



GLENBROOK  
HIGH SCHOOLS

DISTRICT  
225

POPULAR ANNUAL  
FINANCIAL REPORT

2019-20



# A MESSAGE FROM THE SCHOOL DISTRICT

Welcome to the Popular Annual Financial Report for the fiscal year ended June 30, 2020.

Our school district takes great pride in its long-term financial stability. Recently recognized by S&P Global Ratings for its strong management approach, the credit rating organization emphasized that the school district's financial and operational practices are well embedded and sustainable. Glenbrook's financial condition's success is attributed to the practice of leveraging data and defined formulas to make informed decisions.

Each year the school district participates in an independent audit of its financial statements for the prior year. This year's audit was performed by Lauterbach & Amen, LLP of Naperville and included a detailed review of financial transactions between July 1, 2019, and June 30, 2020. Preparation for the audit started in May 2020, and continued through October 2020. During this time, members of the assigned team from Lauterbach & Amen, LLP were provided access to the Business Services team and the District's financial records to complete their review and testing activities. After the audit process, an unmodified ("clean") opinion was issued. Accompanying the opinion were four recommendations which have been addressed as part of the 2020-21 fiscal year activities (presented on page 6).

Although not required by Illinois School Code, the school district prepares a Comprehensive Annual Financial Report (CAFR), which offers a thorough and detailed presentation of the District's financial condition, and an independent opinion of the report's information from our auditor. This document, and other financial resources, are available on the school district's website.

This year we are also pleased to release our first-ever Popular Annual Financial Report (PAFR). Based on the CAFR, the PAFR provides information about the school district's financial condition without the overwhelming detail and technical accounting terminology. This report will provide our stakeholders with an easily understandable overview of the school district's financial position as of the end of the 2019-20 fiscal year and important considerations for the future. Should you have any further questions or would like to offer feedback regarding this document, please do not hesitate to reach out at any time.

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**DR. CHARLES  
JOHNS**  
SUPERINTENDENT



**DR. R.J.  
GRAVEL**  
ASSISTANT  
SUPERINTENDENT

# MEET THE BOARD OF EDUCATION

## BOARD STRUCTURE

Glenbrook High School District 225 is governed by an elected, 7-member Board of Education. All members are elected at-large to four-year terms. Board elections are held during the month of April as part of the consolidated election cycle in odd numbered years. Board members are volunteers who do not receive a salary for their services.

The Board of Education includes three officers: president, vice president, and secretary. The president and vice president are elected annually by the Board membership and the secretary role is typically filled by the Assistant Superintendent for Educational Services.

The most common areas of action for the Board of Education include approving policies for the operation of the schools, adopting and monitoring the budget, adopting the levy, authorizing curriculum development, approving the appointment of teachers and other staff members, and providing overall direction.

## MEETINGS & COMMITTEES

The Board of Education meets regularly on the second and fourth Mondays of each month. All meetings of the Board of Education are open to the public. In addition to the regular meetings, the Board of Education has established three standing committees (Facilities, Finance and Technology) to facilitate the review of topics relevant to the operation of the school district. Each committee includes up to three members of the Board of Education, as well as members of the District and School leadership teams (e.g. Superintendent, Principals, Associate Principals, Assistant Superintendents, Directors, Managers).



**BRUCE DOUGHTY**  
PRESIDENT  
(2021)



**PETER GLOWACKI**  
VICE PRESIDENT  
(2021)



**SONIA KIM**  
MEMBER  
(2021)



**SKIP SHEIN**  
MEMBER  
(2023)



**KAREN STANG HANLEY**  
MEMBER  
(2021)



**MARCELO SZTAINBERG**  
MEMBER  
(2023)



**JOEL TAUB**  
MEMBER  
(2023)

## EXCELLENCE IN FINANCIAL MANAGEMENT



### AAA/Aaa BOND RATINGS

Glenbrook has achieved and maintained the highest bond ratings available from both Moody's Investors Services and S&P Global.

### FINANCIAL REPORTING

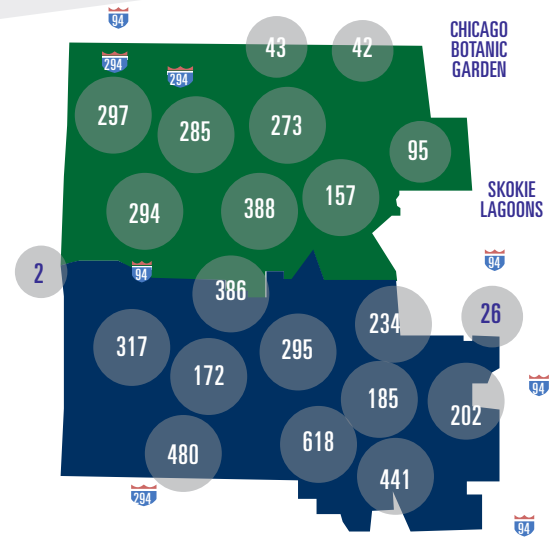
Glenbrook is recognized annually by the Association of School Business Officials International and the Government Finance Officers Association for excellence in financial reporting.

