

COMPREHENSIVE ANNUAL FINANCIAL  
REPORT

OF

**J. STERLING MORTON HIGH SCHOOL  
DISTRICT 201**

**CICERO, ILLINOIS**

As of and for the Year Ended June 30, 2019

Officials Issuing Report

Mr. Ron O'Connor, Chief Financial Officer

Department Issuing Report

Business Office

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

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# ***J. STERLING MORTON HIGH SCHOOLS***

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

December 2, 2019

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 for the fiscal year ended June 30, 2019. 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 2019 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 the combining statements for non-major funds 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 (the "School District") 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. The latest unemployment rate of the County (June 2019) is 4.3% compared to 4.5% reported last year. This compares to U.S. rates of 3.7% and 4.3% for the same periods, respectively.

## **THE DISTRICT AND ITS FACILITIES**

The School District served approximately 8,440 students during the 2019 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>
<b>Morton Freshman Center</b>	<b>9</b>	<b>1,241</b>
<b>Morton East</b>	<b>10-12</b>	<b>3,520</b>
<b>Morton West</b>	<b>9-12</b>	<b>3,655</b>
<b>Alternative School</b>	<b>9-12</b>	<b>24</b>

## MAJOR INITIATIVES

- Morton 201 anticipates bringing back an additional period for more academic opportunities.
- The District completed the remodeling of the second and fourth floors at Morton East.
- Multiple classrooms are being remodeled and updated at Morton East.
- The District has just finished the Freshman Academy at Morton West.
- The District has implemented phase 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 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 of Baker Tilly Virchow Krause, LLP for the fiscal year ended June 30, 2019. The opinion of Baker Tilly Virchow Krause, LLP 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, 2018. 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. Ron O'Connor CSBO  
Chief Financial Officer



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**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

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**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, 2018.**

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



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**Tom Wohlleber, CSR**  
President

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**Siobhán McMahon, CAE**  
Chief Operating Officer



**J. Sterling Morton High School District No. 201**  
5801 West Cermak Road  
Cicero, IL 60804

**Principal Officers and Advisors**

As of June 30, 2019

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**Board of Education**

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

**District Administration**

Mr. Timothy Truesdale	Superintendent
Dr. Terry Mootz	Asst. Superintendent for Educational Programs
Mr. Ronald O'Connor	Chief Financial Officer

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**Official Issuing Report**

Mr. Ronald O'Connor	Chief Financial Officer
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**Department Issuing Report**

Business Office

## INDEPENDENT AUDITORS' REPORT

To 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, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise J. Sterling Morton High School District 201's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***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 auditors' 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 over financial reporting relevant to J. Sterling Morton High School District 201'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 J. Sterling Morton High School District 201'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.

To the Board of Education  
J. Sterling Morton High School District 201

### ***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 J. Sterling Morton High School District 201, as of June 30, 2019, and the respective changes in financial position thereof 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 required supplementary information as listed in the table of contents 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.

#### ***Supplementary Information***

Our audit for the year ended June 30, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise J. Sterling Morton High School District 201's basic financial statements. The supplementary information for the year ended June 30, 2019 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2019, 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2019.

To the Board of Education  
J. Sterling Morton High School District 201

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of J. Sterling Morton High School District 201 as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated December 3, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The supplementary information for the year ended June 30, 2018 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise J. Sterling Morton High School District 201's basic financial statements. The introductory section and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

#### *Prior-Year Comparative Information*

We have previously audited J. Sterling Morton High School District 201's 2018 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 3, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2019 on our consideration of J. Sterling Morton High School District 201'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 J. Sterling Morton High School District 201's internal control over financial reporting and compliance.

*Baker Tilly Virchow Krause, LLP*

Oak Brook, Illinois  
December 2, 2019

**J. Sterling Morton High School District No. 201**  
Management's Discussion and Analysis (MD&A) - Unaudited  
For the Fiscal Year Ended June 30, 2019

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As management of J. Sterling Morton High School District 201, we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities for the School District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal found in the introductory section and the School District's financial statements.

## **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the School District exceeded its liabilities and deferred inflows at June 30, 2019 by \$54,686,540 (*net position*). During the year, net position increased by \$22,356,967 from ordinary activities.
- General revenues accounted for \$118,008,404 or 66% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$60,560,662 or 34% of total revenues of \$178,569,066.
- The School District had \$156,212,099 in expenses. Of these expenses, only \$60,560,662 was offset by program specific charges for services, grants or contributions. Current year general revenues (primarily property taxes and general state aid) totaled \$118,008,404, which provided for the \$95,651,437 net cost for these programs, with the \$22,356,967 remainder increasing net position for the year.
- Among governmental funds, the General Fund had \$106,936,936 in revenues and \$104,699,782 in expenditures for a net increase in fund balance of \$2,237,154.

## **USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This comprehensive annual financial report also contains other supplementary information in addition to the basic financial statements.

The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide an increasingly detailed look at specific financial activities. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's major funds with all other non-major funds presented in total in one column.

**J. Sterling Morton High School District No. 201**  
Management's Discussion and Analysis (MD&A) - Unaudited  
For the Fiscal Year Ended June 30, 2019

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## **Reporting the School District as a Whole**

One of the most important questions asked about the School District is “How did we do financially during 2019?” The *Statement of Net Position* and the *Statements of Activities*, which appear on pages 13 - 14 in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These government-wide statements include *all assets, liabilities and deferred inflows and outflows* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in the position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District's property tax base, current property tax laws restricting revenue growth, required educational programs and other factors.

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

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 School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School District's fund financial statements can be found on pages 15 – 21 of this report. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's major funds.

**Governmental Funds** – Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the School District's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

**J. Sterling Morton High School District No. 201**  
Management's Discussion and Analysis (MD&A) - Unaudited  
For the Fiscal Year Ended June 30, 2019

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***Fiduciary Funds*** – The School District's only fiduciary fund is an agency fund. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

### **Notes to the Financial Statements**

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

### **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE**

Recall that the Statement of Net Position provides the perspective of the School District as a whole and may serve over time as a useful indicator of the School District's financial position.

The School District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1, which is presented on the next page, provides a summary of the School District's net position for 2019 and 2018. The School District's assets and deferred outflows exceeded liabilities and deferred inflows by \$54.7 million (*net position*) on June 30, 2019. As shown in Table 1 (on page 7), governmental activities resulted in a \$22.4 million increase in net position for the current year. Other financial transactions of the School District affected the allocation among the three components of net position.

The largest component of net position is net investment in capital assets (\$111.4 million). This component increased by \$10.6 million from the prior year.

An additional portion (\$10.5 million) of the School District's assets represents resources that are subject to other external restrictions on how they may be used. This component consists of net position restricted for debt service and fire prevention and safety projects. The current year balance increased compared to the prior year due to capital outlay in the current year.

Additionally, the District issued \$50 million in Qualified School Construction Bonds in May of 2017. The interest on these bonds is reimbursable by the federal government, which made them a lucrative option for boiler replacement at Morton East and adding a Freshman Academy wing at Morton West.

**J. Sterling Morton High School District No. 201**  
Management's Discussion and Analysis (MD&A) - Unaudited  
For the Fiscal Year Ended June 30, 2019

Any remaining balance of unrestricted net position may be used to meet a district's ongoing obligations to its general programs; however, for the School District this balance is negative (-\$67.2 million). The negative balance is an indication that the School District has utilized debt as a financing source for its general programs in prior years in addition to actuarially determined net pension and other postemployment benefit liabilities exceed unrestricted net position amounts.

**Table 1**  
**Condensed Statements of Net Position**  
*(in millions of dollars)*

	<u>2018</u>	<u>2019</u>
<b>Assets:</b>		
Current and other assets	\$ 153.1	\$ 120.7
Capital Assets	<u>104.9</u>	<u>154.3</u>
Total assets	<u>258.0</u>	<u>275.0</u>
Total deferred outflows of resources	<u>10.0</u>	<u>12.4</u>
<b>Liabilities:</b>		
Current liabilities	14.3	14.3
Long-term debt outstanding	<u>181.0</u>	<u>174.7</u>
Total liabilities	<u>195.3</u>	<u>189.0</u>
Total deferred inflows of resources	<u>40.4</u>	<u>43.7</u>
<b>Net position:</b>		
Net investment in capital assets	100.8	111.4
Restricted	8.1	10.5
Unrestricted	<u>(76.6)</u>	<u>(67.2)</u>
Total net position	<u>\$ 32.3</u>	<u>\$ 54.7</u>

Table 2 on the next page shows the changes in total net position from governmental activities for fiscal years 2019 and 2018.

