

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

GIRARD, ILLINOIS

ANNUAL FINANCIAL REPORT  
INCLUDING FEDERAL COMPLIANCE SECTION  
JUNE 30, 2013

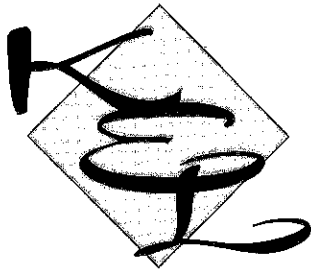
**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

TABLE OF CONTENTS

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

SUPPLEMENTAL INFORMATION: (Continued)

<u>Schedule</u>	<u>PAGE</u>
10 Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions - Activity Funds	46-48
11 Schedule of Per Capita Tuition Charge and Average Daily Attendance (Unaudited)	49
<u>ANNUAL FEDERAL COMPLIANCE SECTION</u>	
Annual Federal Financial Compliance Report, Cover Sheet	50
Reconciliation of Federal Revenues	51
Schedule of Expenditures of Federal Awards	52-56
Note to Schedule of Expenditures of Federal Awards	57
Schedule of Findings and Questioned Costs	58-60
Summary Schedule of Prior Audit Findings	61
Corrective Action Plan for Current Year Audit Findings	62



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### Independent Auditor's Report

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October 1, 2013

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

We have audited the accompanying financial statements and the related notes to the financial statements of the North Mac Community Unit School District No. 34, as of and for the fiscal year ended June 30, 2013, as listed in the table of contents.

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

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

#### **Auditor's Responsibility**

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of North Mac Community Unit School District No. 34, as of June 30, 2013, or changes in its financial position for the year then ended.

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

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

In our opinion, except for the effects of the omissions described in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets and liabilities arising from cash transactions of balances of each fund of North Mac Community Unit School District No. 34, as of June 30, 2013, and their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of the financial reporting provisions of Illinois State Board of Education as described in Note 1.D.

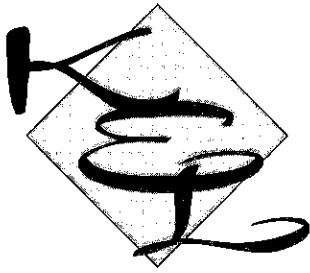
In accordance with Government Auditing Standards, we have also issued a report dated October 1, 2013, on our consideration of the North Mac Community Unit School District No. 34's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

The 2012 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, 2012, expressed an unqualified opinion that such information was fairly stated in all material respects in relation to the 2012 financial statements taken as a whole.

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

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

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October 1, 2013

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements and the related notes to the financial statements, which collectively comprise of North Mac Community Unit School District No. 34's basic financial statements, and have issued our report thereon dated October 1, 2013. Our opinion was adverse because financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated, except for the effects of the omitted disclosures required by Governmental Accounting Standard Board Statement 45, *Accounting and Financial Reporting for Post -Employment Benefits Other Than Pensions*, on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

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

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

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

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

### **Compliance and Other Matters**

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

In accordance with SAS No. 114 The Auditor's Communication With Those Charged With Governance, we have issued a separate letter dated October 1, 2013 to the Board of Education addressing those required communications.

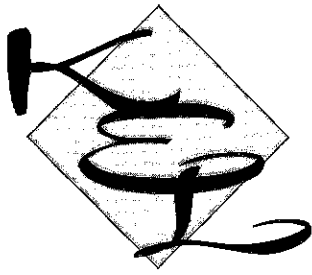
### **Purpose of this Report**

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

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

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

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October 1, 2013

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

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

We have audited North Mac Community Unit School District No. 34's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of North Mac Community Unit School District No. 34's major federal programs for the year ended June 30, 2013. North Mac Community Unit School District No. 34's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

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

## Opinion on Each Major Federal Program

In our opinion, North Mac Community Unit School District No. 34 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

## Report on Internal Control Over Compliance

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

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

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

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

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

Certified Public Accountants

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

STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY ARISING FROM CASH TRANSACTIONS  
ALL FUNDS AND ACCOUNT GROUPS  
JUNE 30, 2013

ASSETS	Educational Fund	Operations & Maintenance Fund	Bond and Interest Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
Cash	\$ 1,156,549	\$ 92,451	\$ 93,490	\$ 193,337	\$ 52,110
Investments	-	-	-	-	-
Due From Education Fund	-	-	-	-	-
Due From Transportation Fund	-	-	-	-	-
Due from IMRF Fund	-	-	-	-	-
General Fixed Assets	-	-	-	-	-
Amount Available in Debt Service Fund	-	-	-	-	-
Amount to be Provided for Payment of Bonds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,156,549</b>	<b>\$ 92,451</b>	<b>\$ 93,490</b>	<b>\$ 193,337</b>	<b>\$ 52,110</b>
<u>LIABILITIES AND FUND EQUITY</u>					
<b>LIABILITIES:</b>					
Due to Activity Funds	\$ 150,000			\$ 120,000	\$ 240,000
Due to Working Cash Fund	-			-	-
Bonds Payable	-			-	-
Loans Payable	-			-	-
Total Liabilities	<u>\$ 150,000</u>			<u>\$ 120,000</u>	<u>\$ 240,000</u>
<b>FUND EQUITY:</b>					
Restricted			\$ 93,490		
Unassigned	\$ 1,006,549	\$ 92,451	-	\$ 73,337	\$ (187,890)
Investment In General Fixed Assets	-	-	-	-	-
Total Fund Equity	<u>\$ 1,006,549</u>	<u>\$ 92,451</u>	<u>\$ 93,490</u>	<u>\$ 73,337</u>	<u>\$ (187,890)</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 1,156,549</b>	<b>\$ 92,451</b>	<b>\$ 93,490</b>	<b>\$ 193,337</b>	<b>\$ 52,110</b>

See Accompanying Notes to the Basic Financial Statements.