### STATE FINANCIAL RATING

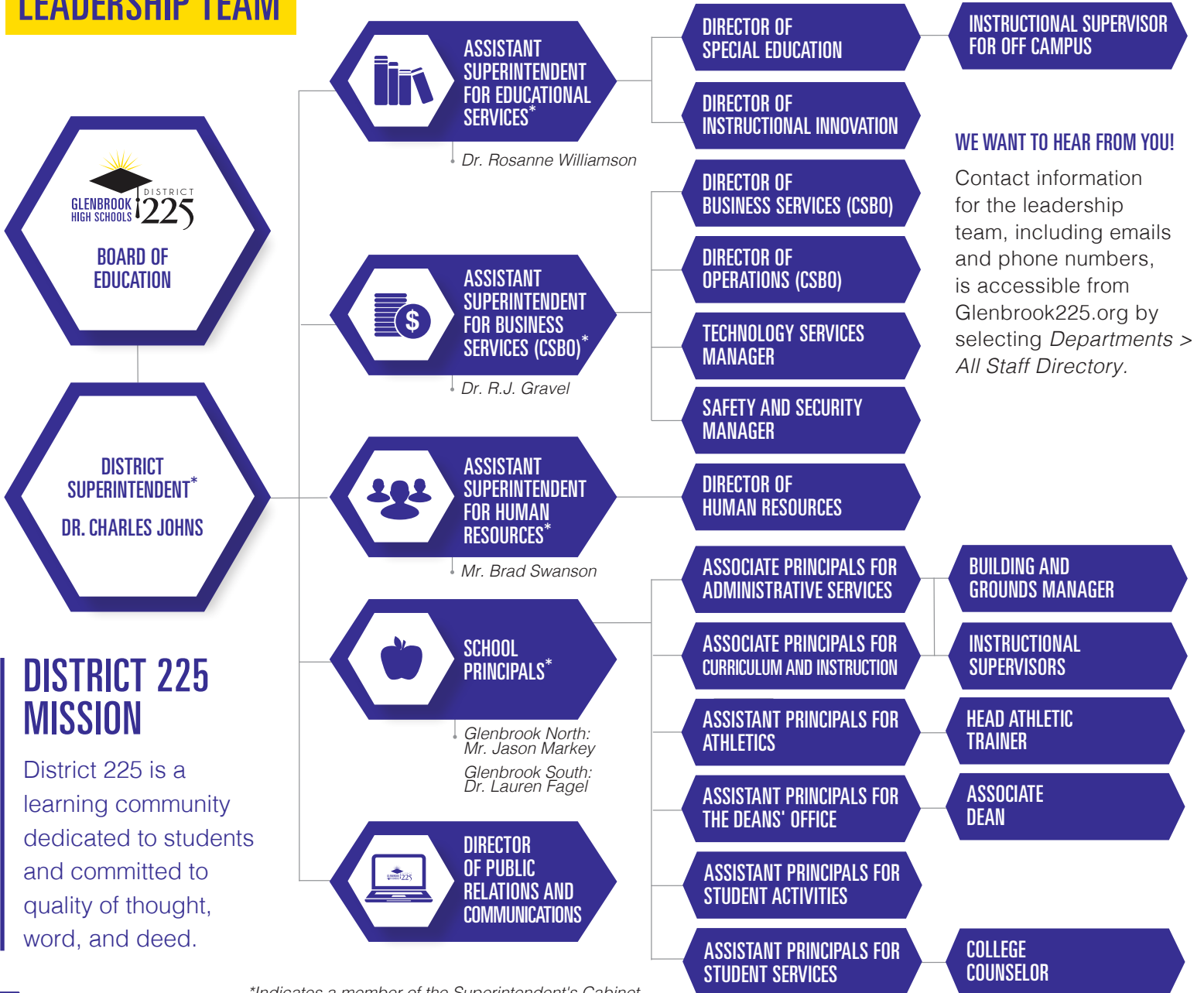
Glenbrook has achieved the highest financial management assessment rating of any school district in the State of Illinois (recognition).

Glenbrook High School District 225 was established through a voter referendum on March 29, 1947. Since that time, the school district has grown to include two exemplary high schools and a therapeutic day school located in two of Chicago's premier suburban communities. Through the leadership of its elected Board of Education and professional educational administrators, the school district provided a comprehensive high school experience rich in academics, activities, arts, and athletics to 5,267 students during the 2019-20 school year.

## STUDENT POPULATION CLUSTERS



## LEADERSHIP TEAM



\*Indicates a member of the Superintendent's Cabinet

# DISTRICT BOUNDARIES

Located in Cook County and just 25 miles north of downtown Chicago, Glenbrook serves students from the villages of Glenview, Golf and Northbrook. Population centers and high school boundaries are seen in the district map at left.