**J. Sterling Morton High School District No. 201**  
Management's Discussion and Analysis (MD&A) - Unaudited  
For the Fiscal Year Ended June 30, 2019

	<u>2018</u>	<u>2019</u>
<b>Revenues:</b>		
<i>Program revenues:</i>		
Charges for services	\$ 2.5	\$ 2.6
Operating grants & contributions	47.0	55.9
Capital grants & contributions	2.2	2.0
<i>General revenues:</i>		
Taxes	51.0	53.5
General state aid/evidence based funding	55.1	61.9
Other	0.9	2.7
Total revenues	<u>158.7</u>	<u>178.6</u>
<b>Expenses:</b>		
Instruction	91.8	100.2
Pupil & instructional staff services	13.1	12.5
Administration & business	12.4	13.1
Transportation	3.9	4.1
Operations & maintenance	15.4	16.1
Other	10.8	10.2
Total expenses	<u>147.4</u>	<u>156.2</u>
<b>Increase (decrease) in net position</b>	<u>\$ 11.3</u>	<u>\$ 22.4</u>

Governmental activities increased the District's net position by \$22.4 million for fiscal year 2019. The major source of revenues for governmental activities of the School District was local property taxes, which provided 30% and 32% of the School District's revenues in fiscal years 2019 and 2018, respectively. State and federal funding in the form of grants and entitlements provided another significant source of revenues to the School District, providing 67% and 66% of revenues in fiscal years 2019 and 2018. The remainder of revenues was derived from charges for services, investment earnings and other miscellaneous revenues, which provided 3% of revenues in fiscal year 2019 and approximately 2% in fiscal year 2018. These revenues for governmental activities support the various instructional programs, support services and financing of the District.

**J. Sterling Morton High School District No. 201**  
Management's Discussion and Analysis (MD&A) - Unaudited  
For the Fiscal Year Ended June 30, 2019

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The major category of governmental activities provided by the School District is its instructional programs, which comprised 64.1% of total governmental program expenses in fiscal year 2019 and 62% in fiscal year 2018. Support services activities comprised another 31.7% of governmental program expenses in 2019 and 30.1% with financing activities comprising the remaining 4.2% in 2019 and 7.9% in 2018.

## **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

Information about the School District's major funds starts on page 15. Recall that the funds are accounted for using the modified accrual basis of accounting, which provides information to help determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The fund balances for all of the School District's governmental funds totaled \$80.3 million as of June 30, 2019. The balances and transactions of the School District's major funds are summarized below.

The General Fund had \$106.9 million in revenues and \$104.7 million in expenditures for a net increase in fund balance of \$2.2 million for fiscal year 2019. The General Fund ended the year with a fund balance of \$53.9 million at June 30, 2019.

The Transportation Fund had approximately \$5.4 million in revenues and \$3.9 million in expenditures for a net increase in fund balance of \$1.5 million for fiscal 2019. The Transportation Fund ended the year with a fund balance of \$2.5 million at June 30, 2019.

Within the Debt Service Fund, revenues consist primarily of property taxes levied for debt service purposes and expenditures consist of the related debt service payments. The fund balance increased by approximately \$0.6 million during fiscal year 2019. The fund balance at June 30, 2019 totaled \$6.9 million for debt service payments due in the subsequent fiscal year.

## **GENERAL FUND – BUDGET HIGHLIGHTS**

The School District's budget, which was not amended during the year, is prepared according to Illinois law using the modified accrual basis of accounting, which is the same basis that is used for financial reporting, except that pension contributions made by the State of Illinois on-behalf of the School District, for which revenues and expenditures are equal, are not included in either budgeted revenues or expenditures.

The General Fund net change in fund balance for the year ended June 30, 2019 was budgeted to increase by \$969,431 that allowed additional funds for programs.

**J. Sterling Morton High School District No. 201**  
Management's Discussion and Analysis (MD&A) - Unaudited  
For the Fiscal Year Ended June 30, 2019

**CAPITAL ASSETS**

<b>Table 3</b>			
		<u><b>2018</b></u>	<u><b>2019</b></u>
Land	\$	13.6	\$ 13.6
Construction in Progress		13.1	62.6
Land improvements		1.1	1.2
Buildings		56.9	54.9
Improvements		10.4	11.7
Equipment		9.8	10.3
Total	\$	<u>104.9</u>	<u>\$ 154.3</u>

Table 3 shows fiscal year 2019 balances compared to fiscal year 2018. At the end of fiscal year 2019, the School District had \$154.3 million invested in land, construction in progress, land improvements, buildings and improvements, and equipment. Capital assets (net of depreciation) increased by approximately \$49.4 million. The School District invested \$54.9 million in capital asset additions during the year and recorded \$5.5 million in depreciation expense, resulting in the net increase in capital assets (net of depreciation) for fiscal year 2019.

For more information on capital assets, refer to Note 5 of the notes to the basic financial statements.

**DEBT ADMINISTRATION**

At June 30, 2019, the School District had \$47,914,794 in capital appreciation long-term debt outstanding; of the total, \$9,195,000 is due within one year, and \$50,000,000 in Qualified School Construction Bonds outstanding. Table 4 summarizes debt outstanding:

<b>Table 4</b> <b>Outstanding Long-Term Debt</b> <b>(in millions of dollars)</b>			
		<u><b>2018</b></u>	<u><b>2019</b></u>
Capital appreciation bonds	\$	53.1	\$ 47.9
Qualified school construction bonds		50.0	50.0
Unamortized premium		4.3	3.7
Net other post-employment benefits liability		53.8	54.0
Net pension liability		19.3	18.7
Compensated absences		0.5	0.5
Total	\$	<u>181.0</u>	<u>\$ 174.8</u>

For more information on debt, refer to Note 6 of the notes to the basic financial statements.

**J. Sterling Morton High School District No. 201**  
Management's Discussion and Analysis (MD&A) - Unaudited  
For the Fiscal Year Ended June 30, 2019

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**FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE**

The State of Illinois has instituted a program called the School District Financial Profile. It is a system used to assess a school district's financial health. The State Financial Profile uses 5 indicators to determine the financial health of each school district in the State. The 5 ratios are: 1) Fund Balance to Revenue Ratio (FBRR), 2) Expenditures to Revenue Ratio (EXRV), 3) Days Cash on Hand (DCOH), 4) Percent of Short-term Borrowing Ability Remaining (STB) and 5) Percent of Long-term Debt Remaining (LTD). Based upon these indicators a district is assigned one of 4 rankings as follows: Financial Recognition, Financial Review, Financial Early Warning or Financial Watch. The School District received the following scores and ranking:

**(Table 5)**  
**State School District Financial Profile**

Indicator	Possible Score	District Score	District Ranking
FBRR	1.40	1.40	
EXRV	1.40	1.40	
DCOH	0.40	0.40	
STB	0.40	0.40	
LTD	0.40	0.10	
	4.00	3.70	Recognition

The School District's ranking remained Recognition for fiscal year 2019. The District's Days Cash on Hand (DCOH) decreased from 220.99 to 185.50 days. The Fund Balance to Revenue Ratio (FBRR) slightly decreased from .523 to .513. The District's Percent of Long-Term Debt Margin Remaining (LTD) is currently at 14.54 percent. With careful planning and monitoring of our finances, J. Sterling Morton High School District 201's Board of Education is committed to providing a quality education for our students and a secure financial future for the School District.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Ron O'Connor, Chief Financial Officer for J. Sterling Morton High School District 201, 5801 W. Cermak Rd. Cicero, IL 60804.

