>\$ 26,708,225</u></b>

**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, 2012

	<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>
<b>REVENUES RECEIVED:</b>									
Local Sources	\$ 3,836,094	\$ 703,052	\$ 774,607	\$ 257,554	\$ 145,129	\$ 54,576	\$ 58,340	\$ 54,082	\$ 5,883,434
State Sources	6,479,001	766,333	-	453,433	-	-	-	-	7,698,767
Federal Sources	<u>1,053,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,053,415</u>
Total Direct Revenues Received	\$ 11,368,510	\$ 1,469,385	\$ 774,607	\$ 710,987	\$ 145,129	\$ 54,576	\$ 58,340	\$ 54,082	\$ 14,635,616
On-Behalf Payments	<u>1,574,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,574,832</u>
Total Revenues Received	<u>\$ 12,943,342</u>	<u>\$ 1,469,385</u>	<u>\$ 774,607</u>	<u>\$ 710,987</u>	<u>\$ 145,129</u>	<u>\$ 54,576</u>	<u>\$ 58,340</u>	<u>\$ 54,082</u>	<u>\$ 16,210,448</u>
<b>EXPENDITURES DISBURSED:</b>									
Instruction	\$ 6,937,549				\$ 108,963				\$ 7,046,512
Supporting Services	2,687,279	\$ 1,615,235		\$ 817,114	312,515		\$ 155,914	\$ 66,936	5,654,993
Community Services	-	-		-	-		-	-	-
Non-Programmed Charges	2,760,790	-		-	-		-	-	2,760,790
Debt Service	<u>-</u>	<u>-</u>	<u>\$ 764,351</u>	<u>134,999</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>899,350</u>
Total Direct Expenditures Disbursed	\$ 12,385,618	\$ 1,615,235	\$ 764,351	\$ 952,113	\$ 421,478	\$ -	\$ 155,914	\$ 66,936	\$ 16,361,645
On-Behalf Payments	<u>1,574,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,574,832</u>
Total Expenditures Disbursed	<u>\$ 13,960,450</u>	<u>\$ 1,615,235</u>	<u>\$ 764,351</u>	<u>\$ 952,113</u>	<u>\$ 421,478</u>	<u>\$ -</u>	<u>\$ 155,914</u>	<u>\$ 66,936</u>	<u>\$ 17,936,477</u>

**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, 2012

	<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	\$ (1,017,108)	\$ (145,850)	\$ 10,256	\$ (241,126)	\$ (276,349)	\$ 54,576	\$ (97,574)	\$ (12,854)	\$ (1,726,029)
OTHER FINANCING SOURCES (USES): PERMANENT TRANSFERS	-	-	-	-	-	-	-	-	-
REVENUES RECEIVED AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES DISBURSED AND OTHER FINANCING (USES)	\$ (1,017,108)	\$ (145,850)	\$ 10,256	\$ (241,126)	\$ (276,349)	\$ 54,576	\$ (97,574)	\$ (12,854)	\$ (1,726,029)
FUND BALANCE, BEGINNING OF YEAR	<u>1,291,777</u>	<u>235,064</u>	<u>70,876</u>	<u>122,986</u>	<u>317,465</u>	<u>704,546</u>	<u>158,818</u>	<u>192,675</u>	<u>3,094,207</u>
FUND BALANCE, END OF YEAR	<u>\$ 274,669</u>	<u>\$ 89,214</u>	<u>\$ 81,132</u>	<u>\$ (118,140)</u>	<u>\$ 41,116</u>	<u>\$ 759,122</u>	<u>\$ 61,244</u>	<u>\$ 179,821</u>	<u>\$ 1,368,178</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

## **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, 2012

### **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, 2012

### **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, 2012, 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, 2012, 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, 2012, 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, 2012

## **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, 2012

**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	-	-	-	-	\$ 274,669	-	\$ 274,669
Operations & Maintenance	-	-	-	-	89,214	-	89,214
Bond & Interest	-	\$ 81,132	-	-	-	\$ 81,132	-
Transportation	-	-	-	-	(118,140)	-	(118,140)
Municipal Retirement	-	41,116	-	-	-	41,116	-
Working Cash	-	-	-	-	759,122	-	759,122
Tort Liability	-	61,244	-	-	-	61,244	-
Fire Prevention and Safety	-	179,821	-	-	-	179,821	-

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, 2012

### **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 28, 2011.

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, 2012

## **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.

There 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, 2012 are classified in the accompanying financial statements as follows:

Cash	\$ 918,122
Investments	582,710
Total	<u>\$ 1,500,832</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

### **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, and 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, 2012

### **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	\$ <u>582,710</u>	N/A
	\$ <u>582,710</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, 2012

