

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**

**SKOKIE, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2015**

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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, 2015, 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, 2015, 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, 2015, 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The 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 November 4, 2015 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

November 4, 2015  
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, 2015, 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 November 4, 2015, 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*

EVROY, KAMSCHULTE, JACOBS & CO. LLP

November 4, 2015  
Waukegan, Illinois



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### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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 Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Skokie Elementary School District No. 69's major federal programs for the year ended June 30, 2015. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

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

Our responsibility is to express an opinion on compliance for each of 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Skokie Elementary School District No. 69's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion 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, 2015.



### 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Skokie Elementary School District No. 69's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Evoy, Kamschulte, Jacobs & Co. LLP*

EVOY, KAMSCHULTE, JACOBS & CO. LLP

November 4, 2015  
Waukegan, Illinois

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

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, 2015. 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, 2015 by \$55,579,960 (net position).
- The District's total net position increased by \$7,374,637.
- The District reduced its total long-term debt by \$2,285,000.
- At June 30, 2015, the District's governmental funds reported combined fund balances of \$33,042,021, an increase of \$714,793 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, 2015  
(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 49. 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 non-certified employees, and other supplemental information that may be useful to the reader.

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**  
(Continued)

**THE DISTRICT AS A WHOLE**

A condensed statement of net position, as of June 30, 2015, and statement of activities, for the year ended June 30, 2015, is presented below.

Net Position	Governmental Activities	
	2015	2014
Current and Other Assets	\$ 32,947,548	\$ 32,320,988
Capital Assets	32,202,839	27,827,995
Total Assets	65,150,387	60,148,983
Current Liabilities	94,573	6,340
Long-Term Debt Outstanding	(9,665,000)	(11,950,000)
Total Liabilities	(9,570,427)	(11,943,660)
	<u>\$ 55,579,960</u>	<u>\$ 48,205,323</u>
Net Position:		
Net Investment in Capital Assets	\$ 26,037,839	\$ 19,377,995
Restricted	22,214,054	24,356,780
Unrestricted	7,328,067	4,470,548
Total Net Position	<u>\$ 55,579,960</u>	<u>\$ 48,205,323</u>

Changes in Net Position		
<u>Receipts</u>		
Program Receipts		
Charges for services	\$ 533,443	\$ 474,887
Operating grants	5,918,654	6,491,914
Capital grants	-	50,000
General Receipts		
Property taxes	22,333,697	22,098,275
Other taxes	539,198	515,327
Earnings on investments	625,832	631,244
General state aid	1,910,332	1,838,637
Other	677,016	139,104
Total Receipts	<u>\$ 32,538,172</u>	<u>\$ 32,239,388</u>
<u>Disbursements</u>		
Program Disbursements		
Instruction	\$ 14,501,706	\$ 14,687,500
Support services	8,627,796	8,011,402
Community services	107,382	28,595
Nonprogrammed Charges	567,070	634,408
Interest and other charges	372,240	447,056
Depreciation - unallocated	987,341	1,005,754
Total Disbursements	<u>\$ 25,163,535</u>	<u>\$ 24,814,715</u>
Change in Net Position	\$ 7,374,637	\$ 7,424,673
Net Position - Beginning	48,205,323	40,780,650
Net Position - Ending	<u>\$ 55,579,960</u>	<u>\$ 48,205,323</u>

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**  
(Continued)

**THE DISTRICT AS A WHOLE (continued)**

Net position of the District's governmental activities increased by \$7,374,637. 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 \$2,857,519 to \$7,328,067. This increase in unrestricted net assets arose primarily because of a continued focus on meeting long term financial goals to prepare for the uncertainty of future funding, particularly from the state.

**THE DISTRICT'S FUNDS**

At June 30, 2015 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 \$33,042,121, which is above last year's total of \$32,327,328. The primary reasons for the governmental funds increase are due to fiscally responsible budgeting and controlled expenditures.

*General Fund Budgetary Highlights*

The July 1, 2014 to June 30, 2015 budget, which was not amended, was approved by the Board of Education on September 16, 2014. 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 current year tax distributions.
- 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, 2015, the District had \$32,202,839 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	
	2015	2014
Land and Improvements	\$ 413,138	\$ 429,110
Buildings	25,047,931	25,399,310
Furniture and Equipment	1,166,558	1,159,032
Construction-in-Progress	5,575,212	840,543
Totals	<u>\$ 32,202,839</u>	<u>\$ 27,827,995</u>

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

The District's fiscal year 2015-16 budget calls for it to spend \$2,073,370 for capital projects, principally for the balance due in contractual costs for construction and architectural services.

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, 2015**  
**(Continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)**

*Long-Term Debt*

At June 30, 2015, the District had \$9,665,000 in long-term debt outstanding, as shown below.

Outstanding Debt at Year End	Governmental Activities	
	2015	2014
2003 Fire Prevention and Safety Bonds	\$ -	\$ 15,000
2010 Refunding Bonds	4,425,000	4,965,000
2012 Working Cash and Refunding Bonds	5,240,000	6,970,000
Totals	<u>\$ 9,665,000</u>	<u>\$ 11,950,000</u>

There was no new long term debt issued during the year ended June 30, 2015. 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 2015-16 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, 92% proration of General State Aid, 70% proration of Regular Transportation Reimbursement, and continued late categorical payments. In fiscal year 2016, state revenue is 13.3% of the revenue budget.
- Local property tax revenue continues to be the District's primary source of revenue. In fiscal year 2016 local property tax collections account for 76.4% 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. Current projections from the District's benefit cooperative show a potential "Cadillac Tax" exposure in fiscal year 2018 of almost \$150,000.
- 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, 2015

	Governmental Activities
ASSETS	
Cash and Investments	\$ 32,947,548
Capital Assets	
Land	\$ 307,362
Land Improvements	381,391
Buildings	38,439,288
Construction in Progress	5,575,212
Furniture and Equipment	5,266,625
Less: Accumulated Depreciation	(17,767,039)
Total Capital Assets, Net	\$ 32,202,839
TOTAL ASSETS	\$ 65,150,387
LIABILITIES	
Current Liabilities	\$ (94,573)
Long-Term Liabilities	
Portion Due Within One Year	
General Obligation Bonds	\$ 1,150,000
Portion Due in More Than One Year	
General Obligation Bonds	8,515,000
Total Long-Term Liabilities	\$ 9,665,000
TOTAL LIABILITIES	\$ 9,570,427
NET POSITION	
Net Investment in Capital Assets	\$ 26,037,839
Restricted	
Tort Immunity	1,337,878
Technology Leasing	336,259
Operations and Maintenance	4,257,254
Transportation	7,890,297
Municipal Retirement/Social Security	440,305
Working Cash	3,302,358
Debt Service	1,957,356
Capital Projects	2,692,347
Unrestricted	7,328,067
TOTAL NET POSITION	\$ 55,579,960