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

STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY ARISING FROM CASH TRANSACTIONS  
ALL FUNDS AND ACCOUNT GROUPS  
JUNE 30, 2013

<u>ASSETS</u>	Working Cash Fund	Tort Fund	Fire Prevention and Safety Fund	Activity Funds	General Fixed Assets Group	General Long-Term Debt	Total (Memorandum Only)
Cash	\$ 10,775	\$ 161,480	\$ 130,584	\$ 156,929			\$ 2,047,705
Investments	295,019	-	98,666	-			393,685
Due From Education Fund	150,000	-	-	-			150,000
Due From Transportation Fund	120,000	-	-	-			120,000
Due From IMRF Fund	240,000	-	-	-			240,000
General Fixed Assets	-	-	-	-	\$ 20,937,687		20,937,687
Amount Available in Debt Service Fund	-	-	-	-		\$ 93,490	93,490
Amount to be Provided for Payment of Bonds	-	-	-	-		3,512,249	3,512,249
<b>TOTAL ASSETS</b>	<b>\$ 815,794</b>	<b>\$ 161,480</b>	<b>\$ 229,250</b>	<b>\$ 156,929</b>	<b>\$ 20,937,687</b>	<b>\$ 3,605,739</b>	<b>\$ 27,494,816</b>
 <u>LIABILITIES AND FUND EQUITY</u>							
<b>LIABILITIES:</b>							
Due to Activity Funds				\$ 156,929			\$ 156,929
Due to Working Cash Fund				-			510,000
Bonds Payable						\$ 3,460,000	3,460,000
Loans Payable						145,739	145,739
Total Liabilities				\$ 156,929		\$ 3,605,739	\$ 4,272,668
 <b>FUND EQUITY:</b>							
Restricted		\$ 161,480	\$ 229,250				\$ 484,220
Unassigned	\$ 815,794	-	-				1,800,241
Investment In General Fixed Assets		-	-	\$ -	\$ 20,937,687		20,937,687
Total Fund Equity	\$ 815,794	\$ 161,480	\$ 229,250	\$ -	\$ 20,937,687		\$ 23,222,148
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 815,794</b>	<b>\$ 161,480</b>	<b>\$ 229,250</b>	<b>\$ 156,929</b>	<b>\$ 20,937,687</b>	<b>\$ 3,605,739</b>	<b>\$ 27,494,816</b>

See Accompanying Notes to the Basic Financial Statements.

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

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE  
ALL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Educational Fund	Operation & Maintenance Fund	Bond and Interest Fund	Transportation Fund	Municipal Retirement/Social Security Fund	Working Cash Fund	Tort Fund	Fire Prevention & Safety Fund	Total (Memorandum Only)
<b>REVENUES RECEIVED:</b>									
Local Sources	\$ 4,057,089	\$ 757,007	\$ 798,490	\$ 276,762	\$ 207,828	\$ 56,672	\$ 345,982	\$ 56,012	\$ 6,555,842
State Sources	6,729,034	412,000	-	705,382	-	-	-	-	7,846,416
Federal Sources	1,330,156	-	-	-	-	-	-	-	1,330,156
Total Direct Revenues Received	\$ 12,116,279	\$ 1,169,007	\$ 798,490	\$ 982,144	\$ 207,828	\$ 56,672	\$ 345,982	\$ 56,012	\$ 15,732,414
On-Behalf Payments	1,703,821	-	-	-	-	-	-	-	1,703,821
Total Revenues Received	\$ 13,820,100	\$ 1,169,007	\$ 798,490	\$ 982,144	\$ 207,828	\$ 56,672	\$ 345,982	\$ 56,012	\$ 17,436,235
<b>EXPENDITURES DISBURSED:</b>									
Instruction	\$ 6,373,992	-	-	-	\$ 110,192	-	-	-	\$ 6,484,184
Support Services	2,450,305	\$ 1,165,770	-	\$ 687,001	326,642	-	\$ 245,746	\$ 6,583	4,882,047
Non-Programmed Charges	2,560,102	-	-	-	-	-	-	-	2,560,102
Debt Service	-	-	\$ 786,132	103,666	-	\$ -	-	-	889,798
Total Direct Expenditures Disbursed	\$ 11,384,399	\$ 1,165,770	\$ 786,132	\$ 790,667	\$ 436,834	\$ -	\$ 245,746	\$ 6,583	\$ 14,816,131
On-Behalf Payments	1,703,821	-	-	-	-	-	-	-	1,703,821
Total Expenditures Disbursed	\$ 13,088,220	\$ 1,165,770	\$ 786,132	\$ 790,667	\$ 436,834	\$ -	\$ 245,746	\$ 6,583	\$ 16,519,952

See Accompanying Notes to the Basic Financial Statements.

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

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE

ALL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Educational Fund	Operation & Maintenance Fund	Bond and Interest Fund	Transportation Fund	Municipal Retirement/Social Security Fund	Working Cash Fund	Tort Fund	Fire Prevention & Safety Fund	Total (Memorandum Only)
REVENUES RECEIVED OVER									
(UNDER) EXPENDITURES DISBURSED	\$ 731,880	\$ 3,237	\$ 12,358	\$ 191,477	\$ (229,006)	\$ 56,672	\$ 100,236	\$ 49,429	\$ 916,283
FUND BALANCE, BEGINNING 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>
FUND BALANCE, END OF YEAR	\$ <u>1,006,549</u>	\$ <u>92,451</u>	\$ <u>93,490</u>	\$ <u>73,337</u>	\$ <u>(187,890)</u>	\$ <u>815,794</u>	\$ <u>161,480</u>	\$ <u>229,250</u>	\$ <u>2,284,461</u>

See Accompanying Notes to the Basic Financial Statements.

