

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

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020



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

Cicero, Illinois

For the Fiscal Year Ended June 30, 2020

Official Issuing Report

Dennis Forst, Chief Financial Officer

Department Issuing Report

Business Office

J. Sterling Morton High School District 201
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020

TABLE OF CONTENTS

	<u>Page</u>
TABLE OF CONTENTS	i-iii
INTRODUCTORY SECTION (Unaudited)	
Transmittal Letter	iv - vii
Organizational Chart	viii
Officers and Officials	ix
Association of School Business Officials International - Certificate of Excellence	x
FINANCIAL SECTION	
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis (Unaudited)	4 - 13
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet - Governmental Funds	16 - 17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	19 - 20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21 - 22
Statement of Fiduciary Net Position	23
Notes to the Financial Statements	24 - 81

(Continued)

J. Sterling Morton High School District 201

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2020

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION (Continued)	
Required Supplementary Information (Unaudited)	
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund	82 - 83
Multiyear Schedule of Contributions - Illinois Municipal Retirement Fund	84
Multiyear Schedule of the District's Proportionate Share of the Net Pension Liability - Teachers' Retirement System of the State of Illinois	85 - 86
Multiyear Schedule of District Contributions - Teachers' Retirement System of the State of Illinois	87 - 88
Multiyear Schedule of Changes in Total Other Postemployment Benefits (OPEB) and Related Ratios - Retiree Health Plan	89
Multiyear Schedule of the District's Proportionate Share of the Net Other Postemployment Benefit (OPEB) Liability - Teachers' Health Insurance Security Fund	90
Multiyear Schedule of District Contributions - Teachers' Health Insurance Security Fund	91
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund - Budgetary Basis	92 - 106
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Operations and Maintenance Fund	107 - 108
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Transportation Fund	109 - 110
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Municipal Retirement/Social Security Fund	111 - 114
Notes to the Required Supplementary Information	115 - 121
Other Supplementary Financial Information	
General Fund	
Combining Balance Sheet	122
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	123
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Debt Service Fund	124 - 125
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Capital Projects Fund	126
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Fire Prevention and Life Safety Fund	127
Statement of Changes in Assets and Liabilities - Agency Fund - Student Activity Funds	128
	(Continued)

J. Sterling Morton High School District 201
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020

TABLE OF CONTENTS

	<u>Page</u>
STATISTICAL SECTION (Unaudited)	
Statistical Section Contents	129
Net Position by Component - Last Ten Fiscal Years	130 - 131
Changes In Net Position - Last Ten Fiscal Years	132 - 133
Fund Balances of Governmental Funds - Last Ten Fiscal Years	134 - 135
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	136 - 137
Equalized Assessed Valuation and Estimated Actual Value of Taxable Property	
- Last Ten Tax Levy Years	138
Property Tax Rates - Direct and Overlapping Governments	
- Last Ten Tax Levy Years	139 - 140
Principal Taxpayers in the District - Current Tax Year and Nine Years Ago	141
Property Tax Levies and Collections - Last Ten Tax Levy Years	142 - 143
Outstanding Debt by Type - Last Ten Fiscal Years	144 - 145
Ratio of General Bonded Debt Outstanding to Equalized Assessed Valuation	
- Last Ten Fiscal Years	146
Direct and Overlapping General Obligation Bonded Debt	147
Legal Debt Margin Information - Last Ten Fiscal Years	148 - 149
Demographic and Economic Statistics - Last Ten Years	150
Principal Employers - Current Year and Nine Years Ago	151
Number of Employees by Type - Last Ten Fiscal Years	152 - 153
Operating Indicators by Program - Last Ten Fiscal Years	154 - 155
School Building Information - Last Ten Fiscal Years	156 - 157
Operating Statistics - Last Ten Fiscal Years	158

(Concluded)

INTRODUCTORY SECTION (UNAUDITED)



J. STERLING MORTON HIGH SCHOOLS

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

April 29, 2021

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of J. Sterling Morton High School District No. 201 (the "School District") for the fiscal year ended June 30, 2020. This Comprehensive Annual 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 2020 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 Comprehensive Annual 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, required supplementary budgetary comparison schedules, 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.

Unemployment trends continue to be reflective of the current economic state. In 2020, unemployment rates were higher than usual due to the coronavirus pandemic. The latest unemployment rate of the County (June 2020) is 17.4% compared to 4.3% reported last year. This compares to U.S. rates of 11.2% and 3.7% for the same periods, respectively.

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 8,110 students during the 2020 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	1,066
Morton East	10-12	3,462
Morton West	9-12	3,522
Alternative School	9-12	60

MAJOR INITIATIVES

- Morton 201 anticipates bringing back an additional period for more academic opportunities.
- The School District completed the remodeling of the second and fourth floors at Morton East.
- Multiple classrooms are being remodeled and updated at Morton East.
- The School District has just finished the Freshman Academy at Morton West.
- The School District has fully implemented all phases three of our 'One to One' program continuing with the new incoming freshman class. This will continue in the following years until all students have been provided a district device.
- Major infrastructure upgrades included higher bandwidth capacity to support our One to One program.
- 100% of all certificated district personnel have been trained in Project CRISS strategies.
- 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. Fiduciary funds use the accrual basis of accounting.

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 2019.

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, 2020. The opinion of Miller, Cooper & Co., Ltd. can be found at the beginning of the Financial Section of this report.

AWARDS

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. The Certificate of Excellence is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government reports.

In order to be awarded the ASBO Certificate of Excellence, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The CAFR must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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 Certificate of Excellence and the District will be submitting the report to ASBO.

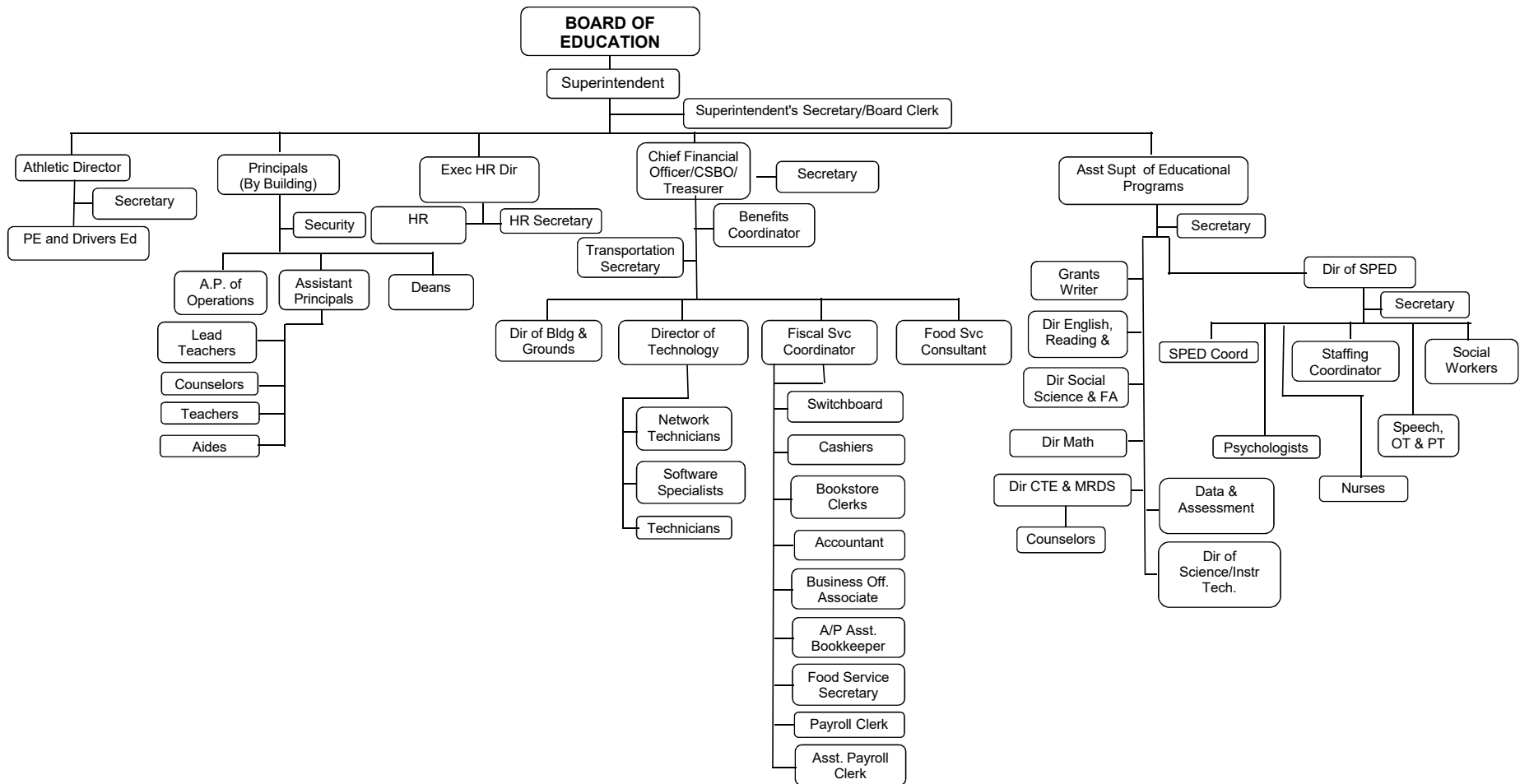
ACKNOWLEDGEMENTS

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



J. Sterling Morton High School District 201

5801 West Cermak Road

Cicero, Illinois 60804

Comprehensive Annual Financial Report

Officers and Officials

For the Fiscal Year Ended June 30, 2020

Board of Education

		<u>Term Expires</u>
Mr. Jeffry Pesek	President	2023
Mr. Lido Manetti	Vice President	2023
Ms. Jessica Jaramillo-Flores	Secretary	2021
Mr. Mark D. Kraft	Member	2023
Dr. Margaret Kelly	Member	2021
Ms. Sandra Tomschin	Member	2021
Ms. Melissa Cundari	Member	2021

District Administration

Dr. Timothy Truesdale	Superintendent
Dr. Terry Mootz	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



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

J. Sterling Morton High School District 201

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

FINANCIAL SECTION

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

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, each major fund, and the aggregate remaining fund information of J. Sterling Morton High School District 201 (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2020, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data on pages 82 through 88, the other postemployment benefits data on pages 89 through 91, and the budgetary comparison schedules and notes to the required supplementary information on pages 92 through 121, 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, 2020 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.

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, 2020 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2020 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, 2020 is 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2021, 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 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.



Certified Public Accountants

Deerfield, Illinois
April 29, 2021

J. Sterling Morton High School District 201

Management's Discussion and Analysis (Unaudited)

for the Year Ended June 30, 2020

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, 2020. 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 \$196.1 million exceeded expenses of \$170.9 million for a change in net position of \$25.2 million.
- As of June 30, 2020, the total fund balance for all governmental funds was \$84.7 million compared to \$80.3 million in the prior year.
- The estimated 2020 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, 2020

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 can be divided into two categories: governmental funds and fiduciary funds. The District does not have any proprietary funds.

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.

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

J. Sterling Morton High School District 201
Management's Discussion and Analysis (Unaudited)
for the Year Ended June 30, 2020

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 \$170.8 million, representing approximately 58.2% of total assets for the year ended June 30, 2020. Long-term liabilities outstanding totaled \$166.7 million, or 92.7% of total liabilities. Other liabilities totaled \$13.1 million, which is a decrease of \$1.2 million from fiscal year 2019. As a result, overall total liabilities decreased by \$9.2 when compared to fiscal year 2019, 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 \$10.4 million related to pensions and deferred outflows of resources of \$4.5 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 \$23.9 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 \$7.7 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 46.1% or \$25.2 million. Total net position, as of June 30, 2020, was \$79.9 million. Of this total, \$25.9 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, 2020

Table 1 Condensed Statement of Net Position Government-Wide <i>(in millions of dollars)</i>		
	<u>2020</u>	<u>2019</u>
Assets:		
Current and other assets	\$122.6	\$120.7
Capital assets	<u>170.8</u>	<u>154.3</u>
Total assets	<u>293.4</u>	<u>275.0</u>
Deferred outflows of resources:		
Other postemployment benefits	4.5	2.6
Pension	<u>10.4</u>	<u>9.8</u>
Total deferred outflows of resources	<u>14.9</u>	<u>12.4</u>
Liabilities:		
Long-term liabilities	166.7	174.7
Other liabilities	<u>13.1</u>	<u>14.3</u>
Total liabilities	<u>179.8</u>	<u>189.0</u>
Deferred inflows of resources:		
Property taxes levied for a future period	23.9	25.0
Other postemployment benefits	7.7	7.9
Pension	<u>17.0</u>	<u>5.2</u>
Total deferred inflows of resources	<u>48.6</u>	<u>43.7</u>
Net position:		
Net investment in capital assets	120.8	111.4
Restricted	25.9	10.5
Unrestricted	<u>(66.8)</u>	<u>(67.2)</u>
Total net position	<u>\$79.9</u>	<u>\$54.7</u>

J. Sterling Morton High School District 201
Management's Discussion and Analysis (Unaudited)
for the Year Ended June 30, 2020

Statement of Activities:

Table 2 illustrates revenues and expenses from fiscal year 2020 that resulted in a change in net position of \$25.2 million.

The District's total revenues were \$196.1 million. Taxes were 28.0% of the total, or \$55.0 million.

The total cost of all programs and services was \$170.9 million. The District's expenses related to instruction accounted for 67.7% of the total, or \$115.7 million. The District's expenses in support services were 28.6% of total costs or \$48.8 million. Total revenues exceeded total expenses, increasing net position by \$25.2 million for the year.

Table 2 Statement of Activities (in millions of dollars)		
	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenues:		
Charges for Services	\$1.4	\$2.6
Grants & contributions	66.7	57.9
General revenues:		
Taxes	55.0	53.5
Unrestricted grants	68.3	61.9
Other	<u>4.7</u>	<u>2.7</u>
Total revenues:	<u>196.1</u>	<u>178.6</u>
Expenses:		
Instruction	115.7	100.2
Support services	48.8	45.8
Other	0.8	4.4
Interest and fees	<u>5.6</u>	<u>5.8</u>
Total expenses	<u>170.9</u>	<u>156.2</u>
Change in net position	<u>25.2</u>	<u>22.4</u>

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.

J. Sterling Morton High School District 201
Management's Discussion and Analysis (Unaudited)
for the Year Ended June 30, 2020

As of the end of the current fiscal year, the District's governmental funds reported a total combined ending fund balance of \$84.7 million. Of this amount, \$57.7 million constitutes *unassigned fund balance*. The Debt Service Fund, Capital Projects Fund and total Special Revenue funds have a combined *restricted* fund balance of \$26.1 million. Additionally, there is a nonspendable balance of \$0.9 due to prepaid items, inventory, and advances to other funds.

General Fund (Educational 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 \$49.2 million. The unassigned fund balance at June 30, 2019 was \$45.3 million. This represents an increase of approximately \$3.9 million in the unassigned fund balance.

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 \$8.3 million. The fund balance at June 30, 2019 was \$5.3 million. This represents an increase of \$3.0 million from the previous fiscal year.

Working Cash Account of the General Fund

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 \$8.5 million. The ending fund balance at the end of fiscal year 2019 was \$8.2 million. This represents an increase of \$0.3 million from the previous fiscal year.

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.

J. Sterling Morton High School District 201
Management's Discussion and Analysis (Unaudited)
for the Year Ended June 30, 2020

At the end of the current fiscal year, the Debt Service Fund had a fund balance of \$6.1 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 2019 was \$6.9 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 \$1.3 million. The fund balance at the end of fiscal year 2019 was \$6.4 million. The fund balance decreased by \$5.1 million from the previous fiscal year, due to the continuance of construction projects.

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 the General Fund's Operations and Maintenance Account).

At the end of the current fiscal year, the Transportation Fund had a fund balance of \$3.7 million. The fund balance at the close of fiscal year 2019 was \$2.5 million, an increase of \$1.2 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 \$3.5 million. The ending fund balance at the end of fiscal year 2019 was also \$2.2 million.

J. Sterling Morton High School District 201
Management's Discussion and Analysis (Unaudited)
for the Year Ended June 30, 2020

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 \$3.3 million. The fund balance at the end of fiscal year 2019 was \$3.1 million, an increase of \$0.2 million.

