

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69

SKOKIE, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying modified cash basis 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, 2016, and the related notes to the financial statements, 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, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion, the basic, and individual fund, financial statements referred to above present fairly, in all material respects, the respective financial position-modified cash basis of the governmental activities and each major fund, and each individual fund, of the Skokie Elementary School District No. 69, as of June 30, 2016, and the respective changes in financial position-modified cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Skokie Elementary School District No. 69's basic financial statements. The supplemental information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the supplemental information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2016 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Skokie Elementary School District No. 69's internal control over financial reporting and compliance.

Evoy, Kamschulte, Jacobs & Co. LLP

EVOY, KAMSCHULTE, JACOBS & CO. LLP

October 31, 2016
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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Skokie Elementary School District No. 69 as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Skokie Elementary School District No. 69's basic financial statements and have issued our report thereon dated October 31, 2016, 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Skokie Elementary School District No. 69's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Skokie Elementary School District No. 69's internal control. Accordingly, we do not express an opinion on the effectiveness of Skokie Elementary School District No. 69's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Skokie Elementary School District No. 69's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Evoy, Kamschulte, Jacobs & Co. LLP

EVOY, KAMSCHULTE, JACOBS & CO. LLP

October 31, 2016
Waukegan, Illinois



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited Skokie Elementary School District No. 69's compliance with the types of compliance requirements described in the *OMB 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, 2016. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Skokie Elementary School District No. 69's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Skokie Elementary School District No. 69's compliance.

Opinion on Each Major Federal Program

In our opinion, Skokie Elementary School District No. 69 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on 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 types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Skokie Elementary School District No. 69's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Evoy, Kamschulte, Jacobs & Co. LLP

EVOY, KAMSCHULTE, JACOBS & CO. LLP

October 31, 2016
Waukegan, Illinois

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

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, 2016. Please read it in conjunction with the District's financial statements, which begin on page 12, and the Notes to the Financial Statements, which begin on page 19, to further enhance your understanding of the District's financial condition.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at June 30, 2016 by \$60,991,013 (net position).
- The District's total net position increased by \$5,411,053.
- The District reduced its total long-term debt by \$1,150,000.
- At June 30, 2016, the District's governmental funds reported combined fund balances of \$36,257,772, an increase of \$3,215,651 over the prior year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis (on pages 12 and 13) 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 14. 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 Position 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 position and changes in it. You can think of the District's net position—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 position are one indicator of whether its financial health is improving or deteriorating. In order to assess the overall health of the District, you will need to consider other factors, such as the timing of the county tax billing cycles, and the basis of accounting. The two statements should show that the District has made significant strides and is dedicated to continuing its efforts to achieve and maintain financial health.

In the Statement of Net Position 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, 2016
(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 14 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 Position 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 Position Arising From Cash Transactions on page 18, and a Statement of Cash Receipts, Disbursements and Changes in Fund Balance on page 50. 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 19 through 37.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental information relating to the District's progress in funding its obligation to provide pension benefits to its 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, 2016
(Continued)

THE DISTRICT AS A WHOLE

A condensed statement of net position, as of June 30, 2016, and statement of activities, for the year ended June 30, 2016, is presented below.

Net Position	Governmental Activities	
	2016	2015
Current and Other Assets	\$ 36,162,278	\$ 32,947,548
Capital Assets	33,248,241	32,202,839
Total Assets	<u>69,410,519</u>	<u>65,150,387</u>
Current Liabilities	95,494	94,573
Long-Term Debt Outstanding	(8,515,000)	(9,665,000)
Total Liabilities	<u>(8,419,506)</u>	<u>(9,570,427)</u>
	<u>\$ 60,991,013</u>	<u>\$ 55,579,960</u>
Net Position:		
Net Investment in Capital Assets	\$ 28,233,241	\$ 26,037,839
Restricted	24,294,269	22,214,054
Unrestricted	8,463,503	7,328,067
Total Net Position	<u>\$ 60,991,013</u>	<u>\$ 55,579,960</u>
 <u>Changes in Net Position</u>		
<u>Receipts</u>		
Program Receipts		
Charges for services	\$ 426,693	\$ 533,443
Operating grants	8,494,212	5,918,654
Capital grants	-	-
General Receipts		
Property taxes	21,289,933	22,333,697
Other taxes	496,362	539,198
Earnings on investments	762,283	625,832
General state aid	2,664,188	1,910,332
Other	351,030	677,016
Total Receipts	<u>\$ 34,484,701</u>	<u>\$ 32,538,172</u>
<u>Disbursements</u>		
Program Disbursements		
Instruction	\$ 17,250,845	\$ 14,501,706
Support services	9,137,272	8,627,796
Community services	142,095	107,382
Nonprogrammed Charges	1,000,383	567,070
Interest and other charges	316,525	372,240
Depreciation - unallocated	1,226,528	987,341
Total Disbursements	<u>\$ 29,073,648</u>	<u>\$ 25,163,535</u>
Change in Net Position	\$ 5,411,053	\$ 7,374,637
Net Position - Beginning	55,579,960	48,205,323
Net Position - Ending	<u>\$ 60,991,013</u>	<u>\$ 55,579,960</u>

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016
(Continued)

THE DISTRICT AS A WHOLE (continued)

Net position of the District's governmental activities increased by \$5,411,053. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements — increased by \$1,135,436 to \$8,463,503. This increase in unrestricted net assets arose primarily because of a reduction in outstanding long-term debt.

THE DISTRICT'S FUNDS

At June 30, 2016 the District's governmental funds (as presented in the Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions on page 14) reported a combined fund balance of \$36,257,772, which is above last year's total of \$33,042,121. The primary reason for the governmental funds increase is a planned build-up of cash reserves to fund several large capital projects.

General Fund Budgetary Highlights

The July 1, 2015 to June 30, 2016 budget, which was not amended, was approved by the Board of Education on September 15, 2015. 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 increased federal funding.
- The General (Education) Fund actual direct disbursements were less than the budgeted amount due to a responsible budgeting approach and controlled expenses.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2016, the District had \$33,248,241 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	
	2016	2015
Land and Improvements	\$ 396,696	\$ 413,138
Buildings	30,751,340	25,047,931
Furniture and Equipment	2,100,205	1,166,558
Construction-in-Progress	-	5,575,212
Totals	<u>\$ 33,248,241</u>	<u>\$ 32,202,839</u>

This year's major additions included major construction projects throughout the District.

The District's fiscal year 2016-17 budget calls for it to spend \$12,215,000 for capital projects, principally for building additions at Madison Elementary School and Edison Elementary School.

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

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016
(Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Long-Term Debt

At June 30, 2016, the District had \$8,515,000 in long-term debt outstanding, as shown below.

Outstanding Debt at Year End	Governmental Activities	
	2016	2015
2010 Refunding Bonds	\$ 3,865,000	\$ 4,425,000
2012 Working Cash and Refunding Bonds	4,650,000	5,240,000
Totals	<u>\$ 8,515,000</u>	<u>\$ 9,665,000</u>

There was no new long term debt issued during the year ended June 30, 2016. The last long term debt issuance by the District (March 2012) 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.

OTHER FINANCIAL MATTERS BEARING ON THE DISTRICT'S FUTURE

- Funding from the state of Illinois continues to be a concern for the District. The 2016-17 budget continues to be affected by the increased cost of unfunded mandates for special education and transportation. The state's fiscal challenges continue to impact the District by reductions in program revenues, 72% proration of Regular Transportation Reimbursement, and continued late categorical payments. In fiscal year 2017, state revenue is 13.9% of the revenue budget.
- Local property tax revenue continues to be the District's primary source of revenue. In fiscal year 2017 local property tax collections account for 76.9% of the District's revenue budget.
- Business taxpayers have the choice of filing property tax appeals through either the Property Tax Appeals Board (PTAB) or the Cook County Circuit Court (tax court). Recent legislation provides the District the right to intervene in cases filed through PTAB for assessment adjustments over \$100,000 and those filed in the Circuit Court. The District will continue to exercise its legal right to reduce losses through property tax appeals.
- The Patient Protection and Affordable Care Act (PPACA) and Health Care and Education Reconciliation Act of 2010 were signed into law in the spring of 2010. Due to complexities of health care reform, overall future costs are still unknown at this time; however, industry analysts are forecasting a substantial increase in employer costs.
- Potential pension reform legislation could impact required employer contributions to the state retirement programs. It is anticipated that legislature will authorize a change in state statute and will require school districts to fund the normal cost of retirement for certified staff participating in the state Teachers Retirement System (TRS). It is expected that this increase in contribution would be phased in over a period of years at a potential increment of 0.5%.