2,074

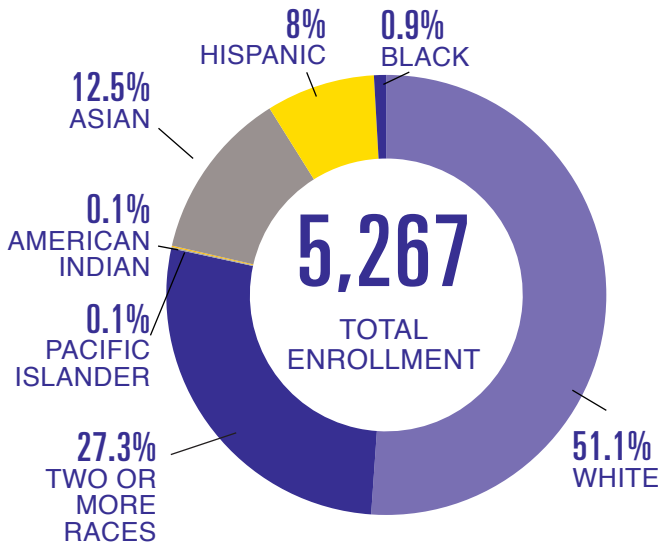
GLENBROOK NORTH  
TOTAL STUDENTS



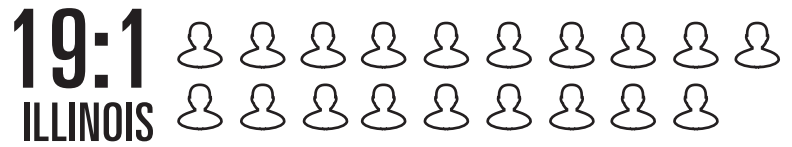
3,193

GLENBROOK SOUTH  
TOTAL STUDENTS

# STUDENT DEMOGRAPHICS

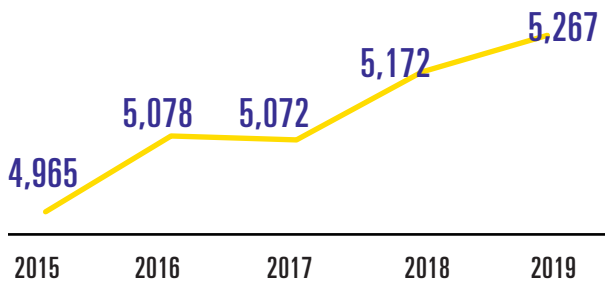


# STUDENTS PER TEACHER RATIO

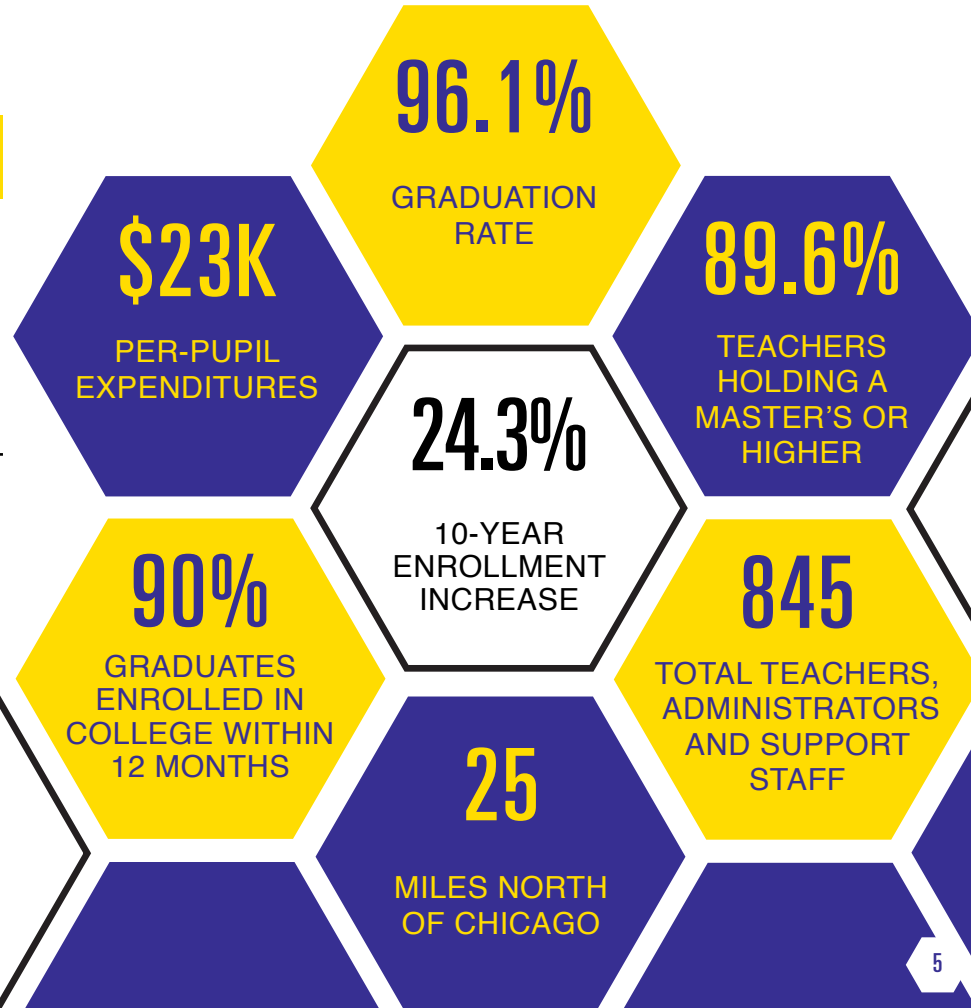


**ABOUT THIS DATA:** Student demographic and per teacher ratio data above reflects information as presented in the 2019 Illinois State Report Card. Graduation rate data below reflects students receiving transition services that defer graduation up until the day after their 21st birthday.

# ENROLLMENT TRENDS



With a 24.3% increase in enrollment over the last decade, projections show enrollment plateauing at around 5,200 students moving forward. Data reflects the 2019-20 School District Enrollment Forecast Update.



# FINANCIAL HIGHLIGHTS

1

## BALANCED FISCAL YEAR 2019 BUDGET

The District had \$281.3 million in expenses related to governmental activities, of which \$141.0 million were offset by program specific charges for services or operating grants and contributions. General revenues of \$141.3 million offset the remaining program expenses.

4

## ENROLLMENT INCREASE

Enrollment increased by 0.1% or 4 students between fiscal years 2019 and 2020. With a 24.3% increase in enrollment over the last decade, projections show enrollment plateauing at around 5,200 students moving forward.

