

**GLENBROOK
HIGH SCHOOLS**

**POPULAR ANNUAL
FINANCIAL REPORT**

2020-21



A MESSAGE FROM THE SCHOOL DISTRICT

Welcome to the Popular Annual Financial Report for the fiscal year ended June 30, 2021.

Our school district takes great pride in its long-term financial stability. Recently recognized by S&P Global Ratings for its strong management approach, the credit rating organization emphasized that the school district's financial and operational practices are well embedded and sustainable. Glenbrook's financial condition's success is attributed to the practice of leveraging data and defined formulas to make informed decisions.

Each year the school district participates in an independent audit of its financial statements for the prior year. Lauterbach & Amen, LLP of Naperville, performed this year's audit and included a detailed review of financial transactions between July 1, 2020, and June 30, 2021. Preparation for the audit started in May 2021 and continued through January 2022. During this time, members of the assigned team from Lauterbach & Amen, LLP, were provided access to the Business Services team and the District's financial records to complete their review and testing activities. After the audit process, an unmodified ("clean") opinion was issued. Accompanying the opinion were three recommendations that have been addressed as part of the 2021-22 fiscal year activities (presented on page 6).

Although not required by Illinois School Code, the school district prepares a Annual Comprehensive Financial Report (ACFR), which offers a complete and detailed presentation of the District's financial condition and an independent opinion of the report's information from our auditor. This document, and other financial resources, are available on the school district's website. We are also pleased to release our second Popular Annual Financial Report (PAFR) this year. Based on the ACFR, the PAFR provides information about the school district's financial condition without the overwhelming detail and technical accounting terminology. This report will provide our stakeholders with an easily understandable overview of the school district's financial position at the end of the 2020-21 fiscal year and key considerations for the future. Should you have any further questions or would like to offer feedback regarding this document, please do not hesitate to reach out at any time.

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**DR. CHARLES
JOHNS**
SUPERINTENDENT



**DR. R.J.
GRAVEL**
ASSOCIATE
SUPERINTENDENT

MEET THE BOARD OF EDUCATION

BOARD STRUCTURE

Glenbrook High School District 225 is governed by an elected, 7-member Board of Education. All members are elected at-large to four-year terms. Board elections are held during the month of April as part of the consolidated election cycle in odd numbered years. Board members are volunteers who do not receive a salary for their services.

The Board of Education includes three officers: president, vice president, and secretary. The president and vice president are elected annually by the Board membership and the secretary role is typically filled by the Assistant Superintendent for Educational Services.

The most common areas of action for the Board of Education include approving policies for the operation of the schools, adopting and monitoring the budget, adopting the levy, authorizing curriculum development, approving the appointment of teachers and other staff members, and providing overall direction.

MEETINGS & COMMITTEES

The Board of Education meets regularly on the second and fourth Mondays of each month. All meetings of the Board of Education are open to the public and live-streamed through Zoom. In addition to the regular meetings, the Board of Education has established two standing committees (Facilities and Finance) to facilitate the review of topics relevant to the operation of the school district. Each committee includes up to three members of the Board of Education, and members of the District and School leadership teams (e.g. Superintendent, Principals, Associate Principals, Assistant Superintendents, Directors, Managers).



BRUCE DOUGHTY
PRESIDENT
(2025)



PETER GLOWACKI
VICE PRESIDENT
(2025)



MATT O'HARA
MEMBER
(2025)



MICHELLE SEGUIN
MEMBER
(2025)



SKIP SHEIN
MEMBER
(2023)



MARCELO SZTAINBERG
MEMBER
(2023)



JOEL TAUB
MEMBER
(2023)

EXCELLENCE IN FINANCIAL MANAGEMENT



AAA/Aaa BOND RATINGS

Glenbrook has achieved and maintained the highest bond ratings available from both Moody's Investors Services and S&P Global.

FINANCIAL REPORTING

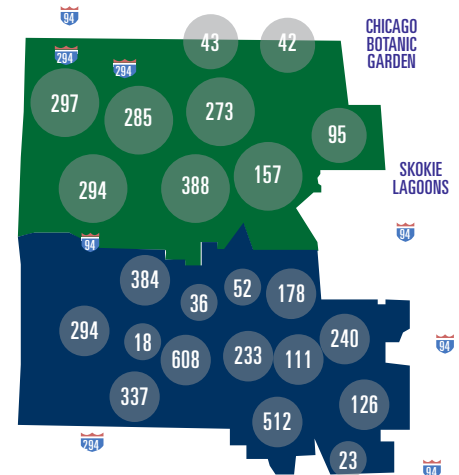
Glenbrook is recognized annually by the Association of School Business Officials International and the Government Finance Officers Association for excellence in financial reporting.