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

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

## **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, 2013

### **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, 2013

### **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, 2013, 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, 2013, 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, 2013, 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, 2013

### **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, 2013

**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	-	-	-	-	\$ 1,006,549	-	\$1,006,549
Operations & Maintenance	-	-	-	-	92,451	-	92,451
Bond & Interest	-	\$ 93,490	-	-	-	\$ 93,490	-
Transportation	-	-	-	-	73,337	-	73,337
Municipal Retirement	-	-	-	-	(187,890)	-	(187,890)
Working Cash	-	-	-	-	815,794	-	815,794
Tort Liability	-	161,480	-	-	-	161,480	-
Fire Prevention and Safety	-	229,250	-	-	-	229,250	-

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, 2013

### **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 26, 2012.

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, 2013

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

#### F. Investments

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

#### G. General Fixed Assets

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

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

#### H. Total Memorandum Only

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

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

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

Cash and investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

Cash	\$ 2,047,705
Investments	<u>393,685</u>
Total	<u>\$ 2,441,390</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

### **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, 2013

**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	\$ 393,685	N/A
	<u>\$ 393,685</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, 2013

**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 2012 levy on December 17, 2012. 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 2012 and prior tax levies.

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

	Rate <u>Limit</u>	<u>2012</u>	<u>Tax Levy Years</u> <u>2011</u>	<u>2010</u>
<u>Tax Rates by Levy:</u>				
Educational	2.89000	2.8900	2.8900	2.8900
Operations and Maintenance	0.59000	0.5900	0.5900	0.5900
Bond and Interest	As Needed	0.6599	0.6879	0.7202
Transportation	0.24000	0.2400	0.2400	0.2400
Municipal Retirement	As Needed	0.2416	0.0662	0.0479
Tort Immunity	As Needed	0.3018	0.2971	0.0461
Special Education	0.04000	0.0400	0.0400	0.0400
Fire Prevention and Safety	0.05000	0.0500	0.0500	0.0500
Social Security	As Needed	0.2153	0.0811	0.0719
Working Cash	0.05000	0.0500	0.0500	0.0500
Facility Leasing	0.05000	<u>0.0500</u>	<u>0.0500</u>	<u>0.0500</u>
Total		<u>5.3286</u>	<u>5.0422</u>	<u>4.7961</u>
ASSESSED VALUATION		<u>\$ 115,630,151</u>	<u>\$ 110,461,469</u>	<u>\$ 108,657,170</u>
 <u>Tax Extensions by Levy:</u>				
Educational		\$ 3,341,521	\$ 3,192,057	\$ 3,140,192
Operations and Maintenance		682,218	651,723	641,077
Bond and Interest		767,065	761,245	784,693
Transportation		277,512	265,107	260,777
Municipal Retirement		280,910	73,246	52,158
Tort Immunity		350,820	328,753	50,229
Special Education		46,252	44,185	43,463
Fire Prevention and Safety		57,815	55,231	54,329
Social Security		250,278	89,767	78,286
Working Cash		57,815	55,231	54,329
Facility Leasing		<u>57,815</u>	<u>55,231</u>	<u>54,329</u>
Total		<u>\$ 6,170,021</u>	<u>\$ 5,571,776</u>	<u>\$ 5,213,862</u>
 <u>Tax Collections by Year Ending:</u>				
2012				\$ <u>5,205,316</u>
2013			\$ <u>5,548,752</u>	
Total			\$ <u>5,548,752</u>	\$ <u>5,205,316</u>
 Percent of Total Levy Collected			<u>99.59%</u>	<u>99.84%</u>



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

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**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, 2012	\$ 179,821
Proceeds from Tax Levy	55,847
Interest Earned	165
Amounts (Expended) for Fire and Safety Construction	<u>(6,583)</u>
Unexpended Balance, June 30, 2013	<u>\$ 229,250</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, 2012	\$ 61,244
TORT RECEIPTS:	
Proceeds from Tax Levy	345,936
Interest	<u>46</u>
Total Available	<u>\$ 407,226</u>
TORT EXPENDITURES:	
Insurance	\$ 186,092
Legal Services	24,236
Risk Management	<u>35,418</u>
Total Expended	<u>\$ 245,746</u>
Unexpended Balance, June 30, 2013	<u>\$ 161,480</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, 2013

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

A summary of changes in General Fixed Assets follows:

	Balance <u>07/01/12</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06/30/13</u>
Land	\$ 307,026			\$ 307,026
Improvements	448,463	\$ 56,954		505,417
Buildings	15,319,273	-		15,319,273
Transportation Equipment	1,724,467	-		1,724,467
Other Equipment	<u>3,015,409</u>	<u>66,095</u>	\$ -	<u>3,081,504</u>
Totals	<u>\$ 20,814,638</u>	<u>\$ 123,049</u>	<u>\$ -</u>	<u>\$ 20,937,687</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, 2013 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, 2012 and 2011.

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, 2013

#### **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, 2013, state of Illinois contributions were based on 28.05 percent of creditable earnings not paid from federal funds, and the district recognized revenue and expenditures of \$1,649,713 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2012 and June 30, 2011, the state of Illinois contribution rate as percentages of creditable earnings not paid from federal funds were 24.91 percent (\$1,521,096) and 23.10 percent (\$1,342,004), respectively.

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

###### ● 2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2013 were \$34,112. Contributions for the years ending June 30, 2012 and June 30, 2011, were \$35,417 and \$33,695, respectively.

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

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

For the year ended June 30, 2013, the employer pension contribution was 28.05 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and June 30, 2011, the employer contribution was 24.91 and 23.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2013, salaries totaling \$248,754 were paid from federal and special trust funds that required employer contributions of \$69,775. For the years ended June 30, 2012 and June 30, 2011, required district contributions were \$61,333 and \$62,941, respectively.

###### ● Early Retirement Option (ERO)

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

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

For the year ended June 30, 2013, the district paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2012 and June 30, 2011, the District paid \$0 and \$0 in employer ERO contributions, respectively.

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

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2013

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

##### ● Salary Increased Over 6 Percent and Excess Sick Leave

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

For the year ended June 30, 2013, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2012 and June 30, 2011, the District paid \$0 and \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.63 percent of salary during the year ended June 30, 2013).

For the year ended June 30, 2013, the district paid \$0 to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2012 and June 30, 2011, the district paid \$0 and \$0 in employer contributions granted for sick leave days, respectively.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2012. The report for the year ended June 30, 2013, is expected to be available in late 2013.

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

The District (employer) participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants 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. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to THIS Fund.