**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 2011 levy on December 16, 2011. 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 2011 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 Limit	Tax Levy Years	
		<u>2011</u>	<u>2010</u>
<u>Tax Rates by Levy:</u>			
Educational	2.89000	2.8900	2.8900
Operations and Maintenance	0.59000	0.5900	0.5900
Bond and Interest	As Needed	0.6879	0.7202
Transportation	0.24000	0.2400	0.2400
Municipal Retirement	As Needed	0.0662	0.0479
Tort Immunity	As Needed	0.2971	0.0461
Special Education	0.04000	0.0400	0.0400
Fire Prevention and Safety	0.05000	0.0500	0.0500
Social Security	As Needed	0.0811	0.0719
Working Cash	0.05000	0.0500	0.0500
Facility Leasing	0.05000	<u>0.0500</u>	<u>0.0500</u>
Total		<u>5.0422</u>	<u>4.7961</u>
ASSESSED VALUATION		<u>\$ 110,461,469</u>	<u>\$108,657,170</u>
 <u>Tax Extensions by Levy:</u>			
Educational		\$ 3,192,057	\$ 3,140,192
Operations and Maintenance		651,723	641,077
Bond and Interest		761,245	784,693
Transportation		265,107	260,777
Municipal Retirement		73,246	52,158
Tort Immunity		328,753	50,229
Special Education		44,185	43,463
Fire Prevention and Safety		55,231	54,329
Social Security		89,767	78,286
Working Cash		55,231	54,329
Facility Leasing		55,231	54,329
Total		<u>\$ 5,571,776</u>	<u>\$ 5,213,862</u>
 <u>Tax Collections by Year Ending:</u>			
2010			<u>\$ 5,205,316</u>
Total			<u>\$ 5,205,316</u>
Percent of Total Levy Collected			<u>99.84%</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

**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, 2011	\$ 192,675
Proceeds from Tax Levy	53,483
Interest Earned	599
Amounts (Expended) for Fire and Safety Construction	<u>(66,936)</u>
Unexpended Balance, June 30, 2012	<u>\$ 179,821</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, 2011	\$ 158,818
TORT RECEIPTS:	
Proceeds from Tax Levy	58,308
Interest	<u>32</u>
Total Available	<u>\$ 217,158</u>
TORT EXPENDITURES:	
Insurance	\$ 144,745
Legal Services	53
Risk Management	<u>11,116</u>
Total Expended	<u>\$ 155,914</u>
Unexpended Balance, June 30, 2012	<u>\$ 61,244</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, 2012

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

A summary of changes in General Fixed Assets follows:

	Balance <u>07/01/11</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06/30/12</u>
Land	\$ 307,026			\$ 307,026
Improvements	390,726	\$ 57,737		448,463
Buildings	15,319,273	-		15,319,273
Transportation Equipment	1,554,653	169,814		1,724,467
Other Equipment	<u>2,813,406</u>	<u>202,003</u>	\$ -	<u>3,015,409</u>
Totals	<u>\$ 20,385,084</u>	<u>\$ 429,554</u>	<u>\$ -</u>	<u>\$ 20,814,638</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 certification is required. The active member contribution rate for the year ended June 30, 2012 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, 2011 and 2010.

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, 2012

### **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, 2012, State of Illinois contributions were based on 24.91 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$1,521,096 in pension contributions that the State of Illinois paid directly to TRS. For the year ended June 30, 2011, the State of Illinois contribution rate as percentages of creditable earnings not paid from federal funds was 23.10 percent (\$1,342,004).

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, 2012 were \$35,417. Contributions for the year ending June 30, 2011 was \$33,695.

##### ● Federal and Special Trust Fund Contributions

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

For the year ended June 30, 2012, the employer pension contribution was 24.91 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2011 the employer contribution was 23.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2012, salaries totaling \$246,218 were paid from federal and special trust funds that required employer contributions of \$61,333. For the year ended June 30, 2011, required district contributions was \$62,941.

##### ● Early Retirement Option (ERO)

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

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

For the years ended June 30, 2012 and June 30, 2011, the district paid \$0 to TRS for employer contributions under the ERO program.

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

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

### **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 years ended June 30, 2012 and June 30, 2011, the district paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.83 percent of salary during the year ended June 30, 2012).

For the years ended June 30, 2012 and June 30, 2011, the district paid \$0 to TRS for sick leave days granted in the excess of the normal annual allotment.

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, 2011. The report for the year ended June 30, 2012, is expected to be available in late 2012.

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by 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, 2012

### **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 0.88 percent of pay during the year ended June 30, 2012. State of Illinois contributions were \$53,736 and the district recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the year ended June 30, 2011 were also 0.88 percent of pay. State contributions on behalf of district employees were \$51,124.

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 0.66 percent during the years ended June 30, 2012 and June 30, 2011, and 0.63 percent during the year ended June 30, 2010. For the year ended June 30, 2012, the district paid \$40,302 to the THIS Fund. For the years ended June 30, 2011, the district paid \$38,343 to the THIS Fund, which was 100 percent of the required contribution.