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## STATEMENT OF NET POSITION

AS OF JUNE 30, 2019

### GOVERNMENTAL ACTIVITIES

#### Assets

Cash and investments	\$ 81,806,866
Receivables (net of allowance for uncollectibles):	
Property taxes	24,977,524
Replacement taxes	966,279
Intergovernmental	5,144,324
Other	28,807
Inventory	110,632
Prepaid items	487,481
Restricted investments	7,191,067
Capital assets:	
Land	13,629,003
Construction in progress	62,617,895
Capital assets being depreciated, net of accumulated depreciation	<u>78,070,222</u>
Total assets	<u>275,030,100</u>

#### Deferred outflows of resources

Deferred outflows related to pensions	9,767,047
Deferred outflows related to OPEB	<u>2,649,314</u>
Total deferred outflows of resources	<u>12,416,361</u>

#### Liabilities

Accounts payable	12,991,337
Salaries and wages payable	10,857
Interest payable	201,875
Health claims payable	1,090,508
Long-term liabilities:	
Other long-term liabilities - due within one year	9,195,000
Other long-term liabilities - due after one year	<u>165,557,451</u>
Total liabilities	<u>189,047,028</u>

#### Deferred inflows of resources

Property taxes levied for a future period	24,977,524
Deferred inflows related to pensions	10,769,061
Deferred inflows related to OPEB	<u>7,966,308</u>
Total deferred inflows of resources	<u>43,712,893</u>

#### Net position

Net investment in capital assets	111,366,628
Restricted for:	
Student transportation	158,503
Debt service	7,909,156
Capital projects	2,460,304
Unrestricted	<u>(67,208,051)</u>
Total net position	<u>\$ 54,686,540</u>

See Notes to Basic Financial Statements

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE			NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	REVENUE AND
					GOVERNMENTAL ACTIVITIES
<b>Governmental activities</b>					
Instruction:					
Regular programs	\$ 38,022,744	\$ 1,556,456	\$ 562,658	\$ -	\$ (35,903,630)
Special programs	15,817,364	-	8,258,438	-	(7,558,926)
Other instructional programs	6,359,007	263,330	783,589	-	(5,312,088)
State retirement contributions	39,955,843	-	39,955,843	-	-
Support Services:					
Pupils	7,970,197	-	-	-	(7,970,197)
Instructional staff	4,559,457	-	386,038	-	(4,173,419)
General administration	3,519,132	-	-	-	(3,519,132)
School administration	4,259,121	-	-	-	(4,259,121)
Business	5,287,229	733,033	3,557,482	-	(996,714)
Transportation	4,056,309	-	2,374,372	-	(1,681,937)
Operations and maintenance	16,174,686	37,683	-	2,091,740	(14,045,263)
Central	2,463,672	-	-	-	(2,463,672)
Other supporting services	1,255,003	-	-	-	(1,255,003)
Community services	653,843	-	-	-	(653,843)
Payments to other districts and gov't units - excluding special education					
	18,638	-	-	-	(18,638)
Interest and fees	5,839,854	-	-	-	(5,839,854)
Total governmental activities	\$ 156,212,099	\$ 2,590,502	\$ 55,878,420	\$ 2,091,740	(95,651,437)

### General revenues:

#### Taxes:

Real estate taxes, levied for general purposes	26,199,603
Real estate taxes, levied for specific purposes	10,126,054
Real estate taxes, levied for debt service	11,102,483
Personal property replacement taxes	6,039,457
State aid-formula grants	61,858,689
Investment income	2,658,696
Miscellaneous	<u>23,422</u>
Total general revenues	<u>118,008,404</u>

Change in net position 22,356,967

Net position, beginning of year 32,329,573

Net position, end of year \$ 54,686,540

See Notes to Basic Financial Statements

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## GOVERNMENTAL FUNDS

### BALANCE SHEET

AS OF JUNE 30, 2019

WITH COMPARATIVE TOTALS AS OF JUNE 30, 2018

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
<b>Assets</b>				
Cash and investments	\$ 51,385,038	\$ 6,776,680	\$ 2,114,802	\$ 2,160,312
Receivables (net allowance for uncollectibles):				
Property taxes	13,809,871	2,881,118	585,807	1,406,268
Replacement taxes	966,279	-	-	-
Intergovernmental	3,338,128	-	587,501	-
Other	28,807	-	-	-
Interfund receivable	298,731	-	-	-
Inventory	110,632	-	-	-
Prepaid items	317,711	161,339	8,431	-
Restricted investments	-	-	-	-
<b>Total assets</b>	<b>\$ 70,255,197</b>	<b>\$ 9,819,137</b>	<b>\$ 3,296,541</b>	<b>\$ 3,566,580</b>
<b>Liabilities</b>				
Accounts payable	\$ 1,264,266	\$ 1,645,155	\$ 221,694	\$ -
Salaries and wages payable	-	10,760	-	97
Interfund payable	-	-	-	-
Health claims payable	1,090,508	-	-	-
<b>Total liabilities</b>	<b>2,354,774</b>	<b>1,655,915</b>	<b>221,694</b>	<b>97</b>
<b>Deferred inflows of resources</b>				
Property taxes levied for a future period	13,809,871	2,881,118	585,807	1,406,268
Unavailable state and federal aid receivable	168,207	-	-	-
Unavailable other receivable	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>13,978,078</b>	<b>2,881,118</b>	<b>585,807</b>	<b>1,406,268</b>
<b>Fund balance</b>				
Nonspendable	428,343	161,339	8,431	-
Restricted	-	-	150,072	2,160,215
Assigned	-	5,120,765	2,330,537	-
Unassigned	53,494,002	-	-	-
<b>Total fund balance</b>	<b>53,922,345</b>	<b>5,282,104</b>	<b>2,489,040</b>	<b>2,160,215</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 70,255,197</b>	<b>\$ 9,819,137</b>	<b>\$ 3,296,541</b>	<b>\$ 3,566,580</b>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2019	2018
\$ -	\$ 14,659,234	\$ 4,710,800	\$ 81,806,866	\$ 116,463,800
5,521,920	-	772,540	24,977,524	25,287,472
-	-	-	966,279	924,732
1,218,695	-	-	5,144,324	2,876,435
-	-	-	28,807	28,807
-	-	-	298,731	-
-	-	-	110,632	110,632
-	-	-	487,481	1,041,607
7,191,067	-	-	7,191,067	6,294,329
<u>\$ 13,931,682</u>	<u>\$ 14,659,234</u>	<u>\$ 5,483,340</u>	<u>\$ 121,011,711</u>	<u>\$ 153,027,814</u>
\$ -	\$ 8,278,054	\$ 1,582,168	\$ 12,991,337	\$ 12,773,786
-	-	-	10,857	86,121
298,731	-	-	298,731	-
-	-	-	1,090,508	1,267,600
<u>298,731</u>	<u>8,278,054</u>	<u>1,582,168</u>	<u>14,391,433</u>	<u>14,127,507</u>
5,521,920	-	772,540	24,977,524	25,287,472
-	-	-	168,207	1,028,683
1,218,695	-	-	1,218,695	172,825
<u>6,740,615</u>	<u>-</u>	<u>772,540</u>	<u>26,364,426</u>	<u>26,488,980</u>
-	-	-	598,113	1,152,239
6,892,336	6,381,180	3,128,632	18,712,435	54,064,168
-	-	-	7,451,302	5,960,686
-	-	-	53,494,002	51,234,234
<u>6,892,336</u>	<u>6,381,180</u>	<u>3,128,632</u>	<u>80,255,852</u>	<u>112,411,327</u>
<u>\$ 13,931,682</u>	<u>\$ 14,659,234</u>	<u>\$ 5,483,340</u>	<u>\$ 121,011,711</u>	<u>\$ 153,027,814</u>

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION AS OF JUNE 30, 2019

Total fund balances - governmental funds		\$ 80,255,852
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.		154,317,120
Certain revenues receivable by the District and recognized in the Statement of Net Position do not provide current financial resources and are included as deferred inflows of resources in the Governmental Funds Balance Sheet, as follows:		
Federal interest subsidy on Qualified School Construction Bond	\$ 1,218,695	
State and federal aid	<u>168,207</u>	
		1,386,902
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		9,767,047
Deferred outflows of resources related to other post employment obligations do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		2,649,314
Deferred inflows of resources related to other post employment obligations do not relate to the current financial resources and are not included in the Governmental Funds Balance Sheet.		(7,966,308)
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(10,769,061)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.		
Balances at June 30, 2019 are:		
Bonds payable	\$ (97,914,794)	
Unamortized bond premium	(3,662,475)	
Net OPEB liability	(53,969,453)	
Net pension liability	(18,660,535)	
Interest payable	(201,875)	
Compensated absences	<u>(545,194)</u>	
		<u>(174,954,326)</u>
Net position of governmental activities		<u>\$ 54,686,540</u>

