

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69

SKOKIE, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2012

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Skokie Elementary School District No. 69
Skokie, Illinois

We have audited the accompanying financial statements of the governmental activities and each major fund of Skokie Elementary School District No. 69, as of and for the year ended June 30, 2012, which collectively comprise the School District's basic financial statements, as listed in the table of contents. We have also audited the individual fund financial statements presented as audited individual fund financial statements, as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of Skokie Elementary School District No. 69's Board of Education. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

As discussed in Note #1, these financial statements were prepared on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the basic, and individual fund financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund, and each individual fund, of the Skokie Elementary School District No. 69, as of June 30, 2012, and the respective changes in financial position, and the respective changes in financial position-budgetary basis for the general fund and the major special revenue funds, and each individual fund, for the year then ended in conformity with the basis of accounting described in Note #1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2012 on our consideration of Skokie Elementary School District No. 69's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis information on pages 7 through 12, and the Schedule of Funding Progress relative to the Illinois Municipal Retirement Fund on page 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Skokie Elementary School District No. 69's financial statements as a whole. The additional supplemental information, as listed in the Table of Contents, is presented for purposes of additional analysis and is 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 basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This 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 as a whole. The additional supplemental information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

The 2011 comparative information shown in the schedule of expenditures of federal awards was subjected to audit procedures applied by us and our report dated November 8, 2011, expressed an unqualified opinion that such information was fairly stated in all material respects in relation to the 2011 financial statements taken as a whole.



EVOY, KAMSCHULTE, JACOBS & CO. LLP

November 5, 2012
Waukegan, Illinois



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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

Board of Education
Skokie Elementary School District No. 69
Skokie, Illinois

We have audited the financial statements of the governmental activities and each major fund of Skokie Elementary School District No. 69 as of and for the year ended June 30, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 5, 2012, which was qualified because the financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Skokie Elementary School District No. 69 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Skokie Elementary School District No. 69's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Skokie Elementary School District No. 69's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Skokie Elementary School District No. 69's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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.

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

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether Skokie Elementary School District No. 69's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we have reported to the Administration of Skokie Elementary School District No. 69 in a separate letter dated November 5, 2012.

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



EVOY, KAMSCHULTE, JACOBS & CO. LLP

November 5, 2012
Waukegan, Illinois



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education
Skokie Elementary School District No. 69
Skokie, Illinois

COMPLIANCE

We have audited Skokie Elementary School District No. 69'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 Skokie Elementary School District No. 69's major federal programs for the year ended June 30, 2012. Skokie Elementary School District No. 69's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Skokie Elementary School District No. 69's management. Our responsibility is to express an opinion on Skokie Elementary School District No. 69's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Skokie Elementary School District No. 69's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Skokie Elementary School District No. 69's compliance with those requirements.

In our opinion, Skokie Elementary School District No. 69 complied, in all material respects, with the 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, 2012.

INTERNAL CONTROL OVER COMPLIANCE

Management of Skokie Elementary School District No. 69 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Skokie Elementary School District No. 69's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Skokie Elementary School District No. 69's internal control over compliance.

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

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

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



EVROY, KAMSCHULTE, JACOBS & CO. LLP

November 5, 2012
Waukegan, Illinois

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

Our discussion and analysis of the Skokie Elementary School District No. 69's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2012. Please read it in conjunction with the District's financial statements, which begin on page 13, and the Notes to the Financial Statements, which begin on page 26, to further enhance your understanding of the District's financial condition.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at June 30, 2012 by \$33,902,570 (net assets).
- The District's total net assets increased by \$7,426,543.
- At June 30, 2012, the District's governmental funds reported combined fund balances of \$23,980,715, an increase of \$8,444,782 over the prior year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets – Modified Cash Basis and the Statement of Activities – Modified Cash Basis (on pages 13 and 14) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 15. For the governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as agent for the benefit of those outside the government.

Reporting the District as a Whole

Our analysis of the District as a whole begins on page 9. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all of the District's assets and liabilities resulting from the use of the modified cash basis of accounting.

These two statements report the District's net assets and changes in them. You can think of the District's net assets—the difference between assets and liabilities—as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. In order to assess the overall health of the District, you will need to consider other factors, such as the timing of county tax billing cycles, and the basis of accounting. The two statements should show that the District has made significant strides and is dedicated to continuing its efforts to achieve and maintain financial health.

In the Statement of Net Assets and the Statement of Activities, we report the District's Governmental activities. All of the District's services are reported here, including instructional services, support services, community services, and non-programmed charges. Property taxes, earnings on investments, fees, and state and federal grants finance most of these activities.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012
(Continued)

USING THIS ANNUAL REPORT (continued)

Reporting the District's Most Significant Funds

Our analysis of the District's major funds begins on page 10. The fund financial statements begin on page 15 and provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State law and by bond covenants.

- Governmental funds--All of the District's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The District maintains its accounting records for all funds on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation schedule in the financial statements.

The District as Trustee

The District is the trustee, or fiduciary, for its students and employees. All of the District's fiduciary activities are reported in a separate Statement of Assets, Liabilities, and Net Assets Arising From Cash Transactions on page 25, and a Statement of Cash Receipts, Disbursements and Changes in Fund Balance on page 57. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are contained on pages 26 through 44.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information relating to the District's progress in funding its obligation to provide pension benefits to its non-certified employees, and other supplemental information that may be useful to the reader.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012
(Continued)

THE DISTRICT AS A WHOLE

A condensed statement of net assets, as of June 30, 2012, and statement of activities, for the year ended June 30, 2012, is presented below.

Net Assets	Governmental Activities	
	2012	2011
Current and Other Assets	\$ 24,094,697	\$ 15,535,933
Capital Assets	27,110,990	27,585,094
Total Assets	51,205,687	43,121,027
Current Liabilities	(113,982)	-
Long-Term Debt Outstanding	(17,189,135)	(16,645,000)
Total Liabilities	(17,303,117)	(16,645,000)
	<u>\$ 33,902,570</u>	<u>\$ 26,476,027</u>
Net Assets:		
Invested in Capital Assets,		
Net of Related Debt	\$ 14,656,855	\$ 13,525,094
Restricted	20,063,071	13,485,925
Unrestricted	(817,356)	(534,992)
Total Net Assets	<u>\$ 33,902,570</u>	<u>\$ 26,476,027</u>
 <u>Changes in Net Assets</u>		
<u>Receipts</u>		
Program Receipts		
Charges for services	\$ 367,408	\$ 335,328
Operating grants	4,884,733	5,240,638
Capital grants	1,372,496	-
General Receipts		
Property taxes	21,208,891	21,912,542
Other taxes	464,585	526,757
Earnings on investments	324,539	267,821
General state aid	1,418,071	1,232,602
Other	237,389	492,289
Total Receipts	<u>\$ 30,278,112</u>	<u>\$ 30,007,977</u>
<u>Disbursements</u>		
Program Disbursements		
Instruction	\$ 12,762,058	\$ 12,311,290
Support services	7,254,714	7,178,069
Community services	4,874	329,430
Nonprogrammed Charges	1,319,881	1,920,545
Interest and other charges	539,127	866,014
Depreciation - unallocated	970,915	955,515
Total Disbursements	<u>\$ 22,851,569</u>	<u>\$ 23,560,863</u>
Increase (Decrease) in net assets	\$ 7,426,543	\$ 6,447,114
Net Assets - Beginning	26,476,027	20,028,913
Net Assets - Ending	<u>\$ 33,902,570</u>	<u>\$ 26,476,027</u>

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012
(Continued)

THE DISTRICT AS A WHOLE (continued)

Net assets of the District's governmental activities increased by \$7,426,543. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements — decreased by \$(282,364) to \$(817,356). This decrease in unrestricted net assets arose primarily because of overall increase in long-term debt in FY 12.

THE DISTRICT'S FUNDS

At June 30, 2012 the District's governmental funds (as presented in the Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions on page 15) reported a combined fund balance of \$23,980,715, which is above last year's total of \$15,535,933. The primary reasons for the governmental funds increase are due to a bond issue, fiscally responsible budgeting and the realization of state aid.

General Fund Budgetary Highlights

The July 1, 2011 to June 30, 2012 budget, which was not amended, was approved by the Board of Education on September 19, 2011. The budget is a general guide for the financial activity of the District.

- The General (Education) Fund actual direct receipts were more than the budgeted amount due to a conservative approach given the continuation of the economic downturn and the realization of state aid.
- The General (Education) Fund actual direct disbursements were less than the budgeted amount due to a fiscally responsible approach to controlling expenditures.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012
(Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2012, the District had \$27,110,990 invested in capital assets, including land, land improvements, buildings and furniture and equipment, as shown below.

Capital Assets at Year End (Net of Depreciation)	Governmental Activities	
	2012	2011
Land and Improvements	\$ 466,950	\$ 485,869
Buildings	25,622,054	26,275,827
Furniture and Equipment	899,341	823,398
Construction-in-Progress	122,645	-
Totals	<u>\$ 27,110,990</u>	<u>\$ 27,585,094</u>

This year's major additions included annual maintenance on each of the District's three school buildings including electrical work, parking lot seal coating, two new air handlers, and the construction of a new motor skills room amongst other small projects in the District.

The District's 2012-13 fiscal year budget calls for it to spend \$357,795 for capital projects, principally for the projects mentioned above in which the invoices were received after June 30, 2012.

See Notes 1 and 3 to the financial statements for additional information about changes in capital assets and depreciation.

Long-Term Debt

At June 30, 2012, the District had \$17,189,135 in long-term debt outstanding, as shown below.

Outstanding Debt at Year End	Governmental Activities	
	2012	2011
2002 Building Bonds	\$ 460,000	\$ 900,000
2003 Fire Prevention and Safety Bonds	1,070,000	7,585,000
2009A Working Cash Fund Bonds	-	1,350,000
2009B Working Cash Fund Bonds	1,235,000	1,235,000
2010 Refunding Bonds	5,540,000	5,575,000
2012 Working Cash and Refunding Bonds	8,820,000	-
Capital Lease	64,135	-
Totals	<u>\$ 17,189,135</u>	<u>\$ 16,645,000</u>

During the year the District issued \$9,315,000 of Working Cash Fund and Refunding Bonds. This bond issue was assigned a rating of "Aa3" by Moody's Investors Service, Inc. The total amount of bonded indebtedness of the District is within its legal debt authority.

See Note 4 to the financial statements for additional information about long-term debt.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012
(Continued)

OTHER FINANCIAL MATTERS BEARING ON THE DISTRICT'S FUTURE

The Cook County tax cap, properly known as the Property Tax Extension Limitation Law (PTELL) will continue to have a negative effect on the district's revenues. The tax cap limit allowed for a 1.55% increase in the tax extension from the 2010 tax year to the 2011 tax year. The equalized assessed valuation (EAV) of property located within the District decreased over 9% from \$491,074,920 to \$446,440,343.

