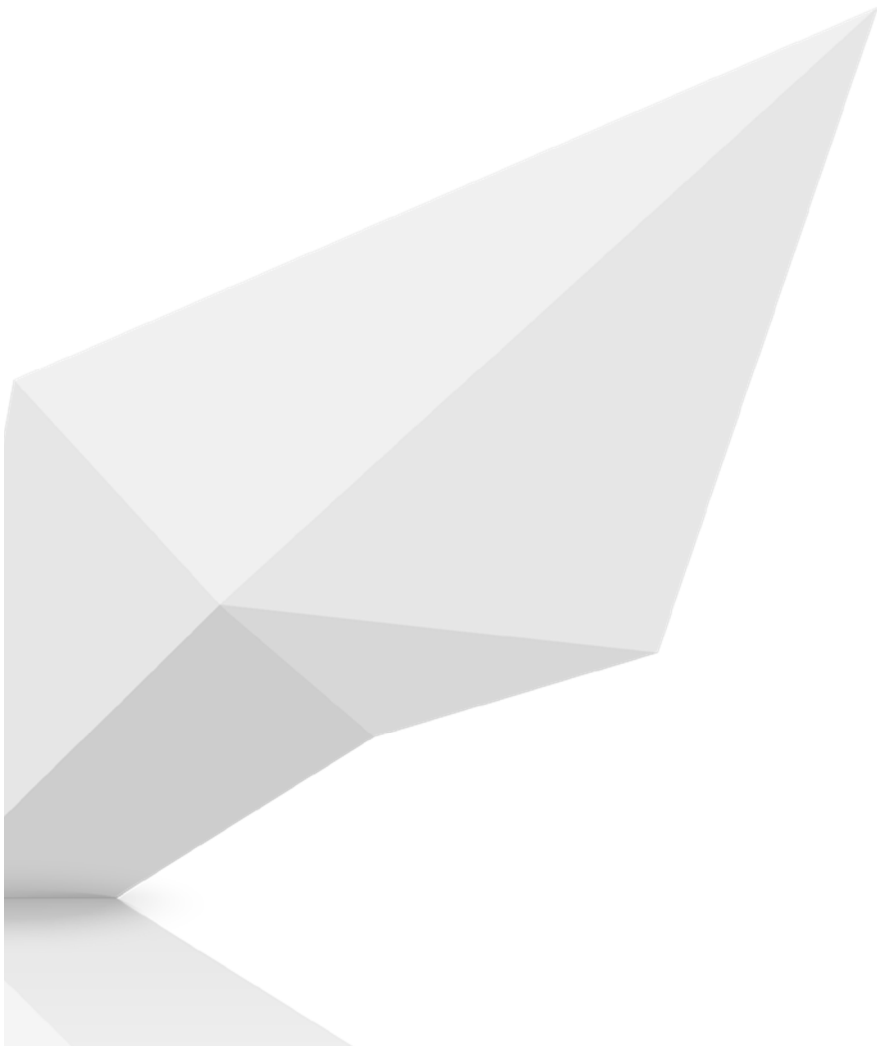


# Skokie/Morton Grove School District No. 69

Annual Financial Report

Year Ended June 30, 2020



**WIPFLI**



# Skokie Morton/Grove School District 69

Year Ended June 30, 2020

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# Skokie Morton/Grove School District 69

Year Ended June 30, 2020

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## **Independent Auditor's Report**

**Board of Education  
Skokie Morton/Grove School District 69  
Skokie, Illinois**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Skokie Morton/Grove School District 69, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 accounting principles generally accepted in the United States of America; this includes 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 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 from 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 District'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 District'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.

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Skokie Morton/Grove School District 69, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and other required supplementary information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2020 on our consideration of the District'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Skokie Morton/Grove School District 69's 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 the District's internal control over financial reporting and compliance.

*Wipfli LLP*

**Aurora, Illinois  
December 14, 2020**

# Skokie/Morton Grove School District 69

## Management's Discussion and Analysis

### For the Year Ended June 30, 2020

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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, 2020. Please read it in conjunction with the District's financial statements, which begin on page 10, 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 and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2019 by \$15,260,577 (net position).
- The District's total net position increased by \$677,387 based on operating results.
- The District increased its total long-term debt by \$22,604,054 primarily due to bond proceeds in the current year to pay for capital projects.
- At June 30, 2020, the District's governmental funds reported combined fund balances of \$56,044,916, an increase of 21,088,998 from the prior year based on operating results.

#### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 10 and 11) 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 12. 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 5. 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 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 deferred outflows of resources and liabilities and deferred inflows of resources – 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.

# Skokie/Morton Grove School District 69

## Management's Discussion and Analysis

For the Year Ended June 30, 2020

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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.

USING THIS ANNUAL REPORT (continued)

### *Reporting the District's Most Significant Funds*

#### *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 Fiduciary Assets and Liabilities on page 18, and a Schedule of Changes in Assets and Liabilities on page 80. 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 49.

#### *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 and other postemployment benefits to its employees, and other supplemental information that may be useful to the reader.



# Skokie/Morton Grove School District 69

## Management's Discussion and Analysis

For the Year Ended June 30, 2020

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### THE DISTRICT AS A WHOLE

A condensed statement of net position as of June 30, 2020 and 2019, and statement of activities for the year ended June 30, 2020, is presented below.

Net Position	Governmental Activities	
	2020	2019
Current and Other Assets	\$ 70,168,624	\$ 47,745,588
Capital Assets	22,407,524	18,943,145
Total Assets	<u>92,576,148</u>	<u>66,688,733</u>
Deferred Outflows of Resources	<u>1,529,213</u>	<u>3,229,192</u>
Current Liabilities	714,260	191,296
Long-Term Debt Outstanding	61,291,097	38,687,043
Total Liabilities	<u>62,005,357</u>	<u>38,878,339</u>
Deferred Inflows of Resources	<u>16,839,427</u>	<u>16,456,306</u>
Net Position		
Net Investment in Capital Assets	\$ 1,409,958	\$ 2,124,878
Restricted	6,642,228	11,787,127
Unrestricted	7,208,391	671,275
Total Net Position	<u>\$ 15,260,577</u>	<u>\$ 14,583,280</u>

# Skokie/Morton Grove School District 69

## Management's Discussion and Analysis For the Year Ended June 30, 2020

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Changes in Net Position	2020	2019
<u>Revenues</u>		
Program Receipts		
Charges for Services	\$ 649,991	\$ 558,411
Operating Grants	13,698,126	11,534,119
General Receipts		
Property Taxes	25,046,456	24,340,036
Other Taxes	546,328	499,098
Earnings on Investments	1,136,928	961,907
Evidence Based Funding/ Former General State Aid	3,853,965	3,763,226
Other	73,859	358,939
Total Revenues	<u>45,005,653</u>	<u>42,015,736</u>
<u>Expenses</u>		
Program Disbursements		
Instruction	\$ 26,713,576	\$ 22,395,570
Support Services	14,158,501	12,153,731
Community Services	376,371	268,348
Nonprogrammed Charges	819,400	1,015,777
Interest and Other Charges	1,265,248	752,432
Depreciation - Unallocated	995,260	973,787
Total Expenses	<u>44,328,356</u>	<u>37,559,645</u>
Change in Net Position	<u>677,297</u>	<u>4,456,091</u>
Net Position- Beginning	<u>14,583,280</u>	<u>10,127,189</u>
Net Position- Ending	<u>\$ 15,260,577</u>	<u>\$ 14,583,280</u>

Net position of the District's governmental activities increased by \$677,297. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased by \$3,264,073 to \$3,935,348.

### THE DISTRICT'S FUNDS

At June 30, 2020, the District's governmental funds (as presented in the Balance Sheet on page 12) reported a combined fund balance of \$56,044,916, which is greater than last year's total of \$34,955,918. The primary reason for the governmental funds increase is the bond proceeds to support future capital projects.

# Skokie/Morton Grove School District 69

## Management's Discussion and Analysis For the Year Ended June 30, 2020

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### *General Fund Budgetary Highlights*

The original July 1, 2019 to June 30, 2020 budget was approved by the Board of Education on September 16, 2019, and the amended budget was approved by the Board of Education on June 16, 2020. 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 higher than expected payments to TRS on behalf of the District by the State and higher than expected state grant and reimbursement receipts.
- The General (Education) Fund actual direct disbursements were less than the budgeted amount due to higher than expected payments to TRS on behalf of the District by the State.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### *Capital Assets*

At June 30, 2020, the District had \$22,407,524 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	
	2020	2019
Land	\$ 307,362	\$ 307,362
Construction in progress	4,387,485	-
Buildings and improvements	17,149,007	17,935,597
Furniture and Equipment	563,670	700,186
Totals	<u>\$ 22,407,524</u>	<u>\$ 18,943,145</u>

The District's fiscal year 2020-21 budget calls for it to spend \$11,000,000 for capital projects, principally for construction projects at Edison Elementary School.

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

#### *Long-Term Debt*

At June 30, 2020, the District had \$61,291,097 in long-term debt outstanding, as shown below.

During the year ended June 30, 2020, 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

# Skokie/Morton Grove School District 69

## Management's Discussion and Analysis For the Year Ended June 30, 2020

Governmental Activities		
Outstanding Debt at Year End	2020	2019
2010 Refunding Bonds	\$ 1,390,000	\$ 2,050,000
2012 Working Cash and Refunding Bonds	2,115,000	2,780,000
2017 Refunding Bonds	5,595,000	6,715,000
2018 GO Limited Tax Bonds	8,885,000	8,885,000
2020 GO Limited Tax Bonds	22,315,000	-
Capital Leases	278,621	362,610
Unamortized Premium	3,969,687	984,631
Compensated Absences	52,641	-
Net pension liabilities (assets):		
IMRF	-	1,058,591
TRS	1,419,211	1,457,253
Net OPEB Liability - THIS	15,270,937	14,393,958
Totals	<u>\$ 61,291,097</u>	<u>\$ 38,687,043</u>

See Note 4 to the financial statements for additional information about long-term debt.

### OTHER FINANCIAL MATTERS BEARING ON THE DISTRICT'S FUTURE

- The District continues to update and prioritize the Long-Range Facility Improvement Plan and looks to continue to make updates to the facilities as funding is available. As construction-related expenses are processed, the fund balance in the Capital Projects Fund is expected to be depleted. Future construction project funding sources will be reviewed carefully as prioritization will become critical.
- 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.
- Concerns exist over potential legislative changes at both the State and Federal levels that could have a negative impact on revenue streams or expenditure structures. A statewide property tax freeze is concerning as property tax is the primary source of revenue for the District. Increases in employer contributions to retirement plans would add additional expense for the District.

### 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.

# **Basic Financial Statements**

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# Skokie Morton/Grove School District 69

## Statement of Net Position

<i>June 30, 2020</i>	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and investments	\$ 56,450,405
Receivables	
Taxes receivable	12,777,019
Due from other governments	861,871
Other current assets	33,694
Capital assets not being depreciated	4,694,847
Capital assets (net of accumulated depreciation)	17,712,677
Other assets	
Net pension asset - IMRF	<u>45,635</u>
Total assets	<u>92,576,148</u>
<b>Deferred outflow of resources</b>	
Deferred outflows related to pensions	386,702
Deferred outflows related to OPEB	<u>1,142,511</u>
Total deferred outflow of resources	<u>1,529,213</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	586,372
Accrued interest payable	127,888
Noncurrent liabilities	
Due within one year	2,288,285
Due in more than one year	<u>59,002,812</u>
Total liabilities	<u>62,005,357</u>
<b>Deferred inflow of resources</b>	
Property taxes levied for subsequent years	13,491,701
Deferred inflows related to pensions	1,337,628
Deferred inflows related to OPEB	<u>2,010,098</u>
Total deferred inflow of resources	<u>16,839,427</u>
<b>Net position</b>	
Net investment in capital assets	1,409,958
Restricted for	
Liability insurance	1,289,222
Student transportation	1,306,759
Employee retirement	961,783
Debt service	3,084,464
Unrestricted	<u>7,208,391</u>
Total net position	<u>\$ 15,260,577</u>

See accompanying notes to financial statements.

# Skokie Morton/Grove School District 69

## Statement of Activities

<i>For the Year Ended June 30, 2020</i>	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
<b>Functions/Programs</b>				
Governmental activities				
Instructional services				
Regular programs	\$ 11,428,791	\$ 325,346	\$ 794,810	\$ (10,308,635)
Special programs	1,719,464	74,598	189,414	(1,455,452)
Other programs	1,693,301	-	-	(1,693,301)
State Retirement	11,872,020	-	11,872,020	-
Support services				
Pupils	1,897,762	-	-	(1,897,762)
Instructional staff	564,262	-	4,476	(559,786)
General administration	746,827	-	-	(746,827)
School administration	1,471,756	-	-	(1,471,756)
Business	3,428,652	123,070	534,783	(2,770,799)
Operations and maintenance	2,446,652	20,000	-	(2,426,652)
Transportation	1,519,834	106,977	302,623	(1,110,234)
Central	2,082,756	-	-	(2,082,756)
Community Services	376,371	-	-	(376,371)
Non-programmed charges	819,400	-	-	(819,400)
Depreciation - unallocated	995,260	-	-	(995,260)
Interest on long-term liabilities	<u>1,265,248</u>	<u>-</u>	<u>-</u>	<u>(1,265,248)</u>
Total governmental activities	\$ <u>44,328,356</u>	\$ <u>649,991</u>	\$ <u>13,698,126</u>	<u>(29,980,239)</u>
<b>General revenues</b>				
Property taxes levied for				
General purposes				15,959,347
Operations and maintenance				2,467,750
Transportation				2,650,073
Retirement				593,376
Debt service				3,375,910
Personal property replacement taxes				546,328
Federal and state aid not restricted for specific purposes				3,853,965
Earnings on investments				1,136,928
Other general				<u>73,859</u>
Total general revenue				<u>30,657,536</u>
Change in net position				677,297
Net position, beginning of year				<u>14,583,280</u>
Net position, ending				<u>\$ 15,260,577</u>

See accompanying notes to financial statements.

