

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**

**SKOKIE, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2017**

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## Evoy, Kamschulte, Jacobs & Co. LLP

Certified Public Accountants

2122 YEOMAN STREET • WILKEGAN, ILLINOIS 60087  
TELEPHONE (847) 662-8300 • FAX (847) 662-8305

JAMES R. HENRY, C.P.A.  
KEVIN P. KINNAVY, C.P.A.  
JOHN D. ACETO, JR., C.P.A.

ALLAN J. JACOBS, C.P.A., OF COUNSEL  
VINCENT A. VARSEK, C.P.A., OF COUNSEL

PAUL E. KAMSCHULTE, C.P.A., RETIRED

RALPH S. JACOBS, C.P.A., 1935-1976  
JAMES E. EVOY, C.P.A., 1970-2008

### 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, 2017, 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, 2017, 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, 2017, 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 this matter.

### ***Other Matters***

#### ***Supplemental Information***

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

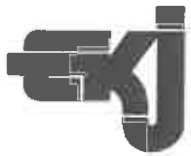
The supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2017 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 9, 2017  
Waukegan, Illinois



## Evoy, Kamschulte, Jacobs & Co. LLP

Certified Public Accountants

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VINCENT A. VARSEK, C.P.A., OF COUNSEL

PAUL E. KAMSCHULTE, C.P.A., RETIRED

RALPH S. JACOBS, C.P.A., 1935-1976  
JAMES E. EVOY, C.P.A., 1970-2008

### **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, 2017, 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 9, 2017, which was qualified because the financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

#### **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Evoy, Kamschulte, Jacobs & Co. LLP*

EVOY, KAMSCHULTE, JACOBS & CO. LLP  
November 9, 2017  
Waukegan, Illinois



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

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

#### Report on Compliance for Each Major Federal Program

We have audited Skokie Elementary School District No. 69's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Skokie Elementary School District No. 69's major federal programs for the year ended June 30, 2017. Skokie Elementary School District No. 69's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

#### Management's Responsibility

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Skokie Elementary School District No. 69's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Skokie Elementary School District No. 69's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Skokie Elementary School District No. 69's compliance.

#### Opinion on Each Major Federal Program

In our opinion, Skokie Elementary School District No. 69 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.



## Report on Internal Control Over Compliance

Management of Skokie Elementary School District No. 69 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Skokie Elementary School District No. 69's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Skokie Elementary School District No. 69's internal control over compliance.

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

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

## Purpose of this Report

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

*Evoy, Kamschulte, Jacobs & Co. LLP*

EVOY, KAMSCHULTE, JACOBS & CO. LLP  
November 9, 2017  
Waukegan, Illinois

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2017**

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, 2017. 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, 2017 by \$66,394,428 (net position).
- The District's total net position increased by \$5,403,415.
- The District increased its total long-term debt by \$8,140,000 for building construction purposes.
- At June 30, 2017, the District's governmental funds reported combined fund balances of \$45,664,857, an increase of \$9,407,085 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, 2017  
(Continued)

USING THIS ANNUAL REPORT (continued)

*Reporting the District's Most Significant Funds*

Our analysis of the District's major funds begins on page 10. The fund financial statements begin on page 14 and provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State law and by bond covenants.

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

*The District as Trustee*

The District is the trustee, or fiduciary, for its students and employees. All of the District's fiduciary activities are reported in a separate Statement of Assets, Liabilities, and Net Position Arising From Cash Transactions on page 18, and a Statement of Cash Receipts, Disbursements and Changes in Fund Balance on page 50. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

*Notes to the Financial Statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are contained on pages 19 through 38.

*Other Information*

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

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2017**  
(Continued)

**THE DISTRICT AS A WHOLE**

A condensed statement of net position, as of June 30, 2017, and statement of activities, for the year ended June 30, 2017, is presented below.

Net Position	Governmental Activities	
	2017	2016
Current and Other Assets	\$ 45,542,839	\$ 36,162,278
Capital Assets	37,384,571	33,248,241
Total Assets	82,927,410	69,410,519
Current Liabilities	122,018	95,494
Long-Term Debt Outstanding	(16,655,000)	(8,515,000)
Total Liabilities	(16,532,982)	(8,419,506)
	\$ 66,394,428	\$ 60,991,013
Net Position:		
Net Investment in Capital Assets	\$ 28,685,954	\$ 28,233,241
Restricted	33,626,892	24,294,269
Unrestricted	4,081,582	8,463,503
Total Net Position	\$ 66,394,428	\$ 60,991,013

Changes in Net Position		
<u>Receipts</u>		
Program Receipts		
Charges for services	\$ 433,773	\$ 426,693
Operating grants	11,129,827	8,494,212
General Receipts		
Property taxes	21,995,177	21,289,933
Other taxes	551,366	496,362
Earnings on investments	936,025	762,283
General state aid	2,860,310	2,664,188
Other	1,297,459	351,030
Total Receipts	\$ 39,203,937	\$ 34,484,701
<u>Disbursements</u>		
Program Disbursements		
Instruction	\$ 21,836,608	\$ 17,250,845
Support services	10,049,965	9,137,272
Community services	139,053	142,095
Nonprogrammed Charges	-	1,000,383
Interest and other charges	413,982	316,525
Depreciation - unallocated	1,360,914	1,226,528
Total Disbursements	\$ 33,800,522	\$ 29,073,648
Change in Net Position	\$ 5,403,415	\$ 5,411,053
Net Position - Beginning	60,991,013	55,579,960
Net Position - Ending	\$ 66,394,428	\$ 60,991,013

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2017**  
**(Continued)**

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

Net position of the District's governmental activities increased by \$5,403,415. 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 — decreased by \$4,381,921 to \$4,081,582. This decrease in unrestricted net assets arose primarily because of the net increase in long-term debt.

**THE DISTRICT'S FUNDS**

At June 30, 2017 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 \$45,664,857, which is above last year's total of \$36,257,772. The primary reason for the governmental funds increase is the net increase in long-term debt.

*General Fund Budgetary Highlights*

The July 1, 2016 to June 30, 2017 budget, which was not amended, was approved by the Board of Education on September 27, 2016. The budget is a general guide for the financial activity of the District.

- The General (Education) Fund actual direct receipts were less than the budgeted amount due to a slight decrease in property tax collections.
- The General (Education) Fund actual direct disbursements were less than the budgeted amount due to a fiscally conservative budgeting approach and controlled expenses.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets*

At June 30, 2017, the District had \$37,384,571 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	
	2017	2016
Land and Improvements	\$ 926,635	\$ 396,696
Buildings	32,201,692	30,751,340
Furniture and Equipment	2,298,913	2,100,205
Construction-in-Progress	1,957,331	-
Totals	<u>\$ 37,384,571</u>	<u>\$ 33,248,241</u>

This year's major additions included on-going construction projects throughout the District, including the completion of building additions at Madison and Edison and interior renovations at Edison.

The District's fiscal year 2017-18 budget calls for it to spend \$16,977,407 for capital projects, principally for construction projects at Madison and Edison school buildings.

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, 2017**  
**(Continued)**

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

*Long-Term Debt*

At June 30, 2017, the District had \$16,655,000 in long-term debt outstanding, as shown below.

Outstanding Debt at Year End	Governmental Activities	
	2017	2016
2010 Refunding Bonds	\$ 3,280,000	\$ 3,865,000
2012 Working Cash and Refunding Bonds	4,045,000	4,650,000
2017 Refunding Bonds	9,330,000	-
Totals	<u>\$ 16,655,000</u>	<u>\$ 8,515,000</u>

During the year ended June 30, 2017 the District issued Debt Certificates and Refunding Bonds for construction purposes. This long-term debt issuance was assigned a bond rating of "Aa2" 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**

- The passage of Senate Bill 1947 (Evidence-Based Funding) will significantly Impact the parameters by which School Districts in Illinois receive state funding. The legislation considers specific details of each District to make sure every student in the state has the opportunity to receive a quality education. The legislation combines five separate state grants (General State Aid, Special Ed Funding for Children, Special Ed Personnel, Special Ed Summer School, and English Language Learners) and sets a single base funding minimum amount for each district that is equal to the previous year's funding for all five grants so no district will receive less than what they received the previous year. Additionally, the new formula takes into account 26 factors, including low-income population, class size, special education population, student-staff ratios, and operating costs per pupil. The state has set a "target" for each of these factors, and the goal is to provide additional funding to districts that fall below "adequacy" so they can improve these metrics.
- 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.
- Potential pension reform legislation could impact required employer contributions to the state retirement programs. It is anticipated that the 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, 2017

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 45,542,839
Capital Assets	
Land	\$ 307,362
Land Improvements	950,614
Buildings	47,442,775
Construction in Progress	1,957,331
Furniture and Equipment	7,080,970
Less: Accumulated Depreciation	(20,354,481)
Total Capital Assets, Net	<u>\$ 37,384,571</u>
<b>TOTAL ASSETS</b>	<u>\$ 82,927,410</u>
<b>LIABILITIES</b>	
Current Liabilities	<u>\$ (122,018)</u>
Long-Term Liabilities	
Portion Due Within One Year	
General Obligation Bonds	\$ 2,680,000
Portion Due in More Than One Year	
General Obligation Bonds	13,975,000
Total Long-Term Liabilities	<u>\$ 16,655,000</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 16,532,982</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 28,685,954
Restricted	
Tort Immunity	1,640,744
Technology Leasing	215,454
Operations and Maintenance	4,074,950
Transportation	2,105,571
Municipal Retirement/Social Security	792,321
Working Cash	3,826,993
Debt Service	2,917,848
Capital Projects	18,053,011
Unrestricted	<u>4,081,582</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 66,394,428</u></u>