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

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. 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, 2012

**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 2011 was 10.88 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 2011 was \$201,397.

TREND INFORMATION

Calendar Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/11	\$ 201,397	100%	\$ *
12/31/10	94,063	100%	-
12/31/09	-	100%	-

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, 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, 2009 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, 2011, the most recent actuarial valuation date, the Regular plan was 47.88 percent funded. The actuarial accrued liability for benefits was \$3,684,113 and the actuarial value of assets was \$1,764,033, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,920,080. The covered payroll for the calendar year 2011 (annual payroll of active employees covered by the plan) was \$1,851,078 and the ratio of the UAAL to the covered payroll was 104%.

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

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

**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)
12/31/11	\$ 1,764,033	\$ 3,684,113	\$ 1,920,080	47.88%	\$ 1,851,078	103.73%
12/31/10	3,466,643	4,278,824	812,181	81.02%	864,553	93.94%
12/31/09	-	-	-	0.00%	-	N/A

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$1,593,173. On a market basis, the funded ratio would be 43.24 percent.

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 \$125,745 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, 2012:

	Loans <u>Payable</u>	Bonds <u>Payable</u>	<u>Total</u>
Beginning July 1, 2011	\$ 200,388	\$ 4,545,000	\$ 4,745,388
Issued During the Year	169,090	-	169,090
Retired During the Year	<u>131,723</u>	<u>510,000</u>	<u>641,723</u>
Ending June 30, 2012	<u>\$ 237,755</u>	<u>\$ 4,035,000</u>	<u>\$ 4,272,755</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

### **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, 2012, 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 \$15,243,683. As of June 30, 2012, the District's debt is under the debt limit by \$11,208,683.

#### B. Excess of Expenses over Budget

The Education Fund had expenditures of \$12,385,618, which exceeded the adopted annual operating budget of \$11,645,035 by \$740,583.

The Operations and Management Fund had expenditures of \$1,615,235, which exceeded the adopted annual operating budget of \$1,286,299 by \$328,936.

The Transportation Fund had expenditures of \$952,113, which exceeded the adopted annual operating budget of \$737,816 by \$214,297.

The Fire Prevention/Safety Fund had expenditures of \$66,936, which exceeded the adopted annual operating budget of \$3,000 by \$63,936.

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

### **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, 2012

**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, 2012, the District's employees had accumulated a total of 16,029 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 \$1,267,000.

**NOTE 13. DEBT SERVICE REQUIREMENTS**

As of June 30, 2012 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, 2012, 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>
2013	\$ 575,000	\$ 212,023	\$ 787,023
2014	605,000	160,369	765,369
2015	375,000	127,848	502,848
2016	405,000	97,298	502,298
Thereafter	<u>2,075,000</u>	<u>149,043</u>	<u>2,224,043</u>
	<u>\$ 4,035,000</u>	<u>\$ 746,581</u>	<u>\$ 4,781,581</u>

Loans Payable

Loan on Driver's Education car from Prairie State Bank dated July 1, 2009 provides for monthly payments of \$378.88, including principal and interest, beginning August 1, 2009. Interest is payable at the rate of 4.5% per annum.

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

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

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

Loans Payable (Continued)

Ponder Equipment Lease dated January 9, 2009 provides for 5 yearly payments of \$34,248.06, including principal and interest.

DCFS USA LLC Lease dated August 15, 2009 provides for 5 yearly payments of \$18,275, including principal and interest, at an interest rate of 5.37%.

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, 2012 are as follows:

Year Ending				
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2013	\$ 93,607	\$ 9,532	\$ 103,139	
2014	61,768	5,783	67,551	
2015	47,367	3,133	50,500	
2016	<u>35,013</u>	<u>1,284</u>	<u>36,297</u>	
	<u>\$ 237,755</u>	<u>\$ 19,732</u>	<u>\$ 257,487</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, 2012

## REVENUES RECEIVED:

## Local Sources:

## Taxes -

Property Taxes	\$ 3,100,989	
Property Taxes - Leasing Levy	53,395	
Property Taxes - Special Education Levy	42,691	
Personal Property Replacement Taxes	<u>158,891</u>	
Total Taxes		\$ 3,355,966

## Other -

Summer School Tuition	\$ 2,704	
Interest Income	3,722	
Food Services	227,331	
Student Activities	47,148	
Textbooks	109,533	
Services Provided Other LEA's	<u>89,690</u>	
Total Other		<u>480,128</u>
Total Local Sources		\$ 3,836,094

## State Sources:

General State Aid	\$ 4,607,205	
Reorganization Incentives	655,053	
Driver Education	12,138	
Career and Technical Education	5,000	
Special Education	460,217	
School Lunch	14,013	
Early Childhood	<u>725,375</u>	
Total State Sources		6,479,001