See Notes to Basic Financial Statements

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## GOVERNMENTAL FUNDS

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
<b>Revenues</b>				
Property taxes	\$ 26,199,603	\$ 5,575,113	\$ 1,131,021	\$ 2,669,017
Corporate personal property replacement taxes	4,240,084	-	-	1,799,373
State aid	60,778,313	22,269,128	4,142,741	-
Federal aid	11,565,999	-	-	-
Investment income	1,608,589	223,897	87,284	37,429
Other	<u>2,544,348</u>	<u>69,576</u>	<u>-</u>	<u>-</u>
Total revenues	<u>106,936,936</u>	<u>28,137,714</u>	<u>5,361,046</u>	<u>4,505,819</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	34,386,452	-	-	393,042
Special programs	14,551,588	-	-	357,201
Other instructional programs	6,200,430	-	-	146,941
State retirement contributions	20,114,439	-	-	-
Support Services:				
Pupils	7,724,157	-	-	286,655
Instructional staff	4,816,318	-	-	102,864
General administration	2,495,294	-	-	109,004
School administration	2,809,353	-	-	120,217
Business	4,965,948	-	-	315,803
Transportation	-	-	3,887,277	5,331
Operations and maintenance	19,200	14,035,859	-	1,123,901
Central	2,402,366	-	-	110,065
Other supporting services	861,721	382,266	-	15,545
Community services	628,593	-	-	28,328
Payments to other districts and gov't units	554,513	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>2,169,410</u>	<u>14,084,182</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>104,699,782</u>	<u>28,502,307</u>	<u>3,887,277</u>	<u>3,114,897</u>
Excess (deficiency) of revenues over expenditures	<u>2,237,154</u>	<u>(364,593)</u>	<u>1,473,769</u>	<u>1,390,922</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	2,237,154	(364,593)	1,473,769	1,390,922
Fund balance, beginning of year	<u>51,685,191</u>	<u>5,646,697</u>	<u>1,015,271</u>	<u>769,293</u>
Fund balance, end of year	<u>\$ 53,922,345</u>	<u>\$ 5,282,104</u>	<u>\$ 2,489,040</u>	<u>\$ 2,160,215</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2019	2018
\$ 11,102,483	\$ -	\$ 750,903	\$ 47,428,140	\$ 45,541,767
-	-	-	6,039,457	5,427,267
-	-	-	87,190,182	93,251,333
1,045,870	-	-	12,611,869	11,741,217
53,960	510,500	137,037	2,658,696	886,992
-	-	-	2,613,924	2,603,688
<u>12,202,313</u>	<u>510,500</u>	<u>887,940</u>	<u>158,542,268</u>	<u>159,452,264</u>
-	-	-	34,779,494	32,197,370
-	-	-	14,908,789	13,897,404
-	-	-	6,347,371	5,952,875
-	-	-	20,114,439	33,159,525
-	-	-	8,010,812	7,632,890
-	-	-	4,919,182	4,073,281
-	-	-	2,604,298	2,297,333
-	-	-	2,929,570	2,665,175
-	-	-	5,281,751	4,906,505
-	-	-	3,892,608	3,785,534
-	-	-	15,178,960	13,791,947
-	-	-	2,512,431	2,766,437
-	-	-	1,259,532	1,311,308
-	-	-	656,921	317,626
-	-	-	554,513	819,814
9,195,000	-	-	9,195,000	9,244,036
2,423,725	-	-	2,423,725	2,512,168
-	29,961,317	8,913,438	55,128,347	21,224,363
<u>11,618,725</u>	<u>29,961,317</u>	<u>8,913,438</u>	<u>190,697,743</u>	<u>162,555,591</u>
<u>583,588</u>	<u>(29,450,817)</u>	<u>(8,025,498)</u>	<u>(32,155,475)</u>	<u>(3,103,327)</u>
-	-	-	-	50,000
-	-	-	-	(50,000)
-	-	-	-	-
583,588	(29,450,817)	(8,025,498)	(32,155,475)	(3,103,327)
<u>6,308,748</u>	<u>35,831,997</u>	<u>11,154,130</u>	<u>112,411,327</u>	<u>115,514,654</u>
<u>\$ 6,892,336</u>	<u>\$ 6,381,180</u>	<u>\$ 3,128,632</u>	<u>\$ 80,255,852</u>	<u>\$ 112,411,327</u>

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201**  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

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Net change in fund balances - total governmental funds \$ (32,155,475)

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which current year net capital outlay exceeds depreciation expense. 49,394,060

Certain revenues included in the Statement of Activities do not provide current financial resources and, therefore, are included as deferred inflows of resources in the fund statements:

Federal subsidy QSCB	\$	1,045,870	
State and federal aid		<u>(860,476)</u>	
			185,394

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

Amortization of premium on bond issuances	\$	592,205	
Repayment of bond principal		9,195,000	
Accretion on bonds		<u>(4,008,334)</u>	
			5,778,871

In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:

State on-behalf contribution revenue	\$	19,841,404	
State on-behalf contribution expense		(19,841,404)	
Compensated absences		(21,836)	
Net OPEB liability		(182,626)	
Net pension liability		621,147	
Deferred outflows of resources due to OPEB		(258,071)	
Deferred inflows of resources due to OPEB		(1,633,664)	
Deferred outflows of resources due to pensions		2,648,310	
Deferred inflows of resources due to pensions		<u>(2,019,143)</u>	
			<u>(845,883)</u>

Change in net position of governmental activities \$ 22,356,967

See Notes to Basic Financial Statements

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201**

**AGENCY FUND**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2019**

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	AGENCY FUND
<hr/>	
<b>Assets</b>	
Cash and investments	\$ 1,009,192
Total assets	<u>\$ 1,009,192</u>
 <b>Liabilities</b>	
Due to student groups	\$ 1,009,192
Total liabilities	<u>\$ 1,009,192</u>

See Notes to Basic Financial Statements

# **J. STERLING MORTON HIGH SCHOOL DISTRICT 201**

## **NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

J. Sterling Morton High School District 201 (the "District") operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to the accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District.

#### **Reporting Entity**

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

#### **Basis of Presentation**

##### ***Government-wide Financial Statements***

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) amounts paid by the 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 instead as general revenues.

##### ***Governmental Funds Financial Statements***

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for all governmental funds and fiduciary funds; the fiduciary funds are excluded from the government-wide financial statements.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

##### **Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus, while the fiduciary fund statements do not have a measurement focus. The government-wide financial statements and the fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized 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 pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

##### ***Major Governmental Funds***

General Fund - the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Funds.

*Operations and Maintenance Fund* - accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes and state government aid.

*Transportation Fund* - accounts for all revenue and expenditures made for student transportation. Revenue is 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 non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

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

Capital Project Funds - accounts for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

*Capital Projects Fund* - accounts for construction projects and renovations financed through serial bond issues or state grants.

*Fire Prevention and Life Safety Fund* - accounts for State-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.

#### *Other Fund Types*

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

*Agency Funds* - include Student Activity Funds, Convenience Accounts and Other Agency Funds. These funds are custodial in nature and do not present results of operations or have a measurement focus. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. 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. Convenience Accounts account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

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

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

#### *All Financial Statements*

The preparation of financial statements in conformity with generally accepted accounting principles requires management 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, at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity**

#### *Deposits and Investments*

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

## **J. STERLING MORTON HIGH SCHOOL DISTRICT 201**

### **NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

##### ***Receivables and Payables***

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

##### ***Property Tax Revenues***

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2018 levy resolution was approved during the November 14, 2018 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

The 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 PTELA limitation 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 CPI rates applicable to the 2018 and 2017 tax levies were 2.1% and 2.1%, respectively.

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1 and the second due on the later of August 1 or 30 days after the second installment tax bill is mailed. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Property taxes are normally collected by the District within 60 days of the due date.

The 2018 property tax levy is recognized as a receivable in fiscal 2019, net of estimated uncollectible amounts approximating 2.0% and less amounts already received. The District considers that the first installment of the 2018 levy that is received by June 30, 2019 is to be used to finance operations in fiscal 2019. The District has determined that the remaining uncollected portion of the 2018 levy is to be used to finance operations in fiscal 2020 and has been included the corresponding receivable as a deferred inflow of resources.

##### ***Personal Property Replacement Taxes***

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

##### ***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/expenses when consumed rather than when purchased.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

#### *Capital Assets*

Capital assets, which include land, construction in process, buildings and improvements, and furniture and equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,000 and an estimated useful life of more than 1 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.