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. Justin Attaway, Business Manager, 5050 Madison Street, Skokie, IL 60077, 847-675-7666.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 36,162,278
Capital Assets	
Land	\$ 307,362
Land Improvements	381,391
Buildings	45,043,568
Furniture and Equipment	6,509,487
Less: Accumulated Depreciation	(18,993,567)
Total Capital Assets, Net	<u>\$ 33,248,241</u>
TOTAL ASSETS	<u>\$ 69,410,519</u>
LIABILITIES	
Current Liabilities	<u>\$ (95,494)</u>
Long-Term Liabilities	
Portion Due Within One Year	
General Obligation Bonds	\$ 1,190,000
Portion Due in More Than One Year	
General Obligation Bonds	7,325,000
Total Long-Term Liabilities	<u>\$ 8,515,000</u>
TOTAL LIABILITIES	<u>\$ 8,419,506</u>
NET POSITION	
Net Investment in Capital Assets	\$ 28,233,241
Restricted	
Tort Immunity	1,543,356
Technology Leasing	286,045
Operations and Maintenance	3,527,873
Transportation	3,190,989
Municipal Retirement/Social Security	644,907
Working Cash	3,491,310
Debt Service	1,999,160
Capital Projects	9,610,629
Unrestricted	<u>8,463,503</u>
TOTAL NET POSITION	<u><u>\$ 60,991,013</u></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, 2016

FUNCTION/PROGRAMS		Program Receipts			Net (Disbursements)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Receipts and Change in Net Position
Governmental Activities	Disbursements				Governmental Activities Total
Instruction					
Regular	\$ 14,094,519	\$ 137,668	\$ 6,949,839	\$ -	\$ (7,007,012)
Pre-K	345,492	-	-	-	(345,492)
Special Education	1,344,193	-	647,663	-	(696,530)
Remedial and Supplemental	421,316	-	-	-	(421,316)
Interscholastic	340,378	-	-	-	(340,378)
Bilingual	704,947	-	91,953	-	(612,994)
Support Services					
Pupils	1,247,050	-	-	-	(1,247,050)
Instructional Staff	629,759	-	200,341	-	(429,418)
General Administration	662,747	-	-	-	(662,747)
School Administration	1,113,787	-	-	-	(1,113,787)
Business	4,011,897	289,025	604,416	-	(3,118,456)
Central	1,472,032	-	-	-	(1,472,032)
Community Services	142,095	-	-	-	(142,095)
Nonprogrammed Charges	1,000,383	-	-	-	(1,000,383)
Interest and Other Charges	316,525	-	-	-	(316,525)
Depreciation - Unallocated	1,226,528	-	-	-	(1,226,528)
Total Governmental Activities	\$ 29,073,648	\$ 426,693	\$ 8,494,212	\$ -	\$ (20,152,743)
GENERAL RECEIPTS					
Taxes					
Property Taxes, levied for general purposes					\$ 14,028,227
Property Taxes, levied for debt service					1,463,681
Property Taxes, levied for other specific purposes					5,798,025
Personal Property Replacement					496,362
Unrestricted Earnings on Investments					762,283
General State Aid					2,664,188
Other					351,030
TOTAL GENERAL RECEIPTS					\$ 25,563,796
CHANGE IN NET POSITION					\$ 5,411,053
NET POSITION - JULY 1, 2015					55,579,960
NET POSITION - JUNE 30, 2016					\$ 60,991,013

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

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES ARISING FROM CASH TRANSACTIONS
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Special Revenue Funds				Debt Service Fund	Capital Projects Funds			Total Governmental Funds
		Operations and Maintenance Fund	Transportation Fund	Retirement/ Social Security Fund	Working Cash Fund	Tort Immunity Fund	Bond and Interest Fund	Capital Projects Fund	Prevention and Safety Fund	
ASSETS										
Cash and Investments	\$ 12,237,181	\$ 3,545,601	\$ 3,191,197	\$ 644,434	\$ 3,491,310	\$ 1,442,766	\$ 1,999,160	\$ 9,557,838	\$ 52,791	\$ 36,162,278
TOTAL ASSETS	\$ 12,237,181	\$ 3,545,601	\$ 3,191,197	\$ 644,434	\$ 3,491,310	\$ 1,442,766	\$ 1,999,160	\$ 9,557,838	\$ 52,791	\$ 36,162,278
LIABILITIES AND FUND BALANCES										
LIABILITIES	\$ (12,367)	\$ 17,728	\$ 208	\$ (473)	\$ -	\$ (100,590)	\$ -	\$ -	\$ -	\$ (95,494)
FUND BALANCES										
Restricted										
Insurance Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,543,356	\$ -	\$ -	\$ -	\$ 1,543,356
Technology Leasing	286,045	-	-	-	-	-	-	-	-	286,045
Operations and Maintenance	-	3,527,873	-	-	-	-	-	-	-	3,527,873
Transportation Services	-	-	3,190,989	-	-	-	-	-	-	3,190,989
Employee Benefits Payments	-	-	-	644,907	-	-	-	-	-	644,907
Interfund Borrowing	-	-	-	-	3,491,310	-	-	-	-	3,491,310
Bond Principal and	-	-	-	-	-	-	1,999,160	-	-	1,999,160
Interest Payments	-	-	-	-	-	-	-	9,557,838	52,791	9,610,629
Future Construction	-	-	-	-	-	-	-	-	-	-
Unassigned	11,963,503	-	-	-	-	-	-	-	-	11,963,503
Total Fund Balances	\$ 12,249,548	\$ 3,527,873	\$ 3,190,989	\$ 644,907	\$ 3,491,310	\$ 1,543,356	\$ 1,999,160	\$ 9,557,838	\$ 52,791	\$ 36,257,772
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,237,181	\$ 3,545,601	\$ 3,191,197	\$ 644,434	\$ 3,491,310	\$ 1,442,766	\$ 1,999,160	\$ 9,557,838	\$ 52,791	\$ 36,162,278

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 POSITION
JUNE 30, 2016

Total Fund Balances - Governmental Funds	\$	36,257,772
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Amounts reported for governmental activities in the statement of net assets are different because:

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

Cost of Capital Assets	\$	52,241,808	
Accumulated Depreciation		<u>(18,993,567)</u>	33,248,241

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

General Obligation Bonds	\$	(8,515,000)	
Capital Leases		<u>-</u>	<u>(8,515,000)</u>

Total Net Position of Governmental Activities	\$	<u><u>60,991,013</u></u>
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The accompanying Notes are an integral part of these financial statements.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Special Revenue Funds					Debt Service Fund	Capital Projects Funds			Total Governmental Funds
	Education Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund	Working Cash Fund	Tort Immunity Fund	Bond and Interest Fund	Capital Projects Fund	Prevention and Safety Fund		
RECEIPTS											
Taxes	\$ 14,059,395	\$ 1,798,392	\$ 3,202,933	\$ 664,673	\$ 173,106	\$ 371,345	\$ 1,463,681	\$	\$	\$ 52,770	\$ 21,786,295
Tuition	87,531										87,531
Transportation Fees			103,709								103,709
Earnings on Investments	277,778	83,020	132,690	11,857	69,311	29,594	44,648		113,364	21	762,283
Food Service Fees	185,316										185,316
Pupil Activity Fees	37,334										37,334
Textbook Fees	12,803										12,803
Rentals	20,000										20,000
Contributions											
Refund of Prior Year Disbursements	195,552										1,297
Other	4,281										201,079
Local Fees	124,373										4,281
State Aid	9,525,927		176,371								124,373
Federal Aid	1,456,102										9,702,298
TOTAL RECEIPTS	\$ 25,987,889	\$ 1,881,412	\$ 3,615,703	\$ 676,530	\$ 242,417	\$ 406,466	\$ 1,508,329	\$ 113,364	\$ 52,791	\$	\$ 34,484,701
DISBURSEMENTS											
Current											
Instruction											
Regular Programs	\$ 13,980,687	\$	\$	\$ 113,832	\$	\$	\$	\$	\$	\$	\$ 14,094,519
Pre-K Programs	337,162			8,330							345,492
Special Education Programs	1,279,056			65,137							1,344,193
Remedial and Supplemental Programs	419,641			1,675							421,316
Interscholastic Programs	326,503			13,875							340,378
Bilingual Programs	681,298			23,649							704,947
Support Services											
Pupils	1,206,200			40,850							1,247,050
Instructional Staff	614,315			15,444							629,759
General Administration	649,233			13,514							662,747
School Administration	1,074,613			39,174							1,113,787
Business	1,339,752	1,556,973	815,011	99,173		200,988					4,011,897
Central	1,395,298			76,734							1,472,032
Community Services	128,089			14,006							142,095
Nonprogrammed Charges	1,000,383										1,000,383
Debt Service											
Principal							1,150,000				1,150,000
Interest and Other Charges							316,525				316,525
Capital Outlay	970,237	53,820						1,247,873			2,271,930
TOTAL DISBURSEMENTS	\$ 25,402,467	\$ 1,610,793	\$ 815,011	\$ 525,393	\$	\$ 200,988	\$ 1,466,525	\$ 1,247,873	\$	\$	\$ 31,269,050
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 585,222	\$ 270,619	\$ 2,800,692	\$ 151,137	\$ 242,417	\$ 205,478	\$ 41,804	\$ (1,134,509)	\$ 52,791	\$ 3,215,651	
OTHER FINANCING SOURCES (USES)											
Transfers In	\$ 500,000	\$ 7,000,000	\$	\$ 53,465	\$	\$	\$	\$ 8,000,000	\$	\$	\$ 15,553,485
Transfers Out		(8,000,000)	(7,500,000)		(53,465)						(15,553,465)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 500,000	\$ (1,000,000)	\$ (7,500,000)	\$ 53,465	\$ (53,465)	\$	\$	\$ 8,000,000	\$	\$	\$
NET CHANGE IN FUND BALANCE	\$ 1,085,222	\$ (729,381)	\$ (4,699,308)	\$ 204,602	\$ 188,952	\$ 205,478	\$ 41,804	\$ 6,865,491	\$ 52,791	\$ 3,215,651	
FUND BALANCE - JULY 1, 2015	11,164,326	4,257,254	7,890,297	440,305	3,302,358	1,337,878	1,957,356	2,692,347			33,042,121
FUND BALANCE - JUNE 30, 2016	\$ 12,249,548	\$ 3,527,873	\$ 3,190,989	\$ 644,907	\$ 3,491,310	\$ 1,543,356	\$ 1,999,160	\$ 9,557,838	\$ 52,791	\$ 36,257,772	

