

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69

SKOKIE, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS

| | PAGE |
|---|---------|
| Independent Auditor's Report | 1 - 2 |
| 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 <i>Government Auditing Standards</i> | 3 - 4 |
| 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 | 5 - 6 |
| Required Supplementary Information | |
| Management's Discussion and Analysis | 7 - 12 |
| Basic Financial Statements | |
| Government-Wide Financial Statements | |
| Statement of Net Assets - Modified Cash Basis | 13 |
| Statement of Activities - Modified Cash Basis | 14 |
| Fund Financial Statements | |
| Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions - Governmental Funds | 15 |
| Reconciliation of the Governmental Funds Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions to the Statement of Net Assets | 16 |
| Statement of Cash Receipts, Disbursements, and Changes in Fund Balances - Governmental Funds | 17 |
| Reconciliation of the Governmental Funds Statement of Cash Receipts, Disbursements, and Changes in Fund Balances to the Statement of Activities | 18 |
| Statement of Cash Receipts, Disbursements, and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - General Fund | 19 |
| Statement of Cash Receipts, Disbursements, and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - Special Revenue Funds - Operations and Maintenance Fund | 20 |
| - Transportation Fund | 21 |
| - Municipal Retirement/Social Security Fund | 22 |
| - Working Cash Fund | 23 |
| - Tort Immunity Fund | 24 |
| Statement of Assets, Liabilities, and Net Assets Arising from Cash Transactions - Fiduciary Funds | 25 |
| Notes to the Financial Statements | 26 - 42 |

TABLE OF CONTENTS
(Continued)

| | <u>PAGE</u> |
|--|-------------|
| Required Supplementary Information | |
| Schedule of Funding Progress | 43 |
| Audited Individual Fund Financial Statements | |
| Detail Statements of Cash Receipts, Disbursements and Changes in Fund Balance - Budget and Actual | |
| Educational Fund | 44 - 47 |
| Operations and Maintenance Fund | 48 |
| Transportation Fund | 49 |
| Municipal Retirement/Social Security Fund | 50 |
| Working Cash Fund | 51 |
| Tort Immunity Fund | 52 |
| Bond and Interest Fund | 53 |
| Capital Projects Fund | 54 |
| Detail Statements of Cash Receipts, Disbursements and Changes in Fund Balance - Fiduciary Funds | 55 |
| Annual Federal Financial Compliance Section | |
| Cover Sheet | 56 |
| Schedule of Expenditures of Federal Awards | 57 - 59 |
| Schedule of Findings and Questioned Costs | 60 - 61 |
| Notes to Schedule of Expenditures of Federal Awards | 62 |
| Additional Supplemental Information | |
| Schedule of Assessed Valuations, Tax Rates and Tax Extensions | 63 |
| Schedule of Operating Expenditures Per Pupil | 64 |
| Schedule of Per Capita Tuition Charge | 65 |



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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, 2011, 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, 2011, as listed in the table of contents. These financial statements are the responsibility of the School District'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, of the Skokie Elementary School District No. 69, as of June 30, 2011, 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 8, 2011 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 43 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 about 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.



EVOY, KAMSCHULTE, JACOBS & CO. LLP

November 8, 2011
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, 2011, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 8, 2011, 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

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 8, 2011.

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 8, 2011
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, 2011. 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 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, 2011.

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 to determine the 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.



EVOY, KAMSCHULTE, JACOBS & CO. LLP

November 8, 2011
Waukegan, Illinois

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

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, 2011. 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, 2011 by \$26,476,027 (net assets).
- The District's total net assets increased by \$6,447,114.
- At June 30, 2011, the District's governmental funds reported combined fund balances of \$15,535,933, an increase of \$4,501,671 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 past financial health of the District and the uncertain financial future of the country and the state. 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, 2011
(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 55. 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 42.

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, 2011
(Continued)

THE DISTRICT AS A WHOLE

A condensed statement of net assets, as of June 30, 2011, and statement of activities, for the year ended June 30, 2011, is presented below.

| Net Assets | Governmental Activities | |
|-----------------------------------|-------------------------|----------------------|
| | 2011 | 2010 |
| Current and Other Assets | \$ 15,535,933 | \$ 11,034,262 |
| Capital Assets | 27,585,094 | 27,719,651 |
| Total Assets | 43,121,027 | 38,753,913 |
| Current Liabilities | - | - |
| Long-Term Debt Outstanding | (16,645,000) | (18,725,000) |
| Total Liabilities | (16,645,000) | (18,725,000) |
| | <u>\$ 26,476,027</u> | <u>\$ 20,028,913</u> |
| Net Assets: | | |
| Invested in Capital Assets, | | |
| Net of Related Debt | \$ 13,525,094 | \$ 13,294,651 |
| Restricted | 13,485,925 | 11,242,465 |
| Unrestricted | (534,992) | (4,508,203) |
| Total Net Assets | <u>\$ 26,476,027</u> | <u>\$ 20,028,913</u> |
| <u>Changes in Net Assets</u> | | |
| <u>Receipts</u> | | |
| Program Receipts | | |
| Charges for services | \$ 335,328 | \$ 381,728 |
| Operating grants | 5,240,638 | 5,203,838 |
| Capital grants | - | - |
| General Receipts | | |
| Property taxes | 21,912,542 | 19,433,736 |
| Other taxes | 526,757 | 427,007 |
| Earnings on investments | 267,821 | 276,121 |
| General state aid | 1,232,602 | 832,934 |
| Other | 492,289 | 188,595 |
| Total Receipts | <u>\$ 30,007,977</u> | <u>\$ 26,743,959</u> |
| <u>Disbursements</u> | | |
| Program Disbursements | | |
| Instruction | \$ 14,231,835 | \$ 14,038,797 |
| Support services | 7,178,069 | 7,109,213 |
| Community services | 329,430 | 241,920 |
| Nonprogrammed Charges | - | - |
| Interest and other charges | 866,014 | 805,118 |
| Depreciation - unallocated | 955,515 | 947,295 |
| Total Disbursements | <u>\$ 23,560,863</u> | <u>\$ 23,142,343</u> |
| Increase (Decrease) in net assets | \$ 6,447,114 | \$ 3,601,616 |
| Net Assets - Beginning | 20,028,913 | 16,427,297 |
| Net Assets - Ending | <u>\$ 26,476,027</u> | <u>\$ 20,028,913</u> |

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011
(Continued)

THE DISTRICT AS A WHOLE (continued)

Net assets of the District's governmental activities increased by \$6,447,114. 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 — increased by \$3,973,211 to \$(534,992).

This increase in unrestricted net assets arose primarily because of conservative estimations for local, state and federal revenue sources, as well as controlled expenditures.

THE DISTRICT'S FUNDS

At June 30, 2011 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 \$15,535,933, which is above last year's total of \$11,034,262. The primary reasons for the governmental funds increase are a direct result of fiscally responsible budgeting, paired with a substantial reduction in workforce prior to FY 2012. This allowed the district to increase fund balances amongst other financial indicators to continue the District's goal to maintain financial health and recognition.

General Fund Budgetary Highlights

The July 1, 2010 to June 30, 2011 budget, which was not amended, was approved by the Board of Education on September 21, 2010. 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 duration of the economic downturn, the loss of ARRA funding and the state's continuing financial difficulties.
- The General (Education) Fund actual direct disbursements were less than the budgeted amount due to workforce reductions and a conscious effort to control expenditures.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011
(Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2011, the District had \$27,585,094 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 | |
|---|-------------------------|----------------------|
| | 2011 | 2010 |
| Land and Improvements | \$ 485,869 | \$ 504,788 |
| Buildings | 26,275,827 | 26,317,026 |
| Furniture and Equipment | 823,398 | 829,649 |
| Construction-in-Progress | - | 68,188 |
| Totals | <u>\$ 27,585,094</u> | <u>\$ 27,719,651</u> |

This year's major additions included the completion of the restoration work at Lincoln Jr. High School.

The District's 2011-12 fiscal year budget calls for it to spend \$245,400 for capital projects, principally to continue work on water intrusion issues at Lincoln Jr. High School.

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, 2011, the District had \$16,645,000 in long-term debt outstanding, as shown below.

| Outstanding Debt at Year End | Governmental Activities | |
|---------------------------------------|-------------------------|----------------------|
| | 2011 | 2010 |
| 2002 Building Bonds | \$ 900,000 | \$ 6,760,000 |
| 2003 Fire Prevention and Safety Bonds | 7,585,000 | 7,665,000 |
| 2009A Working Cash Fund Bonds | 1,350,000 | 3,065,000 |
| 2009B Working Cash Fund Bonds | 1,235,000 | 1,235,000 |
| 2010 Refunding Bonds | 5,575,000 | - |
| Totals | <u>\$ 16,645,000</u> | <u>\$ 18,725,000</u> |

During the year the District issued \$5,575,000 of 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, 2011
(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 for 2010 stands at 3.7%, an increase of .5% since the 2009 levy year. The equalized assessed valuation (EAV) of property located within the District, decreased over 11% from \$554,162,796 to \$491,074,920.

The District continues to be negatively impacted by property tax objections, costing the District several hundred thousand dollars over the course of the last several years. 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 and has begun to see movement in the right direction. If efforts are sustained, the District will continue to hold its course and achieve its goal of financial health once again. 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 the highest financial recognition in the state.