STATE FINANCIAL RATING

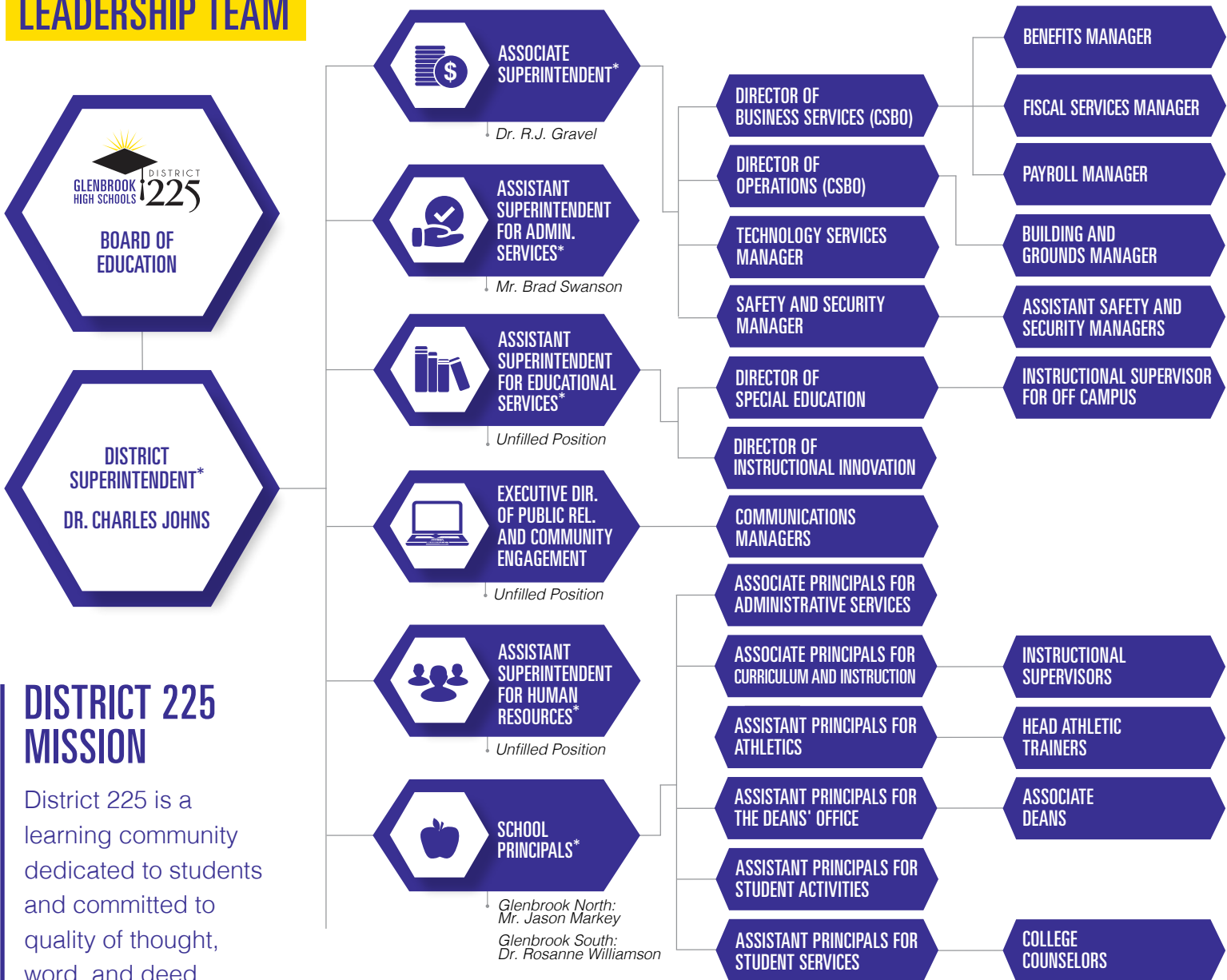
Glenbrook has achieved the highest financial management assessment rating of any school district in the State of Illinois (recognition).

Glenbrook High School District 225 was established through a voter referendum on March 29, 1947. Since that time, the school district has grown to include two exemplary high schools and a therapeutic day school located in two of Chicago's premier suburban communities. Through the leadership of its elected Board of Education and professional educational administrators, the school district provided a comprehensive high school experience rich in academics, activities, arts, and athletics to 5,208 students during the 2020–21 school year.

STUDENT POPULATION CLUSTERS



LEADERSHIP TEAM



DISTRICT 225 MISSION

District 225 is a learning community dedicated to students and committed to quality of thought, word, and deed.

*Indicates a member of the Superintendent's Cabinet

DISTRICT BOUNDARIES

Located in Cook County and just 25 miles north of downtown Chicago, Glenbrook serves students from the villages of Glenview, Golf and Northbrook. Population centers and high school boundaries are seen in the district map at left.