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, 2016

Net Change in Fund Balance - Governmental Funds	\$	3,215,651
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Outlay	\$	2,271,930	
Depreciation Expense		<u>(1,226,528)</u>	1,045,402

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

Principal Paid on Long-Term Debt	\$	1,150,000	
Defeasance of Long-Term Debt Principal		<u>-</u>	1,150,000

Change in Net Position of Governmental Activities	\$	<u><u>5,411,053</u></u>
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The accompanying Notes are an integral part of these financial statements.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION ARISING FROM
CASH TRANSACTIONS - FIDUCIARY FUNDS
JUNE 30, 2016

ASSETS

Cash In Bank Accounts	\$ 58,798
TOTAL ASSETS	\$ 58,798

LIABILITIES

Due to Student Groups	\$ 42,418
Due to Employee's Benefits Fund	16,380
TOTAL LIABILITIES	\$ 58,798

NET POSITION	\$ -
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The accompanying Notes are an integral part of these financial statements.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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 2016 the District adopted or considered the following Governmental Accounting Standards Board (GASB) Statements:

- GASBS No. 72, *Fair Value Measurement and Application*
- GASBS No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*
- GASBS No. 79, *Certain External Investment Pools and Pool Participants*

Basis of Presentation

District-wide Statements: The Statement of Net Position 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.

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.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

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 are used to account for the proceeds of specific revenue sources (other than those accounted for in the Debt Service Fund, Capital Projects Fund or Fiduciary Funds) that are legally restricted to cash disbursements for specific purposes. In accordance with the Illinois School Code the District maintains a Working Cash Fund, which accounts for financial resources held by the District to be used for temporary inter-fund loans to any other governmental fund. Also, by Board resolution, the financial resources of the Working Cash Fund can be permanently transferred to any other governmental fund through abatement or abolishment. The District considers these resources as stabilization amounts, available for use in emergency situations or when a revenue shortfall or budgetary imbalance occurs. Thus, the District classifies this fund as a special revenue fund due to the specific limitations on the uses of the resources within this fund.
- **Debt Service Fund.** This fund consists of the Bond and Interest Fund and accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.
- **Capital Projects Funds.** This fund consists of the Capital Projects Fund and accounts for financial resources to be used for the acquisition, construction or improvement of major capital facilities.

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.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

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 Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets, 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 Position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Restricted Resources

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

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, 2016
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting

The budget for all major Governmental Funds is prepared on the cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5/17-1 of the *Illinois Compiled Statutes*. The July 1, 2015 to June 30, 2016 budget, which was not amended, was approved by the Board of Education on September 15, 2015. 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.

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, 2016, the carrying amount of the District's Imprest deposit account was \$2,500; the bank balance was \$2,207. This deposit account is categorized in accordance with risk factors created by governmental reporting standards. At June 30, 2016, 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, 2016 the deposits in the student activity and employees flexible benefits accounts had a carrying amount of \$42,418 and \$16,380, respectively, and the bank balances were \$43,606 and \$16,380, respectively. At June 30, 2016, the entire amount of these deposit accounts was covered by federal depository insurance.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

2. CASH AND INVESTMENTS (continued)

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, 2016, 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, 2016, the carrying amount of the District's cash and investments was \$36,159,778. All of the cash and investments are maintained by the Niles Township Schools Treasurer in pooled accounts.

3. CAPITAL ASSETS AND DEPRECIATION

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital Assets not Being Depreciated				
Land	\$ 307,362	\$ -	\$ -	\$ 307,362
Construction-in-Progress	5,575,212	-	5,575,212	-
Total Capital Assets not Being Depreciated	<u>\$ 5,882,574</u>	<u>\$ -</u>	<u>\$ 5,575,212</u>	<u>\$ 307,362</u>
Capital Assets Being Depreciated				
Land Improvements	\$ 381,391	\$ -	\$ -	\$ 381,391
Building and Improvements	38,439,288	6,604,280	-	45,043,568
Equipment	5,266,625	1,242,862	-	6,509,487
Total Capital Assets Being Depreciated	<u>\$ 44,087,304</u>	<u>\$ 7,847,142</u>	<u>\$ -</u>	<u>\$ 51,934,446</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ (275,615)	\$ (16,442)	\$ -	\$ (292,057)
Building and Improvements	(13,391,357)	(900,871)	-	(14,292,228)
Equipment	(4,100,067)	(309,215)	-	(4,409,282)
Total Accumulated Depreciation	<u>\$ (17,767,039)</u>	<u>\$ (1,226,528)</u>	<u>\$ -</u>	<u>\$ (18,993,567)</u>
Total Capital Assets being Depreciated, net of Accumulated Depreciation	<u>\$ 26,320,265</u>	<u>\$ 6,620,614</u>	<u>\$ -</u>	<u>\$ 32,940,879</u>
Capital Assets, net of Accumulated Depreciation	<u>\$ 32,202,839</u>	<u>\$ 6,620,614</u>	<u>\$ 5,575,212</u>	<u>\$ 33,248,241</u>

Depreciation was not charged to any specific function.

The total amount of assets acquired under capital leases is \$98,244 and has been included in capital assets as equipment. At June 30, 2016 the accumulated depreciation related to these assets was \$39,296.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

4. LONG-TERM DEBT

Changes in General Long-Term Debt

	Balance July 1, 2015	Proceeds	Retired/ Defeased	Balance June 30, 2016	Amounts Due Within One Year
2010 Refunding Bonds	\$ 4,425,000	\$ -	\$ 560,000	\$ 3,865,000	\$ 585,000
2012 Working Cash Fund and Refunding Bonds	5,240,000	-	590,000	4,650,000	605,000
	<u>\$ 9,665,000</u>	<u>\$ -</u>	<u>\$ 1,150,000</u>	<u>\$ 8,515,000</u>	<u>\$ 1,190,000</u>

Cash Flow Requirements

At June 30, 2016, the annual cash flow requirements of Bond Principal and Interest were as follows:

	Year Ending June 30,	Interest Rates	Principal	Interest	Total
2010 Refunding Bonds, Original Issue of \$5,575,000, Dated December 2, 2010	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>\$ 3,865,000</u>	<u>\$ 481,500</u>	<u>\$ 4,346,500</u>
Amount Available in Debt Service Fund					426,273
Amount to be Provided in the Future					<u>\$ 3,920,227</u>
2012 Working Cash Fund and Refunding Bonds, Original Issue of \$9,315,000, Dated March 12, 2012	2017	3.00%	\$ 605,000	\$ 130,425	\$ 735,425
	2018	3.00%	625,000	111,975	736,975
	2019	3.00%	640,000	93,000	733,000
	2020	3.00%	665,000	73,425	738,425
	2021	3.00%	685,000	53,175	738,175
	2022	3.00%	705,000	32,325	737,325
	2023	3.00%	725,000	10,875	735,875
			<u>\$ 4,650,000</u>	<u>\$ 505,200</u>	<u>\$ 5,155,200</u>
Amount Available in Debt Service Fund					519,580
Amount to be Provided in the Future					<u>\$ 4,635,620</u>

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

4. LONG-TERM DEBT (continued)

Cash Flow Requirements (continued)

	Year Ending June 30,	Principal	Interest	Total
Total All Bond Issues	2017	\$ 1,190,000	\$ 273,325	\$ 1,463,325
	2018	1,230,000	231,075	1,461,075
	2019	1,265,000	187,500	1,452,500
	2020	1,325,000	142,225	1,467,225
	2021	1,365,000	95,175	1,460,175
	2022	1,415,000	46,525	1,461,525
	2023	725,000	10,875	735,875
		<u>\$ 8,515,000</u>	<u>\$ 986,700</u>	<u>\$ 9,501,700</u>
Amount Available in Debt Service Fund				945,853
Amount to be Provided in the Future				<u>\$ 8,555,847</u>

In addition there remains a balance of \$1,053,307 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 \$364,241,499, the most recent available assessed valuation of the District. Thus, the District's remaining debt margin at June 30, 2016, is \$16,617,663, which is 66.12 percent of its total legal debt limit.