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

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

FUNCTION/PROGRAMS		Program Receipts			Net (Disbursements) Receipts and Change in Net Position
		Charges for	Operating	Capital	
Governmental Activities	Disbursements	Services	Grants and Contributions	Grants and Contributions	Governmental Activities Total
Instruction					
Regular	\$ 17,400,613	\$ 172,555	\$ 10,043,063	\$ -	\$ (7,184,995)
Pre-K	440,005	-	-	-	(440,005)
Special Education	2,202,305	-	462,148	-	(1,740,157)
Remedial and Supplemental	384,940	-	-	-	(384,940)
Interscholastic	342,260	-	-	-	(342,260)
Bilingual	1,066,485	-	81,546	-	(984,939)
Support Services					
Pupils	1,403,394	-	-	-	(1,403,394)
Instructional Staff	866,958	-	22,369	-	(844,589)
General Administration	629,346	-	-	-	(629,346)
School Administration	1,154,037	-	-	-	(1,154,037)
Business	4,267,821	261,218	520,701	-	(3,485,902)
Central	1,728,409	-	-	-	(1,728,409)
Community Services	139,053	-	-	-	(139,053)
Interest and Other Charges	413,982	-	-	-	(413,982)
Depreciation - Unallocated	1,360,914	-	-	-	(1,360,914)
Total Governmental Activities	<u>\$ 33,800,522</u>	<u>\$ 433,773</u>	<u>\$ 11,129,827</u>	<u>\$ -</u>	<u>\$ (22,236,922)</u>
GENERAL RECEIPTS					
Taxes					
Property Taxes, levied for general purposes					\$ 13,847,010
Property Taxes, levied for debt service					2,283,663
Property Taxes, levied for other specific purposes					5,864,504
Corporate Personal Property Replacement Tax					551,366
Unrestricted Earnings on Investments					936,025
General State Aid					2,860,310
Other					1,297,459
TOTAL GENERAL RECEIPTS					<u>\$ 27,640,337</u>
CHANGE IN NET POSITION					\$ 5,403,415
NET POSITION - JULY 1, 2016					<u>60,991,013</u>
NET POSITION - JUNE 30, 2017					<u>\$ 66,394,428</u>

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, 2017**

	General Fund	Special Revenue Funds					Debt Service Fund	Capital Projects Funds		Total Governmental Funds
	Education Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund	Working Cash Fund	Tort Immunity Fund	Bond and Interest Fund	Capital Projects Fund	Fire Prevention and Safety Fund	
ASSETS										
Cash and Investments	\$ 12,217,824	\$ 4,093,670	\$ 2,104,787	\$ 791,171	\$ 3,826,993	\$ 1,537,535	\$ 2,917,848	\$ 17,939,363	\$ 113,648	\$ 45,542,839
TOTAL ASSETS	\$ 12,217,824	\$ 4,093,670	\$ 2,104,787	\$ 791,171	\$ 3,826,993	\$ 1,537,535	\$ 2,917,848	\$ 17,939,363	\$ 113,648	\$ 45,542,839
LIABILITIES AND FUND BALANCES										
LIABILITIES	\$ (35,595)	\$ 18,720	\$ (784)	\$ (1,150)	\$ -	\$ (103,209)	\$ -	\$ -	\$ -	\$ (122,018)
FUND BALANCES										
Restricted										
Insurance Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,640,744	\$ -	\$ -	\$ -	\$ 1,640,744
Technology Leasing	215,454	-	-	-	-	-	-	-	-	215,454
Operations and Maintenance	-	4,074,950	-	-	-	-	-	-	-	4,074,950
Transportation Services	-	-	2,105,571	-	-	-	-	-	-	2,105,571
Employee Benefits Payments	-	-	-	792,321	-	-	-	-	-	792,321
Interfund Borrowing	-	-	-	-	3,826,993	-	-	-	-	3,826,993
Bond Principal and	-	-	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-	2,917,848	-	-	2,917,848
Future Construction	-	-	-	-	-	-	-	17,939,363	113,648	18,053,011
Unassigned	12,037,965	-	-	-	-	-	-	-	-	12,037,965
Total Fund Balances	\$ 12,253,419	\$ 4,074,950	\$ 2,105,571	\$ 792,321	\$ 3,826,993	\$ 1,640,744	\$ 2,917,848	\$ 17,939,363	\$ 113,648	\$ 45,664,857
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,217,824	\$ 4,093,670	\$ 2,104,787	\$ 791,171	\$ 3,826,993	\$ 1,537,535	\$ 2,917,848	\$ 17,939,363	\$ 113,648	\$ 45,542,839

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, 2017**

Total Fund Balances - Governmental Funds	\$	45,664,857
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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	\$	57,739,052	
Accumulated Depreciation		(20,354,481)	37,384,571

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	\$	(16,655,000)	
Capital Leases		-	(16,655,000)

Total Net Position of Governmental Activities	\$	66,394,428
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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, 2017**

	General Fund	Special Revenue Funds						Debt Service Fund	Capital Projects Funds		Total Governmental Funds
		Education Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund	Working Cash Fund	Tort Immunity Fund		Capital Projects Fund	Fire Prevention and Safety Fund	
<b>RECEIPTS</b>											
Taxes	\$ 13,853,609	\$ 1,881,180	\$ 3,343,792	\$ 688,781	\$ 170,892	\$ 265,597	\$ 2,283,663	\$	\$	\$ 59,029	\$ 22,546,543
Tuition	114,779	-	-	-	-	-	-	-	-	-	114,779
Transportation Fees	290,921	-	103,658	-	-	-	-	-	-	-	103,658
Earnings on Investments	157,560	75,304	99,042	14,948	218,256	32,637	47,947	-	155,142	1,828	936,025
Food Service Fees	43,975	-	-	-	-	-	-	-	-	-	157,560
Pupil Activity Fees	13,801	-	-	-	-	-	-	-	-	-	43,975
Textbook Fees	20,000	-	-	-	-	-	-	-	-	-	13,801
Rentals	453,473	-	-	9,182	-	-	-	-	-	-	20,000
Refund of Prior Year Disbursements	6,943	-	-	-	-	-	-	-	-	-	462,655
Other	146,801	-	-	-	-	-	-	-	-	-	6,943
Local Fees	12,428,333	-	141,971	-	-	-	-	-	-	-	146,801
State Aid	1,419,833	-	-	-	-	-	-	-	-	-	12,570,304
Federal Aid	28,950,028	\$ 1,956,484	\$ 3,688,463	\$ 712,811	\$ 389,148	\$ 298,284	\$ 2,331,610	\$	\$ 155,142	\$ 60,857	1,419,833
<b>TOTAL RECEIPTS</b>											
	\$ 17,282,901	\$ -	\$ -	\$ 117,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,400,613
<b>DISBURSEMENTS</b>											
Current											
Instruction	429,094	-	-	10,911	-	-	-	-	-	-	440,005
Regular Programs	1,435,664	-	-	70,399	-	-	-	-	-	-	1,506,063
Pre-K Programs	383,082	-	-	1,858	-	-	-	-	-	-	384,940
Special Education Programs	328,953	-	-	13,307	-	-	-	-	-	-	342,260
Remedial and Supplemental Programs	1,033,623	-	-	32,862	-	-	-	-	-	-	1,066,485
Interscholastic Programs											
Bilingual Programs	1,356,611	-	-	46,783	-	-	-	-	-	-	1,403,394
Support Services	849,465	-	-	17,493	-	-	-	-	-	-	866,958
Pupils	616,767	-	-	12,579	-	-	-	-	-	-	629,346
Instructional Staff	1,111,763	-	-	42,274	-	-	-	-	-	-	1,154,037
General Administration	1,250,113	-	-	154,933	-	-	-	-	-	-	1,405,046
School Administration	1,644,332	1,688,048	973,881	84,077	200,846	-	-	-	-	-	4,267,821
Business	125,278	-	-	13,774	-	-	-	-	-	-	139,053
Central	696,242	-	-	-	-	-	-	-	-	-	696,242
Community Services											
Nonprogrammed Charges											
Debt Service											
Principal											
Interest and Other Charges											
Capital Outlay	402,268	221,359	-	-	25,000	-	11,015,000	388,982	4,873,617	-	11,015,000
<b>TOTAL DISBURSEMENTS</b>	\$ 28,946,157	\$ 1,909,407	\$ 973,881	\$ 618,562	\$ 25,000	\$ 200,846	\$ 11,403,982	\$ 4,873,617	\$ 4,873,617	\$ -	\$ 48,951,852
<b>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	\$ 3,871	\$ 47,077	\$ 2,714,582	\$ 93,949	\$ 364,148	\$ 97,388	\$ (9,072,372)	\$ (4,718,475)	\$	\$ 60,857	\$ (10,408,975)
<b>OTHER FINANCING SOURCES (USES)</b>											
Proceeds of Bonds Sold	\$ -	\$ -	\$ -	\$ -	\$ 9,825,000	\$ -	\$ 9,330,000	\$ -	\$ -	\$ -	\$ 19,155,000
Accrued Interest on Bonds Sold	-	-	-	-	-	-	32,123	-	-	-	32,123
Premium (Discount) on Bonds Sold	-	-	-	-	-	-	628,937	-	-	-	628,937
Transfers In	-	3,800,000	-	53,465	-	-	-	13,100,000	-	-	16,953,465
Transfers Out	-	(3,300,000)	(3,800,000)	(9,853,465)	-	-	-	-	-	-	(16,953,465)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	\$ -	\$ 500,000	\$ (3,800,000)	\$ 53,465	\$ (9,853,465)	\$ -	\$ 9,981,060	\$ 13,100,000	\$	\$ -	\$ 19,816,060
<b>NET CHANGE IN FUND BALANCE</b>	\$ 3,871	\$ 547,077	\$ (1,085,418)	\$ 147,414	\$ 335,683	\$ 97,388	\$ 918,688	\$ 8,381,525	\$	\$ 60,857	\$ 9,407,085
<b>FUND BALANCE - JULY 1, 2016</b>	12,249,548	3,527,873	3,180,989	644,907	3,491,310	1,543,356	1,999,180	9,557,838		52,791	36,257,772
<b>FUND BALANCE - JUNE 30, 2017</b>	\$ 12,253,419	\$ 4,074,950	\$ 2,105,571	\$ 792,321	\$ 3,826,993	\$ 1,640,744	\$ 2,917,848	\$ 17,939,363	\$	\$ 113,648	\$ 45,664,857