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

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

#### *Deferred Outflows of Resources*

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

#### *Compensated Absences*

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2019 are determined on the basis of current salary rates and include salary related payments.

#### *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. 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.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

#### *Deferred Inflows of Resources*

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

#### *Equity Classifications*

Equity is classified as net position in the government-wide financial statements and displayed in three components:

*Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less than any unspent debt proceeds.

*Restricted net position* - Consists of net position with constraints placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

*Unrestricted net position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Equity is classified as fund balance in the fund financial statements and displayed in five components:

*Nonspendable* - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory, prepaid items, permanent scholarships).

*Restricted* - includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds).

*Committed* - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education board that originally created the commitment.

*Assigned* - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. Currently this authority has not been delegated. The Board of Education may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

## **J. STERLING MORTON HIGH SCHOOL DISTRICT 201**

### **NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

*Unassigned* - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

Governmental fund balances reported on the fund financial statements at June 30, 2019 are as follows:

The nonspendable fund balance in the General Fund is comprised of \$110,632 for inventory and \$317,711 for prepaid items. The nonspendable balances in the Operations and Maintenance Fund and Transportation Fund were \$161,339, and \$8,431, respectively, for prepaid items. The remaining restricted fund balances are for the purpose of the respective funds as described above in the Major Governmental Funds section. The committed and assigned fund balances are for the purpose of the respective fund as described above in the Major Governmental Funds section.

#### ***Comparative Data***

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2018, from which such summarized information was derived.

#### ***Eliminations and Reclassifications***

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

#### **NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

##### **Excess of Expenditures over Budget**

For the year ended June 30, 2019, expenditures exceeded budget in the Educational Accounts of the General Fund and Operations and Maintenance Fund by \$1,662,165 and \$3,905,683, respectively, and were funded by available financial resources.

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

## NOTE 3 - DEPOSITS AND INVESTMENTS

At year end, the District's cash and investments was comprised of the following:

	<i>Government- wide</i>	<i>Fiduciary</i>	<i>Total</i>
Cash and investments	\$ 81,806,866	\$ 1,009,192	\$ 82,816,058
Restricted cash and investments	<u>7,191,067</u>	<u>-</u>	<u>7,191,067</u>
Total	<u>\$ 88,997,933</u>	<u>\$ 1,009,192</u>	<u>\$ 90,007,125</u>

Restricted cash and investments totaling \$6,144,806 represent holdings at The Bank of New York Mellon and are invested in the JP Morgan 100% US Treasury Capital Money Market Fund. These funds are restricted for repayment of the District's 2004B, 2005B and 2005C Capital Appreciation Bonds.

Restricted cash and investments totaling \$1,046,261 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.

For disclosure purposes, this amount is segregated into the following components:

	<i>Cash and investments</i>
Cash on hand	\$ 7,500
Deposits with financial institutions	27,105,835
Money market mutual fund	4,025,104
ISDLAF+	8,215,819
Other investments	<u>50,652,867</u>
Total	<u>\$ 90,007,125</u>

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. The District's investments subject to fair value measurement are categorized in the below table based upon the valuation methodology utilized at year end.

<i>Investment Type</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
US Treasuries	\$ -	\$ 16,244	\$ -	\$ 16,244
FNMA	-	497,355	-	497,355
FHLMC	-	1,498,025	-	1,498,025
FFCB	-	999,920	-	999,920
FHLB	-	3,320,479	-	3,320,479
Commercial paper	-	23,605,219	-	23,605,219
Municipal bonds	-	12,298,028	-	12,298,028
Corporate bonds	<u>-</u>	<u>8,417,597</u>	<u>-</u>	<u>8,417,597</u>
Total	<u>\$ -</u>	<u>\$ 50,652,867</u>	<u>\$ -</u>	<u>\$ 50,652,867</u>

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

### NOTE 3 - DEPOSITS AND INVESTMENTS - (CONTINUED)

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

At year end, the District had the following investments subject to interest rate risk:

	<i>Fair Value</i>	<i>Investment Maturity (In Years)</i>			
		<i>Less than one</i>	<i>1-5</i>	<i>5-10</i>	<i>More than 10</i>
US Treasuries	\$ 16,244	\$ 16,244	\$ -	\$ -	\$ -
FNMA	497,355	-	497,355	-	-
FHLMC	1,498,025	-	1,498,025	-	-
FFCB	999,920	-	999,920	-	-
FHLB	3,320,479	997,120	1,575,417	747,942	-
Commercial paper	23,605,219	23,605,219	-	-	-
Municipal bonds	12,298,028	2,827,058	7,050,275	1,390,695	1,030,000
Corporate bonds	8,417,597	7,586,976	830,621	-	-
Total	<u>\$ 50,652,867</u>	<u>\$ 35,032,617</u>	<u>\$ 12,451,613</u>	<u>\$ 2,138,637</u>	<u>\$ 1,030,000</u>

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The Municipal Bonds held by the District at year end ranged from being rated between AA- and AAA by Standard and Poor and Aaa - A3 by Moody's.

The JP Morgan 100% US Treasury Capital Money Market Fund invests solely in debt securities of the US Treasury, including Treasury bills, bonds and notes. These investments carry different interest rates, maturities and issue dates. The JP Morgan US Treasury Capital Money Market Fund is rated AAAM by Standard and Poor and Aaa-mf by Moody's investment rating agencies.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit 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.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The following investments exceed 5% of the District's total portfolio of investment subject to concentration of credit risk: Federal Home Loan Bank - 5.64%, JP Morgan Chase Bank Corporate Bonds - 6.78%, MUFG Bank Ltd New York Commercial Paper - 18.45%, Intesa Sanpaolo Funding Commercial Paper - 8.47%, Cook County IL 099 Cicero Municipal Bonds - 5.16%, Credit Agricole Commercial Paper - 9.79%.

*Custodial Credit Risk - Deposits.* With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2019, the bank balance of the District's deposit with financial institutions totaled \$41,396,697; of this amount, \$4,127,287 was uncollateralized and uninsured.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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### NOTE 3 - DEPOSITS AND INVESTMENTS - (CONTINUED)

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds maintain their invested and uninvested balances in the common checking and investment accounts, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

### NOTE 4 - INTERFUND RECEIVABLE/PAYABLE

The composition of interfund loan balances as of June 30, 2019 for the District's individual major funds, is as follows:

<i><b>Receivable Fund</b></i>	<i><b>Payable Fund</b></i>	<i><b>Amount</b></i>
General (Educational Accounts)	Debt Service	\$ 298,731
Total		<u>\$ 298,731</u>

During fiscal year 2019, Debt Service Fund expenditures exceeded the cash available due to a delayed Qualified School Construction Bond federal subsidy receipt. For this reason, the General Fund has an interfund receivable with the Debt Service Fund of \$298,731, which is expected to be paid back within one year.

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

## NOTE 5 - CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2019 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<b><u>Capital assets not being depreciated:</u></b>				
Land	\$ 13,629,003	\$ -	\$ -	\$ 13,629,003
Construction in progress	<u>13,131,438</u>	<u>49,486,457</u>	<u>-</u>	<u>62,617,895</u>
Total capital assets not being depreciated	<u>26,760,441</u>	<u>49,486,457</u>	<u>-</u>	<u>76,246,898</u>
<b><u>Capital assets being depreciated:</u></b>				
Land improvements	1,287,012	205,928	-	1,492,940
Buildings	93,053,601	65,448	-	93,119,049
Building improvements	13,500,376	2,372,034	-	15,872,410
Equipment	<u>33,362,494</u>	<u>2,731,132</u>	<u>-</u>	<u>36,093,626</u>
Total capital assets being depreciated	<u>141,203,483</u>	<u>5,374,542</u>	<u>-</u>	<u>146,578,025</u>
<b><u>Less Accumulated Depreciation for:</u></b>				
Land improvements	211,455	83,421	-	294,876
Buildings	36,147,301	2,074,332	-	38,221,633
Building improvements	3,147,389	1,033,962	-	4,181,351
Equipment	<u>23,534,719</u>	<u>2,275,224</u>	<u>-</u>	<u>25,809,943</u>
Total accumulated depreciation	<u>63,040,864</u>	<u>5,466,939</u>	<u>-</u>	<u>68,507,803</u>
Net capital assets being depreciated	<u>78,162,619</u>	<u>(92,397)</u>	<u>-</u>	<u>78,070,222</u>
Net governmental activities capital assets	<u>\$ 104,923,060</u>	<u>\$ 49,394,060</u>	<u>\$ -</u>	<u>\$ 154,317,120</u>