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, 2011

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Cash and Investments | \$ 15,535,779 |
| Due from Employees | 154 |
| Capital Assets | |
| Land | 307,362 |
| Land Improvements | 378,398 |
| Buildings | 36,643,135 |
| Furniture and Equipment | 4,036,427 |
| Less: Accumulated Depreciation | (13,780,228) |
| Total Capital Assets, Net | <u>\$ 27,585,094</u> |
| Total Assets | <u>\$ 43,121,027</u> |
| LIABILITIES | |
| Current Liabilities | <u>\$ -</u> |
| Long-Term Liabilities | |
| Portion Due Within One Year | |
| Bonds | \$ 2,315,000 |
| Portion Due in More Than One Year | |
| Bonds | 14,330,000 |
| Total Long-Term Liabilities | <u>\$ 16,645,000</u> |
| TOTAL LIABILITIES | <u>\$ 16,645,000</u> |
| NET ASSETS | |
| Invested in Capital Assets, Net of Related Debt | \$ 13,525,094 |
| Restricted | |
| Tort Immunity | 1,685,834 |
| Technology Leasing | 547,115 |
| Operations and Maintenance | 2,141,492 |
| Transportation | 2,353,275 |
| Municipal Retirement/Social Security | 251,524 |
| Working Cash | 4,012,295 |
| Debt Service | 2,494,390 |
| Capital Projects | - |
| Unrestricted | <u>(534,992)</u> |
| TOTAL NET ASSETS | <u>\$ 26,476,027</u> |

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

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2011

| FUNCTION/PROGRAMS | Program Receipts | | | | Net (Disbursements) Receipts and Change in Net Assets |
|------------------------------------|------------------|-------------------------|--|--|---|
| | Disbursements | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental Activities | | | | | |
| Instruction | | | | | |
| Regular Programs | \$ 8,765,285 | \$ 147,093 | \$ 2,886,710 | \$ - | \$ (5,731,482) |
| Special Education Programs | 3,629,947 | - | 1,208,486 | - | (2,421,461) |
| Remedial and Supplemental Programs | 626,049 | - | - | - | (626,049) |
| Interscholastic Programs | 251,863 | - | - | - | (251,863) |
| Gifted | 162,636 | - | - | - | (162,636) |
| Bilingual Programs | 796,055 | - | 108,005 | - | (688,050) |
| Support Services | | | | | |
| Pupils | 924,754 | - | - | - | (924,754) |
| Instructional Staff | 952,533 | - | 136,564 | - | (815,969) |
| General Administration | 418,347 | - | - | - | (418,347) |
| School Administration | 783,993 | - | - | - | (783,993) |
| Business | 3,653,849 | 188,235 | 900,873 | - | (2,564,741) |
| Central | 444,593 | - | - | - | (444,593) |
| Community Services | 329,430 | - | - | - | (329,430) |
| Interest and Other Charges | 866,014 | - | - | - | (866,014) |
| Depreciation-Unallocated | 955,515 | - | - | - | (955,515) |
| Total Governmental Activities | \$ 23,560,863 | \$ 335,328 | \$ 5,240,638 | \$ - | \$ (17,984,897) |

GENERAL RECEIPTS

Taxes

Property Taxes, levied for general purposes

Property Taxes, levied for debt service

Property Taxes, levied for other specific purposes

Personal Property Replacement

Unrestricted Earnings on Investments

General State Aid

Other

TOTAL GENERAL RECEIPTS

CHANGE IN NET ASSETS

NET ASSETS - JULY 1, 2010

NET ASSETS - JUNE 30, 2011

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

| | |
|----|------------|
| \$ | 17,357,138 |
| | 3,255,525 |
| | 1,299,879 |
| | 526,757 |
| | 267,821 |
| | 1,232,602 |
| | 492,289 |
| \$ | 24,432,011 |
| \$ | 6,447,114 |
| | 20,028,913 |
| \$ | 26,476,027 |

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES ARISING FROM CASH TRANSACTIONS
GOVERNMENTAL FUNDS
JUNE 30, 2011

| | General Fund | Special Revenue Funds | | | | | Debt Service Fund | Capital Projects Fund | Total Governmental Funds |
|---|---------------------|---------------------------------|---------------------|----------------------------------|-------------------|--------------------|-------------------|-----------------------|--------------------------|
| | | Operations and Maintenance Fund | Transportation Fund | Retirement/ Social Security Fund | Working Cash Fund | Tort Immunity Fund | | | |
| ASSETS | | | | | | | | | |
| Cash and Investments Due from Employees | \$ 2,596,969 154 | \$ 2,141,492 | \$ 2,353,275 | \$ 251,524 | \$ 4,012,295 | \$ 1,685,834 | \$ 2,494,390 | \$ - | \$ 15,535,779 154 |
| TOTAL ASSETS | \$ 2,597,123 | \$ 2,141,492 | \$ 2,353,275 | \$ 251,524 | \$ 4,012,295 | \$ 1,685,834 | \$ 2,494,390 | \$ - | \$ 15,535,933 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| LIABILITIES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| FUND BALANCES | | | | | | | | | |
| Restricted | | | | | | | | | |
| Insurance Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,685,834 | \$ - | \$ - | \$ 1,685,834 |
| Technology Leasing | 547,115 | - | - | - | - | - | - | - | 547,115 |
| Operations and Maintenance | - | 2,141,492 | - | - | - | - | - | - | 2,141,492 |
| Transportation Services | - | - | 2,353,275 | - | - | - | - | - | 2,353,275 |
| Employee Benefits Payments | - | - | - | 251,524 | - | - | - | - | 251,524 |
| Interfund Borrowing | - | - | - | - | 4,012,295 | - | - | - | 4,012,295 |
| Bond Principal and Interest Payments | - | - | - | - | - | - | 2,494,390 | - | 2,494,390 |
| Future Construction | - | - | - | - | - | - | - | - | - |
| Unassigned | 2,050,008 | - | - | - | - | - | - | - | 2,050,008 |
| Total Fund Balances | \$ 2,597,123 | \$ 2,141,492 | \$ 2,353,275 | \$ 251,524 | \$ 4,012,295 | \$ 1,685,834 | \$ 2,494,390 | \$ - | \$ 15,535,933 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 2,597,123 | \$ 2,141,492 | \$ 2,353,275 | \$ 251,524 | \$ 4,012,295 | \$ 1,685,834 | \$ 2,494,390 | \$ - | \$ 15,535,933 |

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, 2011

| | |
|--|---------------|
| Total Fund Balances - Governmental Funds | \$ 15,535,933 |
|--|---------------|

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. The cost of the assets is \$41,365,322, and the accumulated depreciation is \$13,780,228. | 27,585,094 |
|--|------------|

| | |
|---|--------------|
| 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. | (16,645,000) |
|---|--------------|

| | |
|---|----------------------|
| Total Net Assets of Governmental Activities | <u>\$ 26,476,027</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 BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

| | General Fund | Special Revenue Funds | | | | | Debt Service Fund | Capital Projects Fund | Total Governmental Funds |
|--|----------------------|---------------------------------|---------------------|----------------------------------|---------------------|---------------------|------------------------|-----------------------|--------------------------|
| | Education Fund | Operations and Maintenance Fund | Transportation Fund | Retirement/ Social Security Fund | Working Cash Fund | Tort Immunity Fund | Bond and Interest Fund | Capital Projects Fund | Total Governmental Funds |
| RECEIPTS | | | | | | | | | |
| Taxes | \$ 15,898,299 | \$ 2,327,426 | \$ 487,583 | \$ 335,581 | \$ 134,885 | \$ - | \$ 3,255,525 | \$ - | \$ 22,439,299 |
| Tuition | 81,378 | - | - | - | - | - | - | - | 81,378 |
| Transportation Fees | - | - | 300 | - | - | - | - | - | 300 |
| Earnings on Investments | 42,134 | 34,069 | 30,789 | 7,633 | 74,450 | 43,882 | 33,531 | 1,333 | 267,821 |
| Food Service Fees | 187,935 | - | - | - | - | - | - | - | 187,935 |
| Pupil Activity Fees | 59,261 | - | - | - | - | - | - | - | 59,261 |
| Textbook Fees | - | - | - | - | - | - | - | - | 6,454 |
| Rentals | 29,628 | 66,085 | - | - | - | - | - | - | 95,713 |
| Refund of Prior Year Disbursements | 112,692 | 6,282 | - | - | - | 2,645 | - | - | 121,619 |
| Other | 25,087 | 33,884 | - | - | 127,610 | - | - | - | 186,581 |
| Local Fees | 83,376 | - | - | - | - | - | - | - | 83,376 |
| State Aid | 3,371,016 | - | 1,736,308 | - | - | - | - | - | 5,107,324 |
| Federal Aid | 1,365,916 | - | - | - | - | - | - | - | 1,365,916 |
| TOTAL RECEIPTS | \$ 21,268,176 | \$ 2,487,746 | \$ 2,254,980 | \$ 343,214 | \$ 336,945 | \$ 46,527 | \$ 3,289,056 | \$ 1,333 | \$ 30,007,977 |
| DISBURSEMENTS | | | | | | | | | |
| Current | | | | | | | | | |
| Instruction | | | | | | | | | |
| Regular Programs | \$ 8,652,582 | \$ - | \$ - | \$ 112,703 | \$ - | \$ - | \$ - | \$ - | \$ 8,765,285 |
| Special Education Programs | 1,653,018 | - | - | 56,384 | - | - | - | - | 1,709,402 |
| Remedial and Supplemental Programs | 628,049 | - | - | - | - | - | - | - | 626,049 |
| Interscholastic Programs | 251,863 | - | - | - | - | - | - | - | 251,863 |
| Gifted | 160,655 | - | - | 1,981 | - | - | - | - | 162,636 |
| Bilingual Programs | 793,995 | - | - | 2,060 | - | - | - | - | 796,055 |
| Support Services | | | | | | | | | |
| Pupils | 904,943 | - | - | 19,811 | - | - | - | - | 924,754 |
| Instructional Staff | 929,829 | - | - | 22,704 | - | - | - | - | 952,533 |
| General Administration | 403,853 | - | - | 14,494 | - | - | - | - | 418,347 |
| School Administration | 747,711 | - | - | - | - | - | - | - | 783,993 |
| Business | 990,863 | 1,338,861 | 958,952 | 129,587 | - | 235,586 | - | - | 3,653,849 |
| Central | 443,184 | - | - | 1,409 | - | - | - | - | 444,593 |
| Community Services | 313,858 | - | - | 15,472 | - | - | - | - | 329,330 |
| Nonprogrammed Charges | 1,920,545 | - | - | - | - | - | - | - | 1,920,545 |
| Debt Service | - | - | - | - | - | - | 2,215,000 | - | 2,215,000 |
| Principal | - | - | - | - | - | - | 821,621 | - | 821,621 |
| Interest and Other Charges | - | - | - | - | - | - | - | - | - |
| Capital Outlay | 190,796 | 62,824 | - | - | - | - | - | 567,338 | 820,958 |
| TOTAL DISBURSEMENTS | \$ 18,983,844 | \$ 1,401,685 | \$ 958,952 | \$ 412,887 | \$ - | \$ 235,586 | \$ 3,036,621 | \$ 567,338 | \$ 25,596,913 |
| EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ 2,284,332 | \$ 1,066,061 | \$ 1,296,028 | \$ (69,673) | \$ 336,945 | \$ (189,059) | \$ 252,435 | \$ (566,005) | \$ 4,411,064 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Principal on Bonds Sold | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,575,000 | \$ - | \$ 5,575,000 |
| Premium (Discount) on Bonds Sold | - | - | - | - | - | - | 492,181 | - | 492,181 |
| Transfer to Refunded Bonds Escrow Agent | - | - | - | - | - | - | (5,976,574) | - | (5,976,574) |
| TOTAL OTHER FINANCING SOURCES (USES) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 90,607 | \$ - | \$ 90,607 |
| NET CHANGE IN FUND BALANCE | \$ 2,284,332 | \$ 1,066,061 | \$ 1,296,028 | \$ (69,673) | \$ 336,945 | \$ (189,059) | \$ 343,042 | \$ (566,005) | \$ 4,501,671 |
| FUND BALANCE - JULY 1, 2010 | 312,791 | 1,075,431 | 1,057,247 | 321,197 | 3,675,350 | 1,874,893 | 2,151,348 | 566,005 | 11,034,262 |
| FUND BALANCE - JUNE 30, 2011 | \$ 2,597,123 | \$ 2,141,492 | \$ 2,353,275 | \$ 251,524 | \$ 4,012,295 | \$ 1,685,834 | \$ 2,494,390 | \$ - | \$ 15,535,933 |