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, 2017

Net Change in Fund Balance - Governmental Funds	\$	9,407,085
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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	\$	5,497,244	
Depreciation Expense		(1,360,914)	4,136,330

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

Proceeds of Bonds Issued	\$	(19,155,000)	
Proceeds of Capital Leases		-	(19,155,000)

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

Principal Paid on Long-Term Debt	\$	11,015,000	
Defeasance of Long-Term Debt Principal		-	11,015,000

Change in Net Position of Governmental Activities	\$	5,403,415
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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, 2017

ASSETS

Cash In Bank Accounts	\$ 47,383
TOTAL ASSETS	<u>\$ 47,383</u>

LIABILITIES

Due to Student Groups	\$ 41,832
Due to Employee's Benefits Fund	<u>5,551</u>
TOTAL LIABILITIES	<u>\$ 47,383</u>

NET POSITION	<u><u>\$ 0</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, 2017

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 2017 the District adopted or considered the following Governmental Accounting Standards Board (GASB) Statements:

- GASBS No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- GASBS No. 77, *Tax Abatement Disclosures*
- GASBS No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*
- GASBS No. 80, *Blending Requirements for Certain Component Units*
- GASBS No. 82, *Pension Issues—an Amendment of GASB Statement No. 67, No. 68 and No. 73*

*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, 2017  
(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, 2017  
(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:

	<u>Depreciation Method</u>	<u>Estimated 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, 2017  
(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, 2016 to June 30, 2017 budget, which was not amended, was approved by the Board of Education on September 27, 2016. 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, 2017, the carrying amount of the District's Imprest deposit account was \$2,500; the bank balance was \$2,140. This deposit account is categorized in accordance with risk factors created by governmental reporting standards. At June 30, 2017, 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, 2017 the deposits in the student activity and employees flexible benefits accounts had a carrying amount of \$41,832 and \$5,551, respectively, and the bank balances were \$49,127 and \$5,551, respectively. At June 30, 2017, 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, 2017**  
(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, 2017, 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, 2017, the carrying amount of the District's cash and investments was \$45,540,339. 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, 2016	Additions	Deletions	Balance June 30, 2017
Capital Assets not Being Depreciated				
Land	\$ 307,362	\$ -	\$ -	\$ 307,362
Construction-in-Progress	-	1,957,331	-	1,957,331
Total Capital Assets not Being Depreciated	<u>\$ 307,362</u>	<u>\$ 1,957,331</u>	<u>\$ -</u>	<u>\$ 2,264,693</u>
Capital Assets Being Depreciated				
Land Improvements	\$ 381,391	\$ 569,223	\$ -	\$ 950,614
Building and Improvements	45,043,568	2,399,207	-	47,442,775
Equipment	6,509,487	571,483	-	7,080,970
Total Capital Assets Being Depreciated	<u>\$ 51,934,446</u>	<u>\$ 3,539,913</u>	<u>\$ -</u>	<u>\$ 55,474,359</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ (292,057)	\$ (39,284)	\$ -	\$ (331,341)
Building and Improvements	(14,292,228)	(948,855)	-	(15,241,083)
Equipment	(4,409,282)	(372,775)	-	(4,782,057)
Total Accumulated Depreciation	<u>\$ (18,993,567)</u>	<u>\$ (1,360,914)</u>	<u>\$ -</u>	<u>\$ (20,354,481)</u>
Total Capital Assets being Depreciated, net of Accumulated Depreciation	<u>\$ 32,940,879</u>	<u>\$ 2,178,999</u>	<u>\$ -</u>	<u>\$ 35,119,878</u>
Capital Assets, net of Accumulated Depreciation	<u>\$ 33,248,241</u>	<u>\$ 4,136,330</u>	<u>\$ -</u>	<u>\$ 37,384,571</u>

Depreciation was not charged to any specific function.

The total amount of assets acquired under capital leases is \$98,244 and has been included in capital assets as equipment. At June 30, 2017 the accumulated depreciation related to these assets was \$49,120.

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**  
(Continued)

**4. LONG-TERM DEBT**

*Changes in General Long-Term Debt*

	Balance July 1, 2016	Proceeds	Retired/ Defeased	Balance June 30, 2017	Amounts Due Within One Year
2010 Refunding Bonds	\$ 3,865,000	\$ -	\$ 585,000	\$ 3,280,000	\$ 605,000
2012 Working Cash Fund and Refunding Bonds	4,650,000	-	605,000	4,045,000	625,000
2016 Debt Certificates	-	9,825,000	9,825,000	-	-
2017-A Refunding Bonds	-	8,315,000	-	8,315,000	435,000
2017-B Refunding Bonds	-	1,015,000	-	1,015,000	1,015,000
	<u>\$ 8,515,000</u>	<u>\$ 19,155,000</u>	<u>\$ 11,015,000</u>	<u>\$ 16,655,000</u>	<u>\$ 2,680,000</u>

*Cash Flow Requirements*

At June 30, 2017, 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	2018	4.00%	\$ 605,000	\$ 119,100	\$ 724,100
	2019	4.00%	625,000	94,500	719,500
	2020	4.00%	660,000	68,800	728,800
	2021	4.00%	680,000	42,000	722,000
	2022	4.00%	710,000	14,200	724,200
			<u>\$ 3,280,000</u>	<u>\$ 338,600</u>	<u>\$ 3,618,600</u>
Amount Available in Debt Service Fund					417,930
Amount to be Provided in the Future					<u>\$ 3,200,670</u>
2012 Working Cash Fund and Refunding Bonds, Original Issue of \$9,315,000, Dated March 12, 2012	2018	3.00%	\$ 625,000	\$ 111,975	\$ 736,975
	2019	3.00%	640,000	93,000	733,000
	2020	3.00%	665,000	73,425	738,425
	2021	3.00%	685,000	53,175	738,175
	2022	3.00%	705,000	32,325	737,325
	2023	3.00%	725,000	10,875	735,875
			<u>\$ 4,045,000</u>	<u>\$ 374,775</u>	<u>\$ 4,419,775</u>
Amount Available in Debt Service Fund					512,624
Amount to be Provided in the Future					<u>\$ 3,907,151</u>

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017  
(Continued)

4. LONG-TERM DEBT (continued)

*Cash Flow Requirements (continued)*

	Year Ending June 30,	Interest Rates	Principal	Interest	Total
2017-A Refunding Bonds, Original Issue of \$8,315,000, Dated January 24, 2017	2018	3.00-4.00%	\$ 435,000	\$ 437,524	\$ 872,524
	2019	4.00%	1,165,000	291,900	1,456,900
	2020	4.00%	1,120,000	246,200	1,366,200
	2021	4.00%	835,000	207,100	1,042,100
	2022	4.00%	910,000	172,200	1,082,200
	2023	4.00%	985,000	134,300	1,119,300
	2024	4.00%	1,835,000	77,900	1,912,900
	2025	4.00%	1,030,000	20,600	1,050,600
			<u>\$ 8,315,000</u>	<u>\$ 1,587,724</u>	<u>\$ 9,902,724</u>
Amount Available in Debt Service Fund					375,219
Amount to be Provided in the Future					<u>\$ 9,527,505</u>
2017-B Refunding Bonds, Original Issue of \$1,015,000, Dated January 24, 2017	2018	1.17%	1,015,000	10,127	1,025,127
			<u>\$ 1,015,000</u>	<u>\$ 10,127</u>	<u>\$ 1,025,127</u>
Amount Available in Debt Service Fund					538,024
Amount to be Provided in the Future					<u>\$ 487,103</u>
Total All Bond Issues	2018		\$ 2,680,000	\$ 678,726	\$ 3,358,726
	2019		2,430,000	479,400	2,909,400
	2020		2,445,000	388,425	2,833,425
	2021		2,200,000	302,275	2,502,275
	2022		2,325,000	218,725	2,543,725
	2023		1,710,000	145,175	1,855,175
	2024		1,835,000	77,900	1,912,900
	2025		1,030,000	20,600	1,050,600
			<u>\$ 16,655,000</u>	<u>\$ 2,311,226</u>	<u>\$ 18,966,226</u>
Amount Available in Debt Service Fund					1,843,797
Amount to be Provided in the Future					<u>\$ 17,122,429</u>

In addition there remains a balance of \$1,074,051 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 \$429,224,523, the most recent available assessed valuation of the District. Thus, the District's remaining debt margin at June 30, 2017, is \$12,961,492, which is 43.76 percent of its total legal debt limit.