2

## DEBT REFUND AND RETIREMENT

In August 2020 the school district took advantage of historical low interest rates to refund existing debt, resulting in a savings of \$1.7 million to taxpayers. Glenbrook is on track to retire all existing debt by January 1, 2028.

5

## EAV INCREASE

For tax year 2019 (payable in calendar year 2020) the District's aggregate equalized assessed value (EAV) increased approximately 14.7% from \$5.32 billion to \$6.10 billion. This party due to new reassessment procedures used by the Cook County Assessor.

3

## SAFETY PROGRAM IMPLEMENTATION

Major projects included the final phase of a 3-year life safety program (funded through debt restructuring) and multiple safety and security projects including the transition to electronic door locks across all schools, funded through a one-time use of fund balance.

## AUDIT RECOMMENDATIONS AND CONFIRMED RESOLUTIONS

### GASB STATEMENT NO. 87 RECORDING LEASE EXPENSES

#### COMMENT

Lauterbach & Amen, LLP, will work directly with the school district to review the new lease criteria in conjunction with the school district's current leases to determine the appropriate financial reporting for these activities under GASB Statement No. 87.

#### ACTION PLAN

The Business Services department has adjusted its budgeting practices for the 2020-21 fiscal year to be consistent with this recommendation.

### GASB STATEMENT NO. 84 RECORDING CUSTODIAL FUNDS

#### COMMENT

Lauterbach & Amen, LLP will work directly with the school district to review the new custodial fund criteria in conjunction with the school district's current student activity funds to determine the appropriate financial reporting for these activities under GASB Statement No. 84.

#### ACTION PLAN

As a result of COVID-19, the Illinois State Board of Education delayed the required implementation of GASB Statement No. 84 until the 2020-21 fiscal year. Implementation is pending further State guidance.

### STUDENT ACTIVITY ACCOUNTS

#### COMMENT

Lauterbach & Amen, LLP noted that Student Activity Accounts were not being monitored and reconciled on a timely basis, and recommended to investigate the reasons for the negative balances, to make appropriate corrections to properly reflect account balances and to review and check that internal controls are operating appropriately.

#### ACTION PLAN

This recommendation was successfully implemented in 2019-20. Ongoing efforts will be made to ensure continued adherence to internal controls.

### FUND MANAGEMENT

#### COMMENT

Previously and during our current year-end audit procedures, we noted that the following funds had an excess of actual expenditures over budget for the previous fiscal year and current fiscal year: Debt Service, Capital Projects, and Fire Prevention and Safety.

#### ACTION PLAN

The Business Services department will institute a practice of presenting an amended budget to the Board of Education each April, inclusive of fund-level updates to reflect reclassified expenses that take place during the fiscal year.

# FINANCIAL STATEMENTS

The school district annual prepares and publishes a series of financial statements in the form of a Comprehensive Annual Financial Report (CAFR). For the purposes of this document, several of these statements have been selected and are presented in a condensed form. To view the CAFR in its entirety, please visit the school district's website and select *Board of Education > Resources > Financial Information*.

## CONDENSED STATEMENT OF NET POSITION

The Statement of Net Position indicates the net worth of the school district as of June 30, 2020. The statement presents a comprehensive picture of the organization's financial position, including all financed debt, the value of its property (e.g., buildings, land, and capitalized equipment), and its liquid assets (e.g., cash on hand, investments) as of a certain point in time.

Governmental Activities	Fiscal Year 2019	Fiscal Year 2020
<b>Assets</b>		
Current and other assets	\$160,380,010	\$161,911,763
Capital Assets	\$135,371,212	\$135,312,323
Construction in Progress	\$1,626,186	\$975,175
Deferred Outflows of Resources	\$11,335,785	\$18,135,100
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$308,713,193</b>	<b>\$316,334,361</b>
<b>Liabilities</b>		
Long-term Liabilities	\$189,637,985	\$189,111,573
Other Liabilities	\$11,714,916	\$16,341,321
Deferred Inflows of Resources	\$74,773,776	\$77,203,428
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$276,126,677</b>	<b>\$282,656,322</b>
<b>Net Position</b>		
Net investment in capital assets	\$49,885,066	\$55,161,532
Restricted	\$18,262,725	\$18,755,651
Unrestricted	\$(35,561,275)	\$(40,239,144)
<b>Total Net Position</b>	<b>\$32,586,516</b>	<b>\$33,678,039</b>

## DEFINITIONS

**Assets** are resources owned and controlled by the school district that are expected to benefit future operations.

**Deferred outflows** are the consumption of net assets applicable to future reporting periods.

**Liabilities** are debt or obligations that the school district must pay.

**Deferred inflows** are the acquisition of net assets applicable to future reporting periods.

**Net investment** in capital assets represents the school district's investment in capital assets, less any related outstanding debt used to acquire those assets.

**Net position** reflects the school district's net worth. (Net position = Assets + Deferred outflows - Liabilities - Deferred inflows)

>> **Looking for more?** To view the full Statement of Net Position, refer to pages 31 and 32 in the CAFR.



## DID YOU KNOW?

That the school district uses a "zero-based budgeting" approach, combined with a formula driven review of budget allocations?

These practices help ensure decision making processes are consistent, data-based and equitable to current and future generations of students.

# CONDENSED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES

The Statement of Revenues, Expenditures, and Changed in Fund Balances presents a summary of all transactions and financial events between July 1, 2019, and June 30, 2020, that affect the net position reported on the statement.