The District's total revenues were \$169.2 million. Approximately 36.1% of total governmental fund revenues come from local sources, 56.5% from state sources, and 7.4% from federal sources.

General Fund Budgetary Highlights

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States. 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 \$0.5 million.
- The General Fund ended the year with an operating surplus of \$4.5 million.
- At the end of the current fiscal year, the General Fund had a fund balance of \$58.4 million. The ending fund balance at the end of fiscal year 2019 was \$53.9 million.

Capital Asset and Debt Administration

Capital assets

Table 3 below illustrates capital assets, net of depreciation, which reflect an overall increase of \$16.5 million when compared to 2019. This net increase is mostly related to the increase in construction in progress (which is not subject to depreciation) and buildings (which is 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, 2020

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

	<u>2020</u>	<u>2019</u>
Land	\$13.6	\$13.6
Construction in progress	80.5	62.6
Land improvements	1.4	1.2
Buildings	52.8	54.9
Building improvements	10.7	11.7
Equipment	<u>11.8</u>	<u>10.3</u>
Total	<u>\$170.8</u>	<u>\$154.3</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, 2020, the District had \$50.0 million in general obligation bonds and \$42.5 in capital appreciation bonds. There is also a \$3.0 unamortized premium. The District also has \$12.9 million related to IMRF and TRS net pension liabilities, and \$58.3 million related to Other Postemployment Benefits liabilities.

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, 2020, the statutory debt limit for the District was \$113.2 million, providing a debt margin of \$50.9 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, 2020

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

	<u>2020</u>	<u>2019</u>
General obligation bonds	\$50.0	\$50.0
Capital appreciation bonds	42.5	47.9
Unamortized premium	3.0	3.6
Net pension liability	12.9	18.7
Net OPEB liability	58.3	54.0
Compensated absences	—	<u>0.5</u>
Total long-term liabilities	<u>\$166.7</u>	<u>\$174.7</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 anticipates that it will operate under differing instructional models (remote, hybrid, or full in-person) throughout fiscal year 2021 and potentially into 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 could lead to future reductions in local property tax revenue, state funding, and/or federal funding. The District is 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.

J. Sterling Morton High School District 201
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2020

ASSETS

Cash and investments	\$ 85,264,454
Receivables (net of allowance for uncollectibles):	
Property taxes	23,903,336
Replacement taxes	931,155
Intergovernmental	5,628,768
Inventory	110,632
Prepaid items	444,552
Restricted investments	6,257,910
Other current assets	72,755
Capital assets:	
Land	13,629,003
Construction in progress	80,485,659
Depreciable buildings, property, and equipment, net	<u>76,721,204</u>
Total assets	<u>293,449,428</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows related to pensions	10,424,259
Deferred outflows related to other postemployment benefits	<u>4,477,302</u>
Total deferred outflows	<u>14,901,561</u>

LIABILITIES

Accounts payable	9,746,797
Salaries and wages payable	146,449
Claims payable	3,042,543
Interest payable	201,875
Long-term liabilities:	
Due within one year	9,218,283
Due after one year	<u>157,491,090</u>
Total liabilities	<u>179,847,037</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows related to pensions	16,994,980
Deferred inflows related to other postemployment benefits	7,722,248
Property taxes levied for a future period	<u>23,903,336</u>
Total deferred inflows	<u>48,620,564</u>

NET POSITION

Net investment in capital assets	120,835,866
Restricted For:	
Operations and maintenance	8,348,044
Debt service	6,931,875
Student transportation	3,738,481
Retirement benefits	3,546,319
Capital projects	3,299,528
Unrestricted (deficit)	<u>(66,816,725)</u>
Total net position	<u>\$ 79,883,388</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, 2020

Functions / Programs	Expenses	PROGRAM REVENUES			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Deficit
Governmental activities					
Instruction:					
Regular programs	\$ 41,464,171	\$ 556,700	\$ 662,078	\$ -	\$ (40,245,393)
Special programs	15,477,671	-	6,811,541	-	(8,666,130)
Other instructional programs	9,195,872	147,025	699,426	-	(8,349,421)
State retirement contributions	49,561,196	-	49,561,196	-	-
Support services:					
Pupils	8,459,568	-	-	-	(8,459,568)
Instructional staff	4,327,345	-	363,251	-	(3,964,094)
General administration	2,626,333	-	-	-	(2,626,333)
School administration	3,119,824	-	-	-	(3,119,824)
Business	5,633,862	639,239	4,175,473	-	(819,150)
Transportation	4,137,605	-	2,292,810	-	(1,844,795)
Operations and maintenance	16,372,772	12,650	-	2,095,085	(14,265,037)
Central	2,756,313	-	-	-	(2,756,313)
Other supporting services	1,307,364	-	-	-	(1,307,364)
Community services	621,333	-	-	-	(621,333)
Nonprogrammed charges	261,112	-	-	-	(261,112)
Interest and fees	5,589,456	-	-	-	(5,589,456)
Total governmental activities	<u>\$ 170,911,797</u>	<u>\$ 1,355,614</u>	<u>\$ 64,565,775</u>	<u>\$ 2,095,085</u>	<u>(102,895,323)</u>
General revenues:					
Taxes:					
					27,949,887
					11,806,815
					8,679,812
					6,530,371
					68,307,219
					3,371,910
					1,446,157
					<u>128,092,171</u>
					25,196,848
					<u>54,686,540</u>
					\$ 79,883,388

The accompanying notes are an integral part of this statement.

J. Sterling Morton High School District 201

Governmental Funds

BALANCE SHEETJune 30, 2020

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.	Debt Service
ASSETS					
Cash and investments	\$ 58,977,061	\$ 9,497,757	\$ 3,251,494	\$ 3,406,829	\$ 117,588
Receivables (net of allowance for uncollectibles):					
Property taxes	11,667,493	2,728,110	574,556	1,183,558	7,108,238
Replacement taxes	-	-	-	139,673	-
Intergovernmental	4,004,957	-	566,828	-	1,056,983
Advances to other funds	298,731	-	-	-	-
Inventory	110,632	-	-	-	-
Prepaid items	266,731	168,930	8,891	-	-
Restricted investments	-	-	-	-	6,257,910
Other current assets	<u>72,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 75,398,360</u>	<u>\$ 12,394,797</u>	<u>\$ 4,401,769</u>	<u>\$ 4,730,060</u>	<u>\$ 14,540,719</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 2,173,439	\$ 1,288,558	\$ 88,581	\$ -	\$ -
Salaries and wages payable	116,030	30,085	151	183	-
Claims payable	3,042,543	-	-	-	-
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>298,731</u>
Total liabilities	<u>5,332,012</u>	<u>1,318,643</u>	<u>88,732</u>	<u>183</u>	<u>298,731</u>
DEFERRED INFLOWS					
Unavailable grant revenue	16,875	-	-	-	1,056,983
Property taxes levied for a future period	<u>11,667,493</u>	<u>2,728,110</u>	<u>574,556</u>	<u>1,183,558</u>	<u>7,108,238</u>
Total deferred inflows	<u>11,684,368</u>	<u>2,728,110</u>	<u>574,556</u>	<u>1,183,558</u>	<u>8,165,221</u>
FUND BALANCES					
Nonspendable	676,094	168,930	8,891	-	-
Restricted	-	8,179,114	3,729,590	3,546,319	6,076,767
Unassigned	<u>57,705,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>58,381,980</u>	<u>8,348,044</u>	<u>3,738,481</u>	<u>3,546,319</u>	<u>6,076,767</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 75,398,360</u>	<u>\$ 12,394,797</u>	<u>\$ 4,401,769</u>	<u>\$ 4,730,060</u>	<u>\$ 14,540,719</u>

The accompanying notes are an integral part of this statement.

Capital Projects	Fire Prevention and Safety	Total
\$ 6,714,197	\$ 3,299,528	\$ 85,264,454
-	641,381	23,903,336
791,482	-	931,155
-	-	5,628,768
-	-	298,731
-	-	110,632
-	-	444,552
-	-	6,257,910
-	-	72,755
<u>\$ 7,505,679</u>	<u>\$ 3,940,909</u>	<u>\$ 122,912,293</u>

\$ 6,196,219	\$ -	\$ 9,746,797
-	-	146,449
-	-	3,042,543
-	-	298,731
<u>6,196,219</u>	<u>-</u>	<u>13,234,520</u>
-	-	1,073,858
-	641,381	23,903,336
-	641,381	24,977,194
-	-	853,915
1,309,460	3,299,528	26,140,778
-	-	57,705,886
<u>1,309,460</u>	<u>3,299,528</u>	<u>84,700,579</u>
<u>\$ 7,505,679</u>	<u>\$ 3,940,909</u>	<u>\$ 122,912,293</u>

J. Sterling Morton High School District 201
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
Year Ended June 30, 2020

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

Total fund balances - total governmental funds	\$ 84,700,579
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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 balance sheet.	170,835,866
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Deferred outflows and inflows of resources related to pensions and other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds:

Net deferred outflows and (inflows) of resources related to:

IMRF pension	\$ (3,605)	
TRS pension	(6,567,116)	
RHP OPEB	(289,087)	
THIS OPEB	<u>(2,955,859)</u>	(9,815,667)

Interest on long-term liabilities accrued in the statement of net position will not be paid with current financial resources and, accordingly, is not recognized in the governmental funds balance sheet.	(201,875)
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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 unavailable revenue in the governmental funds balance sheet.	1,073,858
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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 balance sheet.

General obligation bonds	(50,000,000)	
Capital appreciation bonds	(42,477,630)	
Unamortized bond premium	(3,070,270)	
Compensated absences	(23,283)	
IMRF net pension liability	(6,924,115)	
TRS net pension liability	(5,935,835)	
RHP total other postemployment benefit liability	(6,910,870)	
THIS total other postemployment benefit liability	<u>(51,367,370)</u>	<u>(166,709,373)</u>

Net position of governmental activities	<u>\$ 79,883,388</u>
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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 BALANCES

For the Year Ended June 30, 2020

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 27,898,383	\$ 6,192,131	\$ 1,284,092	\$ 2,835,516
Replacement taxes	-	-	-	1,805,286
State aid	72,849,368	18,974,134	3,790,052	-
Federal aid	10,376,938	-	-	-
Interest	2,505,936	287,012	115,411	113,339
Other	2,695,619	106,152	-	-
Total revenues	<u>116,326,244</u>	<u>25,559,429</u>	<u>5,189,555</u>	<u>4,754,141</u>
Expenditures				
Current:				
Instruction:				
Regular programs	36,786,493	-	-	403,393
Special programs	14,184,265	-	-	385,347
Other instructional programs	8,914,357	-	-	153,269
State retirement contributions	22,365,650	-	-	-
Support services:				
Pupils	7,970,622	-	-	341,569
Instructional staff	4,080,622	-	-	123,362
General administration	2,466,063	-	-	110,708
School administration	2,887,385	-	-	123,720
Business	5,227,214	-	-	349,320
Transportation	-	-	3,940,114	6,428
Operations and maintenance	-	13,920,772	-	1,218,043
Central	2,478,005	-	-	114,439
Other supporting services	961,705	336,046	-	9,613
Community services	591,875	-	-	28,826
Nonprogrammed charges	261,112	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	2,691,241	8,236,671	-	-
Total expenditures	<u>111,866,609</u>	<u>22,493,489</u>	<u>3,940,114</u>	<u>3,368,037</u>
Excess (deficiency) of revenues over expenditures	4,459,635	3,065,940	1,249,441	1,386,104
Fund balance, beginning of year	<u>53,922,345</u>	<u>5,282,104</u>	<u>2,489,040</u>	<u>2,160,215</u>
Fund balance, end of year	<u>\$ 58,381,980</u>	<u>\$ 8,348,044</u>	<u>\$ 3,738,481</u>	<u>\$ 3,546,319</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 8,679,812	\$ -	\$ 1,546,580	\$ 48,436,514
-	4,725,085	-	6,530,371
-	-	-	95,613,554
2,095,085	-	-	12,472,023
28,359	212,249	109,604	3,371,910
-	-	-	2,801,771
<u>10,803,256</u>	<u>4,937,334</u>	<u>1,656,184</u>	<u>169,226,143</u>
-	-	-	37,189,886
-	-	-	14,569,612
-	-	-	9,067,626
-	-	-	22,365,650
-	-	-	8,312,191
-	-	-	4,203,984
-	-	-	2,576,771
-	-	-	3,011,105
-	-	-	5,576,534
-	-	-	3,946,542
-	-	-	15,138,815
-	-	-	2,592,444
-	-	-	1,307,364
-	-	-	620,701
-	-	-	261,112
9,195,000	-	-	9,195,000
2,423,825	-	-	2,423,825
-	10,009,054	1,485,288	22,422,254
<u>11,618,825</u>	<u>10,009,054</u>	<u>1,485,288</u>	<u>164,781,416</u>
(815,569)	(5,071,720)	170,896	4,444,727
<u>6,892,336</u>	<u>6,381,180</u>	<u>3,128,632</u>	<u>80,255,852</u>
<u>\$ 6,076,767</u>	<u>\$ 1,309,460</u>	<u>\$ 3,299,528</u>	<u>\$ 84,700,579</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, 2020

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

Net change in fund balances - total governmental funds.	\$	4,444,727
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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 exceeded depreciation expense in the current period.

Capital outlay	\$	22,423,944	
Depreciation expense		<u>(5,905,198)</u>	16,518,746

Changes in deferred outflows and inflows of resources related to pensions and OPEB are reported only in the statement of activities:

Net deferred outflows and (inflows) of resources related to:

IMRF pension	(6,565,735)	
TRS pension	997,028	
RHP OPEB	278,248	
THIS OPEB	<u>1,793,800</u>	(3,496,659)

Certain revenue included in the statement of activities does not provide current financial resources and, therefore, is deferred in the fund financial statements	(313,044)
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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

Capital appreciation bonds	9,195,000	
Accretion on capital appreciation bonds	(3,757,836)	
IMRF pension liability, net	6,081,822	
TRS pension liability, net	(281,237)	
RHP other postemployment benefit liability, net	(54,303)	
THIS other postemployment benefit liability, net	(4,254,484)	
Compensated absences, net	<u>521,911</u>	7,450,873

The accompanying notes are an integral part of this statement.

(Continued)

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, 2020

Governmental funds report the effect of premiums, discounts, losses on refunding and similar items when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year, net effect of these differences. \$ 592,205

Change in net position of governmental activities. \$ 25,196,848

The accompanying notes are an integral part of this statement.

J. Sterling Morton High School District 201

Fiduciary Funds

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2020

	Agency Fund
<hr/>	
ASSETS	
Cash and investments	\$ <u>1,054,234</u>
LIABILITIES	
Due to student groups and employees	\$ <u>1,054,234</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, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of J. Sterling Morton 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. 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.

Funds are classified into the following categories: governmental and fiduciary.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Accounting (Continued)

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.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District.

3. 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.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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, capital projects, or fiduciary 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.

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

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, transfers from other funds, and personal property replacement taxes.

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.

e. Fiduciary Fund

The fiduciary fund accounts for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

Agency Fund - includes Student Activity Funds. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. Although the Board of Education has the ultimate responsibility for activity funds, they are not local education agency funds. The Student Activity Funds account for assets held by the District which are owned, operated, and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational, or cultural purposes. They account for activities such as student yearbook, student clubs and council, and scholarships.

Convenience Accounts - account for assets that are normally maintained by a local education agency, as a convenience, for its faculty, staff, etc.

Flexible Spending Account Fund (Agency Fund) - is also custodial in nature and does not involve measurement of the results of operations. This Fund accounts for assets held by the District and administered on behalf of the District's employees, for personal medical and dependent care purposes.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. 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.

The fiduciary fund statements are reported using the accrual basis of accounting.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. 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, 2020, the District has deferred outflows of resources related to pensions and other postemployment benefits. 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, 2020, the District reported deferred inflows related to property taxes levied for a future period, pension liabilities, other postemployment benefits, and unavailable grant revenue.

6. 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.

7. Deposits and Investments

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

8. 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.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Fair Value Measurements (Continued)

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.

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, 2020 and 2019.

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.

Commercial Paper: Valued at closing price of the instruments reported on the active market on which the similar 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.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. 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.

10. 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.

11. 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.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. 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, 2020 are determined on the basis of current salary rates and include salary related payments.