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**  
**(Continued)**

**5. LEASE OBLIGATION**

The District leases certain office equipment under an operating lease expiring in fiscal year 2021. Lease payments made under this operating lease for the year ended June 30, 2017 were \$70,505. The minimum future rental payments under this non-cancelable operating lease, in the aggregate are:

Year Ending June 30,	Amount
2018	\$ 90,126
2019	83,193
2020	83,193
2021	13,866
	\$ 270,378

**6. FUND BALANCE REPORTING**

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

*Nonspendable Fund Balance*

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

*Restricted Fund Balance*

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

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

*Special Education* - Proceeds from the Special Education special tax levy and related disbursements have been included in the operations of the general (education) fund. At June 30, 2017, 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, 2017, the cumulative technology leasing receipts have exceeded related cumulative disbursements in the general (education) fund and, accordingly, the June 30, 2017 fund balance of the general (education) fund is restricted for future technology leasing disbursements in the amount of \$215,454, which represents the cumulative excess.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017  
(Continued)

6. FUND BALANCE REPORTING (continued)

*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.

*Net Position Restrictions*

The district-wide statement of net position reports \$33,626,892 of restricted net position, all of which is restricted by enabling legislation for specific purposes.

7. RETIREMENT FUND COMMITMENTS

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

*Plan Description*

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the system's administration.

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

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017  
(Continued)

7. RETIREMENT FUND COMMITMENTS

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

*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.

*Contributions*

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016 was 9.4 percent of creditable earnings. On July 1, 2016, the rate dropped to 9.0 percent of pay due to the expiration of the Early Retirement Option (ERO). 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, 2017, 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 \$8,858,854 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, 2017 were \$72,855.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017  
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

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

*Contributions (continued)*

*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, 2017, the employer pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$186,290 were paid from federal and special trust funds that required employer contributions of \$71,796.

*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 ERO. The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the District paid \$-0- to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

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, 2017, the district paid \$-0- to TRS for employer contributions due on salary increases in excess of 6 percent and \$-0- for sick leave days granted in excess of the normal annual allotment.

*Net Pension Liability and Pension Expense*

At June 30, 2017, the District's proportionate share of the net pension liability (first amount shown below) reflects a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The District's proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 2,550,794
State's proportionate share of the net pension liability associated with the District	<u>90,206,764</u>
	<u>\$ 92,757,558</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. 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, 2016, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2016 the District's proportion was 0.0032314687%, which was an increase of .0001539774 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$8,858,854 and revenue of \$8,858,854 for support provided by the state.



**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**  
(Continued)

**7. RETIREMENT FUND COMMITMENTS (continued)**

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

*Actuarial Assumptions*

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: the Inflation Rate was assumed to be 2.50%; Salary Increases were varied by service credit; and, the Investment Rate of Return was assumed to be 7.00%, net of pension plan investment expense, including inflation.

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

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.50 percent to 7.00 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equities Large Cap	14.4%	6.94%
U.S. Equities Small/Mid Cap	3.6%	8.09%
International Equities Developed	14.4%	7.46%
Emerging Market Equities	3.6%	10.15%
U.S. Bonds Core	10.7%	2.44%
International Debt Developed	5.3%	1.70%
Real Estate	15.0%	5.44%
Commodities (Real Return)	11.0%	4.28%
Hedge Funds (Absolute Return)	8.0%	4.16%
Private Equity	14.0%	10.63%
	<u>100.0%</u>	

*Discount Rate*

At June 30, 2016, the discount rate used to measure the total pension liability was a blended rate of 6.83 percent, which was a change from the June 30, 2015 rate of 7.47 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.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
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(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

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

*Discount Rate (continued)*

Based on those assumptions, TRS's fiduciary net position at June 30, 2016 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2015, the discount rate used to measure the total pension liability was 7.47 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well because TRS's fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.83 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 (5.83 percent) or 1-percentage-point higher (7.83 percent) than the current rate.

	1% Decrease (5.83%)	Current Discount Rate (6.83%)	1% Increase (7.83%)
District's Proportionate Share of the Net Pension Liability	\$ 3,119,724	\$ 2,550,794	\$ 2,086,128

*TRS Fiduciary Net Position*

Detailed information about TRS's fiduciary net position as of June 30, 2016 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.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017  
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

TEACHERS HEALTH INSURANCE SECURITY FUND (continued)

*Benefits Provided (continued)*

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

*Contributions*

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

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

*On-Behalf Contributions to the THIS Fund:* The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members, which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$140,686 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 0.84 percent during the year ended June 30, 2017. For the year ended June 30, 2017, the District paid \$105,514 to the THIS fund, which was 100 percent of the required contribution.

*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.

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017  
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

*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 1) 3% of the original pension amount, or 2) 1/2 of the increase in the Consumer Price Index (CPI) of the original pension amount.

*Employees Covered by the Benefit Terms*

As of December 31, 2016, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	66
Inactive Plan Members entitled to but not yet receiving benefits	198
Active Plan Members	80
Total	<u>344</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 2016 was 7.87 percent. The District's actual contribution for calendar year 2016 was \$204,949. 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, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**  
(Continued)

**7. RETIREMENT FUND COMMITMENTS (continued)**

**ILLINOIS MUNICIPAL RETIREMENT FUND (continued)**

*Actuarial Assumptions*

The following are the methods and assumptions used to determine total pension liability at December 31, 2016; The Actuarial Cost Method used was Entry Age Normal; the Asset Valuation Method used was Market Value of Assets; the Inflation Rate was assumed to be 2.75%; Salary Increases were expected to be 3.75% to 14.50% including inflation; the Investment Rate of Return was assumed to be 7.50%; the Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study from years 2011 to 2013; the IMRF-specific Rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant 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 weighting 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:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65-7.35%
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 3.78% and the resulting single discount rate is 7.50%.

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**  
(Continued)

**7. RETIREMENT FUND COMMITMENTS (continued)**

**ILLINOIS MUNICIPAL RETIREMENT FUND (continued)**

*Changes in Net Pension Liability*

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2015	\$ 9,006,311	\$ 8,574,812	\$ 431,499
Changes for the Year:			
Service Cost	241,379	-	241,379
Interest on the Total Pension Liability	666,124	-	666,124
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	100,876	-	100,876
Changes of Assumptions	-	-	-
Contributions - Employer	-	204,949	(204,949)
Contributions - Employees	-	117,188	(117,188)
Net Investment Income	-	583,239	(583,239)
Benefit Payments, including Refunds of Employee Contributions	(490,704)	(490,704)	-
Other (Net Transfer)	-	63,905	(63,905)
Net Changes	517,675	478,577	39,098
Balances at December 31, 2016	<u>\$ 9,523,986</u>	<u>\$ 9,053,389</u>	<u>\$ 470,597</u>

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

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

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 10,665,046	\$ 9,523,986	\$ 8,580,646
Plan Fiduciary Net Position	9,053,389	9,053,389	9,053,389
Net Pension Liability (Asset)	<u>\$ 1,611,657</u>	<u>\$ 470,597</u>	<u>\$ (472,743)</u>

**TOTAL PENSION-RELATED LIABILITIES**

The total of the District's net pension liabilities at June 30, 2017 is as follows:

	Net Pension Liability
Teachers' Retirement System (TRS)	\$ 2,550,794
Illinois Municipal Retirement Fund (IMRF)	470,597
	<u>\$ 3,021,391</u>

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**  
(Continued)

**8. JOINT AGREEMENTS**

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

*Niles Township District for Special Education*

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

**9. PROPERTY TAXES**

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2016 Levy was passed by the Board on December 20, 2016. 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 2016 and 2015 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	
		2016 Levy	2015 Levy
Educational	3.5000	\$ 2.9767	\$ 3.5000
Tort Immunity	*	0.0360	0.1131
Special Education	0.4000	0.3402	0.3959
Operations and Maintenance	0.5500	0.4678	0.5500
Bond and Interest	*	0.7805	0.4278
Transportation	*	0.8779	0.9155
Municipal Retirement	*	0.0660	0.0735
Social Security	*	0.1032	0.1145
Fire Prevention and Safety	0.1000	0.0048	0.0283
Working Cash	0.0500	0.0425	0.0500
		<u>\$ 5.6956</u>	<u>\$ 6.1686</u>