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, 2015**

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	\$ 11,565,137	\$ 252,310	\$ 4,430,520	\$ -	\$ (6,882,307)
Pre-K	328,302	-	-	-	(328,302)
Special Education	1,196,156	-	511,409	-	(684,747)
Remedial and Supplemental	536,586	-	-	-	(536,586)
Interscholastic	380,439	-	-	-	(380,439)
Bilingual	495,086	-	114,076	-	(381,010)
Support Services					
Pupils	1,245,276	-	-	-	(1,245,276)
Instructional Staff	802,787	-	207,221	-	(595,566)
General Administration	573,490	-	-	-	(573,490)
School Administration	855,308	-	-	-	(855,308)
Business	3,913,887	281,133	655,428	-	(2,977,326)
Central	1,237,048	-	-	-	(1,237,048)
Community Services	107,382	-	-	-	(107,382)
Nonprogrammed Charges	567,070	-	-	-	(567,070)
Interest and Other Charges	372,240	-	-	-	(372,240)
Depreciation - Unallocated	987,341	-	-	-	(987,341)
Total Governmental Activities	\$ 25,163,535	\$ 533,443	\$ 5,918,654	\$ -	\$ (18,711,438)
GENERAL RECEIPTS					
Taxes					
Property Taxes, levied for general purposes					\$ 14,639,755
Property Taxes, levied for debt service					2,163,368
Property Taxes, levied for other specific purposes					5,530,574
Personal Property Replacement					539,198
Unrestricted Earnings on Investments					625,832
General State Aid					1,910,332
Other					677,016
TOTAL GENERAL RECEIPTS					\$ 26,086,075
CHANGE IN NET POSITION					\$ 7,374,637
NET POSITION - JULY 1, 2014					48,205,323
NET POSITION - JUNE 30, 2015					\$ 55,579,960

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, 2015

	General Fund	Special Revenue Funds					Debt Service Fund	Capital Projects Fund	Total Governmental Funds
		Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund	Working Cash Fund	Tort Immunity Fund			
<b>ASSETS</b>									
Cash and Investments	\$ 11,047,178	\$ 4,271,352	\$ 7,894,444	\$ 440,395	\$ 3,302,358	\$ 1,342,118	\$ 1,957,356	\$ 2,692,347	\$ 32,947,548
<b>TOTAL ASSETS</b>	<b>\$ 11,047,178</b>	<b>\$ 4,271,352</b>	<b>\$ 7,894,444</b>	<b>\$ 440,395</b>	<b>\$ 3,302,358</b>	<b>\$ 1,342,118</b>	<b>\$ 1,957,356</b>	<b>\$ 2,692,347</b>	<b>\$ 32,947,548</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>	<b>\$ (117,148)</b>	<b>\$ 14,098</b>	<b>\$ 4,147</b>	<b>\$ 90</b>	<b>\$ -</b>	<b>\$ 4,240</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (94,573)</b>
<b>FUND BALANCES</b>									
Restricted									
Insurance Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,337,878	\$ -	\$ -	\$ 1,337,878
Technology Leasing	336,259	-	-	-	-	-	-	-	336,259
Operations and Maintenance	-	4,257,254	-	-	-	-	-	-	4,257,254
Transportation Services	-	-	7,890,297	-	-	-	-	-	7,890,297
Employee Benefits Payments	-	-	-	440,305	-	-	-	-	440,305
Interfund Borrowing	-	-	-	-	3,302,358	-	-	-	3,302,358
Bond Principal and Interest Payments	-	-	-	-	-	-	1,957,356	-	1,957,356
Future Construction	-	-	-	-	-	-	-	2,692,347	2,692,347
Unassigned	10,828,067	-	-	-	-	-	-	-	10,828,067
<b>Total Fund Balances</b>	<b>\$ 11,164,326</b>	<b>\$ 4,257,254</b>	<b>\$ 7,890,297</b>	<b>\$ 440,305</b>	<b>\$ 3,302,358</b>	<b>\$ 1,337,878</b>	<b>\$ 1,957,356</b>	<b>\$ 2,692,347</b>	<b>\$ 33,042,121</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 11,047,178</b>	<b>\$ 4,271,352</b>	<b>\$ 7,894,444</b>	<b>\$ 440,395</b>	<b>\$ 3,302,358</b>	<b>\$ 1,342,118</b>	<b>\$ 1,957,356</b>	<b>\$ 2,692,347</b>	<b>\$ 32,947,548</b>

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, 2015**

Total Fund Balances - Governmental Funds	\$	33,042,121
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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	\$	49,969,878	
Accumulated Depreciation		(17,767,039)	32,202,839

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	\$	(9,665,000)	
Capital Leases		-	(9,665,000)

Total Net Position of Governmental Activities	\$	55,579,960
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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, 2015**

	General Fund	Special Revenue Funds					Debt Service Fund	Capital Projects Fund	Total Governmental Funds
	Education Fund	Operations and Maintenance Fund	Transportation Fund	Retirement/ Social Security Fund	Working Cash Fund	Tort Immunity Fund	Bond and Interest Fund	Capital Projects Fund	Total Governmental Funds
<b>RECEIPTS</b>									
Taxes	\$ 14,742,045	\$ 1,842,649	\$ 3,017,514	\$ 596,379	\$ 180,997	\$ 329,943	\$ 2,163,368	\$ -	\$ 22,872,895
Tuition	171,250	-	-	-	-	-	-	-	171,250
Transportation Fees	196,382	79,943	119,957	-	-	-	-	-	119,957
Earnings on Investments	161,176	-	124,562	6,902	61,313	26,355	57,284	73,081	625,832
Food Service Fees	58,766	-	-	-	-	-	-	-	161,176
Pupil Activity Fees	22,294	-	-	-	-	-	-	-	58,766
Textbook Fees	20,000	-	-	-	-	-	-	-	22,294
Rentals	450	-	-	-	-	-	-	-	20,000
Contributions	429,275	-	-	-	-	-	-	-	450
Refund of Prior Year Disbursements	223,332	-	-	-	-	-	-	-	429,275
Other	6,464,283	-	134,763	-	-	-	-	-	3,959
Local Fees	1,229,930	-	-	-	-	-	-	-	223,332
State Aid									6,599,056
Federal Aid									1,229,930
<b>TOTAL RECEIPTS</b>	<b>\$ 23,723,152</b>	<b>\$ 1,922,592</b>	<b>\$ 3,396,796</b>	<b>\$ 603,281</b>	<b>\$ 242,310</b>	<b>\$ 356,298</b>	<b>\$ 2,220,652</b>	<b>\$ 73,091</b>	<b>\$ 32,538,172</b>
<b>DISBURSEMENTS</b>									
Current									
Instruction	\$ 11,458,468	\$ -	\$ -	\$ 106,689	\$ -	\$ -	\$ -	\$ -	\$ 11,565,137
Regular Programs	320,531	-	-	7,771	-	-	-	-	328,302
Pre-K Programs	1,146,313	-	-	49,843	-	-	-	-	1,196,156
Special Education Programs	535,035	-	-	1,551	-	-	-	-	536,586
Remedial and Supplemental Programs	365,559	-	-	14,880	-	-	-	-	380,439
Interscholastic Programs	475,162	-	-	19,924	-	-	-	-	495,086
Bilingual Programs									
Support Services	1,200,102	-	-	45,174	-	-	-	-	1,245,276
Pupils	786,183	-	-	16,604	-	-	-	-	802,787
Instructional Staff	560,076	-	-	13,414	-	-	-	-	573,490
General Administration	820,418	-	-	34,890	-	-	-	-	855,308
School Administration	1,230,954	1,451,471	758,286	147,327	-	325,849	-	-	3,913,887
Business	1,171,942	-	-	65,106	-	-	-	-	1,237,048
Central	98,418	-	-	8,964	-	-	-	-	107,382
Community Services	567,070	-	-	-	-	-	-	-	567,070
Nonprogrammed Charges									
Debt Service							2,285,000		2,285,000
Principal							372,240		372,240
Interest and Other Charges							-	5,196,383	5,362,185
Capital Outlay	158,520	7,282	-	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 20,894,751</b>	<b>\$ 1,458,753</b>	<b>\$ 758,286</b>	<b>\$ 532,117</b>	<b>\$ -</b>	<b>\$ 325,849</b>	<b>\$ 2,657,240</b>	<b>\$ 5,196,383</b>	<b>\$ 31,823,379</b>
<b>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>\$ 2,828,401</b>	<b>\$ 463,839</b>	<b>\$ 2,638,510</b>	<b>\$ 71,164</b>	<b>\$ 242,310</b>	<b>\$ 30,449</b>	<b>\$ (436,588)</b>	<b>\$ (5,123,292)</b>	<b>\$ 714,793</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	\$ -	\$ -	\$ -	\$ 53,465	\$ -	\$ -	\$ -	\$ -	\$ 53,465
Transfers Out	-	-	-	-	(53,485)	-	-	-	(53,465)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 53,465</b>	<b>\$ (53,485)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 2,828,401</b>	<b>\$ 463,839</b>	<b>\$ 2,638,510</b>	<b>\$ 124,629</b>	<b>\$ 188,845</b>	<b>\$ 30,449</b>	<b>\$ (436,588)</b>	<b>\$ (5,123,292)</b>	<b>\$ 714,793</b>
<b>FUND BALANCE - JULY 1, 2014</b>	<b>8,335,925</b>	<b>3,793,415</b>	<b>5,251,787</b>	<b>315,676</b>	<b>3,113,513</b>	<b>1,307,429</b>	<b>2,393,944</b>	<b>7,815,639</b>	<b>32,327,328</b>
<b>FUND BALANCE - JUNE 30, 2015</b>	<b>\$ 11,164,326</b>	<b>\$ 4,257,254</b>	<b>\$ 7,890,297</b>	<b>\$ 440,305</b>	<b>\$ 3,302,358</b>	<b>\$ 1,337,878</b>	<b>\$ 1,957,356</b>	<b>\$ 2,692,347</b>	<b>\$ 33,042,121</b>