In a school district, it is common to reference its net position as expressed through its fund balance (also known as reserve), to determine the financial stability of the organization. Should the fund balance level demonstrate a significant decrease, it would indicate that the organization's expenditures exceeded its revenues. There are times when this is appropriate, such as when the Board of Education approved a series of capital projects to improve the safety and security of its facilities. Using the school district's fund balance should be limited to one-time, purposeful uses (e.g., the safety and security projects), or as a result of delayed revenues impacting the overall cash flow for the organization (e.g., the delay of property tax revenue, due to COVID-19 tax bill extensions in Cook County).

	Operating Funds*	Debt Services	Capital Projects	Total
<b>Revenues</b>				
Local Sources - Taxes	\$110,123,954	\$9,786,947	\$0	\$119,910,901
Local Sources - Other	\$14,300,433	\$44	210,633	\$14,511,110
State Sources	\$5,016,375	\$194,287	\$0	\$5,210,662
Federal Sources	\$3,311,013	\$0	\$0	\$3,311,013
<b>Total Revenues</b>	<b>\$132,751,775</b>	<b>\$9,981,278</b>	<b>\$210,633</b>	<b>\$142,943,686</b>
<b>Expenditures</b>				
Instruction	\$71,645,599	\$0	\$0	\$71,645,599
Support Services	\$55,318,003	\$0	\$5,257,968	\$60,575,971
Community Services	\$1,000,993	\$0	\$0	\$1,000,993
Payments to Other Districts and Govt. Units	\$728,266	\$0	\$0	\$728,266
Capital Outlay	\$1,745,817	\$0	\$1,191,714	\$2,937,531
Debt Services	\$0	\$9,607,639	\$0	\$9,607,639
<b>Total Expenditures</b>	<b>\$130,438,678</b>	<b>\$9,607,639</b>	<b>\$6,449,682</b>	<b>\$146,495,999</b>
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	\$2,313,097	\$373,639	\$-6,239,049	\$-3,552,313
<b>Other Financing Sources (Uses)</b>				
Disposal of Capital Assets	\$54,496	\$0	\$0	\$54,496
Transfers	\$-353,037	\$353,037	\$0	\$0
<b>Total Other Financing Sources</b>	<b>\$-298,541</b>	<b>\$353,037</b>	<b>\$0</b>	<b>\$54,496</b>
<b>Net Change in Fund Balance</b>	<b>\$2,014,556</b>	<b>\$726,676</b>	<b>\$-6,239,049</b>	<b>\$-3,497,817</b>
<b>Fund Balances - Beginning</b>	<b>\$85,951,601</b>	<b>\$5,076,449</b>	<b>\$7,427,673</b>	<b>\$98,455,723</b>
<b>Fund Balances - Ending</b>	<b>\$87,966,157</b>	<b>\$5,803,125</b>	<b>\$1,188,624</b>	<b>\$94,957,906</b>

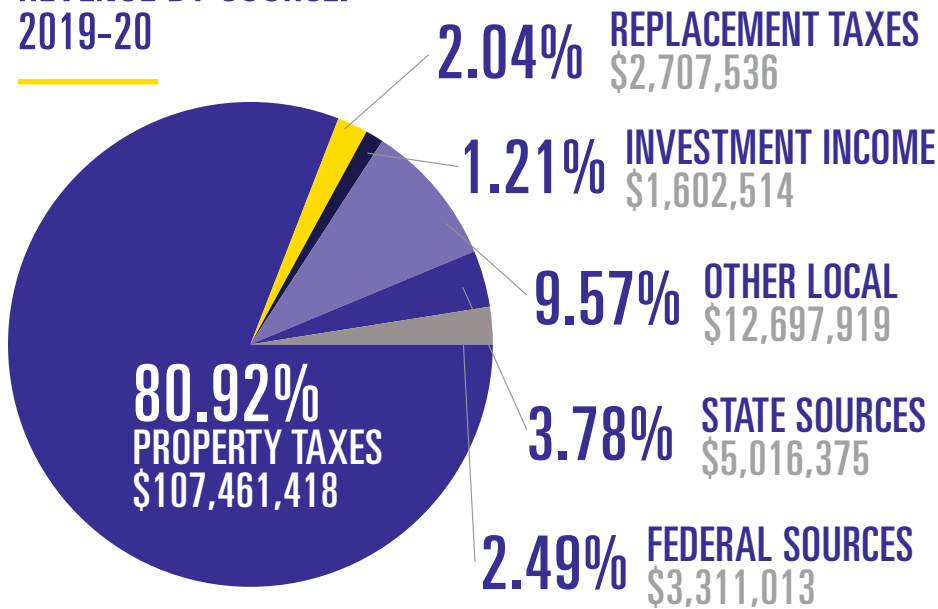
\*Operating Funds include General and Special Revenue Funds



# REVENUE BY SOURCE

The school district receives the majority of its revenue from local sources, including property tax collections, The Glen make-whole payment, replacement taxes, investment income, and student fees. Revenue from the state and the federal government has remained relatively constant over recent years.