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, 2011

| | | |
|---|----|-----------|
| Net Change in Fund Balance - Governmental Funds | \$ | 4,501,671 |
|---|----|-----------|

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. This is the amount by which capital outlay (\$820,958) exceeds depreciation expense (\$955,515) in the period. | | (134,557) |
|---|--|-----------|

| | | |
|---|--|-------------|
| Sales of bonds and notes provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. This is the amount of long-term debt issued in the period. | | (5,575,000) |
|---|--|-------------|

| | | |
|--|--|-----------|
| 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. This is the amount of repayments (\$2,215,000)/defeasances (\$5,440,000) of long-term debt principal in the period. | | 7,655,000 |
|--|--|-----------|

| | | |
|---|----|---|
| Change in Net Assets of Governmental Activities | \$ | <div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 2px 0;">6,447,114</div> |
|---|----|---|

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, 2011

| | Original and Final Budget | Actual |
|--|------------------------------|---------------|
| RECEIPTS | | |
| Taxes | \$ 14,838,921 | \$ 15,898,299 |
| Tuition | 90,000 | 81,378 |
| Earnings on Investments | 5,000 | 42,134 |
| Food Service Fees | 201,000 | 187,935 |
| Pupil Activity Fees | 43,700 | 59,261 |
| Textbook Fees | 34,300 | 6,454 |
| Rentals | - | 29,628 |
| Refund of Prior Years' Expenditures | - | 112,692 |
| Local Fees | 85,000 | 88,376 |
| Other | 250 | 25,087 |
| State Aid | 961,173 | 992,030 |
| Federal Aid | 782,240 | 1,365,916 |
| Total Direct Receipts | \$ 17,041,584 | \$ 18,889,190 |
| "On-Behalf" Receipt for Retirement Benefits | - | 2,378,986 |
| TOTAL RECEIPTS | \$ 17,041,584 | \$ 21,268,176 |
| DISBURSEMENTS | | |
| Current | | |
| Instruction | | |
| Regular Programs | \$ 6,475,759 | \$ 6,273,596 |
| Special Education Programs | 1,736,835 | 1,653,018 |
| Remedial and Supplemental Programs | 682,966 | 626,049 |
| Interscholastic Programs | 280,947 | 251,863 |
| Summer School Programs | 40,000 | - |
| Gifted Programs | 164,529 | 160,655 |
| Bilingual Programs | 631,846 | 793,995 |
| Support Services | | |
| Pupils | 879,120 | 904,943 |
| Instructional Staff | 1,197,757 | 929,829 |
| General Administration | 521,415 | 403,853 |
| School Administration | 750,281 | 747,711 |
| Business | 1,030,386 | 990,863 |
| Central | 478,462 | 443,184 |
| Community Services | 245,108 | 313,958 |
| Nonprogrammed Charges | 1,761,300 | 1,920,545 |
| Capital Outlay | 74,573 | 190,796 |
| Total Direct Disbursements | \$ 16,951,284 | \$ 16,604,858 |
| "On-Behalf" Disbursement for Retirement Benefits | - | 2,378,986 |
| TOTAL DISBURSEMENTS | \$ 16,951,284 | \$ 18,983,844 |
| NET CHANGE IN FUND BALANCE | \$ 90,300 | \$ 2,284,332 |
| FUND BALANCE - JULY 1, 2010 | | 312,791 |
| FUND BALANCE - JUNE 30, 2011 | | \$ 2,597,123 |

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, 2011

| | Original and Final Budget | Actual |
|--|------------------------------|--------------|
| RECEIPTS | | |
| Taxes | \$ 2,247,262 | \$ 2,327,426 |
| Earnings on Investments | 3,500 | 34,069 |
| Rentals | 15,000 | 66,085 |
| Refund of Prior Years' Expenditures | - | 6,282 |
| Other | - | 33,884 |
| | <hr/> | <hr/> |
| TOTAL RECEIPTS | \$ 2,265,762 | \$ 2,467,746 |
| | <hr/> | <hr/> |
| DISBURSEMENTS | | |
| Current | | |
| Support Services - Operations & Maintenance Services | | |
| Salaries | \$ 642,755 | \$ 565,680 |
| Employee Benefits | 150,699 | 127,719 |
| Purchased Services | 676,795 | 272,617 |
| Supplies & Materials | 532,999 | 372,845 |
| Other | 20,000 | - |
| Capital Outlay | 205,000 | 62,824 |
| | <hr/> | <hr/> |
| TOTAL DISBURSEMENTS | \$ 2,228,248 | \$ 1,401,685 |
| | <hr/> | <hr/> |
| NET CHANGE IN FUND BALANCE | \$ 37,514 | \$ 1,066,061 |
| | <hr/> | <hr/> |
| FUND BALANCE - JULY 1, 2010 | | 1,075,431 |
| | | <hr/> |
| FUND BALANCE - JUNE 30, 2011 | | \$ 2,141,492 |
| | | <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, 2011

| | Original and Final Budget | Actual |
|--|------------------------------|--------------|
| RECEIPTS | | |
| Taxes | \$ 528,000 | \$ 487,583 |
| Transportation Fees | - | 300 |
| Earnings on Investments | 25,000 | 30,789 |
| State Aid | 167,500 | 1,736,308 |
| | <hr/> | <hr/> |
| TOTAL RECEIPTS | \$ 720,500 | \$ 2,254,980 |
| | <hr/> | <hr/> |
| DISBURSEMENTS | | |
| Current | | |
| Support Services - Pupil Transportation Services | | |
| Salaries | \$ 5,091 | \$ 7,549 |
| Employee Benefits | 43 | 44 |
| Purchased Services | 854,774 | 951,359 |
| Other | 10,000 | - |
| | <hr/> | <hr/> |
| TOTAL DISBURSEMENTS | \$ 869,908 | \$ 958,952 |
| | <hr/> | <hr/> |
| NET CHANGE IN FUND BALANCE | \$ (149,408) | \$ 1,296,028 |
| | <hr/> | <hr/> |
| FUND BALANCE - JULY 1, 2010 | | 1,057,247 |
| | | <hr/> |
| FUND BALANCE - JUNE 30, 2011 | | \$ 2,353,275 |
| | | <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 - MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2011

| | Original and Final Budget | Actual |
|------------------------------|------------------------------|-------------------|
| RECEIPTS | | |
| Taxes | \$ 526,224 | \$ 335,581 |
| Earnings on Investments | 4,500 | 7,633 |
| TOTAL RECEIPTS | <u>\$ 530,724</u> | <u>\$ 343,214</u> |
| DISBURSEMENTS | | |
| Current | | |
| Instruction | | |
| Regular Programs | \$ 118,188 | \$ 112,703 |
| Special Education Programs | 56,035 | 56,384 |
| Bilingual Programs | - | 2,060 |
| Gifted Programs | 2,021 | 1,981 |
| Support Services | | |
| Pupils | 19,106 | 19,811 |
| Instructional Staff | 44,228 | 22,704 |
| General Administration | 13,880 | 14,494 |
| School Administration | 35,193 | 36,282 |
| Business | 123,231 | 129,587 |
| Central | 7,655 | 1,409 |
| Community Services | 11,723 | 15,472 |
| TOTAL DISBURSEMENTS | <u>\$ 431,260</u> | <u>\$ 412,887</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 99,464</u> | \$ (69,673) |
| FUND BALANCE - JULY 1, 2010 | | <u>321,197</u> |
| FUND BALANCE - JUNE 30, 2011 | | <u>\$ 251,524</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, 2011

| | Original and Final Budget | Actual |
|------------------------------|------------------------------|---------------------|
| RECEIPTS | | |
| Taxes | \$ 277,094 | \$ 134,885 |
| Earnings on Investments | 20,000 | 74,450 |
| Other | - | 127,610 |
| | <hr/> | <hr/> |
| TOTAL RECEIPTS | \$ 297,094 | \$ 336,945 |
| DISBURSEMENTS | <hr/> | <hr/> |
| | - | - |
| NET CHANGE IN FUND BALANCE | <u>\$ 297,094</u> | \$ 336,945 |
| FUND BALANCE - JULY 1, 2010 | | <u>3,675,350</u> |
| FUND BALANCE - JUNE 30, 2011 | | <u>\$ 4,012,295</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, 2011

| | Original and Final Budget | Actual |
|---------------------------------------|------------------------------|---------------------|
| RECEIPTS | | |
| Earnings on Investments | \$ 30,000 | \$ 43,882 |
| Refund of Prior Years' Expenditures | - | 2,645 |
| | <u>30,000</u> | <u>46,527</u> |
| TOTAL RECEIPTS | <u>\$ 30,000</u> | <u>\$ 46,527</u> |
| DISBURSEMENTS | | |
| Current | | |
| Support Services - Insurance Services | | |
| Salaries | \$ 74,927 | \$ 112,373 |
| Employee Benefits | 4,010 | 684 |
| Purchased Services | 124,374 | 122,529 |
| | <u>203,311</u> | <u>235,586</u> |
| TOTAL DISBURSEMENTS | <u>\$ 203,311</u> | <u>\$ 235,586</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (173,311)</u> | <u>\$ (189,059)</u> |
| FUND BALANCE - JULY 1, 2010 | | <u>1,874,893</u> |
| FUND BALANCE - JUNE 30, 2011 | | <u>\$ 1,685,834</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, 2011