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, 2015

Net Change in Fund Balance - Governmental Funds	\$	714,793
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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	\$	5,362,185	
Depreciation Expense		(987,341)	4,374,844

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

Principal Paid on Long-Term Debt	\$	2,285,000	
Defeasance of Long-Term Debt Principal		-	2,285,000

Change in Net Position of Governmental Activities	\$	7,374,637
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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, 2015

ASSETS

Cash In Bank Accounts	\$ 44,143
TOTAL ASSETS	<u>\$ 44,143</u>

LIABILITIES

Due to Student Groups	\$ 34,543
Due to Employee's Benefits Fund	<u>9,600</u>
TOTAL LIABILITIES	<u>\$ 44,143</u>

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

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

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 2015 the District adopted or considered the following Governmental Accounting Standards Board (GASB) Statements:

- GASBS No. 68, *Accounting and Financial Reporting for Pensions*
- GASBS No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—An Amendment of GASB Statement No. 68*

*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, 2015  
(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, 2015  
(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 <u>Method</u>	Estimated <u>Useful Life</u>
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, 2015  
(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, 2014 to June 30, 2015 budget, which was not amended, was approved by the Board of Education on September 16, 2014. 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, 2015, the carrying amount of the District's Imprest deposit account was \$2,500; the bank balance was \$2,312. This deposit account is categorized in accordance with risk factors created by governmental reporting standards. At June 30, 2015, 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, 2015 the deposits in the student activity and employees flexible benefits accounts had a carrying amount of \$34,543 and \$9,600, respectively, and the bank balances were \$34,883 and \$12,578, respectively. At June 30, 2015, 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, 2015  
(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, 2015, 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, 2015, the carrying amount of the District's cash and investments was \$32,945,048. 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, 2014	Additions	Deletions	Balance June 30, 2015
Capital Assets not Being Depreciated				
Land	\$ 307,362	\$ -	\$ -	\$ 307,362
Construction-in-Progress	840,543	4,734,669	-	5,575,212
Total Capital Assets not Being Depreciated	\$ 1,147,905	\$ 4,734,669	\$ -	\$ 5,882,574
Capital Assets Being Depreciated				
Land Improvements	\$ 378,398	\$ 2,993	\$ -	\$ 381,391
Building and Improvements	38,021,881	417,407	-	38,439,288
Equipment	5,059,509	207,116	-	5,266,625
Total Capital Assets Being Depreciated	\$ 43,459,788	\$ 627,516	\$ -	\$ 44,087,304
Less Accumulated Depreciation for:				
Land Improvements	\$ (256,650)	\$ (18,965)	\$ -	\$ (275,615)
Building and Improvements	(12,622,571)	(768,786)	-	(13,391,357)
Equipment	(3,900,477)	(199,590)	-	(4,100,067)
Total Accumulated Depreciation	\$ (16,779,698)	\$ (987,341)	\$ -	\$ (17,767,039)
Total Capital Assets being Depreciated, net of Accumulated Depreciation	\$ 26,680,090	\$ (359,825)	\$ -	\$ 26,320,265
Capital Assets, net of Accumulated Depreciation	\$ 27,827,995	\$ 4,374,844	\$ -	\$ 32,202,839

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, 2015 the accumulated depreciation related to these assets was \$49,120.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

4. LONG-TERM DEBT

*Changes in General Long-Term Debt*

	Balance July 1, 2014	Proceeds	Retired/ Defeased	Balance June 30, 2015	Amounts Due Within One Year
2003 Fire Prevention and Safety Bonds	\$ 15,000	\$ -	\$ 15,000	\$ -	\$ -
2010 Refunding Bonds	4,965,000	-	540,000	4,425,000	560,000
2012 Working Cash Fund and Refunding Bonds	6,970,000	-	1,730,000	5,240,000	590,000
	<u>\$ 11,950,000</u>	<u>\$ -</u>	<u>\$ 2,285,000</u>	<u>\$ 9,665,000</u>	<u>\$ 1,150,000</u>

*Cash Flow Requirements*

At June 30, 2015, 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	2016	4.00%	\$ 560,000	\$ 165,800	\$ 725,800
	2017	4.00%	585,000	142,900	727,900
	2018	4.00%	605,000	119,100	724,100
	2019	4.00%	625,000	94,500	719,500
	2020	4.00%	660,000	68,800	728,800
	2021	4.00%	680,000	42,000	722,000
	2022	4.00%	710,000	14,200	724,200
			<u>\$ 4,425,000</u>	<u>\$ 647,300</u>	<u>\$ 5,072,300</u>
Amount Available in Debt Service Fund					405,735
Amount to be Provided in the Future					<u>\$ 4,666,565</u>
2012 Working Cash Fund and Refunding Bonds, Original Issue of \$9,315,000, Dated March 12, 2012	2016	3.00%	\$ 590,000	\$ 148,350	\$ 738,350
	2017	3.00%	605,000	130,425	735,425
	2018	3.00%	625,000	111,975	736,975
	2019	3.00%	640,000	93,000	733,000
	2020	3.00%	665,000	73,425	738,425
	2021	3.00%	685,000	53,175	738,175
	2022	3.00%	705,000	32,325	737,325
	2023	3.00%	725,000	10,875	735,875
			<u>\$ 5,240,000</u>	<u>\$ 653,550</u>	<u>\$ 5,893,550</u>
Amount Available in Debt Service Fund					521,565
Amount to be Provided in the Future					<u>\$ 5,371,985</u>

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

4. LONG-TERM DEBT (continued)

*Cash Flow Requirements (continued)*

	Year Ending June 30,	Principal	Interest	Total
Total All Bond Issues	2016	\$ 1,150,000	\$ 314,150	\$ 1,464,150
	2017	1,190,000	273,325	1,463,325
	2018	1,230,000	231,075	1,461,075
	2019	1,265,000	187,500	1,452,500
	2020	1,325,000	142,225	1,467,225
	2021	1,365,000	95,175	1,460,175
	2022	1,415,000	46,525	1,461,525
	2023	725,000	10,875	735,875
		<u>\$ 9,665,000</u>	<u>\$ 1,300,850</u>	<u>\$ 10,965,850</u>
Amount Available in Debt Service Fund				927,300
Amount to be Provided in the Future				<u>\$ 10,038,550</u>

In addition there remains a balance of \$1,030,056 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 \$373,499,197, the most recent available assessed valuation of the District. Thus, the District's remaining debt margin at June 30, 2015, is \$16,106,445, which is 62.49 percent of its total legal debt limit.