Depreciation expense was recognized in the operating activities of the District as follows:

<i>Governmental Activities</i>	<i>Depreciation</i>
Regular programs	\$ 3,717,519
Special programs	437,355
Pupils	27,335
Instructional staff	54,669
General administration	27,335
School administration	54,669
Business	27,335
Transportation	164,008
Operations and maintenance	902,045
Central	<u>54,669</u>
Total depreciation expense - governmental activities	<u>\$ 5,466,939</u>

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

#### NOTE 6 - LONG TERM LIABILITIES

*Changes in General Long-term Liabilities.* The following is the long-term liability activity for the District for the year ended June 30, 2019:

	<b><i>Beginning Balance</i></b>	<b><i>Additions</i></b>	<b><i>Deletions</i></b>	<b><i>Ending Balance</i></b>	<b><i>Due Within One Year</i></b>
General obligation bonds	\$ 50,000,000	\$ -	\$ -	\$ 50,000,000	\$ -
Capital appreciation bonds	53,101,460	4,008,334	9,195,000	47,914,794	9,195,000
Unamortized premium	<u>4,254,680</u>	<u>-</u>	<u>592,205</u>	<u>3,662,475</u>	<u>-</u>
Total bonds payable	<u>107,356,140</u>	<u>4,008,334</u>	<u>9,787,205</u>	<u>101,577,269</u>	<u>9,195,000</u>
Net pension liability	19,281,682	12,139,930	12,761,077	18,660,535	-
Net OPEB liability	53,786,827	1,430,502	1,247,876	53,969,453	-
Compensated absences	<u>523,358</u>	<u>93,472</u>	<u>71,636</u>	<u>545,194</u>	<u>-</u>
Total long-term liabilities - governmental activities	<u>\$ 180,948,007</u>	<u>\$ 17,672,238</u>	<u>\$ 23,867,794</u>	<u>\$ 174,752,451</u>	<u>\$ 9,195,000</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 net OPEB Liability will be repaid from the General Fund.

In April 2017, the District issued its 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.

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

## NOTE 6 - LONG TERM LIABILITIES - (CONTINUED)

*General Obligation Bonds.* General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

<b>Purpose</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>Face Amount</b>	<b>Carrying Amount</b>
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	\$ 9,660,000	\$ 9,271,115
Series 2005B Capital Appreciation Limited Tax School Bonds dated November 17, 2005 are due in annual installments through December 1, 2024	5.3% - 5.8%	18,500,926	42,465,000	31,962,818
Series 2005C Capital Appreciation Limited Tax School Bonds dated December 1, 2005 are due in annual installments through December 1, 2025	5.0%	2,035,598	11,560,000	6,680,861
Series 2017 Qualified School Construction Bonds dated December 1, 2017 are due on December 1, 2041	4.845%	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
Total		<u>\$ 76,175,481</u>	<u>\$ 113,685,000</u>	<u>\$ 97,914,794</u>

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Sinking Fund Activity**</b>	<b>Total Cash Requirements</b>
2020	\$ 9,195,000	\$ 2,422,500	\$ 11,617,500	\$ 1,030,000	\$ 12,647,500
2021	9,195,000	2,422,500	11,617,500	1,030,000	12,647,500
2022	9,195,000	2,422,500	11,617,500	1,030,000	12,647,500
2023	9,195,000	2,422,500	11,617,500	400,000	12,017,500
2024	9,195,000	2,422,500	11,617,500	400,000	12,017,500
2025 - 2029	17,710,000	12,112,500	29,822,500	7,520,000	37,342,500
2030 - 2034	-	12,112,500	12,112,500	10,075,000	22,187,500
2035 - 2039	-	12,112,500	12,112,500	10,075,000	22,187,500
2040 - 2042	<u>50,000,000</u>	<u>6,056,250</u>	<u>56,056,250</u>	<u>(32,590,000)</u>	<u>23,466,250</u>
Subtotal	113,685,000	54,506,250	168,191,250	( 1,030,000)	167,161,250
Sinking funds deposited through June 30, 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,030,000</u>	<u>1,030,000</u>
Total	<u>\$ 113,685,000</u>	<u>\$ 54,506,250</u>	<u>\$ 168,191,250</u>	<u>\$ -</u>	<u>\$ 168,191,250</u>

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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### NOTE 6 - LONG TERM LIABILITIES - (CONTINUED)

\*\* 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.

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2019, the statutory debt limit for the District was \$114,577,747, providing a debt margin of \$48,603,160.

### NOTE 7 - RISK MANAGEMENT

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

The District is self-insured for 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 plan 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, 2019, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$1,090,508. 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, 2018 and June 30, 2019, changes in the liability reported in the General Fund for unpaid claims are summarized as follows:

	<i>Claims Payable Beginning of Year</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Claims Payments</i>	<i>Claims Payable End of Year</i>
Fiscal Year 2018	<u>\$ 1,030,887</u>	<u>\$ 8,714,627</u>	<u>\$ 8,477,914</u>	<u>\$ 1,267,600</u>
Fiscal Year 2019	<u>\$ 1,267,600</u>	<u>\$ 9,751,196</u>	<u>\$ 9,928,288</u>	<u>\$ 1,090,508</u>

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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## NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

### Teachers' Health Insurance Security

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

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."

*Benefits Provided.* 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.

*On Behalf Contributions to THIS Fund.* The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.24% of pay during the year ended June 30, 2019. State of Illinois contributions of \$565,503 were recognized as revenues and expenditures by the District during the year in the General Fund based on the current financial resources measurement basis. On the economic resources measurement basis, the District recognizes revenues and expenses of \$3,576,008 in Governmental Activities equal to the proportion of the State of Illinois's OPEB expense associated with the employer.

*Contributions.* The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.92% during the year ended June 30, 2019. The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2019, the District paid \$437,954 to the THIS Fund, which was 103 percent of the required contribution for the year.

*THIS Fiduciary Net Position.* Detailed information about the THIS Fund's fiduciary net position as of June 30, 2018 is available in the separately issued THIS Annual Financial Report.

*Net OPEB Liability.* At June 30, 2019, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for the state's retiree insurance 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 collection net OPEB liability	\$ 47,112,886
State's proportionate share of the collective net OPEB liability associated with the District	<u>63,262,446</u>
Total	<u>\$ 110,375,332</u>

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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### NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018. 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, 2018, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2018 and 2017, the District's proportion was 0.178824% and 0.179797%, respectively.

*Actuarial Assumptions.* The net OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary Increases	3.25% to 9.25%
Investment Rate of Return	0.00%
Healthcare Cost Trend Rates - Initial	Non-Medicare - 8.00%; Post-Medicare - 9.00%
Healthcare Cost Trend Rates - Ultimate	4.50% with additional 0.36% added to non-Medicare costs
Fiscal Year the Ultimate Rate is Reached	2022

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

*Discount Rate.* At June 30, 2018, the discount rate used to measure the total OPEB liability was a blended rate of 3.62%, which was a change from the June 30, 2017 rate of 3.56%. Since THIS is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.* The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62%) or 1-percentage-point higher (4.62%) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Net OPEB Liability	<u>\$ 56,647,777</u>	<u>\$ 47,112,886</u>	<u>\$ 39,585,803</u>

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

### NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (initial rate of 7.00% decreasing to an ultimate rate of 3.86%) for non-Medicare coverage and initial rate of 8.00% decreasing to an ultimate rate of 3.50% for Medicare coverage) or 1-percentage-point higher (initial rate of 9.00% decreasing to an ultimate rate of 5.86%) for non-Medicare coverage and initial rate of 10.00% decreasing to an ultimate rate of 5.50% for Medicare coverage) than the current healthcare cost trend rate:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
Net OPEB Liability	<u>\$ 38,200,888</u>	<u>\$ 47,112,886</u>	<u>\$ 59,119,392</u>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* For the year ended June 30, 2019, the District recognized OPEB expense of \$2,878,932 and on-behalf revenue and expenses of \$3,576,008 for support provided by the state. At June 30, 2019, the District's deferred outflows of resources and deferred inflows of resources related to OPEBs were from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ -	\$ 169,042
Changes in Assumptions	-	6,860,428
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	1,446
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	2,129,173	267,483
District Contributions Subsequent to the Measurement Date	<u>419,567</u>	<u>-</u>
Total	<u>\$ 2,548,740</u>	<u>\$ 7,298,399</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net OPEB liability for the year ending June 30, 2020. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB (\$5,169,226) will be recognized in OPEB expense as follows in these reporting years:

<b>Year Ending June 30,</b>	<b>Amount</b>
2020	\$ (800,328)
2021	(800,328)
2022	(800,328)
2023	(800,326)
2024	(799,966)
Thereafter	<u>(1,167,950)</u>
Total	<u>\$ (5,169,226)</u>

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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### NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

#### Retirees' Health Plan

*Plan Description.* The District administers a single-employer defined benefit healthcare plan ("the Retirees' 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 Retirees' Health Plan does not issue a publicly available financial report.