ASSETS

| | |
|-----------------------|------------------|
| Cash In Bank Accounts | <u>\$ 38,627</u> |
| TOTAL ASSETS | <u>\$ 38,627</u> |

LIABILITIES

| | |
|---------------------------------|------------------|
| Due to Student Groups | \$ 23,639 |
| Due to Employee's Benefits Fund | <u>14,988</u> |
| TOTAL LIABILITIES | <u>\$ 38,627</u> |

| | |
|------------|--------------------|
| NET ASSETS | <u><u>\$ -</u></u> |
|------------|--------------------|

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

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

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

During fiscal year 2011 the District adopted the following GASB statements:

- GASBS 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Please refer to Note 6, Fund Balance Reporting, for related disclosures.
- GASBS 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, which had no impact on the current year financial statements.
- GASBS 59, *Financial Instruments Omnibus*, which had no impact on the current year financial statements.

Other 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*.

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, 2011
(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. The Working Cash Fund 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. Although not an expendable fund, 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 the Fire Prevention and Safety Fund, and accounts for financial resources to be used for the acquisition, construction or improvement of major capital facilities. Fire Prevention and Safety Special Tax Levy and Bond Proceeds, and Subdivider's Land Cash Ordinance payments are accounted for in this fund.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(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, 2011
(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*. Thus, the District does not budget for "on-behalf" employer's pension contribution payments made by the State of Illinois directly to the Teachers Retirement System. The July 1, 2010 to June 30, 2011 budget, which was not amended, was approved by the Board of Education on September 21, 2010. 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, 2011
(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, 2011, the carrying amount of the District's deposit account was \$2,500; the bank balance was \$3,223. This deposit account is categorized in accordance with risk factors created by governmental reporting standards. At June 30, 2011, 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, 2011 the deposits in the student activity and employees flexible benefits accounts had a carrying amount of \$23,639 and \$14,988, respectively, and the bank balances were \$23,719 and \$17,067, respectively. At June 30, 2011, 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, 2011, 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, 2011, the carrying amount of the District's cash and investments was \$15,533,279. 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, 2011
(Continued)

3. CAPITAL ASSETS AND DEPRECIATION

| | Balance July 1, 2010 | Additions | Deletions | Balance June 30, 2011 |
|--|-------------------------|---------------------|------------------|--------------------------|
| Capital Assets not Being Depreciated | | | | |
| Land | \$ 307,362 | \$ - | \$ - | \$ 307,362 |
| Construction-in-Progress | 68,188 | - | 68,188 | - |
| Total Capital Assets not Being Depreciated | <u>\$ 375,550</u> | <u>\$ -</u> | <u>\$ 68,188</u> | <u>\$ 307,362</u> |
| Capital Assets Being Depreciated | | | | |
| Land Improvements | \$ 378,398 | \$ - | \$ - | \$ 378,398 |
| Building and Improvements | 35,951,471 | 691,664 | - | 36,643,135 |
| Equipment | 3,838,945 | 197,482 | - | 4,036,427 |
| Total Capital Assets Being Depreciated | <u>\$ 40,168,814</u> | <u>\$ 889,146</u> | <u>\$ -</u> | <u>\$ 41,057,960</u> |
| Less Accumulated Depreciation for: | | | | |
| Land Improvements | \$ (180,972) | \$ (18,919) | \$ - | \$ (199,891) |
| Building and Improvements | (9,634,445) | (732,863) | - | (10,367,308) |
| Equipment | (3,009,296) | (203,733) | - | (3,213,029) |
| Total Accumulated Depreciation | <u>\$ (12,824,713)</u> | <u>\$ (955,515)</u> | <u>\$ -</u> | <u>\$ (13,780,228)</u> |
| Total Capital Assets being Depreciated, net of Accumulated Depreciation | <u>\$ 27,344,101</u> | <u>\$ (66,369)</u> | <u>\$ -</u> | <u>\$ 27,277,732</u> |
| Capital Assets, net of Accumulated Depreciation | <u>\$ 27,719,651</u> | <u>\$ (66,369)</u> | <u>\$ 68,188</u> | <u>\$ 27,585,094</u> |

Depreciation was not charged to any specific function.

4. LONG-TERM DEBT

Defeased Bonds

In December 2010 the District issued general obligation bonds for advance refunding purposes, and defeased \$5,440,000 of the 2002 Building bond issue by placing proceeds of the new bond issue in an irrevocable trust to provide for all future debt service payments on that part of the 2002 Building bonds. Accordingly, the trust account assets, and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2011, \$5,440,000 of bonds outstanding are considered defeased.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

4. LONG-TERM DEBT (continued)

Changes in General Long-Term Debt

| | Balance July 1, 2010 | Proceeds | Retired/ Defeased | Balance June 30, 2011 | Amounts Due Within One Year |
|--|-------------------------|---------------------|----------------------|--------------------------|--------------------------------|
| 2002 Building Bonds | \$ 6,760,000 | \$ - | \$ 5,860,000 | \$ 900,000 | \$ 440,000 |
| 2003 Fire Prevention and Safety Bonds | 7,665,000 | - | 80,000 | 7,585,000 | 490,000 |
| 2009A Working Cash Fund Bonds | 3,065,000 | - | 1,715,000 | 1,350,000 | 1,350,000 |
| 2009B Working Cash Fund Bonds | 1,235,000 | - | - | 1,235,000 | - |
| 2010 Refunding Bonds | - | 5,575,000 | - | 5,575,000 | 35,000 |
| | <u>\$ 18,725,000</u> | <u>\$ 5,575,000</u> | <u>\$ 7,655,000</u> | <u>\$ 16,645,000</u> | <u>\$ 2,315,000</u> |

Cash Flow Requirements

At June 30, 2011, 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 | 2012 | 5.00% | \$ 440,000 | \$ 34,000 | \$ 474,000 |
| | 2013 | 5.00% | 460,000 | 11,500 | 471,500 |
| | | | <u>\$ 900,000</u> | <u>\$ 45,500</u> | <u>\$ 945,500</u> |
| Amount Available in Debt Service Fund | | | | | 644,323 |
| Amount to be Provided in the Future | | | | | <u>\$ 301,177</u> |
| 2003 Fire Prevention and Safety Bonds, Original Issue of \$8,300,000, Dated February 27, 2003 | 2012 | 3.80-5.00% | \$ 490,000 | \$ 319,385 | \$ 809,385 |
| | 2013 | 3.80-5.00% | 515,000 | 294,260 | 809,260 |
| | 2014 | 3.80-5.00% | 540,000 | 267,885 | 807,885 |
| | 2015 | 3.80-5.00% | 565,000 | 240,260 | 805,260 |
| | 2016 | 3.80-4.40% | 595,000 | 214,830 | 809,830 |
| | 2017 | 3.90-4.40% | 615,000 | 191,533 | 806,533 |
| | 2018 | 4.00-4.40% | 640,000 | 166,740 | 806,740 |
| | 2019 | 4.10-4.40% | 665,000 | 140,308 | 805,308 |
| | 2020 | 4.10-4.40% | 695,000 | 112,428 | 807,428 |
| | 2021 | 4.30-4.40% | 725,000 | 82,593 | 807,593 |
| | 2022 | 4.30-4.40% | 755,000 | 50,773 | 805,773 |
| | 2023 | 4.40% | 785,000 | 17,270 | 802,270 |
| | | | <u>\$ 7,585,000</u> | <u>\$ 2,098,265</u> | <u>\$ 9,683,265</u> |
| Amount Available in Debt Service Fund | | | | | 346,674 |
| Amount to be Provided in the Future | | | | | <u>\$ 9,336,591</u> |

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

4. LONG-TERM DEBT (continued)

Cash Flow Requirements (continued)

| | Year Ending June 30, | Interest Rates | Principal | Interest | Total |
|---|----------------------------|-------------------|---------------------|---------------------|---------------------|
| <hr/> | | | | | |
| 2009A Working Cash Fund Bonds, Original Issue of \$3,765,000, Dated May 5, 2009 | | | | | |
| | 2012 | 2.500% | \$ 1,350,000 | \$ 16,875 | \$ 1,366,875 |
| Amount Available in Debt Service Fund | | | | | 788,677 |
| Amount to be Provided in the Future | | | | | <u>\$ 578,198</u> |
| | | | | | |
| 2009B Working Cash Fund Bonds, Original Issue of \$1,235,000, Dated November 24, 2009 | | | | | |
| | 2012 | 2.50-2.625% | \$ - | \$ 31,656 | \$ 31,656 |
| | 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>\$ 63,890</u> | <u>\$ 1,298,890</u> |
| Amount Available in Debt Service Fund | | | | | 11,262 |
| Amount to be Provided in the Future | | | | | <u>\$ 1,287,628</u> |
| | | | | | |
| 2010 Refunding Bonds, Original Issue of \$5,440,000, Dated December 2, 2010 | | | | | |
| | 2012 | 2.00-4.00% | \$ 35,000 | \$ 210,450 | \$ 245,450 |
| | 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>\$ 5,575,000</u> | <u>\$ 1,459,100</u> | <u>\$ 7,034,100</u> |
| Amount Available in Debt Service Fund | | | | | 22,287 |
| Amount to be Provided in the Future | | | | | <u>\$ 7,011,813</u> |

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

4. LONG-TERM DEBT (continued)

Cash Flow Requirements (continued)

| | Year Ending June 30, | Principal | Interest | Total |
|---------------------------------------|----------------------------|----------------------|---------------------|----------------------|
| Total All Bond Issues | 2012 | \$ 2,315,000 | \$ 612,366 | \$ 2,927,366 |
| | 2013 | 1,630,000 | 539,441 | 2,169,441 |
| | 2014 | 1,695,000 | 479,988 | 2,174,988 |
| | 2015 | 1,105,000 | 428,060 | 1,533,060 |
| | 2016 | 1,155,000 | 380,630 | 1,535,630 |
| | 2017 | 1,200,000 | 334,433 | 1,534,433 |
| | 2018 | 1,245,000 | 285,840 | 1,530,840 |
| | 2019 | 1,290,000 | 234,808 | 1,524,808 |
| | 2020 | 1,355,000 | 181,228 | 1,536,228 |
| | 2021 | 1,405,000 | 124,593 | 1,529,593 |
| | 2022 | 1,465,000 | 64,973 | 1,529,973 |
| | 2023 | 785,000 | 17,270 | 802,270 |
| | | <u>\$ 16,645,000</u> | <u>\$ 3,683,630</u> | <u>\$ 20,328,630</u> |
| Amount Available in Debt Service Fund | | | | 1,813,223 |
| Amount to be Provided in the Future | | | | <u>\$ 18,515,407</u> |

In addition there remains a balance of \$681,167 in the Bond and Interest Fund from retired bond issues, the appropriate disposition of which has yet to be determined by the District.