5. LEASE OBLIGATION

The District leases certain office equipment under an operating lease expiring in fiscal year 2016. Lease payments made under this operating lease for the year ended June 30, 2015 were \$33,372. The minimum future rental payments under this non-cancelable operating lease, in the aggregate are:

Year Ending June 30, 2016	\$ 2,781
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6. FUND BALANCE REPORTING

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

*Nonspendable Fund Balance*

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

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

6. FUND BALANCE REPORTING (continued)

*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, 2015, 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.

*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.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

6. FUND BALANCE REPORTING (continued)

*Net Position Restrictions*

The district-wide statement of net position reports \$22,214,054 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) 877-08930, 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, 2015  
(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 code. The active member contribution rate for the year ended June 30, 2015 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, 2015, 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 \$3,601,058 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, 2015 were \$63,291.

*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, 2015, the employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$151,946 were paid from federal and special trust funds that required employer contributions of \$50,142.

*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, 2015, 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, 2015, the district paid \$2,551 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, 2015  
(Continued)

7 RETIREMENT FUND COMMITMENTS (continued)

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

*Net Pension Liability and Pension Expense*

At June 30, 2015, 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	\$ 1,755,810
State's proportionate share of the net pension liability associated with the District	<u>65,635,237</u>
	<u>\$ 67,391,047</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. 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, 2014, relative to the projected contributions of all participating employers and the state during that period. At June 30, 2014 the District's proportionate share was 0.0028820809 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The District's proportion of the net pension liability as of June 30, 2013, was based on the District's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the District's proportion was 0.0034395395 percent.

For the year ended June 30, 2015, the District recognized pension expense of \$3,601,058 and revenue of \$3,601,058 for support provided by the state.

*Actuarial Assumptions*

The total pension liability in the June 30, 2014 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 expected to be 5.75%, average, including inflation; the Investment Rate of Return was assumed to be 7.50%.

Mortality rates were based on the RP-2000 White Collar Table with projections using scale AA that vary by member group.

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2014 and 2013 were assumed to be the same. However, for funding purposes, the actuarial valuations for those two years were different. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment rate of return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered. The actuarial assumptions used in the June 30, 2013 valuation were based on the 2012 actuarial experience analysis and first adopted in the June 30, 2012 valuation. The investment return assumption was lowered from 8.5 percent to 8.0 percent and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.



SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

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

*Actuarial Assumptions (continued)*

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	18%	8.23%
Global Equity excluding U.S.	18%	8.58%
Aggregate Bonds	16%	2.27%
U.S. TIPS	2%	3.52%
NCREIF	11%	5.81%
Opportunistic Real Estate	4%	9.79%
ARS	8%	3.27%
Risk Parity	8%	5.57%
Diversified Inflation Strategy	1%	3.96%
Private Equity	14%	13.03%
	<u>100%</u>	

*Discount Rate*

The discount rate used to measure the total pension liability was 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 was 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. Therefore, the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

*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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
District's Proportionate Share of the Net Pension Liability	\$ 2,168,340	\$ 1,755,810	\$ 1,414,189

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(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, 2014 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. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS.

*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 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$111,305 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 0.76 percent during the year ended June 30, 2015. For the year ended June 30, 2015, the District paid \$82,933, which was 100 percent of the required contribution.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(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](http://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, 2015  
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

*Employees Covered by the Benefit Terms*

As of December 31, 2014, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	61
Inactive Plan Members entitled to but not yet receiving benefits	180
Active Plan Members	57
Total	<u>298</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 2014 was 8.42 percent. The District's actual contribution for calendar year 2014 was \$173,028. 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, 2014. 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, 2014; 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 3.5%; 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 according 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, 2015  
(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 3.56% 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, 2013	\$ 7,831,194	\$ 8,239,288	\$ (408,094)
Changes for the Year:			
Service Cost	226,590	-	226,590
Interest on the Total Pension Liability	581,844	-	581,844
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience of the Total Pension Liability	(222,909)	-	(222,909)
Changes of Assumptions	353,574	-	353,574
Contributions - Employer	-	173,028	(173,028)
Contributions - Employees	-	98,872	(98,872)
Net Investment Income	-	499,508	(499,508)
Benefit Payments, including Refunds of			
Employee Contributions	(373,150)	(373,150)	-
Other (Net Transfer)	-	(25,939)	25,939
Net Changes	<u>565,949</u>	<u>372,319</u>	<u>193,630</u>
Balances at December 31, 2014	<u>\$ 8,397,143</u>	<u>\$ 8,611,607</u>	<u>\$ (214,464)</u>

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability 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	\$ 9,383,077	\$ 8,397,143	\$ 7,578,830
Plan Fiduciary Net Position	8,611,607	8,611,607	8,611,607
Net Pension Liability (Asset)	<u>\$ 771,470</u>	<u>\$ (214,464)</u>	<u>\$ (1,032,777)</u>

SOCIAL SECURITY

Employees not qualifying for coverage under the Illinois Downstate Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$157,677, the total required contribution for the current fiscal year.

8. 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 2014 Levy was passed by the Board on December 16, 2014. 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 2014 and 2013 tax levy years.

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

	Legal Limit	Actual	
		2014 Levy	2013 Levy
Educational	3.5000	\$ 3.4471	\$ 3.5000
Tort Immunity	*	0.0965	0.0813
Special Education	0.4000	0.3723	0.4000
Leasing	0.1000	-	0.0015
Operations and Maintenance	0.5500	0.4688	0.5368
Bond and Interest	*	0.4173	0.7888
Transportation	*	0.8986	0.7204
Municipal Retirement	*	0.0689	0.0464
Social Security	*	0.1076	0.0885
Working Cash	0.0500	0.0483	0.0500
		<u>\$ 5.9254</u>	<u>\$ 6.2137</u>

\* As Needed

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

9. 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.

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.

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 for tort immunity purposes for the year ended June 30, 2015:

Workers Compensation Insurance	\$	93,226
Unemployment Insurance		14,344
Property and Liability Insurance		55,422
Risk Management Services		162,857
	\$	<u>325,849</u>

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

12. INTER-FUND BALANCES AND TRANSFERS

During the year ended June 30, 2015, the District made the following inter-fund transfers of fund balance as permitted by the Illinois School Code. These amounts were considered excess fund balance and were transferred to the funds deemed most in need of such fund balance.