The District continues to be negatively impacted by property tax objections, which cost the District funds that may come out of current year tax collections. Future tax objections will continue to reduce current revenues from local property taxes.

The former Pfizer property, and much of the surrounding commercial property has been designated a Tax Increment Financing (TIF) district with a 23 year life span. On a positive note, the TIF agreement specifically notes that the school district will share in the proceeds of the referendum passed in March 2006 affecting the TIF district for the life of the TIF.

The District has taken necessary steps to continue on its current financial path and rebuild fund balances to prepare for the uncertain future. By continuing to monitor spending closely, and operate responsibly under the current economic downturn, the District strives to maintain financial stability. In an effort to carry out the goals of the District 69 Board of Education, we will continue on the current path in order to achieve its long-term fund balance goals of a 30% fund balance in each fund at the low point of the cash flow statement for the fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with an overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. Eric Miller, Coordinator of Finance and Operations, 5050 Madison Street, Skokie, IL 60077, 847-675-7666.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
JUNE 30, 2012

	Governmental Activities
ASSETS	
Cash and Investments	\$ 24,094,697
Capital Assets	
Land	\$ 307,362
Land Improvements	378,398
Buildings	36,723,839
Construction in Progress	122,645
Furniture and Equipment	4,329,889
Less: Accumulated Depreciation	(14,751,143)
Total Capital Assets, Net	<u>\$ 27,110,990</u>
 TOTAL ASSETS	 <u>\$ 51,205,687</u>
 LIABILITIES	
Current Liabilities	<u>\$ 113,982</u>
Long-Term Liabilities	
Portion Due Within One Year	
Capital Lease	\$ 31,519
General Obligation Bonds	2,545,000
Portion Due in More Than One Year	
Capital Lease	32,616
General Obligation Bonds	14,580,000
Total Long-Term Liabilities	<u>\$ 17,189,135</u>
 TOTAL LIABILITIES	 <u>\$ 17,303,117</u>
 NET ASSETS	
Invested in Capital Assets, Net of Related Debt	\$ 14,656,855
Restricted	
Tort Immunity	1,333,169
Technology Leasing	479,244
Operations and Maintenance	4,582,047
Transportation	2,469,432
Municipal Retirement/Social Security	138,960
Working Cash	6,220,356
Debt Service	2,168,846
Capital Projects	2,671,017
Unrestricted	<u>(817,356)</u>
 TOTAL NET ASSETS	 <u><u>\$ 33,902,570</u></u>

The accompanying Notes are an integral part of these financial statements.

**Net (Disbursements)
Receipts and
Change in Net Assets
Governmental**

The accompanying Notes are an integral part of these financial statements.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES ARISING FROM CASH TRANSACTIONS
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Special Revenue Funds					Debt Service Fund	Capital Projects Fund	Total Governmental Funds
		Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund	Working Cash Fund	Tort Immunity Fund			
ASSETS									
Cash and Investments	\$ 4,497,599	\$ 4,593,229	\$ 2,469,519	\$ 138,960	\$ 6,220,356	\$ 1,335,171	\$ 2,168,846	\$ 2,671,017	\$ 24,094,697
TOTAL ASSETS	\$ 4,497,599	\$ 4,593,229	\$ 2,469,519	\$ 138,960	\$ 6,220,356	\$ 1,335,171	\$ 2,168,846	\$ 2,671,017	\$ 24,094,697
LIABILITIES AND FUND BALANCES									
LIABILITIES	\$ 100,711	\$ 11,182	\$ 87	\$ -	\$ -	\$ 2,002	\$ -	\$ -	\$ 113,982
FUND BALANCES									
Restricted									
Insurance Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,333,169	\$ -	\$ -	\$ 1,333,169
Technology Leasing	479,244	-	-	-	-	-	-	-	479,244
Operations and Maintenance	-	2,582,047	-	-	-	-	-	-	2,582,047
Transportation Services	-	-	2,469,432	-	-	-	-	-	2,469,432
Employee Benefits Payments	-	-	-	138,960	-	-	-	-	138,960
Interfund Borrowing	-	-	-	-	6,220,356	-	-	-	6,220,356
Bond Principal and Interest Payments	-	-	-	-	-	-	2,168,846	-	2,168,846
Future Construction	-	-	-	-	-	-	-	2,671,017	2,671,017
Committed	-	2,000,000	-	-	-	-	-	-	2,000,000
Unassigned	3,917,644	-	-	-	-	-	-	-	3,917,644
Total Fund Balances	\$ 4,396,888	\$ 4,582,047	\$ 2,469,432	\$ 138,960	\$ 6,220,356	\$ 1,333,169	\$ 2,168,846	\$ 2,671,017	\$ 23,980,715
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,497,599	\$ 4,593,229	\$ 2,469,519	\$ 138,960	\$ 6,220,356	\$ 1,335,171	\$ 2,168,846	\$ 2,671,017	\$ 24,094,697

The accompanying Notes are an integral part of these financial statements.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

Total Fund Balances - Governmental Funds	\$	23,980,715
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Amounts reported for governmental activities in the statement
of net assets are different because:

Capital assets used in governmental activities are not
financial resources and, therefore, are not reported as
assets in governmental funds.

Cost of Capital Assets	\$ 41,862,133.00	
Accumulated Depreciation	<u>(14,751,143.00)</u>	27,110,990

Long-Term liabilities, including bonds payable, are not
due and payable in the current period and therefore are
not reported as liabilities in the funds.

General Obligation Bonds	\$ (17,125,000.00)	
Capital Leases	<u>(64,135.00)</u>	(17,189,135)

Total Net Assets of Governmental Activities	\$	<u><u>33,902,570</u></u>
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The accompanying Notes are an integral part of these financial statements.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Special Revenue Funds					Debt Service Fund	Capital Projects Fund	Total Governmental Funds
		Education Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund	Working Cash Fund	Tort Immunity Fund		
RECEIPTS									
Taxes	\$ 15,417,900	\$ 2,288,486	\$ 484,848	\$ 289,957	\$ 106,693				\$ 21,673,476
Tuition	119,062	-	-	-	-	-			119,062
Transportation Fees	-	-	36,265	-	-	-			36,265
Earnings on Investments	68,384	55,806	41,886	4,932	88,709	27,795		5,401	324,539
Food Service Fees	180,579	-	-	-	-	-		-	180,579
Pupil Activity Fees	28,178	-	-	-	-	-		-	28,178
Textbook Fees	3,324	-	-	-	-	-		-	3,324
Rentals	20,000	-	-	-	-	-		-	20,000
Refund of Prior Year Disbursements	64,772	-	-	-	-	-		-	64,772
Other	21,652	-	-	-	-	-		-	21,652
Local Fees	54,440	1,418,071	-	-	-	-		-	54,440
State Aid	3,628,720	-	426,863	-	-	-		1,372,496	6,846,150
Federal Aid	829,150	-	-	-	-	-		-	829,150
TOTAL RECEIPTS	\$ 20,436,161	\$ 3,740,363	\$ 969,862	\$ 304,889	\$ 195,392	\$ 27,795	\$ 3,149,228	\$ 1,377,897	\$ 30,201,587
DISBURSEMENTS									
Current									
Instruction									
Regular Programs	\$ 9,014,291	\$ -	\$ -	\$ 95,235	\$ -	\$ -			\$ 9,109,526
Pre-K Programs	291,183	-	-	15,351	-	-			306,534
Special Education Programs	1,794,784	-	-	48,950	-	-			1,843,734
Remedial and Supplemental Programs	458,430	-	-	4,165	-	-			462,595
Interscholastic Programs	264,590	-	-	-	-	-			264,590
Summer School Programs	10,912	-	-	155	-	-			11,067
Bilingual Programs	746,811	-	-	17,201	-	-			764,012
Support Services									
Pupils	1,134,371	-	-	22,694	-	-			1,157,065
Instructional Staff	325,643	-	-	14,079	-	-			339,722
General Administration	558,052	-	-	16,398	-	-			574,450
School Administration	584,308	-	-	23,706	-	-			608,014
Business	980,550	1,279,702	853,705	135,843	-	380,460			3,630,260
Central	921,527	-	-	23,376	-	-			944,903
Community Services	4,874	-	-	-	-	-			4,874
Nonprogrammed Charges	1,319,881	-	-	-	-	-			1,319,881
Debt Service									
Principal	34,109	-	-	-	-	-			34,109
Interest and Other Charges	-	-	-	-	-	-			-
Capital Outlay	280,324	20,106	-	-	24,355	-			324,785
TOTAL DISBURSEMENTS	\$ 18,734,640	\$ 1,299,808	\$ 853,705	\$ 417,453	\$ 24,355	\$ 380,460	\$ 3,517,820	\$ 186,381	\$ 25,414,622
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,701,521	\$ 2,440,555	\$ 116,157	\$ (112,564)	\$ 171,037	\$ (352,665)	\$ (368,592)	\$ 1,191,516	\$ 4,786,965
OTHER FINANCING SOURCES (USES)									
Proceeds of Bonds Sold	\$ -	\$ -	\$ -	\$ -	\$ 3,440,000	\$ -	\$ 5,875,000	\$ -	\$ 9,315,000
Premium (Discount) on Bonds Sold	-	-	-	-	76,525	-	440,987	-	517,412
Transfer to Refunded Bonds Escrow Agent	-	-	-	-	-	-	(8,272,839)	-	(5,272,839)
Proceeds of Capital Lease	98,244	-	-	-	-	-	-	-	98,244
Transfers In	-	-	-	-	-	-	-	1,479,501	1,479,501
Transfers Out	-	-	-	-	(1,479,501)	-	-	-	(1,479,501)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 98,244	\$ -	\$ -	\$ -	\$ 2,037,024	\$ -	\$ 43,048	\$ 1,479,501	\$ 3,657,817
NET CHANGE IN FUND BALANCE	\$ 1,799,765	\$ 2,440,555	\$ 116,157	\$ (112,564)	\$ 2,208,061	\$ (352,665)	\$ (325,544)	\$ 2,671,017	\$ 8,444,782
FUND BALANCE - JULY 1, 2011	2,597,123	2,141,492	2,353,275	251,524	4,012,295	1,685,834	2,494,390	-	15,535,933
FUND BALANCE - JUNE 30, 2012	\$ 4,396,888	\$ 4,582,047	\$ 2,469,432	\$ 139,960	\$ 6,220,356	\$ 1,333,169	\$ 2,168,846	\$ 2,671,017	\$ 23,980,715

The accompanying Notes are an integral part of these financial statements.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Net Change in Fund Balance - Governmental Funds	\$	8,444,782
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful life as depreciation expense.