## Federal Sources:

Title I - Low Income	\$ 235,944	
Food Service	329,408	
Medicaid Matching	57,281	
Spec Education - IDEA	376,967	
Title II - Teacher Quality	<u>53,815</u>	
Total Federal Sources		<u>1,053,415</u>

## TOTAL REVENUES RECEIVED

\$ 11,368,510

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

OPERATIONS AND MAINTENANCE FUND  
 SCHEDULE OF REVENUES RECEIVED  
 FOR THE YEAR ENDED JUNE 30, 2012

REVENUES RECEIVED:

Local Sources:

Taxes -		
Property Taxes		\$ 633,135
Other -		
Interest Income	\$ 212	
Insurance Claims/Rebates/Refunds	<u>69,705</u>	
Total Other		<u>69,917</u>
Total Local Sources		\$ 703,052

State Sources:

General State Aid	\$ <u>766,333</u>	
Total State Sources		<u>766,333</u>

TOTAL REVENUES RECEIVED		<u>\$ 1,469,385</u>
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**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

TRANSPORTATION FUND  
 SCHEDULE OF REVENUES RECEIVED  
 FOR THE YEAR ENDED JUNE 30, 2012

REVENUES RECEIVED:

Local Sources:

Taxes -		
Property Taxes		\$ 257,351
Other -		
Interest Income	\$ 86	
Services Provided Others LEA's	<u>117</u>	
Total Other		<u>203</u>
Total Local Sources		\$ 257,554

State Sources:

General State Aid	\$ 70,000	
Transportation Aid - Regular	199,442	
Transportation Aid - Special Ed	<u>183,991</u>	
Total State Sources		<u>453,433</u>

TOTAL REVENUES RECEIVED		<u>\$ 710,987</u>
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**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

MUNICIPAL RETIREMENT / SOCIAL SECURITY FUND  
SCHEDULE OF REVENUES RECEIVED  
FOR THE YEAR ENDED JUNE 30, 2012

REVENUES RECEIVED:

Local Sources:

Taxes -

Property Taxes - IMRF Levy	\$ 52,074
Property Taxes - Social Security Levy	77,501
Personal Property Replacement Taxes	<u>15,510</u>
Total Taxes	\$ 145,085

Other -

Interest Income	<u>44</u>
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TOTAL REVENUES RECEIVED	<u>\$ 145,129</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, 2012

REVENUES RECEIVED:	
Local Sources:	
Property Taxes	\$ 773,783
Other -	
Interest Income	<u>824</u>
TOTAL REVENUES RECEIVED	<u>\$ 774,607</u>

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

FIRE PREVENTION AND SAFETY FUND  
SCHEDULE OF REVENUES RECEIVED  
FOR THE YEAR ENDED JUNE 30, 2012

REVENUES RECEIVED:	
Local Sources:	
Taxes -	
Property Taxes	\$ 53,483
Other -	
Interest Income	<u>599</u>
TOTAL REVENUES RECEIVED	<u>\$ 54,082</u>

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

WORKING CASH FUND  
SCHEDULE OF REVENUES RECEIVED  
FOR THE YEAR ENDED JUNE 30, 2012

REVENUES RECEIVED:

Local Sources:

Property Taxes

\$ 53,483

Other -

Interest Income

1,093

TOTAL REVENUES RECEIVED

\$ 54,576

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

TORT FUND  
SCHEDULE OF REVENUES RECEIVED  
FOR THE YEAR ENDED JUNE 30, 2012

REVENUES RECEIVED:		
Local Sources:		
Property Taxes	\$	58,308
Other -		
Interest Income		<u>32</u>
TOTAL REVENUES RECEIVED	\$	<u>58,340</u>