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

13. OVER-EXPENDITURE OF BUDGET

For the year ended June 30, 2015, actual direct disbursements exceeded the budgeted disbursements in the following funds:

	Actual	Budget	Excess
Special Revenue Funds			
Tort Immunity	\$ 325,849	\$ 311,963	\$ 13,886

14. CONSTRUCTION COMMITMENTS

At June 30, 2015, the District had pending construction project contracts in progress. The District is committed to approximately \$874,591 in remaining disbursements for various District-wide construction projects. These disbursements are expected to be paid from available fund balances in the capital projects funds.

15. SUBSEQUENT EVENT

In July 2015 the District entered into a lease agreement for certain technology and office equipment, and related maintenance agreements. This non-cancelable operating lease calls for minimum payments in the total amount of \$334,934, over the five-year term of the lease. These disbursements are expected to be paid from available fund balances in the general (education) fund



**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, 2015**

RECEIPTS	Original and Final Budget	Actual
Receipts from Local Sources		
Taxes	\$ 13,821,657	\$ 14,742,045
Tuition	110,000	171,250
Earnings on Investments	95,000	196,382
Food Service Fees	150,000	161,176
Pupil Activity Fees	30,500	58,766
Textbook Fees	11,000	22,294
Rentals	-	20,000
Donations	10,000	450
Services Provided Other Districts	-	223,332
Refund of Prior Years' Expenditures	-	429,275
Other	1,760,000	3,959
Total Receipts from Local Sources	<u>\$ 15,988,157</u>	<u>\$ 16,028,929</u>
Receipts from State Sources		
General State Aid	\$ 1,898,370	\$ 1,910,332
State Library Grant	-	2,466
State Free Lunch and Breakfast	7,500	6,426
Special Education	508,020	511,409
Early Childhood Block Grant	210,000	207,221
Bilingual Education	135,000	114,076
Total Receipts from State Sources	<u>\$ 2,758,890</u>	<u>\$ 2,751,930</u>
Receipts from Federal Sources		
National School Lunch and Breakfast Programs	\$ 455,000	\$ 511,773
Title I - Low Income	470,000	595,904
Federal Special Education - IDEA - Flow-Through	-	22,145
Title II - Teacher Quality	71,263	70,382
Title III - English Language Acquisition	47,952	29,726
Total Receipts from Federal Sources	<u>\$ 1,044,215</u>	<u>\$ 1,229,930</u>
Total Direct Receipts	\$ 19,791,262	\$ 20,010,789
"On-Behalf" Receipt for Retirement Benefits	<u>3,500,000</u>	<u>3,712,363</u>
TOTAL RECEIPTS	\$ 23,291,262	\$ 23,723,152
DISBURSEMENTS	<u>22,116,515</u>	<u>20,894,751</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,174,747</u>	\$ 2,828,401
FUND BALANCE - JULY 1, 2014		<u>8,335,925</u>
FUND BALANCE - JUNE 30, 2015		<u>\$ 11,164,326</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, 2015

INSTRUCTION	Original and Final Budget	Actual
Regular Programs		
Salaries	\$ 6,785,081	\$ 6,628,170
Employee Benefits	989,804	888,811
Purchased Services	231,400	74,530
Supplies & Materials	171,000	154,594
Total Regular Programs	<u>\$ 8,177,285</u>	<u>\$ 7,746,105</u>
Pre-K Programs		
Salaries	\$ 315,988	\$ 276,078
Employee Benefits	41,212	39,949
Supplies & Materials	4,576	4,504
Total Pre-K Programs	<u>\$ 361,776</u>	<u>\$ 320,531</u>
Special Education Programs		
Salaries	\$ 1,148,850	\$ 974,245
Employee Benefits	210,637	162,159
Supplies & Materials	5,500	4,660
Tuition	-	5,249
Total Special Education Programs	<u>\$ 1,364,987</u>	<u>\$ 1,146,313</u>
Remedial & Supplemental Programs		
Salaries	\$ 181,571	\$ 223,613
Employee Benefits	43,533	44,462
Purchased Services	-	76,459
Supplies & Materials	43,414	190,501
Capital Outlay	100,086	41,665
Total Remedial & Supplemental Programs	<u>\$ 368,604</u>	<u>\$ 576,700</u>
Bilingual Programs		
Salaries	\$ 458,202	\$ 423,658
Employee Benefits	69,283	51,504
Total Bilingual Programs	<u>\$ 527,485</u>	<u>\$ 475,162</u>
Interscholastic Programs		
Salaries	\$ 361,000	\$ 356,454
Employee Benefits	5,040	4,270
Purchased Services	4,000	4,835
Supplies & Materials	500	-
Total Interscholastic Programs	<u>\$ 370,540</u>	<u>\$ 365,559</u>
TOTAL INSTRUCTION	<u>\$ 11,170,677</u>	<u>\$ 10,630,370</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, 2015

SUPPORT SERVICES	Original and Final Budget	Actual
Pupils		
Salaries	\$ 1,009,031	\$ 1,075,291
Employee Benefits	138,770	124,811
Total Pupils	<u>\$ 1,147,801</u>	<u>\$ 1,200,102</u>
Instructional Staff		
Salaries	\$ 559,249	\$ 381,890
Employee Benefits	115,695	59,515
Purchased Services	273,145	112,320
Supplies & Materials	106,664	232,458
Capital Outlay	125,000	-
Other	1,000	-
Total Instructional Staff	<u>\$ 1,180,753</u>	<u>\$ 786,183</u>
General Administration		
Salaries	\$ 243,210	\$ 254,337
Employee Benefits	45,865	47,760
Purchased Services	332,900	244,007
Supplies & Materials	3,000	2,070
Other	14,000	11,902
Total General Administration	<u>\$ 638,975</u>	<u>\$ 560,076</u>
School Administration		
Salaries	\$ 739,202	\$ 698,924
Employee Benefits	133,012	111,746
Purchased Services	2,000	1,689
Supplies & Materials	5,600	6,135
Other	2,000	1,924
Total School Administration	<u>\$ 881,814</u>	<u>\$ 820,418</u>
Business		
Salaries	\$ 383,524	\$ 396,129
Employee Benefits	59,402	65,178
Purchased Services	802,010	712,192
Supplies & Materials	84,302	55,112
Capital Outlay	5,000	27,735
Other	4,000	2,343
Total Business	<u>\$ 1,338,238</u>	<u>\$ 1,258,689</u>
Central		
Salaries	\$ 638,137	\$ 661,093
Employee Benefits	111,686	109,503
Purchased Services	120,500	119,253
Supplies & Materials	335,461	279,002
Capital Outlay	-	89,120
Other	4,550	3,091
Total Central	<u>\$ 1,210,334</u>	<u>\$ 1,261,062</u>
<b>TOTAL SUPPORT SERVICES</b>	<u><b>\$ 6,397,915</b></u>	<u><b>\$ 5,886,530</b></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, 2015

	Original and Final Budget	Actual
COMMUNITY SERVICES		
Salaries	\$ 47,272	\$ 54,565
Employee Benefits	420	110
Purchased Services	43,761	42,626
Supplies & Materials	1,470	1,117
Other	145,000	-
TOTAL COMMUNITY SERVICES	<u>\$ 237,923</u>	<u>\$ 98,418</u>
NONPROGRAMMED CHARGES		
Tuition	<u>\$ 775,000</u>	<u>\$ 567,070</u>
PROVISION FOR CONTINGENCIES	<u>\$ 35,000</u>	<u>\$ -</u>
Total Direct Disbursements	\$ 18,616,515	\$ 17,182,388
"On-Behalf" Disbursement for Retirement Benefits	<u>3,500,000</u>	<u>3,712,363</u>
TOTAL DISBURSEMENTS	<u><u>\$ 22,116,515</u></u>	<u><u>\$ 20,894,751</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, 2015

