

***J. Sterling Morton High School District 201
Cicero, Illinois***

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021



Annual Comprehensive Financial Report
of
J. Sterling Morton High School
District 201

Cicero, Illinois

For the Fiscal Year Ended June 30, 2021

Official Issuing Report

Dennis Forst, Chief Financial Officer

Department Issuing Report

Business Office

J. Sterling Morton High School District 201
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2021

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INTRODUCTORY SECTION (UNAUDITED)



J. STERLING MORTON HIGH SCHOOLS

5801 WEST CERMAK ROAD, CICERO, IL 60804, (708) 780-2800

January 31, 2022

To the Citizens and Board of Education of
J. Sterling Morton High School District No. 201

We are pleased to present the Annual Comprehensive Financial Report of J. Sterling Morton High School District No. 201 (the "School District") for the fiscal year ended June 30, 2021. This Annual Comprehensive Financial Report contains financial statements, supplemental statements and statistical information, providing complete and full disclosure of all material financial aspects of the School District for the 2021 fiscal year.

The School District is responsible for the accuracy, completeness, and fairness of the data presented. To the best of our knowledge and belief, this report and the enclosed data are accurate in all materials aspects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the School District. We have included all disclosures necessary to enable the reader to gain an understanding of generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

The Annual Comprehensive Financial Report is divided into three sections:

The **Introductory Section** includes a title page, the table of contents, this transmittal letter, a Certificate of Excellence in Financial Reporting, a list of principal officials, and the School District's organizational chart.

The **Financial Section** includes the independent auditors' report on the financial statements, management's discussion and analysis, basic financial statements, notes to the financial statements, required supplementary information, and other schedules that provide detailed information relative to the basic financial statements.

The **Statistical Section** includes selective financial, economic and demographic information, generally presented on a multi-year basis for comparative purposes.

The School District provides a full range of traditional and non-traditional educational programs, services and facilities. These include secondary curriculum offerings at the general level, college preparatory level and vocational level; a broad range of co-curricular and extracurricular activities; and special education programs and facilities.

REPORTING ENTITY

J. Sterling Morton High School District No. 201 is organized under the Constitution of the State of Illinois. The School District operates under a locally elected Board form of government consisting of seven members elected at-large for staggered four-year terms. The School District provides educational services as authorized by State statute and federal guidelines.

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations of the School District.

The Chief Financial Officer is directly responsible to the Superintendent for all financial operations and custody of all School District funds and assets.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the school district are not misleading. The primary government of a school district consists of all funds, departments, boards, and agencies that are not legally separate from the school district. This includes general operations, food service, and student related activities of the school district.

Component units are legally separate organizations for which school district is financially accountable. A school district is financially accountable for an organization if the school district appoints a voting majority of the organization's governing board and (1) the school district is able to significantly influence the programs or services performed or provided by the organization, or (2) the school district is legally entitled to or can otherwise access the organization's resources, is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization, or is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the school district in that the school district approves the organization's budget, the issuance of its debt, or the levying of its taxes. The School District has no component units.

The Municipalities, Parent Teacher Organization, Booster groups and Alumni associations perform activities within the School District's boundaries for the benefit of its residents but are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District.

The School District also belongs to the Collective Liability Insurance Cooperative (CLIC) for property and casualty insurance coverage.

ECONOMIC CONDITION AND OUTLOOK

J. Sterling Morton High School District No. 201 is located in Central Cook County, in beautiful northern Illinois. The county itself is located on the shores of Lake Michigan and includes all of Chicago. Cook County is approximately 90 miles from Milwaukee and 30 miles from Gary, Indiana. This central position provides a strategic location for the development of business and industry.

Consumer Price Index (CPI) trends continue to be reflective of the current economic state. In 2021, CPI rates were higher than usual due to the coronavirus pandemic. The latest CPI (June 2021) is 5.4% compared to .6% reported last year.

The District's enrollment in recent years has declined slightly. Minor fluctuations are anticipated in the future. The District does not experience significant competition from charter schools.

THE DISTRICT AND ITS FACILITIES

The School District served approximately 7,668 students during the 2021 fiscal year housed in four facilities. The enrollments per school, excluding private placements, were as follows:

<u>School</u>	<u>Grades</u>	<u>Enrollment</u>
Morton Freshman Center	9	1,100
Morton East	10-12	3,186
Morton West	9-12	3,357
Alternative School	9-12	25

MAJOR INITIATIVES

- Morton 201 anticipates bringing back an additional period for more academic opportunities.
- The School District completed remodeling at Morton East.
- Multiple classrooms are continued to be remodeled and updated throughout the district.
- The School District has fully implemented all phases of our 'One to One' program.
- Major infrastructure upgrades included higher bandwidth capacity to support our One-to-One program.
- The English, Social Science and Mathematics departments have revised their curriculum to address the Common Core State Standards in each grade level. In addition, the curriculum is also vertically aligned to avoid duplication of efforts, and, at the same time, to guarantee that the skills of each grade level build on the previous skills taught.
- The School District has reached full implementation of a standards-based grading system to measure students' progress on clearly defined outcomes in every course.

FINANCIAL INFORMATION

The School District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records are maintained during the fiscal year on a budgetary basis system of accounting as prescribed by State statute.

Internal Controls

The management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived from its implementation, and (2) the valuation of cost and benefits requires estimates and judgments by management.

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The Chief Financial Officer has been given authority to allocate Board appropriations to the function and object level within each fund. The School District has chosen to present budgetary information at the function level in the basic financial statements and at the object level in the individual fund statements.

The School District maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts lapse at year-end, and, if necessary, are re-appropriated in the subsequent fiscal year. As demonstrated by the statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management.

Financial Condition

The School District has prepared its financial statements following GASB Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.” GASB Statement No. 34 creates new basic financial statements for reporting on the School District’s financial activities as follows:

Government-wide financial statements – These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses.

Fund financial statements – These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities presented in the government-wide financial statements.

Budgetary comparison schedules – These schedules present comparisons of actual information to the legally adopted budget for the general fund and any major special revenue funds.

As part of this reporting model, management is responsible for preparing a Management’s Discussion and Analysis of the School District. This discussion is located in the Financial Section of this report following the audit opinion, and provides a narrative overview and analysis of the School District finances for fiscal 2021.

OTHER INFORMATION

INDEPENDENT AUDIT

The School District has an independent audit performed by the firm Miller, Cooper & Co., Ltd. for the fiscal year ended June 30, 2021. The opinion of Miller, Cooper & Co., Ltd. can be found at the beginning of the Financial Section of this report.

AWARDS

The District has received the ASBO Certificate of Excellence for over 20 consecutive years. We believe the current report continues to conform to the ASBO International Certificate of Excellence in Financial Reporting and the District will be submitting the report to ASBO International for the fiscal year ending June 30, 2021.

ACKNOWLEDGEMENTS

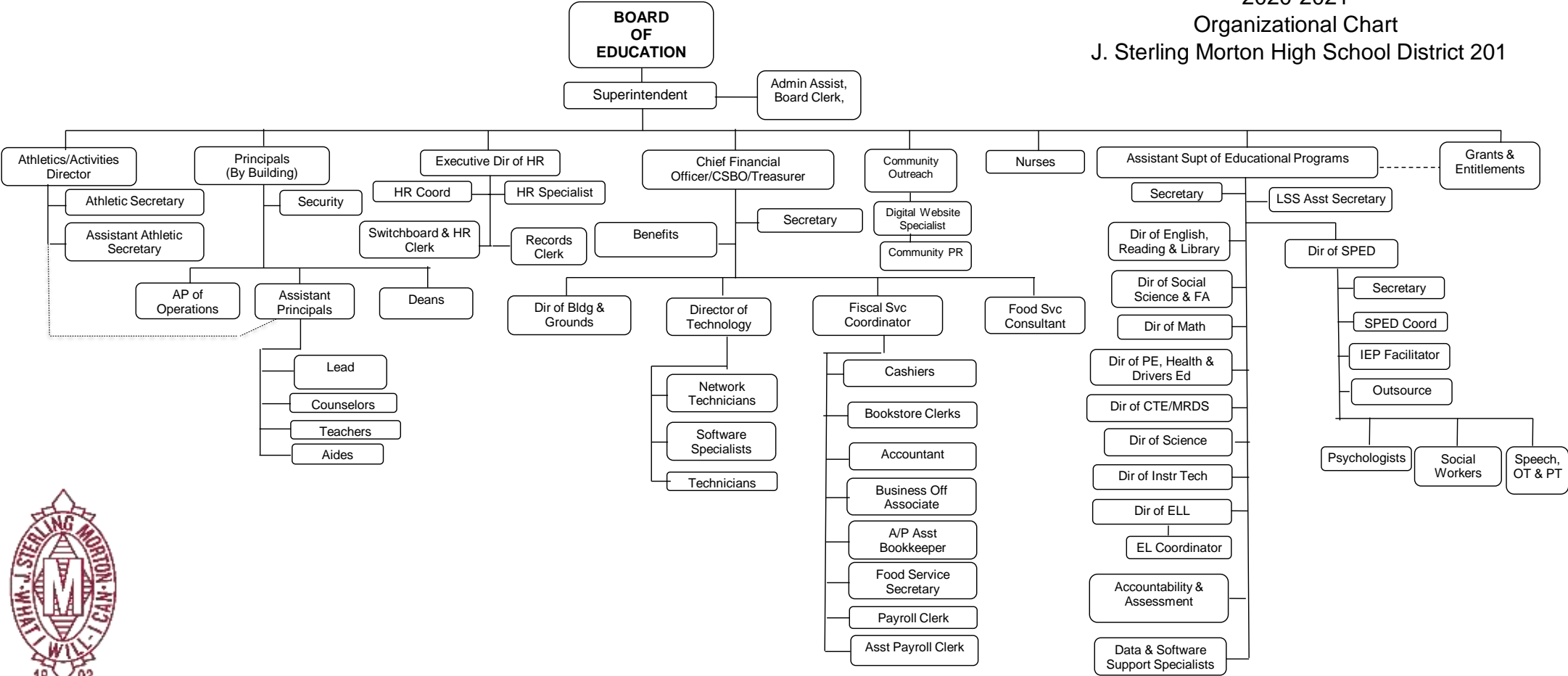
A note of sincere appreciation is extended to the many conscientious people who have contributed their time and effort to the preparation of this report.

Finally, sincere gratitude goes to the Board of Education where commitment to excellence begins.

Respectfully submitted,

Mr. Dennis Forst, CSBO
Chief Financial Officer

2020-2021
Organizational Chart
J. Sterling Morton High School District 201



J. Sterling Morton High School District 201

5801 West Cermak Road

Cicero, Illinois 60804

Annual Comprehensive Financial Report

Officers and Officials

For the Fiscal Year Ended June 30, 2021

Board of Education

		<u>Term Expires</u>
Mr. Jeffry Pesek	President	2023
Mr. Lido Manetti	Vice President	2023
Ms. Jessica Jaramillo-Flores	Secretary	2025
Mr. Mark D. Kraft	Member	2023
Dr. Margaret Kelly	Member	2025
Ms. Sandra Tomschin	Member	2025
Ms. Melissa Cundari	Member	2025

District Administration

Dr. Timothy Truesdale	Superintendent
Dr. Joshua McMahon	Asst. Superintendent for Educational Programs
Mr. Dennis Forst	Chief Financial Officer

Official Issuing Report

Mr. Dennis Forst	Chief Financial Officer
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Department Issuing Report

Business Office

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
J. Sterling Morton High School District 201
Cicero, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of J. Sterling Morton High School District 201 (the District), as of and for the year ended June 30, 2021, 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

The District's 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.

Auditors' 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2021, 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.

Emphasis of a Matter

As discussed in Note A-2 to the financial statements, assets, other liabilities and fund balance/net position as of July 1, 2020 have been restated as a result of an adjustment due to the implementation of the Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data on pages 76 through 82, the other postemployment benefits data on pages 83 through 85, and the budgetary comparison schedules and notes to the required supplementary information on pages 86 through 107, 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 for the year ended June 30, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other schedules listed in the table of contents in the introductory section, the statistical section, and the other supplementary financial information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

(Continued)

Other Information (Continued)

The other supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information for the year ended June 30, 2021 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2021 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 other supplementary financial information for the year ended June 30, 2021 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District, as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated April 29, 2021, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Safety Fund, with comparative actual amounts for the year ended June 30, 2020 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Safety Fund have been subjected to the auditing procedures applied in the audit of the 2020 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 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Safety Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

The introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022, 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 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 the District'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.

MILLER, COOPER & CO., LTD.

A handwritten signature in cursive script that reads "Miller, Cooper & Co., Ltd." is written over a horizontal line.

Certified Public Accountants

Deerfield, Illinois
January 31, 2022

J. Sterling Morton High School District 201

Management's Discussion and Analysis (Unaudited)

for the Year Ended June 30, 2021

The discussion and analysis of J. Sterling Morton High School District 201's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2021. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management Discussion and Analysis.

Financial Highlights

- Total revenues of \$197.4 million exceeded expenses of \$166.2 million for a change in net position of \$31.2 million.
- As of June 30, 2021, the total fund balance for all governmental funds was \$97.7 million compared to \$85.7 million in the prior year.
- The estimated 2021 financial profile designation for the District is "Recognition." The final score will be calculated by the Illinois State Board of Education.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

This report also contains required supplementary information, other supplementary financial information, and statistical information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

J. Sterling Morton High School District 201
Management's Discussion and Analysis (Unaudited)
for the Year Ended June 30, 2021

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds. The District does not have any proprietary funds. As discussed in the notes to the financial statements, the implementation of Governmental Accounting Standards Board (GASB) Statement No. 84 required the District to report its student activity funds as part of the General Fund beginning in fiscal year 2021. The District maintains no fiduciary funds that are required to be reported as fiduciary activities.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a school district's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for all funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with this budget.

J. Sterling Morton High School District 201
Management's Discussion and Analysis (Unaudited)
for the Year Ended June 30, 2021

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a better understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the financial statements.

Government-Wide Financial Analysis

Statement of Net Position:

As indicated in Table 1, net capital assets totaled \$182.5 million, representing approximately 57.9% of total assets for the year ended June 30, 2021. Long-term liabilities outstanding totaled \$153.2 million, or 93.6% of total liabilities. Other liabilities totaled \$10.4 million, which is a decrease of \$2.7 million from fiscal year 2020. As a result, overall total liabilities decreased by \$16.2 when compared to fiscal year 2020, mainly due to the District servicing its debt.

In addition to assets, the Statement of Net Position reports deferred outflows of resources. This represents a consumption of net position that applies to a future period and thus, will not be recognized as an outflow of resources (expense) until then. The District has deferred outflows of resources of \$5.7 million related to pensions and deferred outflows of resources of \$6.8 million related to other postemployment benefits.

In addition to liabilities, the Statement of Net Position reports deferred inflows of resources. This represents an increase of net position or fund balance that applies to a future period and so will not be recognized as revenue until that time. A deferred inflow of resources of \$24.5 million resulted from the District's legal claim to receive property taxes prior to the period that those taxes are intended to fund. Additionally, the District had deferred inflows of resources of \$17.0 million related to the pensions and deferred inflows of resources of \$10.7 million related to other postemployment benefits.

As a result of the change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources noted, net position increased 38.6% or \$31.2 million (after restatement for the effects of GASB 84). Total net position, as of June 30, 2021, was \$112.0 million. Of this total, \$43.4 million was restricted. Additional information is available in the Statement of Net Position of the financial statements.

J. Sterling Morton High School District 201
Management's Discussion and Analysis (Unaudited)
for the Year Ended June 30, 2021

Table 1		
Condensed Statement of Net Position		
Government-Wide		
<i>(in millions of dollars)</i>		
	<u>2021</u>	<u>2020</u> *
Assets:		
Current and other assets	\$132.8	\$122.6
Capital assets	<u>182.5</u>	<u>170.8</u>
Total assets	<u>315.3</u>	<u>293.4</u>
Deferred outflows of resources:		
Other postemployment benefits	6.8	4.5
Pension	<u>5.7</u>	<u>10.4</u>
Total deferred outflows of resources	<u>12.5</u>	<u>14.9</u>
Liabilities:		
Long-term liabilities	153.2	166.7
Other liabilities	<u>10.4</u>	<u>13.1</u>
Total liabilities	<u>163.6</u>	<u>179.8</u>
Deferred inflows of resources:		
Property taxes levied for a future period	24.5	23.9
Other postemployment benefits	10.7	7.7
Pension	<u>17.0</u>	<u>17.0</u>
Total deferred inflows of resources	<u>52.2</u>	<u>48.6</u>
Net position:		
Net investment in capital assets	132.5	120.8
Restricted	43.4	25.9
Unrestricted	<u>(63.9)</u>	<u>(66.8)</u>
Total net position	<u>\$112.0</u>	<u>\$79.9</u>

* Amounts presented as originally reported and not restated due to the implementation of GASB Statement No. 84.

J. Sterling Morton High School District 201
Management's Discussion and Analysis (Unaudited)
for the Year Ended June 30, 2021

Statement of Activities:

Table 2 illustrates revenues and expenses from fiscal year 2021 that resulted in a change in net position of \$31.2 million.

The District's total revenues were \$197.4 million. Taxes were 29.3% of the total, or \$57.8 million.

The total cost of all programs and services was \$166.2 million. The District's expenses related to instruction accounted for 69.6% of the total, or \$115.7 million. The District's expenses in support services were 26.5% of total costs or \$44.0 million. Total revenues exceeded total expenses, increasing net position by \$31.2 million for the year.

Table 2 Statement of Activities (in millions of dollars)		
	<u>2021</u>	<u>2020*</u>
Revenues:		
Program revenues:		
Charges for Services	\$1.2	\$1.4
Grants & contributions	68.1	66.7
General revenues:		
Taxes	57.8	55.0
Unrestricted grants	68.3	68.3
Other	<u>2.0</u>	<u>4.7</u>
Total revenues:	<u>197.4</u>	<u>196.1</u>
Expenses:		
Instruction	115.7	115.7
Support services	44.0	48.8
Other	1.2	0.8
Interest and fees	<u>5.3</u>	<u>5.6</u>
Total expenses	<u>166.2</u>	<u>170.9</u>
Change in net position	<u>31.2</u>	<u>25.2</u>

* Amounts presented as originally reported and not restated due to the implementation of GASB Statement No. 84.

J. Sterling Morton High School District 201
Management's Discussion and Analysis (Unaudited)
for the Year Ended June 30, 2021

Financial Analysis of the District's Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported a total combined ending fund balance of \$97.7 million. Of this amount, \$52.9 million constitutes *unassigned fund balance*. The Debt Service Fund, Capital Projects Fund and total Special Revenue funds have a combined *restricted* fund balance of \$43.3 million. Additionally, there is a nonspendable balance of \$0.7 due to prepaid items and inventory. There is an assigned fund balance of \$0.8 for student activity balances.

General Fund

The General Fund includes the Educational Account and the Working Cash Account. The largest volume of transactions are recorded in the Educational Account because the Educational Account covers all transactions that are not specifically covered in another account or fund.

Certain expenditures that must be charged to this Account include the direct costs of instructional, health and attendance services, lunch programs, all costs of administration, and related insurance costs. Certain revenues that must be credited to this Account include educational tax levies, tuition, and student fee revenue.

At the end of the current fiscal year, the Educational Account had an unassigned fund balance of \$44.3 million. The unassigned fund balance at June 30, 2020 was \$49.2 million. This represents a decrease of approximately \$4.9 million in the unassigned fund balance.

The Working Cash Account is created either by a separate tax levy or by the issuance of bonds. Interfund loans from the Working Cash Account may be made to any fund for which taxes are levied.

At the end of the current fiscal year, the Working Cash Account had a fund balance of \$8.6 million. The ending fund balance at the end of fiscal year 2020 was \$8.5 million. This represents an increase of \$0.1 million from the previous fiscal year.

Operations and Maintenance Fund

All costs of maintaining, improving, or repairing school buildings and property, renting buildings, and property for school purposes or paying premiums for insurance on school buildings are reported in the Operations and Maintenance Fund. All salaries and insurance benefit costs of custodial and maintenance employees, including all costs of fuel, lights, natural gas, water, telephone service, custodial supplies, and equipment are included in the Operations and Maintenance Fund.

The Operations and Maintenance Fund fund balance for the current year is \$14.8 million. The fund balance at June 30, 2020 was \$8.3 million. This represents an increase of \$6.5 million from the previous fiscal year.

J. Sterling Morton High School District 201
Management's Discussion and Analysis (Unaudited)
for the Year Ended June 30, 2021

Debt Service Fund

Bonds are generally issued to finance the construction on buildings and may be issued for other purposes. Taxes are levied to provide cash to retire these bonds and to pay the interest on them. To protect the bondholders, these tax collections must be accounted for in the Debt Service Fund.

At the end of the current fiscal year, the Debt Service Fund had a fund balance of \$8.5 million. This fund balance can only be used to pay the District's outstanding debt. The ending fund balance at the end of fiscal year 2020 was \$6.1 million.

Capital Projects Fund

When bonds are issued for construction purposes, the funds are deposited to the Capital Projects Fund. Monies may also be transferred into the fund from other funds for the use of capital projects. Funds can be used for the acquisition or construction and renovation of major capital facilities. At the end of the current fiscal year, the Capital Projects Fund had a fund balance of \$4.7 million. The fund balance at the end of fiscal year 2020 was \$1.3 million. The fund balance increased by \$3.4 million.

Transportation Fund

This fund is created if a separate tax is levied for providing resources for transporting pupils for any purpose whether the District provides the transportation itself or hires an outside company to provide the transportation services.

Costs of transportation may include the purchase of vehicles, insurance of buses, salaries, insurance benefit costs, and the costs of hiring an outside service. Monies received for transportation purposes from any source must be deposited into this fund, except for the portion of state reimbursement applicable to other funds (e.g. utility costs from Operations and Maintenance Fund).

At the end of the current fiscal year, the Transportation Fund had a fund balance of \$6.7 million. The fund balance at the close of fiscal year 2020 was \$3.7 million, an increase of \$3.0 million.

Illinois Municipal Retirement/Social Security Fund

This Fund is created if a separate tax is levied for the purpose of providing resources for the District's share of retirement benefits for covered employees or a separate tax is levied for the purpose of providing resources for the District's share of Social Security and Medicare payments for covered employees.

At the end of the current fiscal year, the Municipal Retirement/Social Security Fund had a fund balance of \$4.2 million. The ending fund balance at the end of fiscal year 2020 was \$3.5 million.

J. Sterling Morton High School District 201
Management's Discussion and Analysis (Unaudited)
for the Year Ended June 30, 2021

Fire Prevention and Safety Fund

This fund accounts for the state-approved life safety projects financed through bond issues or local property taxes levied specifically for such purposes. At the end of the current fiscal year, the Fire Prevention and Safety Fund had a fund balance of \$4.7 million. The fund balance at the end of fiscal year 2020 was \$3.3 million, an increase of \$1.4 million.