Capital Outlay	\$	496,811	
Depreciation Expense		(970,915)	(474,104)

Issuing long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.

Proceeds of Bonds Issued	\$	(9,315,000)	
Proceeds of Capital Leases		(98,244)	(9,413,244)

Repayment/defeasance of long-term debt principal reduces financial resources in the governmental funds, but the repayment/defeasance reduces long-term liabilities in the statement of net assets.

Principal Paid on Long-Term Debt	\$	2,844,109	
Defeasances of Long-Term Debt Principal		6,025,000	8,869,109

Change in Net Assets of Governmental Activities	\$	7,426,543
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The accompanying Notes are an integral part of these financial statements.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND - EDUCATION FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Original and Final Budget	Actual
RECEIPTS		
Taxes	\$ 15,329,521	\$ 15,417,900
Tuition	48,000	119,062
Earnings on Investments	11,668	68,384
Food Service Fees	172,660	180,579
Pupil Activity Fees	47,822	28,178
Textbook Fees	16,666	3,324
Rentals	-	20,000
Refund of Prior Years' Expenditures	-	64,772
Local Fees	67,760	54,440
Other	-	21,652
State Aid	549,652	1,099,121
Federal Aid	665,998	829,150
Total Direct Receipts	\$ 16,909,747	\$ 17,906,562
"On-Behalf" Receipt for Retirement Benefits	2,500,000	2,529,599
TOTAL RECEIPTS	<u>\$ 19,409,747</u>	<u>\$ 20,436,161</u>
DISBURSEMENTS		
Current		
Instruction		
Regular Programs	\$ 6,745,940	\$ 6,484,692
Pre-K Programs	271,971	291,183
Special Education Programs	1,961,391	1,794,784
Remedial and Supplemental Programs	316,099	458,430
Interscholastic Programs	290,414	264,590
Summer School Programs	12,804	10,912
Bilingual Programs	800,402	746,811
Support Services		
Pupils	1,102,694	1,134,371
Instructional Staff	268,610	325,643
General Administration	558,796	558,052
School Administration	538,426	584,308
Business	1,138,015	980,550
Central	1,016,010	921,527
Community Services	6,000	4,874
Nonprogrammed Charges	1,800,000	1,319,881
Debt Service		
Principal	-	34,109
Capital Outlay	45,400	290,324
Total Direct Disbursements	\$ 16,872,972	\$ 16,205,041
"On-Behalf" Disbursement for Retirement Benefits	2,500,000	2,529,599
TOTAL DISBURSEMENTS	<u>\$ 19,372,972</u>	<u>\$ 18,734,640</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 36,775	\$ 1,701,521
OTHER FINANCING SOURCES (USES)		
Proceeds of Capital Lease	-	98,244
NET CHANGE IN FUND BALANCE	<u>\$ 36,775</u>	\$ 1,799,765
FUND BALANCE - JULY 1, 2011		2,597,123
FUND BALANCE - JUNE 30, 2012		<u>\$ 4,396,888</u>

The accompanying Notes are an integral part of these financial statements.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Original and Final Budget	Actual
RECEIPTS		
Taxes	\$ 1,955,067	\$ 2,266,486
Earnings on Investments	16,377	55,806
Rentals	7,000	-
State Aid	-	1,418,071
	<hr/>	<hr/>
TOTAL RECEIPTS	\$ 1,978,444	\$ 3,740,363
	<hr/>	<hr/>
DISBURSEMENTS		
Current		
Support Services - Operations & Maintenance Services		
Salaries	\$ 544,971	\$ 518,505
Employee Benefits	106,944	122,448
Purchased Services	660,527	322,466
Supplies & Materials	443,946	316,283
Capital Outlay	200,000	20,106
Provision for Contingencies	20,000	-
	<hr/>	<hr/>
TOTAL DISBURSEMENTS	\$ 1,976,388	\$ 1,299,808
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ 2,056	\$ 2,440,555
	<hr/>	<hr/>
FUND BALANCE - JULY 1, 2011		2,141,492
		<hr/>
FUND BALANCE - JUNE 30, 2012		\$ 4,582,047
		<hr/>

The accompanying Notes are an integral part of these financial statements.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
SPECIAL REVENUE FUND - TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Original and Final Budget	Actual
RECEIPTS		
Taxes	\$ 507,070	\$ 464,848
Transportation Fees	-	36,265
Earnings on Investments	15,702	41,886
State Aid	-	426,863
	<hr/>	<hr/>
TOTAL RECEIPTS	\$ 522,772	\$ 969,862
	<hr/>	<hr/>
DISBURSEMENTS		
Current		
Support Services - Pupil Transportation Services		
Salaries	\$ 7,947	\$ 7,947
Employee Benefits	1,158	1,229
Purchased Services	897,368	842,982
Supplies & Materials	-	1,547
Provision for Contingencies	10,000	-
	<hr/>	<hr/>
TOTAL DISBURSEMENTS	\$ 916,473	\$ 853,705
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (393,701)</u>	\$ 116,157
FUND BALANCE - JULY 1, 2011		<u>2,353,275</u>
FUND BALANCE - JUNE 30, 2012		<u><u>\$ 2,469,432</u></u>

The accompanying Notes are an integral part of these financial statements.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
SPECIAL REVENUE FUND - MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Original and Final Budget	Actual
RECEIPTS		
Taxes	\$ 528,687	\$ 299,957
Earnings on Investments	3,910	4,932
TOTAL RECEIPTS	<u>\$ 532,597</u>	<u>\$ 304,889</u>
DISBURSEMENTS		
Current		
Instruction		
Regular Programs	\$ 68,486	\$ 95,235
Pre-K Programs	13,786	15,351
Special Education Programs	74,259	48,950
Remedial and Supplemental Programs	455	4,165
Bilingual Programs	13,491	17,201
Summer School Programs	139	155
Support Services		
Pupils	15,470	22,994
Instructional Staff	2,021	14,079
General Administration	13,510	16,398
School Administration	16,849	23,706
Business	133,403	135,843
Central	12,948	23,376
TOTAL DISBURSEMENTS	<u>\$ 364,817</u>	<u>\$ 417,453</u>
NET CHANGE IN FUND BALANCE	<u>\$ 167,780</u>	\$ (112,564)
FUND BALANCE - JULY 1, 2011		<u>251,524</u>
FUND BALANCE - JUNE 30, 2012		<u>\$ 138,960</u>

The accompanying Notes are an integral part of these financial statements.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
SPECIAL REVENUE FUND - WORKING CASH FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Original and Final Budget	Actual
RECEIPTS		
Taxes	\$ -	\$ 106,683
Earnings on Investments	40,792	88,709
TOTAL RECEIPTS	\$ 40,792	\$ 195,392
DISBURSEMENTS		
Debt Service		
Costs of Bonds Sold	-	24,355
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 40,792	\$ 171,037
OTHER FINANCING SOURCES (USES)		
Principal on Bonds Sold	\$ -	\$ 3,440,000
Premium on Bonds Sold	-	76,525
Transfers Out	(1,391,746)	(1,479,501)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (1,391,746)	\$ 2,037,024
NET CHANGE IN FUND BALANCE	<u>\$ (1,350,954)</u>	\$ 2,208,061
FUND BALANCE - JULY 1, 2011		4,012,295
FUND BALANCE - JUNE 30, 2012		<u>\$ 6,220,356</u>

The accompanying Notes are an integral part of these financial statements.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
SPECIAL REVENUE FUND - TORT IMMUNITY FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Original and Final Budget	Actual
RECEIPTS		
Earnings on Investments	\$ 26,490	\$ 27,795
DISBURSEMENTS		
Current		
Support Services - Insurance Services		
Salaries	\$ 133,385	\$ 133,385
Employee Benefits	26,780	31,003
Purchased Services	129,971	216,072
TOTAL DISBURSEMENTS	\$ 290,136	\$ 380,460
NET CHANGE IN FUND BALANCE	<u>\$ (263,646)</u>	\$ (352,665)
FUND BALANCE - JULY 1, 2011		<u>1,685,834</u>
FUND BALANCE - JUNE 30, 2012		<u>\$ 1,333,169</u>

The accompanying Notes are an integral part of these financial statements.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS ARISING FROM
CASH TRANSACTIONS - FIDUCIARY FUNDS
JUNE 30, 2012

ASSETS

Cash In Bank Accounts	\$ 45,871
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TOTAL ASSETS	<u>\$ 45,871</u>
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LIABILITIES

Due to Student Groups	\$ 35,970
Due to Employee's Benefits Fund	<u>9,901</u>

TOTAL LIABILITIES	<u>\$ 45,871</u>
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NET ASSETS	<u><u>\$ -</u></u>
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The accompanying Notes are an integral part of these financial statements.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Skokie Elementary School District No. 69 (the "District") is governed by the District's Board of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by Governmental Accounting Standards. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards.

New Accounting Standards

There were no new GASB statements adopted by the District during fiscal year 2012.

Governmental accounting standards the District is currently reviewing for applicability include:

- GASBS 60, *Accounting and Financial Reporting for Service Concession Arrangements*.
- GASBS 61, *The Financial Reporting Entity: Omnibus, an Amendment of GASB Statements No. 14 and 34*.
- GASBS 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
- GASBS 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*.
- GASBS 64, *Derivative Instruments; Application of Hedge Accounting Termination Provisions-an Amendment of GASBS No. 53*.

Basis of Presentation

District-wide Statements: The Statement of Net Assets and the Statement of Activities display information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District has no Business-Type activities.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

District-wide Statements (continued): The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the District related to the administration and support of the District's Programs, such as personnel and accounting—are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Governmental Fund Financial Statements: The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category—*governmental*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The District maintains individual funds as prescribed by the Illinois State Board of Education. The District reports all its funds as major governmental funds.