# Skokie Morton/Grove School District 69

## Balance Sheet - Governmental Funds

<i>June 30, 2020</i>	General Fund	Transportation	Debt Service Fund	Capital Projects	Nonmajor Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 22,869,753	\$ 1,359,078	\$ 3,100,212	27,157,131	\$ 1,964,231
Receivables					
Property taxes	9,253,625	1,500,036	1,723,286	-	300,072
Due from other governments	787,041	74,830	-	-	-
Other current assets	<u>33,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 32,944,113</u>	<u>\$ 2,933,944</u>	<u>\$ 4,823,498</u>	<u>\$ 27,157,131</u>	<u>\$ 2,264,303</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	<u>\$ 174,749</u>	<u>\$ 78,277</u>	<u>\$ -</u>	<u>333,346</u>	<u>\$ -</u>
Total liabilities	<u>174,749</u>	<u>78,277</u>	<u>-</u>	<u>333,346</u>	<u>-</u>
<b>Deferred inflows</b>					
Property taxes levied for subsequent year	<u>9,900,945</u>	<u>1,548,908</u>	<u>1,739,034</u>	<u>-</u>	<u>302,814</u>
Total deferred inflows	<u>9,900,945</u>	<u>1,548,908</u>	<u>1,739,034</u>	<u>-</u>	<u>302,814</u>
<b>Fund balances</b>					
<b>Restricted</b>					
Liability insurance	1,289,222	-	-	-	-
Student transportation	-	1,306,759	-	-	-
Employee retirement	-	-	-	-	961,783
Debt service	-	-	3,084,464	-	-
Capital projects	-	-	-	26,823,785	999,706
<b>Unrestricted</b>					
Unassigned	<u>21,579,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>22,868,419</u>	<u>1,306,759</u>	<u>3,084,464</u>	<u>26,823,785</u>	<u>1,961,489</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 32,944,113</u>	<u>\$ 2,933,944</u>	<u>\$ 4,823,498</u>	<u>\$ 27,157,131</u>	<u>\$ 2,264,303</u>

See accompanying notes to financial statements.



**Total  
Governmental  
Funds**

---

\$ 56,450,405

12,777,019

861,871

33,694

\$ 70,122,989

\$ 586,372

586,372

13,491,701

13,491,701

1,289,222

1,306,759

961,783

3,084,464

27,823,491

21,579,197

56,044,916

\$ 70,122,989

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**Skokie Morton/Grove School District 69**  
 Reconciliation of the Balance Sheet of  
 Governmental Funds to the Statement of Net Position  
 June 30, 2020

---

**Net change in fund balances - governmental funds** \$ 56,044,916

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The cost of the assets is \$44,426,645 and the accumulated depreciation is \$22,019,121. 22,407,524

Net pension assets are not financial resources, and therefore, are not reported in the governmental funds. 45,635

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities consist of:

Bonds payable	(44,269,687)	
Capital leases	(278,621)	
Net other postemployment benefits obligation	(15,270,937)	
Net pension liabilities	(1,419,211)	
Interest payable	(127,888)	
Compensated absences	<u>(52,641)</u>	(61,418,985)

Deferred inflows and outflows of resources related to pensions and other postemployment benefits are not reported in the governmental funds

Deferred outflows - pensions	386,702	
Deferred inflows - pensions	(1,337,628)	
Deferred outflows - OPEB	1,142,511	
Deferred inflows - OPEB	<u>(2,010,098)</u>	<u>(1,818,513)</u>

**Net position of governmental activities** \$ 15,260,577

See accompanying notes to financial statements.

# Skokie Morton/Grove School District 69

## Statement of Revenues, Expenditures and Changes In Fund Balance - Governmental Funds

<i>Year Ended June 30, 2020</i>	General Fund	Transportation	Debt Service Fund	Capital Projects
<b>Revenues</b>				
Local sources	\$ 19,995,970	\$ 2,860,217	\$ 3,455,213	\$ 293,795
State sources	11,062,146	302,623	-	-
Federal sources	<u>847,267</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>31,905,383</u>	<u>3,162,840</u>	<u>3,455,213</u>	<u>293,795</u>
<b>Expenditures</b>				
Current operating				
Instruction	20,112,509	-	-	-
Support services	10,284,812	1,506,188	-	6,351,374
Community services	346,875	-	-	-
Non-programmed charges	<u>819,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service				
Principal	-	-	2,528,989	-
Interest and other	<u>-</u>	<u>-</u>	<u>1,355,477</u>	<u>-</u>
Total expenditures	<u>31,563,596</u>	<u>1,506,188</u>	<u>3,884,466</u>	<u>6,351,374</u>
Excess (deficiency) of revenues over (under) expenditures	<u>341,787</u>	<u>1,656,652</u>	<u>(429,253)</u>	<u>(6,057,579)</u>
<b>Other financing sources</b>				
Principal on bonds sold	-	-	22,315,000	25,065,000
Premium on bonds sold	-	-	3,134,740	-
Payment to escrow agent	-	-	(25,065,000)	-
Transfers in	4,000,000	-	100,212	6,000,000
Transfers out	<u>(6,100,212)</u>	<u>(4,000,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,100,212)</u>	<u>(4,000,000)</u>	<u>484,952</u>	<u>31,065,000</u>
Net change in fund balances	(1,758,425)	(2,343,348)	55,699	25,007,421
Fund balances, beginning of year	<u>24,626,844</u>	<u>3,650,107</u>	<u>3,028,765</u>	<u>1,816,364</u>
Fund balances, end of year	<u>\$ 22,868,419</u>	<u>\$ 1,306,759</u>	<u>\$ 3,084,464</u>	<u>\$ 26,823,785</u>

See accompanying notes to financial statements.

<b>Nonmajor Governmental Funds</b>		<b>Total</b>
\$ 848,367	\$ 27,453,562	
-	11,364,769	
<u>-</u>	<u>847,267</u>	
<u>848,367</u>	<u>39,665,598</u>	
287,608	20,400,117	
403,612	18,545,986	
29,496	376,371	
<u>-</u>	<u>819,400</u>	
-	2,528,989	
<u>-</u>	<u>1,355,477</u>	
<u>720,716</u>	<u>44,026,340</u>	
<u>127,651</u>	<u>(4,360,742)</u>	
-	47,380,000	
-	3,134,740	
-	(25,065,000)	
-	10,100,212	
<u>-</u>	<u>(10,100,212)</u>	
<u>-</u>	<u>25,449,740</u>	
127,651	21,088,998	
<u>1,833,838</u>	<u>34,955,918</u>	
<u>\$ 1,961,489</u>	<u>\$ 56,044,916</u>	

# Skokie Morton/Grove School District 69

## Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2020

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**Net change in fund balances - governmental funds** \$ 21,088,998

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$1,500 are capitalized and the cost is allocated over their estimated lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	4,459,639	
Depreciation expense	<u>(995,260)</u>	
		3,464,379

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of the following:

Change in compensated absences payable	(52,641)	
Change in accrued interest on debt	(59,455)	
Change in net pension liabilities/assets	1,142,268	
Change in other postemployment benefits obligation	(876,979)	
Change in deferred inflows/outflows related to other postemployment benefits obligation	(1,366,772)	
Change in deferred inflows/outflows related to OPEB	<u>108,566</u>	
		(1,105,013)

The governmental funds record bond and loan proceeds as other financing sources, while repayment of bond and loan principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of bonds and loans and related items is as follows:

Proceeds from bond issuance	(47,380,000)	
Premium on bond issuance	(3,134,740)	
Payment to escrow agent	25,065,000	
Repayment of bond principal	2,445,000	
Repayment of capital leases	83,989	
Bond premium amortization	<u>149,684</u>	
		<u>(22,771,067)</u>

**Change in net position of governmental activities** \$ 677,297

See accompanying notes to financial statements.

# Skokie Morton/Grove School District 69

## Statement of Fiduciary Assets and Liabilities

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*June 30, 2020*

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### **Assets**

Cash in bank	\$ <u>131,226</u>
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### **Liabilities**

Due to activity fund organizations	\$ 35,030
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Due to employees	<u>96,196</u>
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Total liabilities	\$ <u>131,226</u>
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See accompanying notes to financial statements.

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# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

Skokie Morton/Grove School District 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 includes all funds of its governmental operations that are controlled by or dependent upon the District as determined on a basis of financial accountability.

#### Reporting Entity

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statements have been considered and there are no agencies or entities which should be presented with the District. Using the same criteria, the District is not included as a component unit of any other governmental entity.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. This report does not contain any component units.

#### Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following summarizes the fund types used by the District:

The District reports the following major governmental funds:

**General Fund** - The General Fund is the District's primary operating fund. It is comprised of four subfunds: the Educational Account, the Operations and Maintenance Account, the Tort Immunity Account, and the Working Cash Account. These subfunds account for activities that are not specifically accounted for in another fund.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

**Educational Account** – These accounts are used for most of the instructional and administrative aspects of the District’s operations, as well as providing school lunch services to students. The revenue consists primarily of local property taxes, state government aid and student registration fees and lunch receipts from the District food service program.

**Operations and Maintenance Account** – This account is used for expenditures made for the operation, repair and maintenance of District property. Revenue in this fund consists primarily of local property taxes.

**Tort Immunity Account** - This fund accounts for revenues and expenditures related to tort immunity. Revenue is primarily derived from local property taxes.

**Working Cash Account** – This fund accounts for financial resources held by the District to be used as loans for working capital requirements to any other fund for which taxes are levied. The Working Cash Account was established and has been used to respond to fluctuations in cash flow resulting from unpredictable property tax collections. The earnings of the fund are allowed to be transferred to another fund under the Illinois Compiled Statutes. The principal of the fund, accumulated from bond issues, can be used as a source from which the District borrows money to support temporary deficiencies in other funds, or may be partially or fully transferred to the General Fund’s Educational Account, upon Board approval.

**Transportation Fund** – This fund accounts for the revenue and expenditures relating to student transportation to and from school. Revenue is derived primarily from local property taxes and state reimbursement grants.

**Debt Service Funds** - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years should also be reported in debt service funds.

**Bond and Interest Fund** - The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Since there are no legal requirements on bond indentures, which mandate that a separate fund be established for each bond issue, the District maintains one debt service fund for all bond issues.

**Capital Projects Funds** - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

The District reports the following nonmajor governmental funds:

**Municipal Retirement/Social Security Fund** – This special revenue fund accounts for the District’s portion of the pension contributions to the Illinois Municipal Retirement Fund for noncertified employees and social security contributions for applicable certified and noncertified employees. Revenue to finance the contributions is derived primarily from local property taxes.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

**Fire Prevention and Safety Fund** – The Fire Prevention and Safety Fund accounts for financial resources to be used for acquisitions and construction projects, which qualify as Fire Prevention and Safety expenditures.

**Fiduciary Funds** – Fiduciary funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

**Agency Funds** - The agency funds (student activity funds) account for assets held by the District in a trustee capacity or as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve a measurement of the results of operations. Fiduciary funds are not included in the government-wide financial statements.

### **Basis of Presentation**

#### ***Government-Wide Financial Statements***

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business-type activities".

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues instead.

Separate financial statements are provided for all governmental funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### **Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Basis of Presentation** (Continued)

Governmental funds are used to account for the District's general governmental activities. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available." "Measurable" means that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after year-end. Revenues collected after 60 days are recorded as unavailable revenue. Expenditures are recorded when the related fund liability is incurred. However, unmatured principal and interest on general long-term debt is recognized when due; and certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time. Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and accordingly, when such funds are received they are recorded as unearned revenues until earned.

On-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers' Retirement System of the State of Illinois (TRS)) have been recognized in the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

#### **Deferred Outflows/Inflows of Resources**

Deferred inflows of resources and unearned revenue arise when assets are recognized before revenue recognition criteria have been satisfied. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred inflows of resources. Property taxes for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 operations, have been recorded as deferred inflows of resources. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue. Amounts related to pension and other post employment benefits are also recorded as deferred inflows of resources.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The separate statement also reports deferred amounts related to pensions and other post-employment benefits.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Deposits and Investments**

Under Illinois law, the District is restricted to investing funds in specific types of investment instruments. The following generally represents the types of instruments allowable by state law:

- Securities issued or guaranteed by the United States.
- Interest and non-interest bearing accounts of financial institutions insured by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the three highest classifications by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- Illinois Funds. (A state sponsored investment pool.)
- Repurchase agreements that meet instrument transaction requirements of Illinois law.