\* As Needed

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**  
**(Continued)**

**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 from all funds for tort immunity purposes for the year ended June 30, 2017:

Workers Compensation Insurance	\$ 94,140
Unemployment Insurance	7,434
Property and Liability Insurance	55,498
Risk Management Services	43,774
	<u>\$ 200,846</u>

**12. OVER-EXPENDITURE OF BUDGET**

For the year ended June 30, 2017, actual direct disbursements exceeded the budgeted disbursements in the following funds:

	Actual	Budget	Excess
General Fund			
Educational - Direct	\$ 19,946,617	\$ 20,193,028	\$ (246,411)
Educational - "On-Behalf" TRS payments	8,999,540	3,700,000	5,299,540
Total General Fund	<u>\$ 28,946,157</u>	<u>\$ 23,893,028</u>	<u>\$ 5,053,129</u>
Special Revenue Funds			
Municipal Retirement/Social Security Fund	\$ 618,962	\$ 615,949	\$ 3,013
Debt Service Fund			
Bond and Interest	\$ 11,324,679	\$ 1,463,325	\$ 9,861,354

**13. CONSTRUCTION COMMITMENTS**

At June 30, 2017, the District had pending construction project contracts in progress. The District is committed to approximately \$15,610,186 in remaining disbursements for various District-wide construction projects. These disbursements are expected to be paid from available fund balances in the capital projects fund.



SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017  
(Continued)

14. INTER-FUND BALANCES AND TRANSFERS

During the year ended June 30, 2017, the District made the following inter-fund transfers of interest earnings as permitted by the Illinois School Code. These amounts were considered excess fund balance and were transferred to the fund deemed most in need of such fund balance.

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

During the year ended June 30, 2017, the District also made the following inter-fund transfers of fund balance as permitted by the Illinois School Code. These transfers were made to fund construction projects in progress.

	Transferred To	Transferred From
Special Revenue Funds		
Operations and Maintenance Fund	\$ 3,800,000	\$ 3,300,000
Transportation Fund		\$ 3,800,000
Working Cash Fund		\$ 9,800,000
Capital Projects Funds		
Capital Projects Fund	\$ 13,100,000	

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATION FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Original and Final Budget	Actual
<b>RECEIPTS</b>		
Receipts from Local Sources		
Taxes	\$ 14,594,149	\$ 13,853,609
Tuition	93,000	114,779
Earnings on Investments	170,000	290,921
Food Service Fees	108,000	157,560
Pupil Activity Fees	27,000	43,975
Textbook Fees	14,300	13,801
Rentals	-	20,000
Services Provided Other Districts	-	146,801
Refund of Prior Years' Expenditures	-	453,473
Other	-	6,943
Total Receipts from Local Sources	<u>\$ 15,006,449</u>	<u>\$ 15,101,862</u>
Receipts from State Sources		
General State Aid	\$ 2,842,816	\$ 2,860,310
State Free Lunch and Breakfast	7,500	2,420
Special Education	641,315	462,148
Early Childhood Block Grant	222,710	22,369
Bilingual Education	205,516	81,546
Total Receipts from State Sources	<u>\$ 3,919,857</u>	<u>\$ 3,428,793</u>
Receipts from Federal Sources		
National School Lunch and Breakfast Programs	\$ 360,000	\$ 376,310
Title I - Low Income	860,000	448,669
Federal Special Education - IDEA - Flow-Through	-	461,865
Title II - Teacher Quality	77,149	34,418
Title III - Language Instruction Program	44,770	50,380
Medicaid Matching Funds	-	48,191
Total Receipts from Federal Sources	<u>\$ 1,341,919</u>	<u>\$ 1,419,833</u>
 Total Direct Receipts	 \$ 20,268,225	 \$ 19,950,488
"On-Behalf" Receipt for Retirement Benefits	<u>3,700,000</u>	<u>8,999,540</u>
 TOTAL RECEIPTS	 \$ 23,968,225	 \$ 28,950,028
 DISBURSEMENTS	 <u>23,893,028</u>	 <u>28,946,157</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ 75,197</u>	 \$ 3,871
 FUND BALANCE - JULY 1, 2016		<u>12,249,548</u>
 FUND BALANCE - JUNE 30, 2017		<u>\$ 12,253,419</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, 2017

INSTRUCTION	Original and Final Budget	Actual
Regular Programs		
Salaries	\$ 6,836,367	\$ 7,107,276
Employee Benefits	934,711	911,470
Purchased Services	197,200	100,135
Supplies & Materials	296,588	164,480
Other	15,000	-
Total Regular Programs	<u>\$ 8,279,866</u>	<u>\$ 8,283,361</u>
Pre-K Programs		
Salaries	\$ 284,497	\$ 362,479
Employee Benefits	49,346	48,527
Purchased Services	400	2,584
Supplies & Materials	9,746	15,504
Total Pre-K Programs	<u>\$ 343,989</u>	<u>\$ 429,094</u>
Special Education Programs		
Salaries	\$ 1,141,541	\$ 1,221,838
Employee Benefits	214,346	173,422
Supplies & Materials	29,300	19,172
Tuition	-	21,232
Total Special Education Programs	<u>\$ 1,385,187</u>	<u>\$ 1,435,664</u>
Remedial & Supplemental Programs		
Salaries	\$ 243,932	\$ 200,247
Employee Benefits	83,160	20,221
Purchased Services	224,000	111,933
Supplies & Materials	142,250	50,681
Capital Outlay	-	44,960
Total Remedial & Supplemental Programs	<u>\$ 693,342</u>	<u>\$ 428,042</u>
Bilingual Programs		
Salaries	\$ 803,403	\$ 864,165
Employee Benefits	136,117	157,523
Supplies & Materials	12,000	11,935
Total Bilingual Programs	<u>\$ 951,520</u>	<u>\$ 1,033,623</u>
Interscholastic Programs		
Salaries	\$ 40,984	\$ 320,047
Employee Benefits	25,980	3,286
Purchased Services	4,000	5,620
Total Interscholastic Programs	<u>\$ 70,964</u>	<u>\$ 328,953</u>
TOTAL INSTRUCTION	<u>\$ 11,724,868</u>	<u>\$ 11,938,737</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, 2017

SUPPORT SERVICES	Original and Final Budget	Actual
Pupils		
Salaries	\$ 1,151,684	\$ 1,180,000
Employee Benefits	154,508	162,422
Supplies & Materials	22,500	14,189
Total Pupils	<u>\$ 1,328,692</u>	<u>\$ 1,356,611</u>
Instructional Staff		
Salaries	\$ 332,385	\$ 531,636
Employee Benefits	116,958	76,767
Purchased Services	242,303	213,019
Supplies & Materials	22,700	28,043
Total Instructional Staff	<u>\$ 714,346</u>	<u>\$ 849,465</u>
General Administration		
Salaries	\$ 215,502	\$ 287,364
Employee Benefits	60,132	24,653
Purchased Services	305,250	273,473
Supplies & Materials	22,000	18,117
Other	14,000	13,160
Total General Administration	<u>\$ 616,884</u>	<u>\$ 616,767</u>
School Administration		
Salaries	\$ 790,384	\$ 986,104
Employee Benefits	191,802	110,145
Purchased Services	30,000	9,791
Supplies & Materials	3,000	1,003
Other	7,500	4,720
Total School Administration	<u>\$ 1,022,686</u>	<u>\$ 1,111,763</u>
Business		
Salaries	\$ 400,908	\$ 487,918
Employee Benefits	70,456	68,226
Purchased Services	880,000	684,119
Supplies & Materials	14,000	9,785
Capital Outlay	5,000	-
Other	5,000	65
Total Business	<u>\$ 1,375,364</u>	<u>\$ 1,250,113</u>
Central		
Salaries	\$ 977,154	\$ 1,202,490
Employee Benefits	179,573	151,496
Purchased Services	151,325	99,104
Supplies & Materials	396,830	176,821
Capital Outlay	490,000	357,308
Other	21,500	14,421
Total Central	<u>\$ 2,216,382</u>	<u>\$ 2,001,640</u>
TOTAL SUPPORT SERVICES	<u>\$ 7,274,354</u>	<u>\$ 7,186,359</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, 2017

	Original and Final Budget	Actual
COMMUNITY SERVICES		
Salaries	\$ 89,818	\$ 90,170
Employee Benefits	560	112
Purchased Services	60,028	34,316
Supplies & Materials	3,400	681
Other	150,000	-
TOTAL COMMUNITY SERVICES	<u>\$ 303,806</u>	<u>\$ 125,279</u>
NONPROGRAMMED CHARGES		
Other	<u>\$ 850,000</u>	<u>\$ 696,242</u>
PROVISION FOR CONTINGENCIES	<u>\$ 40,000</u>	<u>\$ -</u>
Total Direct Disbursements	\$ 20,193,028	\$ 19,946,617
"On-Behalf" Disbursement for Retirement Benefits	<u>3,700,000</u>	<u>8,999,540</u>
TOTAL DISBURSEMENTS	<u><u>\$ 23,893,028</u></u>	<u><u>\$ 28,946,157</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, 2017**