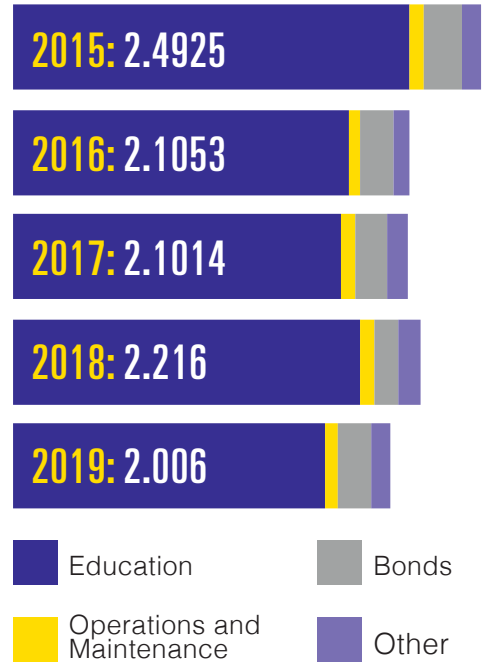
## OPERATING FUND REVENUE BY SOURCE: 2019-20



# PROPERTY TAX RATE

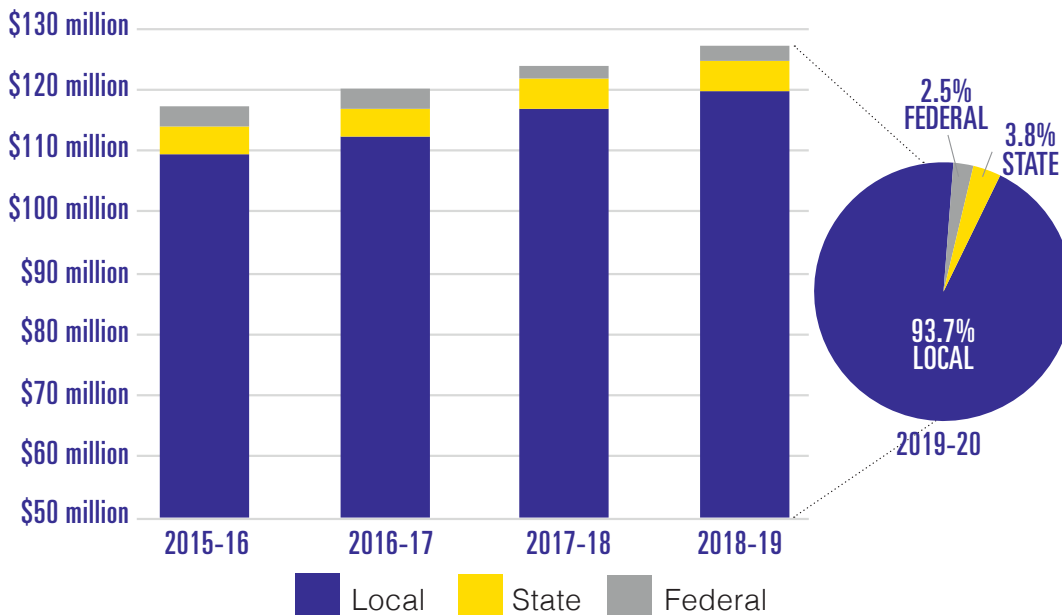
The school district's property tax rate has been steadily in decline since tax year 2015. Below is a summary of the school district's tax rate by fund (with minor funds grouped together for illustrative purposes only.)

## TAX YEAR / TAX RATE



>> **Looking for more?** View page 22 of the Fiscal Year 2020-21 Budget.

# OPERATING FUND: REVENUE SOURCES BY FISCAL YEAR



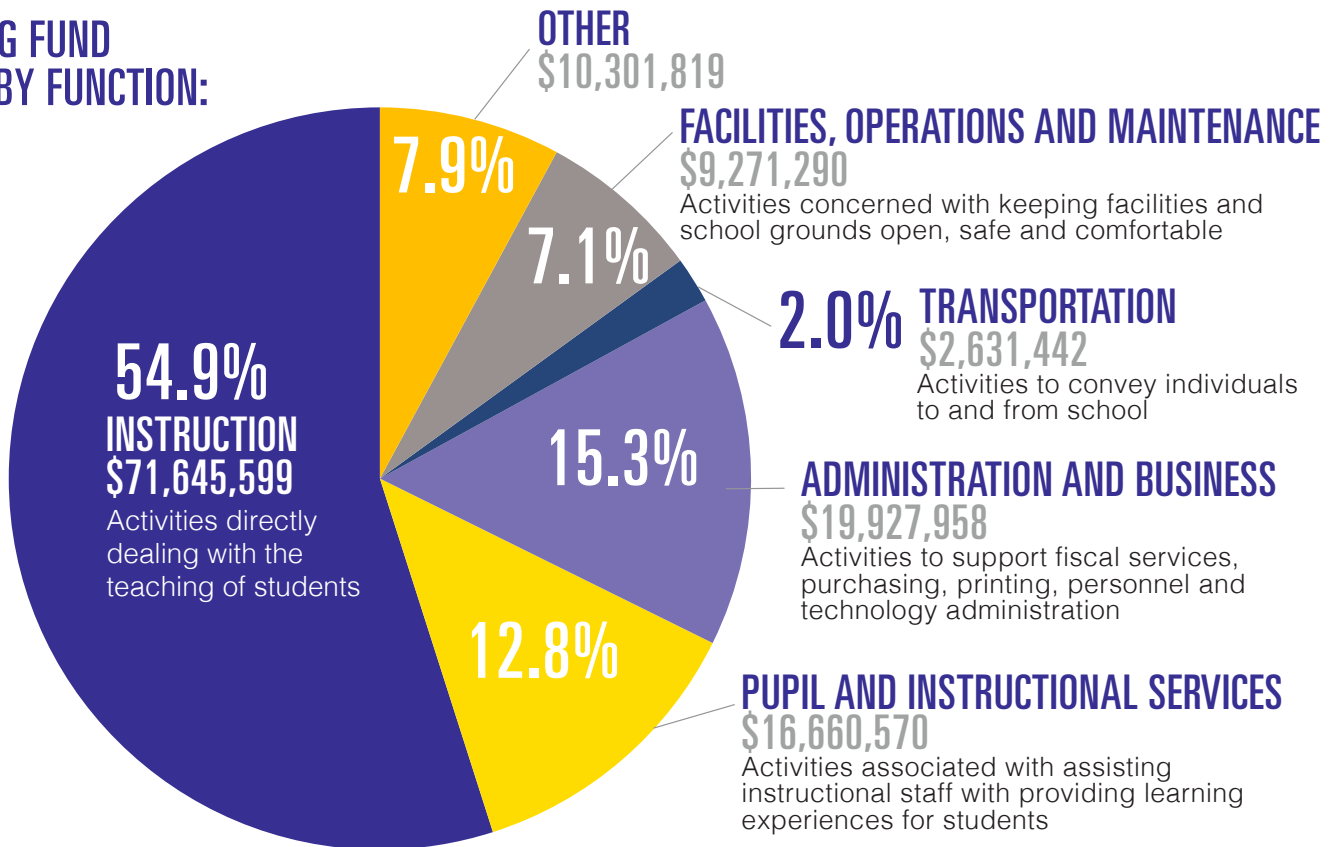
Note: The information on pages 9 and 10 excludes the State of Illinois' On-Behalf Payment (for the State's portion of teachers retirements).