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.

#### **Property Tax Revenues**

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2019 levy resolution was approved during the December 16, 2019 Board of Education meeting. The District's property tax is levied each year on all taxable real property located in the District, and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year. The District's annual property tax levy is subject to two statutory limitations: Individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELA).

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt or other voter referenda provisions). PTELA limits the increase in total taxes billed to the lesser of 5% or the new percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Property Tax Revenues (Continued)

Property taxes are collected by the County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments the following year: the first due on June 1 and the second due on September 1 for property located in DuPage County and March 1 and August 1 for Cook County. Property taxes are normally collected by the District within 60 days of the respective installment dates. Due to the allocation method used, individual fund rates for Cook County may exceed the statutory limits; however, the combined extension is limited to the statutory rate limits extended on the combined equalized assessed valuation.

The 2019 property tax levy is recognized as a receivable in fiscal year 2020. The District considers that the first installment of the 2019 levy is to be used to finance operations in fiscal year 2020. The District has determined that the second installment of the 2019 levy is to be used to finance operations in fiscal year 2021 and has deferred the corresponding receivable and collections.

#### Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement/Social Security Fund, and the balance is then allocated to the remaining funds at the discretion of the District.

#### Capital Assets

Capital assets, which include land, land improvements, buildings, buildings improvements, vehicles, equipment, and construction in progress are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,000 and an estimated life of one year or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

	Years
Buildings and buildings improvements	50 years
Land improvements	20 years
Furniture and equipment	10 years

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2020 are determined on the basis of current salary rates and include salary related payments.

Employees who work a twelve-month year are entitled to be compensated for vacation time. Vacations are usually taken within the fiscal year. Any unused vacation time as of the fiscal year end is forfeited; however an exception is made with approval of either the Board of Education or the Superintendent. Employees allowed to carryover vacation days must use the days by calendar year end, or else forfeit the remaining carryover days. As such, liability exists for unused vacation time. As of June 30, 2020, there was accrued but unpaid vacation leave in the amount of \$52,641.

All certified employees receive a specified number of sick days per year depending on their years of service, in accordance with the agreement between the Board of Education and Education Association. Upon retirement, a certified employee may apply up to 340 days of unused sick leave toward service credit for TRS. Any remaining unused sick days are forfeited.

Due to the nature of the policies on sick leave, and the fact that any liability is contingent upon future events and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated unpaid sick leave.

#### **Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Net Position

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components; net investment in capital assets, restricted, and unrestricted.

*Net investment in capital assets* - consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows of resources and deferred outflows of resources attributable to capital assets and related debts.

*Restricted* - consists of restricted assets and deferred outflows of resources reduced by the liabilities and deferred inflows of resources related to those assets and deferred outflows of resources, with restriction constraints placed on their use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.

*Unrestricted* - is the net amount of the assets, deferred outflows of resources, and deferred inflows of resources that does not meet the definition of the two preceding categories.

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

The District has adopted a policy to net the interfund receivables and payables for combined totals used to determine the major funds. Consequently, the interfund loan balances, which net to zero, are not utilized to determine major funds.

#### Pensions

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF), together "the Plans," and additions to/deductions from the Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.



# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Fund Balance Reporting

According to governmental 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.

*Non-spendable:* The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) 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 and prepaid amounts.

*Restricted:* The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity, including restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Fund balances of special revenue funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories:

#### *Special Education*

Revenues received and the related expenditures of this restricted tax levy are accounted for in the Educational Account. Expenditures exceeded revenue for this purpose, resulting in no restricted fund balance.

#### *State and federal grants*

Proceeds from state and federal grants and the related expenditures have been included in the General Fund and various special revenue funds. At June 30, 2020, expenditures exceeded revenue from state and federal grants, resulting in no restricted balances.

#### *Capital projects funds*

Expenditures and the related revenues received are accounted for in the Capital Projects Fund and Fire Prevention and Safety Fund. All equity within these funds is restricted for the associated capital expenditures within these funds.

*Committed:* 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 government’s highest level of decision-making authority (the school board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Fund Balance Reporting (Continued)

*Assigned:* The assigned fund balance classification refers to the amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned:* The unassigned fund balance classification is the residual classification for amounts in the general operating funds for amounts that have not been restricted, committed, or assigned to specific purposes within the general operating funds.

Unless specifically identified, expenditures disbursed act to reduce restricted fund balances first, then committed fund balances, next assigned fund balances, and finally act to reduce unassigned fund balances. Expenditures disbursed for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

### Note 2: Deposit and Investments

As of June 30, 2020, the reported amount of the District's cash and cash equivalents consisted of the following:

	Carrying Value	Bank Balance
Deposits with Financial Institutions	\$ 133,726	\$ 134,400
Deposits with Township Treasurer	<u>56,447,905</u>	<u>56,447,905</u>
Total	<u>\$ 56,581,631</u>	<u>\$ 56,582,305</u>

*Custodial Credit Risk - Deposits.* With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2020, the bank balance of the District's deposits with financial institutions totaled \$133,726, which was covered by insurance.

#### a. Cash and Investments Under the Custody of the Township Treasurer

Under the Illinois Compiled Statutes, the Niles Township School Treasurer is the lawful custodian of all school funds. The Treasurer is appointed by the Township School Trustees, an independently elected body, to serve the school districts in the township. The Treasurer is the direct recipient of property taxes, replacement taxes and most state and federal aid and disburses school funds upon lawful order of the school board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below. For these purposes, the Treasurer is permitted to combine monies from more than one fund of a single district and to combine monies of more than one district in the township. Monies combined under these circumstances, as well as investment earnings, are accounted for separately for each fund and/or district.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### **Note 2: Cash and Investments** (Continued)

Cash and investments, other than the student activity and convenience accounts, petty cash, and imprest funds, are part of a common pool for all school districts and cooperatives within the township. The Treasurer maintains records that segregate the cash and investment balance by district or cooperative. Income from investments is distributed monthly based upon the District's percentage participation in the pool. All cash for all funds, including cash applicable to the Debt Service Fund and the Illinois Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

The Treasurer's investment policies are established by the Niles Township School Trustees as prescribed by the Illinois School Code and the Illinois Compiled Statutes. The Treasurer is authorized to invest in obligations of the U.S. Treasury, backed by the full faith and credit of the U.S. Government, certificates of deposit issued by commercial banks and savings and loan associations, and commercial paper rated within the three highest classifications by at least two standard rating services (subject to certain limitations).

The Treasurer's Office operates as a non-rated, external investment pool. The fair value of the District's investment in the Treasurer's pool is determined by the District's proportionate share of the fair value of the investments held by the Treasurer's office.

The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2020, the the carrying amount of the District's cash and investments was \$56,447,905 and all of the District's deposits were either covered by Federal Depository Insurance or fully collateralized

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

### Note 3: Capital Assets

Governmental activities capital asset balances and activity for the year ended June 30, 2020, were as follows:

<b>Governmental Activities</b>	Balance 7/1/2019	Increases	Decreases	Balance 6/30/2020
Capital assets, not being depreciated:				
Land	\$ 307,362	\$ -	\$ -	\$ 307,362
Construction in progress	<u>-</u>	<u>4,387,485</u>	<u>-</u>	<u>4,387,485</u>
Total capital assets, not being depreciated	<u>307,362</u>	<u>4,387,485</u>	<u>-</u>	<u>4,694,847</u>
Capital assets, being depreciated:				
Buildings and improvements	37,488,984	-	-	37,488,984
Equipment	<u>2,170,660</u>	<u>72,154</u>	<u>-</u>	<u>2,242,814</u>
Total capital assets, being depreciated	<u>39,659,644</u>	<u>72,154</u>	<u>-</u>	<u>39,731,798</u>
Accumulated depreciation:				
Buildings and improvements	19,553,387	786,590	-	20,339,977
Equipment	<u>1,470,474</u>	<u>208,670</u>	<u>-</u>	<u>1,679,144</u>
Total accumulated depreciation	<u>21,023,861</u>	<u>995,260</u>	<u>-</u>	<u>22,019,121</u>
Total capital assets, being depreciated, net	<u>18,635,783</u>	<u>(923,106)</u>	<u>-</u>	<u>17,712,677</u>
Governmental activities capital assets, net	<u>\$ 18,943,145</u>	<u>\$ 3,464,379</u>	<u>\$ -</u>	<u>\$ 22,407,524</u>

Depreciation was not charged to any specific function.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

### Note 4: Long-Term Debt

Long-term debt consisted of the following at June 30, 2020:

	Balance 7/1/2019	Additions	Reductions/ Payments	Balance 6/30/2020	Amounts due Within One Year
<b>General Obligation Bonds Payable</b>					
2010 Refunding Bonds	\$ 2,050,000	\$ -	\$ 660,000	\$ 1,390,000	\$ 680,000
2012 Working Cash Fund and Refunding Bonds	2,780,000	-	665,000	2,115,000	685,000
2017-A Refunding Bonds	6,715,000	-	1,120,000	5,595,000	835,000
2018 GO Limited Tax Bonds	8,885,000	-	-	8,885,000	-
2020 Taxable GO Lease Certificates	-	25,065,000	25,065,000	-	-
2020 GO Limited Tax Bonds	<u>-</u>	<u>22,315,000</u>	<u>-</u>	<u>22,315,000</u>	<u>-</u>
<b>Total General Obligation Bonds</b>	<b>20,430,000</b>	<b>47,380,000</b>	<b>27,510,000</b>	<b>40,300,000</b>	<b>2,200,000</b>
Unamortized premium	984,631	3,134,740	149,684	3,969,687	-
Capital leases	362,610	-	83,989	278,621	88,285
Net Pension Liability -TRS	1,457,253	-	38,042	1,419,211	-
Net Pension Liability -IMRF	1,058,591	-	1,058,591	-	-
Net Other Post Employment Benefit Liability - THIS	14,393,958	876,979	-	15,270,937	-
Compensated absences	<u>-</u>	<u>52,641</u>	<u>-</u>	<u>52,641</u>	<u>-</u>
<b>Total long-term debt</b>	<b><u>\$ 38,687,043</u></b>	<b><u>\$ 51,444,360</u></b>	<b><u>\$ 28,840,306</u></b>	<b><u>\$ 61,291,097</u></b>	<b><u>\$ 2,288,285</u></b>

#### General Obligation Bonds

2010 Refunding Bonds dated December 2, 2010 were issued by the District in the amount of \$5,575,000. Principal payments are due each December 1, through 2021. Interest payments at a rate of 4.00% are due June 1 and December 1.

2012 Working Cash Fund and Refunding Bonds dated March 12, 2012 were issued by the District in the amount of \$9,315,000. Principal payments are due each December 1, through 2022. Interest payments at a rate of 3.00% are due June 1 and December 1.

2017-A Refunding Bonds dated January 24, 2017 were issued by the District in the amount of 8,315,000. Principal payments are due each December 1, through 2024. Interest payments at a rate of 4.00% are due June 1 and December 1.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### Note 4: Long-Term Debt (Continued)

2018 GO Limited Tax Bonds dated January 24, 2018 were issued by the District in the amount of 8,885,000. Principal payments are due each December 1, through 2032. Interest payments at rates from 4.00% to 5.00% are due June 1 and December 1.

2020 GO Limited Tax Bond dated March 10, 2020 were issued by the District in the amount of 22,315,000. Principal payments are due each December 1, through 2023. Interest payments at rates from 3.00% to 4.00% are due June 1 and December 1.

The annual cash flow requirements of all bonds payable to maturity were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,200,000	\$ 1,494,075	\$ 3,694,075
2022	2,325,000	1,410,525	3,735,525
2023	1,710,000	1,336,975	3,046,975
2024	1,835,000	1,269,700	3,104,700
2025	1,595,000	1,201,100	2,796,100
2026 - 2030	9,690,000	4,880,850	14,570,850
2031 - 2035	12,145,000	2,532,900	14,677,900
2036 - 2039	<u>8,800,000</u>	<u>485,850</u>	<u>9,285,850</u>
Total	<u>\$ 40,300,000</u>	<u>\$ 14,611,975</u>	<u>\$ 54,911,975</u>

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### Note 4: Long-Term Debt (Continued)

Payments to retire bonds payable will be made from debt service levies in future periods. There is \$3,084,464 of fund equity available in the Debt Service Fund to service outstanding bonds payable.

The District is subject to the *Illinois Compiled Statutes* which limits the amount of bond indebtedness, to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2020 the statutory debt limit for the District was \$31,398,148. The District exceeded its debt margin by \$(5,817,388) after taking into account amounts available in the Debt Service Fund.

During the year, the District issued \$22,315,000 of General Obligation Limited Tax School Bonds, Series 2020 to currently refund the Taxable General Obligation Lease Obligations, Series 2020. The net proceeds of \$25,119,5986 (including a premium of \$3,134,740 and after payment of \$330,154 in underwriting fees and other issuance costs) were deposited into an irrevocable trust with an escrow agent to call all of the outstanding Taxable Obligation Lease Obligations, Series 2020. As a result, those obligations are considered defeased and the liability has been removed from the statement of net position. The current refunding increased its total debt service payments by \$1,770,989 and resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$263,680.