The District reports the following major governmental funds:

- *General Fund.* This fund consists of the Educational Fund and is the general operating fund of the District. It is used to account for all financial resources and activities except those that are required to be accounted for in another fund. Special Education and Technology Leasing are included in this fund.
- *Special Revenue Funds.* These funds include the Operations and Maintenance, Transportation, Municipal Retirement/Social Security, Working Cash, and Tort Immunity Funds and is used to account for the proceeds of specific revenue sources (other than those accounted for in the Debt Service Fund, Capital Projects Fund or Fiduciary Funds) that are legally restricted to cash disbursements for specific purposes. In accordance with the Illinois School Code the District maintains a Working Cash Fund, which accounts for financial resources held by the District to be used for temporary inter-fund loans to any other governmental fund. Also, by Board resolution, the financial resources of the Working Cash Fund can be permanently transferred to any other governmental fund through abatement or abolishment. The District considers these resources as stabilization amounts, available for use in emergency situations or when a revenue shortfall or budgetary imbalance occurs. Thus, the District classifies this fund as a special revenue fund due to the specific limitations on the uses of the resources within this fund.
- *Debt Service Fund.* This fund consists of the Bond and Interest Fund and accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.
- *Capital Projects Funds.* This fund consists of the Capital Projects Fund and accounts for financial resources to be used for the acquisition, construction or improvement of major capital facilities.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. The Agency Fund includes the Student Activity Funds, and the Employees' Flexible Benefits Fund, and accounts for assets held by the District as an agent for its students and employees, and therefore, are not available to support District programs. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the agency fund organizations are equal to the assets.

Basis of Accounting

The district-wide financial statements are reported using the modified cash basis of accounting. The cash basis of accounting is modified to account for: recording of depreciation on fixed assets, recognition of the net depreciated value of fixed assets, and, recognition of long-term liabilities. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from property taxes, grants, entitlements and donations are recognized when received consistent with the cash basis of accounting.

The governmental fund financial statements, and all other financial statements, are reported using the cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, 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, result from previous cash transactions. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to apply cost-reimbursement grant resources to such programs, followed by categorical grants, and then by general revenues.

Investments

Investments are stated at cost, which approximates market value. Gains or losses, if any, on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

Net Assets

Net Assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Resources

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Budgets and Budgetary Accounting

The budget for all major Governmental Funds is 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, Section 5/17-1 of the *Illinois Compiled Statutes*. The July 1, 2011 to June 30, 2012 budget, which was not amended, was approved by the Board of Education on September 19, 2011. For each fund, total fund disbursements 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. The Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
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 by the same procedures required of its original adoption.

Capital Assets

Capital assets are reported at actual or estimated historical cost. Contributed assets are reported at estimated fair value at the time received. The District generally capitalizes assets with a cost of \$1,000 or more as purchases occur. Depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements are as follows:

	Depreciation Method	Estimated Useful Life
Land Improvements	Straight Line	20 Years
Buildings	Straight Line	50 Years
Furniture and Equipment	Straight Line	10 Years

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

2. CASH AND INVESTMENTS

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's policy requires deposits to be 102 percent secured by collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation (FDIC) insurance. The District's Board of Education, along with the Township Treasurer, approves and designates a list of authorized depository institutions based on evaluation of solicited responses and certificates provided by financial institutions.

Cash in Bank

The District maintains an Imprest Checking account for minor current cash needs. At June 30, 2012, the carrying amount of the District's deposit account was \$2,500; the bank balance was \$2,280. This deposit account is categorized in accordance with risk factors created by governmental reporting standards. At June 30, 2012, the entire amount of this deposit account was covered by federal depository insurance.

The District is the trustee, or fiduciary, for its students and employees. The Fiduciary fund is used to report student activity and employees' flexible benefits accounts. At June 30, 2012 the deposits in the student activity and employees flexible benefits accounts had a carrying amount of \$35,970 and \$9,901, respectively, and the bank balances were \$36,063 and \$11,846, respectively. At June 30, 2012, the entire amount of these deposit accounts was covered by federal depository insurance.

Cash and Investments in Custody of Township Treasurer

The District, along with all other School Districts within the Township, through the Township Treasurer, maintains common checking accounts and investments for all the District's funds combined with the individual fund balances being maintained by the Township Treasurer. The District is allowed to invest in securities as authorized by the *Illinois Compiled Statutes*, Chapter 30, Sections 235/2 and 235/6, and Chapter 105, Section 5/8-7. All investments, which include Certificates of Deposit and United States Treasury Obligations, are stated at cost, which approximates market value. At June 30, 2012, all of the District's Certificate of Deposit investments were either covered by Federal Depository Insurance or fully collateralized. Earnings on investments are allocated to the District based on average balances and are distributed to the District on a monthly basis. At June 30, 2012, the carrying amount of the District's cash and investments was \$24,092,197. All of the cash and investments are maintained by the Niles Township Schools Treasurer in pooled accounts.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

3. CAPITAL ASSETS AND DEPRECIATION

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Capital Assets not Being Depreciated				
Land	\$ 307,362	\$ -	\$ -	\$ 307,362
Construction-in-Progress	-	122,645	-	122,645
Total Capital Assets not Being Depreciated	<u>\$ 307,362</u>	<u>\$ 122,645</u>	<u>\$ -</u>	<u>\$ 430,007</u>
Capital Assets Being Depreciated				
Land Improvements	\$ 378,398	\$ -	\$ -	\$ 378,398
Building and Improvements	36,643,135	80,704	-	36,723,839
Equipment	4,036,427	293,462	-	4,329,889
Total Capital Assets Being Depreciated	<u>\$ 41,057,960</u>	<u>\$ 374,166</u>	<u>\$ -</u>	<u>\$ 41,432,126</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ (199,891)	\$ (18,919)	\$ -	\$ (218,810)
Building and Improvements	(10,367,308)	(734,477)	-	(11,101,785)
Equipment	(3,213,029)	(217,519)	-	(3,430,548)
Total Accumulated Depreciation	<u>\$ (13,780,228)</u>	<u>\$ (970,915)</u>	<u>\$ -</u>	<u>\$ (14,751,143)</u>
Total Capital Assets being Depreciated, net of Accumulated Depreciation	<u>\$ 27,277,732</u>	<u>\$ (596,749)</u>	<u>\$ -</u>	<u>\$ 26,680,983</u>
Capital Assets, net of Accumulated Depreciation	<u>\$ 27,585,094</u>	<u>\$ (474,104)</u>	<u>\$ -</u>	<u>\$ 27,110,990</u>

Depreciation was not charged to any specific function.

4. LONG-TERM DEBT

Defeased Debt

In March 2012 the District issued general obligation refunding bonds of \$5,875,000 to advance refund \$6,025,000 of the 2003 Fire Prevention and Safety bond issue. The 2003 Fire Prevention and Safety bonds mature on December 1, 2022 and are callable on December 1, 2012. The 2012 refunding bonds were issued with a premium of \$440,887, and after paying issuance costs of \$38,166 the net proceeds were \$6,277,721. \$6,272,839 of the net proceeds were used to purchase U.S. Government Securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2003 Fire Prevention and Safety bond bonds are called on December 1, 2012. The advance refunding met the requirements of an in-substance debt defeasance and the 2003 Fire Prevention and Safety bonds were removed from the District's government-wide financial statements. As a result of the advance refunding, the District reduced its total debt service requirements by \$794,268, which resulted in an economic gain of \$729,651.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

4. LONG-TERM DEBT (continued)

Prior Years' Debt Defeasance

In prior years the District has defeased a part of the 2002 Building bond issue by creating a separate irrevocable trust fund. New debt was issued and the proceeds were used to purchase U.S. Government Securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the District's government-wide financial statements. As of June 30, 2012, the amount of defeased debt outstanding amounted to \$5,440,000.

Changes in General Long-Term Debt

	Balance July 1, 2011	Proceeds	Retired/ Defeased	Balance June 30, 2012	Amounts Due Within One Year
2002 Building Bonds	\$ 900,000	\$ -	\$ 440,000	\$ 460,000	\$ 460,000
2003 Fire Prevention and Safety Bonds	7,585,000	-	6,515,000	1,070,000	515,000
2009A Working Cash Fund Bonds	1,350,000	-	1,350,000	-	-
2009B Working Cash Fund Bonds	1,235,000	-	-	1,235,000	610,000
2010 Refunding Bonds	5,575,000	-	35,000	5,540,000	45,000
2012 Working Cash Fund and Refunding Bonds	-	9,315,000	495,000	8,820,000	915,000
Capital Lease	-	98,244	34,109	64,135	31,519
	<u>\$ 16,645,000</u>	<u>\$ 9,413,244</u>	<u>\$ 8,869,109</u>	<u>\$ 17,189,135</u>	<u>\$ 2,576,519</u>

Cash Flow Requirements

At June 30, 2012, the annual cash flow requirements of Bond Principal and Interest were as follows:

	Year Ending June 30,	Interest Rates	Principal	Interest	Total
2002 Building Bonds, Original Issue of \$9,000,000, Dated May 30, 2002	2013	5.00%	<u>\$ 460,000</u>	<u>\$ 11,500</u>	\$ 471,500
Amount Available in Debt Service Fund					679,516
Amount to be Provided in the Future					<u>\$ (208,016)</u>

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

4. LONG-TERM DEBT (continued)

Cash Flow Requirements (continued)

	Year Ending June 30,	Interest Rates	Principal	Interest	Total
2003 Fire Prevention and Safety Bonds, Original Issue of \$8,300,000, Dated February 27, 2003					
	2013	5.00%	\$ 515,000	\$ 40,625	\$ 555,625
	2014	5.00%	540,000	14,250	554,250
	2015	5.00%	15,000	375	15,375
			<u>\$ 1,070,000</u>	<u>\$ 55,250</u>	<u>\$ 1,125,250</u>
Amount Available in Debt Service Fund					255,417
Amount to be Provided in the Future					<u>\$ 869,833</u>
2009B Working Cash Fund Bonds, Original Issue of \$1,235,000, Dated November 24, 2009					
	2013	2.50-2.625%	\$ 610,000	\$ 24,031	\$ 634,031
	2014	2.625%	625,000	8,203	633,203
			<u>\$ 1,235,000</u>	<u>\$ 32,234</u>	<u>\$ 1,267,234</u>
Amount Available in Debt Service Fund					347,941
Amount to be Provided in the Future					<u>\$ 919,293</u>
2010 Refunding Bonds, Original Issue of \$5,575,000, Dated December 2, 2010					
	2013	2.00-4.00%	\$ 45,000	\$ 209,650	\$ 254,650
	2014	2.00-4.00%	530,000	203,900	733,900
	2015	4.00%	540,000	187,800	727,800
	2016	4.00%	560,000	165,800	725,800
	2017	4.00%	585,000	142,900	727,900
	2018	4.00%	605,000	119,100	724,100
	2019	4.00%	625,000	94,500	719,500
	2020	4.00%	660,000	68,800	728,800
	2021	4.00%	680,000	42,000	722,000
	2022	4.00%	710,000	14,200	724,200
			<u>\$ 5,540,000</u>	<u>\$ 1,248,650</u>	<u>\$ 6,788,650</u>
Amount Available in Debt Service Fund					39,269
Amount to be Provided in the Future					<u>\$ 6,749,381</u>