13. 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.

14. 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.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. 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.

16. 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 restrict resources first, and then unrestricted resources, as the resources are needed.

17. 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.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. Fund Balance (Continued)

- 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, 2020.
- 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 had no assigned fund balances at June 30, 2020.
- 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 \$298,731 for advances to other funds, \$110,632 for inventory, and \$266,731 for prepaid items. The nonspendable fund balance in the Operations and Maintenance Fund and the Transportation Fund consists of \$168,930 and \$8,891, respectively, for prepaid items. The restricted fund balances are for the purposes of the restricted funds as described in Note A-3.

18. 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.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

19. 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, 2020, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ 85,264,454	\$ 1,054,234	\$ 86,318,688
Restricted investments	<u>6,257,910</u>	<u>-</u>	<u>6,257,910</u>
Total	<u>\$ 91,522,364</u>	<u>\$ 1,054,234</u>	<u>\$ 92,576,598</u>

Restricted investments totaling \$4,137,322 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 \$2,120,588 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.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

For disclosure purposes, this amount is segregated as follows:

	<u>Total</u>
Cash on hand	\$ 7,000
Deposits with financial institutions*	6,313,804
Money market mutual funds	2,987,728
Illinois School District Liquid Asset Fund (ISDLAF+)	15,090,556
Other investments	<u>68,177,510</u>
	<u>\$ 92,576,598</u>

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

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.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

1. Interest Rate Risk (Continued)

Investment Type	Fair Value	Investment Maturities in Years		
		Less than 1	1-5	6-10
Commercial paper	\$ 1,497,470	\$ 1,497,470	\$ -	\$ -
Corporate bonds	7,505,773	1,018,640	6,487,133	-
Federal Farm Credit Bank	999,595	-	999,595	-
State and municipal bonds	27,150,118	5,121,027	16,317,484	5,711,607
Negotiable certificates of deposit	27,103,201	3,992,169	19,660,011	3,451,021
U.S. Treasuries	3,921,353	3,921,353	-	-
	<u>\$ 68,177,510</u>	<u>\$ 15,550,659</u>	<u>\$ 43,464,223</u>	<u>\$ 9,162,628</u>

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

Investment Type		<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
ISDLAF+	\$ <u>15,090,556</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 commercial paper are rated A1 by Moody's and A+ by S&P. The District's investments in corporate bonds are rated AA3 to A2 by Moodys and A+ to BBB+ by S&P. The Federal Farm Credit Bureau Bank bonds are rated Aaa by Moody's and AA+ by S&P. The municipal and state bonds are rated AAA to A2 by Moodys and AAA to A- by S&P.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

2. Credit Risk (Continued)

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.

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.

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, 2020, the bank balances of the District's deposits with financial institutions totaling \$2,380,884. Of this amount, \$2,130,884 was not insured or collateralized.

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 11, 2019. 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.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE C - PROPERTY TAX RECEIVABLE (Continued)

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.

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 2.9160 for 2019.

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 2019 tax levy was \$1,640,547,923.

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 2019 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 2019 levy that is received by June 30, 2020 is to be used to finance operations in fiscal 2020. The District has determined that the remaining uncollected portion of the 2019 levy is to be used to finance operations in fiscal 2021 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, 2020

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets, not being depreciated				
Land	\$ 13,629,003	\$ -	\$ -	\$ 13,629,003
Construction in progress	62,617,895	17,867,764	-	80,485,659
Total capital assets not being depreciated	76,246,898	17,867,764	-	94,114,662
Capital assets, being depreciated				
Land improvements	1,492,940	347,181	-	1,840,121
Buildings	93,119,049	-	-	93,119,049
Building improvements	15,872,410	-	-	15,872,410
Equipment	36,093,626	4,208,999	-	40,302,625
Total capital assets being depreciated	146,578,025	4,556,180	-	151,134,205
Less accumulated depreciation for:				
Land improvements	294,876	100,780	-	395,656
Buildings	38,221,633	2,074,332	-	40,295,965
Building improvements	4,181,351	1,033,962	-	5,215,313
Equipment	25,809,943	2,696,124	-	28,506,067
Total accumulated depreciation	68,507,803	5,905,198	-	74,413,001
Total capital assets being depreciated, net	78,070,222	(1,349,018)	-	76,721,204
Governmental activities capital assets, net	\$ 154,317,120	\$ 16,518,746	\$ -	\$ 170,835,866

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE D - CAPITAL ASSETS (Continued)

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

Regular programs	\$ 4,015,535
Special programs	472,416
Pupils	29,526
Instructional staff	59,052
General administration	29,526
School administration	59,052
Business	29,526
Transportation	177,156
Operations and maintenance	974,358
Central	<u>59,051</u>
Total depreciation expense - governmental activities	<u>\$ 5,905,198</u>

NOTE E - LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2020:

	Balance July 1, 2019	Additions/ Accretion	Deletions	Balance June 30, 2020
Bonds payable:				
General obligation bonds	\$ 50,000,000	\$ -	\$ -	\$ 50,000,000
Capital appreciation bonds	47,914,794	3,757,836	9,195,000	42,477,630
Unamortized premium	3,662,475	-	592,205	3,070,270
IMRF net pension liability	13,005,937	2,032,990	8,114,812	6,924,115
TRS net pension liability	5,654,598	2,165,111	1,883,874	5,935,835
RHP total other postemployment liability	6,856,567	1,052,511	998,208	6,910,870
THIS net other postemployment liability	47,112,886	7,067,252	2,812,768	51,367,370
Compensated absences	<u>545,194</u>	<u>291,204</u>	<u>813,115</u>	<u>23,283</u>
Total long-term liabilities - governmental activities	<u>\$ 174,752,451</u>	<u>\$ 16,366,904</u>	<u>\$ 24,409,982</u>	<u>\$ 166,709,373</u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE E - LONG-TERM LIABILITIES (Continued)

	<u>Due Within One Year</u>
Capital appreciation bonds	\$ 9,195,000
Compensated absences	<u>23,283</u>
	<u>\$ 9,218,283</u>

The net pension liability will be repaid from the Illinois Municipal Retirement/Social Security Fund and the General Fund. 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 fund 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 obligations bond currently outstanding and summary of activity of bonds payable for the year ended June 30, 2020 is as follows:

	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Face Amount</u>	<u>Carrying Amount</u>
Series 2004B Capital Appreciation Limited Tax School Bonds dated February 19, 2004 are due in annual installments through December 1, 2020	4.8%-5.0%	\$ 5,638,957	\$ 2,960,000	\$ 2,885,000

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE E - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds (Continued)

	<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 installments through December 1, 2024	5.3%-5.8%	\$ 18,500,926	\$ 39,970,000	\$ 32,296,967
Series 2005C Capital Appreciation Limited Tax School Bonds dated December 1, 2005 are due in annual installments through December 1, 2025	5.00%	2,035,598	11,560,000	7,295,663
Series 2017 Qualified School Construction Bonds dated December 1, 2017 are due on December 1, 2041	4.85%	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
		\$ <u>76,175,481</u>	\$ <u>104,490,000</u>	\$ <u>92,477,630</u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE E - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds (Continued)

At June 30, 2020, the District's future cash flow requirements for retirement of bond principal and interest were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 9,195,000	\$ 2,422,500	\$ 11,617,500
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
2026-2030	8,515,000	12,112,500	20,627,500
2031-2035	-	12,112,500	12,112,500
2036-2040	-	12,112,500	12,112,500
2041-2042	50,000,000	3,633,750	53,633,750
	<u>\$ 104,490,000</u>	<u>\$ 52,083,750</u>	<u>\$ 156,573,750</u>

<u>Year Ending June 30,</u>	<u>Sinking Fund Activity</u>	<u>Total Cash Requirements</u>
2021	\$ 1,030,000	\$ 12,647,500
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
2026-2030	9,135,000	29,762,500
2031-2035	10,075,000	22,187,500
2036-2040	10,075,000	22,187,500
2041-2042	<u>(34,605,000)</u>	<u>19,028,750</u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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, 2020		\$ (2,060,000)	\$ 154,513,750
Total		<u>2,060,000</u>	<u>2,060,000</u>
		<u>\$ -</u>	<u>\$ 156,573,750</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 \$6,076,767 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, 2020, the statutory debt limit for the District was \$113,197,807, of which \$50,930,162 is fully available.

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.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE F - RISK MANAGEMENT (Continued)

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. The District's liability will not exceed \$3,563,303 in the aggregate for the HMO plan or \$6,689,539 in the aggregate for the PPO plan, as provided by stop-loss provisions incorporated in the plan.

At June 30, 2020, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$3,042,543. 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, 2020 and June 30, 2019, changes in the liability reported in the General Fund for unpaid claims are summarized as follows:

	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>
Unpaid claims, beginning of fiscal year	\$ 1,090,508	\$ 1,267,600
Incurred claims (including those claims incurred but not reported)	13,326,353	9,751,196
Claim payments	<u>(11,374,318)</u>	<u>(9,928,288)</u>
Unpaid claims, end of fiscal year	\$ <u><u>3,042,543</u></u>	\$ <u><u>1,090,508</u></u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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 (discounted annuity for each year under age 60). The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

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, 2020

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, 2019, 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.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE G - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Contributions (Continued)

On-behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2020, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$45,867,196 in the Governmental Activities based on the economic resources measurement basis, and revenues and expenditures in the amount of \$21,762,217 in the General Fund based on the current financial resources measurement basis.

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, 2020, were \$282,251 and are deferred because they were paid after the June 30, 2019 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, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$788,691 were paid from federal and special trust funds that required employer contributions of \$84,074.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE G - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Contributions (Continued)

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, 2020, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$0 for salary increases in excess of 3 percent, and \$0 for sick leave days granted in excess of the normal annual allotment.

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

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

District's proportionate share of the net pension liability	\$ 5,935,835
State's proportionate share of the net pension liability associated with the District	<u>422,446,873</u>
Total	<u><u>\$ 428,382,708</u></u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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 net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. 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, 2019, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2019, the District's proportion was 0.0073184181 percent, which was an increase of 0.0000638026 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, 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	\$ 45,867,196	\$ 21,762,217
District TRS pension expense	<u>(657,497)</u>	<u>282,251</u>
Total TRS expense/expenditure	<u>\$ 45,209,699</u>	<u>\$ 22,044,468</u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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, 2020, 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	\$ 97,332	\$ -
Change of assumptions	133,003	113,938
Net difference between projected and actual earnings on pension plan investments	9,403	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>95,992</u>	<u>7,071,159</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>335,730</u>	<u>7,185,097</u>
District contributions subsequent to the measurement date	<u>282,251</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 617,981</u>	<u>\$ 7,185,097</u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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 \$282,251 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, 2021. 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 (Outflows) of Resources</u>
2021	\$ 1,918,837
2022	2,098,469
2023	1,963,766
2024	874,054
2025	(5,759)
Thereafter	<u>-</u>
	<u><u>\$ 6,849,367</u></u>

Actuarial Assumptions

The total pension liability in the June 30, 2019 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

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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)

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

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

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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)

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

Discount Rate

At June 30, 2019, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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, 2019 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:

	<u>1% Decrease</u> <u>(6.00)</u>	<u>Current</u> <u>Discount</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ <u>7,250,102</u>	\$ <u>5,935,835</u>	\$ <u>4,855,246</u>

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2019 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, 2020

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, 2020

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	324
Inactive plan members entitled to but not yet receiving benefits	369
Active plan members	<u>394</u>
Total	<u><u>1,087</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 2019 was 9.58%. For the fiscal year ended June 30, 2020 the District contributed \$1,538,362 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

The District's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates, 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, the IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projections scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
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J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

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 equity	37%	5.75%
International equity	18%	6.50%
Fixed income	28%	3.25%
Real estate	9%	5.20%
Alternative investments	7%	3.60% - 7.60%
Cash equivalents	1%	1.85%
Total	100%	

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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, 2020

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Liability

The following table shows the components of the change in the District's net pension liability for the calendar year ended December 31, 2019:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 79,701,159	\$ 66,695,222	\$ 13,005,937
Changes for the year:			
Service cost	1,349,937	-	1,349,937
Interest on the total pension liability	5,653,510	-	5,653,510
Difference between expected and actual experience of the total pension liability	2,189,927	-	2,189,927
Changes of assumptions	-	-	-
Contributions - employer	-	1,333,554	(1,333,554)
Contributions - employees	-	632,611	(632,611)
Net investment income	-	12,906,332	(12,906,332)
Benefit payments, including refunds of employee contributions	(4,793,361)	(4,793,361)	-
Other (net transfer)	-	402,699	(402,699)
Net changes	<u>4,400,013</u>	<u>10,481,835</u>	<u>(6,081,822)</u>
Balances at December 31, 2019	<u>\$ 84,101,172</u>	<u>\$ 77,177,057</u>	<u>\$ 6,924,115</u>

Sensitivity of the Net Pension Liability 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>\$ 17,225,492</u>	<u>\$ 6,924,115</u>	<u>\$ (1,578,251)</u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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, 2020 the District recognized pension expense of \$2,032,990. At June 30, 2020, 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	\$ 2,159,318	\$ 116,220
Change of assumptions	918,011	446,505
Net difference between projected and actual earnings on pension plan investments	<u>5,839,294</u>	<u>9,247,158</u>
 Total deferred amounts to be recognized in pension expense in the future periods	 <u>8,916,623</u>	 <u>9,809,883</u>
 Pension contributions made subsequent to the measurement date	 <u>889,655</u>	 <u>-</u>
 Total deferred amounts related to pensions	 <u><u>\$ 9,806,278</u></u>	 <u><u>\$ 9,809,883</u></u>

The District reported \$889,655 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, 2021.

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

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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)

<u>Year Ended June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ 55,379
2022	44,077
2023	639,048
2024	(1,631,764)
2025	-
Thereafter	<u>-</u>
Total	<u>\$ (893,260)</u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE G - PENSION LIABILITIES (Continued)

3. Summary of Pension Items

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	\$ 282,251	\$ 889,655	\$ 1,171,906
Experience	97,332	2,159,318	2,256,650
Assumptions	133,003	918,011	1,051,014
Proportionate share	95,992	-	95,992
Investments	9,403	5,839,294	5,848,697
	<u>\$ 617,981</u>	<u>\$ 9,806,278</u>	<u>\$ 10,424,259</u>
Net pension liability	<u>\$ 5,935,835</u>	<u>\$ 6,924,115</u>	<u>\$ 12,859,950</u>
Pension expense	<u>\$ 45,209,699</u>	<u>\$ 2,032,990</u>	<u>\$ 47,242,689</u>
Deferred inflows of resources:			
Assumptions	\$ 113,938	\$ 446,505	\$ 560,443
Experience	-	116,220	116,220
Investments	-	9,247,158	9,247,158
Proportionate share	7,071,159	-	7,071,159
	<u>\$ 7,185,097</u>	<u>\$ 9,809,883</u>	<u>\$ 16,994,980</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, 2020

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, 2020

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, 2020. 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, 2020, the District recognized revenue and expenses of \$3,694,000 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$2,908,487 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, 2020, the District paid \$447,708 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2019 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, 2020

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, 2020, 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	\$ 51,367,370
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>69,557,973</u>
Total	<u>\$ 120,925,343</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, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. 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, 2019, the District's proportion was 0.185593 percent, which was an increase of 0.006768 percent from its proportion measured as of June 30, 2018.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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, 2020, 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	\$ 3,694,000	\$ 603,433
District OPEB pension expenditure	<u>2,908,487</u>	<u>447,708</u>
Total OPEB expenditure	<u>\$ 6,602,487</u>	<u>\$ 1,051,141</u>

At June 30, 2020, 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	\$ -	\$ 852,401
Change of assumptions	19,474	5,888,374
Net difference between projected and actual earnings on OPEB plan investments	-	1,682
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>3,544,887</u>	<u>225,471</u>
Total deferred amounts to be recognized in OPEB expense in future periods	<u>3,564,361</u>	<u>6,967,928</u>
District contributions subsequent to the measurement date	<u>447,708</u>	<u>-</u>
Total deferred amounts related to OPEB	<u>\$ 4,012,069</u>	<u>\$ 6,967,928</u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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 \$447,708 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

<u>Year Ended June 30,</u>	<u>Net Deferred Inflows of Resources</u>
2021	\$ 762,432
2022	762,432
2023	762,300
2024	762,024
2025	515,540
Thereafter	<u>(161,161)</u>
Total	<u>\$ 3,403,567</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 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-go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2019, 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, 2020

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 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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)

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.