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

SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

EDUCATIONAL FUND:	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Total	Budget
Instruction:								
Regular Programs	\$ 4,267,583	\$ 1,148,382	\$ 12,827	\$ 271,631	\$ 7,343		\$ 5,707,766	\$ 5,178,229
Pre-K Programs	266,803	81,109	18,905	55,978	26,055		448,850	409,217
Educationally Deprived / Remedial Programs	254,974	129,799	65,574	16,819	77,507		544,673	332,677
Interscholastic Programs	<u>147,647</u>	<u>14,937</u>	<u>31,714</u>	<u>41,399</u>	<u>563</u>	\$ -	<u>236,260</u>	<u>200,600</u>
Total Instruction	<u>\$ 4,937,007</u>	<u>\$ 1,374,227</u>	<u>\$ 129,020</u>	<u>\$ 385,827</u>	<u>\$ 111,468</u>	<u>\$ -</u>	<u>\$ 6,937,549</u>	<u>\$ 6,120,723</u>
Support Services:								
Pupils --								
Attendance and Social Work Services								
Guidance Services	\$ 154,313	\$ 41,393	\$ 738	\$ 3,218			\$ 199,662	\$ 199,014
Health Services	71,842	18,312	374	3,356			93,884	34,828
Other	-	-	-	-	\$ -	\$ -	-	<u>3,500</u>
Total Pupils	<u>\$ 226,155</u>	<u>\$ 59,705</u>	<u>\$ 1,112</u>	<u>\$ 6,574</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 293,546</u>	<u>\$ 237,342</u>
Instructional Staff --								
Educational Media Services	<u>\$ 141,627</u>	<u>\$ 35,836</u>	<u>\$ 213,928</u>	<u>\$ 62,513</u>	<u>\$ 51,363</u>	<u>\$ -</u>	<u>\$ 505,267</u>	<u>\$ 597,628</u>
Total Instructional Staff	<u>\$ 141,627</u>	<u>\$ 35,836</u>	<u>\$ 213,928</u>	<u>\$ 62,513</u>	<u>\$ 51,363</u>	<u>\$ -</u>	<u>\$ 505,267</u>	<u>\$ 597,628</u>
General Administration --								
Board of Education Services	\$ 550	\$ 77	\$ 37,880	\$ 5,987		\$ 28,747	\$ 73,241	\$ 102,500
Executive Administration Services	<u>290,404</u>	<u>57,071</u>	<u>2,795</u>	<u>2,048</u>	<u>\$ -</u>	<u>315</u>	<u>352,633</u>	<u>325,026</u>
Total General Administration	<u>\$ 290,954</u>	<u>\$ 57,148</u>	<u>\$ 40,675</u>	<u>\$ 8,035</u>	<u>\$ -</u>	<u>\$ 29,062</u>	<u>\$ 425,874</u>	<u>\$ 427,526</u>
School Administration --								
Office of Principal Services	<u>\$ 523,587</u>	<u>\$ 176,561</u>	<u>\$ 4,075</u>	<u>\$ 14,060</u>	<u>\$ 6,308</u>	<u>\$ -</u>	<u>\$ 724,591</u>	<u>\$ 656,333</u>

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

SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

EDUCATIONAL FUND: (Continued)	<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>
Support Services: (Continued)								
Business --								
Fiscal Services	\$ 64,108	\$ 10,571	\$ 4,764	\$ 1,794			\$ 81,237	\$ 68,945
Food Services	<u>226,412</u>	<u>39,577</u>	<u>3,056</u>	<u>344,314</u>	\$ -	\$ -	<u>613,359</u>	<u>610,400</u>
Total Business	<u>\$ 290,520</u>	<u>\$ 50,148</u>	<u>\$ 7,820</u>	<u>\$ 346,108</u>	\$ -	\$ -	<u>\$ 694,596</u>	<u>\$ 679,345</u>
Other	-	-	<u>39,533</u>	-	-	<u>3,872</u>	<u>43,405</u>	-
Total Support Services	<u>\$ 1,472,843</u>	<u>\$ 379,398</u>	<u>\$ 307,143</u>	<u>\$ 437,290</u>	<u>\$ 57,671</u>	<u>\$ 32,934</u>	<u>\$ 2,687,279</u>	<u>\$ 2,598,174</u>
Nonprogrammed Charges:								
Payments to Other Government Units --								
Payments for Special Education Programs						\$ 2,691,490	\$ 2,691,490	\$ 2,880,138
Payments for Vocational Programs	\$ -	\$ -	\$ -	\$ -	\$ -	<u>69,300</u>	<u>69,300</u>	<u>46,000</u>
Total Nonprogrammed Charges	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,760,790</u>	<u>\$ 2,760,790</u>	<u>\$ 2,926,138</u>
Total Expenditures Disbursed	<u>\$ 6,409,850</u>	<u>\$ 1,753,625</u>	<u>\$ 436,163</u>	<u>\$ 823,117</u>	<u>\$ 169,139</u>	<u>\$ 2,793,724</u>	<u>\$ 12,385,618</u>	<u>\$ 11,645,035</u>

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

SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	<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	\$ 542,571	\$ 117,180	\$ 406,514	\$ 491,233	\$ 57,737	\$ -	\$ 1,615,235	\$ 1,286,299
Total Expenditures Disbursed	\$ 542,571	\$ 117,180	\$ 406,514	\$ 491,233	\$ 57,737	\$ -	\$ 1,615,235	\$ 1,286,299
<b>BOND AND INTEREST FUND:</b>								
Debt Services:								
Interest on Bonds						\$ 248,541	\$ 248,541	\$ 272,700
Bond Principal Retired						514,302	514,302	514,421
Other	\$ -	\$ -	\$ -	\$ -	\$ -	1,508	1,508	-
Total Expenditures Disbursed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 764,351	\$ 764,351	\$ 787,121
<b>TRANSPORTATION FUND:</b>								
Support Services:								
Business --								
Pupil Transportation Services	\$ 534,718	\$ 68,968	\$ 53,795	\$ 159,027	\$ 526	\$ 80	\$ 817,114	\$ 737,816
Debt Services:								
Interest						\$ 7,578	\$ 7,578	
Debt Services	\$ -	\$ -	\$ -	\$ -	\$ -	127,421	127,421	\$ -
Total Debt Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,999	\$ 134,999	\$ -
Total Expenditures Disbursed	\$ 534,718	\$ 68,968	\$ 53,795	\$ 159,027	\$ 526	\$ 135,079	\$ 952,113	\$ 737,816