Debt Limit

The Illinois School Code limits the amount of indebtedness to 6.9 percent of \$491,074,920, the most recent available assessed valuation of the District. Thus, the District's remaining debt margin at June 30, 2011, is \$17,239,169, which is 50.87 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 operating leases for the year ended June 30, 2011 were \$67,008. The minimum future rental payments under this non-cancelable operating lease, in the aggregate are:

| Year Ending June 30, | Amount |
|-------------------------|-------------------|
| 2012 | \$ 33,372 |
| 2013 | 33,372 |
| 2014 | 33,372 |
| 2015 | 33,372 |
| 2016 | 8,343 |
| | <u>\$ 141,831</u> |

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

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.

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, 2011, the cumulative special education disbursements have exceeded related cumulative receipts in the general (educational) fund and, therefore, there is no restriction on the fund balance of the general (educational) 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, 2011, the cumulative technology leasing receipts have exceeded related cumulative disbursements in the general (education) fund and, accordingly, the June 30, 2011 fund balance of the general (education) fund is restricted for future technology leasing disbursements in the amount of \$547,115, 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. No funds are currently committed.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(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 \$13,485,925 of additional 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, 2011:

| | |
|-------------------------------------|-------------------|
| Workers Compenastion Insurance | \$ 5,620 |
| Unemployment Compensation Insurance | 19,997 |
| Property and Liability Insurance | 96,037 |
| Risk Management Services | 113,932 |
| | <u>\$ 235,586</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, 2011 was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after Jan. 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, 2010 and 2009.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(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, 2011, State of Illinois contributions were based on 23.10 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$2,291,684 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2010 and June 30, 2009, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.38 percent (\$2,228,048) and 17.08 percent (\$1,5559,098), 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, 2011 were \$57,540. Contributions for the years ending June 30, 2010 and June 30, 2009 were \$55,272 and \$52,944, 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, 2011, the employer pension contribution was 23.10 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2010 and 2009, the employer pension contribution was 23.38 and 17.08 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2011, salaries totaling \$352,050 were paid from federal and special trust funds that required employer contributions of \$81,324. For the years ended June 30, 2010, and June 30, 2009, required District contributions were \$79,632 and \$49,516, 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, 2011, the district paid \$-0- to TRS for employer contributions under the ERO program. For the years ended June 30, 2010 and June 30, 2009, the District paid \$-0- and \$-0-, respectively, in employer ERO contributions.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(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, 2011, the district paid \$-0- to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2010 and June 30, 2009, 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 used to calculate final average salary, and the TRS total normal cost rate (18.03 percent of salary during the year ended June 30, 2011, as recertified pursuant to Public Act 96-1511).

For the year ended June 30, 2011, the district paid \$-0- to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2010 and June 30, 2009, 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, 2010. The report for the year ended June 30, 2011, is expected to be available in late 2011.

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 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, 2011
(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. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS Fund.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On-Behalf Contributions to THIS Fund: The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members, which were 0.88 percent of pay during the year ended June 30, 2011. State of Illinois contributions were \$87,302 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, 2010 and June 30, 2009 were 0.84 percent of pay. State contributions on behalf of district employees were \$80,049 and \$76,677, 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 year ended June 30, 2011, and 0.63 percent during the years ended June 30, 2010 and June 30, 2009. For the year ended June 30, 2011, the District paid \$65,477 to the THIS Fund. For the years ended June 30, 2010 and June 30, 2009, the District paid \$60,037 and \$57,508 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, 2011
(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 2010 used by the District was 8.61% of annual covered payroll. The District's annual required contribution rate for calendar year 2010 was 9.78%. 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, 2010, the District's actual contributions for pension cost were \$144,035. Its required contribution for calendar year 2010 was \$163,607. The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008 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, 2008 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 |
|--------------------------------|---------------------------------|-------------------------------------|------------------------------|
| 12/31/2010 | \$ 163,607 | 88% | \$19,572 |
| 12/31/2009 | \$ 115,944 | 100% | \$0 |
| 12/31/2008 | \$ 110,932 | 100% | \$0 |

Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the plan was 88.52 percent funded. The actuarial accrued liability for benefits was \$3,719,520 and the actuarial value of assets was \$3,292,431, resulting in an underfunded actuarial accrued liability (UAAL) of \$427,089. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$1,672,878 and the ratio of the UAAL to the covered payroll was 26 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, 2011
 (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 \$101,229, 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 2010 Levy was passed by the Board on December 21, 2010. 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 2010 and 2009 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 | Actual | |
|----------------------------|--------|---------------|---------------|
| | Limit | 2010 | 2009 |
| | | Levy | Levy |
| Educational | 3.5000 | 3.0970 | 2.4932 |
| Special Education | 0.4000 | 0.0493 | 0.0638 |
| Leasing | 0.1000 | 0.0000 | 0.0155 |
| Operations and Maintenance | 0.5500 | 0.4659 | 0.3975 |
| Bond and Interest | * | 0.6403 | 0.5659 |
| Transportation | 0.2000 | 0.0854 | 0.0934 |
| Municipal Retirement | * | 0.0061 | 0.0517 |
| Social Security | * | 0.0124 | 0.0414 |
| Working Cash | 0.0500 | 0.0000 | 0.0456 |
| | | <u>4.3564</u> | <u>3.7680</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, 2011
(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.

12. OVER-EXPENDITURE OF BUDGET

For the year ended June 30, 2011, actual direct disbursements exceeded the budgeted disbursements in the following funds:

| | <u>Actual</u> | <u>Budget</u> | <u>Excess</u> |
|------------------------|---------------|---------------|---------------|
| Special Revenue Funds | | | |
| Transportation | \$ 958,952 | \$ 869,908 | \$ 89,044 |
| Tort Immunity | \$ 235,586 | \$ 203,311 | \$ 32,275 |
| Capital Projects Funds | | | |
| Capital Projects | \$ 567,338 | \$ 566,505 | \$ 833 |

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2011

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) |
|--------------------------------|--|---|---------------------------------|--------------------------|---------------------------|---|
| 12/31/10 | \$ 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% |
| 12/31/08 | \$ 2,798,073 | \$ 3,125,086 | \$ 327,013 | 89.54% | \$ 1,536,451 | 21.28% |

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$3,546,245. On a market basis, the funded ratio would be 95.34%.

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, 2011

| | Final Budget | Actual |
|---|----------------------|----------------------|
| RECEIPTS | | |
| Receipts from Local Sources | | |
| Taxes | \$ 14,838,921 | \$ 15,898,299 |
| Tuition | 90,000 | 81,378 |
| Earnings on Investments | 5,000 | 42,134 |
| Food Service Fees | 201,000 | 187,935 |
| Pupil Activity Fees | 43,700 | 59,261 |
| Textbook Fees | 34,300 | 6,454 |
| Rentals | - | 29,628 |
| Refund of Prior Years' Expenditures | - | 112,692 |
| Local Fees | 85,000 | 88,376 |
| Other | 250 | 25,087 |
| Total Receipts from Local Sources | <u>\$ 15,298,171</u> | <u>\$ 16,531,244</u> |
| Receipts from State Sources | | |
| General State Aid | \$ 511,000 | \$ - |
| State Free Lunch and Breakfast | 5,740 | 16,955 |
| Special Education | 303,450 | 693,730 |
| Early Childhood Block Grant | 59,500 | 121,550 |
| School Safety & Educational Improvement Block Grant | 38,500 | 7,122 |
| Reading Improvement Block Grant | 25,483 | 36,776 |
| Bilingual Education | 17,500 | 108,005 |
| Other State Grants in Aid | - | 7,892 |
| Total Receipts from State Sources | <u>\$ 961,173</u> | <u>\$ 992,030</u> |
| Receipts from Federal Sources | | |
| National School Lunch and Breakfast Programs | \$ 240,000 | \$ 380,212 |
| Federal Special Education | 16,500 | 22,882 |
| Title I - Low Income | 190,400 | 325,134 |
| Title IV - Safe & Drug-Free Schools - Formula | 5,200 | 31 |
| Emergency Immigrant Assistance | 28,000 | 28,080 |
| Title II - Teacher Quality | 30,000 | 69,094 |
| Title III - English Language Acquisition | 24,000 | 47,419 |
| Federal ARRA Stimulus Programs | 248,140 | 491,874 |
| Other Federal Grants in Aid | - | 1,190 |
| Total Receipts from Federal Sources | <u>\$ 782,240</u> | <u>\$ 1,365,916</u> |
| Total Direct Receipts | \$ 17,041,584 | \$ 18,889,190 |
| "On-Behalf" Receipt for Retirement Benefits | - | 2,378,986 |
| TOTAL RECEIPTS | \$ 17,041,584 | \$ 21,268,176 |
| DISBURSEMENTS | <u>16,951,284</u> | <u>18,983,844</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 90,300</u> | \$ 2,284,332 |
| FUND BALANCE - JULY 1, 2010 | | <u>312,791</u> |
| FUND BALANCE - JUNE 30, 2011 | | <u>\$ 2,597,123</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, 2011