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 2019. 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 3.62 percent at June 30, 2018, and 3.13 percent at June 30, 2019, was used to measure the total OPEB liability. The decrease in the single discount rate, from 3.62 percent to 3.13 percent, caused the total OPEB liability for the entire plan to increase by approximately \$2,296 million as of June 30, 2019.

Investment Return

During plan year end June 30, 2019, the trust earned \$397,000 in interest, and the market value of assets at June 30, 2019, is \$68 million. Given the low asset value and pay-as-you-go funding policy, the investment 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 2.038% for plan year end June 30, 2019, and 1.301% for plan year end June 30, 2018.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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 3.13 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 (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current rate:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
District's proportionate share of the net OPEB liability	\$ 61,762,221	\$ 51,367,370	\$ 43,157,666

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

The following table shows the District's net OPEB liability as of June 30, 2019, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.81% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	1% Decrease*	Current Healthcare Trend Rate	1% Increase **
District's proportionate share of the net OPEB liability	\$ 41,500,645	\$ 51,367,370	\$ 64,693,628

* One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.81% in 2027, for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

** One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.81% in 2027, for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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 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	49
	<hr/>
Total	842
	<hr/> <hr/>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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	2.66% *
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, 2020

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 2020, changes in assumptions related to the discount rate were made (2.79% to 2.66%).

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 2.66% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2020.

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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, 2020, based upon an 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, 2019	\$ 6,856,567	\$ -	\$ 6,856,567
Changes for the year:			
Service cost	361,338	-	361,338
Interest on the total OPEB liability	179,567	-	179,567
Changes in benefit terms	131,010	-	131,010
Difference between expected and actual experience of the total OPEB liability	(157,272)	-	(157,272)
Changes of assumptions and other inputs	285,513	-	285,513
Contributions - employer	-	-	-
Contributions - active and inactive employees	-	-	-
Net investment income	-	-	-
Benefit payments, including the implicit rate subsidy	(840,936)	-	(840,936)
Other changes	95,083	-	95,083
Net changes	54,303	-	54,303
Balances at June 30, 2020	<u>\$ 6,910,870</u>	<u>\$ -</u>	<u>\$ 6,910,870</u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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 2.66%, 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 (1.66%)</u>	<u>Current Discount Rate (2.66%)</u>	<u>1% Higher (3.66%)</u>
Total OPEB liability	\$ <u>7,316,828</u>	\$ <u>6,910,870</u>	\$ <u>6,523,145</u>

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 Healthcare</u>	<u>1% Higher</u>
Total OPEB liability	\$ <u>6,300,166</u>	\$ <u>6,910,870</u>	\$ <u>7,622,210</u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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, 2020 the District recognized OPEB expense of \$616,991. At June 30, 2020, 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	\$ -	\$ 311,821
Change of assumptions	<u>465,233</u>	<u>442,499</u>
 Total deferred amounts to be recognized in OPEB expense in the future periods	 <u>\$ 465,233</u>	 <u>\$ 754,320</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 of Resources</u>
2021	\$ 54,924
2022	54,924
2023	54,924
2024	54,924
2025	54,924
Thereafter	<u>14,467</u>
Total	<u>\$ 289,087</u>

J. Sterling Morton High School District 201

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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, 2020:

	<u>THIS</u>	<u>RHP</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 447,708	\$ -	\$ 447,708
Assumptions	19,474	465,233	484,707
Experience	-	-	-
Proportionate share	<u>3,544,887</u>	<u>-</u>	<u>3,544,887</u>
	<u>\$ 4,012,069</u>	<u>\$ 465,233</u>	<u>\$ 4,477,302</u>
 OPEB liability	 <u>\$ 51,367,370</u>	 <u>\$ 6,910,870</u>	 <u>\$ 58,278,240</u>
 OPEB expense	 <u>\$ 6,602,487</u>	 <u>\$ 616,991</u>	 <u>\$ 7,219,478</u>
 Deferred inflows of resources:			
Assumptions	\$ 5,888,374	\$ 442,499	\$ 6,330,873
Experience	852,401	311,821	1,164,222
Investments	1,682	-	1,682
Proportionate share	<u>225,471</u>	<u>-</u>	<u>225,471</u>
	<u>\$ 6,967,928</u>	<u>\$ 754,320</u>	<u>\$ 7,722,248</u>

NOTE I - INTERFUND LOANS

As of June 30, 2020, the District has loaned \$298,731 from the General Fund (Educational Account) to the Debt Service Fund due to a delayed Qualified School Construction Bond federal subsidy receipt.

NOTE J - CONSTRUCTION COMMITMENTS

As of June 30, 2020, the District is committed to approximately \$7,527,500 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, 2020

NOTE K - 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 direct and indirect impacts of the COVID-19 pandemic on the District's enrollment, vendors, operations, and financing arrangements are currently unknown, other than those mentioned below, as is the duration and severity of any impacts that the District may experience. Additionally, taxpayers in Cook County have been granted an extension on the second installment payment for property tax (due August 1, 2020). Taxpayers were given to October 1, 2020 to remit property tax payments without penalty, which will affect the timing of the District receiving those property taxes, and overall cash flows. 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. No adjustments have been made to these financial statements as a result of this uncertainty.

NOTE L - SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 29, 2021, 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 AND RELATED RATIOS

MOST RECENT CALENDAR YEARS

Illinois Municipal Retirement Fund

Six Most Recent Fiscal Years

	2020	2019	2018	2017
Total pension liability				
Service cost	\$ 1,349,937	\$ 1,313,082	\$ 1,466,220	\$ 1,398,793
Interest on the total pension liability	5,653,510	5,442,171	5,499,547	5,234,751
Difference between expected and actual experience of the total pension liability	2,189,927	1,365,578	(631,383)	1,016,026
Assumption changes	-	2,146,777	(2,425,701)	(174,298)
Benefit payments and refunds	(4,793,361)	(4,944,366)	(4,249,898)	(4,080,097)
Net change in total pension liability	4,400,013	5,323,242	(341,215)	3,395,175
Total pension liability, beginning	79,701,159	74,377,917	74,719,132	71,323,957
Total pension liability, ending	<u>\$ 84,101,172</u>	<u>\$ 79,701,159</u>	<u>\$ 74,377,917</u>	<u>\$ 74,719,132</u>
Plan fiduciary net position				
Contributions, employer	\$ 1,333,554	\$ 1,577,551	\$ 1,505,670	\$ 1,581,981
Contributions, employee	632,611	654,248	625,531	606,604
Net investment income	12,906,332	(4,264,306)	11,473,376	4,222,491
Benefit payments, including refunds of employee contributions	(4,793,361)	(4,944,366)	(4,249,898)	(4,080,097)
Other (net transfer)	402,699	1,737,736	(1,575,744)	411,562
Net change in plan fiduciary net position	10,481,835	(5,239,137)	7,778,935	2,742,541
Plan fiduciary net position, beginning	66,695,222	71,934,359	64,155,424	61,412,883
Plan fiduciary net position, ending	<u>\$ 77,177,057</u>	<u>\$ 66,695,222</u>	<u>\$ 71,934,359</u>	<u>\$ 64,155,424</u>
Net pension liability	<u>\$ 6,924,115</u>	<u>\$ 13,005,937</u>	<u>\$ 2,443,558</u>	<u>\$ 10,563,708</u>
Plan fiduciary net position as a percentage of the total pension liability	91.77 %	83.68 %	96.71 %	85.86 %
Covered Valuation Payroll	\$ 13,786,676	\$ 12,919,260	\$ 13,047,398	\$ 13,316,346
Net pension liability as a percentage of covered valuation payroll	50.22 %	100.67 %	18.73 %	79.33 %

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.

	2016		2015
\$	1,376,234	\$	1,497,870
	4,972,352		4,656,933
	1,116,133		(788,111)
	84,159		2,675,593
	(3,846,691)		(3,528,043)
	<u>3,702,187</u>		<u>4,514,242</u>
	67,621,770		63,107,528
\$	<u><u>71,323,957</u></u>	\$	<u><u>67,621,770</u></u>
\$	1,599,287	\$	1,487,656
	604,868		575,577
	305,140		3,603,786
	(3,846,691)		(3,528,043)
	<u>901,102</u>		<u>(100,662)</u>
	(436,294)		2,038,314
	61,849,177		59,810,863
\$	<u><u>61,412,883</u></u>	\$	<u><u>61,849,177</u></u>
\$	<u><u>9,911,074</u></u>	\$	<u><u>5,772,593</u></u>
	86.10 %		91.46 %
\$	12,813,680	\$	12,113,794
	77.35 %		47.65 %

J. Sterling Morton High School District 201

MULTIYEAR SCHEDULE OF CONTRIBUTIONS

Illinois Municipal Retirement Fund

Six 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>
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 9.58% and covered valuation payroll of \$13,786,676 (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
Six Most Recent Fiscal Years

	<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>
District's proportion of the net pension liability	0.0073184181 %		0.0072546155 %		0.0220399653 %		0.0229553199 %
District's proportionate share of the net pension liability	\$ 5,935,835	\$	5,654,598	\$	16,838,124	\$	18,120,022
State's proportionate share of the net pension liability associated with the District	<u>422,446,873</u>		<u>387,363,681</u>		<u>331,816,459</u>		<u>308,907,911</u>
Total	<u>\$ 428,382,708</u>	\$	<u>393,018,279</u>	\$	<u>348,654,583</u>	\$	<u>327,027,933</u>
District's covered-employee payroll	\$ 45,605,062	\$	42,689,785	\$	41,316,776	\$	39,425,189
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	13.02 %		13.25 %		40.75 %		45.96 %
Plan fiduciary net position as a percentage of the total pension liability	39.6 %		40.0 %		39.3 %		36.4 %

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>2016</u>		<u>2015</u>	
	0.0225832234 %		0.0164412830 %
\$	14,794,286	\$	10,005,881
	<u>228,260,631</u>		<u>275,578,370</u>
\$	<u>243,054,917</u>	\$	<u>285,584,251</u>
\$	37,300,609	\$	38,072,544
	39.66 %		26.28 %
	41.5 %		43.0 %

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 264,509	\$ 362,069	\$ 339,039	\$ 932,495
Contributions in relation to the contractually required contribution	<u>282,251</u>	<u>361,821</u>	<u>339,238</u>	<u>908,039</u>
Contribution excess	\$ <u>(17,742)</u>	\$ <u>248</u>	\$ <u>(199)</u>	\$ <u>24,456</u>
District's covered-employee payroll	\$ 48,663,963	\$ 45,605,062	\$ 42,689,785	\$ 41,316,776
Contributions as a percentage of covered-employee payroll	0.5800 %	0.7934 %	0.7947 %	2.1977 %

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>2016</u>	<u>2015</u>
\$ 820,487	\$ 781,251
<u>888,992</u>	<u>791,315</u>
\$ <u>(68,505)</u>	\$ <u>(10,064)</u>
\$ 39,425,189	\$ 37,300,609
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

Three Most Recent Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 361,338	\$ 271,298	\$ 256,038
Interest on the total OPEB liability	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	285,513	69,844	(883,290)
Benefit payments and refunds	(840,936)	(809,922)	(213,744)
Other changes	95,083	(5,382)	-
Net change in total OPEB liability	54,303	(273,747)	(1,182,772)
Total OPEB liability, beginning	6,856,567	7,130,314	8,313,086
Total OPEB liability, ending	<u>\$ 6,910,870</u>	<u>\$ 6,856,567</u>	<u>\$ 7,130,314</u>
Covered Valuation Payroll *	Not available	\$ 59,234,226	\$ 56,531,694
Total OPEB liability as a percentage of covered valuation payroll	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
Three Most Recent Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.0018559 %	0.1788244 %	0.1797969 %
District's proportionate share of the net OPEB liability	\$ 51,367,370	\$ 47,112,886	\$ 46,656,514
State's proportionate share of the net OPEB liability associated with the District	<u>69,557,973</u>	<u>63,262,446</u>	<u>61,271,596</u>
Total	<u>\$ 120,925,343</u>	<u>\$ 110,375,332</u>	<u>\$ 107,928,110</u>
District's covered-employee payroll	\$ 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	112.64%	110.36%	112.92%
Plan fiduciary net position as a percentage of the total OPEB liability	-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
Three Most Recent Fiscal Years

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

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Revenues			
Local sources			
General levy	\$ 26,510,998	\$ 27,469,715	\$ 958,717
Special education levy	419,718	428,668	8,950
Summer school tuition from pupils or parents	40,000	1,030	(38,970)
Adult tuition from pupils or parents	150,000	145,995	(4,005)
Interest on investments	1,350,000	2,505,936	1,155,936
Sales to pupils - lunch	180,300	185,145	4,845
Sales to pupils - breakfast	7,500	5,783	(1,717)
Sales to pupils - a la carte	304,500	295,843	(8,657)
Sales to adults	150,100	152,468	2,368
Other food service	3,500	-	(3,500)
Admissions - athletic	12,700	19,936	7,236
Admissions - other	10,000	5,619	(4,381)
Fees	-	280	280
Book store sales	398,000	309,142	(88,858)
Other district/school activity revenue	216,000	218,185	2,185
Rentals - other	7,000	-	(7,000)
Sales - regular textbook	-	3,538	3,538
Refund of prior years' expenditures	20,000	750,000	730,000
Payments of surplus moneys from TIF districts	-	132	132
Drivers' education fees	2,500	6,588	4,088
Payment from other districts	110,000	-	(110,000)
Sale of vocational projects	1,000	-	(1,000)
Other local fees	850,000	-	(850,000)
Other	500,000	595,935	95,935
Total local sources	31,243,816	33,099,938	1,856,122

(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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
State sources			
Evidence Based Funding Formula	\$ 47,585,120	\$ 47,835,843	\$ 250,723
Special Education - Private Facility Tuition	1,100,000	1,474,194	374,194
CTE - Secondary Program			
Improvement (CTEI)	225,000	283,244	58,244
State Free Lunch & Breakfast	40,000	36,770	(3,230)
Driver Education	12,000	25,301	13,301
Truant Alternative/Optional Education	-	125,000	125,000
Early Childhood - Block Grant	456,000	352,372	(103,628)
Other restricted revenue from state sources	<u>130,000</u>	<u>350,994</u>	<u>220,994</u>
Total state sources	<u>49,548,120</u>	<u>50,483,718</u>	<u>935,598</u>
Federal sources			
National School Lunch Program	2,300,000	2,234,504	(65,496)
School Breakfast Program	260,000	308,278	48,278
Summer Food Service Program	-	1,487,535	1,487,535
Child and Adult Care Food Program	110,000	100,018	(9,982)
Title I - Low Income	2,809,111	2,928,159	119,048
Federal Special Education -			
IDEA Flow Through	2,617,610	1,941,562	(676,048)
Federal Special Education -			
IDEA Room & Board	20,000	3,459	(16,541)
CTE - Perkins-Title III E Tech Prep	400,000	361,233	(38,767)
Title III - Instruction for English Learners &			
Immigrant Students	5,000	13,881	8,881
Title III - English Language Acquisition	-	104,486	104,486
Title II - Teacher Quality	326,229	291,494	(34,735)
Medicaid Matching Funds -			
Administrative Outreach	-	267,694	267,694

(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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Federal sources (Continued)			
Medicaid Matching Funds -			
Fee-For-Service Program	\$ -	\$ 196,473	\$ 196,473
Other Restricted Grants Received from Federal			
Government through the State	<u>500,000</u>	<u>138,162</u>	<u>(361,838)</u>
Total federal sources	<u>9,347,950</u>	<u>10,376,938</u>	<u>1,028,988</u>
Total revenues	<u>90,139,886</u>	<u>93,960,594</u>	<u>3,820,708</u>
Expenditures			
Instruction			
Regular programs			
Salaries	28,004,890	28,010,585	(5,695)
Employee benefits	8,441,439	6,919,507	1,521,932
Purchased services	305,300	117,539	187,761
Supplies and materials	1,535,275	1,688,804	(153,529)
Capital outlay	208,407	226,378	(17,971)
Other objects	12,350	6,597	5,753
Non-capitalized equipment	<u>447</u>	<u>43,461</u>	<u>(43,014)</u>
Total	<u>38,508,108</u>	<u>37,012,871</u>	<u>1,495,237</u>
Special education programs			
Salaries	7,584,449	7,807,388	(222,939)
Employee benefits	1,769,467	2,011,089	(241,622)
Purchased services	127,000	282,548	(155,548)