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

SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	<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		\$ 76,035					\$ 76,035	\$ 181,850
Pre-K Programs		15,056					15,056	1,000
Educationally Deprived / Remedial Programs		13,748					13,748	1,200
Vocational Programs		-					-	4,300
Interscholastic Programs	\$ -	4,124	\$ -	\$ -	\$ -	\$ -	4,124	5,450
Total Instruction	\$ -	\$ 108,963	\$ -	\$ -	\$ -	\$ -	\$ 108,963	\$ 193,800
Support Services:								
Pupils --								
Guidance Services		\$ 1,976					\$ 1,976	\$ 1,800
Health Services	\$ -	13,429	\$ -	\$ -	\$ -	\$ -	13,429	13,400
Total Pupils	\$ -	\$ 15,405	\$ -	\$ -	\$ -	\$ -	\$ 15,405	\$ 15,200
Instructional Staff --								
Educational Media Services	\$ -	\$ 1,621	\$ -	\$ -	\$ -	\$ -	\$ 1,621	\$ 1,600
Total Instructional Staff	\$ -	\$ 1,621	\$ -	\$ -	\$ -	\$ -	\$ 1,621	\$ 1,600

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

SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	<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		\$ 107					\$ 107	\$ 280
Executive Administration Services		12,283					12,283	11,260
Educations, Inspectional, Supervisory Services	\$ -	565	\$ -	\$ -	\$ -	\$ -	565	-
Total General Administration	\$ -	\$ 12,955	\$ -	\$ -	\$ -	\$ -	\$ 12,955	\$ 11,540
School Administration --								
Office of the Principal Services	\$ -	\$ 31,993	\$ -	\$ -	\$ -	\$ -	\$ 31,993	\$ 41,725
Business --								
Fiscal Services		\$ 12,575					\$ 12,575	
Operation & Maintenance of Plant Services		96,354					96,354	\$ 96,650
Pupil Transportation Services		96,893					96,893	88,100
Food Services	\$ -	44,719	\$ -	\$ -	\$ -	\$ -	44,719	43,800
Total Business	\$ -	\$ 250,541	\$ -	\$ -	\$ -	\$ -	\$ 250,541	\$ 228,550
Total Support Services	\$ -	\$ 312,515	\$ -	\$ -	\$ -	\$ -	\$ 312,515	\$ 298,615
 Total Expenditures Disbursed	 \$ -	 \$ 421,478	 \$ -	 \$ -	 \$ -	 \$ -	 \$ 421,478	 \$ 492,415

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

SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	<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 --								
Insurance Payments			\$ 144,745				\$ 144,745	\$ 154,650
Educational, Inspectional, Supervisory Service	\$ 7,380		2,401			\$ 1,335	11,116	26,195
Legal Services			53				53	10,000
Risk Management and Claims Services	-	\$ -	-	\$ -	\$ -	-	-	16,000
Total Expenditures Disbursed	<u>\$ 7,380</u>	<u>\$ -</u>	<u>\$ 147,199</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,335</u>	<u>\$ 155,914</u>	<u>\$ 206,845</u>
FIRE PREVENTION AND SAFETY FUND:								
Support Services:								
Business --								
Facilities Acquisition and Construction Services	\$ -	\$ -	\$ 34,072	\$ -	\$ 32,864	\$ -	\$ 66,936	\$ 3,000
Total Expenditures Disbursed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,072</u>	<u>\$ -</u>	<u>\$ 32,864</u>	<u>\$ -</u>	<u>\$ 66,936</u>	<u>\$ 3,000</u>

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE  
ARISING FROM CASH TRANSACTIONS  
ACTIVITY FUNDS  
JUNE 30, 2012ASSETS

Cash	\$ 132,654
Total Assets	<u>\$ 132,654</u>

LIABILITIES AND FUND BALANCE

6th Grade	\$ 1,638
HS PBIS	166
Activities/Athletics	5,574
Class of 2010	809
Class of 2011	1,892
Class of 2012	2,074
Class of 2013	4,877
Barn to Barn FFA	(1,088)
Drama Club	5,110
Eight Grade Teachers	594
FCA	3
FCCLA	309
Football	6,545
French Club	1,109
General Fund Resale Uniforms	3,972
Girard Elem Principal Office	2,546
Girard Elementary	530
Girard Yearbook	1,777
Golf	483
HS Art Club	258
HS Band	4,826
HS Baseball	842
HS Boys Basketball	2,523
HS Cheerleaders	965
HS Girls Basketball	2,556
HS Library	1,529
HS Library Fines	1,970
HS Principal Office	1,197
HS Scholastic	56
HS Science Club	1,074
HS Softball	3,731
HS Student Council	1,280
HS Track	7
HS Volleyball	1,764
Market Day	<u>5,401</u>
Sub-Total	<u>\$ 68,899</u>