| INSTRUCTION | Final Budget | Actual |
|--|----------------------|---------------------|
| Regular Programs | | |
| Salaries | \$ 5,533,343 | \$ 5,178,506 |
| Employee Benefits | 755,815 | 942,763 |
| Purchased Services | 29,095 | 21,157 |
| Supplies & Materials | 157,506 | 131,170 |
| Total Regular Programs | <u>\$ 6,475,759</u> | <u>\$ 6,273,596</u> |
| Special Education Programs | | |
| Salaries | \$ 1,445,293 | \$ 1,424,429 |
| Employee Benefits | 281,647 | 218,925 |
| Supplies & Materials | 9,895 | 9,664 |
| Total Special Education Programs | <u>\$ 1,736,835</u> | <u>\$ 1,653,018</u> |
| Remedial and Supplemental Programs | | |
| Salaries | \$ 477,442 | \$ 441,405 |
| Employee Benefits | 57,767 | 51,989 |
| Purchased Services | 61,273 | 124,259 |
| Supplies & Materials | 86,484 | 8,396 |
| Total Remedial and Supplemental Programs | <u>\$ 682,966</u> | <u>\$ 626,049</u> |
| Bilingual Programs | | |
| Salaries | \$ 553,754 | \$ 650,603 |
| Employee Benefits | 65,162 | 82,964 |
| Supplies & Materials | 12,930 | 60,428 |
| Capital Outlay | 7,140 | - |
| Total Bilingual Programs | <u>\$ 638,986</u> | <u>\$ 793,995</u> |
| Interscholastic Programs | | |
| Salaries | \$ 273,833 | \$ 245,017 |
| Purchased Services | 3,864 | 3,550 |
| Supplies & Materials | 3,250 | 3,296 |
| Total Interscholastic Programs | <u>\$ 280,947</u> | <u>\$ 251,863</u> |
| Summer School Programs | | |
| Supplies & Materials | \$ 40,000 | \$ - |
| Gifted Programs | | |
| Salaries | \$ 139,449 | \$ 136,646 |
| Employee Benefits | 24,090 | 23,364 |
| Supplies & Materials | 990 | 645 |
| Total Gifted Programs | <u>\$ 164,529</u> | <u>\$ 160,655</u> |
| TOTAL INSTRUCTION | <u>\$ 10,020,022</u> | <u>\$ 9,759,176</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, 2011

| SUPPORT SERVICES | Final Budget | Actual |
|-------------------------------|----------------------------|----------------------------|
| Pupils | | |
| Salaries | \$ 757,024 | \$ 790,040 |
| Employee Benefits | 113,940 | 109,838 |
| Purchased Services | 3,166 | 150 |
| Supplies & Materials | 4,990 | 4,915 |
| Capital Outlay | 1,071 | - |
| Total Pupils | <u>\$ 880,191</u> | <u>\$ 904,943</u> |
| Instructional Staff | | |
| Salaries | \$ 764,533 | \$ 609,576 |
| Employee Benefits | 119,907 | 92,253 |
| Purchased Services | 141,686 | 156,099 |
| Supplies & Materials | 170,631 | 71,341 |
| Capital Outlay | 63,212 | 183,904 |
| Other | 1,000 | 560 |
| Total Instructional Staff | <u>\$ 1,260,969</u> | <u>\$ 1,113,733</u> |
| General Administration | | |
| Salaries | \$ 205,742 | \$ 209,799 |
| Employee Benefits | 57,142 | 57,319 |
| Purchased Services | 238,481 | 119,737 |
| Supplies & Materials | 8,500 | 2,165 |
| Other | 11,550 | 14,833 |
| Total General Administration | <u>\$ 521,415</u> | <u>\$ 403,853</u> |
| School Administration | | |
| Salaries | \$ 555,556 | \$ 585,281 |
| Employee Benefits | 189,238 | 158,867 |
| Purchased Services | 1,537 | 741 |
| Supplies & Materials | 2,900 | 2,239 |
| Other | 1,050 | 583 |
| Total School Administration | <u>\$ 750,281</u> | <u>\$ 747,711</u> |
| Business | | |
| Salaries | \$ 232,333 | \$ 411,672 |
| Employee Benefits | 64,521 | 73,268 |
| Purchased Services | 587,247 | 497,310 |
| Supplies & Materials | 143,660 | 7,292 |
| Capital Outlay | 3,000 | 6,892 |
| Other | 2,625 | 1,321 |
| Total Business | <u>\$ 1,033,386</u> | <u>\$ 997,755</u> |
| Central | | |
| Salaries | \$ 173,633 | \$ 136,496 |
| Employee Benefits | 25,934 | 23,183 |
| Purchased Services | 129,000 | 107,075 |
| Supplies & Materials | 149,395 | 176,153 |
| Other | 500 | 277 |
| Total Central | <u>\$ 478,462</u> | <u>\$ 443,184</u> |
| TOTAL SUPPORT SERVICES | <u>\$ 4,924,704</u> | <u>\$ 4,611,179</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, 2011

| | Final Budget | Actual |
|--|-----------------------------|-----------------------------|
| COMMUNITY SERVICES | | |
| Salaries | \$ 189,887 | \$ 239,873 |
| Employee Benefits | 44,516 | 54,482 |
| Purchased Services | 3,280 | 1,701 |
| Supplies & Materials | 7,425 | 17,902 |
| Capital Outlay | 150 | - |
| TOTAL COMMUNITY SERVICES | <u>\$ 245,258</u> | <u>\$ 313,958</u> |
| NONPROGRAMMED CHARGES | | |
| Purchased Services | <u>\$ 1,761,300</u> | <u>\$ 1,920,545</u> |
| Total Direct Disbursements | \$ 16,951,284 | \$ 16,604,858 |
| "On-Behalf" Disbursement for Retirement Benefits | <u>-</u> | <u>2,378,986</u> |
| TOTAL DISBURSEMENTS | <u><u>\$ 16,951,284</u></u> | <u><u>\$ 18,983,844</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, 2011

| | Final Budget | Actual |
|-------------------------------------|-----------------|--------------|
| RECEIPTS | | |
| Receipts from Local Sources | | |
| Taxes | \$ 2,247,262 | \$ 2,327,426 |
| Earnings on Investments | 3,500 | 34,069 |
| Rentals | 15,000 | 66,085 |
| Refund of Prior Years' Expenditures | - | 6,282 |
| Other | - | 33,884 |
| | <hr/> | <hr/> |
| TOTAL RECEIPTS | \$ 2,265,762 | \$ 2,467,746 |
| | <hr/> | <hr/> |
| DISBURSEMENTS | | |
| Support Services | | |
| Operations and Maintenance | | |
| Salaries | \$ 642,755 | \$ 565,680 |
| Employee Benefits | 150,699 | 127,719 |
| Purchased Services | 676,795 | 272,617 |
| Supplies & Materials | 532,999 | 372,845 |
| Capital Outlay | 205,000 | 62,824 |
| Other | 20,000 | - |
| | <hr/> | <hr/> |
| TOTAL DISBURSEMENTS | \$ 2,228,248 | \$ 1,401,685 |
| | <hr/> | <hr/> |
| NET CHANGE IN FUND BALANCE | \$ 37,514 | \$ 1,066,061 |
| | <hr/> | <hr/> |
| FUND BALANCE - JULY 1, 2010 | | 1,075,431 |
| | | <hr/> |
| FUND BALANCE - JUNE 30, 2011 | | \$ 2,141,492 |
| | | <hr/> |

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, 2011

| | Final Budget | Actual |
|-----------------------------------|-----------------|--------------|
| RECEIPTS | | |
| Receipts from Local Sources | | |
| Taxes | \$ 528,000 | \$ 487,583 |
| Earnings on Investments | 25,000 | 30,789 |
| Transportation Fees | - | 300 |
| Total Receipts from Local Sources | \$ 553,000 | \$ 518,672 |
| Receipts from State Sources | | |
| State Transportation Aid | 167,500 | 1,736,308 |
| TOTAL RECEIPTS | \$ 720,500 | \$ 2,254,980 |
| DISBURSEMENTS | | |
| Support Services | | |
| Pupil Transportation | | |
| Salaries | \$ 5,091 | \$ 7,549 |
| Employee Benefits | 43 | 44 |
| Purchased Services | 854,774 | 951,359 |
| Other | 10,000 | - |
| TOTAL DISBURSEMENTS | \$ 869,908 | \$ 958,952 |
| NET CHANGE IN FUND BALANCE | \$ (149,408) | \$ 1,296,028 |
| FUND BALANCE - JULY 1, 2010 | | 1,057,247 |
| FUND BALANCE - JUNE 30, 2011 | | \$ 2,353,275 |