RECEIPTS	Original and Final Budget	Actual
Receipts from Local Sources		
Taxes	\$ 1,828,952	\$ 1,842,649
Earnings on Investments	44,000	79,943
TOTAL RECEIPTS	\$ 1,872,952	\$ 1,922,592
DISBURSEMENTS		
Support Services		
Operations and Maintenance		
Salaries	\$ 565,650	\$ 572,073
Employee Benefits	122,862	119,003
Purchased Services	499,500	419,882
Supplies & Materials	400,689	340,513
Capital Outlay	135,000	7,282
Total Support Services	\$ 1,723,701	\$ 1,458,753
Provision for Contingencies	20,000	-
TOTAL DISBURSEMENTS	\$ 1,743,701	\$ 1,458,753
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 129,251	\$ 463,839
OTHER FINANCING SOURCES (USES)		
Transfers In	\$ 7,500,000	\$ -
Transfers Out	(8,500,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ (1,000,000)	\$ -
NET CHANGE IN FUND BALANCE	\$ (870,749)	\$ 463,839
FUND BALANCE - JULY 1, 2014		3,793,415
FUND BALANCE - JUNE 30, 2015		\$ 4,257,254

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, 2015

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 4,078,783	\$ 3,017,514
Earnings on Investments	42,000	124,562
Transportation Fees	100,000	119,957
Total Receipts from Local Sources	\$ 4,220,783	\$ 3,262,033
Receipts from State Sources		
State Transportation Aid	153,350	134,763
TOTAL RECEIPTS	\$ 4,374,133	\$ 3,396,796
DISBURSEMENTS		
Support Services		
Pupil Transportation		
Salaries	\$ 30,094	\$ 37,305
Employee Benefits	5,595	6,918
Purchased Services	785,000	713,060
Supplies	1,715	1,003
Total Support Services	\$ 822,404	\$ 758,286
Provision for Contingencies	30,000	-
TOTAL DISBURSEMENTS	\$ 852,404	\$ 758,286
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3,521,729	\$ 2,638,510
OTHER FINANCING SOURCES (USES)		
Transfers Out	(7,500,000)	-
NET CHANGE IN FUND BALANCE	\$ (3,978,271)	\$ 2,638,510
FUND BALANCE - JULY 1, 2014		5,251,787
FUND BALANCE - JUNE 30, 2015		\$ 7,890,297

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, 2015

RECEIPTS	Original and Final Budget	Actual
Receipts from Local Sources		
Taxes	\$ 510,200	\$ 596,379
Earnings on Investments	6,000	6,902
TOTAL RECEIPTS	<u>\$ 516,200</u>	<u>\$ 603,281</u>
DISBURSEMENTS		
Employee Benefits		
Instruction		
Regular Programs	\$ 98,781	\$ 106,669
Pre-K Programs	15,500	7,771
Special Education Programs	67,513	49,843
Remedial and Supplemental Programs	2,633	1,551
Bilingual Programs	26,861	19,924
Interscholastic Programs	6,611	14,880
Total Instruction	<u>\$ 217,899</u>	<u>\$ 200,638</u>
Support Services		
Attendance and Social Work Services	\$ 5,681	\$ 6,028
Health Services	11,184	15,424
Psychological Services	3,014	2,694
Speech Pathology and Audiology Services	3,253	2,978
Other	12,801	18,050
Improvement of Instruction	3,000	1,293
Educational Media Services	14,191	13,921
Assessment and Testing	1,520	1,390
Executive Administration Services	14,019	13,414
Office of the Principal Services	35,087	34,890
Direction of Business Support Services	3,736	3,515
Fiscal Services	31,491	30,002
Operations and Maintenance Services	93,792	90,218
Pupil Transportation Services	3,734	4,525
Food Services	19,919	19,067
Direction of Central Support Services	1,842	1,566
Planning, Research, Development and Evaluation Services	10,887	10,014
Staff Services	540	834
Data Processing Services	50,208	52,692
Total Support Services	<u>\$ 319,899</u>	<u>\$ 322,515</u>
Community Services	<u>\$ 8,362</u>	<u>\$ 8,964</u>
Provision for Contingencies	<u>\$ 19,300</u>	<u>\$ -</u>
TOTAL DISBURSEMENTS	<u>\$ 565,460</u>	<u>\$ 532,117</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (49,260)	\$ 71,164
OTHER FINANCING SOURCES (USES)		
Transfers In	<u>53,465</u>	<u>53,465</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,205</u>	<u>\$ 124,629</u>
FUND BALANCE - JULY 1, 2014		<u>315,676</u>
FUND BALANCE - JUNE 30, 2015		<u>\$ 440,305</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, 2015**

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 185,000	\$ 180,997
Earnings on Investments	38,000	61,313
TOTAL RECEIPTS	\$ 223,000	\$ 242,310
DISBURSEMENTS	-	-
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 223,000	\$ 242,310
OTHER FINANCING SOURCES (USES)		
Transfers Out	\$ (53,465)	\$ (53,465)
NET CHANGE IN FUND BALANCE	\$ 169,535	\$ 188,845
FUND BALANCE - JULY 1, 2014		3,113,513
FUND BALANCE - JUNE 30, 2015		\$ 3,302,358

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, 2015

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 296,367	\$ 329,943
Earnings on Investments	16,000	26,355
TOTAL RECEIPTS	<u>\$ 312,367</u>	<u>\$ 356,298</u>
DISBURSEMENTS		
Support Services		
Insurance Services		
Salaries	\$ 148,708	\$ 93,226
Employee Benefits	12,255	14,344
Purchased Services	151,000	218,279
TOTAL DISBURSEMENTS	<u>\$ 311,963</u>	<u>\$ 325,849</u>
NET CHANGE IN FUND BALANCE	<u>\$ 404</u>	<u>\$ 30,449</u>
FUND BALANCE - JULY 1, 2014		1,307,429
FUND BALANCE - JUNE 30, 2015		<u>\$ 1,337,878</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, 2015**

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 2,792,500	\$ 2,163,368
Earnings on Investments	26,000	57,284
TOTAL RECEIPTS	<u>\$ 2,818,500</u>	<u>\$ 2,220,652</u>
DISBURSEMENTS		
Debt Service		
Bond Principal Retired	\$ 2,290,000	\$ 2,285,000
Interest on Bonds	375,000	371,325
Fees on Bonds	-	915
TOTAL DISBURSEMENTS	<u>\$ 2,665,000</u>	<u>\$ 2,657,240</u>
NET CHANGE IN FUND BALANCE	<u>\$ 153,500</u>	<u>\$ (436,588)</u>
FUND BALANCE - JULY 1, 2014		<u>2,393,944</u>
FUND BALANCE - JUNE 30, 2015		<u><u>\$ 1,957,356</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, 2015

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Earnings on Investments	\$ 4,500	\$ 73,091
TOTAL RECEIPTS	\$ 4,500	\$ 73,091
DISBURSEMENTS		
Facilities Acquisition and Construction		
Purchased Services	\$ 7,300,000	\$ -
Capital Outlay	-	5,196,383
TOTAL DISBURSEMENTS	\$ 7,300,000	\$ 5,196,383
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (7,295,500)	\$ (5,123,292)
OTHER FINANCING SOURCES (USES)		
Transfers In	8,500,000	-
NET CHANGE IN FUND BALANCE	\$ 1,204,500	\$ (5,123,292)
FUND BALANCE - JULY 1, 2014		7,815,639
FUND BALANCE - JUNE 30, 2015		\$ 2,692,347