Capital Leases. The District has entered into lease agreements as lessee for financing the acquisition of copier and other equipment. The lease agreements qualify as a capital leases for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. At June 30, 2020, \$488,000 of amounts included in capital assets were acquired via capital leases. The obligations for the capital leases will be repaid from the Debt Service Fund.

The annual cash flow requirements of all capital leases to maturity were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 88,285	\$ 11,927	\$ 100,212
2022	92,804	7,408	100,212
2023	<u>97,532</u>	<u>2,661</u>	<u>100,193</u>
Total	<u>\$ 278,621</u>	<u>\$ 21,996</u>	<u>\$ 300,617</u>

### Note 5: Employee Retirement Systems

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### Note 5: Employee Retirement Systems (Continued)

#### a. Teachers' Retirement System of the State of Illinois (TRS)

##### *Plan Description*

The District participates in the 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 <https://www.trsil.org/financial/cafrs/fy2019>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

##### *Benefits Provided*

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest consecutive 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.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.



# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### Note 5: Employee Retirement Systems (Continued)

#### *Contributions*

The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90% 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, 2019, was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

**On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on-behalf of the District. For the year ended June 30, 2020, State of Illinois contributions recognized by the District were based on the State's proportionate share of the pension expense associated with the District, and the District recognized revenue and expenses of \$10,966,485 in the governmental activities based on the economic resources measurement focus and revenues and expenditures of \$6,357,395 in the General Fund based on the current financial resources measurement focus.

**2.2 formula contributions.** The District contributes 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2020 were \$81,653, and are deferred because they were paid after the June 30, 2020 measurement date.

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 Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2020, the employer pension contribution was 10.66% of salaries paid from federal and special trust funds. For the year ended June 30, 2020, \$262,092 of salaries were paid from the federal and special trust funds and contributions for the year ended June 30, 2020 were \$27,939. These contributions are deferred because they were paid after the June 30, 2019 measurement date.

**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 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, 2020, the District paid \$5,061 to TRS for employee contributions due on salary increases in excess of 6 percent and made no payment for sick leave days granted in excess of the normal allotment.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

### Note 5: Employee Retirement Systems (Continued)

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its 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 follows below:

District's proportionate share of the net pension liability	\$ 1,419,211
State's proportionate share of the net pension liability associated with the District	<u>101,003,720</u>
Total	<u>\$ 102,422,931</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2020. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2020, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2020, the employer's proportion was 0.001700%, which was a decrease of 0.000170% from its proportion measured as of June 30, 2018.

For year ended June 30, 2020, the District recognized pension expense of \$148,618. At June 30, 2020, the District had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 23,271	\$ -
Changes in assumptions	31,800	27,242
Net difference between projected and actual earnings in pension plan investments	2,248	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>103,291</u>	<u>827,864</u>
Total deferred amounts to be recognized in pension expense in future periods	160,610	855,107
District's contributions subsequent to the measurement date	<u>27,939</u>	<u>-</u>
Total	<u>\$ 188,549</u>	<u>\$ 855,107</u>

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### Note 5: Employee Retirement Systems (Continued)

\$27,939 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in these reporting years:

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2021	\$ (150,109)
2022	(199,529)
2023	(226,529)
2024	(111,639)
2025	<u>(6,691)</u>
Total	\$ <u>(694,497)</u>

#### Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	varies by amount of service credit
Investment rate of return	7.00% net of pension plan investment expense, including inflation

In the June 30, 2019 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for the TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2018 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

### Note 5: Employee Retirement Systems (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	15.0 %	6.3 %
U.S. equities small/mid cap	2.0 %	7.7 %
International equities developed	13.6 %	7.0 %
Emerging market equities	3.4 %	9.5 %
U.S. bonds core	8.0 %	2.2 %
U.S. bonds high yield	4.2 %	4.0 %
International debt developed	2.2 %	1.1 %
Emerging international debt	2.6 %	4.4 %
Real estate	16.0 %	5.2 %
Commodities (real return)	4.0 %	1.8 %
Hedge funds (absolute return)	14.0 %	4.1 %
Private Equity	15.0 %	9.7 %
Total	100.0 %	

#### *Discount Rate*

At June 30, 2020, the discount rate used to measure the total pension liability was 7.0%, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2020 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 1,733,442	\$ 1,419,211	\$ 1,160,851

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### Note 5: Employee Retirement Systems (Continued)

Detailed information about the TRS's fiduciary net position as of June 30, 2020 is available in the separately issued TRS Comprehensive Annual Financial Report.

#### b. Illinois Municipal Retirement Fund (IMRF)

##### *Plan Description and Benefits*

**Plan description** – The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The employer's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions 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. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits provided** - IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have 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 by 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 ten 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 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### Note 5: Employee Retirement Systems (Continued)

**Employees Covered by the Benefit Terms** - At the December 31, 2019 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	74
Inactive employees entitled to but not yet receiving benefits	218
Active employees	<u>88</u>
Total	<u>380</u>

**Contributions** - As set by statute, the employer's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer's annual contribution rate for calendar year 2019 was 5.64%. For the fiscal year ended June 30, 2020, the employer contributed \$227,708 to the plan. The employer 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 employer's Net Pension Liability was measured as of December 31, 2019, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

**Actuarial assumptions** - The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Inflation	2.50%
Salary increases	3.35% to 14.25%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other information: Notes	There were no benefit changes during the year.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

### Note 5: Employee Retirement Systems (Continued)

The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return 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 as of December 31, 2019:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	37.0 %	5.75 %
International equities	18.0 %	6.50 %
Fixed income	28.0 %	3.25 %
Real estate	7.0 %	5.20 %
Alternatives	9.0 %	3.20-8.50 %
Cash	1.0 %	1.85 %
Total	100.0 %	

### Single Discount Rate

A Single Discount Rate of 7.25% 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
1. 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 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

**Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate** - The following presents the plan's net pension liability (asset), calculated using the single discount rate of 7.25 percent, 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 1,290,394	\$ (45,635)	\$ (1,142,180)

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

### Note 5: Employee Retirement Systems (Continued)

#### Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ <u>10,685,801</u>	\$ <u>9,627,210</u>	\$ <u>1,058,591</u>
Changes for the year:			
Service cost	294,995	-	294,995
Interest on the total pension liability	761,901	-	761,901
Differences between expected and actual experience of the total pension liability	(46,581)	-	(46,581)
Contributions - employer	-	190,505	(190,505)
Contributions - employees	-	151,999	(151,999)
Net investment income	-	1,840,477	(1,840,477)
Benefit payments, including refunds of employee contributions	(648,647)	(648,647)	-
Other (net transfer)	-	(68,440)	68,440
Net changes	<u>361,668</u>	<u>1,465,894</u>	<u>(1,104,226)</u>
Balances at December 31, 2019	\$ <u>11,047,469</u>	\$ <u>11,093,104</u>	\$ <u>(45,635)</u>

#### Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions -

For year ended June 30, 2020, the District recognized pension expense of \$426,934. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources which are not reported due to the financial reporting provisions of the Illinois State Board of Education.

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 19,897	\$ 27,057
Changes in assumptions	41,941	-
Net difference between projected and actual earnings on pension plan investments	-	455,464
Total deferred amounts to be recognized in pension expense in future periods	61,838	482,521
District's contributions subsequent to the measurement date	<u>136,315</u>	<u>-</u>
Total	<u>\$ 198,153</u>	<u>\$ 482,521</u>



# Skokie Morton/Grove School District 69

## Notes to Financial Statements

### Note 5: Employee Retirement Systems (Continued)

\$136,315 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2021	\$ (86,314)
2022	(147,352)
2023	44,198
2024	<u>(231,215)</u>
 Total	 <u>\$ (420,683)</u>

Aggregate Pension Amounts - At June 30, 2020, the District reported the following from all pension plans:

	TRS	IMRF	Total
Net pension liability/(asset)	\$ 1,419,211	\$ (45,635)	\$ 1,373,576
Deferred outflows of resources	188,549	198,153	386,702
Deferred inflows of resources	855,107	482,521	1,337,628
Pension expense	148,618	426,934	575,552

### Note 6: Other Postemployment Benefits

#### a. Teacher Health Insurance Security (THIS)

*Plan Description.* The District participates in the THIS. The THIS is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan (OPEB) that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. THIS members are retirees of public schools who were certified educators or administrators. Eligibility is currently limited to former full-time employees, and others who were not full-time employees that meet certain requirements, and their dependents. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) (SEGIA) establishes the eligibility and benefit provisions of the plan.

The THIS issues a publicly available financial report that can be obtained at the website of the Illinois Auditor General: <https://www.auditor.illinois.gov/Audit-Report/ABC-List.asp>. The current reports are listed under "Central Management Services"; prior reports are available under "Healthcare and Family Services".

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### **Note 6: Other Postemployment Benefits** (Continued)

#### *Benefits Provided*

The THIS Fund provides medical, prescription, and behavioral health benefits, but it 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 were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

Amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS.

#### *Contributions*

The SEGIA requires that all active contributors to the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.24% of salary and for every employer of a teacher to contribute an amount equal to 0.92% of each teacher's salary. Additionally, the SEGIA requires the State to match the employees' contribution on-behalf of the employer. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the THIS, an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

The SEGIA requires that the Department's Director determine the rates and premiums of annuitants and dependent beneficiaries and establish the cost-sharing parameters, as well as funding. Member premiums are set by this statute, which provides for a subsidy of either 50% or 75%, depending upon member benefit choices. Dependents are eligible for coverage, at a rate of 100% of the cost of coverage.

**On-behalf contributions to THIS.** The state of Illinois makes employer retiree health insurance contributions on behalf of the District. In the fund financial statements, the State contributions are intended to match contributions to THIS Fund from active members which were 1.24% of pay during the year ended June 30, 2020. In the government-wide financial statements, the State of Illinois contributions also include a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate). For the year ended June 30, 2020, the District recognized revenue and expenses of \$905,535 in the governmental activities based on the economic resources measurement focus and revenues and expenditures in the amount of \$174,570 in the General Fund based on the current financial resources measurement focus for the State of Illinois contributions on behalf of the District.

**Employer contributions to THIS Fund.** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.92% during the year ended June 30, 2020. For the year ended June 30, 2020, the District paid \$129,519 to the THIS Fund, which was 100 percent of the required contribution.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### Note 6: Other Postemployment Benefits (Continued)

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At June 30, 2020, the District's reported a liability for its proportionate share of the net OPEB liability. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 15,270,937
State's proportionate share of the net OPEB liability associated with the District	<u>20,678,797</u>
Total	<u>\$ 35,949,734</u>

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2020. The District's proportion of the net OPEB liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2020, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2020, the District's proportion was 0.055175%, which was an increase of 0.000540% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized the following OPEB expense/expenditure and revenue pertaining to the District's employees:

	Governmental	
	Activities	General Fund
State on-behalf contributions		
State On Behalf Contributions - OPEB revenue		
and expense/expenditure	\$ 905,535	\$ 174,569
District OPEB expense/expenditure	<u>897,880</u>	<u>129,519</u>
Total OPEB expense/expenditure	<u>\$ 1,803,415</u>	<u>\$ 304,088</u>

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

### Note 6: Other Postemployment Benefits (Continued)

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 253,409
Changes in assumptions	5,789	1,750,547
Net difference between projected and actual earnings in OPEB plan investments	-	500
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,007,203</u>	<u>5,642</u>
Total deferred amounts to be recognized in OPEB expense in future periods	1,012,992	2,010,098
 District's contributions subsequent to the measurement date	 <u>129,519</u>	 <u>-</u>
 Total	 <u>\$ 1,142,511</u>	 <u>\$ 2,010,098</u>

\$129,519 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2021	\$ (193,442)
2022	(193,442)
2023	(193,403)
2024	(193,321)
2025	(155,249)
2026	(57,646)
2027	(8,218)
2028	<u>(2,385)</u>
 Total	 <u>\$ (997,106)</u>

#### Actuarial Valuation Method

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### Note 6: Other Postemployment Benefits (Continued)

#### *Actuarial Assumptions.*

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

#### *Discount Rate*

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since the THIS is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.62% as of June 30, 2018, and 3.13% as of June 30, 2020. The decrease in the single discount rate from 3.62% to 3.13% caused the total OPEB liability to increase by approximately \$2,296 million from 2018 to 2020.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

### Note 6: Other Postemployment Benefits (Continued)

*Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rate*

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.13%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13%) or 1-percentage-point higher (4.13%) than the current rate:

	1% Decrease 2.13%	Current Discount Rate 3.13%	1% Increase 4.13%
District's proportionate share of the net OPEB liability	\$ 18,361,208	\$ 15,270,937	\$ 12,830,285

The following presents the District's proportionate share of the net OPEB liability would be if it were calculated using the healthcare cost trend rate, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.81% in 2027 for non-Medicare coverage, and 9.00% decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage:

	1% Decrease (a)	Healthcare Cost Trend Rate Assumptions	1% Increase (b)
District's proportionate share of the net OPEB liability	\$ 12,337,671	\$ 15,270,937	\$ 19,232,682

- a) One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.81% in 2027, for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.
- b) One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.81% in 2027, for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

# Skokie Morton/Grove School District 69

## Notes to Financial Statements

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### **Note 7: Risk Management**