2,070

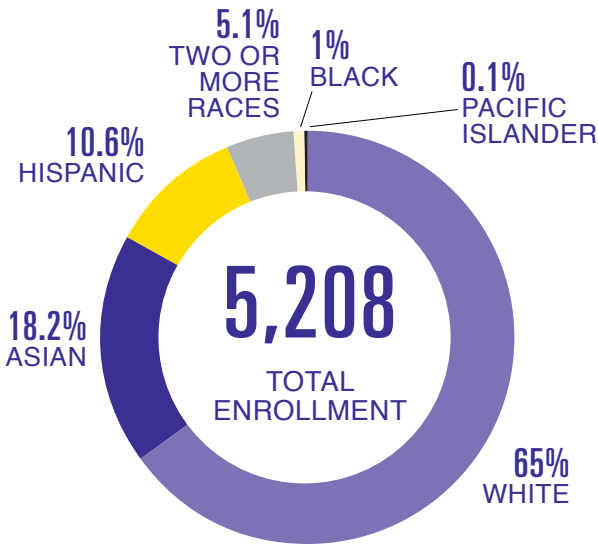
GLENBROOK NORTH
TOTAL STUDENTS



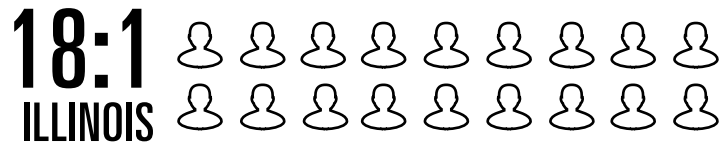
3,138

GLENBROOK SOUTH
TOTAL STUDENTS

STUDENT DEMOGRAPHICS

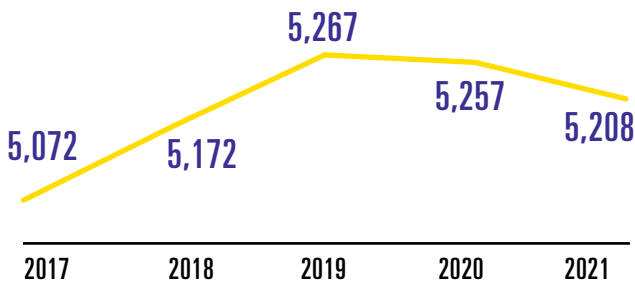


STUDENTS PER TEACHER RATIO



ABOUT THIS DATA: Student demographic and per teacher ratio data above reflects information as presented in the 2020–21 Illinois State Report Card. Graduation rate data below reflects students receiving transition services that defer graduation up until the day after their 21st birthday.

ENROLLMENT TRENDS



With a 9.5% increase in enrollment over the last decade, projections show enrollment plateauing at around 5,200 students moving forward. Data reflects the 2020–21 School District Enrollment Forecast Update.

\$24.8K

PER-PUPIL EXPENDITURES

95.8%

GRADUATION RATE

95%

TEACHERS HOLDING A MASTER'S OR HIGHER

9.5%

10-YEAR ENROLLMENT INCREASE

91%

GRADUATES ENROLLED IN COLLEGE WITHIN 12 MONTHS

822

TOTAL TEACHERS, ADMINISTRATORS AND SUPPORT STAFF

95%

TEACHER RETENTION

25

MILES NORTH OF CHICAGO

FINANCIAL HIGHLIGHTS

1

BALANCED FISCAL YEAR 2021 BUDGET

The District had \$204.7 million in expenses related to governmental activities, of which \$67.0 million were offset by program specific charges for services or operating grants and contributions. General revenues of \$145.5 million offset the remaining program expenses.

2

TIMELY RECEIPT OF STATE AND FEDERAL PAYMENTS

At the close of the 2020-21 fiscal year, the school district was awaiting less than \$70,000 in outstanding state and federal categorical payments. This is the lowest amount of outstanding payments in recent years. The timely receipt of these funds enables the school district to accurately budget and allocate targeted revenue to its designated purpose.

3

EXPENSE OF COVID-19

The Business Services department identified all expenses related to COVID-19 and determined that expenses total more than \$5M since the start of the pandemic. Largest expenses include additional personnel, PPE and supplies to mitigate risk, technology upgrades to support remote learning, and student and staff testing.

4

FEDERAL AND STATE SUPPORT FOR COVID-19

The school district was allocated \$833,036 the federal CARES/ESSER I grant. These funds were received during the 2020-21 fiscal year, and applied to expenses directly associated with the pandemic such as the personnel expenses for additional instructional assistants to support classroom instruction. The school district also received \$1.8 million in summer food service program funding from the state, which was used to provide continuous meals to all students throughout the 2020-21 fiscal year.

5

CLASSROOM MODERNIZATION AND UPGRADES

The school district allocated \$245,000 to support the modernization and upgrade of career and technical education learning spaces at Glenbrook North. In addition, the Glenbrook Foundation donated \$50,000 for the purchase and installation of a new Haas CNC mill (\$33,497) and paid for the majority of a Universal Versa laser engraver (\$16,503 of the total of \$18,765), which students will utilize in their exploration of prototyping, machining, and manufacturing their designs and creations in their Technology Education classes.

AUDIT RECOMMENDATIONS AND CONFIRMED RESOLUTIONS

GASB STATEMENT NO. 87 RECORDING LEASE EXPENSES

COMMENT

Lauterbach & Amen, LLP, will work directly with the school district to review the new lease criteria in conjunction with the school district's current leases to determine the appropriate financial reporting for these activities under GASB Statement No. 87.

ACTION PLAN

The Business Services department has adjusted its budgeting practices for the 2020-21 fiscal year to be consistent with this recommendation.

GASB STATEMENT NO. 84 RECORDING CUSTODIAL FUNDS

COMMENT

Lauterbach & Amen, LLP will work directly with the school district to review the new custodial fund criteria in conjunction with the school district's current student activity funds to determine the appropriate financial reporting for these activities under GASB Statement No. 84.