The On-Behalf Payment is included in the official financial statements of the school district as an equal revenue and expenditure. This amount is solely reported as a requirement of the State of Illinois.

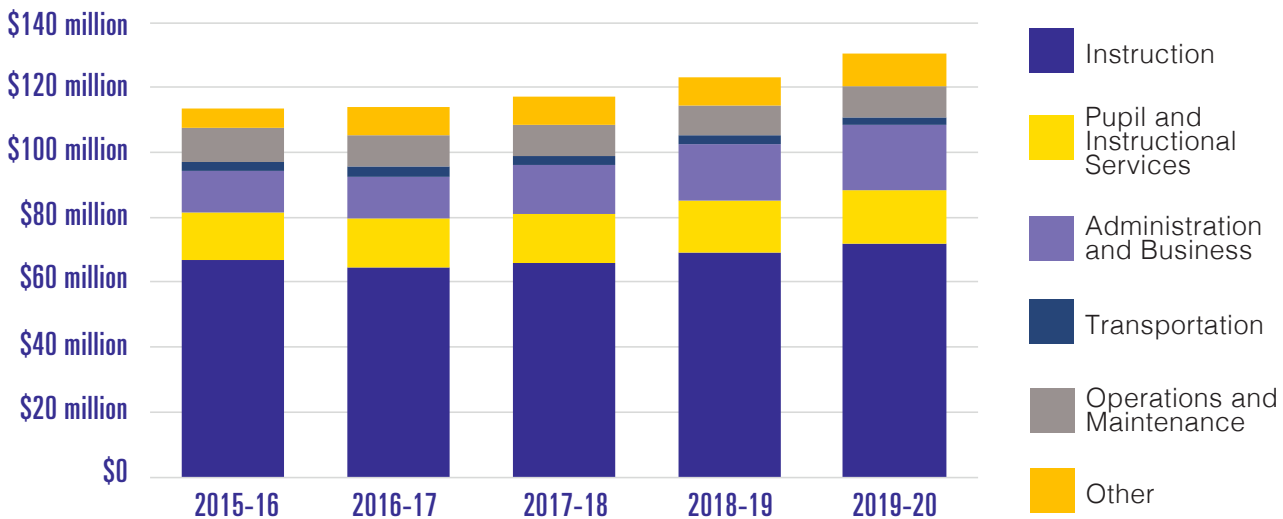
# EXPENSE BY FUNCTION

Through a zero-based budgeting approach, the school district's leadership team annually examines its prior year and projected expenditures. This process begins in October of the prior fiscal year and continues through the end of June. The goal of this budgeting approach is to ensure that all available financial resources are allocated in a manner that is consistent with the school district's mission, short, and long-term goals. As a learning organization, employee salaries and benefits make up the largest portion of the operating budget (75-78%). Through the implementation of interest-based collective bargaining, formula-based resource allocations, and extensive efforts to minimize health care increases, the district has consistently provided a comprehensive high school experience full of opportunities in the 4 As (academics, activities, athletics, and the arts) to all of its students.