The District's total revenues were \$171.8 million. Approximately 35.4% of total governmental fund revenues come from local sources, 56.7% from state sources, and 7.9% from federal sources.

General Fund Budgetary Highlights

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States except the District does not budget for "on-behalf" contributions from the State for the employer's share of the Teachers' Retirement System Pension and Teachers' Health Insurance Security Fund. All annual budgets lapse at fiscal year-end. The annual budget is legally enacted and provides for a legal level of control at the fund level.

- For this fiscal year, the Board adopted a General Fund budget that reflected an operating surplus of \$0.1 million. The budget was amended by the Board in June 2021.
- The General Fund ended the year with an operating deficit of \$5.2 million.
- At the end of the current fiscal year, the General Fund had a fund balance of \$54.1 million. The ending fund balance at the end of fiscal year 2020 was \$59.4 million (includes restatement for GASB 84).

Capital Asset and Debt Administration

Capital assets

Table 3 below illustrates capital assets, net of depreciation, which reflect an overall increase of \$11.7 million when compared to 2020. This net increase is mostly related to the increase in construction in progress (which is not subject to depreciation). Additional information is available in Note D in the Notes to the Financial Statements.

J. Sterling Morton High School District 201
Management's Discussion and Analysis (Unaudited)
for the Year Ended June 30, 2021

Table 3
Capital Assets (net of depreciation)
(in millions of dollars)

	<u>2021</u>	<u>2020</u>
Land	\$13.6	\$13.6
Construction in progress	95.6	80.5
Land improvements	1.3	1.4
Buildings	51.2	52.8
Building improvements	10.1	10.7
Equipment	<u>10.7</u>	<u>11.8</u>
Total	<u>\$182.5</u>	<u>\$170.8</u>

Long-term liabilities

Table 4 illustrates the repayment of the District's outstanding long-term liabilities, according to the existing debt payment schedule. As of June 30, 2021, the District had \$50.0 million in general obligation bonds and \$36.7 in capital appreciation bonds. There is also a \$2.5 unamortized premium. The District also has \$5.7 million related to TRS net pension liability, and \$58.3 million related to other postemployment benefits liabilities.

In 2021 the IMRF plan fiduciary net position exceeded the total pension liability resulting in a net pension asset of \$0.2 million, which is presented as an asset on the statement of net position.

The District is subject to the Illinois School Code, which limits the amount of certain bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2021, the statutory debt limit for the District was \$147.2 million, providing a debt margin of \$90.0 million.

The Illinois School Code provides exceptions to the 6.9% legal debt limit for bonds related to acquiring or improving a site or sites, construction, extending, improving and equipping school buildings, establishing a working cash fund, and certain types of funding bonds or bonds approved by 2/3 of voters on a referendum.

Additional information is available in Note E in the Notes to the Financial Statements.

J. Sterling Morton High School District 201
Management's Discussion and Analysis (Unaudited)
for the Year Ended June 30, 2021

Table 4
Outstanding Long-Term Liabilities
(in millions of dollars)

	<u>2021</u>	<u>2020</u>
General obligation bonds	\$50.0	\$50.0
Capital appreciation bonds	36.7	42.5
Unamortized premium	2.5	3.0
Net pension liability	5.7	12.9
Net OPEB liability	<u>58.3</u>	<u>58.3</u>
Total long-term liabilities	<u>\$153.2</u>	<u>\$166.7</u>

Factors Bearing on the District's Future

- The District is currently in the middle of completing various renovation projects. These projects are being completed without bond assistance and within budgetary constraints.
- The District is also dealing with the uncertainty created by COVID-19. The District anticipated that it would operate under differing instructional models (remote, hybrid, or full in-person) throughout fiscal year 2021 and return to full in-person instructional models with supporting remote / hybrid if needed in fiscal year 2022. The variation in instruction models and response to creating a COVID safe environment create a staffing structure which can lead to increased costs. The District is also incurring additional costs related to personal protective equipment (PPE).
 - Along with the short-term cost, the District is also monitoring potential long-term impacts. The uncertainty and reduced economic activity coupled with an increase in CPI beyond 5% could lead to insufficiencies in local property tax revenue, state funding, and/or federal funding. The District is also currently experiencing a significant reduction in interest revenue due to a decline in interest rates.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact the Business Office, J. Sterling Morton High School District 201, 5801 W. Cermak Road, Cicero, Illinois 60804.

BASIC FINANCIAL STATEMENTS

J. Sterling Morton High School District 201
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2021

ASSETS

Cash and investments	\$ 92,624,285
Receivables (net of allowance for uncollectibles)	
Property taxes	24,553,602
Replacement taxes	1,702,235
Intergovernmental	6,417,748
Inventory	110,632
Prepaid items	536,650
Restricted investments	6,540,773
Other current assets	132,830
Net pension asset	164,420
Capital assets:	
Land	13,629,003
Construction in progress	95,572,572
Depreciable buildings, property, and equipment, net	<u>73,346,189</u>
Total assets	<u>315,330,939</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	6,818,622
Deferred outflows related to other postemployment benefits	<u>5,731,432</u>
Total deferred outflows	<u>12,550,054</u>

LIABILITIES

Accounts payable	8,336,061
Salaries and wages payable	95,611
Claims payable	1,800,829
Other current liabilities	69,445
Interest payable	201,875
Long-term liabilities:	
Due within one year	9,232,172
Due after one year	<u>143,941,837</u>
Total liabilities	<u>163,677,830</u>

DEFERRED INFLOWS OF RESOURCES

Property taxes levied for a future period	24,553,602
Deferred inflows related to pensions	16,973,201
Deferred inflows related to other postemployment benefits	<u>10,663,409</u>
Total deferred inflows	<u>52,190,212</u>

NET POSITION

Net investment in capital assets	132,547,764
Restricted for:	
Operations and maintenance	14,824,050
Debt service	8,310,773
Retirement benefits	4,150,118
Student transportation	6,749,479
Capital projects	9,330,946
Unrestricted	<u>(63,900,179)</u>
Total net position	<u>\$ 112,012,951</u>

The accompanying notes are an integral part of this statement.

J. Sterling Morton High School District 201

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental activities				
Instruction:				
Regular programs	\$ 41,250,041	\$ 1,069,712	\$ 3,183,271	\$ (36,997,058)
Special programs	17,027,909	-	7,621,252	(9,406,657)
Other instructional programs	7,421,511	13,613	2,794,639	(4,613,259)
State retirement contributions	49,981,598	-	49,981,598	-
Support services:				
Pupils	7,089,693	-	-	(7,089,693)
Instructional staff	4,377,887	-	232,186	(4,145,701)
General administration	2,516,654	-	-	(2,516,654)
School administration	3,096,766	-	-	(3,096,766)
Business	4,091,727	125,546	1,714,357	(2,251,824)
Transportation	2,520,360	-	2,607,552	87,192
Operations and maintenance	16,465,174	11,925	-	(16,453,249)
Central	2,708,400	-	-	(2,708,400)
Other supporting services	1,182,814	-	-	(1,182,814)
Community services	599,472	-	-	(599,472)
Nonprogrammed charges	614,794	-	-	(614,794)
Interest and fees	5,269,633	-	-	(5,269,633)
Total governmental activities	<u>\$ 166,214,433</u>	<u>\$ 1,220,796</u>	<u>\$ 68,134,855</u>	<u>(96,858,782)</u>
General revenues:				
Taxes:				
				25,743,026
				12,075,004
				10,874,309
				9,098,736
				68,300,574
				1,056,214
				869,285
				<u>128,017,148</u>
				31,158,366
				<u>80,854,585</u>
				\$112,012,951

The accompanying notes are an integral part of this statement.

J. Sterling Morton High School District 201

Governmental Funds

BALANCE SHEETJune 30, 2021

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 53,732,674	\$ 16,578,518	\$ 6,328,432	\$ 3,894,783
Receivables (net of allowance for uncollectibles):				
Property taxes	12,298,570	2,958,191	623,013	1,283,378
Replacement taxes	-	-	-	255,335
Intergovernmental	4,701,396	-	645,388	-
Inventory	110,632	-	-	-
Prepaid items	306,676	229,974	-	-
Restricted investments	-	-	-	-
Other current assets	132,830	-	-	-
Total assets	<u>\$ 71,282,778</u>	<u>\$ 19,766,683</u>	<u>\$ 7,596,833</u>	<u>\$ 5,433,496</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,857,597	\$ 1,949,202	\$ 224,341	\$ -
Salaries and wages payable	60,371	35,240	-	-
Claims payable	1,800,829	-	-	-
Other current liabilities	69,445	-	-	-
Total liabilities	<u>4,788,242</u>	<u>1,984,442</u>	<u>224,341</u>	<u>-</u>
DEFERRED INFLOWS				
Unavailable grant revenue	60,526	-	-	-
Property taxes levied for a future period	12,298,570	2,958,191	623,013	1,283,378
Total deferred inflows	<u>12,359,096</u>	<u>2,958,191</u>	<u>623,013</u>	<u>1,283,378</u>
FUND BALANCES				
Nonspendable	417,308	229,974	-	-
Restricted	-	14,594,076	6,749,479	4,150,118
Assigned	847,973	-	-	-
Unassigned	52,870,159	-	-	-
Total fund balances	<u>54,135,440</u>	<u>14,824,050</u>	<u>6,749,479</u>	<u>4,150,118</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 71,282,778</u>	<u>\$ 19,766,683</u>	<u>\$ 7,596,833</u>	<u>\$ 5,433,496</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 900,911	\$ 6,521,888	\$ 4,667,079	\$ 92,624,285
6,694,976	-	695,474	24,553,602
-	1,446,900	-	1,702,235
1,070,964	-	-	6,417,748
-	-	-	110,632
-	-	-	536,650
6,540,773	-	-	6,540,773
-	-	-	132,830
<u>\$ 15,207,624</u>	<u>\$ 7,968,788</u>	<u>\$ 5,362,553</u>	<u>\$ 132,618,755</u>
\$ -	\$ 3,304,921	\$ -	\$ 8,336,061
-	-	-	95,611
-	-	-	1,800,829
-	-	-	69,445
-	3,304,921	-	10,301,946
-	-	-	60,526
6,694,976	-	695,474	24,553,602
6,694,976	-	695,474	24,614,128
-	-	-	647,282
8,512,648	4,663,867	4,667,079	43,337,267
-	-	-	847,973
-	-	-	52,870,159
8,512,648	4,663,867	4,667,079	97,702,681
<u>\$ 15,207,624</u>	<u>\$ 7,968,788</u>	<u>\$ 5,362,553</u>	<u>\$ 132,618,755</u>

J. Sterling Morton High School District 201
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2021

Total fund balances - total governmental funds	\$	97,702,681
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Amounts reported for governmental activities in the statement of net position are different because:

Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds.		182,547,764
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The net pension asset resulting from IMRF plan fiduciary net position exceeding the total pension liability is not a financial resource therefore is not reported in the governmental funds balance sheet.		164,420
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Certain revenues receivable by the District and recognized in the statement of net position do not provide current financial resources and are included as deferred inflows of resources in the governmental funds.		60,526
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Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to pensions		6,818,622
Deferred inflows of resources related to pensions		(16,973,201)

Deferred outflows of resources related to OPEB		5,731,432
Deferred inflows of resources related to OPEB		(10,663,409)

Interest on long-term liabilities (interest payable) accrued in the statement of net position will not be paid with current financial resources and, therefore, is not recognized in the governmental funds balance sheet.		(201,875)
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Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds:

General obligation bonds	\$ (50,000,000)		
Capital appreciation bonds	(36,720,744)		
Unamortized bond premiums	(2,478,064)		
Compensated absences	(37,172)		
TRS net pension liability	(5,649,431)		
RHP total other postemployment benefit liability	(6,963,560)		
THIS net other postemployment benefit liability	(51,325,038)		
	(153,174,009)		

Net position of governmental activities	\$	112,012,951
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The accompanying notes are an integral part of this statement.

J. Sterling Morton High School District 201

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCESFor the Year Ended June 30, 2021

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 26,150,594	\$ 6,207,585	\$ 1,307,355	\$ 2,693,086
Replacement taxes	-	-	-	1,306,620
State aid	67,692,047	16,454,816	3,905,995	-
Federal aid	10,305,914	-	-	-
Interest	750,573	138,526	88,564	29,244
Other	1,957,067	133,014	-	-
Total revenues	106,856,195	22,933,941	5,301,914	4,028,950
Expenditures				
Current:				
Instruction:				
Regular programs	36,728,316	-	-	405,210
Special programs	16,194,443	-	-	370,297
Other instructional programs	7,341,312	-	-	142,911
State retirement contributions	23,351,432	-	-	-
Support services:				
Pupils	8,177,584	-	-	354,084
Instructional staff	4,266,537	-	-	134,948
General administration	2,405,226	-	-	121,027
School administration	2,911,802	-	-	131,462
Business	3,938,269	-	-	342,581
Transportation	46,532	-	2,290,916	1,807
Operations and maintenance	112,525	13,823,164	-	1,260,386
Central	2,646,071	-	-	122,104
Other supporting services	836,029	338,007	-	10,760
Community services	593,176	-	-	27,574
Nonprogrammed charges	614,794	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	1,909,884	2,296,764	-	-
Total expenditures	112,073,932	16,457,935	2,290,916	3,425,151
Excess (deficiency) of revenues over expenditures	(5,217,737)	6,476,006	3,010,998	603,799
Fund balance, beginning of year, as restated (Note K)	59,353,177	8,348,044	3,738,481	3,546,319
Fund balance, end of year	\$ 54,135,440	\$ 14,824,050	\$ 6,749,479	\$ 4,150,118

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 10,874,309	\$ -	\$ 1,459,410	\$ 48,692,339
-	7,792,116	-	9,098,736
-	9,280,431	-	97,333,289
3,179,392	-	-	13,485,306
905	10,658	37,744	1,056,214
-	-	-	2,090,081
<u>14,054,606</u>	<u>17,083,205</u>	<u>1,497,154</u>	<u>171,755,965</u>
-	-	-	37,133,526
-	-	-	16,564,740
-	-	-	7,484,223
-	-	-	23,351,432
-	-	-	8,531,668
-	-	-	4,401,485
-	-	-	2,526,253
-	-	-	3,043,264
-	-	-	4,280,850
-	-	-	2,339,255
-	-	-	15,196,075
-	-	-	2,768,175
-	-	-	1,184,796
-	-	-	620,750
-	-	-	614,794
9,195,000	-	-	9,195,000
2,423,725	-	-	2,423,725
-	13,728,798	129,603	18,065,049
<u>11,618,725</u>	<u>13,728,798</u>	<u>129,603</u>	<u>159,725,060</u>
2,435,881	3,354,407	1,367,551	12,030,905
<u>6,076,767</u>	<u>1,309,460</u>	<u>3,299,528</u>	<u>85,671,776</u>
<u>\$ 8,512,648</u>	<u>\$ 4,663,867</u>	<u>\$ 4,667,079</u>	<u>\$ 97,702,681</u>

J. Sterling Morton High School District 201
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, 2021

Net change in fund balances - total governmental funds.	\$	12,030,905
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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, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Capital outlay	\$ 17,800,583	
Depreciation expense	<u>(6,088,685)</u>	11,711,898

Certain revenues receivable by the District and recognized in the statement of net position do not provide current financial resources and are included as deferred inflows of resources in the governmental funds.

State and federal aid	(1,013,332)
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Changes in deferred outflows and inflows of resources related to pensions and other postemployment benefits are reported only in the statement of activities:

Deferred outflows and inflows of resources related to IMRF pension	(5,187,077)
Deferred outflows and inflows of resources related to TRS pension	1,603,219
Deferred outflows and inflows of resources related to RHP	232,629
Deferred outflows and inflows of resources related to THIS	(1,919,660)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:

Principal repayments - capital appreciation bonds	\$ 9,195,000	
Accretion on capital appreciation bonds	(3,438,114)	
Amortization of bond premiums	592,206	
Compensated absences, net	(13,889)	
IMRF pension liability, net	7,088,535	
TRS pension liability, net	286,404	
RHP other postemployment benefit liability, net	(52,690)	
THIS other postemployment benefit liability, net	<u>42,332</u>	<u>13,699,784</u>
Change in net position of governmental activities	\$	<u><u>31,158,366</u></u>

The accompanying notes are an integral part of this statement.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of J. Sterling Morton High School District 201 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

1. Reporting Entity

The District is located in Cook County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all personnel, budgetary, taxing, and debt matters.

The District includes all funds of its operations that are controlled by or dependent upon the District, as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The accompanying financial statements include only those funds of the District, as there is no organization for which it has financial accountability.

The District is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

2. New Accounting Pronouncements

The GASB has issued Statement No. 84, *Fiduciary Activities*, which was implemented by the District for the year ended June 30, 2021. This Statement established guidance for identifying fiduciary activities and resulted in a change to accounting and financial reporting requirements.

The GASB has issued GASB Statement No. 98, *The Annual Comprehensive Financial Report*, which was to be effective for the District beginning with the June 30, 2022 financial statements. The District has elected to early implement the Statement for the year ended June 30, 2021, as encouraged by GASB. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The only effect as a result of the adoption of this standard is the change in the name of the type of financial statements issued by the District.

Specific changes to the District's financial statements relate to the inclusion of the student activity funds within the District's General Fund. See Note K for the effects of this restatement.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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 and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (debt service funds), and the acquisition or construction of major capital facilities (capital project funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund. The District considers all governmental funds to be major.

4. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities report information on all the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by taxes, intergovernmental revenues and local fees.

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) amounts paid by recipient of goods or services offered by the program 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.

a. General Fund

The *General Fund* includes the Educational Account and the Working Cash Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources held by the District to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid upon collection of property taxes in the fund(s) loaned to. As allowed by the School Code of Illinois, this Fund may be permanently abolished and become part of the Educational Account or it may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Account of at least .05% of the District's current equalized assessed valuation. The Student Activity balance is accounted for in the Educational Account. The balance accounts for activities such as student yearbooks, student clubs, student councils, and convenience accounts.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Government-Wide and Fund Financial Statements (Continued)

b. Special Revenue Funds

The special revenue funds are used to account for and report the proceeds of specific revenue sources (other than those accounted for in the debt service or capital projects funds) that are legally restricted to expenditures for specified purposes.

Each of the District's special revenue funds has been established as a separate fund in accordance with the fund structure required by the state of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's special revenue funds is as follows:

Operations and Maintenance Fund - accounts for all revenues and expenditures made for operations, repair, and maintenance of the District's building and land. Revenues consist primarily of local property taxes and unrestricted state grants.

Transportation Fund - accounts for all revenue and expenditures made for student transportation. Revenues are derived primarily from local property taxes, state reimbursement grants, and unrestricted state grants.

Municipal Retirement/Social Security Fund - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for noncertified employees. Revenues to finance contributions are derived primarily from local property taxes and personal property replacement taxes.

c. Debt Service Fund

Debt Service Fund - accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue source is local property taxes levied specifically for debt service.

d. Capital Projects Funds

Capital Projects Fund - accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bond proceeds, personal property replacement taxes, and unrestricted state grants.

Fire Prevention and Safety Fund - accounts for state-approved life safety projects financed through bond issuance or local property taxes levied specifically for such purposes.

J. Sterling Morton High School District 201
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 most revenues available if they are collected within 60 days after year-end. Revenues that are paid to the District by the Illinois State Board of Education are considered available if they are vouchered by year-end. Expenditures generally are recorded when a fund liability is incurred, except for unmatured principal and interest on general long-term debt, which are recognized when due, and certain compensated absences, claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available resources.

Property taxes, personal property replacement taxes, interest, and intergovernmental revenues associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports unearned and unavailable revenue on its financial statements. Unearned and unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability or deferred inflow of resources for unearned or unavailable revenue is removed from the balance sheet and revenue is recognized. Governmental Funds also defer revenue recognition in connection with resources received, but not yet earned.

6. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to a future period. At June 30, 2021, the District has deferred outflows of resources related to pensions liabilities and other postemployment benefits liabilities. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period. At June 30, 2021, the District reported deferred inflows related to property taxes levied for a future period, pension liabilities, other postemployment benefits liabilities, and unavailable grant revenue.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that the District does not budget for "on-behalf" contributions from the State for the employer's share of the Teachers' Retirement System Pension and Teachers' Health Insurance Security Fund (see the budgetary reconciliation in the notes to the required supplementary information). Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

8. Deposits and Investments

Investments are stated at fair value. Changes in fair value are included in investment income.

9. Fair Value Measurements

Current accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 Inputs to the valuation methodology include the following:

- * Quoted prices for similar assets or liabilities in active markets;
- * Quoted prices for identical or similar assets or liabilities in inactive markets;
- * Inputs other than quoted prices that are observable for the asset or liability;
- * Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Fair Value Measurements (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for the District's investments measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

U.S. Treasury Securities and U.S. Agency Debt Securities: Valued at closing price of similar instruments with comparable durations reported on the active market on which the individual securities are traded.

Corporate, State, and Municipal Bonds: Valued at closing price of similar instruments with comparable durations reported on the active market on which the individual securities are traded.

Negotiable Certificates of Deposit - Valued at the closing price of identical investments with comparable durations reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

10. Inventory

Inventory of governmental funds are recorded at cost on a first-in, first-out basis. Inventory consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure, in the governmental funds, when purchased.

11. Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

J. Sterling Morton High School District 201
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of capital assets is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	40-50
Land improvements	15-20
Furniture, equipment and vehicles	3-20

Construction in progress is stated at cost and includes engineering, design, material and labor costs incurred for planned construction. No provision for depreciation is made on construction in progress until the asset is completed and placed in service.

13. 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. A liability for these amounts is reported in the 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, 2021 are determined on the basis of current salary rates and include salary related payments.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. 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 and losses on refunding of bonds, are deferred and amortized over the life of the applicable bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, losses on refunding, and 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 cost, whether or not withheld from actual proceeds, are reported as debt service expenditures.

15. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund with the balance allocated at the discretion of the District.

16. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension liability and other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plan and additions to/deductions from the pension/OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are stated at fair value.

17. Restricted Net Position

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, (2) imposed by law through constitutional provisions, or (3) imposed by enabling legislation. The District's restricted net position was restricted as a result of enabling legislation.

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

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

18. Fund Balance

The governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items or inventories.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds, as well as debt service and capital projects funds, are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. The District had no committed fund balances at June 30, 2021.
- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegated the authority to assign amounts to be used for specific purposes. The Board of Education has not delegated this authority. The District student activity balance of \$847,973 has been assigned at June 30, 2021.
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the general fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

The nonspendable fund balance in the General Fund consists of \$110,632 for inventory, and \$306,676 for prepaid items. The nonspendable fund balance in the Operations and Maintenance Fund of \$229,974 for prepaid items. The restricted fund balances are for the purposes of the restricted funds as described in Note A-4.