*Contributions and Benefits Provided.* Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the board and the union. The following is a summary of the eligibility plan provisions.

#### Eligibility Provisions

##### *Certified Teachers & Administrators*

Employees retiring on or before June 30, 2008 must be age 55 or older and have at least 15 years of service at District 201 at retirement.

Employees retiring after June 30, 2008 must have 20 years of continuous employment with 3 consecutive years at District 201 immediately preceding retirement.

Employees retiring after June 30, 2014 must have 20 years of continuous employment with 3 consecutive years at District 20 immediately preceding retirement.

In addition, employees must also meet the Teachers' Retirement System ("TRS") requirements for participation in the TRS retirement program:

##### Tier I Members (First Contributed Prior to January 1, 2011)

- Age 62 with 5 years of service; or
- Age 60 with 10 years of service; or
- Age 55 with 20 years of service (reduced pension); or
- Age 55 with 35 years of service (full pension)

##### Tier II Members (First Contributed On or After January 1, 2011)

- 62 years old with 10 years of service (reduced pension)
- 67 years old with 10 years of service (full pension)

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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### NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

#### *Clerical Union*

Employees must have 20 or more years of service with District and satisfy IMRF eligibility requirements:

##### Regular Plan Tier 1 (Enrolled in IMRF Prior to January 1, 2011)

- At least 55 years old and at least 8 years of credited service (reduced pension)
- At least 60 years old and at least 8 years of credited service (full pension)

##### Regular Plan Tier 2 (First Enrolled in IMRF On or After January 1, 2011)

- At least 62 years old and at least 10 years of credited service (reduced pension)
- At least 67 years old and at least 10 years of credited service (full pension)

#### *Custodial / Maintenance Union, Security Union, Teaching Assistants' Union*

Employees must be age 55 or older and have at least 15 years of service at District 201 at retirement. Employees must also satisfy IMRF eligibility requirements.

### **Medical & Dental Coverage**

#### *Certified Teachers & Administrators*

For employees retiring under the Collective Bargaining Agreement dated June 30, 2013, the District pays 100% of the single and spouse cost for coverage in the District plan for a maximum of 5 years after retirement.

For employees retiring under the Collective Bargaining Agreement date June 30, 2014, the District pays for employees electing to continue coverage into retirement on the District plan at the same amount as actives with the same coverage:

- 100% of single cost for coverage for up to 5 years
- For up to 5 years, 92% of the family coverage

For employees retiring under the Collective Bargaining Agreement date June 30, 2017, the Board will pay 45% of T.R.I.P. plan through Teachers' Retirement System for the retiree (single or dependent) for 5 years or until Medicare eligible, whichever comes first.

According to the Certified Teachers Collective Bargaining Agreement dated June 30, 2013, Teachers are allowed to remain on the group health insurance plan if they retire before age 65 and have an option up to age 65 to retain health insurance under the District group plan at no cost to the Board. Premiums shall be paid one year in advance.

According to the Administrator's contract with the District, Administrators remain on the group health plan until attaining Medicare eligibility by paying their portion of the monthly premiums. The monthly premiums are the same as an active Teacher. Coverage terminates upon unpaid premiums or the attainment of Medicare eligibility.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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### NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

#### *Clerical Union*

The Clerical Retirement Agreement dated June 30, 2014 provides for medical and dental insurance based upon years of service with the District:

- Less than 15 years of service: 50% of the single and spouse cost for coverage up to Medicare eligibility
- Between 15 and 20 years of service: 100% of the single and spouse cost for up to 3 years; 50% thereafter up to Medicare eligibility
- 20 or more years of service: 100% of the single and spouse cost for coverage for up to 5 years; 50% thereafter up to Medicare eligibility

The Clerical Retirement Agreement dated June 30, 2017 provides for medical as follows:

Employees with 20 or more years of service to District 201 will receive the dollar equivalent of 45% of the cost of health insurance under the Teachers' Retirement Insurance Plan (TRIP) on an annual basis which will be reimbursed to the employee after proof of payment to an insurance carrier of the retiree's choosing other than the District health insurance plan. This benefit will continue for 5 years or when the employee is Medicare eligible, whichever first occurs.

#### *Custodial / Maintenance Union*

The Custodian Collective Bargaining Agreement dated June 30, 2014 provide for medical and dental based upon years of service with the District.

- Between 15 and 20 years of service: 100% of the single and spouse cost for up to 3 years; 50% thereafter up to Medicare eligibility
- Between 21 and 25 years of service: 100% of the single and spouse cost for up to 5 years; 50% thereafter up to Medicare eligibility
- Between 26 and 30 years of service: 100% of the single and spouse cost for up to 7 years; 50% thereafter up to Medicare eligibility
- 31 or more years of service: 100% of the single and spouse cost up to Medicare eligibility

The Custodial Collective Bargaining Agreement dated June 30, 2019 provides for medical as follows:

Employees with 15 or more years of service to District 201 will receive the dollar equivalent of 45% of the cost of health insurance under the Teachers' Retirement Insurance Plan (TRIP) on an annual basis which will be reimbursed to the employee after proof of payment to an insurance carrier of the retiree's choosing other than the District health insurance plan. This benefit will continue for 5 years or when the employee is Medicare eligible, whichever first occurs.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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### NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

#### *Teaching Assistants' Union*

##### Employees Hired ON or AFTER July 1, 2013

Upon retirement from the District, if an employee has at least 15 years of service to the District, he/she shall have access to a District Health Insurance Plan. The retiree shall be responsible for 100% of the insurance premium for the plan he/she chooses. Access to a District Health Insurance Plan shall terminate upon the individual becoming eligible for Medicare. Any access to a District Health Insurance Plan shall be subject to all applicable federal and state laws.

##### Employees hired ON or AFTER July 1, 1998, but ON or BEFORE June 30, 2013

Upon retirement from the District, if an employee has at least 15 years of service to the District, he/she shall have access to a District Health Insurance Plan --- single coverage. The District shall pay 50% of the single insurance premium until the individual is eligible for Medicare. If the retiree chooses family insurance, he/she must demonstrate that his/her spouse is NOT eligible for insurance via his/her employer and/or eligible for Medicare AND the retiree must pay 100% of the difference between the single and family insurance plan premium in addition to the portion of the single insurance plan premium for which the retiree is responsible. Any access to a District Health Insurance Plan shall be subject to all applicable federal and state laws.

##### Employees hired ON or BEFORE July 1, 1998

Upon retirement from the District, if an employee has at least 15 years of service to the District, he/she shall have access to a District Health Insurance Plan --- single coverage. The District shall pay 80% of the single insurance premium until the individual is eligible for Medicare. If the retiree chooses family insurance, he/she must demonstrate that his/her spouse is NOT eligible for insurance via his/her employer and/or eligible for Medicare AND the retiree must pay 100% of the difference between the single and family insurance plan premium in addition to the portion of the single insurance plan premium for which the retiree is responsible. Any access to a District Health Insurance Plan shall be subject to all applicable federal and state laws.

The Teaching Assistants' Collective Bargaining Agreement dated July 1, 2018 does not provide for medical coverage. However; being a retiree under IMRF, the retiree may elect to stay on the employer's plan by paying full cost of the premium until Medicare eligible.

*Employees Covered by Benefit Terms.* At June 30, 2018, the actuarial valuation date, the following employees were covered by the benefit terms:

Retired Plan Members	37
Active Employees Not Yet Eligible	<u>716</u>
Total	<u><u>753</u></u>

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

### NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

*Total OPEB Liability.* The District's total OPEB liability of \$6,856,567 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018.