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

4. LONG-TERM DEBT (continued)

Cash Flow Requirements (continued)

	Year Ending June 30,	Interest Rates	Principal	Interest	Total
2012 Working Cash Fund					
and Refunding Bonds,	2013	2.00-3.00%	\$ 915,000	\$ 236,950	\$ 1,151,950
Original Issue of \$9,315,000,	2014	2.00-3.00%	935,000	218,450	1,153,450
Dated March 12, 2012	2015	3.00%	1,730,000	183,150	1,913,150
	2016	3.00%	590,000	148,350	738,350
	2017	3.00%	605,000	130,425	735,425
	2018	3.00%	625,000	111,975	736,975
	2019	3.00%	640,000	93,000	733,000
	2020	3.00%	665,000	73,425	738,425
	2021	3.00%	685,000	53,175	738,175
	2022	3.00%	705,000	32,325	737,325
	2023	3.00%	725,000	10,875	735,875
			<u>\$ 8,820,000</u>	<u>\$ 1,292,100</u>	<u>\$ 10,112,100</u>
Amount Available in Debt Service Fund					528,145
Amount to be Provided in the Future					<u>\$ 9,583,955</u>
 Total All Bond Issues	2013		\$ 2,545,000	\$ 522,756	\$ 3,067,756
	2014		2,630,000	444,803	3,074,803
	2015		2,285,000	371,325	2,656,325
	2016		1,150,000	314,150	1,464,150
	2017		1,190,000	273,325	1,463,325
	2018		1,230,000	231,075	1,461,075
	2019		1,265,000	187,500	1,452,500
	2020		1,325,000	142,225	1,467,225
	2021		1,365,000	95,175	1,460,175
	2022		1,415,000	46,525	1,461,525
	2023		725,000	10,875	735,875
			<u>\$ 17,125,000</u>	<u>\$ 2,639,734</u>	<u>\$ 19,764,734</u>
Amount Available in Debt Service Fund					1,850,288
Amount to be Provided in the Future					<u>\$ 17,914,446</u>

In addition there remains a balance of \$318,558 in the Bond and Interest Fund from retired bond issues, the appropriate disposition of which has yet to be determined by the District.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

4. LONG-TERM DEBT (continued)

Capital Lease Obligation

In June 2012 the District entered into a lease agreement for new computer equipment, with a total cost of \$98,244. This agreement calls for three annual payments of \$33,914, which includes interest at 3.8%, beginning June 2012. Payments on this lease obligation will be made from current operating funds of the General (Education) Fund. The total amount of assets acquired under this capital lease agreement of \$98,244 has been included in Capital Assets as furniture and equipment. At June 30, 2012 the accumulated depreciation related to these assets was \$9,824. At June 30, 2012 the total remaining principal and interest amounts due under this capital lease agreement were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30, 2013	\$ 31,519	\$ 2,395	\$ 33,914
June 30, 2014	<u>32,616</u>	<u>1,298</u>	<u>33,914</u>
	<u>\$ 64,135</u>	<u>\$ 3,693</u>	<u>\$ 67,828</u>

Debt Limit

The Illinois School Code limits the amount of indebtedness to 6.9 percent of \$446,440,343, the most recent available assessed valuation of the District. Thus, the District's remaining debt margin at June 30, 2012, is \$13,615,249, which is 44.2 percent of its total legal debt limit.

5. LEASE OBLIGATIONS

The District leases certain office equipment under an operating lease expiring in fiscal year 2016. Lease payments made under this operating lease for the year ended June 30, 2012 were \$38,935. The minimum future rental payments under this non-cancelable operating lease, in the aggregate are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2013	\$ 33,372
2014	33,372
2015	33,372
2016	<u>2,781</u>
	<u>\$ 102,897</u>

6. 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.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

6. FUND BALANCE REPORTING (continued)

Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories or prepaid amounts. Because the District reports on the cash basis of accounting all such items are expensed at the time of purchase, and therefore there are no amounts that fall into this classification.

Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the District, such as restrictions imposed by creditors, grantors, contributors, and laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special revenue funds are, by definition, restricted for their specific purposes and therefore the fund balances of the special revenue funds are classified as restricted.

Other District activity that may result in restrictions on fund balances is as follows:

Special Education - Proceeds from the Special Education special tax levy and related disbursements have been included in the operations of the general (education) fund. At June 30, 2012, the cumulative special education disbursements have exceeded related cumulative receipts in the general (education) fund and, therefore, there is no restriction on the fund balance of the general (education) fund for future special education disbursements.

Technology Leasing - Proceeds from the Technology Leasing special tax levy and related disbursements have been included in the operations of the general (education) fund. At June 30, 2012, the cumulative technology leasing receipts have exceeded related cumulative disbursements in the general (education) fund and, accordingly, the June 30, 2012 fund balance of the general (education) fund is restricted for future technology leasing disbursements in the amount of \$479,244, which represents the cumulative excess.

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 District's highest level of decision-making authority (the District's Board of Education). Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The District's Board of Education commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. During the year the District committed \$2,000,000 of the fund balance of the Operations and Maintenance Fund for future capital projects.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

6. FUND BALANCE REPORTING (continued)

Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the District's Board of Education itself, or a body (a board committee, for example) or District official to which the Board of Education 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 Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund.

Net Assets Restrictions

The district-wide statement of net assets reports \$20,063,071 of restricted net assets, all of which is restricted by enabling legislation for specific purposes.

7. TORT IMMUNITY INSURANCE

The District maintains a Tort Immunity Fund to account for certain tort immunity (liability insurance) activity. As required by Illinois State Board of Education the District reports the following disbursements for tort immunity purposes for the year ended June 30, 2012:

Workers Compensation Insurance	\$ 105,595
Unemployment Compensation Insurance	61,183
Property and Liability Insurance	49,294
Risk Management Services	164,388
	<u>\$ 380,460</u>

8. RETIREMENT FUND COMMITMENTS

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The School District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the Plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains the primary responsibility for funding the Plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2012 was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2011 and 2010.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

8. RETIREMENT FUND COMMITMENTS (continued)

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (continued)

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

On-Behalf Contributions to TRS: The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2012, state of Illinois contributions were based on 24.91 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$2,443,285 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2011 and June 30, 2010, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.10 percent (\$2,291,684) and 23.38 percent (\$2,228,048), 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, 2012 were \$56,889. Contributions for the years ending June 30, 2011 and June 30, 2010 were \$57,540 and \$55,272, 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, 2012, the employer pension contribution was 24.91 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2011 and 2010 the employer pension contribution was 23.10 and 23.38 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2012, salaries totaling \$333,948 were paid from federal and special trust funds that required employer contributions of \$83,186. For the years ended June 30, 2011, and June 30, 2010, required District contributions were \$81,324 and \$79,632, respectively.

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

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

For the year ended June 30, 2012, the district paid \$-0- to TRS for employer contributions under the ERO program. For the years ended June 30, 2011 and June 30, 2010, the District paid \$-0- and \$-0-, respectively, in employer ERO contributions.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

8. RETIREMENT FUND COMMITMENTS (continued)

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (continued)

Salary Increases Over 6 Percent and Excess Sick Leave: Public Act 94-0004 added two additional employer contributions to TRS.

- If an employer grants salary increase 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, 2012, the district paid \$-0- to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2011 and June 30, 2010, 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 for-year sick leave review period, and the TRS total normal cost rate (17.83 percent of salary during the year ended June 30, 2012).

For the year ended June 30, 2012, the district paid \$-0- to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2011 and June 30, 2010, the district paid \$-0- and \$-0- in employer contributions granted for sick leave days, respectively.

Further Information on TRS

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2011. The report for the year ended June 30, 2012, is expected to be available in late 2012.

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

TEACHERS HEALTH INSURANCE SECURITY FUND

The District 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 retired 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.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

8. RETIREMENT FUND COMMITMENTS (continued)

TEACHERS HEALTH INSURANCE SECURITY FUND (continued)

The State Employees Group Insurance Act of 1971 (5ILCS375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by CMS with 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 the THIS Fund.

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 the THIS Fund from active members, which were 0.88 percent of pay during the year ended June 30, 2012. State of Illinois contributions were \$86,314 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, 2011 and June 30, 2010 were 0.88 percent and 0.84 percent of pay, respectively. State contributions on behalf of district employees were \$87,302 and \$80,049, respectively.

Employer Contributions to THIS Fund: The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.66 percent during the years ended June 30, 2012 and June 30, 2011, and 0.63 percent during the year ended June 30, 2010. For the year ended June 30, 2012, the District paid \$64,736 to the THIS Fund. For the years ended June 30, 2011 and June 30, 2010, the District paid \$65,477 and \$60,037 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further Information on THIS Fund

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

ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description

The District's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. Benefit provisions are established by statute and may only be changed by the Illinois General Assembly.

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 or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

8. RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

Funding Policy

As set by statute, employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2011 used by the District was 9.47% of annual covered payroll. The District's annual required contribution rate for calendar year 2011 was 9.81%. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

For the calendar year ending December 31, 2011, the District's actual contributions for pension cost were \$150,295. Its required contribution for calendar year 2011 was \$155,691. The required contribution for 2011 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0% per year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3.0% annually. The actuarial value of the District's IMRF 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 District's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2011	\$ 155,691	97%	\$5,396
12/31/2010	\$ 163,607	88%	\$19,572
12/31/2009	\$ 115,944	100%	\$0

Funded Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, the plan was 85.74 percent funded. The actuarial accrued liability for benefits was \$3,819,773 and the actuarial value of assets was \$3,274,920, resulting in an underfunded actuarial accrued liability (UAAL) of \$544,853. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$1,587,069 and the ratio of the UAAL to the covered payroll was 34 percent.

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.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

8. RETIREMENT FUND COMMITMENTS (continued)

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 \$100,584, the total required contribution for the current fiscal year.

9. 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 2011 Levy was passed by the Board on December 19, 2011. Property taxes attach as an enforceable lien on property as of January 1, of the levy year, and are payable in two installments on approximately March 1, and September 1, of the year subsequent to the levy year. The District receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded on these financial statements are from the 2011 and 2010 tax levy years.

The following are the tax rate limits permitted by the School Code, and by local referendum, and the actual rates levied per \$100.00 of assessed valuation.