J. Sterling Morton High School District 201
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

19. Restricted Investments

Restricted investments reported in the Debt Service Fund represents the amount required to be paid to a sinking fund to be held for future debt payments in accordance with the provisions of the debt agreement.

20. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

NOTE B - DEPOSITS AND INVESTMENTS

The District's investment policy is in line with State Statutes. The investments that the District may purchase are limited by Illinois law to the following: (1) securities that are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) interest-bearing savings accounts, interest-bearing certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; (4) short-term discount obligations of corporations organized in the United States with assets exceeding \$500,000,000; (5) interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation or school district; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

At June 30, 2021, the District's cash and investments, including restricted investments, consisted of the following and for disclosure purposes, is classified into the following components:

	<u>Total</u>
Cash on hand	\$ 7,000
Deposits with financial institutions*	2,606,725
Money market mutual funds	14,447,059
Illinois School District Liquid Asset Fund (ISDLAF+)	15,618,507
Other investments	<u>66,485,767</u>
	<u>\$ 99,165,058</u>

*Includes accounts held in demand accounts and savings accounts, which are valued at cost.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

Restricted investments totaling \$3,417,495 represent holdings at The Bank of New York Mellon and are invested in U.S. Treasuries and cash equivalents. These funds are restricted for repayment of the District's 2004B, 2005B and 2005C Capital Appreciation Bonds.

Restricted investments totaling \$3,123,278 represent holdings at Amalgamated Bank and are invested in federal as well as state and local securities. These funds are restricted for the repayment of the District's 2017 Qualified School Construction Bonds.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The District's investments detailed in the interest rate risk table below are measured using the market valuation method and level 2 valuation inputs.

1. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District's investment policy seeks to ensure preservation of capital in the District's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. This policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the policy requires the District investment portfolio to be sufficiently liquid to enable the District to meet all operating requirements as the requirements come due. A portion of the portfolio is required to be invested in readily available funds to ensure appropriate liquidity.

Investment Type	Fair Value	Investment Maturities in Years		
		Less than 1	1-5	6-10
Agency Securities				
Federal National Mortgage Association	\$ 497,370	\$ -	\$ 497,370	\$ -
Federal Home Loan Bank	1,988,480	-	499,475	1,489,005
Federal Farm Credit Bank	990,395	-	-	990,395
Corporate bonds	4,964,395	3,534,865	1,429,530	-
State and municipal bonds	32,494,399	2,350,285	25,353,267	4,790,847
Negotiable certificates of deposit	23,571,746	3,754,795	16,462,641	3,354,310
U.S. Treasuries	1,978,982	-	1,254,928	724,054
	\$ 66,485,767	\$ 9,639,945	\$ 45,497,211	\$ 11,348,611

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

1. Interest Rate Risk (Continued)

The follow investments are measured at net asset value (NAV):

		<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
ISDLAF+	\$ <u>15,618,507</u>	n/a	Daily	1 day

2. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The District's investments in negotiable certificates of deposits are unrated. The District's investments in corporate bonds are rated AA3 to A3 by Moodys and A+ to BBB+ by S&P. The Federal Farm Credit Bureau Bank bonds, Federal Home Loan Bank bonds, and the Federal National Mortgage Association bonds are rated Aaa by Moody's and AA+ by S&P. The municipal and state bonds are rated AAA to A1 by Moodys and AAA to A- by S&P.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit pooled investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAm and are valued at share price, which is the price for which the investment could be sold.

The District's investments in the money market mutual funds are not rated.

3. Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

4. Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the government'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. At June 30, 2021, the bank balances of the District's deposits with financial institutions was \$0.

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring that all investments be in high-quality investment pools and/or secured by private insurance or collateral.

NOTE C - PROPERTY TAX RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on December 9, 2020. The District's property tax is levied each year on all taxable real property located in the District, and becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

Tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The District's annual property tax levy is subject to Property Tax Extension Limitation Act (PTELA), which is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the 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.

The Cook County Assessor is responsible for the assessment of all taxable property within Cook County, except for certain railroad property, which is assessed directly by the state. One-third of the county is reassessed every year by the Assessor.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE C - PROPERTY TAX RECEIVABLE (Continued)

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the state. Each year, the Illinois Department of Revenue furnishes the county clerks with an adjustment factor to equalize the level of assessment between counties at one-third of market value. This factor (the equalization factor) is then applied to the assessed valuation to compute the valuation of property to which the tax rate will be applied (the equalized assessed valuation). The equalization factor for Cook County was 3.2234 for 2020.

The County Clerk adds the equalized assessed valuation of all real property in the county to the valuation of property assessed directly by the state (to which the equalization factor is not applied) to arrive at the base amount (the assessment base) used to calculate the annual tax rates, as described above. The equalized assessed valuation for the extension of the 2020 tax levy was \$2,132,706,707.

Property taxes are collected by the Cook County Collector/Treasurer, who remits them to the District. Taxes levied in one year become due and payable in two installments on March 1 and August 1 during the following year. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment bill is based on the current levy, assessment, and equalization, and any changes from the prior year.

The portion of the 2020 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectibles of 5%. The District considers that the first installment of the 2020 levy that is received by June 30, 2021 is to be used to finance operations in fiscal 2021. The District has determined that the remaining uncollected portion of the 2020 levy is to be used to finance operations in fiscal 2022 and has included the corresponding receivable as a deferred inflow of resources.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021**NOTE D - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets, not being depreciated				
Land	\$ 13,629,003	\$ -	\$ -	\$ 13,629,003
Construction in progress	80,485,659	15,086,913	-	95,572,572
Total capital assets not being depreciated	94,114,662	15,086,913	-	109,201,575
Capital assets, being depreciated				
Land improvements	1,840,121	-	-	1,840,121
Buildings	93,119,049	407,500	-	93,526,549
Building improvements	15,872,410	489,233	-	16,361,643
Equipment	40,302,625	1,816,937	-	42,119,562
Total capital assets being depreciated	151,134,205	2,713,670	-	153,847,875
Less accumulated depreciation for:				
Land improvements	395,656	100,780	-	496,436
Buildings	40,295,965	2,075,147	-	42,371,112
Building improvements	5,215,313	1,034,940	-	6,250,253
Equipment	28,506,067	2,877,818	-	31,383,885
Total accumulated depreciation	74,413,001	6,088,685	-	80,501,686
Total capital assets being depreciated, net	76,721,204	(3,375,015)	-	73,346,189
Governmental activities capital assets, net	\$ 170,835,866	\$ 11,711,898	\$ -	\$ 182,547,764

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Regular programs	\$ 4,140,306
Special programs	487,095
Pupils	30,443
Instructional staff	60,887
General administration	30,443
School administration	60,887
Business	30,443
Transportation	182,661
Operations and maintenance	1,004,633
Central	<u>60,887</u>
Total depreciation expense - governmental activities	<u>\$ 6,088,685</u>

NOTE E - LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2021:

	Balance July 1, 2020	Additions/ Accretion	Deletions	Balance June 30, 2021
Bonds payable:				
General obligation bonds - direct placement	\$ 50,000,000	\$ -	\$ -	\$ 50,000,000
Capital appreciation bonds - direct placement	42,477,630	3,438,114	9,195,000	36,720,744
Unamortized premium	3,070,270	-	592,206	2,478,064
IMRF net pension liability *	6,924,115	7,568,784	14,492,899	-
TRS net pension liability	5,935,835	1,809,042	2,095,446	5,649,431
RHP total other postemployment liability	6,910,870	747,772	695,082	6,963,560
THIS net other postemployment liability	51,367,370	3,495,418	3,537,750	51,325,038
Compensated absences	<u>23,283</u>	<u>722,599</u>	<u>708,710</u>	<u>37,172</u>
Total long-term liabilities - governmental activities	<u>\$ 166,709,373</u>	<u>\$ 17,781,729</u>	<u>\$ 31,317,093</u>	<u>\$ 153,174,009</u>

* In 2021 the IMRF plan fiduciary net liability exceeded the total pension position resulting in a net pension asset of \$164,420, which was presented as an asset on the statement of net position (Note G).

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - LONG-TERM LIABILITIES (Continued)

	<u>Due Within One Year</u>
Capital appreciation bonds	\$ 9,195,000
Compensated absences	<u>37,172</u>
	<u>\$ 9,232,172</u>

The obligations for the compensated absences and the net OPEB liability will be repaid from the General Fund.

In April 2017, the District issued Taxable General Obligation Limited Tax School Bonds, in the amount of \$50,000,000 to increase the Working Cash Account of the District, such funds to be used to finance improvements to facilities of the District, provide funds to make school fire prevention and safety improvements to facilities of the District, and to pay costs associated with the issuance of the Bonds. The Bonds were issued in connection with the Qualified School Construction Bonds - Direct Subsidy, whereby interest payments are due semi-annually at a rate of 4.845% which is subsidized by the Federal government at a rate of 4.46%, less a 7% sequestration reduction factor throughout the life of the bonds. There is no guarantee of the amount of the subsidy the District will receive in the future.

1. General Obligation Bonds

General obligation bonds (all direct placement) currently outstanding and summary of activity of bonds payable for the year ended June 30, 2021 is as follows:

	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Face Amount</u>	<u>Carrying Amount</u>
Series 2005B Capital Appreciation Limited Tax School Bonds dated November 17, 2005 are due in annual installments through December 1, 2024	5.3%-5.8%	\$ 62,425,000	\$ 33,735,000	\$ 28,753,687

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds (Continued)

	Interest Rates	Original Issue	Face Amount	Carrying Amount
Series 2005C Capital Appreciation Limited Tax School Bonds dated December 1, 2005 are due in annual installments through December 1, 2025	5.00%	\$ 11,560,000	\$ 11,560,000	\$ 7,967,057
Series 2017 Qualified School Construction Bonds dated December 1, 2017 are due on December 1, 2041	4.85%	50,000,000	50,000,000	50,000,000
		\$ 61,560,000	\$ 95,295,000	\$ 86,720,744

At June 30, 2021, the District's future cash flow requirements for retirement of bond principal (all direct placement) and interest were as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 9,195,000	\$ 2,422,500	\$ 11,617,500
2023	9,195,000	2,422,500	11,617,500
2024	9,195,000	2,422,500	11,617,500
2025	9,195,000	2,422,500	11,617,500
2026	8,515,000	2,422,500	10,937,500
Thereafter	5,000,000	37,548,750	42,548,750
	\$ 50,295,000	\$ 49,661,250	\$ 99,956,250

Year Ending June 30,	Sinking Fund Activity	Total Cash Requirements
2022	\$ 1,030,000	\$ 12,647,500
2023	400,000	12,017,500
2024	400,000	12,017,500
2025	400,000	12,017,500
2026	1,080,000	12,017,500
Thereafter	(6,400,000)	81,148,750

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds (Continued)

	<u>Year Ending June 30,</u>	<u>Sinking Fund Activity</u>	<u>Total Cash Requirements</u>
Sinking Funds deposited through June 30, 2021		\$ (3,090,000)	\$ 141,866,250
Total		<u>3,090,000</u>	<u>3,090,000</u>
		<u>\$ -</u>	<u>\$ 144,956,250</u>

Final coupon rate is 4.845%. Sinking fund earnings assumed an investment rate of 2.29%. The final Sinking Fund Payment will be adjusted based on the amount of Sinking Fund earnings then existing in the Sinking Fund account, in an amount sufficient to make the interest payment due on that date.

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$8,512,648 in the Debt Service Fund to service the outstanding bonds payable.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2021, the statutory debt limit for the District was \$147,156,763, of which \$90,040,098 is fully available.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE F - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; worker's compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from risks related to workers' compensation and the theft of, damage to, and destruction of assets; and natural disasters, the District participates in the Collective Liability Insurance Cooperative (CLIC) for general liability, workers' compensation and other. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage in any of the past three fiscal years.

Complete financial statements for CLIC can be obtained from its Treasurer, 624 Kenilworth, Grayslake, Illinois 60030.

The District is self-insured for the medical and dental coverage that is provided to District personnel. A third party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third party administrator for payment of employee health claims and administration fees. The District's liability will not exceed \$125,000 per employee on the HMO or \$175,000 per employee on the PPO plan, as provided by stop-loss provisions incorporated in the plan.

At June 30, 2021, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$1,800,829. The estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other nonincremental costs to the claims liability. For the two years ended June 30, 2021 and June 30, 2020, changes in the liability reported in the General Fund for unpaid claims are summarized as follows:

	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>
Unpaid claims, beginning of fiscal year	\$ 3,042,543	\$ 1,090,508
Incurred claims (including those claims incurred but not reported)	10,288,595	13,326,353
Claim payments	<u>(11,530,309)</u>	<u>(11,374,318)</u>
Unpaid claims, end of fiscal year	<u>\$ 1,800,829</u>	<u>\$ 3,042,543</u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - PENSION LIABILITIES

1. Teachers' Retirement System of the State of Illinois

General Information about the Pension Plan

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active nonannuitants 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 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.

Benefits 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 highest 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.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

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 I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2020, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2021, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$47,125,768 in the Governmental Activities based on the economic resources measurement basis, and revenues and expenditures in the amount of \$22,739,724 in the General Fund based on the current financial resources measurement basis.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

General Information about the Pension Plan (Continued)

Contributions (Continued)

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2021, were \$286,122 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 employer, there is a statutory requirement for the employer 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, 2021, the employer pension contribution was 10.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, salaries totaling \$1,163,363 were paid from federal and special trust funds that required employer contributions of \$121,106.

Early 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, 2021, the District paid \$79,593 to TRS for employer contributions due on salary increases in excess of 6 percent, and \$0 for sick leave days granted in excess of the normal annual allotment.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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

At June 30, 2021, 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 were as follows:

District's proportionate share of the net pension liability	\$ 5,649,431
State's proportionate share of the net pension liability associated with the District	<u>442,492,765</u>
Total	<u>\$ 448,142,196</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, 2019, and rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2020, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2020, the District's proportion was 0.0065527043 percent, which was a decrease of 0.0007657138 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized the following pension expenditures and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - revenue and expense/expenditure	\$ 47,125,768	\$ 22,739,724
District TRS pension expense (income)	<u>(1,566,314)</u>	<u>286,122</u>
Total TRS expense/expenditure	<u>\$ 45,559,454</u>	<u>\$ 23,025,846</u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 54,749	\$ 1,508
Change of assumptions	23,149	59,276
Net difference between projected and actual earnings on pension plan investments	168,684	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>40,243</u>	<u>5,476,060</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>286,825</u>	<u>5,536,844</u>
District contributions subsequent to the measurement date	<u>286,122</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 572,947</u>	<u>\$ 5,536,844</u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The District reported \$286,122 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022. Other amounts reported as net deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

<u>Year ended June 30:</u>	<u>Net Deferred Inflows of Resources</u>
2022	\$ 2,163,523
2023	2,032,823
2024	944,168
2025	62,255
2026	47,250
Thereafter	<u>-</u>
	<u>\$ 5,250,019</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 percent
Salary increases	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation.

In the June 30, 2020 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2019 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.

J. Sterling Morton High School District 201
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - PENSION LIABILITIES (Continued)

1. **Teachers' Retirement System of the State of Illinois** (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued)

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	16.5 %	6.1 %
U.S. equities small/mid cap	2.3	7.2
International equities developed	12.2	7.0
Emerging market equities	3.0	9.4
U.S. bonds core	7.0	2.2
U.S. bonds high yield	2.5	4.1
International debt developed	3.1	1.5
Emerging international debt	3.2	4.5
Real estate	16.0	5.7
Private Debt	5.2	6.3
Hedge Funds	10.0	4.3
Private equity	15.0	10.5
Infrastructure	4.0	6.2
Total	<u>100.0 %</u>	

Discount Rate

At June 30, 2020, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2019 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.

J. Sterling Morton High School District 201
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

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

	1% Decrease (6.00)	Current Discount (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ <u>6,857,380</u>	\$ <u>5,649,431</u>	\$ <u>4,654,939</u>

TRS Fiduciary Net Position

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*.

J. Sterling Morton High School District 201
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - PENSION LIABILITIES (Continued)

2. **Illinois Municipal Retirement Fund**

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed with 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 below. 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. That report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP).

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.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	325
Inactive plan members entitled to but not yet receiving benefits	385
Active plan members	<u>369</u>
Total	<u><u>1,079</u></u>

Contributions

As set by statute, the District'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 District's annual contribution rate for calendar year 2020 was 11.86%. For the fiscal year ended June 30, 2021 the District contributed \$1,635,641 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability (Asset)

The District's net pension liability (asset) was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine the total pension liability at December 31, 2020:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study from years 2017 to 2019.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Mortality

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Long-term Expected Rate of Return

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:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equities	37%	5.00%
International equities	18%	6.00%
Fixed income	28%	1.30%
Real estate	9%	6.20%
Alternative investments	7%	2.85% - 6.95%
Cash equivalents	1%	0.70%
Total	100%	

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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:

- a. 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
- b. 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 pension plan investments is 7.25%, the municipal bond rate is 2.75% (based on the daily rate closest to but not later than the measurement date of the "20-Year Municipal GO AA index"), and the resulting single discount rate is 7.25%.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Liability (Asset)

The following table shows the components of the change in the District's net pension liability (asset) for the calendar year ended December 31, 2020:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2019	\$ 84,101,172	\$ 77,177,057	\$ 6,924,115
Changes for the year:			
Service cost	1,473,636	-	1,473,636
Interest on the total pension liability	5,971,833	-	5,971,833
Difference between expected and actual experience of the total pension liability	123,315	-	123,315
Changes of assumptions	(851,414)	-	(851,414)
Contributions - employer	-	1,687,611	(1,687,611)
Contributions - employees	-	658,373	(658,373)
Net investment income	-	11,216,451	(11,216,451)
Benefit payments, including refunds of employee contributions	(4,935,758)	(4,935,758)	-
Other (net transfer)	-	243,470	(243,470)
Net changes	<u>1,781,612</u>	<u>8,870,147</u>	<u>(7,088,535)</u>
Balances at December 31, 2020	<u>\$ 85,882,784</u>	<u>\$ 86,047,204</u>	<u>\$ (164,420)</u>

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

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.25%, 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 than the current rate:

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net pension liability (asset)	<u>\$ 9,800,216</u>	<u>\$ (164,420)</u>	<u>\$ (8,079,004)</u>

J. Sterling Morton High School District 201
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2021 the District recognized pension income of \$253,761. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 1,243,174	\$ -
Change of assumptions	303,628	616,080
Net difference between projected and actual earnings on pension plan investments	<u>3,849,132</u>	<u>10,820,277</u>
 Total deferred amounts to be recognized in pension expense in the future periods	 <u>5,395,934</u>	 <u>11,436,357</u>
 Pension contributions made subsequent to the measurement date	 <u>849,741</u>	 <u>-</u>
 Total deferred amounts related to pensions	 <u>\$ 6,245,675</u>	 <u>\$ 11,436,357</u>

The District reported \$849,741 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

<u>Year Ended June 30,</u>	<u>Net Deferred Inflows of Resources</u>
2022	\$ 1,298,406
2023	703,435
2024	2,897,350
2025	1,141,232
2026	-
Thereafter	<u>-</u>
Total	<u>\$ 6,040,423</u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - PENSION LIABILITIES (Continued)

3. Summary of Pension Items

Below is a summary of the various pension items:

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 286,122	\$ 849,741	\$ 1,135,863
Experience	54,749	1,243,174	1,297,923
Assumptions	23,149	303,628	326,777
Proportionate share	40,243	-	40,243
Investments	168,684	3,849,132	4,017,816
	<u>\$ 572,947</u>	<u>\$ 6,245,675</u>	<u>\$ 6,818,622</u>
Net pension liability (asset)	<u>\$ 5,649,431</u>	<u>\$ (164,420)</u>	<u>\$ 5,485,011</u>
Pension expense (income)	<u>\$ 45,559,454</u>	<u>\$ (253,761)</u>	<u>\$ 45,305,693</u>
Deferred inflows of resources:			
Assumptions	\$ 59,276	\$ 616,080	\$ 675,356
Experience	1,508	-	1,508
Investments	-	10,820,277	10,820,277
Proportionate share	5,476,060	-	5,476,060
	<u>\$ 5,536,844</u>	<u>\$ 11,436,357</u>	<u>\$ 16,973,201</u>

4. Social Security/Medicare

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare. The District paid the total required contribution for the current fiscal year.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE H - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

General Information about the Other Postemployment Plan

Plan Description

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

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 are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

General Information about the Other Postemployment Plan (Continued)

Contributions

On behalf contributions to the THIS Fund

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 the THIS Fund from active members, which were 1.24 percent of pay during the year ended June 30, 2021. In the government-wide financial statements, 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, 2021, the District recognized revenue and expenses of \$2,855,830 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$611,708 in the General Fund based on the current financial resources measurement basis for State of Illinois contributions on behalf of the District's employees.

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.92 percent during the year ended June 30, 2020. For the year ended June 30, 2021, the District paid \$453,848 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2020 measurement date.

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

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state OPEB 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 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	\$ 51,325,038
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>69,531,449</u>
Total	<u>\$ 120,856,487</u>

* The State's proportionate share of the net OPEB liability (NOL) associated with the District is not available in the actuarial report and therefore the amount reported above is an estimate based on allocating the State's total NOL for the entire plan (per the actuary) based on the District's proportionate share of the NOL to all the school districts participating in the Plan. Additionally, the amounts included below related to the sensitivity of the healthcare rate, discount rate and amortization of deferred inflows and outflows are based on a similar allocation methodology.

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, 2019, 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 THIS for the measurement year ended June 30, 2019, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2020, the District's proportion was 0.191970 percent, which was an increase of 0.006377 percent from its proportion measured as of June 30, 2019.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2021, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - OPEB revenue and expenditure/expense	\$ 2,855,830	\$ 611,708
District OPEB pension expenditure	<u>2,330,245</u>	<u>453,848</u>
Total OPEB expenditure/expense	<u>\$ 5,186,075</u>	<u>\$ 1,065,556</u>

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,363,653
Change of assumptions	17,380	8,466,001
Net difference between projected and actual earnings on OPEB plan investments	-	1,461
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>4,668,415</u>	<u>184,047</u>
Total deferred amounts to be recognized in OPEB expense in future periods	<u>4,685,795</u>	<u>10,015,162</u>
District contributions subsequent to the measurement date	<u>453,848</u>	<u>-</u>
Total deferred amounts related to OPEB	<u>\$ 5,139,643</u>	<u>\$ 10,015,162</u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The District reported \$453,848 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

<u>Year Ended June 30,</u>	<u>Net Deferred Inflows of Resources</u>
2021	\$ 1,150,569
2022	1,150,432
2023	1,150,147
2024	888,756
2025	387,157
Thereafter	<u>602,306</u>
Total	<u>\$ 5,329,367</u>

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability.
Contribution Policy	Benefits are financed on a pay-as-you basis. Contribution rates are defined by statute. For fiscal year end June 30, 2020, contribution rates are 1.24% of pay for active members, 0.92% of pay for school districts, and 1.24% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Asset Valuation Method	Market value
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.50 percent
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.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.
Healthcare Trend Rate	Actual trend used for fiscal year 2020. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional rate adjustment due to the repeal of the Excise tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

J. Sterling Morton High School District 201
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. **Teachers' Health Insurance Security (THIS)** (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Discount Rate

The State, the District and active members contribute 1.24 percent, 0.92 percent, 1.24 percent of pay, respectively for fiscal year 2020. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.13 percent at June 30, 2019, and 2.45 percent at June 30, 2020, was used to measure the total OPEB liability. The decrease in the single discount rate, from 3.13 percent to 3.45 percent, caused the total OPEB liability for the entire plan to increase by approximately \$3,012 million as of June 30, 2020.