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

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

### **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 0.92 percent of pay during the year ended June 30, 2013. State of Illinois contributions were \$54,108 and the district recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2012 and June 30, 2011 were 0.88 percent of pay, both years. State contributions on behalf of employees were \$53,736 and \$51,124, respectively.

Teachers' Health Insurance Security Fund of the State of Illinois

#### ● Employer Contributions to THIS Fund

The employer (district) also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.69 percent during the year ended June 30, 2013, and 0.66 percent during the years ended June 30, 2012 and June 30, 2011. For the year ended June 30, 2013, the district paid \$40,581 to the THIS Fund. For the years ended June 30, 2012 and June 30, 2011, the district paid \$40,302 and \$38,343 to the THIS Fund, respectively, which was 100 percent of the required contribution.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The 2013 report is listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

Illinois Municipal Retirement System - Defined Benefit Pension Plan

**Plan Description.** The employer's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. 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, 2013

**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 2012 was 11.07 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 2012 was \$193,675.

TREND INFORMATION

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	\$ 193,675	100%	\$ *
12/31/11	201,397	100%	-
12/31/10	94,063	100%	-

The required contribution for 2012 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, 2010, 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, 2010 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, 2012, the most recent actuarial valuation date, the Regular plan was 34.93 percent funded. The actuarial accrued liability for benefits was \$3,300,972 and the actuarial value of assets was \$1,152,970, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,148,002. The covered payroll for the calendar year 2012 (annual payroll of active employees covered by the plan) was \$1,749,551 and the ratio of the UAAL to the covered payroll was 123%.

## NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2013

#### **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)
12/31/12	\$ 1,152,970	\$ 3,300,972	\$ 2,148,002	34.93%	\$ 1,749,551	122.77%
12/31/11	1,764,033	3,684,113	1,920,080	47.88%	1,851,078	103.73%
12/31/10	3,466,643	4,278,824	812,181	81.02%	864,553	93.94%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$1,277,551. On a market basis, the funded ratio would be 38.70 percent.

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

##### Social Security

Employees not qualifying for coverage under the Illinois Downstate Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$115,479 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, 2013:

	Loans Payable	Bonds Payable	Total
Beginning July 1, 2012	\$ 237,755	\$ 4,035,000	\$ 4,272,755
Issued During the Year	-	-	-
Retired During the Year	92,016	575,000	667,016
Ending June 30, 2013	<u>\$ 145,739</u>	<u>\$ 3,460,000</u>	<u>\$ 3,605,739</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

### **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, 2013, 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 \$15,956,961. As of June 30, 2013, the District's debt is under the debt limit by \$12,351,222.

#### B. Excess of Expenses over Budget

The IMRF Fund had expenditures of \$436,834, which exceeded the adopted annual operating budget of \$424,377 by \$12,457.

The Tort Fund had expenditures of \$245,746, which exceeded the adopted annual operating budget of \$203,228 by \$42,518.

The Fire Prevention/Safety Fund had expenditures of \$6,583, which exceeded the adopted annual operating budget of \$0 by \$6,583.

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

#### C. Deficit Fund Balance

The IMRF Fund had a deficit fund balance as of June 30, 2013 in the amount of (\$187,990).

### **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, 2013

**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, 2013, the District's employees had accumulated a total of 14,771 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 \$1,269,000.

**NOTE 13. DEBT SERVICE REQUIREMENTS**

As of June 30, 2013 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, 2013, 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>
2014	\$ 605,000	\$ 160,369	\$ 765,369
2015	375,000	127,848	502,848
2016	405,000	97,298	502,298
2017	435,000	64,118	499,118
2018	460,000	40,525	500,525
Thereafter	<u>1,180,000</u>	<u>44,400</u>	<u>1,224,400</u>
	<u>\$ 3,460,000</u>	<u>\$ 534,558</u>	<u>\$ 3,994,558</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

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

Loans Payable

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, 2013 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 63,359	\$ 5,416	\$ 68,775
2015	47,367	3,133	50,500
2016	<u>35,013</u>	<u>1,284</u>	<u>36,297</u>
	<u>\$ 145,739</u>	<u>\$ 9,833</u>	<u>\$ 155,572</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, 2013

## REVENUES RECEIVED:

## Local Sources:

## Taxes -

Property Taxes	\$ 3,333,386	
Property Taxes - Leasing Levy	53,161	
Property Taxes - Special Education Levy	44,759	
Personal Property Replacement Taxes	<u>171,217</u>	
Total Taxes		\$ 3,602,523

## Other -

Summer School Tuition	\$ 2,100	
Interest Income	2,485	
Food Services	211,794	
Student Activities	50,719	
Textbooks	111,330	
Services Provided Other LEA's	<u>76,138</u>	
Total Other		<u>454,566</u>
Total Local Sources		\$ 4,057,089

## State Sources:

General State Aid	\$ 4,775,343	
Reorganization Incentives	675,053	
Driver Education	18,556	
Career and Technical Education	1,283	
Special Education	707,512	
School Lunch	10,851	
Early Childhood	538,202	
Other Revenue	<u>2,234</u>	
Total State Sources		6,729,034

## Federal Sources:

Title I - Low Income	\$ 414,237	
Food Service	384,265	
Medicaid Matching	50,740	
IDEA Part B - Preschool	14,658	
IDEA Part B - Flow Through	75,019	
Other ARRA	8,056	
Spec Education - IDEA	285,994	
Title II - Teacher Quality	<u>97,187</u>	
Total Federal Sources		<u>1,330,156</u>

TOTAL REVENUES RECEIVED

\$ 12,116,279

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**OPERATIONS AND MAINTENANCE FUND  
SCHEDULE OF REVENUES RECEIVED  
FOR THE YEAR ENDED JUNE 30, 2013

## REVENUES RECEIVED:

## Local Sources:

Taxes -		
Property Taxes		\$ 679,480
Other -		
Interest Income	\$ 90	
Other Local Revenues	<u>77,437</u>	
Total Other		<u>77,527</u>
Total Local Sources		\$ <u>757,007</u>