ACTION PLAN

This recommendation was successfully implemented in 2020-21. Ongoing efforts will be made to ensure continued adherence to GASB Statement No. 84.

FUND MANAGEMENT

COMMENT

Previously and during our current year-end audit procedures, we noted that the following funds had excess of actual expenditures over budget for the previous fiscal year and current fiscal year: General, Debt Services, and Capital Projects.

ACTION PLAN

The Business Services department has instituted a practice of presenting an amended budget to the Board of Education each spring, inclusive of fund-level updates to reflect reclassified expenses that take place during the fiscal year.

FINANCIAL STATEMENTS

The school district annual prepares and publishes a series of financial statements in the form of a Annual Comprehensive Financial Report (ACFR). For the purposes of this document, several of these statements have been selected and are presented in a condensed form. To view the ACFR in its entirety, please visit the school district's website and select *Our District > Business Services > Financial Information*.

CONDENSED STATEMENT OF NET POSITION

The Statement of Net Position indicates the net worth of the school district as of June 30, 2021. The statement presents a comprehensive picture of the organization's financial position, including all financed debt, the value of its property (i.e., buildings, land, and capitalized equipment), and its liquid assets (i.e., cash on hand, investments) as of a certain point in time. The 23.4% increase in net position from 2020 to 2021 (as restated) indicates an improved financial position able to withstand unexpected losses or other costs that could impact district operations.

Governmental Activities	Fiscal Year 2020	Fiscal Year 2021
Assets		
Current and other assets	\$161,911,763	\$171,188,471
Capital Assets	\$135,312,323	\$127,081,425
Construction in Progress	\$975,175	\$867,655
Deferred Outflows of Resources	\$18,135,100	\$9,199,871
Total Assets and Deferred Outflows of Resources	\$316,334,361	\$308,337,422
Liabilities		
Long-term Liabilities	\$189,111,573	\$167,581,863
Other Liabilities	\$16,341,321	\$13,164,477
Deferred Inflows of Resources	\$77,203,428	\$86,250,704
Total Liabilities and Deferred Inflows of Resources	\$282,656,322	\$266,997,044
Net Position		
Net investment in capital assets	\$55,161,532	\$56,399,994
Restricted	\$18,755,651	\$24,250,240
Unrestricted	\$(40,239,144)	\$(39,309,856)
Total Net Position	\$33,678,039*	\$41,340,378

*Restated as \$33,498,934

DEFINITIONS

Assets are resources owned and controlled by the school district that are expected to benefit future operations.

Deferred outflows are the consumption of net assets applicable to future reporting periods.

Liabilities are debt or obligations that the school district must pay.

Deferred inflows are the acquisition of net assets applicable to future reporting periods.

Net investment in capital assets represents the school district's investment in capital assets, less any related outstanding debt used to acquire those assets.

Net position reflects the school district's net worth. (Net position = Assets + Deferred outflows - Liabilities - Deferred inflows)

>> **Looking for more?** To view the full statement of Net Position, refer to pages 29 and 30 in the Annual Comprehensive Financial Report.



DID YOU KNOW?

That the school district uses a "zero-based budgeting" approach, combined with a formula driven review of budget allocations? These practices help ensure decision making processes are consistent, data-based and equitable to current and future generations of students.

CONDENSED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES

The Statement of Revenues, Expenditures, and Changes in Fund Balances presents a summary of all transactions and financial events between July 1, 2020 and June 30, 2021, that affects the net position reported on the statement.

In a school district, it is common to reference its net position as expressed through its fund balance (also known as reserve), to determine the financial stability of the organization. Should the fund balance level demonstrate a significant decrease, it would indicate that the organization's expenditures exceeded its revenues. There are times when this is appropriate, such as when the Board of Education approved a series of capital projects to improve the safety and security of its facilities. Using the school district's fund balance should be limited to one-time, purposeful uses (e.g., the safety and security projects), or as a result of delayed revenues impacting the overall cash flow for the organization (e.g., the delay of property tax revenue).