5. LEASE OBLIGATION

The District leases certain office equipment under an operating lease expiring in fiscal year 2021. Lease payments made under this operating lease for the year ended June 30, 2016 were \$50,143. The minimum future rental payments under this non-cancelable operating lease, in the aggregate are:

Year Ending June 30,	Amount
2017	\$ 60,172
2018	60,172
2019	60,172
2020	60,172
2021	10,029
	<u>\$ 250,717</u>

6. FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

6. FUND BALANCE REPORTING (continued)

Nonspendable Fund Balance

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

Restricted Fund Balance

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

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

Special Education - Proceeds from the Special Education special tax levy and related disbursements have been included in the operations of the general (education) fund. At June 30, 2016, the cumulative special education disbursements have exceeded related cumulative receipts in the general (education) fund and, therefore, there is no restriction on the fund balance of the general (education) fund for future special education disbursements.

Technology Leasing - Proceeds from the Technology Leasing special tax levy and related disbursements have been included in the operations of the general (education) fund. At June 30, 2015, the cumulative technology leasing receipts have exceeded related cumulative disbursements in the general (education) fund and, accordingly, the June 30, 2015 fund balance of the general (education) fund is restricted for future technology leasing disbursements in the amount of \$336,259, 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.

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.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

6. FUND BALANCE REPORTING (continued)

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 Position Restrictions

The district-wide statement of net position reports \$24,294,269 of restricted net position, all of which is restricted by enabling legislation for specific purposes.

7. RETIREMENT FUND COMMITMENTS

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Plan Description

The 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. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. 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 TRS Board of Trustees is responsible for the system's administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 West Washington Street, PO Box 19253, Springfield, IL 62794-9253; or by calling (888) 877-0890, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

7. RETIREMENT FUND COMMITMENTS

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

Contributions

The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016 was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to TRS: The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2016, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$5,795,801 in pension contributions from the state of Illinois.

2.2 Formula Contributions: Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This contribution rate is specified by statute. Contributions for the year ended June 30, 2016 were \$66,679.

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 has been in effect since 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. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2016, the employer pension contribution was 36.06 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$144,981 were paid from federal and special trust funds that required employer contributions of \$52,280.

Employer Retirement Cost Contributions: Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2016, the District paid \$-0- to TRS for employer ERO contributions.

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2016, the district paid \$-0- to TRS for employer contributions due on salary increases in excess of 6 percent and \$-0- for sick leave days granted in excess of the normal annual allotment.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

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

Net Pension Liability and Pension Expense

At June 30, 2016, the District's proportionate share of the net pension liability (first amount shown below) reflects a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The District's proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 2,016,067
State's proportionate share of the net pension liability associated with the District	<u>70,742,238</u>
	<u>\$ 72,758,305</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015 the District's proportionate share was 0.0030774913 percent, which was an increase of .0001924104 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$5,795,801 and revenue of \$5,795,801 for support provided by the state.

Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: the Inflation Rate was assumed to be 3.0%; Salary Increases were varied by service credit; and, the Investment Rate of Return was assumed to be 7.50%, net of pension plan investment expense, including inflation.

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

The actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered from their 2013 levels.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

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

Actuarial Assumptions (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	18%	7.53%
Global Equity excluding U.S.	18%	7.88%
Aggregate Bonds	16%	1.57%
U.S. TIPS	2%	2.82%
NCREIF	11%	5.11%
Opportunistic Real Estate	4%	9.09%
ARS	8%	2.57%
Risk Parity	8%	4.87%
Diversified Inflation Strategy	1%	3.26%
Private Equity	14%	12.33%
	<u>100%</u>	

Discount Rate

At June 30, 2015, the discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was changed from the June 30, 2014 rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2015 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2014, the discount rate used to measure the total pension liability was 7.50 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.47 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.47 percent) or 1-percentage-point higher (8.47 percent) than the current rate.

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
District's Proportionate Share of the Net Pension Liability	\$ 2,491,364	\$ 2,016,067	\$ 1,626,310

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

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

TRS Fiduciary Net Position

Detailed information about TRS's fiduciary net position as of June 30, 2015 is available in the separately issued *TRS Comprehensive Annual Financial Report*.

TEACHERS HEALTH INSURANCE SECURITY FUND

Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago.

Benefits Provided

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 not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS.

Contributions

Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On-Behalf Contributions to the THIS Fund: The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members, which were 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$123,011 and the District recognized revenue and expenditures of this amount during the year.

Employer Contributions to THIS Fund: The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.80 percent during the year ended June 30, 2016. For the year ended June 30, 2016, the District paid \$91,971 to the THIS fund, which was 100 percent of the required contribution.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

TEACHERS HEALTH INSURANCE SECURITY FUND (continued)

Further Information on the THIS Fund

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

ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description

The District's defined benefit pension plan provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund that acts as a common investment and administrative agent for local governments and school districts in Illinois. A summary of IMRF's pension benefits is provided in the *Benefits Provided* section of this note. Details of all benefits are available from IMRF. Benefits are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, 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.

Benefits Provided

The District's IMRF members participate in IMRF's "Regular Plan". IMRF's regular plan has two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 96 months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index (CPI) of the original pension amount.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

Employees Covered by the Benefit Terms

As of December 31, 2015, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	64
Inactive Plan Members entitled to but not yet receiving benefits	195
Active Plan Members	69
Total	<u>328</u>

Contributions

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 District's annual contribution rate for calendar year 2015 was 8.69 percent. The District's actual contribution for calendar year 2015 was \$202,331. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2015; The Actuarial Cost Method used was Entry Age Normal; the Asset Valuation Method used was Market Value of Assets; the Inflation Rate was assumed to be 2.75%; Salary Increases were expected to be 3.75% to 14.5% including inflation; the Investment Rate of Return was assumed to be 7.50%; the Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study from years 2011 to 2013; the IMRF-specific Rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuity Mortality Table with adjustments to match current IMRF experience; for Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives; for Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience; the Long-Term Expected Rate of Return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

7 RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

Actuarial Assumptions (continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.60%
International Equity	17%	7.80%
Fixed Income	27%	3.00%
Real Estate	8%	6.15%
Alternative Investments	9%	5.25-8.5%
Cash Equivalents	1%	2.25%
Total	<u>100%</u>	

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects, 1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and, 2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57% and the resulting single discount rate is 7.50%.

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2014	\$ 8,397,143	\$ 8,611,607	\$ (214,464)
Changes for the Year:			
Service Cost	210,006	-	210,006
Interest on the Total Pension Liability	620,872	-	620,872
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience of the Total Pension Liability	225,992	-	225,992
Changes of Assumptions	-	-	-
Contributions - Employer	-	202,331	(202,331)
Contributions - Employees	-	104,774	(104,774)
Net Investment Income	-	42,707	(42,707)
Benefit Payments, including Refunds of			
Employee Contributions	(447,702)	(447,702)	-
Other (Net Transfer)	-	61,095	(61,095)
Net Changes	<u>609,168</u>	<u>(36,795)</u>	<u>645,963</u>
Balances at December 31, 2015	<u>\$ 9,006,311</u>	<u>\$ 8,574,812</u>	<u>\$ 431,499</u>

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 10,051,145	\$ 9,006,311	\$ 8,137,555
Plan Fiduciary Net Position	8,574,812	8,574,812	8,574,812
Net Pension Liability (Asset)	<u>\$ 1,476,333</u>	<u>\$ 431,499</u>	<u>\$ (437,257)</u>

TOTAL PENSION-RELATED LIABILITIES

The total of the District's net pension liabilities at June 30, 2016 is as follows:

	Net Pension Liability
Teachers' Retirement System (TRS)	\$ 2,016,067
Illinois Municipal Retirement Fund (IMRF)	431,499
	<u>\$ 2,447,566</u>

8. 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, 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.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

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 2015 Levy was passed by the Board on December 15, 2015. 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 2015 and 2014 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	2015 Levy	2014 Levy
Educational	3.5000	\$ 3.5000	\$ 3.4471
Tort Immunity	*	0.1131	0.0965
Special Education	0.4000	0.3959	0.3723
Operations and Maintenance	0.5500	0.5500	0.4688
Bond and Interest	*	0.4278	0.4173
Transportation	*	0.9155	0.8986
Municipal Retirement	*	0.0735	0.0689
Social Security	*	0.1145	0.1076
Fire Prevention and Safety	0.1000	0.0283	-
Working Cash	0.0500	0.0500	0.0483
		<u>\$ 6.1686</u>	<u>\$ 5.9254</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.