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, 2011

| | Final Budget | Actual |
|--|-------------------|-------------------|
| RECEIPTS | | |
| Receipts from Local Sources | | |
| Taxes | \$ 526,224 | \$ 335,581 |
| Earnings on Investments | 4,500 | 7,633 |
| TOTAL RECEIPTS | <u>\$ 530,724</u> | <u>\$ 343,214</u> |
| DISBURSEMENTS | | |
| Employee Benefits | | |
| Instruction | | |
| Regular Programs | \$ 118,188 | \$ 112,703 |
| Special Education Programs | 56,035 | 56,384 |
| Bilingual Programs | - | 2,060 |
| Gifted Programs | 2,021 | 1,981 |
| Total Instruction | <u>\$ 176,244</u> | <u>\$ 173,128</u> |
| Support Services | | |
| Attendance and Social Work Services | \$ 4,336 | \$ 4,667 |
| Health Services | 10,449 | 10,650 |
| Psychological Services | 2,102 | 2,131 |
| Speech Pathology & Audiology Services | 2,219 | 2,363 |
| Improvement of Instruction | 30,431 | 19,244 |
| Educational Media Services | 13,797 | 3,460 |
| Executive Administration Services | 13,880 | 14,494 |
| Office of the Principal Services | 35,193 | 36,282 |
| Direction of Business Support Services | 577 | 578 |
| Fiscal Services | 25,892 | 27,554 |
| Operations and Maintenance Services | 74,382 | 90,710 |
| Pupil Transportation Services | 109 | 109 |
| Food Services | 22,271 | 10,636 |
| Direction of Central Support Services | 7,655 | 1,409 |
| Total Support Services | <u>\$ 243,293</u> | <u>\$ 224,287</u> |
| Community Services | <u>\$ 11,723</u> | <u>\$ 15,472</u> |
| TOTAL DISBURSEMENTS | <u>\$ 431,260</u> | <u>\$ 412,887</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 99,464</u> | \$ (69,673) |
| FUND BALANCE - JULY 1, 2010 | | <u>321,197</u> |
| FUND BALANCE - JUNE 30, 2011 | | <u>\$ 251,524</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, 2011

| | Final Budget | Actual |
|------------------------------|-------------------|----------------------------|
| RECEIPTS | | |
| Receipts from Local Sources | | |
| Taxes | \$ 277,094 | \$ 134,885 |
| Earnings on Investments | 20,000 | 74,450 |
| Other | - | 127,610 |
| | <hr/> | <hr/> |
| TOTAL RECEIPTS | \$ 297,094 | \$ 336,945 |
| DISBURSEMENTS | <hr/> | <hr/> |
| | - | - |
| NET CHANGE IN FUND BALANCE | <u>\$ 297,094</u> | \$ 336,945 |
| FUND BALANCE - JULY 1, 2010 | | <hr/> |
| | | 3,675,350 |
| FUND BALANCE - JUNE 30, 2011 | | <u><u>\$ 4,012,295</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
TORT IMMUNITY FUND
FOR THE YEAR ENDED JUNE 30, 2011

| | Final Budget | Actual |
|-------------------------------------|---------------------|---------------------|
| RECEIPTS | | |
| Receipts from Local Sources | | |
| Earnings on Investments | \$ 30,000 | \$ 43,882 |
| Refund of Prior Years' Expenditures | - | 2,645 |
| | <u>30,000</u> | <u>46,527</u> |
| TOTAL RECEIPTS | \$ 30,000 | \$ 46,527 |
| DISBURSEMENTS | | |
| Support Services | | |
| Insurance Services | | |
| Salaries | \$ 74,927 | \$ 112,373 |
| Employee Benefits | 4,010 | 684 |
| Purchased Services | 124,374 | 122,529 |
| | <u>203,311</u> | <u>235,586</u> |
| TOTAL DISBURSEMENTS | \$ 203,311 | \$ 235,586 |
| NET CHANGE IN FUND BALANCE | <u>\$ (173,311)</u> | \$ (189,059) |
| FUND BALANCE - JULY 1, 2010 | | <u>1,874,893</u> |
| FUND BALANCE - JUNE 30, 2011 | | <u>\$ 1,685,834</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
BOND AND INTEREST FUND
FOR THE YEAR ENDED JUNE 30, 2011

| | Final Budget | Actual |
|---|---------------------|---------------------|
| RECEIPTS | | |
| Receipts from Local Sources | | |
| Taxes | \$ 2,867,050 | \$ 3,255,525 |
| Earnings on Investments | 20,000 | 33,531 |
| TOTAL RECEIPTS | <u>\$ 2,887,050</u> | <u>\$ 3,289,056</u> |
| DISBURSEMENTS | | |
| Debt Service | | |
| Bond Principal Retired | \$ 1,493,255 | \$ 2,215,000 |
| Interest on Bonds | 1,493,255 | 732,178 |
| TOTAL DISBURSEMENTS | <u>\$ 2,986,510</u> | <u>\$ 2,947,178</u> |
| EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS | <u>\$ (99,460)</u> | <u>\$ 341,878</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Principal on Bonds Sold | \$ - | \$ 5,575,000 |
| Premium (Discount) on Bonds Sold | - | 492,181 |
| Costs of Bond Issuance | - | (89,443) |
| Transfer to Refunded Bonds Escrow Agent | - | (5,976,574) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>\$ -</u> | <u>\$ 1,164</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (99,460)</u> | <u>\$ 343,042</u> |
| FUND BALANCE - JULY 1, 2010 | | <u>2,151,348</u> |
| FUND BALANCE - JUNE 30, 2011 | | <u>\$ 2,494,390</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, 2011

| | Final Budget | Actual |
|---|-----------------|--------------|
| RECEIPTS | | |
| Receipts from Local Sources | | |
| Earnings on Investments | \$ 500 | \$ 1,333 |
| DISBURSEMENTS | | |
| Facilities Acquisition and Construction | | |
| Purchased Services | \$ 170,500 | \$ - |
| Capital Outlay | 396,005 | 567,338 |
| TOTAL DISBURSEMENTS | \$ 566,505 | \$ 567,338 |
| NET CHANGE IN FUND BALANCE | \$ (566,005) | \$ (566,005) |
| FUND BALANCE - JULY 1, 2010 | | 566,005 |
| FUND BALANCE - JUNE 30, 2011 | | \$ - |

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, 2011

| | Balance July 1, 2010 | Receipts | Disbursements | Balance June 30, 2011 |
|------------------------------|-------------------------|-------------------|-------------------|--------------------------|
| ASSETS | | | | |
| Cash | \$ 30,188 | \$ 126,854 | \$ 118,415 | \$ 38,627 |
| LIABILITIES | | | | |
| Due to Student Groups | | | | |
| Edison Pop Machine | \$ 1,054 | \$ 1,140 | \$ 370 | \$ 1,824 |
| Edison SC Life Skills | 133 | - | 133 | - |
| Edison School | 1,481 | 13,780 | 14,143 | 1,118 |
| Edison LMC | 936 | 127 | 929 | 134 |
| Edison School Store | 98 | - | 98 | - |
| Edison Teacher Grants | 317 | 568 | - | 885 |
| Madison Pop Machine | 389 | - | 116 | 273 |
| Madison School | 3,251 | 6,580 | 6,708 | 3,123 |
| Madison Jean Day | - | 763 | 150 | 613 |
| Madison LMC | 268 | 1,171 | 700 | 739 |
| Madison School Store | 1,269 | 591 | 763 | 1,097 |
| Madison School Sunshine Fund | 97 | 1,560 | 1,478 | 179 |
| Lincoln LMC | 756 | 539 | 907 | 388 |
| Lincoln School | 275 | 19,231 | 20,516 | (1,010) |
| Lincoln School Store | 1,878 | 1,741 | 823 | 2,796 |
| Lincoln Yearbook | (191) | 8,532 | 8,341 | - |
| Lincoln Pop Machine | 391 | 349 | - | 740 |
| Lincoln Student Government | 1,127 | 5,056 | 4,544 | 1,639 |
| Lincoln Fine Arts Boosters | 2,711 | 2,804 | 1,963 | 3,552 |
| Lincoln PE Pop Machine | 1,189 | 169 | 980 | 378 |
| Builders Club | 4 | - | 4 | - |
| Interest Income | 155 | 81 | - | 236 |
| PTA Bxotops Promotion | 2,888 | 2,560 | 513 | 4,935 |
| Total Due to Student Groups | \$ 20,476 | \$ 67,342 | \$ 64,179 | \$ 23,639 |
| Due to Employees | | | | |
| Flexible Benefits Fund | 9,712 | 59,512 | 54,236 | 14,988 |
| TOTAL LIABILITES | \$ 30,188 | \$ 126,854 | \$ 118,415 | \$ 38,627 |
| NET ASSETS | \$ - | \$ - | \$ - | \$ - |

See accompanying Independent Auditor's Report.

ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)
DISTRICT/JOINT AGREEMENT
Year Ending June 30, 2011

| | | | |
|--|--------------------------------------|---|-----------------------------------|
| 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 69
05-016-0890-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2011

| 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 7/1/09-6/30/10 (C) | Year 7/1/10-6/30/11 (D) | Year 7/1/09-6/30/10 (E) | Year 7/1/10-6/30/11 (F) | | | |
| U.S. DEPARTMENT OF EDUCATION | | | | | | | | | |
| Passed Through Illinois State Board of Education | | | | | | | | | |
| (M) Title I - Low Income | 84.010 | 2011-4300 | 353,848 | 312,865 | | 353,133 | | 353,133 | 361,748 |
| Title I - Low Income | 84.010 | 2010-4300 | | 12,269 | 368,604 | | | 368,604 | 368,604 |
| Title IV - Safe & Drug-Free Schools - Formula | 84.186 | 2011-4400 | 549 | 31 | | 580 | | 580 | 580 |
| Title IV - Safe & Drug-Free Schools - Formula | 84.186 | 2010-4400 | 5,440 | 0 | 5,440 | | | 5,440 | 6,020 |
| (M) Federal Special Education - IDEA - Room & Board | 84.027 | 2011-4625 | | 0 | | 25,324 | | 25,324 | N/A |
| Federal Special Education - IDEA - Room & Board | 84.027 | 2010-4625 | | 22,882 | 22,882 | | | 22,882 | N/A |
| (M) ARRA - Title I - Low Income | 84.389 | 2011-4851 | | 9,610 | | 15,376 | | 15,376 | 15,376 |
| ARRA - Title I - Low Income | 84.389 | 2010-4851 | 56,669 | 87,396 | 144,065 | | | 144,065 | 159,441 |
| (M) ARRA - Technology - Enhancing Education | 84.386 | 2011-4861 | | 34,500 | | 38,182 | | 38,182 | 46,500 |
| ARRA - Technology - Enhancing Education | 84.386 | 2010-4861 | 233,850 | 0 | 223,100 | | | 223,100 | 223,100 |
| (M) ARRA - Education Jobs Fund Program | 84.410 | 2011-4880 | | 112,228 | | 112,228 | | 112,228 | N/A |
| Title III - Immigrant Education Program | 84.365 | 2011-4805 | | 0 | | 541 | | 541 | 541 |
| Title III - Immigrant Education Program | 84.365 | 2010-4905 | 39,000 | 28,080 | 39,000 | | | 39,000 | 39,000 |