	Legal Limit	Actual	
		2011 Levy	2010 Levy
Educational	3.5000	3.3050	3.0970
Special Education	0.4000	0.0545	0.0493
Operations and Maintenance	0.5500	0.5196	0.4659
Bond and Interest	*	0.7151	0.6403
Transportation	0.2000	0.1171	0.0854
Municipal Retirement	*	0.0386	0.0061
Social Security	*	0.0683	0.0124
Working Cash	0.0500	0.0472	0.0000
		<u>4.8654</u>	<u>4.3564</u>

* As Needed

10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year, and settlements have not exceeded coverage in the past three years.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

11. JOINT AGREEMENTS

The District participates with other Illinois school districts in certain cooperative educational organizations, known as joint agreements. These joint agreements are owned by the participants and are operated for the specific purposes stated in the joint agreement document, e.g., Special Education, Vocational/Technical Education, Insurance Pool, etc. This district has, in accordance with the generally accepted practice of other Illinois school districts, charged the cost of its investment to current expenditures in the year paid. The investment is not capitalized and it is unclear whether the District would receive any return on its investment should it choose to withdraw from the joint agreement.

Niles Township District for Special Education

The District is a member of the Niles Township District for Special Education #807 (NTDSE), along with other area school districts. NTDSE provides special education programs, and services, which benefit District students, and also provides jointly administered grants and programming, which benefits the District. The District is financially responsible for annual and special assessments as established by the NTDSE governing board, and fees for programs and services based on usage. NTDSE is separately audited and its financial information is not included in these financial statements. Financial information may be obtained directly from NTDSE by contacting its administration at 8701 North Menard Avenue, Morton Grove, Illinois 60053.

Collective Liability Insurance Cooperative

The District is a member of the Collective Liability Insurance Cooperative (CLIC), along with other area school districts. The District obtains property, liability, and worker's compensation insurance, and claims and loss administration services through CLIC. The District is financially responsible for annual premiums based on types and levels of coverage. CLIC is separately audited and its financial information is not included in these financial statements. Financial information may be obtained directly from CLIC, by contacting its administration, in care of, High School District 113 at 1040 Park Avenue West, Highland Park, Illinois 60035.

12. OVER-EXPENDITURE OF BUDGET

For the year ended June 30, 2012, actual direct disbursements exceeded the budgeted disbursements in the following funds:

	Actual	Budget	Excess
Special Revenue Funds			
Municipal Retirement/Social Security Fund	\$ 417,453	\$ 364,817	\$ 52,636
Tort Immunity	\$ 380,460	\$ 290,136	\$ 90,324
Debt Service Fund			
Bond and Interest	\$ 3,479,654	\$ 2,201,892	\$ 1,277,762
Capital Projects Funds			
Capital Projects	\$ 186,381	\$ -	\$ 186,381

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

13. INTER-FUND BALANCES AND TRANSFERS

During the year the District made the following inter-fund transfers of fund balance as permitted by the Illinois School Code. These amounts were considered excess fund balance and were transferred to the funds deemed most in need of such fund balance.

	Transferred To	Transferred From
Special Revenue Funds		
Working Cash Fund		\$ 1,479,501
Capital Projects Funds		
Capital Projects Fund	\$ 1,479,501	

14. CONSTRUCTION COMMITMENTS

At June 30, 2012, the District had pending construction project contracts in progress. The District is committed to approximately \$896,055 in remaining disbursements for various District-wide construction projects. These disbursements are expected to be paid from available fund balances in the capital projects funds.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2012

The Schedule of Funding Progress, as of the most recent actuarial valuation date, and for the two preceding years of the District's Defined Benefit Pension Plan, the Illinois Municipal Retirement Fund, follows:

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 Percentage of Covered Payroll (b-a)/(c)
12/31/11	\$ 3,274,920	\$ 3,819,773	\$ 544,853	85.74%	\$ 1,587,069	34.33%
12/31/10	\$ 3,292,431	\$ 3,719,520	\$ 427,089	88.52%	\$ 1,672,878	25.53%
12/31/09	\$ 3,171,129	\$ 3,599,843	\$ 428,714	88.09%	\$ 1,751,427	24.48%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$3,092,861. On a market basis, the funded ratio would be 80.97%.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATION FUND
FOR THE YEAR ENDED JUNE 30, 2012

RECEIPTS	Final Budget	Actual
Receipts from Local Sources		
Taxes	\$ 15,329,521	\$ 15,417,900
Tuition	48,000	119,062
Earnings on Investments	11,668	68,384
Food Service Fees	172,660	180,579
Pupil Activity Fees	47,822	28,178
Textbook Fees	16,666	3,324
Rentals	-	20,000
Refund of Prior Years' Expenditures	-	64,772
Local Fees	67,760	54,440
Other	-	21,652
Total Receipts from Local Sources	<u>\$ 15,694,097</u>	<u>\$ 15,978,291</u>
Receipts from State Sources		
State Free Lunch and Breakfast	\$ 13,825	\$ 17,641
Special Education	368,997	746,809
Early Childhood Block Grant	103,799	222,672
Bilingual Education	63,031	109,781
Other State Grants in Aid	-	2,218
Total Receipts from State Sources	<u>\$ 549,652</u>	<u>\$ 1,099,121</u>
Receipts from Federal Sources		
National School Lunch and Breakfast Programs	\$ 249,875	\$ 428,736
Federal Special Education	-	25,324
Title I - Low Income	325,573	242,315
Title II - Teacher Quality	50,244	41,369
Title III - English Language Acquisition	40,306	41,953
Federal ARRA Stimulus Programs	-	49,453
Total Receipts from Federal Sources	<u>\$ 665,998</u>	<u>\$ 829,150</u>
Total Direct Receipts	\$ 16,909,747	\$ 17,906,562
"On-Behalf" Receipt for Retirement Benefits	<u>2,500,000</u>	<u>2,529,599</u>
TOTAL RECEIPTS	\$ 19,409,747	\$ 20,436,161
DISBURSEMENTS	<u>19,372,972</u>	<u>18,734,640</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 36,775	\$ 1,701,521
OTHER FINANCING SOURCES (USES)		
Proceeds of Capital Lease	<u>-</u>	<u>98,244</u>
NET CHANGE IN FUND BALANCE	<u>\$ 36,775</u>	\$ 1,799,765
FUND BALANCE - JULY 1, 2011		<u>2,597,123</u>
FUND BALANCE - JUNE 30, 2012		<u>\$ 4,396,888</u>

See accompanying Independent Auditor's Report.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
SCHEDULE OF DISBURSEMENTS
BUDGET AND ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

INSTRUCTION	Final Budget	Actual
Regular Programs		
Salaries	\$ 5,596,273	\$ 5,298,725
Employee Benefits	957,388	905,042
Purchased Services	61,294	22,377
Supplies & Materials	130,985	258,548
Capital Outlay	-	98,244
Total Regular Programs	<u>\$ 6,745,940</u>	<u>\$ 6,582,936</u>
Pre-K Programs		
Salaries	\$ 215,495	\$ 221,727
Employee Benefits	38,433	43,399
Purchased Services	5,205	7,789
Supplies & Materials	12,838	18,268
Total Pre-K Programs	<u>\$ 271,971</u>	<u>\$ 291,183</u>
Special Education Programs		
Salaries	\$ 1,501,136	\$ 1,445,931
Employee Benefits	269,240	267,913
Supplies & Materials	21,015	25,238
Tuition	170,000	55,702
Total Special Education Programs	<u>\$ 1,961,391</u>	<u>\$ 1,794,784</u>
Remedial & Supplemental Programs		
Salaries	\$ 292,503	\$ 276,780
Employee Benefits	9,102	104,958
Purchased Services	9,736	71,158
Supplies & Materials	4,758	5,534
Total Remedial & Supplemental Programs	<u>\$ 316,099</u>	<u>\$ 458,430</u>
Bilingual Programs		
Salaries	\$ 710,175	\$ 656,279
Employee Benefits	88,827	81,377
Supplies & Materials	1,400	9,155
Total Bilingual Programs	<u>\$ 800,402</u>	<u>\$ 746,811</u>
Interscholastic Programs		
Salaries	\$ 285,000	\$ 256,787
Employee Benefits	-	2,837
Purchased Services	3,864	3,930
Supplies & Materials	1,550	1,036
Total Interscholastic Programs	<u>\$ 290,414</u>	<u>\$ 264,590</u>
Summer School Programs		
Salaries	\$ 10,685	\$ 10,685
Employee Benefits	119	132
Supplies & Materials	2,000	95
Total Summer School Programs	<u>\$ 12,804</u>	<u>\$ 10,912</u>
TOTAL INSTRUCTION	<u>\$ 10,399,021</u>	<u>\$ 10,149,646</u>

See accompanying Independent Auditor's Report.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
SCHEDULE OF DISBURSEMENTS (CONTINUED)
BUDGET AND ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual
SUPPORT SERVICES		
Pupils		
Salaries	\$ 1,006,722	\$ 1,006,722
Employee Benefits	89,462	124,447
Purchased Services	3,167	-
Supplies & Materials	3,343	3,202
Total Pupils	<u>\$ 1,102,694</u>	<u>\$ 1,134,371</u>
Instructional Staff		
Salaries	\$ 221,031	\$ 240,884
Employee Benefits	15,277	53,019
Purchased Services	14,055	29,894
Supplies & Materials	18,247	1,846
Capital Outlay	-	22,513
Total Instructional Staff	<u>\$ 268,610</u>	<u>\$ 348,156</u>
General Administration		
Salaries	\$ 217,726	\$ 225,212
Employee Benefits	54,876	55,460
Purchased Services	268,459	258,624
Supplies & Materials	5,335	1,288
Other	12,400	17,468
Total General Administration	<u>\$ 558,796</u>	<u>\$ 558,052</u>
School Administration		
Salaries	\$ 436,006	\$ 438,283
Employee Benefits	97,232	140,736
Purchased Services	1,538	740
Supplies & Materials	2,600	4,076
Other	1,050	473
Total School Administration	<u>\$ 538,426</u>	<u>\$ 584,308</u>
Business		
Salaries	\$ 293,954	\$ 294,424
Employee Benefits	63,085	66,315
Purchased Services	624,844	574,602
Supplies & Materials	152,607	43,170
Capital Outlay	3,000	-
Other	3,525	2,039
Total Business	<u>\$ 1,141,015</u>	<u>\$ 980,550</u>
Central		
Salaries	\$ 396,330	\$ 410,983
Employee Benefits	71,700	84,997
Purchased Services	246,230	265,614
Supplies & Materials	297,750	159,118
Capital Outlay	42,400	169,567
Other	4,000	815
Total Central	<u>\$ 1,058,410</u>	<u>\$ 1,091,094</u>
TOTAL SUPPORT SERVICES	<u>\$ 4,667,951</u>	<u>\$ 4,696,531</u>