Investment Return

During plan year end June 30, 2020, the trust earned \$193,000 in interest, and the market value of assets at June 30, 2020, is \$189 million. Given the low asset value and pay-as-you-go funding policy, the long-term expected rate of return assumption was set to zero.

Money-Weighted Rate of Return

The annual money-weighted rate of return was estimated based on monthly investment performance, net of investment expenses, adjusted for changing amounts actually invested. The annual money-weighted rate of return was 1.732% for plan year end June 30, 2020, and 2.038% for plan year end June 30, 2019.

J. Sterling Morton High School District 201
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. **Teachers' Health Insurance Security (THIS)** (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 2.45 percent, 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 (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current rate:

	<u>1% Decrease</u> <u>(1.45%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(2.45%)</u>	<u>1% Increase</u> <u>(3.45%)</u>
District's proportionate share of the net OPEB liability	\$ 61,685,427	\$ 51,325,038	\$ 43,117,001

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates as well as what the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

	<u>1% Decrease*</u>	<u>Current</u> <u>Healthcare</u> <u>Trend Rate</u>	<u>1% Increase</u> <u>**</u>
District's proportionate share of the net OPEB liability	\$ 41,280,964	\$ 51,325,038	\$ 64,902,733

*One percentage point decrease in healthcare trend rates are 7.25% in 2021 decreasing to an ultimate trend rate of 3.25% in 2037.

** One percentage point increase in healthcare trend rates are 9.25% in 2021 decreasing to an ultimate trend rate of 5.25% in 2037.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP)

Plan Description

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides for eligible retirees and their spouses through the District's which covers both active and retired members. Benefit provisions are established through and state that eligible retirees and their spouses at established contribution rates. The plan does not issue a separate financial report.

Contribution and Benefits Provided

The plan provides the ability for retirees and their spouses, given certain eligibility provisions, to access the District's group health insurance plan during retirement, provided they are on the group health insurance plan at the time of retirement. Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the board and the union.

Employees Covered by Benefit Terms

As of June 30, 2020 (most recent information available) the following employees were covered by the benefit terms:

Active employees	793
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	<u>49</u>
Total	<u><u>842</u></u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation performed as of July 1, 2019 using the following actuarial methods and assumptions:

Actuarial valuation date	July 1, 2019
Measurement date	June 30, 2020
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	3.00%
Discount rate	2.18% *
Salary rate increases	4.00%
Healthcare trend rate	Initial: 6.00% - PPO Plan 5.50% - HMO Plan 5.00% - TRIP Plan Ultimate: 4.50% - PPO and HMO Plan Constant trend rate - TRIP plan Ultimate reached in FY2028
Mortality rates	IMRF employees and retirees rates are from December 31, 2019 IMRF Actuarial Valuation Report. TRS employees and retirees rates are from the June 30, 2019 Teachers' Retirement System Actuarial Valuation Report.

J. Sterling Morton High School District 201
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan (RHP)** (Continued)

Total OPEB Liability (Continued)

Election at Retirement	Certified Teachers and Administrators: 100% of employees will elect the TRIP stipend at retirement. Clerical Employees: 100% of employees will elect the District stipend at retirement. Custodial/Maintenance Employees: 100% of employees will elect the District stipend at retirement. All Other Employees: 20% of employees will elect coverage continuation on a pay-all basis at retirement.
Coverage Status	Employees are assumed to continue in their current plan into retirement if a District medical plan is selected.
Marital Status	60% of active employees that elect retiree coverage are assumed to be married and elect spousal coverage. Males are assumed to be three years older than females. Actual spouse data used for current retirees.

*In 2021, changes in assumptions related to the discount rate were made (2.66% to 2.18%).

Discount Rate

The District does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 2.18% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2021.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

Changes in the Total OPEB Liability

The following table shows the components of the change in the District's net OPEB liability for the fiscal year ended June 30, 2021, based upon a rollforward actuarial valuation performed July 1, 2019 to the fiscal year ended:

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2020	\$ 6,910,870	\$ -	\$ 6,910,870
Changes for the year:			
Service cost	377,004	-	377,004
Interest on the total OPEB liability	174,585	-	174,585
Changes in benefit terms	-	-	-
Difference between expected and actual experience of the total OPEB liability	-	-	-
Changes of assumptions and other inputs	196,183	-	196,183
Contributions - employer	-	-	-
Contributions - active and inactive employees	-	-	-
Net investment income	-	-	-
Benefit payments, including the implicit rate subsidy	(695,082)	-	(695,082)
Other changes	-	-	-
Net changes	<u>52,690</u>	<u>-</u>	<u>52,690</u>
Balances at June 30, 2021	<u>\$ 6,963,560</u>	<u>\$ -</u>	<u>\$ 6,963,560</u>

J. Sterling Morton High School District 201
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan (RHP)** (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 2.18%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	<u>1% Lower</u> <u>(1.18%)</u>	<u>Current</u> <u>Discount</u> <u>Rate (2.18%)</u>	<u>1% Higher</u> <u>(3.18%)</u>
Total OPEB liability	\$ 7,384,776	\$ 6,963,560	\$ 6,558,361

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the plan's net OPEB liability, calculated using a Healthcare Trend Rate range of 4.00% - 4.50%, as well as what the plan's net OPEB liability would be if it were calculated using a Healthcare Trend Rate range that is 1% lower or 1% higher than the current range:

	<u>1% Lower</u>	<u>Current</u> <u>Healthcare</u>	<u>1% Higher</u>
Total OPEB liability	\$ 6,299,607	\$ 6,963,560	\$ 7,737,922

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021 the District recognized OPEB expense of \$515,144. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ 271,399
Change of assumptions	<u>591,789</u>	<u>376,848</u>
 Total deferred amounts to be recognized in OPEB expense in the future periods	 <u>\$ 591,789</u>	 <u>\$ 648,247</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

<u>Year Ended June 30,</u>	<u>Net Deferred (Inflows) Outflows of Resources</u>
2022	\$ (36,446)
2023	(36,446)
2024	(36,446)
2025	(36,446)
2026	(36,446)
Thereafter	<u>125,772</u>
Total	<u>\$ (56,458)</u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Summary of OPEB Items

Below is a summary of the various other postemployment benefit items at June 30, 2021:

	<u>THIS</u>	<u>RHP</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 453,848	\$ -	\$ 453,848
Assumptions	17,380	591,789	609,169
Proportionate share	<u>4,668,415</u>	<u>-</u>	<u>4,668,415</u>
	<u>\$ 5,139,643</u>	<u>\$ 591,789</u>	<u>\$ 5,731,432</u>
OPEB liability	<u>\$ 51,325,038</u>	<u>\$ 6,963,560</u>	<u>\$ 58,288,598</u>
OPEB expense	<u>\$ 5,186,075</u>	<u>\$ 515,144</u>	<u>\$ 5,701,219</u>
Deferred inflows of resources:			
Assumptions	\$ 8,466,001	\$ 376,848	\$ 8,842,849
Experience	1,363,653	271,399	1,635,052
Investments	1,461	-	1,461
Proportionate share	<u>184,047</u>	<u>-</u>	<u>184,047</u>
	<u>\$ 10,015,162</u>	<u>\$ 648,247</u>	<u>\$ 10,663,409</u>

NOTE I - CONSTRUCTION COMMITMENTS

As of June 30, 2021, the District is committed to approximately \$5,545,000 in expenditures in the upcoming years for various construction projects. These expenditures will be paid from available fund balances and building bonds already issued.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE J - CONTINGENCIES

1. Litigation

The District is not involved in any significant litigation. With regard to other pending matters, the eventual outcome and related liability, if any, are not determinable at this time. No provision has been made in the accompanying financial statements for settlement costs.

2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

3. COVID-19

The long-term direct and indirect impacts of the COVID-19 pandemic on the District's enrollment, vendors, operations, and financing arrangements are currently unknown, as is the duration and severity of any impacts that the District may experience. The District continues to monitor investment values and returns, tax revenues, and state and federal funding, which could be impacted. While the District's evaluation is ongoing, management is currently unable to quantify the full effects that the pandemic will have on its operations, cash flows, and financial position; however, they may be significant.

NOTE K - CHANGE IN ACCOUNTING PRINCIPLE - RESTATEMENT

The implementation of GASB 84 (Note A-2) required the District to report its student activity fund as part of the General Fund. As a result of this implementation as of July 1, 2020, net position and fund balance increased by \$971,197, cash and investments increased by \$1,054,234, and other liabilities increased by \$83,037.

NOTE L - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 31, 2022, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the statement of position date that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

J. Sterling Morton High School District 201

MULTIYEAR SCHEDULES OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

MOST RECENT CALENDAR YEARS

Illinois Municipal Retirement Fund

Seven Most Recent Fiscal Years

	2021	2020	2019
Total pension liability			
Service cost	\$ 1,473,636	\$ 1,349,937	\$ 1,313,082
Interest on the total pension liability	5,971,833	5,653,510	5,442,171
Difference between expected and actual experience of the total pension liability	123,315	2,189,927	1,365,578
Assumption changes	(851,414)	-	2,146,777
Benefit payments and refunds	(4,935,758)	(4,793,361)	(4,944,366)
Net change in total pension liability	1,781,612	4,400,013	5,323,242
Total pension liability, beginning	84,101,172	79,701,159	74,377,917
Total pension liability, ending	<u>\$ 85,882,784</u>	<u>\$ 84,101,172</u>	<u>\$ 79,701,159</u>
Plan fiduciary net position			
Contributions, employer	\$ 1,687,611	\$ 1,333,554	\$ 1,577,551
Contributions, employee	658,373	632,611	654,248
Net investment income	11,216,451	12,906,332	(4,264,306)
Benefit payments, including refunds of employee contributions	(4,935,758)	(4,793,361)	(4,944,366)
Other (net transfer)	243,470	402,699	1,737,736
Net change in plan fiduciary net position	8,870,147	10,481,835	(5,239,137)
Plan fiduciary net position, beginning	77,177,057	66,695,222	71,934,359
Plan fiduciary net position, ending	<u>\$ 86,047,204</u>	<u>\$ 77,177,057</u>	<u>\$ 66,695,222</u>
Net pension liability (asset)	<u>\$ (164,420)</u>	<u>\$ 6,924,115</u>	<u>\$ 13,005,937</u>
Plan fiduciary net position as a percentage of the total pension liability	100.19	91.77 %	83.68 %
Covered Valuation Payroll	\$ 14,127,774	\$ 13,786,676	\$ 12,919,260
Net pension liability as a percentage of covered valuation payroll	(1.16) %	50.22 %	100.67 %

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 therefore 10 years of information is not available.

Note: Actuary valuations are as of December 31, which is six months prior to the end of the fiscal year.

	2018		2017		2016		2015
\$	1,466,220	\$	1,398,793	\$	1,376,234	\$	1,497,870
	5,499,547		5,234,751		4,972,352		4,656,933
	(631,383)		1,016,026		1,116,133		(788,111)
	(2,425,701)		(174,298)		84,159		2,675,593
	(4,249,898)		(4,080,097)		(3,846,691)		(3,528,043)
	(341,215)		3,395,175		3,702,187		4,514,242
	74,719,132		71,323,957		67,621,770		63,107,528
\$	<u>74,377,917</u>	\$	<u>74,719,132</u>	\$	<u>71,323,957</u>	\$	<u>67,621,770</u>
\$	1,505,670	\$	1,581,981	\$	1,599,287	\$	1,487,656
	625,531		606,604		604,868		575,577
	11,473,376		4,222,491		305,140		3,603,786
	(4,249,898)		(4,080,097)		(3,846,691)		(3,528,043)
	(1,575,744)		411,562		901,102		(100,662)
	7,778,935		2,742,541		(436,294)		2,038,314
	64,155,424		61,412,883		61,849,177		59,810,863
\$	<u>71,934,359</u>	\$	<u>64,155,424</u>	\$	<u>61,412,883</u>	\$	<u>61,849,177</u>
\$	<u>2,443,558</u>	\$	<u>10,563,708</u>	\$	<u>9,911,074</u>	\$	<u>5,772,593</u>
	96.71 %		85.86 %		86.10 %		91.46 %
\$	13,047,398	\$	13,316,346	\$	12,813,680	\$	12,113,794
	18.73 %		79.33 %		77.35 %		47.65 %

J. Sterling Morton High School District 201

MULTIYEAR SCHEDULE OF CONTRIBUTIONS

Illinois Municipal Retirement Fund

Seven Most Recent Fiscal Years

<u>Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2021	\$ 1,675,554 *	\$ 1,687,611	\$ (12,057)	\$ 14,127,774	11.95 %
2020	1,320,764	1,333,554	(12,790)	13,786,676	9.67
2019	1,519,305	1,577,551	(58,246)	12,919,260	12.21
2018	1,505,670	1,505,670	-	13,047,398	11.54
2017	1,581,982	1,581,981	1	13,316,346	11.88
2016	1,533,797	1,599,287	(65,490)	12,813,680	12.48
2015	1,466,980	1,487,656	(20,676)	12,113,794	12.28

* Estimated based on contribution rate of 11.86% and covered valuation payroll of \$14,147,774 (most recent information available).

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 therefore 10 years of information is not available.

J. Sterling Morton High School District 201
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
Seven Most Recent Fiscal Years

	<u>2021</u>		<u>2020</u>		<u>2019</u>
District's proportion of the net pension liability	0.0065527043	%	0.0073184181	%	0.0072546155 %
District's proportionate share of the net pension liability	\$ 5,649,431		\$ 5,935,835		\$ 5,654,598
State's proportionate share of the net pension liability associated with the District	<u>442,492,765</u>		<u>422,446,873</u>		<u>387,363,681</u>
Total	<u>\$ 448,142,196</u>		<u>\$ 428,382,708</u>		<u>\$ 393,018,279</u>
District's covered-employee payroll	\$ 48,663,963		\$ 45,605,062		\$ 42,689,785
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	11.61	%	13.02	%	13.25 %
Plan fiduciary net position as a percentage of the total pension liability	37.80	%	39.60	%	40.00 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 therefore 10 years of information is not available.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0220399653 %	0.0229553199 %	0.0225832234 %	0.0164412830 %
\$ 16,838,124	\$ 18,120,022	\$ 14,794,286	\$ 10,005,881
<u>331,816,459</u>	<u>308,907,911</u>	<u>228,260,631</u>	<u>275,578,370</u>
<u>\$ 348,654,583</u>	<u>\$ 327,027,933</u>	<u>\$ 243,054,917</u>	<u>\$ 285,584,251</u>
\$ 41,316,776	\$ 39,425,189	\$ 37,300,609	\$ 38,072,544
40.75 %	45.96 %	39.66 %	26.28 %
39.30 %	36.40 %	41.50 %	43.00 %

J. Sterling Morton High School District 201
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Retirement System of the State of Illinois
Seven Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 282,251	\$ 264,509	\$ 362,069
Contributions in relation to the contractually required contribution	<u>319,438</u>	<u>282,251</u>	<u>361,821</u>
Contribution excess	<u>\$ (37,187)</u>	<u>\$ (17,742)</u>	<u>\$ 248</u>
District's covered-employee payroll	\$ 49,331,326	\$ 48,663,963	\$ 45,605,062
Contributions as a percentage of covered-employee payroll	0.6475 %	0.5800 %	0.7934 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 therefore 10 years of information is not available.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 339,039	\$ 932,495	\$ 820,487	\$ 781,251
<u>339,238</u>	<u>908,039</u>	<u>888,992</u>	<u>791,315</u>
\$ <u>(199)</u>	\$ <u>24,456</u>	\$ <u>(68,505)</u>	\$ <u>(10,064)</u>
\$ 42,689,785	\$ 41,316,776	\$ 39,425,189	\$ 37,300,609
0.7947 %	2.1977 %	2.2549 %	2.1215 %

J. Sterling Morton High School District 201
SCHEDULE OF CHANGES IN TOTAL OTHER POSTRETIREMENT BENEFITS (OPEB) LIABILITY
AND RELATED RATIOS
Retiree Health Plan
Four Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 377,004	\$ 361,338	\$ 271,298	\$ 256,038
Interest on the total OPEB liability	174,585	179,567	200,415	234,569
Change in benefit terms	-	131,010	-	(246,451)
Difference between expected and actual experience of the total OPEB liability	-	(157,272)	-	(329,894)
Assumption changes	196,183	285,513	69,844	(883,290)
Benefit payments and refunds	(695,082)	(840,936)	(809,922)	(213,744)
Other changes	-	95,083	(5,382)	-
Net change in total OPEB liability	<u>52,690</u>	<u>54,303</u>	<u>(273,747)</u>	<u>(1,182,772)</u>
Total OPEB liability, beginning	<u>6,910,870</u>	<u>6,856,567</u>	<u>7,130,314</u>	<u>8,313,086</u>
Total OPEB liability, ending	<u>\$ 6,963,560</u>	<u>\$ 6,910,870</u>	<u>\$ 6,856,567</u>	<u>\$ 7,130,314</u>
Covered Valuation Payroll *	\$ Not available	\$ Not available	\$ 59,234,226	\$ 56,531,694
Total OPEB liability as a percentage of covered valuation payroll	Not available	Not available	11.58 %	12.61 %

Note: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

* Covered valuation payroll for 2019 was estimated based on covered valuation payroll for 2018, which is the most recent information available.

J. Sterling Morton High School District 201
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Teachers' Health Insurance Security Fund
Four Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.1919700 %	0.1855930 %	0.1788244 %	0.1797969 %
District's proportionate share of the net OPEB liability	\$ 51,325,038	\$ 51,367,370	\$ 47,112,886	\$ 46,656,514
State's proportionate share of the net OPEB liability associated with the District	<u>69,531,449</u>	<u>69,557,973</u>	<u>63,262,446</u>	<u>61,271,596</u>
Total	<u>\$ 120,856,487</u>	<u>\$ 120,925,343</u>	<u>\$ 110,375,332</u>	<u>\$ 107,928,110</u>
District's covered-employee payroll	\$ 48,663,963	\$ 45,605,062	\$ 42,689,785	\$ 41,316,776
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	105.47%	112.64%	110.36%	112.92%
Plan fiduciary net position as a percentage of the total OPEB liability	0.70%	-0.07%	-0.07%	-0.17%

Note 1: Actuary valuations all as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Note 2: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

J. Sterling Morton High School District 201
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Health Insurance Security Fund
Four Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 447,708	\$ 419,566	\$ 375,670	\$ 347,061
Contributions in relation to the contractually required contribution	<u>446,775</u>	<u>419,663</u>	<u>373,048</u>	<u>362,131</u>
Contribution excess (deficiency)	<u>\$ (933)</u>	<u>\$ 97</u>	<u>\$ (2,622)</u>	<u>\$ 15,070</u>
District's covered-employee payroll	\$ 49,331,326	\$ 48,663,963	\$ 45,605,062	\$ 42,689,785
Contributions as a percentage of covered-employee payroll	0.9057%	0.8624%	0.8180%	0.8483%

Note 1: Actuarial valuations are as of June 30th of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Note 2: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

J. Sterling Morton High School District 201

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020
	Original Budget	Final Budget	Actual	Variance From Final Budget	Actual (as restated)
Revenues					
Local sources					
General levy	\$26,869,107	\$ 28,412,809	\$ 25,743,026	\$ (2,669,783)	\$ 27,469,715
Special education levy	589,458	388,480	407,568	19,088	428,668
Corporate personal property replacement taxes	5,010,162	-	-	-	-
Summer school tuition from pupils or parents	-	-	13,613	13,613	1,030
Adult tuition from pupils or parents	135,000	(374)	-	374	145,995
Interest on investments	599,837	1,024,238	750,573	(273,665)	2,505,936
Sales to pupils - lunch	102,226	-	-	-	185,145
Sales to pupils - breakfast	4,700	-	-	-	5,783
Sales to pupils - a la carte	173,100	1,891	2,533	642	295,843
Sales to adults	85,000	107,490	122,883	15,393	152,468
Other food service	-	130	130	-	-
Admissions - athletic	3,200	-	-	-	19,936
Admissions - other	3,000	(2,970)	-	2,970	5,619
Fees	85,970	160	230	70	280
Book store sales	69,100	233,066	314,972	81,906	309,142
Other district/school activity revenue	79,700	282,318	326,728	44,410	218,185
Student Activity Fund Revenues	-	-	423,071	423,071	596,958
Sales - regular textbook	1,600	-	4,498	4,498	3,538
Refund of prior years' expenditures	-	200,000	208,162	8,162	750,000
Payments of surplus moneys from TIF districts	-	270	270	-	132
Drivers' education fees	4,600	10,808	20,833	10,025	6,588
Payment from other districts	90,789	43,881	-	(43,881)	-
Sale of vocational projects	60,563	264	-	(264)	-
Other local fees	1,063,985	-	213	213	-
Other	200,000	1,485,146	518,931	(966,215)	595,935
Total local sources	35,231,097	32,187,607	28,858,234	(3,329,373)	33,696,896

(Continued)

J. Sterling Morton High School District 201

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020
	Original Budget	Final Budget	Actual	Variance From Final Budget	Actual (as restated)
State sources					
Evidence Based Funding Formula	\$45,101,792	\$ 42,232,241	\$ 41,266,884	\$ (965,357)	\$ 47,835,843
Special Education - Private Facility Tuition	437,829	2,021,303	2,005,390	(15,913)	1,474,194
CTE - Secondary Program Improvement (CTEI)	220,000	400,940	309,638	(91,302)	283,244
State Free Lunch & Breakfast	-	18,225	16,875	(1,350)	36,770
Driver Education	12,000	16,470	24,569	8,099	25,301
Truant Alternative/Optional Education	-	-	-	-	125,000
Early Childhood - Block Grant	460,000	481,274	457,446	(23,828)	352,372
Other restricted revenue from state sources	130,000	249,156	259,813	10,657	350,994
Total state sources	46,361,621	45,419,609	44,340,615	(1,078,994)	50,483,718
Federal sources					
National School Lunch Program	-	-	-	-	2,234,504
School Breakfast Program	-	-	-	-	308,278
Summer Food Service Program	-	1,882,530	1,702,401	(180,129)	1,487,535
Child and Adult Care Food Program	-	-	11,956	11,956	100,018
Title I - Low Income	3,200,000	2,902,519	3,088,679	186,160	2,928,159
Federal Special Education - IDEA Flow Through	2,600,000	2,012,602	1,914,708	(97,894)	1,941,562
Federal Special Education - IDEA Room & Board	-	-	-	-	3,459
CTE - Perkins-Title III E Tech Prep	400,000	-	238,251	238,251	361,233
Title III - Instruction for English Learners & Immigrant Students	10,000	-	669	669	13,881
Title III - English Language Acquisition	144,600	81,188	123,672	42,484	104,486
Title II - Teacher Quality	361,273	459,200	410,035	(49,165)	291,494
Federal Charter Schools	500,000	-	-	-	-
Medicaid Matching Funds - Administrative Outreach	-	-	483,346	483,346	267,694
Medicaid Matching Funds - Fee-For-Service Program	-	-	254,763	254,763	196,473
Other restricted revenue from Federal Sources	-	-	1,943,786	1,943,786	-
Other Restricted Grants Received from Federal Government	-	353,609	133,648	(219,961)	138,162
Total federal sources	7,215,873	7,691,648	10,305,914	2,614,266	10,376,938
Total revenues	88,808,591	85,298,864	83,504,763	(1,794,101)	94,557,552