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the Collective Liability Insurance Cooperative (CLIC). The District pays annual premiums to the pool for insurance coverage. The arrangements with the pool provide that it will be self-sustaining through member premiums and with reinsure through commercial companies for claims in excess of certain levels established by the pool. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years. The District continues to carry commercial insurance for all other risks of loss, including health insurance. Premiums have been recorded as expenditures in the appropriate funds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

### **Note 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.

### **Note 9: State and Federal Aid Contingencies**

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and

## Changes In Fund Balance

## Budget and Actual

## General Fund and Major Special Revenue Fund

<i>Year Ended June 30, 2020</i>	General Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Local sources	\$ 20,278,804	\$ 20,278,804	\$ 19,995,970	\$ (282,834)
State Sources	11,405,307	11,405,307	11,062,146	(343,161)
Federal Sources	<u>1,306,494</u>	<u>1,306,494</u>	<u>847,267</u>	<u>(459,227)</u>
Total revenues	<u>32,990,605</u>	<u>32,990,605</u>	<u>31,905,383</u>	<u>(1,085,222)</u>
<b>Expenditures</b>				
Current Operating				
Instruction	20,649,207	20,649,207	20,112,509	(536,698)
Support services	10,563,820	10,563,820	10,284,812	(279,008)
Community services	297,160	297,160	346,875	49,715
Non-Programmed charges	1,497,160	1,497,160	819,400	(677,760)
Provisions for contingencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>33,007,347</u>	<u>33,007,347</u>	<u>31,563,596</u>	<u>(1,443,751)</u>
Excess of revenues over expenditures	<u>(16,742)</u>	<u>(16,742)</u>	<u>341,787</u>	<u>358,529</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(2,100,212)</u>	<u>(100,212)</u>
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(2,100,212)</u>	<u>(100,212)</u>
Net change in fund balances	<u>\$ (2,016,742)</u>	<u>\$ (2,016,742)</u>	(1,758,425)	<u>\$ 258,317</u>
Fund balance at beginning of year			<u>24,626,844</u>	
Fund balance at end of year			<u>\$ 22,868,419</u>	



Transportation

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
\$ 2,548,532	\$ 2,548,532	\$ 2,860,217	\$ 311,685
299,299	299,299	302,623	3,324
-	-	-	-
<u>2,847,831</u>	<u>2,847,831</u>	<u>3,162,840</u>	<u>315,009</u>
-	-	-	-
1,455,323	1,525,444	1,506,188	(19,256)
-	-	-	-
-	-	-	-
<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
<u>1,475,323</u>	<u>1,545,444</u>	<u>1,506,188</u>	<u>(39,256)</u>
<u>1,372,508</u>	<u>1,302,387</u>	<u>1,656,652</u>	<u>354,265</u>
<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>-</u>
<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>-</u>
<u>\$ (2,627,492)</u>	<u>\$ (2,697,613)</u>	<u>(2,343,348)</u>	<u>\$ 354,265</u>
		<u>3,650,107</u>	
		<u>\$ 1,306,759</u>	

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# Skokie Morton/Grove School District 69

## Notes to Required Supplementary Required Information

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### Budgetary Data

Annual budgets for all Governmental Funds are adopted on the modified accrual basis, consistent with generally accepted accounting principles (GAAP) for local governments.

The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Administration 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.
- Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
- Prior to September 30 the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
- The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law. The budget was adopted on September 16, 2019.
- Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, the Debt Service Fund, and the Capital Projects Fund.
- The District has adopted a legal budget for all its Governmental Funds. The legal level of budgetary control is at the individual fund level, therefore, actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
- The budget (all appropriations) lapses at the end of each fiscal year.
- The District's actual expenditures in the Debt Service Fund exceeded budgeted expenditures. Additional sources are available to finance these excess expenditures as allowed under the State Budget Act.

Fiscal Year	Actual	Budget	Excess
Debt Service Fund	\$ 3,884,466	\$ 3,410,000	\$ 474,466

The over expenditure in the Debt Service is a result of bond issuance costs.

# Skokie Morton/Grove School District 69

## Schedule of Changes in the Employer's Net Pension

### Liability (Asset) and Related Ratios

#### Illinois Municipal Retirement Fund

Last Six Calendar Years

	2019	2018	2017	2016
<b>Total Pension Liability</b>				
Service cost	\$ 294,995	\$ 275,096	\$ 278,617	\$ 241,379
Interest	761,901	728,693	703,840	666,124
Differences between expected and actual experience	(46,581)	133,051	289,944	100,876
Changes of assumption	-	280,447	(350,661)	-
Benefit payments, including refunds of member contributions	<u>(648,647)</u>	<u>(619,688)</u>	<u>(557,524)</u>	<u>(490,704)</u>
Net change in total pension liability	361,668	797,599	364,216	517,675
Total pension liability, beginning	<u>10,685,801</u>	<u>9,888,202</u>	<u>9,523,986</u>	<u>9,006,311</u>
Total pension liability, ending	<u>\$11,047,469</u>	<u>\$10,685,801</u>	<u>\$ 9,888,202</u>	<u>\$ 9,523,986</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 190,505	\$ 232,068	\$ 217,305	\$ 204,949
Contributions - member	151,999	144,440	130,731	117,188
Net investment income	1,840,477	(605,977)	1,587,412	583,239
Benefit payments, including refunds of member contributions	(648,647)	(619,688)	(557,524)	(490,704)
Administrative expense	<u>(68,440)</u>	<u>146,953</u>	<u>(101,899)</u>	<u>63,905</u>
Net change in plan fiduciary net position	1,465,894	(702,204)	1,276,025	478,577
Plan net position, beginning	<u>9,627,210</u>	<u>10,329,414</u>	<u>9,053,389</u>	<u>8,574,812</u>
Plan net position, ending	<u>\$11,093,104</u>	<u>\$ 9,627,210</u>	<u>\$10,329,414</u>	<u>\$ 9,053,389</u>
<b>Employer's net pension liability (asset)</b>	<u>\$ (45,635)</u>	<u>\$ 1,058,591</u>	<u>\$ (441,212)</u>	<u>\$ 470,597</u>
Plan fiduciary net position as a percentage of the total pension liability	100.41 %	90.09 %	104.46 %	95.06 %
Covered payroll	\$ 3,377,758	\$ 3,209,782	\$ 2,905,139	\$ 2,604,176
Employer's net pension liability (asset) as a percentage of covered payroll	(1.35)%	32.98 %	(15.19)%	18.07 %

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

2015	2014
\$ 210,006	\$ 226,590
620,872	581,844
225,992	(222,909)
-	353,574
<u>(447,702)</u>	<u>(373,150)</u>
609,168	565,949
<u>8,397,143</u>	<u>7,831,194</u>
<u>\$ 9,006,311</u>	<u>\$ 8,397,143</u>
\$ 202,331	\$ 173,028
104,774	98,872
42,707	499,508
(447,702)	(373,150)
<u>61,095</u>	<u>(25,939)</u>
(36,795)	372,319
<u>8,611,607</u>	<u>8,239,288</u>
<u>\$ 8,574,812</u>	<u>\$ 8,611,607</u>
<u>\$ 431,499</u>	<u>\$ (214,464)</u>
95.21 %	102.55 %
\$ 2,328,308	\$ 1,974,037
18.53 %	(10.86)%

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# Skokie Morton/Grove School District 69

## Schedule of Employer Contributions

### Illinois Municipal Retirement Fund

Last Six Fiscal Years

Fiscal Year	Actuarially Determined	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 227,708	\$ 227,708	\$ -	\$ 3,590,319	6.34 %
2019	211,286	211,286	-	3,293,770	6.41 %
2018	224,686	224,686	-	3,057,461	7.35 %
2017	211,127	211,127	-	2,754,658	7.66 %
2016	203,640	203,640	-	2,466,242	8.26 %
2015	184,272	191,086	(6,814)	2,151,173	8.88 %

#### Notes to Schedule

Valuation date: Actuarially determined contribution rates are calculated as of December 31 of each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

#### Methods and assumptions used to determine contribution rates

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	24-year closed period
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.25%
Inflation	2.50%
Salary increases	3.35% to 14.25%, including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 - 2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

# Skokie Morton/Grove School District 69

## Schedule of the District's Proportionate Share of the Net Pension Liability Teachers' Retirement System

Last Six Fiscal Years

	2020*	2019*	2018*	2017*
District's proportion of the net pension liability	0.00170 %	0.00187 %	0.00351 %	0.00323 %
District's proportion share of the net pension liability	\$ 1,419,211	\$ 1,457,253	\$ 2,679,827	\$ 2,550,794
State's proportionate share of the net pension liability associated with the District	<u>101,003,720</u>	<u>99,827,965</u>	<u>88,671,492</u>	<u>90,206,764</u>
	<u>\$ 102,422,931</u>	<u>\$ 101,285,218</u>	<u>\$ 91,351,319</u>	<u>\$ 92,757,558</u>
District's covered payroll	\$ 13,566,683	\$ 12,940,445	\$ 11,496,352	\$ 10,912,297
District's proportionate share of the net pension liability as a percentage of covered payroll	10.46 %	11.26 %	23.31 %	23.38 %
Plan fiduciary net position as a percentage of the total pension liability	39.60 %	40.00 %	39.30 %	36.44 %

### Notes to Schedule

#### *Changes of assumptions*

For the 2019, 2018, 2017, and 2016 measurement years, the assumed investment rate of return was of 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, but the rates of increase in the 2018 measurement year were slightly higher.

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. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

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

\* The amounts presented have a measurement date as of the previous fiscal year end.

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.



<u>2016*</u>	<u>2015*</u>
0.00308 %	0.00289 %
\$ 2,016,067	\$ 1,755,810
<u>70,742,238</u>	<u>65,635,237</u>
<u>\$ 72,758,305</u>	<u>\$ 67,391,047</u>
\$ 10,665,519	\$ 10,345,553
18.90 %	16.97 %
41.47 %	42.95 %

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# Skokie Morton/Grove School District 69

## Schedule of Employer Contributions

### Teachers' Retirement System

Last Six Fiscal Years

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Fiscal Year	Actuarially Determined	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 109,592	\$ 109,592	\$ -	\$ 14,078,179	0.78 %
2019	146,700	146,700	-	13,566,683	1.08 %
2018	102,186	102,186	-	12,940,445	0.79 %
2017	147,402	125,145	22,257	11,496,352	1.09 %
2016	126,123	107,835	18,288	10,912,297	0.99 %
2015	118,057	102,938	15,119	10,665,519	0.97 %

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

**Skokie Morton/Grove School District 69**  
 Schedule of the District's Proportionate Share of the Net  
 Other Post-Employment Benefit Liability  
 Teachers' Health Insurance Security Fund  
 Last Three Fiscal Years

	2020*	2019*	2018*
District's proportion of the net OPEB liability	0.055175 %	0.054635 %	0.054535 %
District's proportion share of the net OPEB liability	\$ 15,270,937	\$ 14,393,958	\$ 14,151,649
State's proportionate share of the net OPEB liability associated with the District	<u>20,678,797</u>	<u>19,328,128</u>	<u>18,584,631</u>
Total	<u>\$ 35,949,734</u>	<u>\$ 33,722,086</u>	<u>\$ 32,736,280</u>
District's covered payroll	\$ 13,566,683	\$ 12,940,445	\$ 11,496,352
District's proportionate share of the net OPEB liability as a percentage of covered payroll	112.56 %	111.23 %	123.10 %
Plan fiduciary net position as a percentage of the total OPEB liability	(0.22)%	(0.07)%	(0.17)%

\* The amounts presented have a measurement date as of the previous fiscal year end.