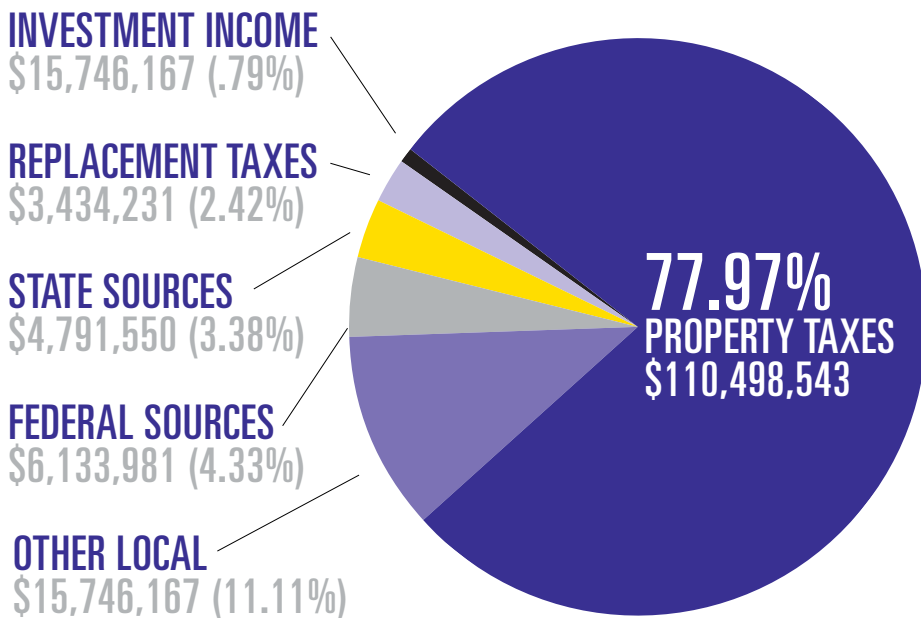
	Operating Funds*	Debt Services	Capital Projects	Total
Revenues				
Local Sources - Taxes	\$113,932,774	\$10,341,108	\$0	\$124,273,882
Local Sources - Other	\$16,862,320	\$20,012	\$1,676,134	\$18,558,466
State Sources	\$4,791,550	\$0	\$0	\$4,791,550
Federal Sources	\$6,133,981	\$0	\$0	\$6,133,981
Total Revenues	\$141,720,625	\$10,361,120	\$1,676,134	\$153,757,879
Expenditures				
Instruction	\$78,664,138	\$0	\$0	\$78,664,138
Support Services	\$55,351,657	\$0	\$1,659,015	\$57,010,672
Community Services	\$721,672	\$0	\$0	\$721,672
Payments to Other Districts and Govt. Units	\$1,181,402	\$0	\$0	\$1,181,402
Capital Outlay	\$842,736	\$0	\$849,199	\$1,691,935
Debt Services	\$0	\$10,610,914	\$0	\$10,610,914
Total Expenditures	\$136,761,605	\$10,610,914	\$2,508,214	\$149,880,733
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	\$4,959,020	-\$249,794	-\$832,080	\$3,877,146
Other Financing Sources (Uses)				
Debt Issuance	0	\$133,227	\$0	\$113,277
Disposal of Capital Assets	\$27,500	\$0	\$0	\$27,500
Transfers	-\$2,405,560	\$905,560	\$1,500,000	\$0
Total Other Financing Sources	-\$2,378,060	\$1,018,787	\$1,500,000	\$140,727
Net Change in Fund Balance	\$2,580,960	\$768,993	\$667,920	\$4,017,873
Fund Balances - Beginning as Restated	\$89,547,528	\$5,803,125	\$1,188,624	\$96,539,277
Fund Balances - Ending	\$92,128,488	\$6,572,118	\$1,856,544	\$100,577,150

*Operating Funds include General and Special Revenue Funds

REVENUE BY SOURCE

The school district receives the majority of its revenue from local sources, including property tax collections, The Glen make-whole payment, replacement taxes, investment income, and student fees. Revenue from the state and the federal government has remained relatively constant over recent years.

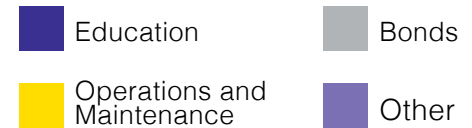
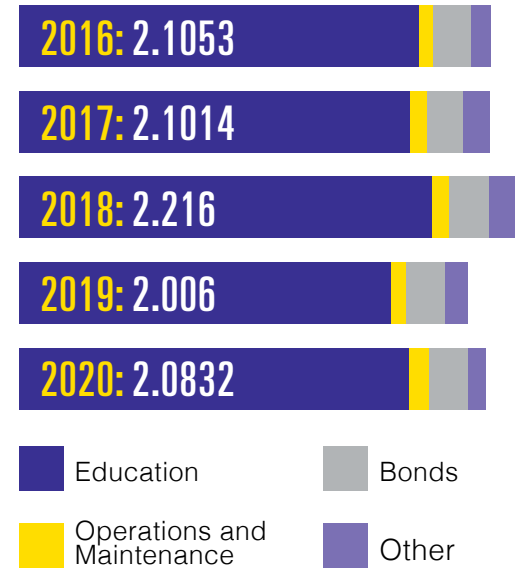
OPERATING FUND REVENUE BY SOURCE: 2020–21