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, 2015**

	Balance July 1, 2014	Receipts	Disbursements	Balance June 30, 2015
<b>ASSETS</b>				
Cash	\$ 44,120	\$ 90,426	\$ 90,403	\$ 44,143
<b>LIABILITIES</b>				
Due to Student Groups				
Edison Pop Machine	\$ 2	\$ 266	\$ 269	\$ (1)
Edison School	154	1,655	736	1,073
Edison Garden Grant	1,964	-	-	1,964
Edison Healthy Kids Grant	311	-	-	311
Edison School Sunshine Fund	433	1,856	1,266	1,023
Edison Teacher Grants	178	-	96	82
Madison Pop Machine	23	-	-	23
Madison School	5,274	2,403	1,023	6,654
Madison School Store	1,097	-	346	751
Lincoln Athletics	258	5,896	4,441	1,713
Lincoln Drama Club	1,494	2,051	2,070	1,475
Lincoln Graduation	3,932	8,157	9,671	2,418
Lincoln School	82	1,595	1,549	128
Lincoln School Store	438	235	438	235
Lincoln Yearbook	365	-	365	-
Lincoln Pop Machine	163	101	-	264
Lincoln Student Government	964	401	401	964
Lincoln Fine Arts Boosters	392	550	585	357
Lincoln PE Pop Machine	523	29	-	552
Lincoln Teacher Grants	-	915	786	129
Events	305	3,120	2,516	909
Fundraisers	1,057	5,252	5,213	1,096
Interest Income	315	62	-	377
PTA Boxtops Promotion	10,454	1,592	-	12,046
Total Due to Student Groups	\$ 30,178	\$ 36,136	\$ 31,771	\$ 34,543
Due to Employees				
Flexible Benefits Fund	13,942	54,290	58,632	9,600
<b>TOTAL LIABILITIES</b>	<b>\$ 44,120</b>	<b>\$ 90,426</b>	<b>\$ 90,403</b>	<b>\$ 44,143</b>
<b>NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying Independent Auditor's Report.

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)**  
**DISTRICT/JOINT AGREEMENT**  
**Year Ending June 30, 2015**

DISTRICT/JOINT AGREEMENT NAME <b>SKOKIE ELEMENTARY SCHOOL DIST</b>	RCDT NUMBER <b>05-016-0690-02</b>	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER <b>066-003289</b>	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable)		NAME AND ADDRESS OF AUDIT FIRM <b>EVOY, KAMSCHULTE, JACOBS &amp; CO. LLP</b> <b>2122 YEOMAN STREET</b>	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code)  <b>5050 MADISON STREET</b>  <b>SKOKIE</b> <b>60077</b>		<b>WAUKEGAN</b>	<b>IL 60087</b>
		E-MAIL ADDRESS <b>JHENRY@EKJLLP.COM</b>	
		NAME OF AUDIT SUPERVISOR <b>JAMES R. HENRY, CPA</b>	
		CPA FIRM TELEPHONE NUMBER <b>847-662-8300</b>	FAX NUMBER <b>847-662-8305</b>

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

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

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

- ☐ Copy of Federal Data Collection Form § .320 (b)
- ☐ Copy(ies) of Management Letter(s)

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**

05-016-0690-02

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ending June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/13-6/30/14 (C)	Year 7/1/14-6/30/15 (D)	Year 7/1/13-6/30/14 (E)	Year 7/1/14-6/30/15 (F)			
U S DEPARTMENT OF EDUCATION									
Passed Through Illinois State Board of Education									
Title I - Low Income	84.010	2015-4300		488,889		601,880		601,880	649,876
Title I - Low Income	84.010	2014-4300	370,126	109,015	479,141			479,141	521,019
Title II - Immigrant Education Program	84.365	2015-4905		0		2,152		2,152	2,152
Title II - Immigrant Education Program	84.365	2014-4905	25,235	0	25,235			25,235	27,387
Title III - Language Instr Prog - Ltl English Prof - LIPLEP	84.365	2015-4909		29,126		46,147		46,147	47,952
Title III - Language Instr Prog - Ltl English Prof - LIPLEP	84.365	2014-4909	45,000	600	45,600			45,600	45,600
Title II - Teacher Quality	84.367	2015-4932		65,192		75,487		75,487	82,144
Title II - Teacher Quality	84.367	2014-4932	30,786	5,190	35,976			35,976	60,509
Passed Through Illinois State Board of Education, Through Niles Township District for Special Education (NTDSE)									
Federal Special Education - IDEA - Flow-Through	84.027	2015-4620		22,145		22,145		22,145	22,145
Federal Special Education - IDEA - Flow-Through	84.027	2014-4620	47,311		47,311			47,311	47,311
TOTAL U S DEPARTMENT OF EDUCATION			518,458	718,157	633,263	747,811		1,381,074	

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

**The accompanying notes are an integral part of this schedule.**

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



SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69

05-016-0690-02

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/13-6/30/14 (C)	Year 7/1/14-6/30/15 (D)	Year 7/1/13-6/30/14 (E)	Year 7/1/14-6/30/15 (F)			
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES									
Passed Through Illinois Department of Healthcare and Family Services, Through NTDS									
Medicaid Medical Assistance Program, Administrative Claim	93.778	2015-4991		15,639		40,645		40,645	N/A
Medicaid Medical Assistance Program, Administrative Claim	93.778	2014-4991	38,774	24,042	62,816			62,816	N/A
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			38,774	39,681	62,816	40,645		103,461	
TOTAL FEDERAL FINANCIAL ASSISTANCE			992,519	1,299,280	1,131,366	1,329,898		2,461,264	
Value of Federal Awards Expended in the Form of Non-Cash Assistance	N/A	N/A							
Federal Insurance in Effect During the Year	N/A	N/A		29,669		29,669		29,669	
Federal Loans or Loan Guarantees, Including Interest Subsidies, Outstanding at Year End	N/A	N/A		0		0		0	
Amounts Provided to Subrecipients	N/A	N/A		0		0		0	

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

The accompanying notes are an integral part of this schedule.

<sup>1</sup> 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.

<sup>2</sup> 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.

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

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



SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015

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, 2015. 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 require 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 U.S. Office of Management and Budget (OMB) Circular A-133.
5. We have audited the compliance of Skokie Elementary School District No. 69 with the types of compliance requirements described in OMB Circular A-133 *Compliance Supplement* that are applicable to each of its major federal award programs for the year ended June 30, 2015, and have issued our unmodified opinion thereon dated November 4, 2015.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 relative to the major federal award programs of Skokie Elementary School District No. 69 are reported under the Findings and Questioned Costs - Major Federal Award Programs Audit section of this schedule.
7. The following programs were identified as major programs in accordance with requirements described in Section 520 of OMB Circular A-133:

National School Lunch Program	<u>CFDA #</u> 10.555
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8. The threshold used to distinguish between Type A and Type B major programs was \$300,000.
9. Skokie Elementary School District No. 69 was determined 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, 2015

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, 2015, with the Illinois State Board of Education.

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

For the year ended June 30, 2015, the fair market value of federal awards received and expended in the form of non-cash assistance was \$29,669. 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, 2015 was \$-0-.

The amount of federal loans or loan guarantees, including interest subsidies, outstanding at June 30, 2015 was \$-0-.