Collective Liability Insurance Cooperative

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

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

11. 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 from all funds for tort immunity purposes for the year ended June 30, 2016:

Workers Compensation Insurance	\$ 89,231
Unemployment Insurance	38,047
Property and Liability Insurance	55,911
Risk Management Services	55,846
	<u>\$ 239,035</u>

12. INTER-FUND BALANCES AND TRANSFERS

During the year ended June 30, 2016, the District made the following inter-fund transfers of interest earnings as permitted by the Illinois School Code. These amounts were considered excess fund balance and were transferred to the fund deemed most in need of such fund balance.

	<u>Transferred To</u>	<u>Transferred From</u>
Special Revenue Funds		
Municipal Retirement/Social Security Fund	\$ 53,465	
Working Cash Fund		\$ 53,465

During the year ended June 30, 2016, the District also made the following inter-fund transfers of fund balance as permitted by the Illinois School Code. These transfers were made to fund construction projects in progress.

	<u>Transferred To</u>	<u>Transferred From</u>
General Fund		
Education Fund	\$ 500,000	
Special Revenue Funds		
Operations and Maintenance Fund	\$ 7,000,000	\$ 8,000,000
Transportation Fund		\$ 7,500,000
Capital Projects Funds		
Capital Projects Fund	\$ 8,000,000	

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, 2016

RECEIPTS	Original and Final Budget	Actual
Receipts from Local Sources		
Taxes	\$ 14,253,905	\$ 14,059,395
Tuition	150,000	87,531
Earnings on Investments	135,000	277,778
Food Service Fees	120,000	185,316
Pupil Activity Fees	30,500	37,334
Textbook Fees	22,000	12,803
Rentals	-	20,000
Donations	-	1,297
Services Provided Other Districts	272,724	124,373
Refund of Prior Years' Expenditures	148,370	195,552
Other	-	4,281
Total Receipts from Local Sources	<u>\$ 15,132,499</u>	<u>\$ 15,005,660</u>
Receipts from State Sources		
General State Aid	\$ 2,664,665	\$ 2,664,188
State Free Lunch and Breakfast	7,500	2,970
Special Education	484,000	647,663
Early Childhood Block Grant	222,700	200,341
Bilingual Education	210,000	91,953
Total Receipts from State Sources	<u>\$ 3,588,865</u>	<u>\$ 3,607,115</u>
Receipts from Federal Sources		
National School Lunch and Breakfast Programs	\$ 493,000	\$ 425,075
Title I - Low Income	540,000	442,502
Federal Special Education - IDEA - Flow-Through	-	450,210
Emergency Immigrant Assistance	-	2,152
Title II - Teacher Quality	57,300	48,636
Title III - English Language Acquisition	56,125	47,485
Medicaid Matching Funds	-	40,042
Total Receipts from Federal Sources	<u>\$ 1,146,425</u>	<u>\$ 1,456,102</u>
Total Direct Receipts	\$ 19,867,789	\$ 20,068,877
"On-Behalf" Receipt for Retirement Benefits	<u>3,700,000</u>	<u>5,918,812</u>
TOTAL RECEIPTS	\$ 23,567,789	\$ 25,987,689
DISBURSEMENTS	<u>24,102,654</u>	<u>25,402,467</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (534,865)	\$ 585,222
OTHER FINANCING SOURCES (USES)		
Transfers In	<u>500,000</u>	<u>500,000</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (34,865)</u></u>	\$ 1,085,222
FUND BALANCE - JULY 1, 2015		<u>11,164,326</u>
FUND BALANCE - JUNE 30, 2016		<u><u>\$ 12,249,548</u></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, 2016

INSTRUCTION	Original and Final Budget	Actual
Regular Programs		
Salaries	\$ 7,038,847	\$ 6,846,549
Employee Benefits	1,000,214	986,960
Purchased Services	196,400	73,561
Supplies & Materials	417,100	154,805
Total Regular Programs	<u>\$ 8,652,561</u>	<u>\$ 8,061,875</u>
Pre-K Programs		
Salaries	\$ 280,219	\$ 286,744
Employee Benefits	43,622	44,356
Purchased Services	400	582
Supplies & Materials	7,553	5,480
Total Pre-K Programs	<u>\$ 331,794</u>	<u>\$ 337,162</u>
Special Education Programs		
Salaries	\$ 1,034,122	\$ 1,081,290
Employee Benefits	200,307	180,988
Supplies & Materials	7,200	6,954
Tuition	-	9,824
Total Special Education Programs	<u>\$ 1,241,629</u>	<u>\$ 1,279,056</u>
Remedial & Supplemental Programs		
Salaries	\$ 231,867	\$ 241,669
Employee Benefits	62,109	65,523
Purchased Services	64,000	60,002
Supplies & Materials	142,250	52,447
Capital Outlay	-	7,650
Total Remedial & Supplemental Programs	<u>\$ 500,226</u>	<u>\$ 427,291</u>
Bilingual Programs		
Salaries	\$ 524,812	\$ 571,118
Employee Benefits	84,472	89,887
Supplies & Materials	-	20,293
Total Bilingual Programs	<u>\$ 609,284</u>	<u>\$ 681,298</u>
Interscholastic Programs		
Salaries	\$ 417,242	\$ 317,785
Employee Benefits	25,000	3,278
Purchased Services	4,000	4,940
Supplies & Materials	500	500
Total Interscholastic Programs	<u>\$ 446,742</u>	<u>\$ 326,503</u>
TOTAL INSTRUCTION	<u>\$ 11,782,236</u>	<u>\$ 11,113,185</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, 2016

	Original and Final Budget	Actual
SUPPORT SERVICES		
Pupils		
Salaries	\$ 1,076,386	\$ 1,064,631
Employee Benefits	137,119	141,569
Total Pupils	<u>\$ 1,213,505</u>	<u>\$ 1,206,200</u>
Instructional Staff		
Salaries	\$ 500,158	\$ 420,737
Employee Benefits	74,045	45,291
Purchased Services	200,747	93,306
Supplies & Materials	18,200	54,981
Capital Outlay	-	15,203
Total Instructional Staff	<u>\$ 793,150</u>	<u>\$ 629,518</u>
General Administration		
Salaries	\$ 254,024	\$ 261,799
Employee Benefits	43,693	45,688
Purchased Services	288,250	312,595
Supplies & Materials	3,000	8,431
Other	14,000	20,720
Total General Administration	<u>\$ 602,967</u>	<u>\$ 649,233</u>
School Administration		
Salaries	\$ 890,612	\$ 908,081
Employee Benefits	148,392	146,656
Purchased Services	32,000	13,606
Supplies & Materials	3,500	3,987
Other	2,500	2,283
Total School Administration	<u>\$ 1,077,004</u>	<u>\$ 1,074,613</u>
Business		
Salaries	\$ 411,944	\$ 420,528
Employee Benefits	72,654	73,992
Purchased Services	878,300	736,276
Supplies & Materials	114,250	107,921
Capital Outlay	5,000	-
Other	4,000	1,035
Total Business	<u>\$ 1,486,148</u>	<u>\$ 1,339,752</u>
Central		
Salaries	\$ 811,477	\$ 820,870
Employee Benefits	132,573	133,600
Purchased Services	150,800	144,547
Supplies & Materials	494,511	294,907
Capital Outlay	648,370	947,384
Other	5,050	1,374
Total Central	<u>\$ 2,242,781</u>	<u>\$ 2,342,682</u>
TOTAL SUPPORT SERVICES	<u>\$ 7,415,555</u>	<u>\$ 7,241,998</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, 2016

	Original and Final Budget	Actual
COMMUNITY SERVICES		
Salaries	\$ 88,491	\$ 88,491
Employee Benefits	115	120
Purchased Services	71,857	35,450
Supplies & Materials	4,400	
Other	150,000	4,028
TOTAL COMMUNITY SERVICES	<u>\$ 314,863</u>	<u>\$ 128,089</u>
NONPROGRAMMED CHARGES		
Tuition	<u>\$ 850,000</u>	<u>\$ 1,000,383</u>
PROVISION FOR CONTINGENCIES	<u>\$ 40,000</u>	<u>\$ -</u>
Total Direct Disbursements	\$ 20,402,654	\$ 19,483,655
"On-Behalf" Disbursement for Retirement Benefits	<u>3,700,000</u>	<u>5,918,812</u>
TOTAL DISBURSEMENTS	<u><u>\$ 24,102,654</u></u>	<u><u>\$ 25,402,467</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, 2016