	<u>Original and Final Budget</u>	<u>Actual</u>
<b>RECEIPTS</b>		
Receipts from Local Sources		
Taxes	\$ 1,989,731	\$ 1,881,180
Earnings on Investments	60,000	75,304
<b>TOTAL RECEIPTS</b>	<u>\$ 2,049,731</u>	<u>\$ 1,956,484</u>
<b>DISBURSEMENTS</b>		
Support Services		
Operations and Maintenance		
Salaries	\$ 653,087	\$ 651,004
Employee Benefits	128,380	144,148
Purchased Services	591,000	461,392
Supplies & Materials	498,000	424,630
Capital Outlay	720,000	221,359
Other	-	6,874
Total Support Services	<u>\$ 2,590,467</u>	<u>\$ 1,909,407</u>
Provision for Contingencies	10,000	-
<b>TOTAL DISBURSEMENTS</b>	<u>\$ 2,600,467</u>	<u>\$ 1,909,407</u>
<b>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>\$ (550,736)</u>	<u>\$ 47,077</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	\$ 4,000,000	\$ 3,800,000
Transfers Out	<u>(3,500,000)</u>	<u>(3,300,000)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (50,736)</u></u>	<u>\$ 547,077</u>
<b>FUND BALANCE - JULY 1, 2016</b>		<u>3,527,873</u>
<b>FUND BALANCE - JUNE 30, 2017</b>		<u><u>\$ 4,074,950</u></u>

See accompanying Independent Auditor's Report.

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TRANSPORTATION FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Original and Final Budget	Actual
<b>RECEIPTS</b>		
Receipts from Local Sources		
Taxes	\$ 3,312,030	\$ 3,343,792
Earnings on Investments	45,000	99,042
Transportation Fees	104,000	103,658
Total Receipts from Local Sources	\$ 3,461,030	\$ 3,546,492
Receipts from State Sources		
State Transportation Aid	125,000	141,971
<b>TOTAL RECEIPTS</b>	<b>\$ 3,586,030</b>	<b>\$ 3,688,463</b>
<b>DISBURSEMENTS</b>		
Support Services		
Pupil Transportation		
Salaries	\$ 17,404	\$ 8,415
Employee Benefits	4,223	854
Purchased Services	1,035,506	964,062
Supplies	500	550
Total Support Services	\$ 1,057,633	\$ 973,881
Provision for Contingencies	30,000	-
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 1,087,633</b>	<b>\$ 973,881</b>
<b>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>\$ 2,498,397</b>	<b>\$ 2,714,582</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers Out	(4,000,000)	(3,800,000)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,501,603)</b>	<b>\$ (1,085,418)</b>
<b>FUND BALANCE - JULY 1, 2016</b>		<b>3,190,989</b>
<b>FUND BALANCE - JUNE 30, 2017</b>		<b>\$ 2,105,571</b>

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, 2017

RECEIPTS	Original and Final Budget	Actual
Receipts from Local Sources		
Taxes	\$ 696,300	\$ 688,781
Earnings on Investments	7,500	14,948
Refund of Prior Years' Expenditures	-	9,182
TOTAL RECEIPTS	\$ 703,800	\$ 712,911
DISBURSEMENTS		
Employee Benefits		
Instruction		
Regular Programs	\$ 97,944	\$ 117,712
Pre-K Programs	9,826	10,911
Special Education Programs	82,738	70,399
Remedial and Supplemental Programs	3,537	1,858
Bilingual Programs	31,701	32,862
Interscholastic Programs	7,250	13,307
Total Instruction	\$ 232,996	\$ 247,049
Support Services		
Attendance and Social Work Services	\$ 5,992	\$ 6,093
Health Services	18,173	16,335
Psychological Services	3,571	3,667
Speech Pathology and Audiology Services	3,441	3,283
Other	19,239	17,405
Improvement of Instruction	-	3,793
Educational Media Services	15,732	13,700
Executive Administration Services	14,224	12,579
Office of the Principal Services	37,616	42,274
Direction of Business Support Services	3,046	2,317
Fiscal Services	35,632	35,067
Operations and Maintenance Services	94,215	97,418
Pupil Transportation Services	1,758	121
Food Services	21,422	20,010
Direction of Central Support Services	2,108	5,538
Planning, Research, Development and Evaluation Services	20,514	16,987
Staff Services	-	497
Data Processing Services	50,381	61,055
Total Support Services	\$ 347,064	\$ 358,139
Community Services	\$ 15,889	\$ 13,774
Provision for Contingencies	\$ 20,000	\$ -
TOTAL DISBURSEMENTS	\$ 615,949	\$ 618,962
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 87,851	\$ 93,949
OTHER FINANCING SOURCES (USES)		
Transfers In	53,465	53,465
NET CHANGE IN FUND BALANCE	\$ 141,316	\$ 147,414
FUND BALANCE - JULY 1, 2016		644,907
FUND BALANCE - JUNE 30, 2017		\$ 792,321

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, 2017**

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 180,884	\$ 170,892
Earnings on Investments	50,000	218,256
TOTAL RECEIPTS	\$ 230,884	\$ 389,148
DISBURSEMENTS	-	-
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 230,884	\$ 389,148
OTHER FINANCING SOURCES (USES)		
Principal on Bonds Sold	\$ -	\$ 9,825,000
Costs of Bond Issuance	-	(25,000)
Transfers Out	(53,465)	(9,853,465)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (53,465)	\$ (53,465)
NET CHANGE IN FUND BALANCE	\$ 177,419	\$ 335,683
FUND BALANCE - JULY 1, 2016		3,491,310
FUND BALANCE - JUNE 30, 2017		\$ 3,826,993

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, 2017**

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 409,204	\$ 265,597
Earnings on Investments	25,000	32,637
TOTAL RECEIPTS	<u>\$ 434,204</u>	<u>\$ 298,234</u>
DISBURSEMENTS		
Support Services		
Insurance Services		
Salaries	\$ 38,415	\$ 40,192
Employee Benefits	10,886	3,582
Purchased Services	225,000	157,072
TOTAL DISBURSEMENTS	<u>\$ 274,301</u>	<u>\$ 200,846</u>
NET CHANGE IN FUND BALANCE	<u>\$ 159,903</u>	<u>\$ 97,388</u>
FUND BALANCE - JULY 1, 2016		<u>1,543,356</u>
FUND BALANCE - JUNE 30, 2017		<u>\$ 1,640,744</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, 2017**

	Original and Final Budget	Actual
<b>RECEIPTS</b>		
Receipts from Local Sources		
Taxes	\$ 1,547,729	\$ 2,283,663
Earnings on Investments	30,000	47,947
<b>TOTAL RECEIPTS</b>	<u>\$ 1,577,729</u>	<u>\$ 2,331,610</u>
<b>DISBURSEMENTS</b>		
Debt Service		
Bond Principal Retired	\$ 1,190,000	\$ 11,015,000
Interest on Bonds	273,325	308,804
Fees on Bonds	-	875
<b>TOTAL DISBURSEMENTS</b>	<u>\$ 1,463,325</u>	<u>\$ 11,324,679</u>
<b>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>\$ 114,404</u>	<u>\$ (8,993,069)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Principal on Bonds Sold	\$ -	\$ 9,330,000
Premium (Discount) on Bonds Sold	-	628,937
Accrued Interest on Bonds Sold	-	32,123
Costs of Bond Issuance	-	(79,303)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ -</u>	<u>\$ 9,911,757</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ 114,404</u></u>	<u>\$ 918,688</u>
<b>FUND BALANCE - JULY 1, 2016</b>		<u>1,999,160</u>
<b>FUND BALANCE - JUNE 30, 2017</b>		<u><u>\$ 2,917,848</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, 2017

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Earnings on Investments	\$ 60,000	\$ 155,142
TOTAL RECEIPTS	\$ 60,000	\$ 155,142
DISBURSEMENTS		
Facilities Acquisition and Construction		
Capital Outlay	\$ 11,200,000	\$ 4,873,617
TOTAL DISBURSEMENTS	\$ 11,200,000	\$ 4,873,617
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (11,140,000)	\$ (4,718,475)
OTHER FINANCING SOURCES (USES)		
Transfers In	3,500,000	13,100,000
NET CHANGE IN FUND BALANCE	\$ (7,640,000)	\$ 8,381,525
FUND BALANCE - JULY 1, 2016		9,557,838
FUND BALANCE - JUNE 30, 2017		\$ 17,939,363

See accompanying Independent Auditor's Report.