## OPERATING FUND EXPENSE BY FUNCTION: 2019-20



## OPERATING FUND: EXPENSE BY FUNCTION BY FISCAL YEAR



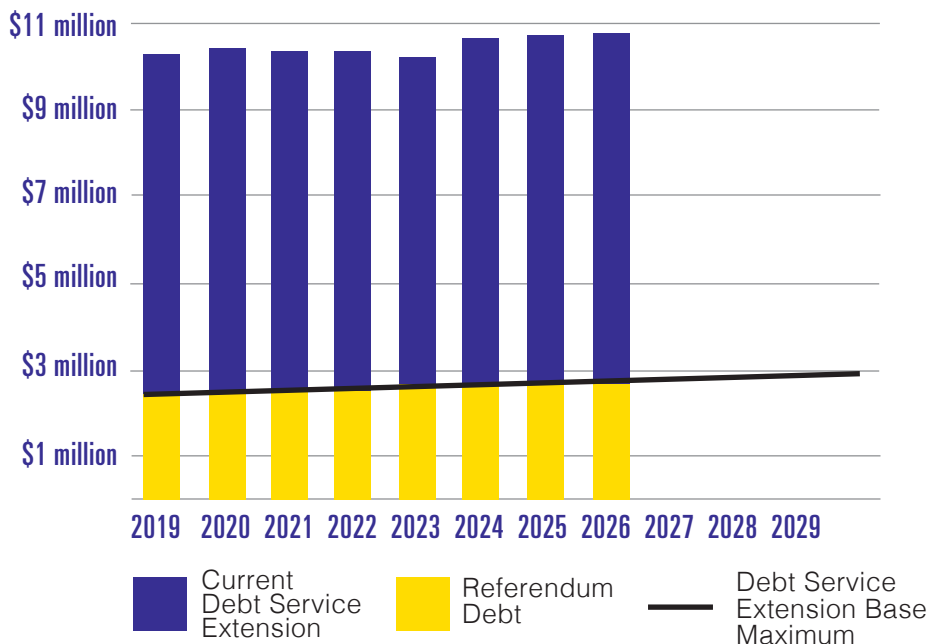
## LONG-TERM LIABILITIES

	Governmental Activities Fiscal Year 2019	Governmental Activities Fiscal Year 2020
General Obligation Bonds	\$83,688,256	\$76,748,499
Capital Leases	\$567,595	\$247,326
Compensated Absences	\$1,016,786	\$1,332,827
Property Tax Settlement	\$3,985,000	Retired
IMRF Net Pension Liability	\$9,812,106	\$2,960,815
TRS Net Pension Liability	\$6,843,590	\$17,418,945
Other Postemployment Benefits	\$90,047,576	\$98,224,366
<b>Total</b>	<b>\$195,960,909</b>	<b>\$196,932,778</b>

In January 2018 and May 2020, the Board of Education approved the refunding of existing debt from the 2006 referendum (Series 2008 bonds), to maximize low interest rates.

Additionally, the school district was able to save approximately \$4.5 million through a uniform debt restructure. The savings of this debt issue was wholly passed on to the school district's tax payers, through slightly lower debt service rates for tax years 2025, 2026 and 2027. The school district remains on track to retire all existing debt on January 1, 2028.

## OUTSTANDING DEBT SERVICE



# LOOKING TO THE FUTURE

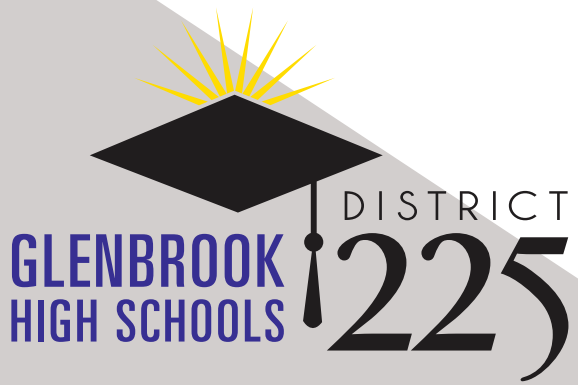
**The Glen TIF:** The tax increment financing (TIF) agreement for the Glen provides that the school district receives make-whole payments for new students. The school district continues to monitor the rate at which housing is occupied to identify future impact on enrollment. It is anticipated that the property located in The Glen will become part of the district's EAV in tax year 2022.

**Property Tax Appeals:** District 225 budgets the loss of \$3-4 million in property tax revenue each fiscal year to property tax refunds. The school district will continue to work with the Cook County Assessors office, the Board of Review, the Property Tax Appeals Board, and local taxpayers to reduce losses through tax appeals.

**Collective Bargaining:** The school district has successfully negotiated multi-year contracts with our three collective bargaining units.

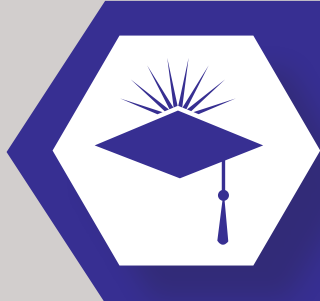
**Health Care Reform:** The second-largest expense in the school district's budget is employee health benefits. The school district has implemented a self-insured model to provide maximum flexibility in plan design and vendor selection. The school district continues to review health care benefits to identify and implement plan changes that save tax payers dollars without compromising the quality of staff benefits.

**Student Enrollment:** Recent enrollment and census data indicate a decline of enrollment at Glenbrook South and a projected increase at Glenbrook North. The annual budget building process includes provisions for future enrollment variances.



**LET'S STAY IN TOUCH**

**#D225NOW AS SEEN ON INSTAGRAM**



**GLENBROOK HIGH SCHOOL DISTRICT 225**

3801 W. Lake Avenue, Glenview, Illinois 60026  
(847) 998-6100 | [www.glenbrook225.org](http://www.glenbrook225.org)

**#D225NOW**



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**GLENBROOK NORTH HIGH SCHOOL**

2300 Shermer Road, Northbrook, Illinois 60062  
(847) 272-6400



**#GBNNOW**



**GLENBROOK SOUTH HIGH SCHOOL**

4000 W. Lake Avenue, Glenview, Illinois 60026  
(847) 729-2000



**#GBSNOW**

**LEARN MORE ABOUT THE DISTRICT**

*>> Looking for more? Visit [www.glenbrook225.org](http://www.glenbrook225.org) and select Board of Education to access other financial resources.*