## State Sources:

General State Aid	\$ <u>412,000</u>	
Total State Sources		<u>412,000</u>

TOTAL REVENUES RECEIVED		\$ <u>1,169,007</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, 2013

REVENUES RECEIVED:

Local Sources:

Taxes -		
Property Taxes		\$ 275,503
Other -		
Interest Income	\$ 37	
Other Local Revenues	<u>1,222</u>	
Total Other		<u>1,259</u>
Total Local Sources		\$ 276,762

State Sources:

General State Aid	\$ 85,000	
Transportation Aid - Regular	407,295	
Transportation Aid - Special Ed	<u>213,087</u>	
Total State Sources		<u>705,382</u>

TOTAL REVENUES RECEIVED \$ 982,144

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

MUNICIPAL RETIREMENT / SOCIAL SECURITY FUND  
 SCHEDULE OF REVENUES RECEIVED  
 FOR THE YEAR ENDED JUNE 30, 2013

REVENUES RECEIVED:

Local Sources:

Taxes -

Property Taxes - IMRF Levy	\$ 90,301
Property Taxes - Social Security Levy	104,138
Personal Property Replacement Taxes	<u>13,367</u>
Total Taxes	\$ 207,806

Other -

Interest Income	<u>22</u>
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TOTAL REVENUES RECEIVED	<u>\$ 207,828</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, 2013

REVENUES RECEIVED:

Local Sources:

Property Taxes \$ 798,384

Other -

Interest Income 106

TOTAL REVENUES RECEIVED

\$ 798,490

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

FIRE PREVENTION AND SAFETY FUND  
SCHEDULE OF REVENUES RECEIVED  
FOR THE YEAR ENDED JUNE 30, 2013

REVENUES RECEIVED:

Local Sources:

Taxes -

Property Taxes

\$ 55,847

Other -

Interest Income

165

TOTAL REVENUES RECEIVED

\$ 56,012



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

WORKING CASH FUND  
SCHEDULE OF REVENUES RECEIVED  
FOR THE YEAR ENDED JUNE 30, 2013

REVENUES RECEIVED:

Local Sources:

Property Taxes

\$ 55,847

Other -

Interest Income

825

TOTAL REVENUES RECEIVED

\$ 56,672

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

TORT FUND  
SCHEDULE OF REVENUES RECEIVED  
FOR THE YEAR ENDED JUNE 30, 2013

REVENUES RECEIVED:

Local Sources:

Property Taxes \$ 345,936

Other -

Interest Income 46

TOTAL REVENUES RECEIVED

\$ 345,982

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

SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

EDUCATIONAL FUND:	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Total	Budget
Instruction:								
Regular Programs	\$ 4,089,440	\$ 992,932	\$ 3,488	\$ 226,797			\$ 5,312,657	\$ 5,381,245
Pre-K Programs	316,576	89,984	1,742	16,219			424,521	480,788
Remedial and Supplemental Programs K-12	273,576	134,510	1,179	11,090			420,355	439,232
Interscholastic Programs	138,332	13,401	30,036	34,690			216,459	227,515
Total Instruction	<u>\$ 4,817,924</u>	<u>\$ 1,230,827</u>	<u>\$ 36,445</u>	<u>\$ 288,796</u>			<u>\$ 6,373,992</u>	<u>\$ 6,528,780</u>
Support Services:								
Pupils --								
Attendance and Social Work Services								
Guidance Services	\$ 160,079	\$ 41,745	\$ 420	\$ 3,391			\$ 205,635	\$ 194,523
Health Services	62,269	14,794	1,125	1,126			79,314	80,508
Other	-	-	-	-			-	-
Total Pupils	<u>\$ 222,348</u>	<u>\$ 56,539</u>	<u>\$ 1,545</u>	<u>\$ 4,517</u>			<u>\$ 284,949</u>	<u>\$ 275,031</u>
Instructional Staff --								
Educational Media Services	\$ 167,986	\$ 40,230	\$ 174,052	\$ 12,868	\$ 63,367		\$ 458,503	\$ 554,098
Total Instructional Staff	<u>\$ 167,986</u>	<u>\$ 40,230</u>	<u>\$ 174,052</u>	<u>\$ 12,868</u>	<u>\$ 63,367</u>		<u>\$ 458,503</u>	<u>\$ 554,098</u>
General Administration --								
Board of Education Services	\$ 750	\$ 35	\$ 13,809	\$ 1,153		\$ 21,945	\$ 37,692	\$ 72,732
Executive Administration Services	184,662	27,461	271	1,201			213,595	190,009
Total General Administration	<u>\$ 185,412</u>	<u>\$ 27,496</u>	<u>\$ 14,080</u>	<u>\$ 2,354</u>		<u>\$ 21,945</u>	<u>\$ 251,287</u>	<u>\$ 262,741</u>
School Administration --								
Office of Principal Services	\$ 591,186	\$ 153,890	\$ 926	\$ 13,106			\$ 759,108	\$ 763,592

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

SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

EDUCATIONAL FUND: (Continued)  
Support Services: (Continued)

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Total	Budget
Business --								
Fiscal Services	\$ 59,117	\$ 8,697	\$ 3,764	\$ 3,397			\$ 74,975	\$ 75,712
Food Services	223,420	39,442	814	356,679	1,128		621,483	646,658
Total Business	\$ 282,537	\$ 48,139	\$ 4,578	\$ 360,076	\$ 1,128		\$ 696,458	\$ 722,370
Other								
Total Support Services	\$ 1,449,469	\$ 326,294	\$ 195,181	\$ 392,921	\$ 64,495	\$ 21,945	\$ 2,450,305	\$ 2,577,832

Nonprogrammed Charges:

Payments to Other Government Units --  
Payments for Special Education Programs  
Payments for Vocational Programs  
Total Nonprogrammed Charges

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,524,642	\$ 2,524,642	\$ 2,588,992
	\$ -	\$ -	\$ -	\$ -	\$ -	35,460	35,460	70,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,560,102	\$ 2,560,102	\$ 2,658,992

Total Expenditures Disbursed

	\$ 6,267,393	\$ 1,557,121	\$ 231,626	\$ 681,717	\$ 64,495	\$ 2,582,047	\$ 11,384,399	\$ 11,765,604
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**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**

SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Total	Budget
<b>OPERATIONS AND MAINTENANCE FUND:</b>								
Support Services:								
Business ---								
Operation & Maintenance of Plant Service	\$ 488,283	\$ 96,770	\$ 182,116	\$ 340,047	\$ 58,554	\$ -	\$ 1,165,770	\$ 1,327,039
Total Expenditures Disbursed	\$ 488,283	\$ 96,770	\$ 182,116	\$ 340,047	\$ 58,554	\$ -	\$ 1,165,770	\$ 1,327,039
<b>BOND AND INTEREST FUND:</b>								
Debt Services:								
Interest on Bonds						\$ 209,653	\$ 209,653	\$ 212,023
Bond Principal Retired						575,379	575,379	575,000
Other						1,100	1,100	600
Total Expenditures Disbursed						\$ 786,132	\$ 786,132	\$ 787,623
<b>TRANSPORTATION FUND:</b>								
Support Services:								
Business --								
Pupil Transportation Services	\$ 492,231	\$ 60,404	\$ 16,075	\$ 118,223	\$ -	\$ 68	\$ 687,001	\$ 954,738
Debt Services:								
Interest						\$ 12,029	\$ 12,029	
Debt Services						91,637	91,637	
Total Debt Services						\$ 103,666	\$ 103,666	
Total Expenditures Disbursed	\$ 492,231	\$ 60,404	\$ 16,075	\$ 118,223	\$ -	\$ 103,734	\$ 790,667	\$ 954,738

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

SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Total	Budget
<b>MUNICIPAL RETIREMENT/ SOCIAL SECURITY FUND:</b>								
Instruction:								
Regular Programs		\$ 75,772					\$ 75,772	\$ 85,233
Pre-K Programs		18,285					18,285	18,525
Remedial and Supplemental Programs K-12		12,540					12,540	10,596
Interscholastic Programs	\$ -	3,595	\$ -	\$ -	\$ -	\$ -	3,595	4,250
Total Instruction	\$ -	\$ 110,192	\$ -	\$ -	\$ -	\$ -	\$ 110,192	\$ 118,604
<b>Support Services:</b>								
Pupils --								
Guidance Services		\$ 2,098					\$ 2,098	\$ 1,800
Health Services	\$ -	13,362	\$ -	\$ -	\$ -	\$ -	13,362	11,821
Total Pupils	\$ -	\$ 15,460	\$ -	\$ -	\$ -	\$ -	\$ 15,460	\$ 13,621
Instructional Staff --								
Educational Media Services	\$ -	2,346	\$ -	\$ -	\$ -	\$ -	2,346	\$ 6,766
Total Instructional Staff	\$ -	\$ 2,346	\$ -	\$ -	\$ -	\$ -	\$ 2,346	\$ 6,766

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

SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Total	Budget
MUNICIPAL RETIREMENT/ SOCIAL SECURITY FUND: (Continued)								
Support Services:								
General Administration --								
Board of Education Services	\$ -	\$ 169	\$ -	\$ -	\$ -	\$ -	\$ 169	\$ 280
Executive Administration Services	\$ -	\$ 9,370	\$ -	\$ -	\$ -	\$ -	\$ 9,370	\$ 11,347
Total General Administration	\$ -	\$ 9,539	\$ -	\$ -	\$ -	\$ -	\$ 9,539	\$ 11,627
School Administration --								
Office of the Principal Services	\$ -	\$ 40,226	\$ -	\$ -	\$ -	\$ -	\$ 40,226	\$ 30,426
Business --								
Fiscal Services	\$ -	\$ 12,832	\$ -	\$ -	\$ -	\$ -	\$ 12,832	\$ 11,197
Operation & Maintenance of Plant Services	\$ -	\$ 99,090	\$ -	\$ -	\$ -	\$ -	\$ 99,090	\$ 89,726
Pupil Transportation Services	\$ -	\$ 101,923	\$ -	\$ -	\$ -	\$ -	\$ 101,923	\$ 101,184
Food Services	\$ -	\$ 45,226	\$ -	\$ -	\$ -	\$ -	\$ 45,226	\$ 41,226
Total Business	\$ -	\$ 259,071	\$ -	\$ -	\$ -	\$ -	\$ 259,071	\$ 243,333
Total Support Services	\$ -	\$ 326,642	\$ -	\$ -	\$ -	\$ -	\$ 326,642	\$ 305,773
Total Expenditures Disbursed	\$ -	\$ 436,834	\$ -	\$ -	\$ -	\$ -	\$ 436,834	\$ 424,377

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

SCHEDULE OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies &amp; Materials</u>	<u>Capital Outlay</u>	<u>Other Objects</u>	<u>Total</u>	<u>Budget</u>
TORT FUND								
Support Services:								
General Administration --								
Workers' Compensation Payments			\$ 80,500				\$ 80,500	\$ 96,972
Unemployment Insurance Payments			6,548				6,548	-
Insurance Payments			99,044				99,044	78,056
Educational, Inspectional, Supervisory Service			17,991	\$ 6,576		\$ 10,851	35,418	18,200
Legal Services			24,236	-			24,236	10,000
	\$ -	\$ -	\$ 228,319	\$ 6,576	\$ -	\$ 10,851	\$ 245,746	\$ 203,228
Total Expenditures Disbursed								
FIRE PREVENTION AND SAFETY FUND:								
Support Services:								
Business --								
Facilities Acquisition and Construction Services				\$ 6,583			\$ 6,583	\$ -
	\$ -	\$ -	\$ -	\$ 6,583	\$ -	\$ -	\$ 6,583	\$ -
Total Expenditures Disbursed								



**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE  
ARISING FROM CASH TRANSACTIONS  
ACTIVITY FUNDS  
JUNE 30, 2013ASSETS