See accompanying Independent Auditor's Report.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
SCHEDULE OF DISBURSEMENTS (CONTINUED)
BUDGET AND ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual
COMMUNITY SERVICES		
Purchased Services	\$ 6,000	\$ 3,000
Supplies & Materials	-	1,874
TOTAL COMMUNITY SERVICES	<u>\$ 6,000</u>	<u>\$ 4,874</u>
NONPROGRAMMED CHARGES		
Purchased Services	<u>\$ 1,800,000</u>	<u>\$ 1,319,881</u>
DEBT SERVICE		
Principal on Capital Lease	<u>\$ -</u>	<u>\$ 34,109</u>
Total Direct Disbursements	\$ 16,872,972	\$ 16,205,041
"On-Behalf" Disbursement for Retirement Benefits	<u>2,500,000</u>	<u>2,529,599</u>
TOTAL DISBURSEMENTS	<u><u>\$ 19,372,972</u></u>	<u><u>\$ 18,734,640</u></u>

See accompanying Independent Auditor's Report.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
OPERATIONS AND MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 1,955,067	\$ 2,266,486
Earnings on Investments	16,377	55,806
Rentals	7,000	-
Total Receipts from Local Sources	<u>\$ 1,978,444</u>	<u>\$ 2,322,292</u>
Receipts from State Sources		
General State Aid	<u>-</u>	<u>1,418,071</u>
TOTAL RECEIPTS	<u>\$ 1,978,444</u>	<u>\$ 3,740,363</u>
DISBURSEMENTS		
Support Services		
Operations and Maintenance		
Salaries	\$ 544,971	\$ 518,505
Employee Benefits	106,944	122,448
Purchased Services	660,527	322,466
Supplies & Materials	443,946	316,283
Capital Outlay	200,000	20,106
Total Support Services	<u>\$ 1,956,388</u>	<u>\$ 1,299,808</u>
Provision for Contingencies	<u>20,000</u>	<u>-</u>
TOTAL DISBURSEMENTS	<u>\$ 1,976,388</u>	<u>\$ 1,299,808</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,056</u>	<u>\$ 2,440,555</u>
FUND BALANCE - JULY 1, 2011		<u>2,141,492</u>
FUND BALANCE - JUNE 30, 2012		<u>\$ 4,582,047</u>

See accompanying Independent Auditor's Report.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 507,070	\$ 464,848
Earnings on Investments	15,702	41,886
Transportation Fees	-	36,265
Total Receipts from Local Sources	\$ 522,772	\$ 542,999
Receipts from State Sources		
State Transportation Aid	-	426,863
TOTAL RECEIPTS	\$ 522,772	\$ 969,862
DISBURSEMENTS		
Support Services		
Pupil Transportation		
Salaries	\$ 7,947	\$ 7,947
Employee Benefits	1,158	1,229
Purchased Services	897,368	842,982
Supplies	-	1,547
Total Support Services	\$ 906,473	\$ 853,705
Provision for Contingencies	10,000	-
TOTAL DISBURSEMENTS	\$ 916,473	\$ 853,705
NET CHANGE IN FUND BALANCE	\$ (393,701)	\$ 116,157
FUND BALANCE - JULY 1, 2011		2,353,275
FUND BALANCE - JUNE 30, 2012		\$ 2,469,432

See accompanying Independent Auditor's Report.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 528,687	\$ 299,957
Earnings on Investments	3,910	4,932
TOTAL RECEIPTS	<u>\$ 532,597</u>	<u>\$ 304,889</u>
DISBURSEMENTS		
Employee Benefits		
Instruction		
Regular Programs	\$ 68,486	\$ 95,235
Pre-K Programs	13,786	15,351
Special Education Programs	74,259	48,950
Remedial and Supplemental Programs	455	4,165
Bilingual Programs	13,491	17,201
Summer School Programs	139	155
Total Instruction	<u>\$ 170,616</u>	<u>\$ 181,057</u>
Support Services		
Attendance and Social Work Services	\$ 4,377	\$ 6,470
Health Services	7,468	11,375
Psychological Services	1,166	1,957
Speech Pathology & Audiology Services	2,459	3,192
Improvement of Instruction	162	1,392
Educational Media Services	1,859	12,687
Executive Administration Services	13,510	16,398
Office of the Principal Services	16,849	23,706
Direction of Business Support Services	588	630
Fiscal Services	38,682	30,155
Operations and Maintenance Services	79,471	88,115
Pupil Transportation Services	826	115
Food Services	13,836	16,828
Direction of Central Support Services	1,216	1,779
Planning, Research, Development & Evaluation Services	212	1,455
Staff Services	320	1,569
Data Processing Services	11,200	18,573
Total Support Services	<u>\$ 194,201</u>	<u>\$ 236,396</u>
TOTAL DISBURSEMENTS	<u>\$ 364,817</u>	<u>\$ 417,453</u>
NET CHANGE IN FUND BALANCE	<u>\$ 167,780</u>	<u>\$ (112,564)</u>
FUND BALANCE - JULY 1, 2011		<u>251,524</u>
FUND BALANCE - JUNE 30, 2012		<u>\$ 138,960</u>

See accompanying Independent Auditor's Report.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WORKING CASH FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ -	\$ 106,683
Earnings on Investments	40,792	88,709
	<hr/>	<hr/>
TOTAL RECEIPTS	\$ 40,792	\$ 195,392
DISBURSEMENTS		
Debt Service		
Costs of Bonds Sold	-	24,355
	<hr/>	<hr/>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 40,792	\$ 171,037
OTHER FINANCING SOURCES (USES)		
Principal on Bonds Sold	\$ -	\$ 3,440,000
Premium on Bonds Sold	-	76,525
Transfers Out	(1,391,746)	(1,479,501)
	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	\$ (1,391,746)	\$ 2,037,024
NET CHANGE IN FUND BALANCE	<u>\$ (1,350,954)</u>	\$ 2,208,061
FUND BALANCE - JULY 1, 2011		<hr/> 4,012,295
FUND BALANCE - JUNE 30, 2012		<hr/> <u>\$ 6,220,356</u>

See accompanying Independent Auditor's Report.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TORT IMMUNITY FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Earnings on Investments	\$ 26,490	\$ 27,795
DISBURSEMENTS		
Support Services		
Insurance Services		
Salaries	\$ 133,385	\$ 133,385
Employee Benefits	26,780	31,003
Purchased Services	129,971	216,072
TOTAL DISBURSEMENTS	\$ 290,136	\$ 380,460
NET CHANGE IN FUND BALANCE	\$ (263,646)	\$ (352,665)
FUND BALANCE - JULY 1, 2011		1,685,834
FUND BALANCE - JUNE 30, 2012		\$ 1,333,169

See accompanying Independent Auditor's Report.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BOND AND INTEREST FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 2,743,048	\$ 3,117,602
Earnings on Investments	16,518	31,626
	<u>2,759,566</u>	<u>3,149,228</u>
TOTAL RECEIPTS	\$ 2,759,566	\$ 3,149,228
DISBURSEMENTS		
Debt Service		
Bond Principal Retired	\$ 1,915,946	\$ 2,810,000
Interest on Bonds	285,946	666,784
Fees on Bonds	-	2,870
	<u>2,201,892</u>	<u>3,479,654</u>
TOTAL DISBURSEMENTS	\$ 2,201,892	\$ 3,479,654
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 557,674	\$ (330,426)
OTHER FINANCING SOURCES (USES)		
Principal on Bonds Sold	\$ -	\$ 5,875,000
Premium (Discount) on Bonds Sold	-	440,887
Costs of Bond Issuance	-	(38,166)
Transfer to Refunded Bonds Escrow Agent	-	(6,272,839)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ 4,882</u>
NET CHANGE IN FUND BALANCE	<u>\$ 557,674</u>	\$ (325,544)
FUND BALANCE - JULY 1, 2011		<u>2,494,390</u>
FUND BALANCE - JUNE 30, 2012		<u>\$ 2,168,846</u>

See accompanying Independent Auditor's Report.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Earnings on Investments	\$ -	\$ 5,401
Receipts from State Sources		
School Infrastructure & Maintenance Grants	-	1,372,496
TOTAL RECEIPTS	\$ -	\$ 1,377,897
DISBURSEMENTS		
Facilities Acquisition and Construction		
Capital Outlay	-	186,381
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 1,191,516
OTHER FINANCING SOURCES (USES)		
Transfers In	1,391,746	1,479,501
NET CHANGE IN FUND BALANCE	<u>\$ 1,391,746</u>	\$ 2,671,017
FUND BALANCE - JULY 1, 2011		-
FUND BALANCE - JUNE 30, 2012		<u>\$ 2,671,017</u>

See accompanying Independent Auditor's Report.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Receipts	Disbursements	Balance June 30, 2012
ASSETS				
Cash	\$ 38,627	\$ 116,686	\$ 109,442	\$ 45,871
LIABILITIES				
Due to Student Groups				
Edison Pop Machine	\$ 1,824	\$ 305	\$ 788	\$ 1,341
Edison School	1,118	16,279	9,014	8,383
Edison LMC	134	-	-	134
Edison Teacher Grants	885	-	-	885
Madison Pop Machine	273	-	250	23
Madison School	3,123	3,333	3,491	2,965
Madison Jean Day	613	120	529	204
Madison LMC	739	-	-	739
Madison School Store	1,097	-	-	1,097
Madison School Sunshine Fund	179	1,187	1,118	248
Lincoln LMC	388	-	-	388
Lincoln School	(1,010)	13,337	12,254	73
Lincoln School Store	2,796	1,370	1,032	3,134
Lincoln Yearbook	-	9,282	8,877	405
Lincoln Pop Machine	740	267	800	207
Lincoln Student Government	1,639	774	729	1,684
Lincoln Fine Arts Boosters	3,552	70	902	2,720
Lincoln PE Pop Machine	378	307	133	552
Events	-	8,360	4,618	3,742
Fundraisers	-	5,159	5,095	64
Interest Income	236	79	-	315
PTA Boxtops Promotion	4,935	1,732	-	6,667
Total Due to Student Groups	\$ 23,639	\$ 61,961	\$ 49,630	\$ 35,970
Due to Employees				
Flexible Benefits Fund	14,988	54,725	59,812	9,901
TOTAL LIABILITIES	\$ 38,627	\$ 116,686	\$ 109,442	\$ 45,871
NET ASSETS	\$ -	\$ -	\$ -	\$ -

See accompanying Independent Auditor's Report.