PROPERTY TAX RATE

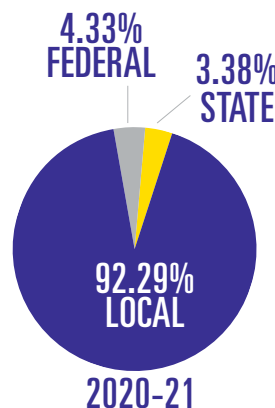
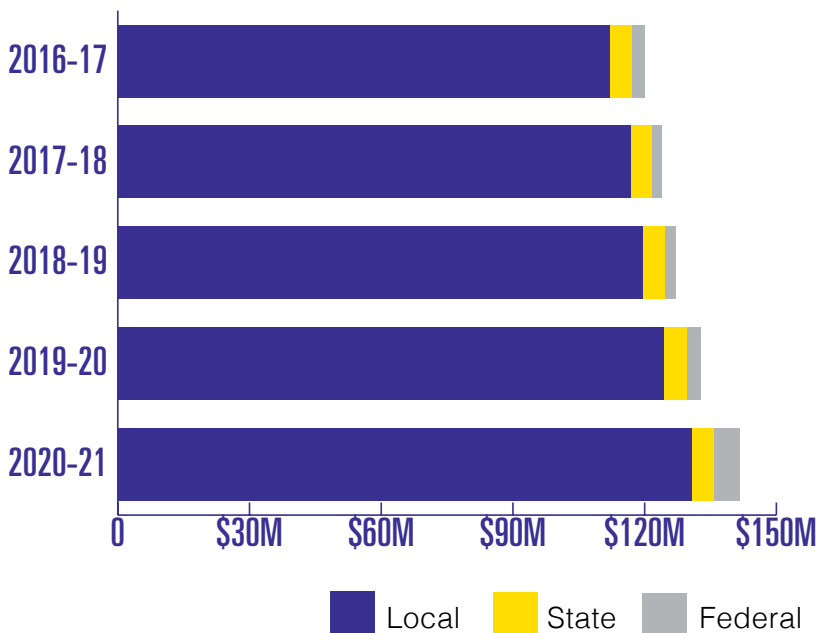
The school district's property tax rate has been steady since tax year 2016. Below is a summary of the school district's tax rate by fund (with minor funds grouped together for illustrative purposes only.)

TAX YEAR / TAX RATE



>> **Looking for more?** View page 21 of the Fiscal Year 2021-22 Budget.

OPERATING FUND: REVENUE SOURCES BY FISCAL YEAR



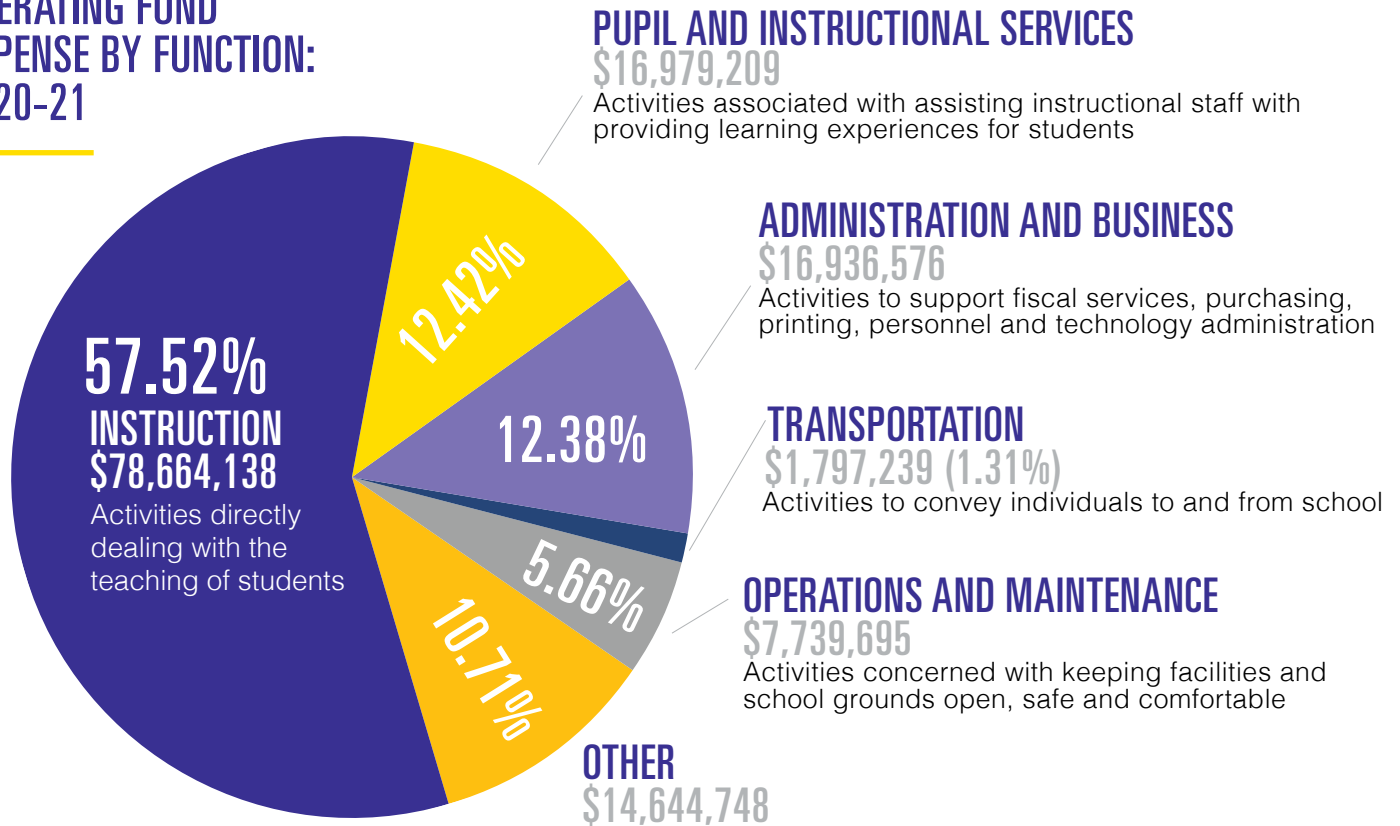
Note: The information on pages 9 and 10 excludes the State of Illinois' On-Behalf Payment (for the State's portion of teachers retirements).