Cash	\$ 156,929
Total Assets	<u>\$ 156,929</u>

LIABILITIES AND FUND BALANCE

6th Grade	\$ 1,644
6th Volleyball Donation Account	301
Activities/Athletics	6,004
Barn to Barn FFA	3,820
Class of 2010	559
Class of 2011	1,430
Class of 2012	827
Class of 2013	3,002
Class of 2014	3,234
Class of 2015	2,853
Class of 2016	2,956
Drama Club	4,444
Eight Grade Teachers	243
FCA	3
FCCLA	307
FFA	1,479
Football	10,903
French Club	278
General Fund Resale Uniforms	3,212
Girard Elem Principal Office	4,293
Girard Elementary	2,580
Girard Elementary PBIS	1,521
Girard Yearbook	1,451
Golf	244
HS Art Club	138
HS Band	3,649
HS Baseball	919
HS Bass Fishing Donation Account	376
HS Boys Basketball	4,825
HS Cheerleaders	(21)
HS Girls Basketball	3,047
HS Library	857
HS Library Fines	2,276
HS PBIS	564
HS Principal Office	<u>1,733</u>
Sub-Total	<u>\$ 75,951</u>

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE  
ARISING FROM CASH TRANSACTIONS  
ACTIVITY FUNDS  
JUNE 30, 2013LIABILITIES AND FUND BALANCE (Continued)

HS Scholastic	\$	56
HS Science Club		1,019
HS Soccer		430
HS Softball		2,269
HS Student Council		2,756
HS Track		15
HS Volleyball		3,352
Key Club		688
Market Day		346
Math Club		140
Misc. Account-Brady		2,209
MS Activity Fund		1,015
MS Band		931
MS Baseball Donation Account		3,977
MS BB Tournament		1,982
MS Boys Baseball Donation		338
MS Boys Basketball		964
MS Builders Club		328
MS Cheerleaders		1,441
MS Cheerleading Donation Account		2,050
MS Drama Club		3,391
MS Girls Basketball		184
MS Girls Softball Donation		513
MS Principal Office		2,297
MS Scholastic		525
MS Science Club		2,466
MS Softball Donation Account		4,800
MS Student Council		6,846
MS Track		750
MS Yearbook		823
National Honor Society		208
North Campus Nurse		1,060
North Campus Teachers Lounge		932
North Mac Foundation		6,923
PBIS		5,278
Revolving Account		(1,519)
Santa's Workshop		4,089
Science		24
South Campus Elem Reading Program		822
South Campus Library		360
South Campus Nurse		<u>481</u>
Sub-Total	\$	<u>67,559</u>

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE  
ARISING FROM CASH TRANSACTIONS  
ACTIVITY FUNDS  
JUNE 30, 2013LIABILITIES AND FUND BALANCE (Continued)

South Campus Teachers Lounge	\$	562
South Campus Vocal Music		2,210
Student Damage Items		154
Tournament Account		2,232
Unit Office		1,188
Varsity Account		54
Virden Elem Library		2,956
Virden Elementary		2,888
Virden Elementary PBIS		225
Virden Yearbook		<u>950</u>
Sub-Totals (This Page)	\$	13,419
Sub-Totals (Page 1)		75,951
Sub-Totals (Page 2)		<u>67,559</u>
Total School Activity Funds	\$	<u>156,929</u>
Total Liabilities and Fund Balance	\$	<u>156,929</u>

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT NO. 34**SCHEDULE OF PER CAPITA TUITION CHARGE  
AND AVERAGE DAILY ATTENDANCE  
(UNAUDITED)

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

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)  
DISTRICT/JOINT AGREEMENT  
Year Ending June 30, 2013**

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

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

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

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

- Copy of Federal Data Collection Form § .320 (b)

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

**RECONCILIATION OF FEDERAL REVENUES**

Annual Financial Report to Schedule of Expenditures of Federal Awards

**TOTAL FEDERAL REVENUE IN AFR**

Account Summary 7-8, Line 7	Account 4000	\$ 1,330,156
Flow-through Federal Revenues		
Revenues 9-14, Line 112	Account 2200	-
Value of Commodities		
Indirect Cost Info 30, Line 11		38,209
Less: Medicaid Fee-for-Service		
Revenues 9-14, Line 270	Account 4992	(33,518)
<b>AFR TOTAL FEDERAL REVENUES:</b>		<b>\$ 1,334,847</b>

**ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:**

Reason for Adjustment:

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**ADJUSTED AFR FEDERAL REVENUES** \$ 1,334,847

Total Current Year Federal Revenues Reported on SEFA:		
Federal Revenues	Column D	\$ 1,334,847

**Adjustments to SEFA Federal Revenues:**

Reason for Adjustment:

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-----	-----
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**ADJUSTED SEFA FEDERAL REVENUE:** \$ 1,334,847

**DIFFERENCE:** \$ -

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ending June 30, 2013

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 7/1/11-6/30/12 (C)	Year 7/1/12-6/30/13 (D)	Year 7/1/11-6/30/12 (E)	Year 7/1/12-6/30/13 (F)			
U.S. DEPARTMENT OF AGRICULTURE PASS-THROUGH PROGRAMS FROM ILLINOIS STATE BOARD OF EDUCATION:									
(M) NATIONAL SCHOOL LUNCH PROGRAM	10.555	13-4210-00	223,848	243,304	223,848	243,304	243,304	N/A	
NATIONAL SCHOOL LUNCH PROGRAM	10.555	12-4210-00	223,848	49,708	223,848	49,708	273,556	N/A	
(M) SCHOOL BREAKFAST PROGRAM	10.553	13-4220-00		75,718		75,718	75,718	N/A	
SCHOOL BREAKFAST PROGRAM	10.553	12-4220-00	59,513	11,792	59,513	11,792	71,305	N/A	
(M) SPECIAL MILK PROGRAM	10.556	13-4215-00		3,243		3,243	3,243	N/A	
SPECIAL MILK PROGRAM	10.556	12-4215-00	3,637	500	3,637	500	4,137	N/A	
COMMODITIES (NON-CASH)	10.555	13-4250-00		29,197		29,197	29,197	N/A	
DEPARTMENT OF DEFENSE FRESH FRUITS & VEGETABLES	10.555	13-4250-00		9,012		9,012	9,012	N/A	
TOTAL U.S. DEPARTMENT OF AGRICULTURE PASS-THROUGH PROGRAMS			286,988	422,474	286,988	422,474	709,472	0	

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

The accompanying notes are an integral part of this schedule.