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 1,688,220	\$ 1,798,392
Earnings on Investments	60,000	83,020
TOTAL RECEIPTS	<u>\$ 1,748,220</u>	<u>\$ 1,881,412</u>
DISBURSEMENTS		
Support Services		
Operations and Maintenance		
Salaries	\$ 556,605	\$ 568,743
Employee Benefits	124,653	165,937
Purchased Services	438,000	428,385
Supplies & Materials	496,400	393,908
Capital Outlay	120,000	53,820
Total Support Services	\$ 1,735,658	\$ 1,610,793
Provision for Contingencies	10,000	-
TOTAL DISBURSEMENTS	<u>\$ 1,745,658</u>	<u>\$ 1,610,793</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ 2,562</u>	<u>\$ 270,619</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	\$ 7,000,000	\$ 7,000,000
Transfers Out	<u>(8,000,000)</u>	<u>(8,000,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (1,000,000)</u>	<u>\$ (1,000,000)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (997,438)</u></u>	<u><u>\$ (729,381)</u></u>
FUND BALANCE - JULY 1, 2015		<u>4,257,254</u>
FUND BALANCE - JUNE 30, 2016		<u><u>\$ 3,527,873</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
TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 3,236,010	\$ 3,202,933
Earnings on Investments	45,000	132,690
Transportation Fees	100,000	103,709
Total Receipts from Local Sources	\$ 3,381,010	\$ 3,439,332
Receipts from State Sources		
State Transportation Aid	125,500	176,371
TOTAL RECEIPTS	\$ 3,506,510	\$ 3,615,703
DISBURSEMENTS		
Support Services		
Pupil Transportation		
Salaries	\$ 35,964	\$ 17,812
Employee Benefits	7,120	3,485
Purchased Services	1,021,830	793,714
Supplies	1,393	-
Total Support Services	\$ 1,066,307	\$ 815,011
Provision for Contingencies	30,000	-
TOTAL DISBURSEMENTS	\$ 1,096,307	\$ 815,011
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2,410,203	\$ 2,800,692
OTHER FINANCING SOURCES (USES)		
Transfers Out	(7,500,000)	(7,500,000)
NET CHANGE IN FUND BALANCE	\$ (5,089,797)	\$ (4,699,308)
FUND BALANCE - JULY 1, 2015		7,890,297
FUND BALANCE - JUNE 30, 2016		\$ 3,190,989

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, 2016

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 655,540	\$ 664,673
Earnings on Investments	7,000	11,857
TOTAL RECEIPTS	<u>\$ 662,540</u>	<u>\$ 676,530</u>
DISBURSEMENTS		
Employee Benefits		
Instruction		
Regular Programs	\$ 98,458	\$ 113,832
Pre-K Programs	7,742	8,330
Special Education Programs	57,225	65,137
Remedial and Supplemental Programs	1,643	1,675
Bilingual Programs	26,911	23,649
Interscholastic Programs	2,850	13,875
Total Instruction	<u>\$ 194,829</u>	<u>\$ 226,498</u>
Support Services		
Attendance and Social Work Services	\$ 5,587	\$ 5,842
Health Services	17,806	15,753
Psychological Services	2,846	2,767
Speech Pathology and Audiology Services	2,984	2,900
Other	17,334	13,588
Improvement of Instruction	-	1,569
Educational Media Services	14,336	13,875
Executive Administration Services	12,889	13,514
Office of the Principal Services	36,985	39,174
Direction of Business Support Services	3,490	2,415
Fiscal Services	28,961	31,083
Operations and Maintenance Services	85,816	45,240
Pupil Transportation Services	4,534	1,566
Food Services	19,830	18,869
Direction of Central Support Services	2,546	2,591
Planning, Research, Development and Evaluation Services	9,308	16,798
Staff Services	-	264
Data Processing Services	60,332	57,081
Total Support Services	<u>\$ 325,584</u>	<u>\$ 284,889</u>
Community Services	<u>\$ 13,957</u>	<u>\$ 14,006</u>
Provision for Contingencies	<u>\$ 20,000</u>	<u>\$ -</u>
TOTAL DISBURSEMENTS	<u>\$ 554,370</u>	<u>\$ 525,393</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ 108,170</u>	<u>\$ 151,137</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	<u>53,465</u>	<u>53,465</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 161,635</u></u>	<u>\$ 204,602</u>
FUND BALANCE - JULY 1, 2015		<u>440,305</u>
FUND BALANCE - JUNE 30, 2016		<u><u>\$ 644,907</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
WORKING CASH FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 173,700	\$ 173,106
Earnings on Investments	45,000	69,311
TOTAL RECEIPTS	\$ 218,700	\$ 242,417
DISBURSEMENTS	-	-
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 218,700	\$ 242,417
OTHER FINANCING SOURCES (USES)		
Transfers Out	\$ (53,465)	\$ (53,465)
NET CHANGE IN FUND BALANCE	\$ 165,235	\$ 188,952
FUND BALANCE - JULY 1, 2015		3,302,358
FUND BALANCE - JUNE 30, 2016		\$ 3,491,310

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, 2016

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 347,610	\$ 371,345
Earnings on Investments	19,000	29,594
Refund of Prior Years' Expenditures	<u> -</u>	<u>5,527</u>
TOTAL RECEIPTS	<u>\$ 366,610</u>	<u>\$ 406,466</u>
DISBURSEMENTS		
Support Services		
Insurance Services		
Salaries	\$ 39,006	\$ 51,504
Employee Benefits	3,281	4,342
Purchased Services	<u>169,571</u>	<u>145,142</u>
TOTAL DISBURSEMENTS	<u>\$ 211,858</u>	<u>\$ 200,988</u>
NET CHANGE IN FUND BALANCE	<u>\$ 154,752</u>	<u>\$ 205,478</u>
FUND BALANCE - JULY 1, 2015		<u>1,337,878</u>
FUND BALANCE - JUNE 30, 2016		<u>\$ 1,543,356</u>

See accompanying Independent Auditor's Report.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BOND AND INTEREST FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 1,502,409	\$ 1,463,681
Earnings on Investments	30,000	44,648
TOTAL RECEIPTS	<u>\$ 1,532,409</u>	<u>\$ 1,508,329</u>
DISBURSEMENTS		
Debt Service		
Bond Principal Retired	\$ 1,155,000	\$ 1,150,000
Interest on Bonds	320,000	314,150
Fees on Bonds	-	2,375
TOTAL DISBURSEMENTS	<u>\$ 1,475,000</u>	<u>\$ 1,466,525</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 57,409</u></u>	<u>\$ 41,804</u>
FUND BALANCE - JULY 1, 2015		<u>1,957,356</u>
FUND BALANCE - JUNE 30, 2016		<u><u>\$ 1,999,160</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
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>
RECEIPTS		
Receipts from Local Sources		
Earnings on Investments	\$ 25,000	\$ 113,364
TOTAL RECEIPTS	<u>\$ 25,000</u>	<u>\$ 113,364</u>
DISBURSEMENTS		
Facilities Acquisition and Construction		
Capital Outlay	\$ 1,300,000	\$ 1,247,873
TOTAL DISBURSEMENTS	<u>\$ 1,300,000</u>	<u>\$ 1,247,873</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,275,000)	\$ (1,134,509)
OTHER FINANCING SOURCES (USES)		
Transfers In	<u>8,000,000</u>	<u>8,000,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ 6,725,000</u>	\$ 6,865,491
FUND BALANCE - JULY 1, 2015		<u>2,692,347</u>
FUND BALANCE - JUNE 30, 2016		<u>\$ 9,557,838</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
FIRE PREVENTION AND SAFETY FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ -	\$ 52,770
Earnings on Investments	-	21
	<hr/>	<hr/>
TOTAL RECEIPTS	\$ -	\$ 52,791
	<hr/>	<hr/>
TOTAL DISBURSEMENTS	-	-
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	\$ 52,791
	<hr/>	<hr/>
FUND BALANCE - JULY 1, 2015		-
		<hr/>
FUND BALANCE - JUNE 30, 2016		<u>\$ 52,791</u>
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See accompanying Independent Auditor's Report.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Receipts	Disbursements	Balance June 30, 2016
ASSETS				
Cash	\$ 44,143	\$ 102,964	\$ 88,309	\$ 58,798
LIABILITIES				
Due to Student Groups				
Edison Pop Machine	\$ (1)	\$ 185	\$ -	\$ 184
Edison School	1,073	2,191	25	3,239
Edison Coin Wars	-	1,285	1,180	105
Edison Garden Grant	1,964	-	-	1,964
Edison Healthy Kids Grant	311	-	-	311
Edison School Sunshine Fund	1,023	1,883	1,553	1,353
Edison Teacher Grants	82	-	50	32
Madison Pop Machine	23	-	-	23
Madison School	6,654	3,232	2,693	7,193
Madison School Store	751	-	-	751
Madison Teacher Grants	-	1,000	999	1
Lincoln Athletics	1,713	3,813	4,621	905
Lincoln Drama Club	1,475	2,073	1,050	2,498
Lincoln Graduation	2,418	8,732	10,555	595
Lincoln School	128	3,614	2,738	1,004
Lincoln School Store	235	1,734	824	1,145
Lincoln Pop Machine	264	52	213	103
Lincoln Student Government	964	1,411	1,045	1,330
Lincoln Fine Arts Boosters	357	-	-	357
Lincoln PE Pop Machine	552	24	-	576
Lincoln Teacher Grants	129	1,446	-	1,575
Events	909	3,890	2,922	1,877
Fundraisers	1,096	1,386	1,238	1,244
Interest Income	377	-	-	377
PTA Boxtops Promotion	12,046	1,630	-	13,676
Total Due to Student Groups	\$ 34,543	\$ 39,581	\$ 31,706	\$ 42,418
Due to Employees				
Flexible Benefits Fund	9,600	63,383	56,603	16,380
TOTAL LIABILITIES	\$ 44,143	\$ 102,964	\$ 88,309	\$ 58,798
NET POSITION	\$ -	\$ -	\$ -	\$ -