The District provided \$-0- in federal awards to subrecipients during the year ended June 30, 2015.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
SUPPLEMENTAL INFORMATION  
SCHEDULE OF ASSESSED VALUATIONS, TAX RATES AND TAX EXTENSIONS  
FOR THE YEARS 2014, 2013, 2012 AND 2011

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
ASSESSED VALUATION	<u>\$ 373,499,197</u>	<u>\$ 358,493,385</u>	<u>\$ 408,037,019</u>	<u>\$ 446,440,343</u>
TAX RATES				
Education	\$ 3.4471	\$ 3.5000	\$ 3.1909	\$ 3.3050
Tort Immunity	0.0965	0.0813	0.0856	-
Special Education	0.3723	0.4000	0.3619	0.0545
Leasing	-	0.0015	0.0024	-
Operations and Maintenance	0.4688	0.5368	0.5012	0.5196
Bond and Interest	0.4173	0.7888	0.8006	0.7151
Transportation	0.8986	0.7204	0.3619	0.1171
Municipal Retirement	0.0689	0.0464	0.0489	0.0386
Social Security	0.1076	0.0885	0.0856	0.0683
Working Cash	0.0483	0.0500	0.0416	0.0472
	<u>\$ 5.9254</u>	<u>\$ 6.2137</u>	<u>\$ 5.4806</u>	<u>\$ 4.8654</u>
TAX EXTENSIONS				
Education	\$ 12,875,000	\$ 12,547,268	\$ 13,019,947	\$ 14,754,853
Tort Immunity	360,500	291,284	349,195	-
Special Education	1,390,500	1,433,974	1,476,592	243,309
Leasing	-	5,202	9,978	-
Operations and Maintenance	1,751,000	1,924,555	2,045,280	2,319,704
Bond and Interest	1,558,410	2,828,123	3,266,714	3,192,328
Transportation	3,356,346	2,582,411	1,476,592	522,781
Municipal Retirement	257,500	166,448	199,540	172,325
Social Security	401,700	317,292	349,195	304,918
Working Cash	180,250	179,247	169,610	210,719
	<u>\$ 22,131,206</u>	<u>\$ 22,275,804</u>	<u>\$ 22,362,643</u>	<u>\$ 21,720,937</u>

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

TOTAL EXPENDITURES			
Education Fund	\$	20,894,751	
Operations and Maintenance Fund		1,458,753	
Bond and Interest Fund		2,657,240	
Transportation Fund		758,286	
Municipal Retirement/Social Security Fund		532,117	
Tort Immunity Fund		325,849	
			\$ 26,626,996
Less: Receipts or Disbursements Not Applicable to Operating Expense of Regular K-12 Programs			
Education Fund			
Pre-K Programs		320,531	
Community Services		98,418	
Capital Outlay		158,520	
Tuition		5,249	
Payments to Other Governmental Units		567,070	
"On-Behalf" Disbursement for Retirement Benefits		3,712,363	
Operations and Maintenance Fund			
Capital Outlay		7,282	
Bond and Interest Fund			
Bond Principal Retired		2,285,000	
Transportation Fund			
Transportation Fees From Other Districts		11,387	
Municipal Retirement/Social Security Fund			
Pre-K Programs		7,771	
Community Services		8,964	
			7,182,555
NET OPERATING DISBURSEMENTS	\$		19,444,441
AVERAGE DAILY ATTENDANCE			1,596.30
OPERATING EXPENDITURES PER PUPIL	\$		12,181

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

NET OPERATING DISBURSEMENTS			\$ 19,444,441
Less: Offsetting Receipts			
Education Fund			
Special Education	\$ 511,409		
Bilingual Education	114,076		
State Library Grant	2,466		
State Free Lunch and Breakfast	6,426		
Title II - Teacher Quality	70,382		
Federal Special Education - IDEA - Flow-Through	22,145		
Food Services	161,176		
Rentals	20,000		
Services Provided Other Districts	223,332		
National School Lunch Program	511,773		
Pupil Activities	58,766		
Textbooks	22,294		
Title I - Low Income	595,904		
Title III - Language Instruction Program	29,726		
Transportation Fund			
Fees From Pupils or Parents	108,570		
State Transportation Aid	134,763		
			<u>2,593,208</u>
NET OPERATING EXPENSE FOR TUITION COMPUTATION		\$ 16,851,233	
ADD: Depreciation Allowance		<u>987,341</u>	
TOTAL ALLOWANCE FOR TUITION COMPUTATION		\$ 17,838,574	
AVERAGE DAILY ATTENDANCE		<u>1,596.30</u>	
PER CAPITA TUITION CHARGE		<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, 2015**

The Schedule of the District's Proportionate Share of the Net Pension Liability, as of June 30, 2014, the most recent available measurement date, of the District's Defined Benefit Pension Plan, the Teachers' Retirement System, follows:

	<u>June 30, 2014</u>
District's Proportion of the Net Pension Liability	0.0028850809%
District's Proportionate Share of the Net Pension Liability	\$ 1,755,810
State's Proportionate Share of the Net Pension Liability Associated With the District	<u>65,635,237</u>
Total	<u>\$ 67,391,047</u>
District's Covered-Employee Payroll	\$ 5,121,737
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	34.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.95%

**SCHEDULE OF THE DISTRICT'S EMPLOYER CONTRIBUTIONS**

The Schedule of the District's Employer Contributions, as of June 30, 2014, the most recent available measurement date, to the District's Defined Benefit Pension Plan, the Teachers' Retirement System, follows:

	<u>June 30, 2014</u>
Contractually Required Contribution	\$ 118,057
Contributions in Relation to the Contractually Required Contribution	<u>102,938</u>
Contribution Deficiency (Excess)	<u>\$ 15,119</u>
District's Covered-Employee Payroll	\$ 5,121,737
Contributions as a Percentage of Covered-Employee Payroll	2.01%

*Changes of Assumptions*

Amounts reported in 2014 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 a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.0 percent, an inflation rate of 3.25 percent and real return of 4.75 percent, and a salary increase of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

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, 2015**

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,	<u>2014</u>
<b>Total Pension Liability</b>	
Service Cost	\$ 226,590
Interest on the Total Pension Liability	581,844
Changes in Benefit Terms	-
Differences Between Expected and Actual	
Experience of the Total Pension Liability	(222,909)
Changes in Assumptions	353,574
Benefit Payments, Including Refunds of	
Employee Contributions	(373,150)
Net Change in Total Pension Liability	\$ 565,949
Total Pension Liability - Beginning	7,831,194
Total Pension Liability - Ending (A)	<u>\$ 8,397,143</u>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 173,028
Contributions - Employees	98,872
Net Investment Income	499,508
Benefit Payments, Including Refunds of	
Employee Contributions	(373,150)
Other (Net Transfer)	(25,939)
Net Change in Plan Fiduciary Net Position	\$ 372,319
Plan Fiduciary Net Position - Beginning	8,239,288
Plan Fiduciary Net Position - Ending (B)	<u>\$ 8,611,607</u>
 Net Pension Liability - Ending (A) - (B)	 <u>\$ (214,464)</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	  102.55%
 Covered Valuation Payroll	 \$ 2,054,966
 Net Pension Liability as a Percentage of Covered Valuation Payroll	  -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, 2015**

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>
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 2014 contribution rate is based on valuation assumptions used in the December 31, 2012 actuarial valuation; note two year lag between valuation and rate setting.

**METHODS AND ASSUMPTIONS USED TO DETERMINE 2014 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: 29-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.