(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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Special education programs (Continued)			
Supplies and materials	\$ 108,000	\$ 38,930	\$ 69,070
Capital outlay	112,000	48,860	63,140
Other objects	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total	<u>9,702,916</u>	<u>10,188,815</u>	<u>(485,899)</u>
Remedial and Supplemental programs K-12			
Salaries	270,306	164,732	105,574
Employee benefits	146,422	92,250	54,172
Purchased services	190,477	87,597	102,880
Supplies and materials	<u>1,133,378</u>	<u>1,227,278</u>	<u>(93,900)</u>
Total	<u>1,740,583</u>	<u>1,571,857</u>	<u>168,726</u>
Adult/continuing education programs			
Salaries	260,723	205,027	55,696
Employee benefits	6,923	3,016	3,907
Supplies and materials	<u>2,500</u>	<u>94</u>	<u>2,406</u>
Total	<u>270,146</u>	<u>208,137</u>	<u>62,009</u>
CTE programs			
Salaries	2,414,847	2,271,160	143,687
Employee benefits	570,669	535,885	34,784
Purchased services	39,420	70,194	(30,774)
Supplies and materials	<u>277,829</u>	<u>531,700</u>	<u>(253,871)</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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
CTE programs (Continued)			
Capital outlay	\$ 90,539	\$ 177,452	\$ (86,913)
Other objects	4,660	3,849	811
Non-capitalized equipment	<u>6,000</u>	<u>3,510</u>	<u>2,490</u>
Total	<u>3,403,964</u>	<u>3,593,750</u>	<u>(189,786)</u>
Interscholastic programs			
Salaries	1,003,539	885,797	117,742
Employee benefits	29,655	29,836	(181)
Purchased services	355,900	330,525	25,375
Supplies and materials	216,538	178,123	38,415
Capital outlay	100,000	28,580	71,420
Other objects	<u>300</u>	<u>80</u>	<u>220</u>
Total	<u>1,705,932</u>	<u>1,452,941</u>	<u>252,991</u>
Summer school programs			
Salaries	232,131	405,391	(173,260)
Employee benefits	2,818	9,145	(6,327)
Supplies and materials	<u>200</u>	<u>29,326</u>	<u>(29,126)</u>
Total	<u>235,149</u>	<u>443,862</u>	<u>(208,713)</u>
Drivers education programs			
Salaries	15,323	11,910	3,413
Employee benefits	204	179	25
Purchased services	14,450	9,160	5,290
Supplies and materials	9,780	741	9,039
Capital outlay	<u>66,369</u>	<u>9,223</u>	<u>57,146</u>
Total	<u>106,126</u>	<u>31,213</u>	<u>74,913</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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Bilingual programs			
Salaries	\$ 919,083	\$ 1,416,600	\$ (497,517)
Employee benefits	187,299	314,381	(127,082)
Purchased services	4,000	6,501	(2,501)
Supplies and materials	<u>19,800</u>	<u>465</u>	<u>19,335</u>
Total	<u>1,130,182</u>	<u>1,737,947</u>	<u>(607,765)</u>
Truant's alternative and optional programs			
Salaries	40,300	21,442	18,858
Employee benefits	548	320	228
Purchased services	1,250	4,138	(2,888)
Supplies and materials	20,300	13,532	6,768
Capital outlay	5,000	4,578	422
Non-capitalized equipment	<u>3,300</u>	<u>-</u>	<u>3,300</u>
Total	<u>70,698</u>	<u>44,010</u>	<u>26,688</u>
Special Education K-12 Programs			
Private Tuition	<u>3,800,000</u>	<u>4,094,783</u>	<u>(294,783)</u>
Total instruction	<u>60,673,804</u>	<u>60,380,186</u>	<u>293,618</u>
Support services			
Pupils			
Attendance and social work services			
Salaries	2,599,879	2,218,033	381,846
Employee benefits	553,773	579,472	(25,699)

(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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Attendance and social work services (Continued)			
Purchased services	\$ 120,130	\$ 19,572	\$ 100,558
Supplies and materials	69,700	47,684	22,016
Capital outlay	<u>35,048</u>	<u>18,917</u>	<u>16,131</u>
Total	<u>3,378,530</u>	<u>2,883,678</u>	<u>494,852</u>
Guidance services			
Salaries	2,415,362	2,451,101	(35,739)
Employee benefits	563,407	569,738	(6,331)
Purchased services	20,800	4,302	16,498
Supplies and materials	8,600	3,050	5,550
Capital outlay	1,000	-	1,000
Other objects	<u>2,500</u>	<u>1,173</u>	<u>1,327</u>
Total	<u>3,011,669</u>	<u>3,029,364</u>	<u>(17,695)</u>
Health services			
Salaries	324,364	614,893	(290,529)
Employee benefits	84,152	174,726	(90,574)
Purchased services	341,548	236,628	104,920
Supplies and materials	12,100	3,389	8,711
Capital outlay	19,947	9,884	10,063
Other objects	3,400	598	2,802
Non-capitalized equipment	<u>1,500</u>	<u>1,337</u>	<u>163</u>
Total	<u>787,011</u>	<u>1,041,455</u>	<u>(254,444)</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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Psychological services			
Salaries	\$ 266,645	\$ 336,704	\$ (70,059)
Employee benefits	74,530	86,171	(11,641)
Supplies and materials	<u>35,000</u>	<u>3,845</u>	<u>31,155</u>
Total	<u>376,175</u>	<u>426,720</u>	<u>(50,545)</u>
Speech pathology and audiology services			
Salaries	245,000	298,970	(53,970)
Employee benefits	59,120	-	59,120
Capital outlay	<u>-</u>	<u>2,801</u>	<u>(2,801)</u>
Total	<u>304,120</u>	<u>301,771</u>	<u>2,349</u>
Other support services - pupils			
Salaries	206,637	302,265	(95,628)
Employee benefits	15,140	15,522	(382)
Supplies and materials	2,950	869	2,081
Other objects	<u>1,560</u>	<u>580</u>	<u>980</u>
Total	<u>226,287</u>	<u>319,236</u>	<u>(92,949)</u>
Total pupils	<u>8,083,792</u>	<u>8,002,224</u>	<u>81,568</u>
Instructional staff			
Improvement of instruction services			
Salaries	1,919,125	2,036,424	(117,299)
Employee benefits	522,140	434,440	87,700

(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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Improvement of instruction services (Continued)			
Purchased services	\$ 1,117,320	\$ 420,970	\$ 696,350
Supplies and materials	66,695	20,213	46,482
Other objects	<u>3,500</u>	<u>506</u>	<u>2,994</u>
Total	<u>3,628,780</u>	<u>2,912,553</u>	<u>716,227</u>
Educational media services			
Salaries	588,087	591,724	(3,637)
Employee benefits	202,349	206,823	(4,474)
Purchased services	181,300	70,592	110,708
Supplies and materials	212,552	179,664	32,888
Capital outlay	81,000	103,971	(22,971)
Other objects	-	892	(892)
Non-capitalized equipment	<u>10,080</u>	<u>3,953</u>	<u>6,127</u>
Total	<u>1,275,368</u>	<u>1,157,619</u>	<u>117,749</u>
Assessment and testing			
Salaries	-	4,302	(4,302)
Employee benefits	-	51	(51)
Purchased services	50,000	93,068	(43,068)
Supplies and materials	<u>-</u>	<u>17,000</u>	<u>(17,000)</u>
Total	<u>50,000</u>	<u>114,421</u>	<u>(64,421)</u>
Total instructional staff	<u>4,954,148</u>	<u>4,184,593</u>	<u>769,555</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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
General administration			
Board of education services			
Salaries	\$ 343,633	\$ 313,943	\$ 29,690
Employee benefits	59,536	114,555	(55,019)
Purchased services	625,668	321,067	304,601
Supplies and materials	103,700	16,508	87,192
Capital outlay	4,500	4,266	234
Other objects	<u>66,000</u>	<u>67,760</u>	<u>(1,760)</u>
Total	<u>1,203,037</u>	<u>838,099</u>	<u>364,938</u>
Executive administration services			
Salaries	344,639	596,949	(252,310)
Employee benefits	127,569	143,929	(16,360)
Purchased services	187,100	27,512	159,588
Supplies and materials	17,000	6,841	10,159
Other objects	<u>34,000</u>	<u>17,634</u>	<u>16,366</u>
Total	<u>710,308</u>	<u>792,865</u>	<u>(82,557)</u>
Special area administrative services			
Salaries	658,746	656,894	1,852
Employee benefits	164,141	176,262	(12,121)
Purchased services	6,500	6,015	485
Supplies and materials	<u>-</u>	<u>194</u>	<u>(194)</u>
Total	<u>829,387</u>	<u>839,365</u>	<u>(9,978)</u>
Total general administration	<u>2,742,732</u>	<u>2,470,329</u>	<u>272,403</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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
School administration			
Office of the principal services			
Salaries	\$ 2,376,367	\$ 2,209,096	\$ 167,271
Employee benefits	555,771	568,761	(12,990)
Purchased services	82,153	83,086	(933)
Supplies and materials	51,200	11,160	40,040
Capital outlay	20,000	1,315,482	(1,295,482)
Other objects	43,450	15,282	28,168
Non-capitalized equipment	10,000	-	10,000
Total	3,138,941	4,202,867	(1,063,926)
Total school administration	3,138,941	4,202,867	(1,063,926)
Business			
Direction of business support services			
Salaries	145,600	146,467	(867)
Employee benefits	45,602	45,203	399
Total	191,202	191,670	(468)
Fiscal services			
Salaries	565,861	563,483	2,378
Employee benefits	112,106	154,101	(41,995)

(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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Fiscal services (Continued)			
Purchased services	\$ 84,000	\$ 215,475	\$ (131,475)
Supplies and materials	21,000	19,553	1,447
Other objects	<u>6,000</u>	<u>6,919</u>	<u>(919)</u>
Total	<u>788,967</u>	<u>959,531</u>	<u>(170,564)</u>
Operation and maintenance of plant services			
Supplies and materials	<u>-</u>	<u>192,203</u>	<u>(192,203)</u>
Total	<u>-</u>	<u>192,203</u>	<u>(192,203)</u>
Pupil transportation services			
Capital outlay	<u>80,080</u>	<u>35,325</u>	<u>44,755</u>
Total	<u>80,080</u>	<u>35,325</u>	<u>44,755</u>
Food services			
Salaries	1,214,012	1,175,035	38,977
Employee benefits	323,996	372,373	(48,377)
Purchased services	8,000	186,463	(178,463)
Supplies and materials	1,383,619	1,499,404	(115,785)
Capital outlay	60,000	22,143	37,857
Other objects	3,000	3,276	(276)
Non-capitalized equipment	<u>43,000</u>	<u>8,672</u>	<u>34,328</u>
Total	<u>3,035,627</u>	<u>3,267,366</u>	<u>(231,739)</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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Internal services			
Salaries	\$ 228,676	\$ 244,233	\$ (15,557)
Employee benefits	23,955	45,796	(21,841)
Purchased services	52,000	109,647	(57,647)
Supplies and materials	<u>82,000</u>	<u>238,911</u>	<u>(156,911)</u>
Total	<u>386,631</u>	<u>638,587</u>	<u>(251,956)</u>
Total business	<u>4,482,507</u>	<u>5,284,682</u>	<u>(802,175)</u>
Central			
Information services			
Salaries	55,000	51,292	3,708
Employee benefits	29,367	18,989	10,378
Purchased services	213,400	144,583	68,817
Capital outlay	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total	<u>301,767</u>	<u>214,864</u>	<u>86,903</u>
Data processing services			
Salaries	618,706	577,437	41,269
Employee benefits	295,667	180,289	115,378
Purchased services	1,926,756	1,459,182	467,574
Supplies and materials	94,400	46,233	48,167
Capital outlay	<u>850,000</u>	<u>678,667</u>	<u>171,333</u>
Total	<u>3,785,529</u>	<u>2,941,808</u>	<u>843,721</u>
Total central	<u>4,087,296</u>	<u>3,156,672</u>	<u>930,624</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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Other supporting services			
Salaries	\$ 95,000	\$ 51,889	\$ 43,111
Employee benefits	20,977	7,860	13,117
Purchased services	-	898,306	(898,306)
Supplies and materials	3,500	3,650	(150)
Other objects	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total	<u>124,477</u>	<u>961,705</u>	<u>(837,228)</u>
Total support services	<u>27,613,893</u>	<u>28,263,072</u>	<u>(649,179)</u>
Community services			
Salaries	372,287	160,230	212,057
Employee benefits	107,052	70,589	36,463
Purchased services	-	354,115	(354,115)
Supplies and materials	13,205	6,941	6,264
Capital outlay	<u>-</u>	<u>4,714</u>	<u>(4,714)</u>
Total	<u>492,544</u>	<u>596,589</u>	<u>(104,045)</u>
Payments to other districts and government units			
Payments for regular programs			
Purchased services	<u>-</u>	<u>94,575</u>	<u>(94,575)</u>
Total	<u>-</u>	<u>94,575</u>	<u>(94,575)</u>
Payments for CTE education programs			
Other objects	<u>-</u>	<u>19,244</u>	<u>(19,244)</u>
Total	<u>-</u>	<u>19,244</u>	<u>(19,244)</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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Payments for special education programs - tuition			
Other objects	<u>\$ 850,000</u>	<u>\$ 147,293</u>	<u>\$ 702,707</u>
 Total payments to other districts and other government units	 <u>850,000</u>	 <u>261,112</u>	 <u>588,888</u>
 Total expenditures	 <u>89,630,241</u>	 <u>89,500,959</u>	 <u>129,282</u>
 Excess of revenues over expenditures	 <u><u>\$ 509,645</u></u>	 <u>4,459,635</u>	 <u><u>\$ 3,949,990</u></u>
 Fund balance, beginning of year		<u>53,922,345</u>	
 Fund balance, end of year		<u><u>\$ 58,381,980</u></u>	

(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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Revenues			
Local sources			
General levy	\$ 5,615,883	\$ 6,192,131	\$ 576,248
Interest on investments	150,000	287,012	137,012
Rentals	25,000	12,650	(12,350)
Other	<u>25,000</u>	<u>93,502</u>	<u>68,502</u>
Total local sources	<u>5,815,883</u>	<u>6,585,295</u>	<u>769,412</u>
State sources			
Evidence Based Funding Formula	<u>18,971,317</u>	<u>18,974,134</u>	<u>2,817</u>
Total state sources	<u>18,971,317</u>	<u>18,974,134</u>	<u>2,817</u>
Total revenues	<u>24,787,200</u>	<u>25,559,429</u>	<u>772,229</u>
Expenditures			
Support services			
Business			
Facilities acquisition and construction services			
Capital outlay	<u>7,720,000</u>	<u>7,451,266</u>	<u>268,734</u>
Total	<u>7,720,000</u>	<u>7,451,266</u>	<u>268,734</u>

(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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Operation and maintenance of plant services			
Salaries	\$ 6,957,005	\$ 6,842,867	\$ 114,138
Employee benefits	1,662,842	1,423,609	239,233
Purchased services	2,833,900	3,429,024	(595,124)
Supplies and materials	2,913,500	2,223,293	690,207
Capital outlay	655,000	785,405	(130,405)
Non-capitalized equipment	<u>26,000</u>	<u>1,979</u>	<u>24,021</u>
 Total	<u>15,048,247</u>	<u>14,706,177</u>	<u>342,070</u>
 Total business	<u>22,768,247</u>	<u>22,157,443</u>	<u>610,804</u>
 Other support services			
Purchased services	<u>350,000</u>	<u>336,046</u>	<u>13,954</u>
 Total	<u>350,000</u>	<u>336,046</u>	<u>13,954</u>
 Total support services	<u>23,118,247</u>	<u>22,493,489</u>	<u>624,758</u>
 Total expenditures	<u>23,118,247</u>	<u>22,493,489</u>	<u>624,758</u>
 Excess of revenues over expenditures	<u>\$ 1,668,953</u>	<u>3,065,940</u>	<u>\$ 1,396,987</u>
 Fund balance, beginning of year		<u>5,282,104</u>	
 Fund balance, end of year		<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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Revenues			
Local sources			
General levy	\$ 1,166,950	\$ 1,284,092	\$ 117,142
Interest on investments	<u>70,000</u>	<u>115,411</u>	<u>45,411</u>
Total local sources	<u>1,236,950</u>	<u>1,399,503</u>	<u>162,553</u>
State sources			
Evidence Based Funding Formula	1,500,000	1,497,242	(2,758)
Transportation - Regular and Vocational	716	747	31
Transportation - Special Education	<u>2,267,904</u>	<u>2,292,063</u>	<u>24,159</u>
Total state sources	<u>3,768,620</u>	<u>3,790,052</u>	<u>21,432</u>
Total revenues	<u>5,005,570</u>	<u>5,189,555</u>	<u>183,985</u>