The On-Behalf Payment is included in the official financial statements of the school district as an equal revenue and expenditure. This amount is solely reported as a requirement of the State of Illinois.

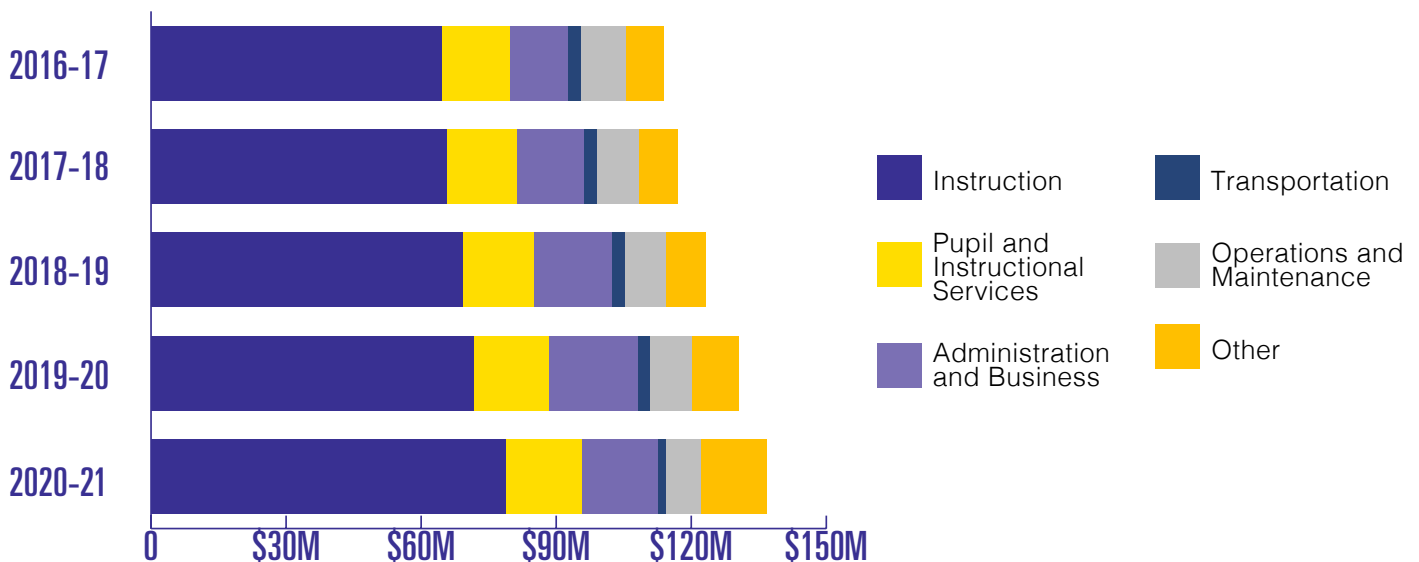
EXPENSE BY FUNCTION

Through a zero-based budgeting approach, the school district's leadership team annually examines its prior year and projected expenditures. This process begins in October of the prior fiscal year and continues through the end of June. The goal of this budgeting approach is to ensure that all available financial resources are allocated in a manner that is consistent with the school district's mission, short, and long-term goals. As a learning organization, employee salaries and benefits make up the largest portion of the operating budget (75-78%). Through the implementation of interest-based collective bargaining, formula-based resource allocations, and extensive efforts to minimize health care increases, the district has consistently provided a comprehensive high school experience full of opportunities in the 4 As (academics, activities, athletics, and the arts) to all of its students.