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

DISTRICT/JOINT AGREEMENT NAME SKOKIE ELEMENTARY SCHOOL DIST	RCDT NUMBER 05-016-0690-02	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER 066-003289	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) MR. QUINTIN SHEPHERD		NAME AND ADDRESS OF AUDIT FIRM EVOY, KAMSCHULTE, JACOBS & CO. LLP 2122 YEOMAN STREET WAUKEGAN	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) 5050 MADISON STREET SKOKIE 60077		E-MAIL ADDRESS JHENRY@EKJLLP.COM	
		NAME OF AUDIT SUPERVISOR JAMES R. HENRY, CPA	
		CPA FIRM TELEPHONE NUMBER 847-662-8300	FAX NUMBER 847-662-8305

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)

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
05-016-0690-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2012

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴ Year 7/1/10-6/30/11 (C)	Year 7/1/11-6/30/12 (D)	Year 7/1/10-6/30/11 (E)	Year 7/1/11-6/30/12 (F)	Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/10-6/30/11 (C)	Year 7/1/11-6/30/12 (D)							
U.S. DEPARTMENT OF EDUCATION											
Passed Through Illinois State Board of Education											
(M) Title I - Low Income	84.010	2012 - 4300		202,047				371,988		371,988	380,765
Title I - Low Income	84.010	2011 - 4300	312,865	40,268			353,133			353,133	361,748
Federal Special Education - IDEA - Room & Board	84.027	2012 - 4625						7,095		7,095	N/A
Federal Special Education - IDEA - Room & Board	84.027	2011 - 4625		25,324			25,324			25,324	N/A
ARRA - Title I - Low Income	84.389	2011 - 4851	9,610	5,766			15,376			15,376	15,376
(M)ARRA - Technology - Enhancing Education	84.386	2011 - 4861	34,500	42,000			38,182	38,318		76,500	76,500
(M)ARRA - Education Jobs Fund Program	84.410	2012 - 4880		1,887				1,887		1,887	N/A
Title III - Lang Inst Prog - Limited Eng LI/LEP	84.365	2012 - 4909		26,103				51,344		51,344	64,716
Title III - Lang Inst Prog - Limited Eng LI/LEP	84.365	2011 - 4909	26,370	15,850			28,705	1,784		30,489	42,575
Title II - Teacher Quality	84.367	2012 - 4932		37,447				57,513		57,513	59,111
Title II - Teacher Quality	84.367	2011 - 4932	89,094	3,922			73,016			73,016	73,016
TOTAL U.S. DEPARTMENT OF EDUCATION			452,439	400,414			533,736	529,729		1,063,465	

• (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, addressees 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 addressee 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 addressee 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.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
05-016-0690-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2012

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/10-6/30/11 (C)	Year 7/1/11-6/30/12 (D)	Year 7/1/10-6/30/11 (E)	Year 7/1/11-6/30/12 (F)			
U.S. DEPARTMENT OF AGRICULTURE									
Passed Through Illinois State Board of Education									
(M)National School Lunch Program	10.555	2012 - 4210		300,295		355,837		355,837	N/A
National School Lunch Program	10.555	2011 - 4210	268,099	56,611	324,710			324,710	N/A
School Breakfast Program	10.553	2012 - 4220		61,183		70,990		70,990	N/A
School Breakfast Program	10.553	2011 - 4220	48,792	10,847	59,439			59,439	N/A
National Food Commodities Program (Non-Cash)	10.555	2012 - 4299		23,027		23,027		23,027	N/A
TOTAL U.S. DEPARTMENT OF AGRICULTURE			316,891	451,763	384,149	449,854		834,003	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES									
Passed Through IL Dept of Healthcare and Family Services									
Medical Assistance Program	93.778	2012 - 4991		51,870		62,365		62,365	N/A
Medical Assistance Program	93.778	2011 - 4991	20,270	9,338	29,608			29,608	N/A
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			20,270	61,208	29,608	62,365		91,973	
TOTAL FEDERAL FINANCIAL ASSISTANCE			789,600	913,385	947,493	1,041,948		1,989,441	

• (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.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
05-016-0690-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2012

[illegible]

- (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 addressee should indicate that the CFDA number is not available 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.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

SUMMARY OF AUDITOR'S RESULTS

1. We have audited the financial statements of Skokie Elementary School District No. 69 as of and for the year ended June 30, 2012. The District's policy is to prepare its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The auditor's report expresses an unqualified opinion that the financial statements are fairly presented in conformity with the modified cash basis of accounting.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*.
3. Our audit disclosed no instances of noncompliance, which are material to the financial statements of Skokie Elementary School District No. 69.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. We have audited the compliance of Skokie Elementary School District No. 69 with the types of compliance requirements described in the U.S Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal award programs for the year ended June 30, 2012, and have issued our unqualified opinion thereon dated November 5, 2012.
6. Audit findings relative to the major federal award programs of Skokie Elementary School District No. 69 that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported under the Findings and Questioned Costs - Major Federal Award Programs section of this schedule.
7. The following programs were identified as major programs in accordance with requirements described in Section 520 of OMB Circular A-133:

	<u>CFDA #</u>
Title I – Low Income	84.010
ARRA – Technology Enhancing Education	84.386
ARRA – Education Jobs Program	84.410
National School Lunch Program	10.555

8. The threshold used to distinguish between Type A and Type B major programs was \$300,000.
9. Skokie Elementary School District No. 63 did not qualify as a "low-risk auditee."

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no financial statements findings or major federal award programs findings or questioned costs in the prior year audit.

FINDINGS - CURRENT YEAR FINANCIAL STATEMENTS AUDIT

None.

FINDINGS AND QUESTIONED COSTS - CURRENT YEAR MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Skokie Elementary School District No. 69. The District's reporting entity is defined in Note 1 to the District's financial statements. Federal awards passed through other government agencies are included in the schedule.

Basis of Accounting

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

Relationship to Basic Financial Statements

Federal awards received are reflected in the District's financial statements within the General (Education) 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 that have filed final reports as of June 30, 2012, with the Illinois State Board of Education.

2. NON-CASH ASSISTANCE, INSURANCE, LOANS, AND SUBRECIPIENTS

For the year ended June 30, 2012, the fair market value of federal awards received and expended in the form of non-cash assistance was \$23,027. This amount is reported in the accompanying Schedule of Expenditures of Federal Awards under the Department of Agriculture's National Food Commodities Program.

The amount of federal insurance in effect during the year ended June 30, 2012 was \$-0-.

The amount of federal loans or loan guarantees, including interest subsidies, outstanding at June 30, 2012 was \$-0-.

The District provided \$-0- in federal awards to subrecipients during the year ended June 30, 2012.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
 ADDITIONAL SUPPLEMENTAL INFORMATION
 SCHEDULE OF ASSESSED VALUATIONS, TAX RATES AND TAX EXTENSIONS
 FOR THE YEARS 2011, 2010 AND 2009

	<u>2011</u>	<u>2010</u>	<u>2009</u>
ASSESSED VALUATION	<u>\$ 446,440,343</u>	<u>\$ 491,074,920</u>	<u>\$ 554,162,796</u>
TAX RATES			
Education	\$ 3.3050	\$ 3.0970	\$ 2.4932
Special Education	0.0545	0.0493	0.0638
Leasing	-	-	0.0155
Operations and Maintenance	0.5196	0.4659	0.3975
Bond and Interest	0.7151	0.6403	0.5659
Transportation	0.1171	0.0854	0.0934
Municipal Retirement	0.0386	0.0061	0.0517
Social Security	0.0683	0.0124	0.0414
Working Cash	0.0472	-	0.0456
	<u>\$ 4.8654</u>	<u>\$ 4.3564</u>	<u>\$ 3.7680</u>
TAX EXTENSIONS			
Education	\$ 14,754,853	\$ 15,208,364	\$ 13,816,386
Special Education	243,309	242,232	353,555
Leasing	-	-	85,895
Operations and Maintenance	2,319,704	2,287,886	2,202,797
Bond and Interest	3,192,328	3,144,176	3,135,837
Transportation	522,781	419,549	517,588
Municipal Retirement	172,325	29,793	286,502
Social Security	304,918	61,044	229,423
Working Cash	210,719	-	252,698
	<u>\$ 21,720,937</u>	<u>\$ 21,393,044</u>	<u>\$ 20,880,681</u>

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
 ADDITIONAL SUPPLEMENTAL INFORMATION
 SCHEDULE OF OPERATING EXPENDITURES PER PUPIL
 FOR THE YEAR ENDED JUNE 30, 2012

TOTAL EXPENDITURES			
Education Fund	\$	18,734,640	
Operations and Maintenance Fund		1,299,808	
Bond and Interest Fund		3,479,654	
Transportation Fund		853,705	
Municipal Retirement/Social Security Fund		417,453	
Tort Immunity Fund		<u>380,460</u>	\$ 25,165,720
Less: Receipts or Disbursements Not Applicable to Operating Expense of Regular K-12 Programs			
Education Fund			
Pre-K Programs		291,183	
Summer School Programs		10,912	
Community Services		4,874	
Capital Outlay		290,324	
Tuition		55,702	
Payments to Other Governmental Units		1,319,881	
"On-Behalf" Disbursement for Retirement Benefits		2,529,599	
Principal Paid on Capital Lease		34,109	
Operations and Maintenance Fund			
Capital Outlay		20,106	
Bond and Interest Fund			
Bond Principal Retired		2,810,000	
Municipal Retirement/Social Security Fund			
Pre-K Programs		15,351	
Summer School Programs		<u>155</u>	<u>7,382,196</u>
NET OPERATING DISBURSEMENTS	\$		17,783,524
AVERAGE DAILY ATTENDANCE			<u>1,566.20</u>
OPERATING EXPENDITURES PER PUPIL	\$		<u><u>11,355</u></u>

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
 ADDITIONAL SUPPLEMENTAL INFORMATION
 SCHEDULE OF PER CAPITA TUITION CHARGE
 FOR THE YEAR ENDED JUNE 30, 2012

NET OPERATING DISBURSEMENTS \$ 17,783,524

Less: Offsetting Receipts

Education Fund

Special Education	\$	746,809
Bilingual Education		109,781
State Free Lunch and Breakfast		17,641
Other Restricted Revenue from State Sources		2,218
Title II - Teacher Quality		41,369
Food Services		180,579
Other Local Fees		54,440
Rentals		20,000
National School Lunch Program		428,736
Pupil Activities		28,178
Textbooks		3,324
Title I - Low Income		242,315
Federal Special Education - Room & Board		25,324
Federal ARRA Stimulus Program Adjustments		49,453
Title III - English Language Acquisition		41,953

Transportation Fund

Fees From Pupils or Parents	36,265	
State Transportation Aid	426,863	2,455,248

NET OPERATING EXPENSE FOR TUITION COMPUTATION \$ 15,328,276

ADD: Depreciation Allowance 970,915

TOTAL ALLOWANCE FOR TUITION COMPUTATION \$ 16,299,191

AVERAGE DAILY ATTENDANCE 1,566.20

PER CAPITA TUITION CHARGE \$ 10,407