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FIRE PREVENTION AND SAFETY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 102,301	\$ 59,029
Earnings on Investments	<u>-</u>	<u>1,828</u>
TOTAL RECEIPTS	\$ 102,301	\$ 60,857
TOTAL DISBURSEMENTS	<u>30,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 72,301</u>	\$ 60,857
FUND BALANCE - JULY 1, 2016		<u>52,791</u>
FUND BALANCE - JUNE 30, 2017		<u>\$ 113,648</u>

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, 2017**

	Balance July 1, 2016	Receipts	Disbursements	Balance June 30, 2017
<b>ASSETS</b>				
Cash	\$ 58,798	\$ 84,731	\$ 96,146	\$ 47,383
<b>LIABILITIES</b>				
Due to Student Groups				
Edison Clubs	\$ -	\$ 220	\$ 370	\$ (150)
Edison Pop Machine	184	187	-	371
Edison School	3,239	5,538	4,068	4,709
Edison Coin Wars	105	-	-	105
Edison Garden Grant	1,964	-	1,964	-
Edison Healthy Kids Grant	311	-	311	-
Edison PTO Boxtops	-	5,089	-	5,089
Edison School Sunshine Fund	1,353	-	1,353	-
Edison Teacher Grants	32	-	-	32
Madison Pop Machine	23	-	23	-
Madison School	7,193	23	-	7,216
Madison Coin Wars	-	1,073	1,073	-
Madison PTO Boxtops	-	5,451	-	5,451
Madison School Store	751	-	-	751
Madison Teacher Grants	1	-	-	1
Lincoln Athletics	905	6,272	6,363	814
Lincoln Drama Club	2,498	3,184	1,640	4,042
Lincoln Graduation	595	8,323	9,481	(563)
Lincoln School	1,004	3,135	3,343	796
Lincoln School Store	1,145	165	162	1,148
Lincoln Pop Machine	103	54	-	157
Lincoln PTO Boxtops	-	4,633	-	4,633
Lincoln Student Government	1,330	-	-	1,330
Lincoln Fine Arts Boosters	357	1,266	1,250	373
Lincoln PE Pop Machine	576	17	210	383
Lincoln Teacher Grants	1,575	-	1,394	181
D69 Admin Discretionary Fund	-	1,500	-	1,500
Events	1,877	3,629	3,224	2,282
Fundraisers	1,244	3,989	4,429	804
Interest Income	377	-	-	377
PTA Boxtops Promotion	13,676	-	13,676	-
Total Due to Student Groups	\$ 42,418	\$ 53,748	\$ 54,334	\$ 41,832
Due to Employees				
Flexible Benefits Fund	16,380	30,983	41,812	5,551
<b>TOTAL LIABILITIES</b>	<b>\$ 58,798</b>	<b>\$ 84,731</b>	<b>\$ 96,146</b>	<b>\$ 47,383</b>
<b>NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying Independent Auditor's Report.

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Awarding Agency/ Pass-Through Agency/ Award Description	Federal CFDA Number	Agency or Pass-Through Entity Numbers	Receipts	Federal Disbursements/ Expenditures	Amounts Passed-Through to Subrecipients
<b>U S Department of Agriculture</b>					
Passed through Illinois State Board of Education					
<i>Child Nutrition Cluster</i>					
National School Lunch Program	10.555	17N1099	\$ 259,219	\$ 259,219	\$ -
National School Lunch Program	10.555	16N1099	50,810	50,810	-
National School Breakfast Program	10.553	17N1099	55,833	55,833	-
National School Breakfast Program	10.553	16N1099	10,448	10,448	-
Non-Cash - USDA Foods	10.555	2017-4299	35,858	35,858	-
Non-Cash - DoD Fruits and Vegetables	10.555	2017-4299	19,553	19,553	-
<i>Total Child Nutrition Cluster</i>			<u>431,721</u>	<u>431,721</u>	<u>-</u>
<b>Total U S Department of Agriculture</b>			<b>\$ 431,721</b>	<b>\$ 431,721</b>	<b>\$ -</b>
<b>U S Department of Education</b>					
Passed through Illinois State Board of Education					
Title I - Low Income	84.010	S010A160013	\$ 276,549	\$ 496,487	\$ -
Title I - Low Income	84.010	S010A150013	172,120	70,483	-
Title III - Language Instruction Program					
Limited English Proficiency	84.365	S365A160013	27,494	40,453	-
Title III - Language Instruction Program					
Limited English Proficiency	84.365	S365A150013	22,886	-	-
Title II - Teacher Quality	84.367	S367A160012	30,390	37,228	-
Title II - Teacher Quality	84.367	S367A150012	4,028	-	-
<i>Special Education Cluster (IDEA)</i>					
Passed through ISBE through Niles Township					
District for Special Education (NTDSE)					
IDEA - Flow-Through	84.027	H027A160072	446,813	446,813	-
IDEA - Pre-School - Flow-Through	84.173	H173A160101	15,052	15,052	-
<i>Total Special Education Cluster (IDEA)</i>			<u>461,865</u>	<u>461,865</u>	<u>-</u>
<b>Total U S Department of Education</b>			<b>\$ 995,332</b>	<b>\$ 1,106,516</b>	<b>\$ -</b>

The accompanying Notes are an integral part of this schedule.

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Awarding Agency/ Pass-Through Agency/ Award Description	Federal CFDA Number	Agency or Pass-Through Entity Numbers	Receipts	Federal Disbursements/ Expenditures	Amounts Passed-Through to Subrecipients
<b>U S Department of Health and Human Services</b>					
Passed through Illinois Department of Healthcare and Family Services					
Medicaid Medical Assistance, Administrative Claim	93.778	2017-4991	\$ 48,191	\$ 48,191	\$ -
<b>Total U S Department of Health and Human Services</b>			\$ 48,191	\$ 48,191	\$ -
<b>Total Federal Financial Assistance</b>			\$ 1,475,244	\$ 1,586,428	\$ -

The accompanying Notes are an integral part of this schedule.



**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**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, 2017. The District's policy is to prepare its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The auditor's report expresses an unmodified opinion on the financial statements in conformity with the modified cash basis of accounting.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. Our audit disclosed no instances of noncompliance material to the financial statements of Skokie Elementary School District No. 69, which would be required to be reported in accordance with *Government Auditing Standards*.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. We have audited the compliance of Skokie Elementary School District No. 69 with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of its major federal award programs for the year ended June 30, 2017, and have issued our unmodified opinion thereon dated November 9, 2017.
6. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) relative to the major federal award programs of Skokie Elementary School District No. 69 are reported under the Findings and Questioned Costs – Current Year Major Federal Award Programs Audit section of this schedule.
7. The following programs were identified as major programs:

	<u>CFDA #s</u>
Child Nutrition Cluster	10.555, 10.553
Title I – Low Income	84.010
8. The threshold used to distinguish between Type A and Type B programs was \$750,000.
9. Skokie Elementary School District No. 69 was determined not to be a "low-risk auditee."

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

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

**FINDINGS - CURRENT YEAR FINANCIAL STATEMENTS AUDIT**

None.

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

None.

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**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, 2017, with the Illinois State Board of Education.

**2. SUBRECIPIENTS**

Of the federal expenditures reported in the Schedule of Expenditures of Federal Awards the District provided \$-0- in federal awards to subrecipients during the year ended June 30, 2017.

**3. INDIRECT FACILITIES AND ADMINISTRATION COSTS**

The District elected not to use the 10% de minimis indirect cost rate during the year ended June 30, 2017.

**4. FEDERAL NON-CASH ASSISTANCE, INSURANCE AND LOANS**

The fair market value of federal awards expended in the form of non-cash assistance was \$55,411 in the value of food commodities received from the U.S. Department of Agriculture during the year ended June 30, 2017

The amount of federal insurance in effect during the year ended June 30, 2017 was \$-0-.

The amount of federal loans or loan guarantees, including interest subsidies, outstanding at June 30, 2017 was \$-0-.

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF ASSESSED VALUATIONS, TAX RATES AND TAX EXTENSIONS**  
**FOR THE YEARS 2016, 2015, 2014 AND 2013**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>ASSESSED VALUATION</b>	<u><u>\$ 429,224,523</u></u>	<u><u>\$ 364,241,499</u></u>	<u><u>\$ 373,499,197</u></u>	<u><u>\$ 358,493,385</u></u>
<b>TAX RATES</b>				
Education	\$ 2.9767	\$ 3.5000	\$ 3.4471	\$ 3.5000
Tort Immunity	0.0360	0.1131	0.0965	0.0813
Special Education	0.3402	0.3959	0.3723	0.4000
Leasing	-	-	-	0.0015
Operations and Maintenance	0.4678	0.5500	0.4688	0.5368
Bond and Interest	0.7805	0.4278	0.4173	0.7888
Transportation	0.8779	0.9155	0.8986	0.7204
Municipal Retirement	0.0660	0.0735	0.0689	0.0464
Social Security	0.1032	0.1145	0.1076	0.0885
Fire Prevention and Safety	0.0048	0.0283	-	-
Working Cash	0.0425	0.0500	0.0483	0.0500
	<u><u>\$ 5.6956</u></u>	<u><u>\$ 6.1686</u></u>	<u><u>\$ 5.9254</u></u>	<u><u>\$ 6.2137</u></u>
<b>TAX EXTENSIONS</b>				
Education	\$ 12,776,663	\$ 12,748,452	\$ 12,875,000	\$ 12,547,268
Tort Immunity	154,500	412,000	360,500	291,284
Special Education	1,460,190	1,442,000	1,390,500	1,433,974
Leasing	-	-	-	5,202
Operations and Maintenance	2,007,761	2,003,328	1,751,000	1,924,555
Bond and Interest	3,350,003	1,558,305	1,558,410	2,828,123
Transportation	3,768,036	3,334,661	3,356,346	2,582,411
Municipal Retirement	283,250	267,800	257,500	166,448
Social Security	442,900	417,150	401,700	317,292
Fire Prevention and Safety	20,600	103,000	-	-
Working Cash	182,524	182,121	180,250	179,247
	<u><u>\$ 24,446,427</u></u>	<u><u>\$ 22,468,817</u></u>	<u><u>\$ 22,131,206</u></u>	<u><u>\$ 22,275,804</u></u>