(Continued)

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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Expenditures			
Support services			
Business			
Pupil transportation services			
Salaries	\$ 37,092	\$ 34,995	\$ 2,097
Employee benefits	21,000	17,218	3,782
Purchased services	4,220,362	3,883,060	337,302
Supplies and materials	7,800	4,331	3,469
Capital outlay	432,000	-	432,000
Other objects	<u>500</u>	<u>510</u>	<u>(10)</u>
Total	<u>4,718,754</u>	<u>3,940,114</u>	<u>778,640</u>
Total support services	<u>4,718,754</u>	<u>3,940,114</u>	<u>778,640</u>
Total expenditures	<u>4,718,754</u>	<u>3,940,114</u>	<u>778,640</u>
Excess of revenues over expenditures	<u>\$ 286,816</u>	<u>1,249,441</u>	<u>\$ 962,625</u>
Fund balance, beginning of year		<u>2,489,040</u>	
Fund balance, end of year		<u>\$ 3,738,481</u>	

(Concluded)

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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Revenues			
Local sources			
General levy	\$ 1,355,247	\$ 1,417,758	\$ 62,511
Social security/Medicare only levy	1,355,247	1,417,758	62,511
Corporate personal property replacement taxes	1,369,436	1,805,286	435,850
Interest on investments	<u>25,000</u>	<u>113,339</u>	<u>88,339</u>
Total local sources	<u>4,104,930</u>	<u>4,754,141</u>	<u>649,211</u>
Total revenues	<u>4,104,930</u>	<u>4,754,141</u>	<u>649,211</u>
Expenditures			
Instruction			
Regular programs	506,374	403,393	102,981
Special education programs	214,835	371,626	(156,791)
Remedial and supplemental programs K-12	14,839	13,721	1,118
Adult/continuing education programs	4,544	3,267	1,277
Vocational educational programs	451,906	71,055	380,851
Interscholastic programs	39,084	34,155	4,929
Summer school programs	9,250	14,639	(5,389)
Drivers education programs	11,350	173	11,177
Bilingual programs	22,915	29,677	(6,762)
Truant's alternative and optional programs	<u>726</u>	<u>303</u>	<u>423</u>
Total instruction	<u>1,275,823</u>	<u>942,009</u>	<u>333,814</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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Support services			
Pupils			
Attendance and social work services	\$ 170,078	\$ 155,227	\$ 14,851
Guidance services	67,517	54,830	12,687
Health services	72,900	112,762	(39,862)
Psychological services	4,990	4,779	211
Speech pathology and audiology services	3,449	3,407	42
Other support services -pupils	<u>15,217</u>	<u>10,564</u>	<u>4,653</u>
Total pupils	<u>334,151</u>	<u>341,569</u>	<u>(7,418)</u>
Instructional staff			
Improvement of instruction services	45,901	70,206	(24,305)
Educational media services	58,627	52,914	5,713
Assessment and testing	<u>85</u>	<u>242</u>	<u>(157)</u>
Total instructional staff	<u>104,613</u>	<u>123,362</u>	<u>(18,749)</u>
General administration			
Board of education services	39,632	25,631	14,001
Executive administration services	28,856	29,523	(667)
Special area administrative services	<u>56,357</u>	<u>55,554</u>	<u>803</u>
Total general administration	<u>124,845</u>	<u>110,708</u>	<u>14,137</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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
School administration			
Office of the principal services	\$ 154,775	\$ 123,720	\$ 31,055
Total school administration	154,775	123,720	31,055
Business			
Direction of business support services	2,500	2,113	387
Fiscal services	112,511	97,539	14,972
Operation and maintenance of plant services	1,283,506	1,218,043	65,463
Pupil transportation services	6,929	6,428	501
Food services	210,910	207,452	3,458
Internal services	49,633	42,216	7,417
Total business	1,665,989	1,573,791	92,198
Central			
Information services	10,490	8,529	1,961
Data processing services	113,254	105,910	7,344
Total central	123,744	114,439	9,305
Other support services	17,360	9,613	7,747
Total support services	2,525,477	2,397,202	128,275
Community services	31,597	28,826	2,771
Total expenditures	3,832,897	3,368,037	464,860

(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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Excess of revenues over expenditures	<u>\$ 272,033</u>	<u>\$ 1,386,104</u>	<u>\$ 1,114,071</u>
Fund balance, beginning of year		<u>2,160,215</u>	
Fund balance, end of year		<u><u>\$ 3,546,319</u></u>	

(Concluded)

J. Sterling Morton High School District 201
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

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 11, 2019.
- g) All budgets lapse at the end of the fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGETS

The following fund had expenditures in excess of budget at June 30, 2020:

<u>Fund</u>	<u>Variance</u>
Capital Projects	\$ 6,110,030

J. Sterling Morton High School District 201
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

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	\$ 93,960,594	\$ 89,500,959
On-behalf payments received	22,365,650	-
On-behalf payments made	-	22,365,650
	<u>116,326,244</u>	<u>111,866,609</u>
General fund - GAAP basis	\$ 116,326,244	\$ 111,866,609

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

For the 2019, 2018, 2017, and 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%. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

For the 2015 and 2014 measurement years, 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 2019 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, 2020

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 IMRF CONTRIBUTION RATE* (Continued)

Methods and Assumptions Used to Determine the 2019 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): 24-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 19 years for most employers (three employers were financed over 28 years and four other were financed over 29 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, 2020

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 IMRF CONTRIBUTION RATE* (Continued)

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation.

Change in Assumptions:

For the 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 2019 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, 2018
Measurement Date	June 30, 2019
Fiscal Year End	June 30, 2020

Methods and Assumptions Used to Determine the 2019 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	3.13%
Price Inflation	2.50%

J. Sterling Morton High School District 201
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 THIS CONTRIBUTION RATE (Continued)

Methods and Assumptions Used to Determine the 2019 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	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare cost on and after 2022 to account for 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 3.62% used in the Fiscal Year 2019 valuation to 3.13%, 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 3.56% used in Fiscal Year 2018 valuation to 3.62%.

J. Sterling Morton High School District 201
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

7. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 RHP CONTRIBUTION RATE

Valuation Date:

Valuation Date	July 1, 2019
Measurement Date	June 30, 2020
Fiscal Year End	June 30, 2020

Methods and Assumptions Used to Determine the 2020 Contribution Rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-line
Remaining Amortization Period	10.71 years
Municipal Bond Index	2.66%

Asset Valuation Method	Market value
Investment Rate of Return	Not applicable
Price Inflation	3.00%
Salary Increases	4.00%

Retirement Rates	IMRF Employees and Retirees: Rates from the December 31, 2019 IMRF Actuarial Valuation Report (non certified employees) and June 30, 2019 Teachers' Retirement System Actuarial Valuation Report (certified employees).
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Election at Retirement	100% of certified administrators, teachers, clerical employees, and custodial/maintenance will elect District medical and dental coverage at retirement. 20% of all other employees will elect continuation of medical coverage on a pay-all basis at retirement.
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Mortality	IMRF Employees and Retirees: Rates from the December 31, 2019 IMRF Actuarial Valuation Report (non certified employees) and June 30, 2019 Teachers' Retirement System Actuarial Valuation Report (certified employees).
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Healthcare Cost Trend Rates	PPO: 6.00% initial, 4.50% ultimate HMO: 5.50% initial, 4.50% ultimate TRIP: 5.00% constant trend rate
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J. Sterling Morton High School District 201
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

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

Change in Assumptions:

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.

Benefit Changes:

A new retiree healthcare benefit for the Superintendent and spouse were incorporated into the analysis.

OTHER SUPPLEMENTARY FINANCIAL INFORMATION

J. Sterling Morton High School District 201

General Fund

COMBINING BALANCE SHEET

June 30, 2020

	Educational Account	Working Cash Account	Total
ASSETS			
Cash and investments	\$ 50,486,992	\$ 8,490,069	\$ 58,977,061
Receivables (net of allowance for uncollectibles):			
Property taxes	11,667,493	-	11,667,493
Intergovernmental	4,004,957	-	4,004,957
Advances to other funds	298,731	-	298,731
Inventory	110,632	-	110,632
Prepaid items	266,731	-	266,731
Other current assets	<u>72,755</u>	<u>-</u>	<u>72,755</u>
Total assets	<u>\$ 66,908,291</u>	<u>\$ 8,490,069</u>	<u>\$ 75,398,360</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 2,173,439	\$ -	\$ 2,173,439
Salaries and wages payable	116,030	-	116,030
Claims payable	<u>3,042,543</u>	<u>-</u>	<u>3,042,543</u>
Total liabilities	<u>5,332,012</u>	<u>-</u>	<u>5,332,012</u>
DEFERRED INFLOWS			
Unavailable grant revenue	16,875	-	16,875
Property taxes levied for a future period	<u>11,667,493</u>	<u>-</u>	<u>11,667,493</u>
Total deferred inflows	<u>11,684,368</u>	<u>-</u>	<u>11,684,368</u>
FUND BALANCES			
Nonspendable	676,094	-	676,094
Unassigned	<u>49,215,817</u>	<u>8,490,069</u>	<u>57,705,886</u>
Total fund balance	<u>49,891,911</u>	<u>8,490,069</u>	<u>58,381,980</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 66,908,291</u>	<u>\$ 8,490,069</u>	<u>\$ 75,398,360</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, 2020

	Educational Account	Working Cash Account	Total
Revenues			
Property taxes	\$ 27,898,383	\$ -	\$ 27,898,383
State aid	72,849,368	-	72,849,368
Federal aid	10,376,938	-	10,376,938
Interest	2,184,414	321,522	2,505,936
Other	2,695,619	-	2,695,619
Total revenues	116,004,722	321,522	116,326,244
Expenditures			
Current:			
Instruction:			
Regular programs	36,786,493	-	36,786,493
Special programs	14,184,265	-	14,184,265
Other instructional programs	8,914,357	-	8,914,357
State retirement contributions	22,365,650	-	22,365,650
Support services:			
Pupils	7,970,622	-	7,970,622
Instructional staff	4,080,622	-	4,080,622
General administration	2,466,063	-	2,466,063
School administration	2,887,385	-	2,887,385
Business	5,227,214	-	5,227,214
Central	2,478,005	-	2,478,005
Other supporting services	961,705	-	961,705
Community services	591,875	-	591,875
Nonprogrammed charges	261,112	-	261,112
Capital outlay	2,691,241	-	2,691,241
Total expenditures	111,866,609	-	111,866,609
Excess of revenues over expenditures	4,138,113	321,522	4,459,635
Fund balance, beginning of year	45,753,798	8,168,547	53,922,345
Fund balance, end of year	\$ 49,891,911	\$ 8,490,069	\$ 58,381,980

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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Revenues			
Local sources			
General levy	\$ 11,060,517	\$ 8,679,812	\$ (2,380,705)
Interest on investments	<u>30,000</u>	<u>28,359</u>	<u>(1,641)</u>
Total local sources	<u>11,090,517</u>	<u>8,708,171</u>	<u>(2,382,346)</u>
Federal sources			
Qualified School Construction Bond Credits	<u>941,283</u>	<u>2,095,085</u>	<u>1,153,802</u>
Total federal sources	<u>941,283</u>	<u>2,095,085</u>	<u>1,153,802</u>
Total revenues	<u>12,031,800</u>	<u>10,803,256</u>	<u>(1,228,544)</u>
Expenditures			
Debt service			
Debt services - interest			
Bonds and other - interest	<u>2,829,843</u>	<u>2,422,500</u>	<u>407,343</u>
Total debt service - interest	<u>2,829,843</u>	<u>2,422,500</u>	<u>407,343</u>
Principal payments on long-term debt	<u>9,195,000</u>	<u>9,195,000</u>	<u>-</u>

(Continued)

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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Other debt service			
Other objects	\$ -	\$ 1,325	\$ (1,325)
Total	-	1,325	(1,325)
Total debt service	12,024,843	11,618,825	406,018
Total expenditures	12,024,843	11,618,825	406,018
Excess (deficiency) of revenues over expenditures	\$ 6,957	(815,569)	\$ (822,526)
Fund balance, beginning of year		6,892,336	
Fund balance, end of year		\$ 6,076,767	

(Concluded)

J. Sterling Morton High School District 201

Capital Projects Fund

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

For the Year Ended June 30, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Revenues			
Local sources			
Corporate personal property replacement taxes	\$ 4,028,683	\$ 4,725,085	\$ 696,402
Interest on investments	<u>-</u>	<u>212,249</u>	<u>212,249</u>
Total local sources	<u>4,028,683</u>	<u>4,937,334</u>	<u>908,651</u>
Total revenues	<u>4,028,683</u>	<u>4,937,334</u>	<u>908,651</u>
Expenditures			
Support services			
Facilities acquisition and construction services			
Capital outlay	<u>3,899,024</u>	<u>10,009,054</u>	<u>(6,110,030)</u>
Total support services	<u>3,899,024</u>	<u>10,009,054</u>	<u>(6,110,030)</u>
Total expenditures	<u>3,899,024</u>	<u>10,009,054</u>	<u>(6,110,030)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 129,659</u>	<u>(5,071,720)</u>	<u>\$ (5,201,379)</u>
Fund balance, beginning of year		<u>6,381,180</u>	
Fund balance, end of year		<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, 2020

	2020		
	Original and Final Budget	Actual	Variance From Final Budget
Revenues			
Local sources			
General levy	\$ 1,156,456	\$ 1,546,580	\$ 390,124
Interest on investments	<u>120,000</u>	<u>109,604</u>	<u>(10,396)</u>
Total local sources	<u>1,276,456</u>	<u>1,656,184</u>	<u>379,728</u>
Total revenues	<u>1,276,456</u>	<u>1,656,184</u>	<u>379,728</u>
Expenditures			
Support services			
Facilities acquisition and construction services			
Capital outlay	<u>3,961,863</u>	<u>1,485,288</u>	<u>2,476,575</u>
Total support services	<u>3,961,863</u>	<u>1,485,288</u>	<u>2,476,575</u>
Total expenditures	<u>3,961,863</u>	<u>1,485,288</u>	<u>2,476,575</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,685,407)</u>	<u>170,896</u>	<u>\$ 2,856,303</u>
Fund balance, beginning of year		<u>3,128,632</u>	
Fund balance, end of year		<u>\$ 3,299,528</u>	

J. Sterling Morton High School District 201
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended June 30, 2020

	Balance July 1, 2019		Additions		Deletions		Balance June 30, 2020
Assets							
Cash and investments	\$ 1,069,705	\$	619,482	\$	634,953	\$	1,054,234
Liabilities							
Due to student groups and employees							
District Office	\$ 508,717	\$	291,087	\$	245,964	\$	553,840
Morton East	277,051		148,794		173,542		252,303
Morton West	260,747		159,906		193,661		226,992
Freshman Center	23,190		19,695		21,786		21,099
Total liabilities	\$ 1,069,705	\$	619,482	\$	634,953	\$	1,054,234

Statistical Section

This part of the District's comprehensive annual 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	130 - 138
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	139 - 144
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity	145 - 150
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	151 - 152
These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.	
Operating Information	153 - 158
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 comprehensive annual financial reports for the relevant year.