(Continued)

J. Sterling Morton High School District 201

General Fund - Budgetary Basis

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021**

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	2020 Actual (as restated)
	Original Budget	Final Budget	Actual		
Expenditures					
Instruction					
Regular programs					
Salaries	\$27,665,133	\$ 25,159,690	\$ 28,177,891	\$ (3,018,201)	\$ 28,010,585
Employee benefits	6,034,443	8,898,978	7,955,452	943,526	6,919,507
Purchased services	200,000	103,398	96,310	7,088	117,539
Supplies and materials	2,451,895	786,131	494,308	291,823	1,688,804
Capital outlay	157,800	80,629	43,583	37,046	226,378
Other objects	1,700	611	560	51	6,597
Non-capitalized equipment	-	4,140	3,795	345	43,461
Total	<u>36,510,971</u>	<u>35,033,577</u>	<u>36,771,899</u>	<u>(1,738,322)</u>	<u>37,012,871</u>
Special education programs					
Salaries	7,995,484	6,797,728	7,612,354	(814,626)	7,807,388
Employee benefits	2,149,326	1,823,000	1,815,433	7,567	2,011,089
Purchased services	21,200	177,345	197,712	(20,367)	282,548
Supplies and materials	3,500	48,034	45,747	2,287	38,930
Capital outlay	<u>21,000</u>	<u>64,824</u>	<u>59,422</u>	<u>5,402</u>	<u>48,860</u>
Total	<u>10,190,510</u>	<u>8,910,931</u>	<u>9,730,668</u>	<u>(819,737)</u>	<u>10,188,815</u>
Remedial and Supplemental programs K-12					
Salaries	242,461	277,804	318,801	(40,997)	164,732
Employee benefits	133,380	132,676	134,568	(1,892)	92,250
Purchased services	212,235	147,158	232,554	(85,396)	87,597
Supplies and materials	<u>1,114,277</u>	<u>1,769,854</u>	<u>1,544,584</u>	<u>225,270</u>	<u>1,227,278</u>
Total	<u>1,702,353</u>	<u>2,327,492</u>	<u>2,230,507</u>	<u>96,985</u>	<u>1,571,857</u>
Adult/continuing education programs					
Salaries	270,283	312,718	306,925	5,793	205,027
Employee benefits	7,027	5,741	4,975	766	3,016
Supplies and materials	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94</u>
Total	<u>279,810</u>	<u>318,459</u>	<u>311,900</u>	<u>6,559</u>	<u>208,137</u>

(Continued)

J. Sterling Morton High School District 201

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020
	Original Budget	Final Budget	Actual	Variance From Final Budget	Actual (as restated)
CTE programs					
Salaries	\$ 2,323,499	\$ 1,990,539	\$ 2,229,708	\$ (239,169)	\$ 2,271,160
Employee benefits	572,661	501,759	503,715	(1,956)	535,885
Purchased services	75,420	54,060	36,305	17,755	70,194
Supplies and materials	349,150	310,335	225,299	85,036	531,700
Capital outlay	75,930	76,890	40,591	36,299	177,452
Other objects	6,000	447	410	37	3,849
Non-capitalized equipment	5,000	4,871	2,856	2,015	3,510
Total	3,407,660	2,938,901	3,038,884	(99,983)	3,593,750
Interscholastic programs					
Salaries	1,030,180	795,071	895,076	(100,005)	885,797
Employee benefits	32,512	28,782	29,587	(805)	29,836
Purchased services	369,700	141,181	171,732	(30,551)	330,525
Supplies and materials	212,500	156,464	112,479	43,985	178,123
Capital outlay	100,000	15,470	8,096	7,374	28,580
Other objects	300	311	286	25	80
Total	1,745,192	1,137,279	1,217,256	(79,977)	1,452,941
Summer school programs					
Salaries	764,900	249,282	602,620	(353,338)	405,391
Employee benefits	10,884	3,388	9,212	(5,824)	9,145
Supplies and materials	4,000	46,207	37,988	8,219	29,326
Total	779,784	298,877	649,820	(350,943)	443,862
Drivers education programs					
Salaries	14,500	40,747	53,195	(12,448)	11,910
Employee benefits	195	602	792	(190)	179
Purchased services	9,500	10,953	9,240	1,713	9,160
Supplies and materials	1,000	1,036	949	87	741
Capital outlay	12,000	-	-	-	9,223
Total	37,195	53,338	64,176	(10,838)	31,213
Bilingual programs					
Salaries	1,412,480	1,141,247	1,287,908	(146,661)	1,416,600
Employee benefits	337,018	248,292	249,725	(1,433)	314,381
Purchased services	6,000	710	651	59	6,501
Supplies and materials	2,000	6,257	5,817	440	465
Total	1,757,498	1,396,506	1,544,101	(147,595)	1,737,947

(Continued)

J. Sterling Morton High School District 201

General Fund - Budgetary Basis

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020
	Original Budget	Final Budget	Actual	Variance From Final Budget	Actual (as restated)
Truant's alternative and optional programs					
Salaries	\$ -	\$ 141	\$ 129	\$ 12	\$ 21,442
Employee benefits	397	2	2	-	320
Purchased services	15,300	1,493	1,403	90	4,138
Supplies and materials	15,500	17,491	14,827	2,664	13,532
Capital outlay	5,000	-	-	-	4,578
Total	36,197	19,127	16,361	2,766	44,010
Special Education K-12 Programs					
Private Tuition	4,000,000	5,442,755	4,293,896	1,148,859	4,094,783
Student Activity Fund Expenditures	-	-	546,295	(546,295)	634,953
Total instruction	60,447,170	57,877,242	60,415,763	(2,538,521)	61,015,139
Support services					
Pupils					
Attendance and social work services					
Salaries	2,174,761	2,032,649	2,202,536	(169,887)	2,218,033
Employee benefits	631,650	521,212	514,251	6,961	579,472
Purchased services	27,430	11,512	10,686	826	19,572
Supplies and materials	11,500	31,383	368,234	(336,851)	47,684
Capital outlay	53,600	4,153	3,807	346	18,917
Total	2,898,941	2,600,909	3,099,514	(498,605)	2,883,678
Guidance services					
Salaries	2,475,224	2,250,137	2,554,800	(304,663)	2,451,101
Employee benefits	602,799	567,235	573,587	(6,352)	569,738
Purchased services	56,306	490	45,692	(45,202)	4,302
Supplies and materials	7,400	3,471	2,623	848	3,050
Other objects	4,000	-	-	-	1,173
Total	3,145,729	2,821,333	3,176,702	(355,369)	3,029,364

(Continued)

J. Sterling Morton High School District 201

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020
	Original Budget	Final Budget	Actual	Variance From Final Budget	Actual (as restated)
Health services					
Salaries	\$ 612,319	\$ 517,700	\$ 582,681	\$ (64,981)	\$ 614,893
Employee benefits	193,051	153,026	148,525	4,501	174,726
Purchased services	300,800	174,779	193,027	(18,248)	236,628
Supplies and materials	5,000	6,001	5,490	511	3,389
Capital outlay	-	(2,926)	-	(2,926)	9,884
Other objects	450	-	-	-	598
Non-capitalized equipment	-	-	-	-	1,337
Total	<u>1,111,620</u>	<u>848,580</u>	<u>929,723</u>	<u>(81,143)</u>	<u>1,041,455</u>
Psychological services					
Salaries	349,561	285,904	324,579	(38,675)	336,704
Employee benefits	115,197	69,312	67,980	1,332	86,171
Supplies and materials	-	-	-	-	3,845
Total	<u>464,758</u>	<u>355,216</u>	<u>392,559</u>	<u>(37,343)</u>	<u>426,720</u>
Speech pathology and audiology services					
Salaries	246,010	215,721	302,967	(87,246)	298,970
Employee benefits	62,577	55,116	-	55,116	-
Capital outlay	-	-	-	-	2,801
Total	<u>308,587</u>	<u>270,837</u>	<u>302,967</u>	<u>(32,130)</u>	<u>301,771</u>
Other support services - pupils					
Salaries	170,495	180,940	265,997	(85,057)	302,265
Employee benefits	15,348	11,741	13,190	(1,449)	15,522
Supplies and materials	2,950	-	359	(359)	869
Other objects	1,560	415	380	35	580
Total	<u>190,353</u>	<u>193,096</u>	<u>279,926</u>	<u>(86,830)</u>	<u>319,236</u>
Total pupils	<u>8,119,988</u>	<u>7,089,971</u>	<u>8,181,391</u>	<u>(1,091,420)</u>	<u>8,002,224</u>

(Continued)

J. Sterling Morton High School District 201

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020
	Original Budget	Final Budget	Actual	Variance From Final Budget	Actual (as restated)
Instructional staff					
Improvement of instruction services					
Salaries	\$ 1,629,111	\$ 2,106,086	\$ 2,237,260	\$ (131,174)	\$ 2,036,424
Employee benefits	482,840	433,332	436,827	(3,495)	434,440
Purchased services	122,308	316,708	435,376	(118,668)	420,970
Supplies and materials	16,000	54,171	41,764	12,407	20,213
Other objects	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>506</u>
Total	<u>2,252,259</u>	<u>2,910,297</u>	<u>3,151,227</u>	<u>(240,930)</u>	<u>2,912,553</u>
Educational media services					
Salaries	609,197	481,482	541,443	(59,961)	591,724
Employee benefits	226,325	190,993	189,149	1,844	206,823
Purchased services	103,856	52,279	54,452	(2,173)	70,592
Supplies and materials	199,790	236,510	207,811	28,699	179,664
Capital outlay	3,200	111,938	52,565	59,373	103,971
Other objects	-	-	-	-	892
Non-capitalized equipment	<u>11,115</u>	<u>13,178</u>	<u>6,738</u>	<u>6,440</u>	<u>3,953</u>
Total	<u>1,153,483</u>	<u>1,086,380</u>	<u>1,052,158</u>	<u>34,222</u>	<u>1,157,619</u>
Assessment and testing					
Salaries	10,000	5,890	816	5,074	4,302
Employee benefits	825	13	13	-	51
Purchased services	28,100	97,289	91,677	5,612	93,068
Supplies and materials	<u>-</u>	<u>(7,734)</u>	<u>23,211</u>	<u>(30,945)</u>	<u>17,000</u>
Total	<u>38,925</u>	<u>95,458</u>	<u>115,717</u>	<u>(20,259)</u>	<u>114,421</u>
Total instructional staff	<u>3,444,667</u>	<u>4,092,135</u>	<u>4,319,102</u>	<u>(226,967)</u>	<u>4,184,593</u>
General administration					
Board of education services					
Salaries	319,022	226,874	392,542	(165,668)	313,943
Employee benefits	81,919	69,578	174,134	(104,556)	114,555
Purchased services	81,300	392,814	414,211	(21,397)	321,067
Supplies and materials	14,000	27,877	26,663	1,214	16,508
Capital outlay	1,000	-	19,732	(19,732)	4,266
Other objects	<u>1,500</u>	<u>23,201</u>	<u>51,678</u>	<u>(28,477)</u>	<u>67,760</u>
Total	<u>498,741</u>	<u>740,344</u>	<u>1,078,960</u>	<u>(338,616)</u>	<u>838,099</u>

(Continued)

J. Sterling Morton High School District 201

General Fund - Budgetary Basis

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021**

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance	2020
	Original Budget	Final Budget	Actual	From Final Budget	Actual (as restated)
Executive administration services					
Salaries	\$ 574,661	\$ 426,042	\$ 385,657	\$ 40,385	\$ 596,949
Employee benefits	139,884	117,661	119,830	(2,169)	143,929
Purchased services	52,600	7,009	13,254	(6,245)	27,512
Supplies and materials	10,000	4,353	4,297	56	6,841
Other objects	20	8,803	10,759	(1,956)	17,634
Total	<u>777,165</u>	<u>563,868</u>	<u>533,797</u>	<u>30,071</u>	<u>792,865</u>
Special area administrative services					
Salaries	724,314	637,938	643,436	(5,498)	656,894
Employee benefits	200,287	166,942	164,130	2,812	176,262
Purchased services	3,500	3,577	4,429	(852)	6,015
Supplies and materials	-	224	206	18	194
Total	<u>928,101</u>	<u>808,681</u>	<u>812,201</u>	<u>(3,520)</u>	<u>839,365</u>
Total general administration	<u>2,204,007</u>	<u>2,112,893</u>	<u>2,424,958</u>	<u>(312,065)</u>	<u>2,470,329</u>
School administration					
Office of the principal services					
Salaries	2,202,635	2,183,978	2,181,104	2,874	2,209,096
Employee benefits	594,239	555,465	554,022	1,443	568,761
Purchased services	28,000	151,076	154,013	(2,937)	83,086
Supplies and materials	16,300	13,756	12,880	876	11,160
Capital outlay	-	-	16,714	(16,714)	1,315,482
Other objects	16,000	18,490	9,783	8,707	15,282
Total	<u>2,857,174</u>	<u>2,922,765</u>	<u>2,928,516</u>	<u>(5,751)</u>	<u>4,202,867</u>
Total school administration	<u>2,857,174</u>	<u>2,922,765</u>	<u>2,928,516</u>	<u>(5,751)</u>	<u>4,202,867</u>
Business					
Direction of business support services					
Salaries	145,600	115,536	116,098	(562)	146,467
Employee benefits	44,412	41,316	42,010	(694)	45,203
Total	<u>190,012</u>	<u>156,852</u>	<u>158,108</u>	<u>(1,256)</u>	<u>191,670</u>

(Continued)

J. Sterling Morton High School District 201

General Fund - Budgetary Basis

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021**

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual (as restated)
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Fiscal services					
Salaries	\$ 523,389	\$ 537,453	\$ 541,779	\$ (4,326)	\$ 563,483
Employee benefits	120,114	146,759	143,395	3,364	154,101
Purchased services	249,000	266,552	258,681	7,871	215,475
Supplies and materials	18,000	18,045	16,408	1,637	19,553
Other objects	7,000	2,329	1,590	739	6,919
Total	917,503	971,138	961,853	9,285	959,531
Operation and maintenance of plant services					
Purchased services	-	34,909	32,000	2,909	-
Supplies and materials	146,747	203,725	186,748	16,977	192,203
Capital outlay	-	316,163	289,816	26,347	-
Total	146,747	554,797	508,564	46,233	192,203
Pupil transportation services					
Purchased services	-	-	46,532	(46,532)	-
Capital outlay	-	-	-	-	35,325
Total	-	-	46,532	(46,532)	35,325
Food services					
Salaries	1,297,721	1,009,558	1,006,075	3,483	1,175,035
Employee benefits	409,295	371,934	360,180	11,754	372,373
Purchased services	294,137	157,570	160,356	(2,786)	186,463
Supplies and materials	1,598,665	629,767	658,016	(28,249)	1,499,404
Capital outlay	188,000	4	4	-	22,143
Other objects	3,000	4,882	4,476	406	3,276
Non-capitalized equipment	15,214	12,237	11,703	534	8,672
Total	3,806,032	2,185,952	2,200,810	(14,858)	3,267,366
Internal services					
Salaries	222,985	230,416	239,287	(8,871)	244,233
Employee benefits	50,050	39,382	39,017	365	45,796
Purchased services	3,000	326	4,310	(3,984)	109,647
Supplies and materials	272,000	577,430	228,665	348,765	238,911
Total	548,035	847,554	511,279	336,275	638,587
Total business	5,608,329	4,716,293	4,387,146	329,147	5,284,682

(Continued)

J. Sterling Morton High School District 201

General Fund - Budgetary Basis

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021**

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	2020 Actual (as restated)
	Original Budget	Final Budget	Actual		
Central					
Information services					
Salaries	\$ 50,391	\$ 48,455	\$ 51,553	\$ (3,098)	\$ 51,292
Employee benefits	20,505	17,996	17,775	221	18,989
Purchased services	50,000	108,502	106,571	1,931	144,583
Total	120,896	174,953	175,899	(946)	214,864
Data processing services					
Salaries	584,007	586,212	582,559	3,653	577,437
Employee benefits	199,304	157,853	153,209	4,644	180,289
Purchased services	1,898,134	2,049,786	1,653,292	396,494	1,459,182
Supplies and materials	94,100	26,571	81,112	(54,541)	46,233
Capital outlay	703,000	1,578,753	1,375,554	203,199	678,667
Total	3,478,545	4,399,175	3,845,726	553,449	2,941,808
Total central	3,599,441	4,574,128	4,021,625	552,503	3,156,672
Other supporting services					
Salaries	36,642	56,053	55,634	419	51,889
Employee benefits	8,647	7,593	7,370	223	7,860
Purchased services	866,500	732,819	771,963	(39,144)	898,306
Supplies and materials	3,500	1,159	1,062	97	3,650
Total	915,289	797,624	836,029	(38,405)	961,705
Total support services	26,748,895	26,305,809	27,098,767	(792,958)	28,263,072
Community services					
Salaries	305,174	132,479	145,689	(13,210)	160,230
Employee benefits	136,599	60,628	58,844	1,784	70,589
Purchased services	-	723,590	387,205	336,385	354,115
Supplies and materials	4,500	1,059	1,438	(379)	6,941
Capital outlay	-	-	-	-	4,714
Total	446,273	917,756	593,176	324,580	596,589

(Continued)

J. Sterling Morton High School District 201

General Fund - Budgetary Basis

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021**

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance	2020
	Original Budget	Final Budget	Actual	From Final Budget	Actual (as restated)
Payments to other districts and government units					
Payments for regular programs					
Purchased services	\$ -	\$ -	\$ 86,486	\$ (86,486)	\$ 94,575
Total	-	-	86,486	(86,486)	94,575
Payments for CTE education programs					
Other objects	-	(3,188)	6,902	(10,090)	19,244
Total	-	(3,188)	6,902	(10,090)	19,244
Payments for special education programs - tuition					
Other objects	500,000	73,710	521,406	(447,696)	147,293
Total payments to other districts and other government units	500,000	70,522	614,794	(544,272)	261,112
Total expenditures	88,142,338	85,171,329	88,722,500	(3,551,171)	90,135,912
Excess (deficiency) of revenues over expenditure	\$ 666,253	\$ 127,535	(5,217,737)	\$ (5,345,272)	4,421,640
Fund balance, beginning of year, as restated (Note K)			59,353,177		54,931,537
Fund balance, end of year			\$ 54,135,440		\$ 59,353,177

(Concluded)

J. Sterling Morton High School District 201
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2020 Actual
Revenues					
Local sources					
General levy	\$ 5,484,900	\$ 5,921,114	\$ 6,207,585	\$ 286,471	\$ 6,192,131
Leasing levy	(20,000)	-	-	-	-
Interest on investments	150,000	100,256	138,526	38,270	287,012
Rentals	1,000	11,925	11,925	-	12,650
Other	80,000	4,121,089	121,089	(4,000,000)	93,502
Total local sources	<u>5,695,900</u>	<u>10,154,384</u>	<u>6,479,125</u>	<u>(3,675,259)</u>	<u>6,585,295</u>
State sources					
Evidence Based Funding Formula	<u>20,028,218</u>	<u>16,839,744</u>	<u>16,454,816</u>	<u>(384,928)</u>	<u>18,974,134</u>
Total state sources	<u>20,028,218</u>	<u>16,839,744</u>	<u>16,454,816</u>	<u>(384,928)</u>	<u>18,974,134</u>
Total revenues	<u>25,724,118</u>	<u>26,994,128</u>	<u>22,933,941</u>	<u>(4,060,187)</u>	<u>25,559,429</u>
Expenditures					
Support services					
Pupils					
Salaries	<u>39,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>39,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business					
Facilities acquisition and construction services					
Capital outlay	<u>8,093,001</u>	<u>2,493,436</u>	<u>2,145,786</u>	<u>347,650</u>	<u>7,451,266</u>
Total	<u>8,093,001</u>	<u>2,493,436</u>	<u>2,145,786</u>	<u>347,650</u>	<u>7,451,266</u>
Operation and maintenance of plant services					
Salaries	8,298,432	6,625,637	6,572,924	52,713	6,842,867
Employee benefits	1,807,207	1,404,524	1,363,991	40,533	1,423,609
Purchased services	4,083,300	12,467,816	3,323,402	9,144,414	3,429,024
Supplies and materials	2,705,000	3,396,397	2,557,444	838,953	2,223,293

(Continued)

J. Sterling Morton High School District 201

Operations and Maintenance Fund

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021**

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021					2020 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget		
Operation and maintenance of plant services (continued)						
Capital outlay	\$ 555,000	\$ 168,151	\$ 150,978	\$ 17,173	\$ 785,405	
Other objects	-	691	791	(100)	-	
Non-capitalized equipment	<u>25,000</u>	<u>5,372</u>	<u>4,612</u>	<u>760</u>	<u>1,979</u>	
Total	<u>17,473,939</u>	<u>24,068,588</u>	<u>13,974,142</u>	<u>10,094,446</u>	<u>14,706,177</u>	
Total business	<u>25,566,940</u>	<u>26,562,024</u>	<u>16,119,928</u>	<u>10,442,096</u>	<u>22,157,443</u>	
Other support services						
Purchased services	<u>-</u>	<u>368,895</u>	<u>338,007</u>	<u>30,888</u>	<u>336,046</u>	
Total	<u>-</u>	<u>368,895</u>	<u>338,007</u>	<u>30,888</u>	<u>336,046</u>	
Total support services	<u>25,605,969</u>	<u>26,930,919</u>	<u>16,457,935</u>	<u>10,472,984</u>	<u>22,493,489</u>	
Total expenditures	<u>25,605,969</u>	<u>26,930,919</u>	<u>16,457,935</u>	<u>10,472,984</u>	<u>22,493,489</u>	
Excess of revenues over expenditures	<u>\$ 118,149</u>	<u>\$ 63,209</u>	6,476,006	<u>\$ 6,412,797</u>	3,065,940	
Fund balance, beginning of year			<u>8,348,044</u>		<u>5,282,104</u>	
Fund balance, end of year			<u>\$ 14,824,050</u>		<u>\$ 8,348,044</u>	