See accompanying Independent Auditor's Report.

Year Ending June 30, 2016

- (M) Program was audited as a major program as defined by Title 2 CFR §200.518.

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SKOKIE SCHOOL DISTRICT NO. 69

05-016-0690-02

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2016

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 7/1/14-6/30/15 (C)	Year 7/1/15-6/30/16 (D)	Year 7/1/14-6/30/15 (E)	Year 7/1/15-6/30/16 (F)			
U S DEPARTMENT OF EDUCATION (continued)									
Passed through Illinois State Board of Education, through Niles Township District for Special Education (NTDSE)									
Special Education Cluster									
Federal Special Education - IDEA - Flow-Through	84.027	2016-4620		434,568		434,568		434,568	434,568
Federal Special Education - IDEA - Flow-Through	84.027	2015-4620	426,285		426,285			426,285	426,285
Federal Special Education - Pre-School-Flow-Through	84.173	2016-4600		15,642		15,642		15,642	15,642
Federal Special Education - Pre-School-Flow-Through	84.173	2015-4600	15,281		15,281			15,281	15,281
Total Special Education Cluster			441,566	450,210	441,566	450,210		891,776	
TOTAL U S DEPARTMENT OF EDUCATION			1,022,773	990,985	1,167,592	976,709	190,777	2,335,078	
U S DEPARTMENT OF HEALTH AND HUMAN SERVICES									
Passed through Illinois Department of Healthcare and Family Services, through NTDSE									
Medicaid Medical Assistance Prog, Administrative Claim	93.778	2016-4991		15,036		15,036		15,036	N/A
Medicaid Medical Assistance Prog, Administrative Claim	93.778	2015-4991	15,639	25,006	40,645			40,645	N/A
TOTAL U S DEPARTMENT OF HEALTH AND HUMAN SERVICES			15,639	40,042	40,645	15,036		55,681	

• (M) Program was audited as a major program as defined by Title 2 CFR §200.518.

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 name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. Title 2 CFR §200.510 (b)(2)
- 4 The Uniform Guidance 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, the Uniform Guidance 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 SCHOOL DISTRICT NO. 69

05-016-0690-02

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2016

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 7/1/14-6/30/15 (C)	Year 7/1/15-6/30/16 (D)	Year 7/1/14-6/30/15 (E)	Year 7/1/15-6/30/16 (F)			
U S DEPARTMENT OF AGRICULTURE									
Passed through Illinois State Board of Education									
Child Nutrition Cluster									
National School Lunch Program	10.555	2016-4210		302,939		302,939		302,939	N/A
National School Lunch Program	10.555	2015-4210	350,982	50,528	350,982	50,528		401,510	N/A
School Breakfast Program	10.553	2016-4220		62,927		62,927		62,927	N/A
School Breakfast Program	10.553	2015-4220	77,008	8,681	77,008	8,681		85,689	N/A
USDA Foods Program - Non-Cash Commodities	10.555	2016-4298		49,567		49,567		49,567	N/A
USDA Foods Program - Non-Cash Commodities	10.555	2015-4299	29,669		29,669			29,669	N/A
Total Child Nutrition Cluster			457,659	474,642	457,659	474,642		932,301	
TOTAL U S DEPARTMENT OF AGRICULTURE			457,659	474,642	457,659	474,642		932,301	
TOTAL FEDERAL FINANCIAL ASSISTANCE			1,496,071	1,505,669	1,665,896	1,486,387	190,777	3,323,060	

• (M) Program was audited as a major program as defined by Title 2 CFR §200.518.

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 name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. Title 2 CFR §200.510 (b)(2)
- 4 The Uniform Guidance 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, the Uniform Guidance 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.

05-016-0690-02

Year Ending June 30, 2016

- (M) Program was audited as a major program as defined by Title 2 CFR §200.518.

To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

When the CFDA number is not available, the addressee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. Title 2 CFR §200.510 (b)(2). The Uniform Guidance 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, the Uniform Guidance 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, 2016

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, 2016. The District's policy is to prepare its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The auditor's report expresses an unmodified opinion on the financial statements in conformity with the modified cash basis of accounting.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. Our audit disclosed no instances of noncompliance material to the financial statements of Skokie Elementary School District No. 69, which would be required to be reported in accordance with *Government Auditing Standards*.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. We have audited the compliance of Skokie Elementary School District No. 69 with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of its major federal award programs for the year ended June 30, 2016, and have issued our unmodified opinion thereon dated October 31, 2016.
6. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) relative to the major federal award programs of Skokie Elementary School District No. 69 are reported under the Findings and Questioned Costs – Current Year Major Federal Award Programs Audit section of this schedule.
7. The following programs were identified as major programs:

	<u>CFDA #</u>
Title I – Low Income	84.010
Title III – Language Instruction Program Ltd English Proficiency	84.365
8. The threshold used to distinguish between Type A and Type B programs was \$750,000.
9. Skokie Elementary School District No. 69 was determined not to be a "low-risk auditee."

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, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

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

Basis of Accounting

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

Relationship to Basic Financial Statements

Federal awards received are reflected in the District's financial statements within the General (Education) Fund as receipts from federal sources.

Relationship to Program Financial Reports

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the Program Financial Reports for programs that have filed final reports as of June 30, 2016, with the Illinois State Board of Education.

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

For the year ended June 30, 2016, the fair market value of federal awards received and expended in the form of non-cash assistance was \$49,567. 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, 2016 was \$-0-.

The amount of federal loans or loan guarantees, including interest subsidies, outstanding at June 30, 2016 was \$-0-.

The District provided \$-0- in federal awards to subrecipients during the year ended June 30, 2016.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
SUPPLEMENTAL INFORMATION
SCHEDULE OF ASSESSED VALUATIONS, TAX RATES AND TAX EXTENSIONS
FOR THE YEARS 2015, 2014, 2013 AND 2012

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
ASSESSED VALUATION	<u>\$ 364,241,499</u>	<u>\$ 373,499,197</u>	<u>\$ 358,493,385</u>	<u>\$ 408,037,019</u>
TAX RATES				
Education	\$ 3.5000	\$ 3.4471	\$ 3.5000	\$ 3.1909
Tort Immunity	0.1131	0.0965	0.0813	0.0856
Special Education	0.3959	0.3723	0.4000	0.3619
Leasing	-	-	0.0015	0.0024
Operations and Maintenance	0.5500	0.4688	0.5368	0.5012
Bond and Interest	0.4278	0.4173	0.7888	0.8006
Transportation	0.9155	0.8986	0.7204	0.3619
Municipal Retirement	0.0735	0.0689	0.0464	0.0489
Social Security	0.1145	0.1076	0.0885	0.0856
Fire Prevention and Safety	0.0283	-	-	-
Working Cash	0.0500	0.0483	0.0500	0.0416
	<u>\$ 6.1686</u>	<u>\$ 5.9254</u>	<u>\$ 6.2137</u>	<u>\$ 5.4806</u>
TAX EXTENSIONS				
Education	\$ 12,748,452	\$ 12,875,000	\$ 12,547,268	\$ 13,019,947
Tort Immunity	412,000	360,500	291,284	349,195
Special Education	1,442,000	1,390,500	1,433,974	1,476,592
Leasing	-	-	5,202	9,978
Operations and Maintenance	2,003,328	1,751,000	1,924,555	2,045,280
Bond and Interest	1,558,305	1,558,410	2,828,123	3,266,714
Transportation	3,334,661	3,356,346	2,582,411	1,476,592
Municipal Retirement	267,800	257,500	166,448	199,540
Social Security	417,150	401,700	317,292	349,195
Fire Prevention and Safety	103,000	-	-	-
Working Cash	182,121	180,250	179,247	169,610
	<u>\$ 22,468,817</u>	<u>\$ 22,131,206</u>	<u>\$ 22,275,804</u>	<u>\$ 22,362,643</u>