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF OPERATING EXPENDITURES PER PUPIL**  
**FOR THE YEARS ENDED JUNE 30, 2017 AND JUNE 30, 2016**

	<u>2017</u>	<u>2016</u>
<b>TOTAL EXPENDITURES</b>		
Education Fund	\$ 28,946,157	\$ 25,402,467
Operations and Maintenance Fund	1,909,407	1,610,793
Bond and Interest Fund	11,324,679	1,466,525
Transportation Fund	973,881	815,011
Municipal Retirement/Social Security Fund	618,962	525,393
Tort Immunity Fund	200,846	200,988
	<u>\$ 43,973,932</u>	<u>\$ 30,021,177</u>
 Less: Receipts or Disbursements Not Applicable to Operating Expense of Regular K-12 Programs		
Education Fund		
Pre-K Programs	\$ 429,094	\$ 337,162
Special Education Programs - Pre-K	3,432	-
Community Services	125,279	128,089
Capital Outlay	402,268	970,237
Special Education - Private Tuition	21,232	9,824
Payments to Other Governmental Units	696,242	1,000,383
"On-Behalf" Disbursement for Retirement Benefits	8,999,540	5,918,812
Operations and Maintenance Fund		
Capital Outlay	221,359	53,820
Non-Capitalized Capitalized Equipment	6,874	-
Bond and Interest Fund		
Bond Principal Retired	11,015,000	1,150,000
Transportation Fund		
Transportation Fees From Other Districts	7,933	-
Municipal Retirement/Social Security Fund		
Pre-K Programs	10,911	8,330
Community Services	13,774	14,006
	<u>\$ 21,952,938</u>	<u>\$ 9,590,663</u>
 <b>NET OPERATING DISBURSEMENTS</b>	 <b>\$ 22,020,994</b>	 <b>\$ 20,430,514</b>
 <b>AVERAGE DAILY ATTENDANCE</b>	 <u><b>1,571.57</b></u>	 <u><b>1,572.89</b></u>
 <b>OPERATING EXPENDITURES PER PUPIL</b>	 <u><u><b>\$ 14,012</b></u></u>	 <u><u><b>\$ 12,989</b></u></u>

**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF PER CAPITA TUITION CHARGE**  
**FOR THE YEARS ENDED JUNE 30, 2017 AND JUNE 30, 2016**

	<u>2017</u>	<u>2016</u>
NET OPERATING DISBURSEMENTS	\$ 22,020,994	\$ 20,430,514
Less: Offsetting Receipts		
Education Fund		
Special Education	\$ 462,148	\$ 647,663
Bilingual Education	81,546	91,953
State Free Lunch and Breakfast	2,420	2,970
Title III - Immigrant Education Program	-	2,152
Title II - Teacher Quality	34,418	48,636
Federal Special Education - IDEA - Flow-Through	446,813	434,568
Food Services	157,560	185,316
Rentals	20,000	20,000
Services Provided Other Districts	146,801	124,373
National School Lunch Program	376,310	425,075
Pupil Activities	43,975	37,334
Textbooks	13,801	12,803
Title I - Low Income	448,669	442,502
Medicaid Matching Funds	48,191	40,042
Title III - Language Instruction Program	50,380	47,485
Transportation Fund		
Fees From Pupils or Parents	95,725	103,709
State Transportation Aid	141,971	176,371
	<u>\$ 2,570,728</u>	<u>\$ 2,842,952</u>
NET OPERATING EXPENSE FOR TUITION COMPUTATION	\$ 19,450,266	\$ 17,587,562
ADD: Depreciation Allowance	<u>1,361,601</u>	<u>1,226,528</u>
TOTAL ALLOWANCE FOR TUITION COMPUTATION	\$ 20,811,867	\$ 18,814,090
AVERAGE DAILY ATTENDANCE	<u>1,571.57</u>	<u>1,572.89</u>
PER CAPITA TUITION CHARGE	<u>\$ 13,243</u>	<u>\$ 11,961</u>

SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69  
SUPPLEMENTAL INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - TRS  
JUNE 30, 2017

The Schedule of the District's Proportionate Share of the Net Pension Liability, as of June 30, 2016, the most recent available measurement date, of the District's defined benefit pension plan, the Teacher's Retirement System, follows:

	June 30, 2016	June 30, 2015	June 30, 2014
District's Proportion of the Net Pension Liability	0.0032314687%	0.0030774913%	0.0028850809%
District's Proportionate Share of the Net Pension Liability	\$ 2,550,794	\$ 2,016,067	\$ 1,755,810
State's Proportionate Share of the Net Pension Liability Associated With the District	90,206,764	70,742,238	65,635,237
Total	<u>\$ 92,757,558</u>	<u>\$ 72,758,305</u>	<u>\$ 67,391,047</u>
District's Covered Employee Payroll	\$ 11,496,352	\$ 10,912,297	\$ 10,665,519
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	22.19%	18.48%	16.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	36.44%	41.47%	42.95%

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 THE DISTRICT'S EMPLOYER CONTRIBUTIONS - TRS  
JUNE 30, 2017

The Schedule of the District's Employer Contributions, as of June 30, 2016, the most recent available measurement date, of the District's defined benefit pension plan, the Teacher's Retirement System, follows:

	June 30, 2016	June 30, 2015	June 30, 2014
Statutorily Required Contribution	\$ 147,402	\$ 126,123	\$ 118,057
Contributions in Relation to the Statutorily Required Contribution	125,145	107,835	102,938
Contribution Deficiency (Excess)	\$ 22,257	\$ 18,288	\$ 15,119
District's Covered-Employee Payroll	\$ 11,496,352	\$ 10,912,297	\$ 10,665,519
Contributions as a Percentage of Covered-Employee Payroll	1.09%	0.99%	0.97%

*Changes of Assumptions*

For the 2016 measurement year, the assumed investment rate of return was 7.0 percent. Including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent. Including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit.

For the 2014 measurement year, the assumed investment rate of return was 7.5 percent. Including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by age.

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 CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - IMRF**  
**JUNE 30, 2017**

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,	2016	2015	2014
<b>Total Pension Liability</b>			
Service Cost	\$ 241,379	\$ 210,006	\$ 226,590
Interest on the Total Pension Liability	666,124	620,872	581,844
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience of the Total Pension Liability	100,876	225,992	(222,909)
Changes in Assumptions	-	-	353,574
Benefit Payments, Including Refunds of			
Employee Contributions	(490,704)	(447,702)	(373,150)
Net Change in Total Pension Liability	\$ 517,675	\$ 609,168	\$ 565,949
Total Pension Liability - Beginning	9,006,311	8,397,143	7,831,194
Total Pension Liability - Ending (A)	<u>\$ 9,523,986</u>	<u>\$ 9,006,311</u>	<u>\$ 8,397,143</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 204,949	\$ 202,331	\$ 173,028
Contributions - Employees	117,188	104,774	98,872
Net Investment Income	583,239	42,707	499,508
Benefit Payments, Including Refunds of			
Employee Contributions	(490,704)	(447,702)	(373,150)
Other (Net Transfer)	63,905	61,095	(25,939)
Net Change in Plan Fiduciary Net Position	\$ 478,577	\$ (36,795)	\$ 372,319
Plan Fiduciary Net Position - Beginning	8,574,812	8,611,607	8,239,288
Plan Fiduciary Net Position - Ending (B)	<u>\$ 9,053,389</u>	<u>\$ 8,574,812</u>	<u>\$ 8,611,607</u>
<b>Net Pension (Asset) Liability - Ending (A) - (B)</b>	<u>\$ 470,597</u>	<u>\$ 431,499</u>	<u>\$ (214,464)</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	95.06%	95.21%	102.55%
<b>Covered Valuation Payroll</b>	\$ 2,604,176	\$ 2,328,308	\$ 2,054,966
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	18.07%	18.53%	-10.44%

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



**SKOKIE ELEMENTARY SCHOOL DISTRICT NO. 69**  
**SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - IMRF**  
**JUNE 30, 2017**

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>
2016	\$ 204,949	\$ 204,949	\$ -	\$ 2,604,176	7.87%
2015	\$ 202,330	\$ 202,331	\$ (1)	\$ 2,328,308	8.69%
2014	\$ 173,028	\$ 173,028	\$ -	\$ 2,054,966	8.42%

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported. The calculation of the 2016 contribution rate is based on valuation assumptions used in the December 31, 2014 actuarial valuation; note two year lag between valuation and rate setting.

**METHODS AND ASSUMPTIONS USED TO DETERMINE 2016 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: 27-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>	3.50%
<i>Price Inflation:</i>	2.75%, approximate; no explicit price inflation assumption is used in this valuation
<i>Salary Increases:</i>	3.75% to 14.50%, 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 2014 valuation pursuant to an experience study of the period 2011 to 2013
<i>Mortality:</i>	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant 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 2012). 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 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
<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.