(Concluded)

J. Sterling Morton High School District 201

Transportation Fund

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021**

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2020 Actual
Revenues					
Local sources					
General levy	\$ 1,145,241	\$ 1,251,200	\$ 1,307,355	\$ 56,155	\$ 1,284,092
Interest on investments	60,000	66,887	88,564	21,677	115,411
Total local sources	1,205,241	1,318,087	1,395,919	77,832	1,399,503
State sources					
Evidence Based Funding Formula	2,381,975	1,230,387	1,298,443	68,056	1,497,242
Transportation - Regular and Vocational	650	1,259	1,428	169	747
Transportation - Special Education	1,145,557	2,527,733	2,606,124	78,391	2,292,063
Total state sources	3,528,182	3,759,379	3,905,995	146,616	3,790,052
Total revenues	4,733,423	5,077,466	5,301,914	224,448	5,189,555
Expenditures					
Business					
Pupil transportation services					
Salaries	38,205	9,686	9,136	550	34,995
Employee benefits	22,050	6,498	6,382	116	17,218
Purchased services	4,669,045	2,228,459	2,271,056	(42,597)	3,883,060
Supplies and materials	8,268	2,342	4,148	(1,806)	4,331
Other objects	530	165	194	(29)	510
Total	4,738,098	2,247,150	2,290,916	(43,766)	3,940,114
Total support services	4,738,098	2,247,150	2,290,916	(43,766)	3,940,114
Total expenditures	4,738,098	2,247,150	2,290,916	(43,766)	3,940,114
Excess (deficiency) of revenues over expenditures	\$ (4,675)	\$ 2,830,316	3,010,998	\$ 180,682	1,249,441
Fund balance, beginning of year			3,738,481		2,489,040
Fund balance, end of year			\$ 6,749,479		\$ 3,738,481

J. Sterling Morton High School District 201
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2020 Actual
Revenues					
Local sources					
General levy	\$ 1,342,511	\$ 1,283,301	\$ 1,346,543	\$ 63,242	\$ 1,417,758
Social security/Medicare only levy	1,342,511	1,283,301	1,346,543	63,242	1,417,758
Corporate personal property replacement taxes	410,000	1,299,227	1,306,620	7,393	1,805,286
Interest on investments	25,000	37,767	29,244	(8,523)	113,339
Total local sources	<u>3,120,022</u>	<u>3,903,596</u>	<u>4,028,950</u>	<u>125,354</u>	<u>4,754,141</u>
State sources					
Evidence Based Funding Formula	544,451	-	-	-	-
Total state sources	<u>544,451</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>3,664,473</u>	<u>3,903,596</u>	<u>4,028,950</u>	<u>125,354</u>	<u>4,754,141</u>
Expenditures					
Instruction					
Regular programs	371,523	349,248	405,210	(55,962)	403,393
Pre-K programs	16,156	11,974	-	11,974	-
Special education programs	191,369	314,812	354,781	(39,969)	371,626
Remedial and supplemental programs K-12	124,912	14,276	15,516	(1,240)	13,721
Adult/continuing education programs	7,705	4,490	4,405	85	3,267
Vocational educational programs	28,074	59,626	65,879	(6,253)	71,055
Interscholastic programs	37,816	31,248	34,875	(3,627)	34,155
Summer school programs	31,236	7,841	14,537	(6,696)	14,639
Drivers education programs	250	695	867	(172)	173
Bilingual programs	28,891	19,930	22,529	(2,599)	29,677
Truant's alternative and optional programs	372	2	(181)	183	303
Total instruction	<u>838,304</u>	<u>814,142</u>	<u>918,418</u>	<u>(104,276)</u>	<u>942,009</u>

(Continued)

J. Sterling Morton High School District 201
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021					
	Original Budget	Final Budget	Actual	Variance From Final Budget	2020 Actual	
Support services						
Pupils						
Attendance and social work services	\$ 157,184	\$ 156,648	\$ 165,132	\$ (8,484)	\$ 155,227	
Guidance services	52,854	51,876	58,707	(6,831)	54,830	
Health services	110,702	99,109	111,760	(12,651)	112,762	
Psychological services	4,641	4,077	4,641	(564)	4,779	
Speech pathology and audiology services	3,175	3,062	3,509	(447)	3,407	
Other support services -pupils	<u>86,771</u>	<u>7,882</u>	<u>10,335</u>	<u>(2,453)</u>	<u>10,564</u>	
Total pupils	<u>415,327</u>	<u>322,654</u>	<u>354,084</u>	<u>(31,430)</u>	<u>341,569</u>	
Instructional staff						
Improvement of instruction services	66,809	76,206	78,321	(2,115)	70,206	
Educational media services	50,902	51,722	56,615	(4,893)	52,914	
Assessment and testing	<u>254</u>	<u>13</u>	<u>12</u>	<u>1</u>	<u>242</u>	
Total instructional staff	<u>117,965</u>	<u>127,941</u>	<u>134,948</u>	<u>(7,007)</u>	<u>123,362</u>	
General administration						
Board of education services	27,095	29,251	34,698	(5,447)	25,631	
Executive administration services	31,590	31,714	31,507	207	29,523	
Special area administrative services	<u>51,939</u>	<u>53,003</u>	<u>54,822</u>	<u>(1,819)</u>	<u>55,554</u>	
Total general administration	<u>110,624</u>	<u>113,968</u>	<u>121,027</u>	<u>(7,059)</u>	<u>110,708</u>	
School administration						
Office of the principal services	<u>130,579</u>	<u>129,600</u>	<u>131,462</u>	<u>(1,862)</u>	<u>123,720</u>	
Total school administration	<u>130,579</u>	<u>129,600</u>	<u>131,462</u>	<u>(1,862)</u>	<u>123,720</u>	

(Continued)

J. Sterling Morton High School District 201
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2020 Actual
Business					
Direction of business support services	\$ 2,297	\$ 1,676	\$ 1,697	\$ (21)	\$ 2,113
Fiscal services	130,755	100,888	101,916	(1,028)	97,539
Operation and maintenance of plant services	1,318,585	1,272,862	1,260,386	12,476	1,218,043
Pupil transportation services	7,263	1,885	1,807	78	6,428
Food services	221,125	193,336	192,728	608	207,452
Internal services	43,403	44,188	46,240	(2,052)	42,216
Total business	<u>1,723,428</u>	<u>1,614,835</u>	<u>1,604,774</u>	<u>10,061</u>	<u>1,573,791</u>
Central					
Information services	9,155	9,089	9,106	(17)	8,529
Data processing services	114,231	113,714	112,998	716	105,910
Total central	<u>123,386</u>	<u>122,803</u>	<u>122,104</u>	<u>699</u>	<u>114,439</u>
Other support services	<u>15,281</u>	<u>10,843</u>	<u>10,760</u>	<u>83</u>	<u>9,613</u>
Total support services	<u>2,636,590</u>	<u>2,442,644</u>	<u>2,479,159</u>	<u>(36,515)</u>	<u>2,397,202</u>
Community services	<u>22,101</u>	<u>25,000</u>	<u>27,574</u>	<u>(2,574)</u>	<u>28,826</u>
Total expenditures	<u>3,496,995</u>	<u>3,281,786</u>	<u>3,425,151</u>	<u>(143,365)</u>	<u>3,368,037</u>
Excess of revenues over expenditures	<u>\$ 167,478</u>	<u>\$ 621,810</u>	<u>\$ 603,799</u>	<u>\$ (18,011)</u>	<u>\$ 1,386,104</u>
Fund balance, beginning of year			<u>3,546,319</u>		<u>2,160,215</u>
Fund balance, end of year			<u>\$ 4,150,118</u>		<u>\$ 3,546,319</u>

(Concluded)

J. Sterling Morton High School District 201
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that the District does not budget for "on-behalf" contributions from the state for the employer's share of the Teachers' Retirement System (TRS) and Teachers' Health Insurance Security Fund (THIS). Annual budgets are adopted at the fund level for the governmental funds. The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) 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.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December of each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- e) Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- f) The budget amounts shown in the financial statements were originally adopted by the Board of Education on September 9, 2020 and amended by the Board of Education on June 9, 2021.
- g) All budgets lapse at the end of the fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGETS

The following funds had expenditures in excess of budget at June 30, 2021:

<u>Fund</u>	<u>Variance</u>
General	\$ 3,551,171
Transportation	43,766
Municipal Retirement/Social Security	143,365

J. Sterling Morton High School District 201
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

3. BUDGET RECONCILIATION

The Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the state of Illinois for the employer's share of the Teachers' Retirement System pension and the Teachers' Health Insurance Security Fund pension. The District does not budget for these amounts. The differences between the budget and GAAP basis are as follows:

	<u>Revenues</u>	<u>Expenditures</u>
General fund - budgetary basis	\$ 83,504,763	\$ 88,722,500
On-behalf payments received	23,351,432	-
On-behalf payments made	<u>-</u>	<u>23,351,432</u>
General fund - GAAP basis	<u>\$ 106,856,195</u>	<u>\$ 112,073,932</u>

4. CHANGES OF ASSUMPTIONS - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

For the 2020 - 2016 measurement years, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit and were consistent in 2019 and 2020. These actuarial assumptions were based on an experience study dated September 18, 2018.

For the 2015 measurement year, the assumed investment rate of return was 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 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.

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 IMRF CONTRIBUTION RATE*

Valuation Date:

Notes

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

J. Sterling Morton High School District 201
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 IMRF CONTRIBUTION RATE* (Continued)

Methods and Assumptions Used to Determine the 2020 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 23-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 18 years for most employers (three employers were financed over 27 years and four other were financed over 28 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.25%
Price 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 projections 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.

J. Sterling Morton High School District 201
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 IMRF CONTRIBUTION RATE* (Continued)

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.

Change in Assumptions:

For the 2020, 2019 and 2018 measurement years, the assumed investment rate of return was 7.25 percent, including an inflation rate of 2.50 percent and a real return of 4.75%.

For the 2017, 2016, 2015 and 2014 measurement years, the assumed investment rate of return was 7.50 percent, including an inflation rate of 2.50 percent and a real return of 5.00%.

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 THIS CONTRIBUTION RATE

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of June 30 each year, 12 months prior to the fiscal year in which contributions are reported.
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Fiscal Year End	June 30, 2021

Methods and Assumptions Used to Determine the 2020 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Single equivalent discount rate	2.45%
Price Inflation	2.50%

J. Sterling Morton High School District 201
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 THIS CONTRIBUTION RATE (Continued)

Methods and Assumptions Used to Determine the 2020 Contribution Rate: (Continued)

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.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.
Healthcare Cost Trend Rates	Trend for fiscal year 2020 based on expected increases used to develop average costs. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Change in Assumptions:

The Discount Rate was changed from 3.13% used in the Fiscal Year 2020 valuation to 2.45%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

The Discount Rate was changed from 2.79% used in the Fiscal Year 2019 valuation to 2.66%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2020. Starting per capita costs were updated using most recent premiums. The health care trend rates were reset based on recent experience. Decrements were changed to those in the most recent IMRF and TRS Pension Fund valuation reports.

OTHER SUPPLEMENTARY FINANCIAL INFORMATION

J. Sterling Morton High School District 201

General Fund

COMBINING BALANCE SHEETJune 30, 2021

	Educational Account	Working Cash Account	Total
ASSETS			
Cash and investments	\$ 45,164,959	\$ 8,567,715	\$ 53,732,674
Receivables (net of allowance for uncollectibles):			
Property taxes	12,298,570	-	12,298,570
Intergovernmental	4,701,396	-	4,701,396
Inventory	110,632	-	110,632
Prepaid items	306,676	-	306,676
Other current assets	132,830	-	132,830
Total assets	<u>\$ 62,715,063</u>	<u>\$ 8,567,715</u>	<u>\$ 71,282,778</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 2,857,597	\$ -	\$ 2,857,597
Salaries and wages payable	60,371	-	60,371
Claims payable	1,800,829	-	1,800,829
Other current liabilities	69,445	-	69,445
Total liabilities	<u>4,788,242</u>	<u>-</u>	<u>4,788,242</u>
DEFERRED INFLOWS			
Unavailable grant revenue	60,526	-	60,526
Property taxes levied for a future period	12,298,570	-	12,298,570
Total deferred inflows	<u>12,359,096</u>	<u>-</u>	<u>12,359,096</u>
FUND BALANCES			
Nonspendable	417,308		417,308
Assigned	847,973	-	847,973
Unassigned	44,302,444	8,567,715	52,870,159
Total fund balance	<u>45,567,725</u>	<u>8,567,715</u>	<u>54,135,440</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 62,715,063</u>	<u>\$ 8,567,715</u>	<u>\$ 71,282,778</u>

J. Sterling Morton High School District 201

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2021

	Educational Account	Working Cash Account	Total
Revenues			
Property taxes	\$ 26,150,594	\$ -	\$ 26,150,594
State aid	67,692,047	-	67,692,047
Federal aid	10,305,914	-	10,305,914
Interest	672,927	77,646	750,573
Other	1,957,067	-	1,957,067
Total revenues	106,778,549	77,646	106,856,195
Expenditures			
Current:			
Instruction:			
Regular programs	36,728,316	-	36,728,316
Special programs	16,194,443	-	16,194,443
Other instructional programs	7,341,312	-	7,341,312
State retirement contributions	23,351,432	-	23,351,432
Support services:			
Pupils	8,177,584	-	8,177,584
Instructional staff	4,266,537	-	4,266,537
General administration	2,405,226	-	2,405,226
School administration	2,911,802	-	2,911,802
Business	3,938,269	-	3,938,269
Transportation	46,532	-	46,532
Operations and maintenance	112,525	-	112,525
Central	2,646,071	-	2,646,071
Other supporting services	836,029	-	836,029
Community services	593,176	-	593,176
Nonprogrammed charges	614,794	-	614,794
Capital outlay	1,909,884	-	1,909,884
Total expenditures	112,073,932	-	112,073,932
Excess (deficiency) of revenues over expenditures	(5,295,383)	77,646	(5,217,737)
Fund balance, beginning of year, as restated	50,863,108	8,490,069	59,353,177
Fund balance, end of year	\$ 45,567,725	\$ 8,567,715	\$ 54,135,440

J. Sterling Morton High School District 201

Debt Service Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	2020 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$13,464,846	\$14,308,842	\$10,874,309	\$ (3,434,533)	\$ 8,679,812
Interest on investments	30,000	1,224	905	(319)	28,359
Proceeds from vendors' contracts	<u>2,091,740</u>	<u>1,056,983</u>	<u>-</u>	<u>(1,056,983)</u>	<u>-</u>
Total local sources	<u>15,586,586</u>	<u>15,367,049</u>	<u>10,875,214</u>	<u>(4,491,835)</u>	<u>8,708,171</u>
Federal sources					
Qualified School Construction Bond Credits	<u>-</u>	<u>-</u>	<u>3,179,392</u>	<u>3,179,392</u>	<u>2,095,085</u>
Total federal sources	<u>-</u>	<u>-</u>	<u>3,179,392</u>	<u>3,179,392</u>	<u>2,095,085</u>
Total revenues	<u>15,586,586</u>	<u>15,367,049</u>	<u>14,054,606</u>	<u>(1,312,443)</u>	<u>10,803,256</u>
Expenditures					
Bonds and other - interest	<u>8,082,148</u>	<u>8,226,306</u>	<u>2,422,500</u>	<u>5,803,806</u>	<u>2,422,500</u>
Total debt service - interest	<u>8,082,148</u>	<u>8,226,306</u>	<u>2,422,500</u>	<u>5,803,806</u>	<u>2,422,500</u>
Principal payments on long-term debt	<u>3,942,695</u>	<u>4,250,939</u>	<u>9,195,000</u>	<u>4,944,061</u>	<u>9,195,000</u>
Other debt service					
Other objects	<u>-</u>	<u>-</u>	<u>1,225</u>	<u>(1,225)</u>	<u>1,325</u>
Total	<u>-</u>	<u>-</u>	<u>1,225</u>	<u>(1,225)</u>	<u>1,325</u>
Total debt service	<u>12,024,843</u>	<u>12,477,245</u>	<u>11,618,725</u>	<u>858,520</u>	<u>11,618,825</u>
Total expenditures	<u>12,024,843</u>	<u>12,477,245</u>	<u>11,618,725</u>	<u>858,520</u>	<u>11,618,825</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 3,561,743</u>	<u>\$ 2,889,804</u>	<u>2,435,881</u>	<u>\$ (453,923)</u>	<u>(815,569)</u>
Fund balance, beginning of year			<u>6,076,767</u>		<u>6,892,336</u>
Fund balance, end of year			<u>\$ 8,512,648</u>		<u>\$ 6,076,767</u>

J. Sterling Morton High School District 201

Capital Projects Fund

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	2020 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
Corporate personal property replacement taxes	\$ 2,300,000	\$ 7,636,698	\$ 7,792,116	\$ 155,418	\$ 4,725,085
Interest on investments	<u>-</u>	<u>1,673</u>	<u>10,658</u>	<u>8,985</u>	<u>212,249</u>
Total local sources	<u>2,300,000</u>	<u>7,638,371</u>	<u>7,802,774</u>	<u>164,403</u>	<u>4,937,334</u>
State sources					
Evidence Based Funding Formula	<u>-</u>	<u>6,186,948</u>	<u>9,280,431</u>	<u>3,093,483</u>	<u>-</u>
Total state sources	<u>-</u>	<u>6,186,948</u>	<u>9,280,431</u>	<u>3,093,483</u>	<u>-</u>
Federal sources					
Other Restricted Grants Received from Federal Gove	<u>-</u>	<u>8,725,310</u>	<u>-</u>	<u>(8,725,310)</u>	<u>-</u>
Total federal sources	<u>-</u>	<u>8,725,310</u>	<u>-</u>	<u>(8,725,310)</u>	<u>-</u>
Total revenues	<u>2,300,000</u>	<u>22,550,629</u>	<u>17,083,205</u>	<u>(5,467,424)</u>	<u>4,937,334</u>
Expenditures					
Support services					
Facilities acquisition and construction services					
Capital outlay	<u>5,300,000</u>	<u>15,101,849</u>	<u>13,728,798</u>	<u>1,373,051</u>	<u>10,009,054</u>
Total support services	<u>5,300,000</u>	<u>15,101,849</u>	<u>13,728,798</u>	<u>1,373,051</u>	<u>10,009,054</u>
Total expenditures	<u>5,300,000</u>	<u>15,101,849</u>	<u>13,728,798</u>	<u>1,373,051</u>	<u>10,009,054</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (3,000,000)</u>	<u>\$ 7,448,780</u>	3,354,407	<u>\$ (4,094,373)</u>	(5,071,720)
Fund balance, beginning of year			<u>1,309,460</u>		<u>6,381,180</u>
Fund balance, end of year			<u>\$ 4,663,867</u>		<u>\$ 1,309,460</u>

J. Sterling Morton High School District 201
Fire Prevention and Safety Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2020 Actual
Revenues					
Local sources					
General levy	\$ 1,430,176	\$ 1,422,435	\$ 1,459,410	\$ 36,975	\$ 1,546,580
Interest on investments	<u>50,000</u>	<u>38,528</u>	<u>37,744</u>	<u>(784)</u>	<u>109,604</u>
Total local sources	<u>1,480,176</u>	<u>1,460,963</u>	<u>1,497,154</u>	<u>36,191</u>	<u>1,656,184</u>
Total revenues	<u>1,480,176</u>	<u>1,460,963</u>	<u>1,497,154</u>	<u>36,191</u>	<u>1,656,184</u>
Expenditures					
Support services					
Facilities acquisition and construction services					
Capital outlay	<u>3,000,000</u>	<u>270,988</u>	<u>129,603</u>	<u>141,385</u>	<u>1,485,288</u>
Total support services	<u>3,000,000</u>	<u>270,988</u>	<u>129,603</u>	<u>141,385</u>	<u>1,485,288</u>
Total expenditures	<u>3,000,000</u>	<u>270,988</u>	<u>129,603</u>	<u>141,385</u>	<u>1,485,288</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,519,824)</u>	<u>\$ 1,189,975</u>	1,367,551	<u>\$ 177,576</u>	170,896
Fund balance, beginning of year			<u>3,299,528</u>		<u>3,128,632</u>
Fund balance, end of year			<u>\$ 4,667,079</u>		<u>\$ 3,299,528</u>

Statistical Section

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	115 - 123
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	124 - 127
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity	128 - 133
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	134 - 137
These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.	
Operating Information	138 - 141
These schedules contain information about the District's service and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

J. Sterling Morton High School District 201
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017
Governmental activities					
Net investment in					
capital assets	\$ 132,547,764	\$ 120,835,866	\$ 111,366,628	\$ 100,817,910	\$ 88,663,321
Restricted	43,365,366	25,864,247	10,527,963	8,104,045	8,356,536
Unrestricted	<u>(63,900,179)</u>	<u>(66,816,725)</u>	<u>(67,208,051)</u>	<u>(76,592,382)</u>	<u>(23,616,459)</u>
Total governmental activities					
net position	<u>\$ 112,012,951</u>	<u>\$ 79,883,388</u>	<u>\$ 54,686,540</u>	<u>\$ 32,329,573</u>	<u>\$ 73,403,398</u>

Note: Amounts are as originally reported and have not been adjusted for restatements attributable to the implementation of various GASB pronouncements.