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

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2013

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 7/1/11-6/30/12 (C)	Year 7/1/12-6/30/13 (D)	Year 7/1/11-6/30/12 (E)	Year 7/1/12-6/30/13 (F)			
U.S. DEPARTMENT OF EDUCATION PASS-THROUGH PROGRAMS FROM ILLINOIS STATE BOARD OF EDUCATION:									
TITLE I - LOW INCOME	84.010	13-4300-00	179,918	272,530	189,600	279,942	28,597	308,539	333,425
TITLE I - LOW INCOME	84.010	12-4300-00		141,707		141,707		331,307	331,307
TITLE II - TEACHER QUALITY	84.367	13-4932-00		67,843		78,834		78,834	80,567
TITLE II - TEACHER QUALITY	84.367	12-4932-00	53,815	29,344	67,149	29,344		86,493	86,493
ARRA EDUCATION JOBS FUND PROGRAM	84.410	12-4880-00		8,056		8,056		8,056	N/A
TOTAL U.S. DEPARTMENT OF EDUCATION - PASS- THROUGH PROGRAMS			233,733	519,480	246,749	537,883	28,597	813,229	831,792

• (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.

- 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.
- 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.
- When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part iii of the data collection form.



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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ending June 30, 2013

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
			Year 7/1/11-6/30/12 (C)	Year 7/1/12-6/30/13 (D)	Year 7/1/11-6/30/12 (E)	Year 7/1/12-6/30/13 (F)			
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES - PASS-THROUGH PROGRAMS FROM DEPARTMENT OF PUBLIC AID:									0
MEDICAL ASSISTANCE PROGRAM	93.778	13-4991-00		17,222		17,222		17,222	N/A
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			0	17,222	0	17,222	0	17,222	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.

- 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.
- 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.
- When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ending June 30, 2013

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 7/1/11-6/30/12 (C)	Year 7/1/12-6/30/13 (D)	Year 7/1/11-6/30/12 (E)	Year 7/1/12-6/30/13 (F)			
OTHER PASS-THROUGH ENTITIES									
PASS-THROUGH FROM SPECIAL EDUCATION REGION:									
(M) IDEA FLOW THROUGH	84.027	13-4620-00	98,739	75,019	98,739	75,019	75,019	N/A	
IDEA FLOW THROUGH	84.027	12-4620-00	98,739		98,739		98,739	N/A	
(M) IDEA PART B PRESCHOOL	84.173	13-4600-00		14,658		14,658	14,658	N/A	
IDEA PART B PRESCHOOL	84.173	12-4600-00	114,388		114,388		114,388	N/A	
(M) IDEA ROOM & BOARD	84.027	13-4625-00		168,381		168,381	168,381	N/A	
IDEA ROOM & BOARD	84.027	12-4625-00	108,109	117,035	108,109	117,035	225,144	N/A	
IDEA ROOM & BOARD	84.027	13-4625-XC		578		578	578	N/A	
TOTAL OTHER PASS-THROUGH ENTITIES			321,236	375,671	321,236	375,671	696,907	0	

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

The accompanying notes are an integral part of this schedule.

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

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2013

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>2</sup>		Obligations/ Encumb. (G)	Final Status (H)	Budget
			Year 7/1/11-6/30/12 (C)	Year 7/1/12-6/30/13 (D)	Year 7/1/11-6/30/12 (E)	Year 7/1/12-6/30/13 (F)			
TOTAL FEDERAL FUNDS:									(0)
PASS-THROUGH ILLINOIS STATE BOARD OF EDUCATION			520,731	941,954	533,747	960,957	28,597	1,522,701	831,792
PASS-THROUGH DEPARTMENT OF PUBLIC AID			0	17,222	0	17,222	0	17,222	0
PASS-THROUGH OTHER ENTITIES			321,236	375,671	321,236	375,671	0	696,907	0
TOTAL FEDERAL FUNDS			841,967	1,334,847	854,983	1,353,250	28,597	2,236,830	831,792

\* (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.

- 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.
- 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.
- When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- 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, 2013

### 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, 2013, with the Illinois State Board of Education.

**NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT #34**  
**40-056-0340-26**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2013**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

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, 2013

4. Condition

5. Context<sup>12</sup>

6. Effect

7. Cause

8. Recommendation

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

For ISBE Review	
Date	Resolution or Code Number
Initials	Disposition of Questioned Costs Code Letter

<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 #34  
40-056-0340-26  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2013

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

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

4. Project No.: \_\_\_\_\_ 5. CFDA No.: \_\_\_\_\_

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

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

8. Criteria or specific requirement (including statutory, regulatory, or other citation)  
NO AUDIT FINDINGS FOR FISCAL YEAR END JUNE 30, 2013

9. Condition<sup>16</sup> \_\_\_\_\_

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

11. Context<sup>17</sup> \_\_\_\_\_

12. Effect \_\_\_\_\_

13. Cause \_\_\_\_\_

14. Recommendation \_\_\_\_\_

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

For ISBE Review	Resolution Criteria Code Number
Date	Disposition of Questioned Costs Code Letter
Initials	

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

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

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

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

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

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

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2013

### 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, 2013. 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, 2013, and have issued our unqualified opinion thereon dated October 1, 2013.
6. The following programs were identified as major programs in accordance with requirements described in Section 520 of the U.S. of Management and Budget (OMB) Circular A-133:

<u>Program</u>	<u>CFDA Number</u>
National School Lunch Program	10.555
School Breakfast Program	10.553
Special Milk Program	10.556
IDEA Flow Through	84.027
IDEA Part B Preschool	84.173
IDEA Room & Board	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**  
**40-056-0340-26**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>**  
**Year Ending June 30, 2013**

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**  
**40-056-0340-26**  
**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS<sup>21</sup>**  
**Year Ending June 30, 2013**

**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.]

<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.