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

	2020	2019	2018	2017	2016
Governmental activities					
Net investment in					
capital assets	\$ 120,835,866	\$ 111,366,628	\$ 100,817,910	\$ 88,663,321	\$ 82,907,613
Restricted	25,864,247	10,527,963	8,104,045	8,356,536	9,755,050
Unrestricted	<u>(66,816,725)</u>	<u>(67,208,051)</u>	<u>(76,592,382)</u>	<u>(23,616,459)</u>	<u>(33,027,575)</u>
Total governmental activities					
net position	<u>\$ 79,883,388</u>	<u>\$ 54,686,540</u>	<u>\$ 32,329,573</u>	<u>\$ 73,403,398</u>	<u>\$ 59,635,088</u>

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

2015	2014	2013	2012	2011
\$ 77,475,998	\$ 70,893,937	\$ 65,124,681	\$ 64,372,629	\$ 58,640,092
8,856,602	9,843,189	9,672,732	9,253,577	8,676,643
<u>(38,791,327)</u>	<u>(35,816,718)</u>	<u>(40,895,871)</u>	<u>(26,908,952)</u>	<u>(30,222,985)</u>
<u>\$ 47,541,273</u>	<u>\$ 44,920,408</u>	<u>\$ 33,901,542</u>	<u>\$ 46,717,254</u>	<u>\$ 37,093,750</u>

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

	2020	2019	2018	2017
Expenses				
Instruction:				
Regular programs	\$ 41,464,171	\$ 38,022,744	\$ 36,858,138	\$ 33,178,545
Special programs	15,477,671	15,817,364	15,526,182	14,734,292
Other instructional programs	9,195,872	6,359,007	6,162,096	5,410,783
State retirement contributions	49,561,196	39,955,843	33,159,525	30,799,388
Support services:				
Pupils	8,459,568	7,970,197	7,994,603	7,833,545
Instructional staff	4,327,345	4,559,457	5,118,881	4,922,383
General administration	2,626,333	3,519,132	2,533,958	3,200,419
School administration	3,119,824	4,259,121	4,707,847	2,547,076
Business	5,633,862	5,287,229	5,230,014	5,599,793
Transportation	4,137,605	4,056,309	3,917,493	3,456,475
Operations and maintenance	16,372,772	16,174,686	15,396,214	14,002,319
Central	2,756,313	2,463,672	2,901,996	3,079,919
Other supporting services	1,307,364	1,255,003	1,327,796	923,478
Community services	621,333	653,843	343,766	278,346
Payments to other districts and gov't units	261,112	18,638	26,788	9,494
Interest and fees	5,589,456	5,839,854	6,204,620	4,488,897
Total expenses	<u>\$ 170,911,797</u>	<u>\$ 156,212,099</u>	<u>\$ 147,409,917</u>	<u>\$ 134,465,152</u>
Program Revenues				
Charges for services				
Instruction:				
Regular programs	\$ 556,700	\$ 1,556,456	\$ 1,546,466	\$ 1,527,469
Other instructional programs	147,025	263,330	300,179	367,477
Support services:				
Business	639,239	733,033	670,369	619,088
Operations and maintenance	12,650	37,683	22,248	47,718
Other	-	-	-	-
Operating grants and contributions	64,565,775	55,878,420	47,044,119	48,624,826
Capital grants and contributions	2,095,085	2,091,740	2,179,387	158,834
Total program revenues	<u>\$ 68,016,474</u>	<u>\$ 60,560,662</u>	<u>\$ 51,762,768</u>	<u>\$ 51,345,412</u>
Net expense	<u>\$ (102,895,323)</u>	<u>\$ (95,651,437)</u>	<u>\$ (95,647,149)</u>	<u>\$ (83,119,740)</u>
General revenues				
Taxes:				
Real estate taxes, levied for general purposes	\$ 27,949,887	\$ 26,199,603	\$ 26,680,400	\$ 26,494,465
Real estate taxes, levied for specific purposes	11,806,815	10,126,054	9,514,965	9,574,781
Real estate taxes, levied for debt service	8,679,812	11,102,483	9,346,402	9,404,948
Personal property replacement taxes	6,530,371	6,039,457	5,427,267	7,352,297
State aid-formula grants	68,307,219	61,858,689	55,078,510	43,510,708
Federal Medicaid reimbursement	-	-	-	-
Investment earnings	3,371,910	2,658,696	886,992	550,215
Miscellaneous	1,446,157	23,422	64,426	636
Total general revenues	<u>\$ 128,092,171</u>	<u>\$ 118,008,404</u>	<u>\$ 106,998,962</u>	<u>\$ 96,888,050</u>
Change in net position	<u>\$ 25,196,848</u>	<u>\$ 22,356,967</u>	<u>\$ 11,351,813</u>	<u>\$ 13,768,310</u>

Note: District aggregated information differently for fiscal years 2014 through 2020 when compared to prior years.

2016	2015	2014	2013	2012	2011
\$ 33,615,215	\$ 29,479,389	\$ 32,209,779	\$ 40,056,603	\$ 43,950,117	\$ 43,543,304
14,533,039	13,318,024	12,877,911	11,469,318	10,248,130	15,992,179
5,210,917	4,661,423	4,758,764	4,910,920	5,852,209	936,964
19,122,886	22,567,450	13,505,305	-	-	-
7,569,307	7,337,446	7,497,424	7,425,862	5,971,774	5,948,820
4,835,915	4,807,616	4,114,956	4,101,633	4,221,857	2,516,264
2,418,910	1,957,785	1,756,258	1,703,753	1,700,663	1,752,128
2,431,157	2,305,537	2,219,376	2,234,213	2,002,459	1,951,217
5,060,848	5,045,886	5,507,285	4,739,495	5,630,427	6,166,698
3,015,933	3,496,900	3,159,852	3,477,394	3,595,525	3,361,030
13,060,773	12,840,545	12,060,837	13,172,461	12,212,693	10,933,498
2,650,080	2,205,583	1,910,659	1,284,400	104,893	1,029,143
609,834	208,175	1,334,603	1,455,462	1,911,751	1,081,710
345,267	320,293	289,783	-	-	-
35,981	37,716	138,798	-	-	-
4,189,745	4,427,638	4,653,702	4,868,499	4,908,317	725,445
<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>	<u>\$ 95,938,400</u>
\$ 1,070,163	\$ 803,423	\$ 1,222,024	\$ 2,459,155	\$ 1,061,660	\$ 1,221,347
347,886	301,973	378,624	-	-	-
631,824	683,524	840,106	896,441	1,008,450	1,944,223
91,152	101,351	81,952	76,498	64,374	63,300
-	-	-	-	1,419,548	735,430
37,682,319	39,909,912	30,114,127	25,383,170	24,643,116	27,713,879
-	-	148,000	2,041,567	2,960,697	-
<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>\$ 31,678,179</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>	<u>\$ (64,260,221)</u>
\$ 25,038,738	\$ 24,438,199	\$ 23,919,446	\$ 28,585,409	\$ 29,083,104	\$ 26,387,338
10,571,376	9,842,721	10,565,125	4,385,031	3,791,022	4,351,000
9,281,278	9,255,730	9,360,364	8,993,119	9,460,799	9,254,374
5,210,151	6,520,552	6,065,527	-	-	-
40,659,477	37,147,286	36,195,725	34,010,276	32,280,783	32,448,996
-	-	-	345,307	496,703	497,182
154,801	137,644	117,484	106,142	116,083	177,282
60,457	39,606	5,654	6,316,300	5,547,980	6,953,821
<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>\$ 80,069,993</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>	<u>\$ 15,809,772</u>

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

	2020	2019	2018	2017
General Fund				
Nonspendable	\$ 676,094	\$ 428,343	\$ 450,957	\$ 400,206
Unassigned	<u>57,705,886</u>	<u>53,494,002</u>	<u>51,234,234</u>	<u>53,774,164</u>
Total general fund	<u>\$ 58,381,980</u>	<u>\$ 53,922,345</u>	<u>\$ 51,685,191</u>	<u>\$ 54,174,370</u>
 All other governmental funds				
Nonspendable, reported in:				
Debt service fund	\$ -	\$ -	\$ -	\$ -
Special revenue funds	177,821	169,770	701,282	255,786
Restricted, reported in:				
Special revenue funds	15,455,023	2,310,287	769,293	1,094,525
Debt service fund	6,076,767	6,892,336	6,308,748	6,483,427
Capital projects funds	4,608,988	9,509,812	46,986,127	50,900,794
Assigned, reported in:				
Special revenue funds	-	7,451,302	5,960,686	2,605,752
Unassigned, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 26,318,599</u>	<u>\$ 26,333,507</u>	<u>\$ 60,726,136</u>	<u>\$ 61,340,284</u>

NOTE: GASB 54 was implemented as of June 30, 2011. Prior years have not been adjusted.

2016	2015	2014	2013	2012	2011
\$ 470,969	\$ 605,246	\$ 535,383	\$ 115,232	\$ 199,367	\$ 201,967
<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>38,003,609</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>	<u>\$ 38,205,576</u>
\$ 9,621	\$ -	\$ -	\$ -	\$ -	\$ -
194,264	258,765	-	-	-	-
938,849	781,202	1,044,629	1,045,977	860,385	507,042
6,277,482	6,198,298	6,137,302	5,971,527	5,978,397	5,985,256
2,655,522	2,658,304	2,661,258	2,655,228	2,414,795	2,184,345
1,350,181	1,302,558	920,028	-	-	-
-	-	-	(188,385)	(646,621)	(359,250)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,861,635)</u>	<u>(25,266)</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>	<u>\$ 8,292,127</u>

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

	2020	2019	2018	2017
Revenues				
Local Sources				
Taxes	\$ 54,966,885	\$ 53,467,597	\$ 50,969,034	\$ 52,826,491
Earnings on investments	3,371,910	2,658,696	886,992	550,215
Other local sources	<u>2,801,771</u>	<u>2,613,924</u>	<u>2,603,688</u>	<u>2,562,388</u>
Total local sources	<u>61,140,566</u>	<u>58,740,217</u>	<u>54,459,714</u>	<u>55,939,094</u>
State sources	95,613,554	87,190,182	93,251,333	80,478,488
Federal sources	<u>12,472,023</u>	<u>12,611,869</u>	<u>11,741,217</u>	<u>11,523,161</u>
Total Revenues	<u>\$ 169,226,143</u>	<u>\$ 158,542,268</u>	<u>\$ 159,452,264</u>	<u>\$ 147,940,743</u>
Expenditures				
Current:				
Instruction	\$ 83,192,774	\$ 76,150,093	\$ 84,101,196	\$ 79,324,626
Supporting services	46,665,750	46,589,144	44,336,388	42,118,211
Community services	620,701	656,921	317,626	272,425
Nonprogrammed charges	261,112	554,513	819,814	845,189
Debt service				
Principal	9,195,000	9,195,000	9,244,036	9,353,158
Interest and other	2,423,825	2,423,725	2,512,168	371,039
Capital outlay	<u>22,422,254</u>	<u>55,128,347</u>	<u>21,224,363</u>	<u>9,979,152</u>
Total expenditures	<u>164,781,416</u>	<u>190,697,743</u>	<u>162,555,591</u>	<u>142,263,800</u>
Excess (deficiency) of revenue over expenditures	4,444,727	(32,155,475)	(3,103,327)	5,676,943
Other financing sources (uses)				
Proceeds from issuance of debt	-	-	-	50,000,000
Capital lease proceeds	-	-	-	-
Transfers in	-	-	50,000	39,820,619
Transfers out	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>(39,820,619)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000,000</u>
Net change in fund balances	<u>\$ 4,444,727</u>	<u>\$ (32,155,475)</u>	<u>\$ (3,103,327)</u>	<u>\$ 55,676,943</u>
Debt service as a percentage of noncapital expenditures	8.16%	8.57%	8.32%	7.35%

2016	2015	2014	2013	2012	2011
\$ 50,101,543	\$ 50,057,202	\$ 49,910,462	\$ 42,938,858	\$ 42,239,027	\$ 40,164,833
154,801	137,644	117,484	106,142	116,083	177,282
<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>10,343,390</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>	<u>50,685,505</u>
65,029,204	66,723,666	56,901,240	54,068,462	51,693,831	49,785,958
<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>11,448,830</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>	<u>\$ 111,920,293</u>
\$ 67,649,839	\$ 66,480,680	\$ 59,960,159	\$ 52,598,186	\$ 58,223,679	\$ 57,149,042
40,667,849	40,033,096	38,615,960	41,938,722	42,760,354	36,443,226
337,879	315,655	289,783	101,058	120,961	117,012
938,128	992,336	1,240,958	944,923	1,234,816	911,698
9,346,659	9,340,458	9,334,527	5,518,979	4,591,987	4,273,133
13,797	19,998	25,939	3,841,478	4,653,013	4,971,867
<u>9,478,520</u>	<u>9,725,737</u>	<u>8,393,106</u>	<u>-</u>	<u>289,632</u>	<u>394,582</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>	<u>104,260,560</u>
767,628	2,273,961	1,153,726	8,655,069	(36,021)	7,659,733
-	-	-	-	-	-
-	-	-	-	525,645	-
165,456	165,456	165,456	165,457	-	50,000
<u>(165,456)</u>	<u>(165,456)</u>	<u>(165,456)</u>	<u>(165,457)</u>	<u>-</u>	<u>(50,000)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>525,645</u>	<u>-</u>
<u>\$ 767,628</u>	<u>\$ 2,273,961</u>	<u>\$ 1,153,726</u>	<u>\$ 8,655,069</u>	<u>\$ 489,624</u>	<u>\$ 7,659,733</u>
7.87%	7.99%	8.55%	8.92%	8.29%	8.90%

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
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
2010	2,305,398,885	37,434,851	1.65%	6,916,196,655

Tax Levy Year	Real Estate	Railroad	Air Pollution	Total EAV
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
2010	2,285,857,019	19,534,030	7,836	2,305,398,885

Source: Cook County Levy, Rate, and Extension Reports for the years 2010 to 2019.

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

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

2010	2009
0.423	0.394
0.051	0.049
-	0.021
0.032	0.032
0.028	0.026
0.274	0.261
0.392	0.393
2.310	2.278
0.319	0.281
0.060	0.061
0.048	0.046
2.836	2.814
0.288	0.286
<u>7.0610</u>	<u>6.9420</u>
<u>1.858</u>	<u>1.848</u>
<u>8.919</u>	<u>8.790</u>

0.307	0.307
2.499	2.492
3.388	3.344
0.037	0.036
0.333	0.308
0.166	0.161
0.063	0.062
2.799	2.786
0.048	0.047
0.033	0.033
0.002	0.002
0.011	0.011
0.078	0.076
3.377	3.287
1.382	1.634
0.252	0.243
0.195	0.181
0.048	0.045
0.014	0.015
0.348	0.338
0.180	0.180
2.128	2.118

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

TAXPAYER	2018* EQUALIZED ASSESSED VALUATION	Rank	PERCENTAGE OF TOTAL 2018 EQUALIZED ASSESSED VALUATION (1)
Macneal Hospital	\$ 18,375,567	1	1.1%
Cermak Plaza Associate	14,326,423	2	0.9%
Hawthorne Wrks Ste 316	13,537,316	3	0.8%
Wal-Mart Real Estate	10,292,395	4	0.6%
Thomas Carey Heirs	10,244,115	5	0.6%
Chill LL LLC Lyons	8,254,509	6	0.5%
Cicero Marketplace	7,271,251	7	0.4%
Dimucci Development Co	6,877,884	8	0.4%
CICF 2 IL1B01 LLC	6,743,949	9	0.4%
Target Proptax T 732	6,741,816	10	0.4%
	<u>\$ 102,665,225</u>		<u>6.2%</u>

(1) 2018 total equalized assessed valuation is \$1,660,547,053.