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
SUPPLEMENTAL INFORMATION
SCHEDULE OF OPERATING EXPENDITURES PER PUPIL
FOR THE YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015

	<u>2016</u>	<u>2015</u>
TOTAL EXPENDITURES		
Education Fund	\$ 25,402,467	\$ 20,894,751
Operations and Maintenance Fund	1,610,793	1,458,753
Bond and Interest Fund	1,466,525	2,657,240
Transportation Fund	815,011	758,286
Municipal Retirement/Social Security Fund	525,393	532,117
Tort Immunity Fund	200,988	325,849
	<u>\$ 30,021,177</u>	<u>\$ 26,626,996</u>
 Less: Receipts or Disbursements Not Applicable to Operating Expense of Regular K-12 Programs		
Education Fund		
Pre-K Programs	\$ 337,162	\$ 320,531
Community Services	128,089	98,418
Capital Outlay	970,237	158,520
Tuition	9,824	5,249
Payments to Other Governmental Units	1,000,383	567,070
"On-Behalf" Disbursement for Retirement Benefits	5,918,812	3,712,363
Operations and Maintenance Fund		
Capital Outlay	53,820	7,282
Bond and Interest Fund		
Bond Principal Retired	1,150,000	2,285,000
Transportation Fund		
Transportation Fees From Other Districts	-	11,387
Municipal Retirement/Social Security Fund		
Pre-K Programs	8,330	7,771
Community Services	14,006	8,964
	<u>\$ 9,590,663</u>	<u>\$ 7,182,555</u>
 NET OPERATING DISBURSEMENTS	 \$ 20,430,514	 \$ 19,444,441
 AVERAGE DAILY ATTENDANCE	 <u>1,572.89</u>	 <u>1,596.30</u>
 OPERATING EXPENDITURES PER PUPIL	 <u><u>\$ 12,989</u></u>	 <u><u>\$ 12,181</u></u>

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
SUPPLEMENTAL INFORMATION
SCHEDULE OF PER CAPITA TUITION CHARGE
FOR THE YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015

	2016	2015
NET OPERATING DISBURSEMENTS	\$ 20,430,514	\$ 19,444,441
Less: Offsetting Receipts		
Education Fund		
Special Education	\$ 647,663	\$ 511,409
Bilingual Education	91,953	114,076
State Library Grant	-	2,466
State Free Lunch and Breakfast	2,970	6,426
Title III - Immigrant Education Program	2,152	-
Title II - Teacher Quality	48,636	70,382
Federal Special Education - IDEA - Flow-Through	434,568	22,145
Food Services	185,316	161,176
Rentals	20,000	20,000
Services Provided Other Districts	124,373	223,332
National School Lunch Program	425,075	511,773
Pupil Activities	37,334	58,766
Textbooks	12,803	22,294
Title I - Low Income	442,502	595,904
Medicaid Matching Funds	40,042	-
Title III - Language Instruction Program	47,485	29,726
Transportation Fund		
Fees From Pupils or Parents	103,709	108,570
State Transportation Aid	176,371	134,763
	<u>\$ 2,842,952</u>	<u>\$ 2,593,208</u>
NET OPERATING EXPENSE FOR TUITION COMPUTATION	\$ 17,587,562	\$ 16,851,233
ADD: Depreciation Allowance	<u>1,226,528</u>	<u>987,341</u>
TOTAL ALLOWANCE FOR TUITION COMPUTATION	\$ 18,814,090	\$ 17,838,574
AVERAGE DAILY ATTENDANCE	<u>1,572.89</u>	<u>1,596.30</u>
PER CAPITA TUITION CHARGE	<u>\$ 11,961</u>	<u>\$ 11,175</u>

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
SUPPLEMENTAL INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2016

The Schedule of the District's Proportionate Share of the Net Pension Liability, as of June 30, 2015, the most recent available measurement date, of the District's Defined Benefit Pension Plan, the Teachers' Retirement System, follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
District's Proportion of the Net Pension Liability	0.0030774913%	0.0028850809%
District's Proportionate Share of the Net Pension Liability	\$ 2,016,067	\$ 1,755,810
State's Proportionate Share of the Net Pension Liability Associated With the District	<u>70,742,238</u>	<u>65,635,237</u>
Total	<u>\$ 72,758,305</u>	<u>\$ 67,391,047</u>
District's Covered-Employee Payroll	\$ 10,912,297	\$ 10,665,519
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	18.48%	16.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	41.47%	42.95%

SCHEDULE OF THE DISTRICT'S EMPLOYER CONTRIBUTIONS

The Schedule of the District's Employer Contributions, as of June 30, 2015, the most recent available measurement date, to the District's Defined Benefit Pension Plan, the Teachers' Retirement System, follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually Required Contribution	\$ 126,123	\$ 118,057
Contributions in Relation to the Contractually Required Contribution	<u>107,835</u>	<u>102,938</u>
Contribution Deficiency (Excess)	<u>\$ 18,288</u>	<u>\$ 15,119</u>
District's Covered-Employee Payroll	\$ 10,912,297	\$ 10,665,519
Contributions as a Percentage of Covered-Employee Payroll	0.99%	0.97%

Changes of Assumptions

Amounts reported in 2015 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases of 5.75 percent.

The schedules are presented to illustrate the intention to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
JUNE 30, 2016

The Schedule of Changes in the Net Pension Liability and Related Ratios, of the District's Defined Benefit Pension Plan, the Illinois Municipal Retirement Fund, follows:

Calendar Year Ended December 31,	2015	2014
Total Pension Liability		
Service Cost	\$ 210,006	\$ 226,590
Interest on the Total Pension Liability	620,872	581,844
Changes in Benefit Terms	-	-
Differences Between Expected and Actual		
Experience of the Total Pension Liability	225,992	(222,909)
Changes in Assumptions	-	353,574
Benefit Payments, Including Refunds of		
Employee Contributions	(447,702)	(373,150)
Net Change in Total Pension Liability	\$ 609,168	\$ 565,949
Total Pension Liability - Beginning	8,397,143	7,831,194
Total Pension Liability - Ending (A)	<u>\$ 9,006,311</u>	<u>\$ 8,397,143</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 202,331	\$ 173,028
Contributions - Employees	104,774	98,872
Net Investment Income	42,707	499,508
Benefit Payments, Including Refunds of		
Employee Contributions	(447,702)	(373,150)
Other (Net Transfer)	61,095	(25,939)
Net Change in Plan Fiduciary Net Position	\$ (36,795)	\$ 372,319
Plan Fiduciary Net Position - Beginning	8,611,607	8,239,288
Plan Fiduciary Net Position - Ending (B)	<u>\$ 8,574,812</u>	<u>\$ 8,611,607</u>
Net Pension Liability - Ending (A) - (B)	<u>\$ 431,499</u>	<u>\$ (214,464)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.21%	102.55%
Covered Valuation Payroll	\$ 2,328,308	\$ 2,054,966
Net Pension Liability as a Percentage of Covered Valuation Payroll	18.53%	-10.44%

The schedule is presented to illustrate the intention to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69
SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2016

The Schedule of Employer Contributions, of the District's Defined Benefit Pension Plan, the Illinois Municipal Retirement Fund, follows:

<u>Calendar Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a Percentage of Covered Valuation Payroll</u>
2015	\$ 202,330	\$ 202,331	\$ (1)	\$ 2,328,308	8.69%
2014	\$ 173,028	\$ 173,028	\$ -	\$ 2,054,966	8.42%

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported. The calculation of the 2015 contribution rate is based on valuation assumptions used in the December 31, 2013 actuarial valuation; note two year lag between valuation and rate setting.

METHODS AND ASSUMPTIONS USED TO DETERMINE 2015 CONTRIBUTION RATES

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	Regular Plan liabilities: 28-year closed period until remaining period reaches 15 years (then 15-year rolling period) Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the employer upon adoption of ERI
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	4.00%
<i>Price Inflation:</i>	3.00%, approximate; no explicit price inflation assumption is used in this valuation
<i>Salary Increases:</i>	4.40% to 16.00%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010
<i>Mortality:</i>	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92 percent of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward ten years
<i>Other Information:</i>	There were no benefit changes during the year

The schedule is presented to illustrate the intention to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.