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE  
ARISING FROM CASH TRANSACTIONS  
ACTIVITY FUNDS  
JUNE 30, 2012LIABILITIES AND FUND BALANCE (Continued)

Key Club	\$	869
Misc. Account-Brady		3,118
MS Activity Fund		1,686
Girard Elementary PBIS		225
Virden Elementary PBIS		225
MS BB Tournament		2,065
MS Boys Basketball		10
MS Cheerleaders		1,627
MS Girls Basketball		699
MS Principal Office		1,751
MS Scholastic		513
MS Science Club		2,417
MS Student Council		7,843
MS Track		763
MS Yearbook		662
National Honor Society		43
North Campus Nurse		1,655
North Campus Teachers Lounge		935
North Mac Foundation		3,746
HS Soccer		226
Revolving Account		(163)
Santa's Workshop		4,549
Science		180
Math Club		156
South Campus Vocal Music		998
South Campus Library		356
South Campus Nurse		612
South Campus Teachers Lounge		549
Spanish Club		656
Student Damage Items		154
Unit Office		2,799
Varsity Account		478
Virden Elementary		3,244
Virden Elem Library		1,999
Virden Yearbook		943
Web Club		30
MS Baseball		528
Class of 2015		1,454
Pre-K		1,201
Class of 2014		3,732
FFA		593
PBIS		882
MS Drama Club		2,906
MS Builders Club		582
Tournament Account		2,255
South Campus Elem Reading Program		<u>1,004</u>
Sub-Totals (This Page)	\$	63,755
Sub-Totals (Page 1)		<u>68,899</u>
Total School Activity Funds	\$	132,654
Total Liabilities and Fund Balance	\$	<u>132,654</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

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)**  
**DISTRICT/JOINT AGREEMENT**  
**Year Ending June 30, 2012**

DISTRICT/JOINT AGREEMENT NAME <b>NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT #34</b>	RCDT NUMBER <b>40-056-0034-26</b>	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER <b>060-003363</b>
ADMINISTRATIVE AGENT IF JOINT AGREEMENT MARICA CULLEN	(as applicable)	NAME AND ADDRESS OF AUDIT FIRM <b>KENNETH E. LOY &amp; COMPANY, P.C.</b> <b>#2 CROSSROADS CT.</b> <b>ALTON</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, CPA</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)

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT #34  
40-056-0034-26**

**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	\$ 1,053,415
Flow-through Federal Revenues		
Revenues 9-14, Line 112	Account 2200	-
Value of Commodities		
Indirect Cost Info 30, Line 11		39,515
Less: Medicaid Fee-for-Service		
Revenues 9-14, Line 269	Account 4992	(38,303)
<b>AFR TOTAL FEDERAL REVENUES:</b>		<b>\$ 1,054,627</b>

**ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:**

Reason for Adjustment:

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-----	-----
-----	-----
-----	-----
-----	-----

**ADJUSTED AFR FEDERAL REVENUES** \$ 1,054,627

Total Current Year Federal Revenues Reported on SEFA:		
Federal Revenues	Column D	\$ 1,054,627

**Adjustments to SEFA Federal Revenues:**

Reason for Adjustment:

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**ADJUSTED SEFA FEDERAL REVENUE:** \$ 1,054,627

**DIFFERENCE:** \$ -

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT #34**  
**40-056-0034-26**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2012**

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	Year	Year	Year			
			7/1/09-6/30/10 (C)	7/1/10-6/30/11 (D)	7/1/09-6/30/10 (E)	7/1/10-6/30/11 (F)			
U.S. DEPARTMENT OF AGRICULTURE PASS-THROUGH									
PROGRAMS FROM ILLINOIS STATE BOARD OF EDUCATION:									
(M) NATIONAL SCHOOL LUNCH PROGRAM	10.555	12-4210-00		223,848		223,848		223,848	N/A
NATIONAL SCHOOL LUNCH PROGRAM	10.555	11-4210-00	199,490	32,661	199,490	32,661		232,151	N/A
SCHOOL BREAKFAST PROGRAM	10.553	12-4220-00		59,513		59,513		59,513	N/A
SCHOOL BREAKFAST PROGRAM	10.553	11-4220-00	57,113	9,284	57,113	9,284		66,397	N/A
SPECIAL MILK PROGRAM	10.556	12-4215-00		3,637		3,637		3,637	N/A
SPECIAL MILK PROGRAM	10.556	11-4215-00	2,939	465	2,939	465		3,404	N/A
COMMODITIES (NON-CASH)	10.555	12-4250-00		28,103		28,103		28,103	N/A
DEPARTMENT OF DEFENSE FRESH FRUITS & VEGETABLES	10.555	12-4250-00		11,412		11,412		11,412	N/A
TOTAL U.S. DEPARTMENT OF AGRICULTURE									
PASS-THROUGH PROGRAMS			259,542	368,923	259,542	368,923	0	628,465	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**  
**40-056-0034-26**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2012**