TAXPAYER	2010 EQUALIZED ASSESSED VALUATION	Rank	PERCENTAGE OF TOTAL 2009 EQUALIZED ASSESSED VALUATION
McNeal Hospital Finance	\$ 22,296,467	1	0.97%
Hawthorne Works Ste. 316	13,819,595	2	0.60%
Thomas Carey Heirs	10,862,541	3	0.47%
Andrew S. Bermant	10,816,285	4	0.47%
Cicero Market Place and DDC of Cicero	10,239,682	5	0.44%
Heartland Bank	9,923,100	6	0.43%
KTR Capital PRT Tax Dept.	9,787,140	7	0.42%
DiMucci Co. Development	9,498,935	8	0.41%
ONC Cicero LLC	8,865,358	9	0.38%
United States Cold Storage	8,132,104	10	0.35%
	<u>\$ 114,241,207</u>		<u>4.94%</u>

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

* Most recent information available

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

	2019	2018	2017	2016
Rates extended:				
Educational	1.6676	1.6457	1.6108	1.8533
Special education	0.0260	0.0257	0.0247	0.0293
Operations and maintenance	0.3960	0.3487	0.3463	0.4178
Transportation	0.0834	0.0709	0.0722	0.0747
Illinois municipal retirement/Social security	0.1718	0.1702	0.1634	0.1934
Debt service	0.6896	0.6813	0.6571	0.6822
Life safety	0.0931	0.0935	0.0000	0.0000
Total rates extended	3.1275	3.0360	2.8745	3.2507
Property tax extensions:				
Educational	\$ 27,357,777	\$ 27,327,622	\$ 27,735,125	\$ 26,729,645
Special education	426,542	426,760	425,290	422,585
Operations and maintenance	6,496,569	5,790,327	5,962,673	6,025,816
Transportation	1,368,216	1,177,327	1,243,156	1,077,377
Illinois municipal retirement/Social security	2,818,460	2,826,250	2,813,458	2,789,354
Debt service	11,313,752	11,313,752	11,313,752	9,838,650
Life safety	1,527,350	1,552,611	-	-
Total levies extended	\$ 51,308,666	\$ 50,414,649	\$ 49,493,454	\$ 46,883,427
Current year collections	24,839,895	24,428,830	23,216,114	22,568,454
Subsequent collections	-	23,600,045	22,994,763	22,335,512
Total collections	\$ 24,839,895	\$ 48,028,875	\$ 46,210,877	\$ 44,903,966
Percentage of extensions collected - current year collections	48.41%	48.46%	46.91%	48.14%
Percentage of extensions collected - subsequent year collections	0.00%	46.81%	46.46%	47.64%
Percentage of extensions collected - total	48.41%	95.27%	93.37%	95.78%

Source of Information: Cook County Levy, Rate and Extension Reports for 2010 - 2019.

2015	2014	2013	2012	2011	2010
1.9048	1.7459	1.5971	1.4373	1.2546	0.9435
0.0301	0.0296	0.0271	0.0249	0.0222	0.0167
0.4242	0.4856	0.4442	0.4093	0.3650	0.2745
0.0773	0.0759	0.0694	0.0640	0.0571	0.0429
0.1964	0.1930	0.1766	0.1968	0.1755	0.1320
0.7059	0.6857	0.6396	0.5996	0.5516	0.4268
0.0000	0.0000	0.0000	0.0000	0.0272	0.0209
3.3387	3.2157	2.9540	2.7319	2.4532	1.8573
\$ 26,550,091	\$ 25,051,065	\$ 24,556,565	\$ 23,584,606	\$ 22,378,351	\$ 21,751,438
419,549	424,715	416,851	408,583	395,982	385,001
5,912,719	6,967,637	6,832,676	6,716,189	6,510,520	6,328,319
1,077,447	1,089,052	1,067,509	1,050,173	1,018,495	989,016
2,737,524	2,769,262	2,716,458	3,229,284	3,130,400	3,043,125
9,838,650	9,838,650	9,838,650	9,838,650	9,838,650	9,838,650
-	-	-	-	485,167	481,828
\$ 46,535,980	\$ 46,140,381	\$ 45,428,709	\$ 44,827,485	\$ 43,757,565	\$ 42,817,377
22,432,444	21,832,435	21,893,735	21,666,948	21,572,327	20,912,293
22,485,843	22,378,175	21,762,964	22,036,163	20,852,281	19,991,172
\$ 44,918,287	\$ 44,210,610	\$ 43,656,699	\$ 43,703,111	\$ 42,424,608	\$ 40,903,465
48.20%	47.32%	48.19%	48.33%	49.30%	48.84%
48.32%	48.50%	47.91%	49.16%	47.65%	46.69%
96.52%	95.82%	96.10%	97.49%	96.95%	95.53%

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
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
2011	-	51,956,272	286,066	52,242,338	5,985,256

* 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 *
\$ 86,400,863	\$ 545	1.62%
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%
46,257,082	328	0.72%

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
2020	\$ 92,477,630	\$ 1,640,547,923	5.27%	158,449	\$	545	1.62%
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	675	2.02%
2017	108,028,145	1,442,272,976	7.49%	159,927	**+	675	1.58%
2016	62,298,614	1,442,272,976	1.98%	158,990	**+	179	0.35%
2015	67,125,462	1,434,851,128	2.32%	159,291	**	209	0.43%
2014	71,320,617	1,538,198,334	2.83%	158,280	**	275	0.56%
2013	75,295,648	1,640,896,561	2.56%	158,190	***	266	0.57%
2012	47,398,367	1,783,704,124	2.66%	159,418	**	297	0.66%
2011	51,956,272	2,305,398,885	2.25%	158,720	*	327	0.72%
2010	56,196,359	2,267,964,034	2.48%	147,312		381	0.83%

* 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, 2020

GOVERNMENTAL JURISDICTION	DEBT OUTSTANDING	OVERLAPPING PERCENT	NET DIRECT AND OVERLAPPING DEBT
Overlapping debt:			
Cook County	\$ 2,950,121,750 (3)	1.03%	\$ 30,445,256
Cook County Forest Preserve	145,190,000	1.03%	1,498,361
Lyons Township	1,220,000	4.60%	56,144
Metropolitan Water Reclamation District	2,377,123,381 (1)	1.05%	24,959,796
City of Berwyn	137,610,000	100.00%	137,610,000
Town of Cicero	56,735,000 (4)	100.00%	56,735,000
Village of Forest View	735,000	43.82%	322,084
Village of Lyons	3,910,000 (3)(5)	95.31%	3,726,738
Village of McCook	35,775,000 (5)	26.69%	9,546,916
Village of Stickney	6,680,000	100.00%	6,680,000
Berwyn Park District	1,865,000	100.00%	1,865,000
Central Stickney Park District	962,000	2.22%	21,395
Clyde Park District	2,450,000	100.00%	2,450,000
Hawthorne Park District	176,350 (3)	100.00%	176,350
McCook Park District	531,000	26.87%	142,690
North Berwyn Park District	411,285 (3)	100.00%	411,285
McCook Public Library District	- (3)	26.87%	-
Stickney Forest View Public Library District	1,010,000	55.72%	562,742
School District #99	47,255,000 (3)	100.00%	47,255,000
School District #100	32,400,000	100.00%	32,400,000
School District #103	6,445,503 (2)	70.61%	4,551,170
School District #104	26,035,000	3.45%	898,208
Morton Community College District No. 527	2,550,000	100.00%	2,550,000
Total indirect debt			364,864,135
Direct Debt:			
J. Sterling Morton High School District # 201	76,175,481 (2)	100.00%	76,175,481
Total Direct and Overlapping General Obligation Bonded Debt			\$ 441,039,616

- (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 2020

Assessed Valuation	<u>\$ 1,640,547,923</u>
Debt Limit - 6.9% of Assessed Valuation	\$ 113,197,807
Total Debt Outstanding	<u>92,477,630</u>
Less: Exempted Debt	<u>(30,209,985)</u>
Net Subject to 6.9% Limit	<u>62,267,645</u>
Total Debt Margin	<u><u>\$ 50,930,162</u></u>

	2020	2019	2018	2017
Debt Limit	\$ 113,197,807	\$ 114,577,747	\$ 118,805,790	\$ 99,516,835
Total Net Debt Applicable to Limit	<u>62,267,645</u>	<u>65,974,587</u>	<u>69,752,644</u>	<u>73,716,374</u>
Legal Debt Margin	<u><u>\$ 50,930,162</u></u>	<u><u>\$ 48,603,160</u></u>	<u><u>\$ 49,053,146</u></u>	<u><u>\$ 25,800,461</u></u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	55%	58%	59%	74%

2016	2015	2014	2013	2012	2011
\$ 96,175,785	\$ 99,004,728	\$ 106,135,685	\$ 113,221,863	\$ 123,075,585	\$ 159,072,523
<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>45,971,016</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>	<u>\$ 113,101,507</u>
29%	33%	35%	32%	34%	29%

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)
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%
2010	158,720	*	7,191,761	45,311		10.5%
2009	147,312		6,800,069	46,161		10.3%

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

2019				
EMPLOYER	EMPLOYEES	DATA	SOURCE RANK	PERCENTAGE OF TOTAL EMPLOYMENT*
MacNeal Hospital & Health Services	1,800	(2)	1	4.201%
Breakthru Beverage Illinois (formerly Wirtz Beverage Illinois)	1,000	(2)	2	2.334%
Morton East & West High Schools	773	(3)	3	1.804%
BUONA Restaurants and Catering	600	(4)	4	1.400%
Hawthorne Race Course	550	(4)	5	1.284%
United Scrap Metal, Inc.	500	(4)	6	1.167%
LBP Manufacturing, Inc. (Levin Bros. Paper/Terrace Paper Co.)	400	(1)	7	0.934%
Morton College	383	(3)	8	0.894%
USF Holland, Inc.	340	(2)	9	0.793%
Walmart Supercenter	335	(4)	10	0.782%
	<u>6,681</u>			<u>15.59%</u>

* The estimated number of persons employed in the District in 2018 per IDES was 42,849

2010				
EMPLOYER	EMPLOYEES	DATA	SOURCE RANK	PERCENTAGE OF TOTAL EMPLOYMENT
MacNeal Hospital	2,200	(5)	1	N/A^
A&R Janitorial Services	1,800	(5)	2	N/A^
USF Holland, Inc.	500	(5)	3	N/A^
Brad Foote Gear Works, Inc.	450	(5)	4	N/A^
Meade Electric Co.	400	(5)	5	N/A^
Terrace Paper Co., Inc.	400	(5)	6	N/A^
Campagna-Turano Baker, Inc.	300	(5)	7	N/A^
Groot Industries, Inc.	250	(5)	8	N/A^
Morton College	250	(5)	9	N/A^
Tru-View, Inc.	250	(5)	9	N/A^
World Marketing - Chicago	250	(5)	10	N/A^
	<u>7,050</u>			

^Percentage of total employment not available

Data Sources

⁽¹⁾ 2019 Illinois Manufacturers Directory

⁽²⁾ 2019 Illinois Services Directory

⁽³⁾ Employer Official Website and/or Financial Reports

⁽⁴⁾ AtoZdatabases.com - Business Edition

⁽⁵⁾ J. Sterling Morton High School District 201 FY10 Comprehensive Annual Report

Note: Most recent information available.

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

	2020	2019	2018	2017
Instructional services:				
Regular programs				
Teachers	421.0	360.0	338.0	333.0
Special programs				
Administrators	6.0	5.0	4.0	3.0
Teachers	90.0	62.0	57.0	55.0
Teaching assistants/clerical	66.0	56.0	56.0	55.0
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	14.0	11.0	11.0
Support services:				
Pupil support services				
Dean of students/administrators	11.0	10.0	9.0	9.0
Guidance counselors	29.0	26.0	25.0	25.0
Psychologists	5.0	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	3.0	3.0	3.0
Clerical/aides	-	-	-	-
General administration services				
Treasurer	1.0	1.0	1.0	1.0
Superintendent/asst. superintendents	2.0	3.0	3.0	3.0
Special area administration	3.0	3.0	3.0	3.0
Clerical	9.0	9.0	8.0	8.0
School administration services				
Principals and assistant principals	14.0	11.0	11.0	11.0
Clerical	11.0	11.0	9.0	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	27.0	25.0	25.0	25.0
Operations and maintenance of facilities				
Director/clerical	2.0	2.0	2.0	2.0
Engineers/custodial/maintenance	72.0	65.0	65.0	65.0
Security	66.0	47.0	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	943.0	809.0	773.0	764.0

Source: District records - full time equivalents.

2016	2015	2014	2013	2012	2011
337.0	331.0	304.3	299.0	300.0	334.0
3.0	3.0	3.0	3.0	3.0	3.0
53.0	50.0	52.5	55.0	57.0	58.0
49.0	54.0	62.0	68.0	70.0	70.0
1.0	1.0	1.0	1.0	1.0	1.0
8.0	8.0	9.0	9.0	9.0	9.0
10.0	10.0	12.0	7.0	6.0	6.0
9.0	9.0	11.0	9.0	9.0	9.0
25.0	25.0	27.0	27.0	24.0	26.0
5.0	5.0	5.0	5.0	4.0	4.0
3.0	3.0	3.0	3.0	3.0	3.0
43.0	43.0	43.0	41.0	34.0	34.0
6.0	6.0	6.0	6.0	5.0	5.0
3.0	3.0	3.0	3.0	3.0	3.0
-	-	-	-	9.0	9.0
1.0	1.0	1.0	1.0	1.0	1.0
3.0	2.0	2.0	2.0	2.0	2.0
3.0	3.0	3.0	3.0	1.0	1.0
8.0	8.0	8.0	9.0	9.0	9.0
11.0	11.0	11.0	11.0	11.0	11.0
9.0	9.0	9.0	10.0	13.0	13.0
1.0	1.0	1.0	1.0	1.0	1.0
14.0	14.0	14.0	14.0	18.0	18.0
25.0	25.0	20.0	21.0	20.0	25.0
2.0	2.0	2.0	2.0	2.0	2.0
61.0	61.0	63.0	71.0	71.0	71.0
64.0	53.0	57.5	54.0	51.0	47.0
1.0	1.0	2.0	2.0	2.0	2.0
-	-	-	-	-	-
10.0	10.0	10.0	9.0	10.0	10.0
768.0	752.0	753.3	754.0	758.0	796.0

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

	2020	2019	2018	2017
Instruction				
Enrollment				
Regular Education	7,047	7,371	7,802	7,840
Special Education	1,006	1,069	992	958
Total Enrollment	8,053	8,440	8,794	8,798
Percentage of limited English proficient	18.6%	18.1%	14.2%	18.0%
Pupil support services				
Percentage of students with disabilities	12.0%	12.7%	11.1%	10.6%
School Administration				
Student attendance rate	94.1%	92.2%	90.3%	93.0%
Fiscal Services				
Purchase orders processed	3,278	2,858	2,838	2,923
W-2's issued	1,211	1,168	1,102	1,122
Maintenance				
District square footage maintained by custodians and maintenance staff	1,345,425	1,354,175	1,354,175	1,354,175
District acreage maintained by grounds staff	69	69	69	69

Source of information: District records

2016	2015	2014	2013	2012	2011
7,562	7,354	7,452	7,347	7,309	7,730
937	945	850	843	1,035	823
8,499	8,299	8,302	8,190	8,344	8,553
10.4%	11.2%	9.9%	10.0%	10.0%	6.3%
11.3%	11.3%	10.2%	10.3%	12.4%	9.7%
91.1%	88.5%	90.8%	89.0%	86.9%	86.9%
3,023	2,897	2,974	4,211	3,931	4,099
1,105	1,145	1,129	1,138	1,200	1,200
1,354,175	1,354,175	1,354,175	1,354,175	1,354,175	1,345,425
69	69	69	69	69	69

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

	2020	2019	2018	2017
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)	3,462	3,427	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)	3,522	3,577	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)	1,066	1,233	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)	60	84	84	84

2016	2015	2014	2013	2012	2011
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	3,394	3,352	3,220	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	3,479	3,379	3,892	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	1,225	1,244	1,337	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	85	110	104	104

J. Sterling Morton High School District 201
OPERATING STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	OPERATING COST (1)	AVERAGE DAILY ATTENDANCE	NET OPERATING COST PER PUPIL	PERCENTAGE CHANGE
2020	\$ 105,089,099	7,074.60	\$ 14,854	5.18%
2019	100,582,181	7,122.00	14,123	6.36%
2018	94,068,794	7,084.63	13,278	6.73%
2017	87,978,137	7,071.72	12,441	3.63%
2016	86,084,864	7,170.75	12,005	6.38%
2015	80,157,499	7,102.78	11,285	-3.73%
2014	81,205,790	6,927.29	11,723	2.48%
2013	81,283,635	7,105.76	11,439	-4.16%
2012	83,921,425	7,031.00	11,936	3.46%
2011	83,340,492	7,223.83	11,537	-9.93%

(1) Total operating expenses

Source of Information: 2011 - 2020 Annual Financial Statements and Annual Financial Reports