• (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 69
05-016-0690-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2011

| 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 7/1/09-6/30/10 (C) | Year 7/1/10-6/30/11 (D) | Year 7/1/09-6/30/10 (E) | Year 7/1/10-6/30/11 (F) | | | |
| U.S. DEPARTMENT OF EDUCATION (continued) | | | | | | | | | |
| Passed Through Illinois State Board of Education (continued) | | | | | | | | | |
| Title III - English Language Acquisition | 84.365 | 2011-4909 | | 26,370 | | 42,220 | | 42,220 | 42,575 |
| Title III - English Language Acquisition | 84.365 | 2010-4909 | 18,051 | 21,049 | 19,500 | | | 19,500 | 19,800 |
| Title II - Teacher Quality | 84.367 | 2011-4932 | | 69,094 | | 73,016 | | 73,016 | 73,016 |
| Title II - Teacher Quality | 84.367 | 2010-4932 | 75,210 | 0 | 75,210 | | | 75,210 | 75,210 |
| Technology - Enhancing Education | 84.318 | 2010-4971 | 1,332 | 1,190 | 2,522 | 0 | | 2,522 | 3,113 |
| Passed Through Niles Township Dist for Special Education | | | | | | | | | |
| (M)ARRA - IDEA - Part B - Flow-Through | 84.391 | 2011-4857 | | 248,140 | | 248,140 | | 248,140 | 248,140 |
| ARRA - IDEA - Part B - Flow-Through | 84.391 | 2010-4857 | 248,140 | 0 | 248,140 | | | 248,140 | 248,140 |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | 1,032,189 | 985,704 | 1,148,463 | 908,740 | | 2,057,203 | |

• (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 69
05-016-0690-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2011

| 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 7/1/09-6/30/10 (C) | Year 7/1/10-6/30/11 (D) | Year 7/1/09-6/30/10 (E) | Year 7/1/10-6/30/11 (F) | | | |
| U.S. DEPARTMENT OF AGRICULTURE | | | | | | | | | |
| Passed Through Illinois State Board of Education | | | | | | | | | |
| National School Lunch Program | 10.555 | 2011-4210 | | 268,099 | | 324,710 | | 324,710 | N/A |
| National School Lunch Program | 10.555 | 2010-4210 | 268,656 | 54,252 | 322,908 | 0 | | 322,908 | N/A |
| School Breakfast Program | 10.553 | 2011-4220 | | 48,792 | | 59,438 | | 59,438 | N/A |
| School Breakfast Program | 10.553 | 2010-4220 | 48,188 | 9,069 | 57,257 | 0 | | 57,257 | N/A |
| National Food Commodities Program | 10.555 | 2011-4299 | | 14,807 | | 14,807 | | 14,807 | N/A |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | 316,844 | 365,019 | 380,165 | 398,955 | | 779,120 | |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | | 1,349,033 | 1,380,723 | 1,528,628 | 1,307,695 | | 2,836,323 | |
| Value of Federal Awards Expended in the Form of Non-Cash Assistance During the Year | N/A | N/A | | 14,807 | | 14,807 | | 14,807 | |
| Federal Insurance in Effect During the Year | N/A | N/A | | 0 | | 0 | | 0 | |
| Federal Loans or Loan Guarantees, Including Interest Subsidies, Outstanding at Year End | N/A | N/A | | 0 | | 0 | | 0 | |

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

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

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

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

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

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, 2011. The District's policy is to prepare its financial statements on the modified cash basis of accounting. The auditor's report expresses a qualified opinion on the financial statements due to the use of the modified cash basis of accounting.
2. No reportable conditions 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 reportable conditions relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and 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 programs for the year ended June 30, 2011, and have issued our unqualified opinion thereon dated November 8, 2011.
6. Audit findings relative to the major federal award program of Skokie Elementary School District No. 69 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 the U.S. Office of Management and Budget (OMB) Circular A-133:

| | <u>CFDA #</u> |
|---------------------------------------|---------------|
| Title I – Low Income | 84.010 |
| ARRA – Title I – Low Income | 84.389 |
| IDEA – Room & Board | 84.027 |
| ARRA – IDEA – Part B – Flow-Through | 84.391 |
| ARRA – Technology Enhancing Education | 84.386 |
| ARRA – Education Jobs Program | 84.410 |

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, 2011

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, 2011

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 (Educational) Fund as receipts from federal sources.

Relationship to Program Financial Reports

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the Program Financial Reports for programs that have filed final reports as of June 30, 2011, with the Illinois State Board of Education.

2. NON-CASH ASSISTANCE, INSURANCE AND LOANS

For the year ended June 30, 2011, the fair market value of federal awards received in the form of non-cash assistance was \$14,807. 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, 2011 was \$-0-.

The amount of federal loans or loan guarantees, including interest subsidies, outstanding at June 30, 2011 was \$-0-.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
 ADDITIONAL SUPPLEMENTAL INFORMATION
 SCHEDULE OF ASSESSED VALUATIONS, TAX RATES AND TAX EXTENSIONS
 FOR THE YEARS 2010, 2009 AND 2008

| | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|----------------------------|----------------------|----------------------|----------------------|
| ASSESSED VALUATION | \$ 491,074,920 | \$ 554,162,796 | \$ 551,682,397 |
| TAX RATES | | | |
| Education | \$ 3.0970 | \$ 2.4932 | \$ 2.1965 |
| Special Education | 0.0493 | 0.0638 | 0.0567 |
| Leasing | - | 0.0155 | 0.0138 |
| Operations and Maintenance | 0.4659 | 0.3975 | 0.3536 |
| Bond and Interest | 0.6403 | 0.5659 | 0.3951 |
| Transportation | 0.0854 | 0.0934 | 0.1045 |
| Municipal Retirement | 0.0061 | 0.0517 | 0.0460 |
| Social Security | 0.0124 | 0.0414 | 0.0368 |
| Working Cash | - | 0.0456 | 0.0436 |
| | <u>\$ 4.3564</u> | <u>\$ 3.7680</u> | <u>\$ 3.2466</u> |
| TAX EXTENSIONS | | | |
| Education | \$ 15,208,364 | \$ 13,816,386 | \$ 12,117,703 |
| Special Education | 242,232 | 353,555 | 312,803 |
| Leasing | - | 85,895 | 76,132 |
| Operations and Maintenance | 2,287,886 | 2,202,797 | 1,950,748 |
| Bond and Interest | 3,144,176 | 3,135,837 | 2,179,234 |
| Transportation | 419,549 | 517,588 | 576,508 |
| Municipal Retirement | 29,793 | 286,502 | 253,773 |
| Social Security | 61,044 | 229,423 | 203,019 |
| Working Cash | - | 252,698 | 240,533 |
| | <u>\$ 21,393,044</u> | <u>\$ 20,880,681</u> | <u>\$ 17,910,453</u> |

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
 ADDITIONAL SUPPLEMENTAL INFORMATION
 SCHEDULE OF OPERATING EXPENDITURES PER PUPIL
 FOR THE YEAR ENDED JUNE 30, 2011

| | | | |
|---|----|----------------|----------------------|
| TOTAL EXPENDITURES | | | |
| Education Fund | \$ | 18,983,844 | |
| Operations and Maintenance Fund | | 1,401,685 | |
| Bond and Interest Fund | | 2,947,178 | |
| Transportation Fund | | 958,952 | |
| Municipal Retirement/Social Security Fund | | 412,887 | |
| Tort Immunity Fund | | <u>235,586</u> | \$ 24,940,132 |
| Less: Receipts or Disbursements Not Applicable to Operating Expense of Regular K-12 Programs | | | |
| Education Fund | | | |
| Community Services | | 313,958 | |
| Capital Outlay | | 190,796 | |
| Tuition | | 1,920,545 | |
| "On-Behalf" Disbursement for Retirement Benefits | | 2,378,986 | |
| Operations and Maintenance Fund | | | |
| Capital Outlay | | 62,824 | |
| Bond and Interest Fund | | | |
| Bond Principal Retired | | 2,215,000 | |
| Municipal Retirement/Social Security Fund | | | |
| Community Services | | <u>15,472</u> | <u>7,097,581</u> |
| NET OPERATING DISBURSEMENTS | \$ | | 17,842,551 |
| AVERAGE DAILY ATTENDANCE | | | <u>1,553.37</u> |
| OPERATING EXPENDITURES PER PUPIL | \$ | | <u><u>11,486</u></u> |

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
 ADDITIONAL SUPPLEMENTAL INFORMATION
 SCHEDULE OF PER CAPITA TUITION CHARGE
 FOR THE YEAR ENDED JUNE 30, 2011

NET OPERATING DISBURSEMENTS \$ 17,842,551

Less: Offsetting Receipts

Education Fund

| | | |
|---|----|---------|
| Special Education | \$ | 693,730 |
| Bilingual Education | | 108,005 |
| State Free Lunch and Breakfast | | 16,955 |
| Reading Improvement Block Grant | | 36,776 |
| Other Restricted Revenue from State Sources | | 7,892 |
| Other Federal Grants-In-Aid | | 1,190 |
| Emergency Immigrant Assistance | | 28,080 |
| Title II - Teacher Quality | | 69,094 |
| Title IV - Safe & Drug-Free Schools Formula | | 31 |
| Food Services | | 187,935 |
| Other Local Fees | | 88,376 |
| Rentals | | 29,628 |
| National School Lunch Program | | 380,212 |
| Pupil Activities | | 59,261 |
| Textbooks | | 6,454 |
| Title I - Low Income | | 325,134 |
| Federal Special Education - Room & Board | | 22,882 |
| School Safety & Educational Improvement Grant | | 7,122 |
| Federal ARRA Stimulus Program Adjustments | | 491,874 |
| Title III - English Language Acquisition | | 47,419 |

Operations and Maintenance Fund

| | | |
|---------|--|--------|
| Rentals | | 66,085 |
|---------|--|--------|

Transportation Fund

| | | |
|-----------------------------|---------|-----------|
| Fees From Pupils or Parents | 300 | |
| State Transportation Aid | 503,706 | 3,178,141 |

NET OPERATING EXPENSE FOR TUITION COMPUTATION \$ 14,664,410

ADD: Depreciation Allowance 955,515

TOTAL ALLOWANCE FOR TUITION COMPUTATION \$ 15,619,925

AVERAGE DAILY ATTENDANCE 1,553.37

PER CAPITA TUITION CHARGE \$ 10,056