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 7/1/09-6/30/10 (C)	Year 7/1/10-6/30/11 (D)	Year 7/1/09-6/30/10 (E)	Year 7/1/10-6/30/11 (F)			
UL.S. DEPARTMENT OF EDUCATION PASS-THROUGH									
PROGRAMS FROM ILLINOIS STATE BOARD OF EDUCATION:									
(M) TITLE I - LOW INCOME	84.010	12-4300-00		179,918		189,600		189,600	331,307
TILE I - LOW INCOME	84.010	11-4300-00	278,856	56,026	313,713	29,182		342,895	367,046
TITLE II - TEACHER QUALITY	84.367	12-4932-00		53,815		57,149		57,149	86,493
TOTAL U.S. DEPARTMENT OF EDUCATION - PASS-THROUGH PROGRAMS			278,856	289,759	313,713	275,931	0	589,644	784,846

• (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**  
**40-056-0034-26**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2012**

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 7/1/09-6/30/10 (C)	Year 7/1/10-6/30/11 (D)	Year 7/1/09-6/30/10 (E)	Year 7/1/10-6/30/11 (F)			
PASS-THROUGH FROM SPECIAL EDUCATION REGION:									
IDEA ROOM & BOARD	84.027	12-4625-00		108,109		108,109		108,109	N/A
IDEA ROOM & BOARD	84.027	11-4625-00	110,309	55,731	110,309	55,731		166,040	N/A
IDEA PART B PRESCHOOL	84.173	12-4600-00		114,388		114,388		114,388	86,493
(M) IDEA FLOW THROUGH	84.027	12-4620-00		98,739		98,739		98,739	86,493
TOTAL PASS-THROUGH FROM SPECIAL EDUCATION REGION			110,309	376,967	110,309	376,967	0	487,276	172,986
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES - PASS-THROUGH PROGRAMS FROM DEPARTMENT OF PUBLIC AID:									
MEDICAL ASSISTANCE PROGRAM	93.778	11-4991-00		18,978		18,978		18,978	N/A
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			0	18,978	0	18,978	0	18,978	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**  
**40-056-0034-26**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2012**

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 7/1/09-6/30/10 (C)	Year 7/1/10-6/30/11 (D)	Year 7/1/09-6/30/10 (E)	Year 7/1/10-6/30/11 (F)			
TOTAL FEDERAL FUNDS:									
PASS-THROUGH ILLINOIS STATE BOARD OF EDUCATION			538,398	658,682	573,255	644,854	0	1,218,109	784,846
PASS-THROUGH DEPARTMENT OF PUBLIC AID			0	18,978	0	18,978	0	18,978	0
PASS-THROUGH OTHER ENTITIES			110,309	376,967	110,309	376,967	0	487,276	172,986
TOTAL FEDERAL FUNDS			648,707	1,054,627	683,564	1,040,799	0	1,724,363	957,832

• (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, 2012

#### 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, 2012, with the Illinois State Board of Education.

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT #34**  
**40-056-0034-26**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2012**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

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1. FINDING NUMBER:<sup>11</sup> \_\_\_\_\_ 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, 2012

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4. Condition

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5. Context<sup>12</sup>

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6. Effect

---

7. Cause

---

8. Recommendation

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

**For ISBE Review**

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

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<sup>11</sup> A suggested format for assigning reference numbers is to use the last two 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 2003 would be assigned a reference number of 02-01, 02-02, 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 NO. 34**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2012

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, 2012. 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, 2012, and have issued our unqualified opinion thereon dated September 26, 2012.
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>
Title I - Low Income	84.010
National School Lunch Program	10.555
IDEA Flow Through	84.027

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**  
**40-056-0034-26**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>**  
**Year Ending June 30, 2012**

Finding Number

Condition

Current Status<sup>20</sup>

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

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**  
**40-056-0034-26**  
**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS<sup>21</sup>**  
**Year Ending June 30, 2012**

**Corrective Action Plan**

Finding No.:           N/A          

Condition:

Plan:

Anticipated Date of Completion:

Name of Contact Person:                    [person responsible for implementation]

Management Response:                    [if applicable, an explanation giving specific reasons if the district officials do not agree with the finding and believes 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.