2016	2015	2014	2013	2012
<hr/>				
\$ 82,907,613	\$ 77,475,998	\$ 70,893,937	\$ 65,124,681	\$ 64,372,629
9,755,050	8,856,602	9,843,189	9,672,732	9,253,577
<u>(33,027,575)</u>	<u>(38,791,327)</u>	<u>(35,816,718)</u>	<u>(40,895,871)</u>	<u>(26,908,952)</u>
<u>\$ 59,635,088</u>	<u>\$ 47,541,273</u>	<u>\$ 44,920,408</u>	<u>\$ 33,901,542</u>	<u>\$ 46,717,254</u>

J. Sterling Morton High School District 201
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Expenses				
Instruction:				
Regular programs	\$ 41,250,041	\$ 41,464,171	\$ 38,022,744	\$ 36,858,138
Special programs	17,027,909	15,477,671	15,817,364	15,526,182
Other instructional programs	7,421,511	9,195,872	6,359,007	6,162,096
State retirement contributions	49,981,598	49,561,196	39,955,843	33,159,525
Support services:				
Pupils	7,089,693	8,459,568	7,970,197	7,994,603
Instructional staff	4,377,887	4,327,345	4,559,457	5,118,881
General administration	2,516,654	2,626,333	3,519,132	2,533,958
School administration	3,096,766	3,119,824	4,259,121	4,707,847
Business	4,091,727	5,633,862	5,287,229	5,230,014
Transportation	2,520,360	4,137,605	4,056,309	3,917,493
Operations and maintenance	16,465,174	16,372,772	16,174,686	15,396,214
Central	2,708,400	2,756,313	2,463,672	2,901,996
Other supporting services	1,182,814	1,307,364	1,255,003	1,327,796
Community services	599,472	621,333	653,843	343,766
Payments to other districts and gov't units	614,794	261,112	18,638	26,788
Interest and fees	5,269,633	5,589,456	5,839,854	6,204,620
Total expenses	<u>\$ 166,214,433</u>	<u>\$ 170,911,797</u>	<u>\$ 156,212,099</u>	<u>\$ 147,409,917</u>
Program Revenues				
Charges for services				
Instruction:				
Regular programs	\$ 1,069,712	\$ 556,700	\$ 1,556,456	\$ 1,546,466
Other instructional programs	13,613	147,025	263,330	300,179
Support services:				
Business	125,546	639,239	733,033	670,369
Operations and maintenance	11,925	12,650	37,683	22,248
Other	-	-	-	-
Operating grants and contributions	68,134,855	64,565,775	55,878,420	47,044,119
Capital grants and contributions	-	2,095,085	2,091,740	2,179,387
Total program revenues	<u>\$ 69,355,651</u>	<u>\$ 68,016,474</u>	<u>\$ 60,560,662</u>	<u>\$ 51,762,768</u>
Net expense	<u>\$ (96,858,782)</u>	<u>\$ (102,895,323)</u>	<u>\$ (95,651,437)</u>	<u>\$ (95,647,149)</u>
General revenues				
Taxes:				
Real estate taxes, levied for general purposes	\$ 25,743,026	\$ 27,949,887	\$ 26,199,603	\$ 26,680,400
Real estate taxes, levied for specific purposes	12,075,004	11,806,815	10,126,054	9,514,965
Real estate taxes, levied for debt service	10,874,309	8,679,812	11,102,483	9,346,402
Personal property replacement taxes	9,098,736	6,530,371	6,039,457	5,427,267
State aid-formula grants	68,300,574	68,307,219	61,858,689	55,078,510
Federal Medicaid reimbursement	-	-	-	-
Investment earnings	1,056,214	3,371,910	2,658,696	886,992
Miscellaneous	869,285	1,446,157	23,422	64,426
Total general revenues	<u>\$ 128,017,148</u>	<u>\$ 128,092,171</u>	<u>\$ 118,008,404</u>	<u>\$ 106,998,962</u>
Change in net position	<u>\$ 31,158,366</u>	<u>\$ 25,196,848</u>	<u>\$ 22,356,967</u>	<u>\$ 11,351,813</u>

Note: District aggregated information differently for fiscal years 2014 through 2021 when compared to prior years.

2017	2016	2015	2014	2013	2012
\$ 33,178,545	\$ 33,615,215	\$ 29,479,389	\$ 32,209,779	\$ 40,056,603	\$ 43,950,117
14,734,292	14,533,039	13,318,024	12,877,911	11,469,318	10,248,130
5,410,783	5,210,917	4,661,423	4,758,764	4,910,920	5,852,209
30,799,388	19,122,886	22,567,450	13,505,305	-	-
7,833,545	7,569,307	7,337,446	7,497,424	7,425,862	5,971,774
4,922,383	4,835,915	4,807,616	4,114,956	4,101,633	4,221,857
3,200,419	2,418,910	1,957,785	1,756,258	1,703,753	1,700,663
2,547,076	2,431,157	2,305,537	2,219,376	2,234,213	2,002,459
5,599,793	5,060,848	5,045,886	5,507,285	4,739,495	5,630,427
3,456,475	3,015,933	3,496,900	3,159,852	3,477,394	3,595,525
14,002,319	13,060,773	12,840,545	12,060,837	13,172,461	12,212,693
3,079,919	2,650,080	2,205,583	1,910,659	1,284,400	104,893
923,478	609,834	208,175	1,334,603	1,455,462	1,911,751
278,346	345,267	320,293	289,783	-	-
9,494	35,981	37,716	138,798	-	-
4,488,897	4,189,745	4,427,638	4,653,702	4,868,499	4,908,317
<u>\$134,465,152</u>	<u>\$118,705,807</u>	<u>\$115,017,406</u>	<u>\$107,995,292</u>	<u>\$100,900,013</u>	<u>\$102,310,815</u>
\$ 1,527,469	\$ 1,070,163	\$ 803,423	\$ 1,222,024	\$ 2,459,155	\$ 1,061,660
367,477	347,886	301,973	378,624	-	-
619,088	631,824	683,524	840,106	896,441	1,008,450
47,718	91,152	101,351	81,952	76,498	64,374
-	-	-	-	-	1,419,548
48,624,826	37,682,319	39,909,912	30,114,127	25,383,170	24,643,116
158,834	-	-	148,000	2,041,567	2,960,697
<u>\$ 51,345,412</u>	<u>\$ 39,823,344</u>	<u>\$ 41,800,183</u>	<u>\$ 32,784,833</u>	<u>\$ 30,856,831</u>	<u>\$ 31,157,845</u>
<u>\$ (83,119,740)</u>	<u>\$ (78,882,463)</u>	<u>\$ (73,217,223)</u>	<u>\$ (75,210,459)</u>	<u>\$ (70,043,182)</u>	<u>\$ (71,152,970)</u>
\$ 26,494,465	\$ 25,038,738	\$ 24,438,199	\$ 23,919,446	\$ 28,585,409	\$ 29,083,104
9,574,781	10,571,376	9,842,721	10,565,125	4,385,031	3,791,022
9,404,948	9,281,278	9,255,730	9,360,364	8,993,119	9,460,799
7,352,297	5,210,151	6,520,552	6,065,527	-	-
43,510,708	40,659,477	37,147,286	36,195,725	34,010,276	32,280,783
-	-	-	-	345,307	496,703
550,215	154,801	137,644	117,484	106,142	116,083
636	60,457	39,606	5,654	6,316,300	5,547,980
<u>\$ 96,888,050</u>	<u>\$ 90,976,278</u>	<u>\$ 87,381,738</u>	<u>\$ 86,229,325</u>	<u>\$ 82,741,584</u>	<u>\$ 80,776,474</u>
<u>\$ 13,768,310</u>	<u>\$ 12,093,815</u>	<u>\$ 14,164,515</u>	<u>\$ 11,018,866</u>	<u>\$ 12,698,402</u>	<u>\$ 9,623,504</u>

J. Sterling Morton High School District 201
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2021	2020	2019	2018
General Fund				
Nonspendable	\$ 417,308	\$ 676,094	\$ 428,343	\$ 450,957
Assigned	847,973	-	-	-
Unassigned	<u>52,870,159</u>	<u>57,705,886</u>	<u>53,494,002</u>	<u>51,234,234</u>
Total general fund	<u>\$ 54,135,440</u>	<u>\$ 58,381,980</u>	<u>\$ 53,922,345</u>	<u>\$ 51,685,191</u>
All other governmental funds				
Nonspendable, reported in:				
Debt service fund	\$ -	\$ -	\$ -	\$ -
Special revenue funds	229,974	177,821	169,770	701,282
Restricted, reported in:				
Special revenue funds	25,493,673	15,455,023	2,310,287	769,293
Debt service fund	8,512,648	6,076,767	6,892,336	6,308,748
Capital projects funds	9,330,946	4,608,988	9,509,812	46,986,127
Assigned, reported in:				
Special revenue funds	-	-	7,451,302	5,960,686
Unassigned, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 43,567,241</u>	<u>\$ 26,318,599</u>	<u>\$ 26,333,507</u>	<u>\$ 60,726,136</u>

2017	2016	2015	2014	2013	2012
\$ 400,206	\$ 470,969	\$ 605,246	\$ 535,383	\$ 115,232	\$ 199,367
-	-	-	-	-	-
<u>53,774,164</u>	<u>47,940,823</u>	<u>47,265,710</u>	<u>45,497,522</u>	<u>46,042,817</u>	<u>40,042,639</u>
<u>\$ 54,174,370</u>	<u>\$ 48,411,792</u>	<u>\$ 47,870,956</u>	<u>\$ 46,032,905</u>	<u>\$ 46,158,049</u>	<u>\$ 40,242,006</u>
\$ -	\$ 9,621	\$ -	\$ -	\$ -	\$ -
255,786	194,264	258,765	-	-	-
1,094,525	938,849	781,202	1,044,629	1,045,977	860,385
6,483,427	6,277,482	6,198,298	6,137,302	5,971,527	5,978,397
50,900,794	2,655,522	2,658,304	2,661,258	2,655,228	2,414,795
2,605,752	1,350,181	1,302,558	920,028	-	-
-	-	-	-	(188,385)	(646,621)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,861,635)</u>
<u>\$ 61,340,284</u>	<u>\$ 11,425,919</u>	<u>\$ 11,199,127</u>	<u>\$ 10,763,217</u>	<u>\$ 9,484,347</u>	<u>\$ 6,745,321</u>

J. Sterling Morton High School District 201
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Revenues				
Local Sources				
Taxes	\$ 57,791,075	\$ 54,966,885	\$ 53,467,597	\$ 50,969,034
Earnings on investments	1,056,214	3,371,910	2,658,696	886,992
Other local sources	<u>2,090,081</u>	<u>2,801,771</u>	<u>2,613,924</u>	<u>2,603,688</u>
Total local sources	<u>60,937,370</u>	<u>61,140,566</u>	<u>58,740,217</u>	<u>54,459,714</u>
State sources	97,333,289	95,613,554	87,190,182	93,251,333
Federal sources	<u>13,485,306</u>	<u>12,472,023</u>	<u>12,611,869</u>	<u>11,741,217</u>
Total Revenues	<u>\$ 171,755,965</u>	<u>\$ 169,226,143</u>	<u>\$ 158,542,268</u>	<u>\$ 159,452,264</u>
Expenditures				
Current:				
Instruction	\$ 84,533,921	\$ 83,192,774	\$ 76,150,093	\$ 84,101,196
Supporting services	44,271,821	46,665,750	46,589,144	44,336,388
Community services	620,750	620,701	656,921	317,626
Nonprogrammed charges	614,794	261,112	554,513	819,814
Debt service				
Principal	9,195,000	9,195,000	9,195,000	9,244,036
Interest and other	2,423,725	2,423,825	2,423,725	2,512,168
Capital outlay	<u>18,065,049</u>	<u>22,422,254</u>	<u>55,128,347</u>	<u>21,224,363</u>
Total expenditures	<u>159,725,060</u>	<u>164,781,416</u>	<u>190,697,743</u>	<u>162,555,591</u>
Excess (deficiency) of revenue over expenditures	12,030,905	4,444,727	(32,155,475)	(3,103,327)
Other financing sources (uses)				
Proceeds from issuance of debt	-	-	-	-
Capital lease proceeds	-	-	-	-
Transfers in	-	-	-	50,000
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 12,030,905</u>	<u>\$ 4,444,727</u>	<u>\$ (32,155,475)</u>	<u>\$ (3,103,327)</u>
Debt service as a percentage of noncapital expenditures	8.20%	8.16%	8.57%	8.32%

2017	2016	2015	2014	2013	2012
\$ 52,826,491	\$ 50,101,543	\$ 50,057,202	\$ 49,910,462	\$ 42,938,858	\$ 42,239,027
550,215	154,801	137,644	117,484	106,142	116,083
<u>2,562,388</u>	<u>2,201,482</u>	<u>1,929,877</u>	<u>2,528,360</u>	<u>8,807,399</u>	<u>9,102,012</u>
<u>55,939,094</u>	<u>52,457,826</u>	<u>52,124,723</u>	<u>52,556,306</u>	<u>51,852,399</u>	<u>51,457,122</u>
80,478,488	65,029,204	66,723,666	56,901,240	54,068,462	51,693,831
<u>11,523,161</u>	<u>11,713,269</u>	<u>10,333,532</u>	<u>9,556,612</u>	<u>7,677,554</u>	<u>8,687,468</u>
<u>\$ 147,940,743</u>	<u>\$ 129,200,299</u>	<u>\$ 129,181,921</u>	<u>\$ 119,014,158</u>	<u>\$ 113,598,415</u>	<u>\$ 111,838,421</u>
\$ 79,324,626	\$ 67,649,839	\$ 66,480,680	\$ 59,960,159	\$ 52,598,186	\$ 58,223,679
42,118,211	40,667,849	40,033,096	38,615,960	41,938,722	42,760,354
272,425	337,879	315,655	289,783	101,058	120,961
845,189	938,128	992,336	1,240,958	944,923	1,234,816
9,353,158	9,346,659	9,340,458	9,334,527	5,518,979	4,591,987
371,039	13,797	19,998	25,939	3,841,478	4,653,013
<u>9,979,152</u>	<u>9,478,520</u>	<u>9,725,737</u>	<u>8,393,106</u>	<u>-</u>	<u>289,632</u>
<u>142,263,800</u>	<u>128,432,671</u>	<u>126,907,960</u>	<u>117,860,432</u>	<u>104,943,346</u>	<u>111,874,442</u>
5,676,943	767,628	2,273,961	1,153,726	8,655,069	(36,021)
50,000,000	-	-	-	-	-
-	-	-	-	-	525,645
39,820,619	165,456	165,456	165,456	165,457	-
<u>(39,820,619)</u>	<u>(165,456)</u>	<u>(165,456)</u>	<u>(165,456)</u>	<u>(165,457)</u>	<u>-</u>
<u>50,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>525,645</u>
<u>\$ 55,676,943</u>	<u>\$ 767,628</u>	<u>\$ 2,273,961</u>	<u>\$ 1,153,726</u>	<u>\$ 8,655,069</u>	<u>\$ 489,624</u>
7.35%	7.87%	7.99%	8.55%	8.92%	8.29%

J. Sterling Morton High School District 201
EQUALIZED ASSESSED VALUATION AND ESTIMATED
ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN TAX LEVY YEARS

LEVY YEAR	EQUALIZED ASSESSED VALUE		INCREASE (DECREASE) OVER PREVIOUS YEAR		PERCENTAGE INCREASE (DECREASE) OVER PREVIOUS YEAR	ESTIMATED ACTUAL VALUE
2020	\$	2,132,706,707	\$	492,158,784	30.00%	\$ 6,398,120,121
2019		1,640,547,923		(19,999,130)	-1.20%	4,921,643,769
2018		1,660,547,053		(61,275,995)	-3.56%	4,981,641,159
2017		1,721,823,048		279,550,072	19.38%	5,165,469,144
2016		1,442,272,976		48,421,027	3.47%	4,326,818,928
2015		1,393,851,949		(40,999,179)	-2.86%	4,181,555,847
2014		1,434,851,128		(103,347,206)	-6.72%	4,304,553,384
2013		1,538,198,334		(102,698,227)	-6.26%	4,614,595,002
2012		1,640,896,561		(142,807,563)	-8.01%	4,922,689,683
2011		1,783,704,124		(521,694,761)	-22.63%	5,351,112,372

Tax Levy Year	Real Estate	Railroad	Air Pollution	Total EAV
2020	N/A	N/A	N/A	\$ 2,132,706,707
2019	N/A	N/A	N/A	1,640,547,923
2018	1,632,217,344	28,320,242	9,467	1,660,547,053
2017	1,694,424,793	27,394,270	3,985	1,721,823,048
2016	1,415,297,496	26,971,080	4,400	1,442,272,976
2015	1,368,096,911	25,750,151	4,887	1,393,851,949
2014	1,409,370,465	25,475,596	5,067	1,434,851,128
2013	1,512,937,886	25,254,915	5,533	1,538,198,334
2012	1,616,287,421	24,603,475	5,665	1,640,896,561
2011	1,762,403,000	21,293,561	7,563	1,783,704,124

Source: Cook County Levy, Rate, and Extension Reports for the years 2011 to 2020.

N/A - Information not available

J. Sterling Morton High School District 201
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN TAX LEVY YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
OVERLAPPING GOVERNMENT:										
County of Cook	0.453	0.454	0.489	0.496	0.533	0.552	0.568	0.560	0.531	0.462
Forest Preserve District	0.058	0.059	0.060	0.062	0.063	0.069	0.069	0.069	0.063	0.058
Consolidated Elections	-	0.030	-	0.031	-	0.034	-	0.031	-	0.025
Town of Berwyn	0.048	0.058	0.055	0.052	0.060	0.061	0.059	0.053	0.048	0.042
General Assistance - Berwyn	0.042	0.051	0.048	0.045	0.052	0.053	0.051	0.046	0.042	0.037
Metropolitan Water Reclamation District	0.378	0.389	0.396	0.402	0.406	0.426	0.430	0.417	0.370	0.320
Community College #527	0.509	0.645	0.619	0.583	0.680	0.698	0.670	0.613	0.556	0.504
City of Berwyn	3.668	4.493	4.254	4.012	4.723	4.901	4.533	3.990	3.369	2.984
City of Berwyn Library Fund	0.404	0.507	0.495	0.476	0.576	0.577	0.555	0.476	0.448	0.396
Public Health - Berwyn	0.081	0.098	0.093	0.087	0.102	0.105	0.103	0.095	0.089	0.078
Mental Health - Berwyn	0.073	0.089	0.084	0.077	0.092	0.092	0.087	0.076	0.070	0.063
School District #98	2.984	3.681	3.540	3.346	4.049	4.134	3.971	3.639	3.346	3.582
North Berwyn Park District	0.373	0.462	0.442	0.416	0.502	0.513	0.492	0.455	0.355	0.371
Total overlapping rate (note)	9.0710	11.0160	10.5750	10.0850	11.8380	12.2150	11.5880	10.5200	9.2870	8.9220
DIRECT DEBT:										
Morton S.D. #201	2.461	3.128	3.036	2.875	3.251	3.339	3.216	2.954	2.732	2.454
Representative Tax Rate	11.532	14.144	13.611	12.960	15.089	15.554	14.804	13.474	12.019	11.376
OTHER:										
Berwyn Park District	0.355	0.431	0.406	0.381	0.443	0.456	0.438	0.396	0.374	0.316
School District #100	4.395	5.024	4.539	5.076	4.490	4.568	4.265	3.919	3.645	3.197
Town of Cicero	5.070	6.633	6.504	6.029	0.320	6.315	5.760	5.183	4.522	4.566
General Assistance - Cicero	0.017	0.023	0.023	0.024	0.041	0.049	0.047	0.062	0.068	0.051
Clyde Park District	0.396	0.517	0.507	0.460	0.530	0.542	0.556	0.545	0.505	0.458
Cicero Library Fund	0.225	0.296	0.287	0.279	0.394	0.338	0.351	0.322	0.289	0.231
Mental Health - Cicero	0.077	0.104	0.104	0.093	0.122	0.120	0.104	0.096	0.100	0.077
School District #99	3.376	4.453	4.306	4.111	4.717	5.238	4.998	4.670	4.302	3.874
Town of Lyons	0.040	0.060	0.065	0.063	0.067	0.070	0.068	0.068	0.063	0.059
Road and Bridges - Lyons	0.036	0.041	0.041	0.040	0.047	0.049	0.048	0.048	0.044	0.041
General Assistance - Lyons	0.003	0.004	0.002	-	0.003	0.003	0.003	0.003	0.003	0.003
Des Plaines Valley Mosquito	0.012	0.014	0.015	0.015	0.017	0.017	0.016	0.016	0.015	0.014
Mental Health - Lyons	0.080	0.093	0.093	0.090	0.110	0.115	0.112	0.112	0.103	0.095
School District #103	4.474	5.550	5.416	5.062	5.796	5.924	5.418	5.293	4.856	4.367
Village of Lyons	1.882	2.311	2.282	2.123	2.454	2.503	2.416	2.204	2.039	1.832
Village of Lyons Library	0.348	0.426	0.419	0.388	0.459	0.468	0.449	0.402	0.373	0.334
Town of Stickney	0.227	0.305	0.305	0.297	0.320	0.293	0.283	0.277	0.250	0.231
Road and Bridge - Stickney Twp.	0.065	0.079	0.077	0.073	0.082	0.084	0.080	0.074	0.067	0.059
General Assistance - Stickney	0.011	0.013	0.017	0.016	0.020	0.020	0.026	0.023	0.020	0.017
Stickney - Forest View Library	0.385	0.519	0.507	0.478	0.543	0.489	0.470	0.441	0.499	0.450
Public Health - Stickney	0.241	0.251	0.240	0.222	0.248	0.274	0.276	0.262	0.240	0.180
Village of Stickney	2.453	3.263	3.199	3.116	3.712	3.721	3.646	3.326	3.052	2.768

*Tax rates are expressed in dollars per one hundred of assessed valuations.

The other overlapping districts noted above may be included within a taxpayer's property tax bill, depending on location within the district.

Source of information: Cook County Clerk's office.

Note: Most recent information available

J. Sterling Morton High School District 201
PRINCIPAL PROPERTY TAXPAYERS IN THE DISTRICT
CURRENT YEAR AND NINE YEARS AGO

TAXPAYER	2020* EQUALIZED ASSESSED VALUATION	Rank	PERCENTAGE OF TOTAL 2020 EQUALIZED ASSESSED VALUATION (1)
Hawthorne Works	\$ 20,306,987	1	0.95%
Cermak Plaza Associate	17,875,371	2	0.84%
CICF 2 IL1B01 LLC / CIVF V IL1B03 IL1B04	14,997,752	3	0.70%
Dimucci Development Co	14,702,296	4	0.69%
Westshire Nursing	13,733,817	5	0.64%
Thomas Carey Heirs	12,366,020	6	0.58%
Lineage IL Chicago	12,211,164	7	0.57%
Wal-Mart Real Estate	11,377,164	8	0.53%
P7 DP McCook LLC	10,069,557	9	0.47%
Extra Space Storage	9,452,881	10	0.44%
	<u>\$ 137,093,009</u>		<u>6.41%</u>

(1) 2020 total equalized assessed valuation is \$2,132,706,707
Includes only those parcels with 2020 EAVs over \$100,000.