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

# Skokie Morton/Grove School District 69

## Schedule of Employer Contributions Teachers' Health Insurance Security Fund

Last Three Fiscal Years

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Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 129,519	\$ 129,519	\$ -	\$ 14,078,179	0.92 %
2019	124,813	124,813	-	13,566,683	0.92 %
2018	113,876	113,876	-	12,940,445	0.88 %

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

# Skokie Morton/Grove School District 69

## Combining Balance Sheet by Account

### General Fund

<i>June 30, 2020</i>	Educational	Operations and Maintenance	Working Cash	Tort Immunity	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 14,316,843	\$ 2,504,956	\$ 4,738,735	\$ 1,309,219	\$ 22,869,753
Receivables					
Taxes receivable	7,987,458	1,149,181	104,494	12,492	9,253,625
Intergovernmental accounts receivable	787,041	-	-	-	787,041
Other assets	<u>33,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,694</u>
Total assets	<u>\$ 23,125,036</u>	<u>\$ 3,654,137</u>	<u>\$ 4,843,229</u>	<u>\$ 1,321,711</u>	<u>\$ 32,944,113</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ <u>154,866</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>19,883</u>	\$ <u>174,749</u>
Total liabilities	<u>154,866</u>	<u>-</u>	<u>-</u>	<u>19,883</u>	<u>174,749</u>
<b>Deferred inflows</b>					
Property taxes levied for subsequent year	<u>8,623,210</u>	<u>1,159,681</u>	<u>105,448</u>	<u>12,606</u>	<u>9,900,945</u>
Total deferred inflows	<u>8,623,210</u>	<u>1,159,681</u>	<u>105,448</u>	<u>12,606</u>	<u>9,900,945</u>
<b>Fund balances</b>					
Restricted					
Liability insurance	-	-	-	1,289,222	1,289,222
Unassigned	<u>14,346,960</u>	<u>2,494,456</u>	<u>4,737,781</u>	<u>-</u>	<u>21,579,197</u>
Total fund balances	<u>14,346,960</u>	<u>2,494,456</u>	<u>4,737,781</u>	<u>1,289,222</u>	<u>22,868,419</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 23,125,036</u>	<u>\$ 3,654,137</u>	<u>\$ 4,843,229</u>	<u>\$ 1,321,711</u>	<u>\$ 32,944,113</u>

**Skokie Morton/Grove School District 69**  
Combining Schedule of Revenues, Expenditures and  
Changes In Fund Balances by Account  
General Fund

<i>Year Ended June 30, 2020</i>	<b>Educational</b>	<b>Operations and Maintenance</b>	<b>Working Cash</b>	<b>Tort Immunity</b>	<b>Total</b>
<b>Revenues</b>					
Local sources	\$ 17,231,879	\$ 2,401,370	\$ 309,122	\$ 53,599	\$ 19,995,970
State Sources	11,012,146	50,000	-	-	11,062,146
Federal Sources	<u>847,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>847,267</u>
Total revenues	<u>29,091,292</u>	<u>2,451,370</u>	<u>309,122</u>	<u>53,599</u>	<u>31,905,383</u>
<b>Expenditures</b>					
Current operating					
Instruction	20,112,509	-	-	-	20,112,509
Support Services	7,974,153	2,088,229	-	222,430	10,284,812
Community services	346,875	-	-	-	346,875
Non-programmed charges	<u>819,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>819,400</u>
Total expenditures	<u>29,252,937</u>	<u>2,088,229</u>	<u>-</u>	<u>222,430</u>	<u>31,563,596</u>
Excess (deficiency) of revenues over expenditures	<u>(161,645)</u>	<u>363,141</u>	<u>309,122</u>	<u>(168,831)</u>	<u>341,787</u>
<b>Other financing sources</b>					
Transfer Among Funds	-	4,000,000	-	-	4,000,000
Transfers out	<u>(100,212)</u>	<u>(6,000,000)</u>	<u>-</u>	<u>-</u>	<u>(6,100,212)</u>
Total other financing sources (uses)	<u>(100,212)</u>	<u>(2,000,000)</u>	<u>-</u>	<u>-</u>	<u>(2,100,212)</u>
Net change in fund balances	(261,857)	(1,636,859)	309,122	(168,831)	(1,758,425)
Fund balances at beginning of year	<u>14,608,817</u>	<u>4,131,315</u>	<u>4,428,659</u>	<u>1,458,053</u>	<u>24,626,844</u>
Fund balances at end of year	<u>\$ 14,346,960</u>	<u>\$ 2,494,456</u>	<u>\$ 4,737,781</u>	<u>\$ 1,289,222</u>	<u>\$ 22,868,419</u>

# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual

<i>Year Ended June 30, 2020</i>	Educational Account			
	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Local sources				
Property taxes	\$ 14,244,421	\$ 14,244,421	\$ 14,081,719	\$ (162,702)
Special Education Purposes Levy	1,709,486	1,709,486	1,651,077	(58,409)
Corporate personal property replacement taxes	450,000	471,000	536,328	65,328
Tuition	185,001	216,226	221,113	4,887
Food services	140,000	111,500	123,070	11,570
Pupil activities and textbooks	58,000	58,000	56,706	(1,294)
Earnings on investments	410,000	410,000	378,655	(31,345)
Other	<u>168,000</u>	<u>215,600</u>	<u>183,211</u>	<u>(32,389)</u>
Total local sources	<u>17,364,908</u>	<u>17,436,233</u>	<u>17,231,879</u>	<u>(204,354)</u>
State sources				
Unrestricted				
Evidence Based Funding Formula	<u>3,853,965</u>	<u>3,853,965</u>	<u>3,853,965</u>	<u>-</u>
Restricted				
Special education:				
Private facility tuition	23,368	32,430	107,561	75,131
Orphanage	-	3,000	3,013	13
State free lunch and breakfast	4,217	4,217	3,947	(270)
Education block grant	501,295	511,695	511,695	-
On behalf payments - State of Illinois	<u>7,000,000</u>	<u>7,000,000</u>	<u>6,531,965</u>	<u>(468,035)</u>
Total state sources	<u>11,382,845</u>	<u>11,405,307</u>	<u>11,012,146</u>	<u>(393,161)</u>
Federal sources				
Restricted				
National School Lunch Program	270,050	400,050	227,266	(172,784)
School Breakfast Program	59,838	114,838	48,427	(66,411)
Summer Food Service Program	-	-	255,143	255,143
Title IV - 21st Century	20,000	20,000	15,902	(4,098)
Title IV - student support & academic enrichment	11,056	40,373	-	(40,373)
Title I - Low Income	570,861	548,682	161,881	(386,801)
Federal special education				
IDEA - flow through	5,000	5,000	48,020	43,020
IDEA - room & board	-	45,000	30,820	(14,180)
Title III - English language acquisition	60,400	60,400	55,332	(5,068)
Title II - Teacher Quality	<u>65,026</u>	<u>72,151</u>	<u>4,476</u>	<u>(67,675)</u>
Total federal sources	<u>1,062,231</u>	<u>1,306,494</u>	<u>847,267</u>	<u>(459,227)</u>
Total revenues	<u>29,809,984</u>	<u>30,148,034</u>	<u>29,091,292</u>	<u>(1,056,742)</u>



# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and

### Changes In Fund Balance

#### Budget to Actual (Continued)

<i>Year Ended June 30, 2020</i>	Educational Account			
	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Expenditures</b>				
Instruction				
Regular programs				
Salaries	\$ 8,269,593	\$ 8,243,170	\$ 8,121,833	\$ (121,337)
Employee benefits	922,955	922,954	1,007,954	85,000
Employee benefits - on behalf payments	7,000,000	7,000,000	6,531,965	(468,035)
Purchased services	175,000	163,000	138,030	(24,970)
Supplies and materials	229,780	259,780	210,483	(49,297)
Capital outlay	-	26,689	-	(26,689)
Other objects	<u>21,000</u>	<u>21,000</u>	<u>29,184</u>	<u>8,184</u>
Total	<u>16,618,328</u>	<u>16,636,593</u>	<u>16,039,449</u>	<u>(597,144)</u>
Pre-K programs				
Salaries	613,861	612,274	645,228	32,954
Employee benefits	97,694	142,008	135,781	(6,227)
Purchased services	200	200	-	(200)
Supplies and materials	<u>9,479</u>	<u>6,000</u>	<u>5,135</u>	<u>(865)</u>
Total	<u>721,234</u>	<u>760,482</u>	<u>786,144</u>	<u>25,662</u>
Special education programs				
Salaries	1,550,631	1,436,956	1,425,373	(11,583)
Employee benefits	203,043	203,043	198,532	(4,511)
Supplies and materials	<u>22,000</u>	<u>22,000</u>	<u>10,012</u>	<u>(11,988)</u>
Total	<u>1,775,674</u>	<u>1,661,999</u>	<u>1,633,917</u>	<u>(28,082)</u>
Special education pre-k programs				
Supplies and materials	<u>2,500</u>	<u>2,500</u>	<u>2,641</u>	<u>141</u>
Total	<u>2,500</u>	<u>2,500</u>	<u>2,641</u>	<u>141</u>
Remedial and supplemental programs				
Salaries	62,770	62,770	82,359	19,589
Employee benefits	7,934	7,934	16,905	8,971
Purchased services	103,434	103,434	113,147	9,713
Supplies and materials	<u>23,883</u>	<u>49,883</u>	<u>50,539</u>	<u>656</u>
Total	<u>198,021</u>	<u>224,021</u>	<u>262,950</u>	<u>38,929</u>

# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and

### Changes In Fund Balance

#### Budget to Actual (Continued)

<i>Year Ended June 30, 2020</i>	Educational Account			
	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Interscholastic programs				
Salaries	\$ 410,000	\$ 410,000	\$ 425,516	\$ 15,516
Employee benefits	10,980	10,980	743	(10,237)
Purchased services	<u>8,000</u>	<u>8,000</u>	<u>6,900</u>	<u>(1,100)</u>
Total	<u>428,980</u>	<u>428,980</u>	<u>433,159</u>	<u>4,179</u>
Summer school				
Salaries	12,600	12,600	-	(12,600)
Purchased services	-	-	5,146	5,146
Supplies and materials	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Total	<u>22,600</u>	<u>22,600</u>	<u>5,146</u>	<u>(17,454)</u>
Bilingual				
Salaries	830,709	787,031	792,333	5,302
Employee benefits	108,732	119,411	97,046	(22,365)
Purchased services	-	-	58,096	58,096
Supplies and materials	<u>5,590</u>	<u>5,590</u>	<u>1,628</u>	<u>(3,962)</u>
Total	<u>945,031</u>	<u>912,032</u>	<u>949,103</u>	<u>37,071</u>
Total instruction	<u>20,712,368</u>	<u>20,649,207</u>	<u>20,112,509</u>	<u>(536,698)</u>
Support services				
Pupils				
Attendance and social work				
Salaries	644,601	644,601	614,577	(30,024)
Employee benefits	87,113	87,113	82,412	(4,701)
Supplies and materials	<u>3,000</u>	<u>3,000</u>	<u>1,289</u>	<u>(1,711)</u>
Total	<u>734,714</u>	<u>734,714</u>	<u>698,278</u>	<u>(36,436)</u>
Health services				
Salaries	140,633	140,633	149,526	8,893
Employee benefits	16,029	16,029	17,922	1,893
Supplies and materials	<u>3,750</u>	<u>3,750</u>	<u>3,488</u>	<u>(262)</u>
Total	<u>160,412</u>	<u>160,412</u>	<u>170,936</u>	<u>10,524</u>

# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and

### Changes In Fund Balance

#### Budget to Actual (Continued)

<i>Year Ended June 30, 2020</i>	Educational Account			
	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Psychological services				
Salaries	\$ 307,499	\$ 307,499	\$ 320,316	\$ 12,817
Employee benefits	28,616	28,616	29,435	819
Supplies and materials	3,000	3,000	2,378	(622)
Total	339,115	339,115	352,129	13,014
Speech pathology and audiology services				
Salaries	387,957	387,957	388,706	749
Employee benefits	34,438	34,438	47,324	12,886
Supplies and materials	3,000	3,000	2,070	(930)
Total	425,395	425,395	438,100	12,705
Other support services				
Salaries	135,971	135,971	165,307	29,336
Employee benefits	9,804	9,804	8,653	(1,151)
Supplies and materials	3,000	3,000	2,816	(184)
Total	148,775	148,775	176,776	28,001
Total pupils	1,808,411	1,808,411	1,836,219	27,808
Instructional staff				
Improvement of instruction services				
Salaries	197,452	204,202	121,563	(82,639)
Employee benefits	58,387	63,141	61,886	(1,255)
Purchased services	67,256	51,956	58,481	6,525
Total	323,095	319,299	241,930	(77,369)
Educational media services				
Salaries	217,720	217,720	228,084	10,364
Employee benefits	34,453	34,453	35,779	1,326
Supplies and materials	26,375	48,766	39,741	(9,025)
Capital outlay	-	6,000	1,114	(4,886)
Total	278,548	306,939	304,718	(2,221)
Total instructional staff	601,643	626,238	546,648	(79,590)

# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and Changes In Fund Balance Budget to Actual (Continued)

<i>Year Ended June 30, 2020</i>	Educational Account			
	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>General administration</b>				
Board of education				
Purchased services	\$ 187,000	\$ 217,000	\$ 115,144	\$ (101,856)
Supplies and materials	25,000	25,000	101	(24,899)
Other objects	<u>10,000</u>	<u>10,000</u>	<u>8,649</u>	<u>(1,351)</u>
Total	<u>222,000</u>	<u>252,000</u>	<u>123,894</u>	<u>(128,106)</u>
<b>Executive administration</b>				
Salaries	305,107	293,684	324,021	30,337
Employee benefits	54,691	54,691	55,117	426
Purchased services	5,250	6,250	5,480	(770)
Supplies and materials	2,000	2,000	724	(1,276)
Other objects	<u>4,000</u>	<u>4,000</u>	<u>1,167</u>	<u>(2,833)</u>
Total	<u>371,048</u>	<u>360,625</u>	<u>386,509</u>	<u>25,884</u>
-				
Total general administration	<u>593,048</u>	<u>612,625</u>	<u>510,403</u>	<u>(102,222)</u>
<b>School administration</b>				
Office of the principal				
Salaries	997,930	1,096,298	1,163,601	67,303
Employee benefits	187,476	237,476	262,381	24,905
Purchased services	15,000	15,000	-	(15,000)
Supplies and materials	2,000	2,000	1,924	(76)
Other objects	<u>8,000</u>	<u>8,000</u>	<u>550</u>	<u>(7,450)</u>
Total	<u>1,210,406</u>	<u>1,358,774</u>	<u>1,428,456</u>	<u>69,682</u>
Total school administration	<u>1,210,406</u>	<u>1,358,774</u>	<u>1,428,456</u>	<u>69,682</u>
<b>Business</b>				
Salaries	113,408	120,408	126,797	6,389
Employee benefits	27,640	27,640	34,350	6,710
Purchased services	4,500	4,500	2,294	(2,206)
Supplies and materials	1,000	1,000	44	(956)
Other objects	<u>2,000</u>	<u>2,000</u>	<u>855</u>	<u>(1,145)</u>
Total	<u>148,548</u>	<u>155,548</u>	<u>164,340</u>	<u>8,792</u>

# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and

### Changes In Fund Balance

#### Budget to Actual (Continued)

<i>Year Ended June 30, 2020</i>	Educational Account			
	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Fiscal services				
Salaries	\$ 220,855	\$ 285,855	\$ 292,024	\$ 6,169
Employee benefits	32,560	32,560	33,058	498
Purchased services	163,000	163,000	204,115	41,115
Supplies and materials	17,000	2,000	14,064	12,064
Other objects	<u>2,000</u>	<u>2,000</u>	<u>200</u>	<u>(1,800)</u>
Total	<u>435,415</u>	<u>485,415</u>	<u>543,461</u>	<u>58,046</u>
Operation and maintenance of plant services				
Purchased services	<u>300,000</u>	<u>300,000</u>	<u>243,668</u>	<u>(56,332)</u>
Total	<u>300,000</u>	<u>300,000</u>	<u>243,668</u>	<u>(56,332)</u>
Pupil transportation services				
Supplies and materials	<u>-</u>	<u>-</u>	<u>13,504</u>	<u>13,504</u>
Total	<u>-</u>	<u>-</u>	<u>13,504</u>	<u>13,504</u>
Food services				
Salaries	111,708	111,708	112,885	1,177
Employee benefits	12,754	12,754	12,486	(268)
Purchased services	510,000	510,000	552,174	42,174
Supplies and materials	10,000	10,000	9,225	(775)
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Total	<u>664,462</u>	<u>664,462</u>	<u>686,770</u>	<u>22,308</u>
Total business	<u>1,548,425</u>	<u>1,605,425</u>	<u>1,651,743</u>	<u>46,318</u>
Central				
Direction of support services				
Salaries	181,037	181,037	186,063	5,026
Employee benefits	34,151	34,151	45,428	11,277
Purchased services	5,000	5,000	3,908	(1,092)
Supplies and materials	1,000	1,000	50	(950)
Other objects	<u>1,500</u>	<u>1,500</u>	<u>239</u>	<u>(1,261)</u>
Total	<u>222,688</u>	<u>222,688</u>	<u>235,688</u>	<u>13,000</u>

# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and

### Changes In Fund Balance

#### Budget to Actual (Continued)

<i>Year Ended June 30, 2020</i>	Educational Account			
	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Planning, research, development, and evaluation services				
Salaries	\$ 339,458	\$ 339,458	\$ 352,323	\$ 12,865
Employee benefits	70,159	70,159	70,004	(155)
Purchased services	75,000	75,000	78,663	3,663
Supplies and materials	35,000	35,000	15,822	(19,178)
Other objects	<u>31,500</u>	<u>1,500</u>	<u>1,593</u>	<u>93</u>
Total	<u>551,117</u>	<u>521,117</u>	<u>518,405</u>	<u>(2,712)</u>
Information services				
Salaries	77,000	77,000	72,774	(4,226)
Employee benefits	8,000	6,450	7,128	678
Purchased services	-	40,000	33,975	(6,025)
Other objects	<u>1,500</u>	<u>1,500</u>	<u>250</u>	<u>(1,250)</u>
Total	<u>86,500</u>	<u>124,950</u>	<u>114,127</u>	<u>(2,712)</u>
Data processing services				
Salaries	536,695	506,695	542,727	36,032
Employee benefits	58,351	58,351	53,635	(4,716)
Purchased services	137,000	137,000	139,563	2,563
Supplies and materials	28,250	28,250	44,698	16,448
Capital outlay	267,000	267,000	337,960	70,960
Other objects	<u>700</u>	<u>700</u>	<u>-</u>	<u>(700)</u>
Total	<u>1,027,996</u>	<u>997,996</u>	<u>1,118,583</u>	<u>120,587</u>
Total central	<u>1,888,301</u>	<u>1,866,751</u>	<u>1,986,803</u>	<u>130,875</u>
Other support services				
Salaries	-	-	1,200	1,200
Employee benefits	-	-	11,649	11,649
Supplies and materials	<u>5,000</u>	<u>1,000</u>	<u>1,032</u>	<u>32</u>
Total	<u>5,000</u>	<u>1,000</u>	<u>13,881</u>	<u>12,881</u>
Total support services	<u>7,655,234</u>	<u>7,879,224</u>	<u>7,974,153</u>	<u>105,752</u>

# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and Changes In Fund Balance Budget to Actual (Continued)

<i>Year Ended June 30, 2020</i>	Educational Account			
	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Community services				
Salaries	\$ 171,728	\$ 223,863	\$ 238,532	\$ 14,669
Employee benefits	20,763	20,763	42,781	22,018
Purchased services	33,556	40,534	56,116	15,582
Supplies and materials	2,500	12,000	8,859	(3,141)
Other objects	-	-	587	587
Total	<u>228,547</u>	<u>297,160</u>	<u>346,875</u>	<u>49,715</u>
Payments for special education programs				
Other objects	<u>1,200,000</u>	<u>1,200,000</u>	<u>819,400</u>	<u>(380,600)</u>
Total payments to other districts and governmental units	<u>1,200,000</u>	<u>1,200,000</u>	<u>819,400</u>	<u>(380,600)</u>
Provisions for Contingencies	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Total expenditures	<u>29,996,149</u>	<u>30,225,591</u>	<u>29,252,937</u>	<u>(961,831)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(186,165)</u>	<u>(77,557)</u>	<u>(161,645)</u>	<u>(94,911)</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(100,212)</u>	<u>(100,212)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(100,212)</u>	<u>(100,212)</u>
Net change in fund balance	<u>\$ (186,165)</u>	<u>\$ (77,557)</u>	<u>(261,857)</u>	<u>\$ (195,123)</u>
Fund balance at beginning of year			<u>14,608,817</u>	
Fund balance at end of year			<u>\$ 14,346,960</u>	

# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual

<i>Year Ended June 30, 2020</i>	Operations & Maintenance Account			
	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Local sources				
Property taxes	\$ 2,350,543	\$ 2,350,543	\$ 2,270,132	\$ (80,411)
Earnings on investments	105,000	105,000	100,425	(4,575)
Rentals	-	-	20,000	20,000
Other	<u>10,000</u>	<u>10,000</u>	<u>10,813</u>	<u>813</u>
Total local sources	<u>2,465,543</u>	<u>2,465,543</u>	<u>2,401,370</u>	<u>(64,173)</u>
State sources				
Restricted				
School Infrastructure	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Total revenues	<u>2,465,543</u>	<u>2,465,543</u>	<u>2,451,370</u>	<u>(14,173)</u>
<b>Expenditures</b>				
Current operating				
Operations and maintenance of plant services				
Salaries	796,240	844,370	842,466	(1,904)
Employee benefits	159,076	159,076	156,250	(2,826)
Purchased services	566,000	596,000	491,694	(104,306)
Supplies and materials	506,500	510,500	457,163	(53,337)
Capital outlay	<u>435,000</u>	<u>348,000</u>	<u>140,656</u>	<u>(207,344)</u>
Total support services	<u>2,462,816</u>	<u>2,457,946</u>	<u>2,088,229</u>	<u>(369,717)</u>
Provisions for Contingencies	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Total expenditures	<u>2,482,816</u>	<u>2,477,946</u>	<u>2,088,229</u>	<u>(389,717)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,273)</u>	<u>(12,403)</u>	<u>363,141</u>	<u>375,544</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	4,000,000	4,000,000	4,000,000	-
Transfers out	<u>(6,000,000)</u>	<u>(6,000,000)</u>	<u>(6,000,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (2,017,273)</u>	<u>\$ (2,012,403)</u>	(1,636,859)	<u>\$ 375,544</u>
Fund balance at beginning of year			<u>4,131,315</u>	
Fund balance at end of year			<u>\$ 2,494,456</u>	



# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual

<i>Year Ended June 30, 2020</i>	Working Cash Account			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Local sources				
Property taxes	\$ 213,686	\$ 213,686	\$ 206,354	\$ (7,332)
Earnings on Investments	<u>105,000</u>	<u>105,000</u>	<u>102,768</u>	<u>(2,232)</u>
Total local sources	<u>318,686</u>	<u>318,686</u>	<u>309,122</u>	<u>(9,564)</u>
Total revenues	<u>318,686</u>	<u>318,686</u>	<u>309,122</u>	<u>(9,564)</u>
Net change in fund balance	<u>\$ 318,686</u>	<u>\$ 318,686</u>	309,122	<u>\$ (9,564)</u>
Fund balance at beginning of year			<u>4,428,659</u>	
<b>Fund balance at end of year</b>			<u>\$ 4,737,781</u>	

# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual

<i>Year Ended June 30, 2020</i>	Tort Immunity Account			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Local sources				
Property taxes	\$ 20,342	\$ 20,342	\$ 20,197	\$ (145)
Earnings on Investments	38,000	38,000	31,442	(6,558)
Other	<u>-</u>	<u>-</u>	<u>1,960</u>	<u>1,960</u>
Total local sources	<u>58,342</u>	<u>58,342</u>	<u>53,599</u>	<u>(4,743)</u>
Total revenues	<u>58,342</u>	<u>58,342</u>	<u>53,599</u>	<u>(4,743)</u>
<b>Expenditures</b>				
Current operating				
Support services				
Workers compensation				
Purchased services	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>(80,000)</u>
Total workers compensation	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>(80,000)</u>
Unemployment insurance				
Purchased services	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Total unemployment insurance	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Insurance payments				
Purchased services	<u>65,000</u>	<u>65,000</u>	<u>-</u>	<u>(65,000)</u>
Total insurance payments	<u>65,000</u>	<u>65,000</u>	<u>-</u>	<u>(65,000)</u>
Educational, inspectional, supervisory services				
Salaries	53,247	46,247	46,245	(2)
Employee benefits	<u>3,319</u>	<u>5,403</u>	<u>176,185</u>	<u>170,782</u>
Total educational, inspectional, supervisory services	<u>56,566</u>	<u>51,650</u>	<u>222,430</u>	<u>170,780</u>
Total support services	<u>231,566</u>	<u>226,650</u>	<u>222,430</u>	<u>(4,220)</u>
Total expenditures	<u>231,566</u>	<u>226,650</u>	<u>222,430</u>	<u>(4,220)</u>
Net change in fund balance	<u>\$ (173,224)</u>	<u>\$ (168,308)</u>	(168,831)	<u>\$ (523)</u>
Fund balance at beginning of year			<u>1,458,053</u>	
Fund balance at end of year			<u>\$ 1,289,222</u>	

# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual

<i>Year Ended June 30, 2020</i>	Debt Service Fund			
	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Local sources				
Property taxes	\$ 3,176,718	\$ 3,176,718	\$ 3,375,910	\$ 199,192
Earnings on Investments	<u>83,000</u>	<u>83,000</u>	<u>79,303</u>	<u>(3,697)</u>
Total local sources	<u>3,259,718</u>	<u>3,259,718</u>	<u>3,455,213</u>	<u>195,495</u>
Total revenues	<u>3,259,718</u>	<u>3,259,718</u>	<u>3,455,213</u>	<u>195,495</u>
<b>Expenditures</b>				
Debt service				
Principal retirement	-	2,520,000	2,528,989	8,989
Interest on bonds	12,428,368	890,000	1,027,469	137,469
Other	-	-	328,008	328,008
State Aid Anticipation Certificates	<u>870,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt service	<u>13,298,368</u>	<u>3,410,000</u>	<u>3,884,466</u>	<u>474,466</u>
Total expenditures	<u>13,298,368</u>	<u>3,410,000</u>	<u>3,884,466</u>	<u>474,466</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,038,650)</u>	<u>(150,282)</u>	<u>(429,253)</u>	<u>(278,971)</u>
<b>Other financing sources (uses)</b>				
Principal on bonds sold	8,885,000	-	22,315,000	22,315,000
Premium on bonds sold	1,113,368	-	3,134,740	3,134,740
Payment to escrow agent	-	3,021	(25,065,000)	(25,068,021)
Transfers in	<u>-</u>	<u>-</u>	<u>100,212</u>	<u>100,212</u>
Total other financing sources (uses)	<u>9,998,368</u>	<u>3,021</u>	<u>484,952</u>	<u>481,931</u>
Net change in fund balance	<u>\$ (40,282)</u>	<u>\$ (147,261)</u>	55,699	<u>\$ 202,960</u>
Fund balance at beginning of year			<u>3,028,765</u>	
Fund balance at end of year			<u>\$ 3,084,464</u>	

# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual

<i>Year Ended June 30, 2020</i>	Transporation Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Local sources				
Property taxes	\$ 2,281,532	\$ 2,281,532	\$ 2,650,073	\$ 368,541
Transportation fees	186,000	186,000	106,977	(79,023)
Earnings on investments	<u>81,000</u>	<u>81,000</u>	<u>103,167</u>	<u>22,167</u>
Total local sources	<u>2,548,532</u>	<u>2,548,532</u>	<u>2,860,217</u>	<u>311,685</u>
State sources				
Restricted				
Transportation aid - regular	4,147	4,147	4,327	180
Special Education	<u>295,152</u>	<u>295,152</u>	<u>298,296</u>	<u>3,144</u>
Total state sources	<u>299,299</u>	<u>299,299</u>	<u>302,623</u>	<u>3,324</u>
Total revenues	<u>2,847,831</u>	<u>2,847,831</u>	<u>3,162,840</u>	<u>315,009</u>
<b>Expenditures</b>				
Current operating				
Support services				
Pupil transportation				
Salaries	9,803	9,803	9,803	-
Employee benefits	520	641	681	40
Purchased services	<u>1,445,000</u>	<u>1,515,000</u>	<u>1,495,704</u>	<u>(19,296)</u>
Total support services	<u>1,455,323</u>	<u>1,525,444</u>	<u>1,506,188</u>	<u>(19,256)</u>
Provision for contingencies	<u>20,000</u>	<u>20,000</u>	-	<u>(20,000)</u>
Total expenditures	<u>1,475,323</u>	<u>1,545,444</u>	<u>1,506,188</u>	<u>(39,256)</u>
Excess of revenues over expenditures	<u>1,372,508</u>	<u>1,302,387</u>	<u>1,656,652</u>	<u>335,009</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>	-
Total other financing sources (uses)	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>	-
Net change in fund balance	<u>\$ (2,627,492)</u>	<u>\$ (2,697,613)</u>	(2,343,348)	<u>\$ 335,009</u>
Fund balance at beginning of year			<u>3,650,107</u>	
Fund balance at end of year			<u>\$ 1,306,759</u>	

# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual

<i>Year Ended June 30, 2020</i>	Capital Projects			
	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Local sources				
Earnings on investments	\$ 100,000	\$ 100,000	\$ 293,795	\$ 193,795
Total local sources	<u>100,000</u>	<u>100,000</u>	<u>293,795</u>	<u>193,795</u>
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>293,795</u>	<u>193,795</u>
<b>Expenditures</b>				
Current operating				
Support services				
Facilities acquisition and construction				
Purchased services	500,000	1,800,000	1,900,439	100,439
Capital outlay	<u>6,000,000</u>	<u>7,000,000</u>	<u>4,387,485</u>	<u>(2,612,515)</u>
Total facilities acquisition and construction	<u>6,500,000</u>	<u>8,800,000</u>	<u>6,287,924</u>	<u>(2,512,076)</u>
Other support services				
Other objects	<u>-</u>	<u>-</u>	<u>63,450</u>	<u>63,450</u>
Total other support services	<u>-</u>	<u>-</u>	<u>63,450</u>	<u>63,450</u>
Total support services	<u>6,500,000</u>	<u>8,800,000</u>	<u>6,287,924</u>	<u>(2,512,076)</u>
Total expenditures	<u>6,500,000</u>	<u>8,800,000</u>	<u>6,351,374</u>	<u>(2,448,626)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,400,000)</u>	<u>(8,700,000)</u>	<u>(6,057,579)</u>	<u>2,642,421</u>
<b>Other financing sources</b>				
Principal on bonds sold	9,825,000	25,001,550	25,065,000	63,450
Transfer to capital projects fund	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>-</u>
Total other financing sources	<u>15,825,000</u>	<u>31,001,550</u>	<u>31,065,000</u>	<u>63,450</u>
Net change in fund balance	<u>\$ 9,425,000</u>	<u>\$ 22,301,550</u>	25,007,421	<u>\$ 2,705,871</u>
Fund balance at beginning of year			<u>1,816,364</u>	
Fund balance at end of year			<u>\$ 26,823,785</u>	

# Skokie Morton/Grove School District 69

## Combining Balance Sheet - Nonmajor Governmental Funds

<i>June 30, 2020</i>	<b>Municipal Retirement/ Social Security</b>	<b>Fire Prevention &amp; Safety</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 964,525	\$ 999,706	\$ 1,964,231
Receivables			
Taxes receivable	<u>300,072</u>	<u>-</u>	<u>300,072</u>
Total assets	<u>\$ 1,264,597</u>	<u>\$ 999,706</u>	<u>\$ 2,264,303</u>
<b>Deferred Inflows, and Fund Balances</b>			
<b>Deferred Inflows</b>			
Property taxes levied for subsequent year	<u>\$ 302,814</u>	<u>\$ -</u>	<u>\$ 302,814</u>
Total deferred inflows	<u>302,814</u>	<u>-</u>	<u>302,814</u>
<b>Fund Balances</b>			
Restricted reported in:			
Employee retirement	961,783	-	961,783
Fire prevention and safety	<u>-</u>	<u>999,706</u>	<u>999,706</u>
Total fund balances	<u>961,783</u>	<u>999,706</u>	<u>1,961,489</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 1,264,597</u>	<u>\$ 999,706</u>	<u>\$ 2,264,303</u>

# Skokie Morton/Grove School District 69

## Combining Schedule of Revenues, Expenditures and Changes In Fund Balances - Nonmajor Governmental Funds

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<i>Year Ended June 30, 2020</i>	<b>Municipal Retirement/ Social Security</b>	<b>Fire Prevention &amp; Safety Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>			
Local sources	\$ <u>627,166</u>	\$ <u>221,201</u>	\$ <u>848,367</u>
Total revenues	<u>627,166</u>	<u>221,201</u>	<u>848,367</u>
<b>Expenditures</b>			
Current operating			
Instruction	287,608	-	287,608
Support services	403,612	-	403,612
Community services	<u>29,496</u>	<u>-</u>	<u>29,496</u>
Total expenditures	<u>720,716</u>	<u>-</u>	<u>720,716</u>
Net change in fund balances	(93,550)	221,201	127,651
Fund balances at beginning of year	<u>1,055,333</u>	<u>778,505</u>	<u>1,833,838</u>
Fund balances at end of year	<u>\$ 961,783</u>	<u>\$ 999,706</u>	<u>\$ 1,961,489</u>

# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual

<i>Year Ended June 30, 2020</i>	Municipal Retirement/Social Security Fund			
	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Local sources				
Property taxes	\$ 610,465	\$ 610,465	\$ -	\$ (610,465)
Property taxes - special education	-	16,000	-	(16,000)
Property taxes - Social Security/Medicare	-	-	204,481	204,481
Property taxes - municipal retirement	-	-	388,895	388,895
Corporate personal property replacement taxes	16,000	-	10,000	10,000
Earnings on Investments	<u>28,000</u>	<u>28,000</u>	<u>23,790</u>	<u>(4,210)</u>
 Total local sources	 <u>654,465</u>	 <u>654,465</u>	 <u>627,166</u>	 <u>(27,299)</u>
 Total revenues	 <u>654,465</u>	 <u>654,465</u>	 <u>627,166</u>	 <u>(27,299)</u>
<b>Expenditures</b>				
Current operating				
Instruction				
Regular programs	125,941	125,941	128,911	2,970
Prekindergarten programs	34,472	34,472	32,848	(1,624)
Special education programs	105,655	105,655	85,547	(20,108)
Remedial/supplemental programs K-12	910	910	898	(12)
Interscholastic programs	7,317	7,317	18,951	11,634
Bilingual programs	<u>30,213</u>	<u>30,213</u>	<u>20,453</u>	<u>(9,760)</u>
 Total instruction	 <u>304,508</u>	 <u>304,508</u>	 <u>287,608</u>	 <u>(16,900)</u>
 Pupils				
Attendance and social work services	9,347	9,347	8,753	(594)
Health services	24,878	24,878	20,213	(4,665)
Psychological services	4,459	4,459	4,249	(210)
Speech pathology and audiology services	4,983	4,983	5,071	88
Other	<u>24,053</u>	<u>24,053</u>	<u>23,257</u>	<u>(796)</u>
 Total pupils	 <u>67,720</u>	 <u>67,720</u>	 <u>61,543</u>	 <u>(6,177)</u>
 Instructional staff				
Improvement of instruction services	-	-	1,714	1,714
Educational media services	<u>17,426</u>	<u>17,426</u>	<u>15,900</u>	<u>(1,526)</u>
 Total instructional staff	 <u>17,426</u>	 <u>17,426</u>	 <u>17,614</u>	 <u>188</u>
 General administration				
Executive administration services	<u>15,765</u>	<u>15,765</u>	<u>13,994</u>	<u>(1,771)</u>
 Total general administration	 <u>15,765</u>	 <u>15,765</u>	 <u>13,994</u>	 <u>(1,771)</u>



# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and Changes In Fund Balance Budget to Actual (Continued)

<i>Year Ended June 30, 2020</i>	Municipal Retirement/Social Security Fund			
	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
School administration				
Office of the principal services	40,719	40,719	43,300	2,581
Total school administration	<u>40,719</u>	<u>40,719</u>	<u>43,300</u>	<u>2,581</u>
Business				
Direction of business support services	1,746	1,746	2,037	291
Fiscal services	39,739	39,739	38,548	(1,191)
Operation and maintenance of plant services	127,550	127,550	114,755	(12,795)
Pupil transportation services	142	142	142	-
Food services	<u>18,242</u>	<u>18,242</u>	<u>15,556</u>	<u>(2,686)</u>
Total business	<u>187,419</u>	<u>187,419</u>	<u>171,038</u>	<u>(16,381)</u>
Central				
Direction of central support services	2,625	2,625	2,934	309
Planning, R&D, and evaluation services	24,779	24,779	18,348	(6,431)
Information services	-	-	13,805	13,805
Data processing services	<u>41,583</u>	<u>41,583</u>	<u>60,866</u>	<u>19,283</u>
Total central	<u>68,987</u>	<u>68,987</u>	<u>95,953</u>	<u>26,966</u>
Other				
Other support services	<u>-</u>	<u>-</u>	<u>170</u>	<u>170</u>
Total support services	<u>398,036</u>	<u>398,036</u>	<u>403,612</u>	<u>5,576</u>
Community services	<u>26,551</u>	<u>26,551</u>	<u>29,496</u>	<u>2,945</u>
Provisions for contingencies	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Total expenditures	<u>729,095</u>	<u>769,095</u>	<u>720,716</u>	<u>(48,379)</u>
Excess of revenue over (under) expenditures	<u>(74,630)</u>	<u>(114,630)</u>	<u>(93,550)</u>	<u>21,080</u>
Net change in fund balance	<u><u>\$ (74,630)</u></u>	<u><u>\$ (114,630)</u></u>	<u>(93,550)</u>	<u><u>\$ 21,080</u></u>
Fund balance at beginning of year			<u>1,055,333</u>	
Fund balance at end of year			<u><u>\$ 961,783</u></u>	

# Skokie Morton/Grove School District 69

## Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual

<i>Year Ended June 30, 2020</i>	Fire Prevention and Safety Fund			
	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Local sources				
Property taxes	\$ 427,372	\$ 427,372	\$ 197,618	\$ (229,754)
Earnings on investments	<u>15,000</u>	<u>15,000</u>	<u>23,583</u>	<u>8,583</u>
Total local sources	<u>442,372</u>	<u>442,372</u>	<u>221,201</u>	<u>(221,171)</u>
Total revenues	<u>442,372</u>	<u>442,372</u>	<u>221,201</u>	<u>(221,171)</u>
Excess (deficiency) of revenues over expenditures	<u>442,372</u>	<u>442,372</u>	<u>221,201</u>	<u>(221,171)</u>
Net change in fund balance	<u>\$ 442,372</u>	<u>\$ 442,372</u>	221,201	<u>\$ (221,171)</u>
Fund balance at beginning of year			<u>778,505</u>	
Fund balance at end of year			<u>\$ 999,706</u>	

# Skokie Morton/Grove School District 69

## Schedule of Changes in Assets and Liabilities Fiduciary Funds - Agency Funds - Activity Funds

	Balance 7/1/2019	Additions	Reductions	Balance 6/30/2020
<b>Assets</b>				
Cash	\$ 99,390	\$ 126,204	\$ 94,368	\$ 131,226
Total assets	<u>\$ 99,390</u>	<u>\$ 126,204</u>	<u>\$ 94,368</u>	<u>\$ 131,226</u>
<b>Liabilities</b>				
Due to student groups:				
Edison Elementary School	\$ 2,591	\$ 1,085	\$ 1,983	\$ 1,693
Madison Elementary School	8,142	752	752	8,142
Lincoln Junior High School	7,364	7,928	7,268	8,024
Miscellaneous	<u>7,581</u>	<u>12,700</u>	<u>3,110</u>	<u>17,171</u>
Total due to student groups	<u>25,678</u>	<u>22,465</u>	<u>13,113</u>	<u>35,030</u>
Due to employees:				
Flex spending	39,602	63,037	59,240	43,399
Health reimbursement	<u>34,110</u>	<u>40,702</u>	<u>22,015</u>	<u>52,797</u>
Total due to employees	<u>73,712</u>	<u>103,739</u>	<u>81,255</u>	<u>96,196</u>
Total liabilities	<u>\$ 99,390</u>	<u>\$ 126,204</u>	<u>\$ 94,368</u>	<u>\$ 131,226</u>