OPERATING FUND EXPENSE BY FUNCTION: 2020-21



OPERATING FUND: EXPENSE BY FUNCTION BY FISCAL YEAR



LONG-TERM LIABILITIES

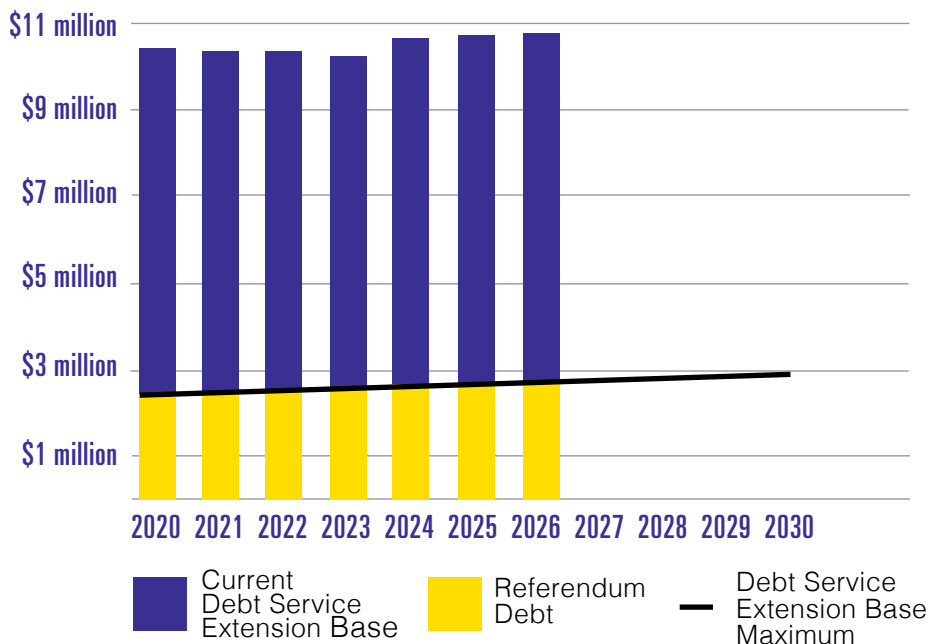
	Governmental Activities Fiscal Year 2020	Governmental Activities Fiscal Year 2021
General Obligation Bonds	\$70,586,404	\$61,374,090
Unamortized Bond Premium Net of Discount	\$6,162,095	\$6,890,519
Capital leases	\$247,326	\$0
Compensated Absences	\$1,332,827	\$1,543,679
IMRF Net Pension Liability/(asset)	\$2,960,815	\$-4,165,138
TRS Net Pension Liability	\$6,414,027*	\$7,022,086
Other Postemployment Benefits	\$98,224,366	\$98,764,315
Total	\$185,927,860	\$171,429,551

* Restated

In January 2018 and May 2020, the Board of Education approved the refunding of existing debt from the 2006 referendum (Series 2008 bonds), to maximize low interest rates.

Additionally, the school district was able to save approximately \$4.5 million through a uniform debt restructure. The savings of this debt issue was wholly passed on to the school district's tax payers, through slightly lower debt service rates for tax years 2025, 2026 and 2027. The school district remains on track to retire all existing debt on January 1, 2028.

OUTSTANDING DEBT SERVICE



LOOKING TO THE FUTURE

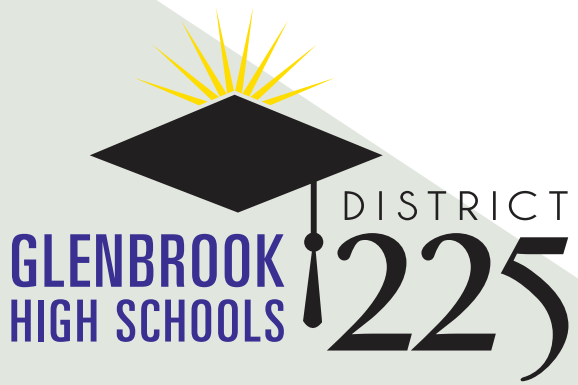
The Glen TIF: The tax increment financing (TIF) agreement for the Glen provides that the school district receives make-whole payments for new students. The school district continues to monitor the rate at which housing is occupied to identify future impact on enrollment. It is anticipated that the property located in The Glen will become part of the district's EAV in tax year 2022.

Property Tax Appeals: District 225 budgets the loss of \$3-4 million in property tax revenue each fiscal year to property tax refunds. The school district will continue to work with the Cook County Assessors office, the Board of Review, the Property Tax Appeals Board, and local taxpayers to reduce losses through tax appeals.

Collective Bargaining: The school district has successfully negotiated multi-year contracts with our three collective bargaining units.

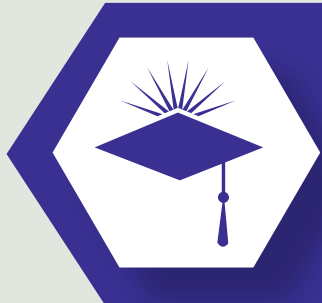
Health Care Reform: The second-largest expense in the school district's budget is employee health benefits. The school district has implemented a self-insured model to provide maximum flexibility in plan design and vendor selection. The school district continues to review health care benefits to identify and implement plan changes that save tax payers dollars without compromising the quality of staff benefits.

Student Enrollment: Recent enrollment and census data indicate a decline of enrollment at Glenbrook South and a projected increase at Glenbrook North. The annual budget building process includes provisions for future enrollment variances.



LET'S STAY IN TOUCH

#D225NOW AS SEEN ON INSTAGRAM



GLENBROOK HIGH SCHOOL DISTRICT 225

3801 W. Lake Avenue, Glenview, Illinois 60026
(847) 998-6100 | www.glenbrook225.org

#D225NOW



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GLENBROOK NORTH HIGH SCHOOL

2300 Shermer Road, Northbrook, Illinois 60062
(847) 272-6400



#GBNNOW



GLENBROOK SOUTH HIGH SCHOOL

4000 W. Lake Avenue, Glenview, Illinois 60026
(847) 729-2000



#GBSNOW

LEARN MORE ABOUT THE DISTRICT

>> Looking for more? Visit www.glenbrook225.org and select Board of Education to access other financial resources.