TAXPAYER	2011 EQUALIZED ASSESSED VALUATION	Rank	PERCENTAGE OF TOTAL 2011 EQUALIZED ASSESSED VALUATION
McNeal Hospital Finance	\$ 17,115,804	1	0.96%
Hawthorne Works Ste. 316	15,537,783	2	0.87%
Andrew S. Bermant	10,132,173	3	0.57%
Cicero Market Place and DDC of Cicero	9,560,561	4	0.54%
Heartland Bank	9,331,284	5	0.52%
KTR Capital PRT Tax Dept.	8,822,584	6	0.49%
DiMucci Co. Development	8,593,729	7	0.48%
Thomas Carey Heirs	8,493,759	8	0.48%
Target Corporation 732	6,283,086	9	0.35%
Cambridge Realty CAP Ltd	5,864,734	10	0.33%
	<u>\$ 99,735,497</u>		<u>5.59%</u>

Source of information: Cook County Clerk's Office and District ACFR

* Most recent information available

J. Sterling Morton High School District 201
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN TAX LEVY YEARS

	2020	2019	2018	2017
Rates extended:				
Educational	1.3080	1.6676	1.6457	1.6108
Special education	0.0210	0.0260	0.0257	0.0247
Operations and maintenance	0.3197	0.3960	0.3487	0.3463
Transportation	0.0673	0.0834	0.0709	0.0722
Illinois municipal retirement/Social security	0.1386	0.1718	0.1702	0.1634
Debt service	0.5305	0.6896	0.6813	0.6571
Life safety	0.0752	0.0931	0.0935	0.0000
Total rates extended	<u>2.4603</u>	<u>3.1275</u>	<u>3.0360</u>	<u>2.8745</u>
Property tax extensions:				
Educational	\$ 27,896,202	\$ 27,357,777	\$ 27,327,622	\$ 27,735,125
Special education	447,619	426,542	426,760	425,290
Operations and maintenance	6,817,577	6,496,569	5,790,327	5,962,673
Transportation	1,435,823	1,368,216	1,177,327	1,243,156
Illinois municipal retirement/Social security	2,957,726	2,818,460	2,826,250	2,813,458
Debt service	11,313,752	11,313,752	11,313,752	11,313,752
Life safety	1,602,820	1,527,350	1,552,611	-
Total levies extended	<u>\$ 52,471,519</u>	<u>\$ 51,308,666</u>	<u>\$ 50,414,649</u>	<u>\$ 49,493,454</u>
Current year collections	25,294,341	24,839,895	24,428,830	23,216,114
Subsequent collections	-	23,376,029	23,600,045	22,994,763
Total collections	<u>\$ 25,294,341</u>	<u>\$ 48,215,924</u>	<u>\$ 48,028,875</u>	<u>\$ 46,210,877</u>
Percentage of extensions collected - current year collections	48.21%	48.41%	48.46%	46.91%
Percentage of extensions collected - subsequent year collections	<u>0.00%</u>	<u>45.56%</u>	<u>46.81%</u>	<u>46.46%</u>
Percentage of extensions collected - total	<u>48.21%</u>	<u>93.97%</u>	<u>95.27%</u>	<u>93.37%</u>

Source of Information: Cook County Levy, Rate and Extension Reports for 2011 - 2020.

2016	2015	2014	2013	2012	2011
1.8533	1.9048	1.7459	1.5971	1.4373	1.2546
0.0293	0.0301	0.0296	0.0271	0.0249	0.0222
0.4178	0.4242	0.4856	0.4442	0.4093	0.3650
0.0747	0.0773	0.0759	0.0694	0.0640	0.0571
0.1934	0.1964	0.1930	0.1766	0.1968	0.1755
0.6822	0.7059	0.6857	0.6396	0.5996	0.5516
0.0000	0.0000	0.0000	0.0000	0.0000	0.0272
3.2507	3.3387	3.2157	2.9540	2.7319	2.4532
\$ 26,729,645	\$ 26,550,091	\$ 25,051,065	\$ 24,556,565	\$ 23,584,606	\$ 22,378,351
422,585	419,549	424,715	416,851	408,583	395,982
6,025,816	5,912,719	6,967,637	6,832,676	6,716,189	6,510,520
1,077,377	1,077,447	1,089,052	1,067,509	1,050,173	1,018,495
2,789,354	2,737,524	2,769,262	2,716,458	3,229,284	3,130,400
9,838,650	9,838,650	9,838,650	9,838,650	9,838,650	9,838,650
-	-	-	-	-	485,167
\$ 46,883,427	\$ 46,535,980	\$ 46,140,381	\$ 45,428,709	\$ 44,827,485	\$ 43,757,565
22,568,454	22,432,444	21,832,435	21,893,735	21,666,948	21,572,327
22,335,512	22,485,843	22,378,175	21,762,964	22,036,163	20,852,281
\$ 44,903,966	\$ 44,918,287	\$ 44,210,610	\$ 43,656,699	\$ 43,703,111	\$ 42,424,608
48.14%	48.20%	47.32%	48.19%	48.33%	49.30%
47.64%	48.32%	48.50%	47.91%	49.16%	47.65%
95.78%	96.52%	95.82%	96.10%	97.49%	96.95%

J. Sterling Morton High School District 201
OUTSTANDING GENERAL BONDED DEBT BY TYPE
LAST TEN FISCAL YEARS

YEAR	QUALIFIED SCHOOL CONSTRUCTION BONDS	CAPITAL APPRECIATION BONDS	CAPITAL LEASES AND LOANS	TOTAL	AMOUNT AVAILABLE IN DEBT SERVICE FUND
2021	\$ 50,000,000	\$ 36,720,744	\$ -	\$ 86,720,744	\$ 8,512,648
2020	50,000,000	42,477,630	-	92,477,630	6,076,767
2019	50,000,000	47,914,794	-	97,914,794	6,892,336
2018	50,000,000	53,101,460	-	103,101,460	6,308,748
2017	50,000,000	58,028,145	49,036	108,077,181	6,483,427
2016	-	62,298,614	207,194	62,505,808	6,277,482
2015	-	67,125,462	358,853	67,484,315	6,198,298
2014	-	71,320,617	504,312	71,824,929	6,137,302
2013	-	75,295,648	643,839	75,939,487	5,971,527
2012	-	47,398,367	777,629	48,175,996	5,978,397

* In 2020, the District changed this page to reflect the net general bonded debt. For the years ending 2019 and prior, the amounts not been adjusted for this change in calculation.

NET GENERAL BONDED DEBT	TOTAL DEBT PER CAPITA *	PERCENTAGE OF TOTAL DEBT TO PERSONAL INCOME *
\$ 78,208,096	\$ 494	1.46%
86,400,863	545	1.69%
91,022,458	618	1.83%
96,792,712	651	1.93%
101,593,754	680	2.12%
56,228,326	391	1.26%
61,286,017	424	0.83%
65,687,627	451	0.93%
69,967,960	480	0.98%
42,197,599	305	0.65%

J. Sterling Morton High School District 201
RATIOS OF GENERAL BONDED DEBT OUTSTANDING TO EQUALIZED ASSESSED VALUATION
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL BONDED DEBT	EQUALIZED ASSESSED VALUATION	PERCENTAGE OF GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUATION	ESTIMATED POPULATION		GENERAL OBLIGATION BONDED DEBT PER CAPITA	PERCENTAGE OF GENERAL OBLIGATION BONDED DEBT TO PERSONAL INCOME
2021	\$ 86,720,744	\$ 2,132,706,707	3.67%	158,449	nces	\$ 494	1.46%
2020	92,477,630	1,640,547,923	5.27%	158,449	nces	545	1.69%
2019	97,914,794	1,660,547,053	5.90%	158,449	nces	618	1.83%
2018	103,101,460	1,721,823,048	7.49%	158,927	nces	651	1.93%
2017	108,028,145	1,442,272,976	7.49%	159,927	**+	680	2.12%
2016	62,298,614	1,442,272,976	1.98%	158,990	**+	391	1.26%
2015	67,125,462	1,434,851,128	2.32%	159,291	**	424	0.83%
2014	71,320,617	1,538,198,334	2.83%	158,280	**	451	0.93%
2013	75,295,648	1,640,896,561	2.56%	158,190	***	480	0.98%
2012	47,398,367	1,783,704,124	2.66%	159,418	**	305	0.65%

* 2010 U.S. Census Bureau

**The Census Bureau has reported an increase in the population of the communities in the District from 2010 to 2011 by approximately .44% and an increase of 0.057% from 2012 to 2013.

**+The Census Bureau has reported an decrease in the population of the communities in the District from 2010 to 2015 by approximately .19%

***U.S. Census Bureau American FactFinder reports the estimated 2012 population of the District to be 158,190.

+US Census QuickFacts Per Capita Income in past 12 months (in 2017 dollars), 2013-2017

+US Census QuickFacts Per Capita Income in past 12 months (in 2016 dollars), 2012-2016

nces: National Center for Educational Statistics: 5 Year Average Estimates reported by US Census Bureau's American Community Survey's 2013-2017

J. Sterling Morton High School District 201
DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
JUNE 30, 2021

GOVERNMENTAL JURISDICTION	DEBT OUTSTANDING	OVERLAPPING PERCENT	NET DIRECT AND OVERLAPPING DEBT
Overlapping debt:			
Cook County	\$ 2,596,351,750	1.21%	\$ 31,441,820
Cook County Forest Preserve	130,570,000	1.21%	1,581,203
Metropolitan Water Reclamation District	2,694,934,289 (1)	1.23%	33,201,590
City of Berwyn	127,875,000	100.00%	127,875,000
Town of Cicero	39,330,000	100.00%	39,330,000
Village of Forest View	250,000	41.59%	103,970
Village of Lyons	3,510,000 (3)(5)	95.72%	3,359,877
Village of McCook	31,510,000 (3)(4)	26.17%	8,247,427
Village of Stickney	5,410,000	100.00%	5,410,000
Berwyn Park District	2,210,000	100.00%	2,210,000
Central Stickney Park District	785,000	1.89%	14,844
Clyde Park District	1,770,000	100.00%	1,770,000
McCook Park District	521,000	26.39%	137,513
North Berwyn Park District	305,085 (3)	100.00%	305,085
McCook Public Library District	- (3)	26.39%	-
Stickney Forest View Public Library District	775,000	54.71%	424,034
School District #99	46,960,000 (3)	100.00%	46,960,000.00
School District #100	26,255,000	100.00%	26,255,000
School District #103	5,555,842 (2)	71.38%	3,965,704
School District #104	22,210,000	3.38%	750,032
Morton Community College District No. 527	8,055,000	100.00%	8,055,000
Total indirect debt			341,398,099
Direct Debt:			
J. Sterling Morton High School District # 201	56,267,119 (2)	100.00%	56,267,119
Total Direct and Overlapping General Obligation Bonded Debt			\$ 397,665,218

(1) Includes IEPA Revolving Loan Fund Bonds

(2) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.

(3) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.

(4) Includes self-supporting debt

(5) Excludes outstanding debt certificates, leases, self-supporting debt, and/or installment contracts

Sources: Offices of the Cook County Clerk, Cook County Comptroller, and the Treasurer of the Metropolitan Water Reclamation District of Greater Chicago

J. Sterling Morton High School District 201
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Valuation	<u>\$2,132,706,707</u>
Debt Limit - 6.9% of Assessed Valuation	\$ 147,156,763
Total Debt Outstanding	<u>86,720,744</u>
Less: Exempted Debt	<u>(29,604,079)</u>
Net Subject to 6.9% Limit	<u>57,116,665</u>
Total Debt Margin	<u>\$ 90,040,098</u>

	2021	2020	2019	2018
Debt Limit	\$ 147,156,763	\$ 113,197,807	\$ 114,577,747	\$ 118,805,790
Total Net Debt Applicable to Limit	<u>57,116,665</u>	<u>62,267,645</u>	<u>65,974,587</u>	<u>69,752,644</u>
Legal Debt Margin	<u>\$ 90,040,098</u>	<u>\$ 50,930,162</u>	<u>\$ 48,603,160</u>	<u>\$ 49,053,146</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	39%	55%	58%	59%

2017	2016	2015	2014	2013	2012
\$ 99,516,835	\$ 96,175,785	\$ 99,004,728	\$ 106,135,685	\$ 113,221,863	\$ 123,075,585
<u>73,716,374</u>	<u>28,012,352</u>	<u>32,596,853</u>	<u>37,471,441</u>	<u>36,041,651</u>	<u>41,419,970</u>
<u>\$ 25,800,461</u>	<u>\$ 68,163,433</u>	<u>\$ 66,407,875</u>	<u>\$ 68,664,244</u>	<u>\$ 77,180,212</u>	<u>\$ 81,655,615</u>
74%	29%	33%	35%	32%	34%

J. Sterling Morton High School District 201
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

YEAR	POPULATION		PERSONAL INCOME (<i>thousands of dollars</i>)	COOK COUNTY PER CAPITA PERSONAL INCOME		ANNUAL UNEMPLOYMENT RATE (COOK COUNTY)
2020	158,449	nces	\$ 5,343,217	\$ 33,722	+	4.0%
2019	158,449	nces	5,343,217	33,722	+	4.0%
2018	158,449	nces	5,343,217	33,722	+	4.0%
2017	158,671	nces	5,105,874	32,179	+	5.2%
2016	159,927	**+	4,959,816	31,013	+	6.2%
2015	158,990	**+	8,153,007	51,280	+	6.1%
2014	159,291	**	7,746,698	48,943	+	9.6%
2013	158,280	**	7,746,698	48,943	+	9.6%
2012	158,190	***	7,424,964	46,937	+	9.3%
2011	159,418	**	7,223,389	45,311		10.4%

Most recent available information provided.

Sources:

+US Census QuickFacts Per Capita Income in past 12 months (in 2017 dollars), 2013-2017

+US Census QuickFacts Per Capita Income in past 12 months (in 2016 dollars), 2012-2016

* 2010 U.S. Census Bureau (for J. Sterling Morton High School District #201)
GCT-PL2 Population and Housing Occupancy Status: 2010 - State - School District
2010 Census Redistricting Data (Public Law 94-1717) Summary File

**The Census Bureau has reported an increase in the population of the communities in the District from 2010 to 2011 by approximately .44% and by .057% from 2012 to 2013

**+The Census Bureau has reported an decrease in the population of the communities in the District from 2010 to 2015 by approximately .19%

*** U.S. Census Bureau's American FactFinder Results, 2012 American Community Survey - 1 Year Estimates

2002-2009 Population for Berwyn, Cicero, Forest View, Lyons, McCook and Stickney provided by
Population Division, U.S. Census Bureau.

Per capita personal income for Cook County provided by Regional Economic Information
System, Bureau of Economic Analysis, U.S. Department of Commerce.
Per Capita Personal Income of \$46,937 is for 2011, most recent available at printing of this statement.

Unemployment rate provided by the Illinois Department of Employment Security,
Labor Market Information Unit website: <http://lmi.ides.state.il.us/laus/laushis.htm>

nces: National Center for Educational Statistics: 5 Year Average Estimates reported by US Census Bureau's American
Community Survey's 2013-2017

J. Sterling Morton High School District 201
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

			2021
EMPLOYER	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT*
MacNeal Hospital & Health Services	2,200	1	3.58%
Breakthru Beverage Illinois (formerly Wirtz)	1,000	2	1.63%
Morton District 201 (East & West High Schools)	943	3	1.53%
BUONA Restaurants and Catering	600	4	0.98%
Hawthorne Race Course	550	5	0.90%
Amazon	500	6	0.81%
Morton Community College	404	7	0.66%
Sabert	400	8	0.65%
City of Berwyn	366	9	0.60%
USF Holland, Inc.	340	10	0.55%
	<u>8,513</u>		<u>13.87%</u>

* Calculating percentages to the Illinois Department of Employment Security Reports
the estimated number of persons employed in the
District in 2020 is 61,439.

			2012
EMPLOYER	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
MacNeal Hospital	2,200	1	N/A^
A&R Janitorial Services	350	2	N/A^
USF Holland, Inc.	500	3	N/A^
Meade Electric Co.	400	4	N/A^
Terrace Paper Co., Inc.	400	5	N/A^
Campagna-Turano Baker, Inc.	300	6	N/A^
Fontanini Italian Meats	270	7	N/A^
Brad Foote Gear Works, Inc.	250	8	N/A^
Grout Industries, Inc.	250	9	N/A^
Morton College	250	10	N/A^
	<u>5,670</u>		

^Percentage of total employment not available

Data Sources

Village Records / School District Records

Employer Website

A to Z Database.com - Business Edition

J. Sterling Morton High School District 201
NUMBER OF EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Instructional services:				
Regular programs				
Teachers	380.0	421.0	360.0	338.0
Special programs				
Administrators	6.0	6.0	5.0	4.0
Teachers	96.0	90.0	62.0	57.0
Teaching assistants/clerical	50.0	66.0	56.0	56.0
Other programs				
Administrators	1.0	1.0	1.0	1.0
Teachers	12.0	12.0	12.0	12.0
Teaching assistants/clerical	13.0	13.0	14.0	11.0
Support services:				
Pupil support services				
Dean of students/administrators	10.0	11.0	10.0	9.0
Guidance counselors	28.0	29.0	26.0	25.0
Psychologists	3.0	5.0	5.0	5.0
Speech pathologists	3.0	3.0	3.0	3.0
Clerical	43.0	43.0	43.0	43.0
Instructional staff services				
Administrators	6.0	6.0	6.0	6.0
Librarians	4.0	4.0	3.0	3.0
Clerical/aides	-	-	-	-
General administration services				
Treasurer	1.0	1.0	1.0	1.0
Superintendent/asst. superintendents	2.0	2.0	3.0	3.0
Special area administration	3.0	3.0	3.0	3.0
Clerical	9.0	9.0	9.0	8.0
School administration services				
Principals and assistant principals	14.0	14.0	11.0	11.0
Clerical	11.0	11.0	11.0	9.0
Business services				
Direction of business services	1.0	1.0	1.0	1.0
Fiscal services	14.0	14.0	14.0	14.0
Food service	29.0	27.0	25.0	25.0
Operations and maintenance of facilities				
Director/clerical	2.0	2.0	2.0	2.0
Engineers/custodial/maintenance	69.0	72.0	65.0	65.0
Security	68.0	66.0	47.0	47.0
Transportation services				
Bus drivers	1.0	1.0	1.0	1.0
Central services				
Information services	-	-	-	-
Data processing services	10.0	10.0	10.0	10.0
Total employees	889.0	943.0	809.0	773.0

Source: District records - full time equivalents.

2017	2016	2015	2014	2013	2012
333.0	337.0	331.0	304.3	299.0	300.0
3.0	3.0	3.0	3.0	3.0	3.0
55.0	53.0	50.0	52.5	55.0	57.0
55.0	49.0	54.0	62.0	68.0	70.0
1.0	1.0	1.0	1.0	1.0	1.0
12.0	8.0	8.0	9.0	9.0	9.0
11.0	10.0	10.0	12.0	7.0	6.0
9.0	9.0	9.0	11.0	9.0	9.0
25.0	25.0	25.0	27.0	27.0	24.0
5.0	5.0	5.0	5.0	5.0	4.0
3.0	3.0	3.0	3.0	3.0	3.0
43.0	43.0	43.0	43.0	41.0	34.0
6.0	6.0	6.0	6.0	6.0	5.0
3.0	3.0	3.0	3.0	3.0	3.0
-	-	-	-	-	9.0
1.0	1.0	1.0	1.0	1.0	1.0
3.0	3.0	2.0	2.0	2.0	2.0
3.0	3.0	3.0	3.0	3.0	1.0
8.0	8.0	8.0	8.0	9.0	9.0
11.0	11.0	11.0	11.0	11.0	11.0
9.0	9.0	9.0	9.0	10.0	13.0
1.0	1.0	1.0	1.0	1.0	1.0
14.0	14.0	14.0	14.0	14.0	18.0
25.0	25.0	25.0	20.0	21.0	20.0
2.0	2.0	2.0	2.0	2.0	2.0
65.0	61.0	61.0	63.0	71.0	71.0
47.0	64.0	53.0	57.5	54.0	51.0
1.0	1.0	1.0	2.0	2.0	2.0
-	-	-	-	-	-
10.0	10.0	10.0	10.0	9.0	10.0
764.0	768.0	752.0	753.3	754.0	758.0

J. Sterling Morton High School District 201
OPERATING INDICATORS BY PROGRAM
LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Instruction				
Enrollment				
Regular Education	7,668	7,047	7,371	7,802
Special Education	995	1,006	1,069	992
Total Enrollment	8,663	8,053	8,440	8,794
Percentage of limited English proficient	21.1%	18.6%	18.1%	14.2%
Pupil support services				
Percentage of students with disabilities	13.0%	12.0%	12.7%	11.1%
School Administration				
Student attendance rate	92.9%	94.1%	92.2%	90.3%
Fiscal Services				
Purchase orders processed	2,318	3,278	2,858	2,838
W-2's issued	1,136	1,211	1,168	1,102
Maintenance				
District square footage maintained by custodians and maintenance staff	1,345,425	1,345,425	1,354,175	1,354,175
District acreage maintained by grounds staff	69	69	69	69

Source of information: District records

2017	2016	2015	2014	2013	2012
7,840	7,562	7,354	7,452	7,347	7,309
958	937	945	850	843	1,035
8,798	8,499	8,299	8,302	8,190	8,344
18.0%	10.4%	11.2%	9.9%	10.0%	10.0%
10.6%	11.3%	11.3%	10.2%	10.3%	12.4%
93.0%	91.1%	88.5%	90.8%	89.0%	86.9%
2,923	3,023	2,897	2,974	4,211	3,931
1,122	1,105	1,145	1,129	1,138	1,200
1,354,175	1,354,175	1,354,175	1,354,175	1,354,175	1,354,175
69	69	69	69	69	69

J. Sterling Morton High School District 201
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Morton East				
Grounds area (acres)	12.75	12.75	12.75	12.75
Buildings (square feet)	639,997	639,997	639,997	639,997
Available capacity (students)	3,300	3,300	3,300	3,300
Enrollment (students housed)	3,186	3,462	3,427	3,427
Morton West				
Grounds area (acres)	41.60	41.60	41.60	41.60
Buildings (square feet)	471,868	471,868	471,868	471,868
Available capacity (students)	3,000	3,000	3,000	3,000
Enrollment (students housed)	3,357	3,522	3,577	3,577
Morton Freshman Center (2004)				
Grounds area (acres)	14.17	14.17	14.17	14.17
Buildings (square feet)	213,030	213,030	213,030	213,030
Available capacity (students)	1,500	1,500	1,500	1,500
Enrollment (students housed)	1,100	1,066	1,233	1,233
Morton Alternative School (2008)				
Grounds area (acres)	3.06	3.06	3.06	3.06
Buildings (square feet)	20,530	20,530	20,530	20,530
Available capacity (students)	126	126	126	126
Enrollment (students housed)	25	60	84	84

2017	2016	2015	2014	2013	2012
12.75	12.75	12.75	12.75	12.75	12.75
639,997	639,997	639,997	639,997	639,997	639,997
3,300	3,300	3,300	3,300	3,300	3,300
3,427	3,427	3,427	3,394	3,352	3,220
41.60	41.60	41.60	41.60	41.60	41.60
471,868	471,868	471,868	471,868	471,868	471,868
3,000	3,000	3,000	3,000	3,000	3,000
3,577	3,577	3,577	3,479	3,379	3,892
14.17	14.17	14.17	14.17	14.17	14.17
213,030	213,030	213,030	213,030	213,030	213,030
1,500	1,500	1,500	1,500	1,500	1,500
1,233	1,233	1,233	1,225	1,244	1,337
3.06	3.06	3.06	3.06	3.06	3.06
20,530	20,530	20,530	20,530	20,530	20,530
126	126	126	126	126	126
84	84	84	85	110	104