Inflation	3.00%
Election at Retirement (Certified Teachers & Administrators, Clerical Employees, Custodial & Maintenance Employees)	100.00%
Election at Retirement (All other Employees)	20.00%
Discount Rate	2.79%
Healthcare Cost Trend Rate - Initial (PPO)	6.50%
Healthcare Cost Trend Rate - Initial (HMO)	5.50%
Healthcare Cost Trend Rate - Initial (TRIP)	5.00%
Healthcare Cost Trend Rate - Initial (Dental)	2.00%
Healthcare Cost Trend Rate - Ultimate (PPO)	5.00%
Healthcare Cost Trend Rate - Ultimate (HMO)	4.50%
Healthcare Cost Trend Rate - Ultimate (TRIP & Dental)	Constant Trend Rate
Fiscal Year the Ultimate Rate is Reached	2028

The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2019.

Mortality rates were based on the December 31, 2017 IMRF Actuarial Valuation Report for IMRF employees and retirees and the June 30, 2017 Teachers' Retirement System Actuarial Valuation Report for TRS employees and retirees.

The actuarial assumptions used in the June 30, 2019 valuation were based on assumptions about future events.

*Changes in Total OPEB Liability.* The District's changes in total OPEB liability for the year ended June 30, 2019 was as follows:

	<b>Total OPEB Liability</b>
Balance at June 30, 2018	\$ 7,130,314
Service Cost	271,298
Interest	200,415
Changes in Assumptions and Other Inputs	69,844
Benefit Payments	(809,922)
Other changes	<u>(5,382)</u>
Net Changes	<u>(273,747)</u>
Balance at June 30, 2019	<u>\$ 6,856,567</u>

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.79%) or 1-percentage-point higher (3.79%) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Total OPEB Liability	<u>\$ 7,235,810</u>	<u>\$ 6,856,567</u>	<u>\$ 6,497,383</u>

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

### NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 6,349,611	\$ 6,856,567	\$ 7,447,858

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* For the year ended June 30, 2019, the District recognized OPEB expense of \$395,940. The District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 194,971
Assumption Changes	100,574	472,938
Total	\$ 100,574	\$ 667,909

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the total OPEB liability for the year ending June 30, 2020. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB (\$567,335) will be recognized in OPEB expense as follows:

The amounts reported as deferred outflows and inflows of resources related to OPEB (\$567,335) will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2020	\$ (75,774)
2021	(75,774)
2022	(75,774)
2023	(75,774)
2024	(75,774)
Thereafter	(188,465)
Total	\$ (567,335)

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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#### NOTE 9 - RETIREMENT SYSTEMS

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

##### Teachers' Retirement System

*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 <https://www.trsil.org/financial/financial-reports>; 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 1* members have TRS or reciprocal system service prior to January 1, 2011. *Tier 1* members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

*Tier 2* members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for *Tier 2* are identical to those of *Tier 1*. Death benefits are payable under a formula that is different from *Tier 1*.

Essentially all *Tier 1* 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 2* 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 3* hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

*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.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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### NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

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 District, is submitted to TRS by the District.

*On Behalf Contributions to TRS.* The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2019, 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 \$36,379,835 in governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$19,548,936 in the General Fund based on the current financial resource 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, 2019, were \$445,032, and are deferred because they were paid after the June 30, 2018 measurement date.

*Federal and Trust Fund Contributions.* When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2019, the District pension contribution was 9.85 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2019, were \$110,361, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2018 measurement date.

*Salary increases over 6 percent.* The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. For the year ended June 30, 2019, the District paid \$30,278 to TRS for employer contributions due on salary increases in excess of 6 percent.

*TRS Fiduciary Net Position.* Detailed information about the TRS's fiduciary net position as of June 30, 2018 is available in the separately issued TRS Comprehensive Annual Financial Report.

*Net Pension Liability.* At June 30, 2019, 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 collective net pension liability	\$ 5,654,598
State's proportionate share of the collective net pension liability associated with the District	<u>387,363,681</u>
Total	<u><u>\$ 393,018,279</u></u>

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

#### NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. 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, 2018, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2018 and 2017, the District's proportion was 0.00725462 percent and 0.02203997 percent, respectively.

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

*Actuarial Assumptions.* The assumptions used to measure the total pension liability in the June 30, 2018 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit, and (c) inflation of 2.50%.

*Mortality.* Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2017. The assumptions were based on the results of an experience study dated September 18, 2018.

*Long-Term Expected Real 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 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:

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
U.S. equities large cap	15.00 %	6.70 %
U.S. equities small/mid cap	2.00 %	7.90 %
International equities developed	13.60 %	7.00 %
Emerging market equities	3.40 %	9.40 %
U.S. bonds core	8.00 %	2.20 %
International debt developed	2.20 %	1.30 %
Emerging international debt	2.60 %	4.50 %
Real estate	16.00 %	5.40 %
Commodities (real return)	4.00 %	1.80 %
Hedge funds (absolute return)	14.00 %	3.90 %
Private equity	15.00 %	10.20 %

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

#### NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

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

Based on those assumptions, TRS's fiduciary net position at June 30, 2018 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. *Tier 1's* liability is partially funded by *Tier 2* members, as the *Tier 2* member contribution is higher than the cost of *Tier 2* 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.

*Discount Rate Sensitivity.* 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:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
District's proportionate share of the collective net pension liability	<u>\$ 6,934,830</u>	<u>\$ 5,654,598</u>	<u>\$ 4,623,626</u>

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* For the year ended June 30, 2019, the District recognized TRS-related pension expense of \$(543,359) and on-behalf revenue and expense of \$36,379,835 for support provided by the state. At June 30, 2019, the District's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 113,646	\$ 1,233
Net difference between projected and actual earnings on pension plan investments	-	17,314
Assumption changes	248,008	160,263
Changes in proportion and differences between District contributions and proportionate share of contributions	859,614	9,161,995
District contributions subsequent to the measurement date	<u>555,393</u>	<u>-</u>
Total	<u>\$ 1,776,661</u>	<u>\$ 9,340,805</u>

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

#### NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2020. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$8,119,537) will be recognized in pension expense as follows:

<i>Year Ending June 30,</i>	<i>Amount</i>
2020	\$ (1,153,415)
2021	(1,947,329)
2022	(2,125,719)
2023	(1,991,348)
2024	<u>(901,726)</u>
Total	<u>\$ (8,119,537)</u>

#### Illinois Municipal Retirement Fund

*Plan Description.* The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer pension plan. 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 financial report that includes financial statements and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 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 *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 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 *Regular 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. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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### NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

*Plan Membership.* At December 31, 2018, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	315
Inactive, non-retired members	355
Active members	375
Total	<u><u>1,045</u></u>

*Contributions.* As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2018 was 12.21 percent of annual covered payroll. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Net Pension Liability/(Asset).* The net pension liability/(asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

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

*Actuarial Assumptions.* The assumptions used to measure the total pension liability in the December 31, 2018 annual actuarial valuation included (a) 7.25% investment rate of return, (b) projected salary increases from 3.39% to 14.25%, including inflation, and (c) price inflation of 2.50%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

*Mortality.* For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

### NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

*Long-Term Expected Real 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 arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	37.00 %	8.50 %	7.15 %
International equities	18.00 %	9.20 %	7.25 %
Fixed income	28.00 %	3.75 %	3.75 %
Real estate	9.00 %	7.30 %	6.25 %
Alternatives	7.00 %		
Private equity		12.40 %	8.50 %
Hedge funds		5.75 %	5.50 %
Commodities		4.75 %	3.20 %
Cash equivalents	1.00 %	2.50 %	2.50 %

*Discount Rate.* The discount rate used to measure the total pension liability for IMRF was 7.25%. The discount rate calculated using the December 31, 2017 measurement date was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

*Discount Rate Sensitivity.* The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.25% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 89,410,123	\$ 79,701,159	\$ 71,686,746
Plan fiduciary net position	<u>66,695,222</u>	<u>66,695,222</u>	<u>66,695,222</u>
Net pension liability/(asset)	<u>\$ 22,714,901</u>	<u>\$ 13,005,937</u>	<u>\$ 4,991,524</u>

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

## NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

*Changes in Net Pension Liability/(Asset).* The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2018 was as follows:

	<i>Increase (Decrease)</i>		
	<i>Total Pension Liability (a)</i>	<i>Plan Fiduciary Net Position (b)</i>	<i>Net Pension Liability/ (Asset) (a) - (b)</i>
Balances at December 31, 2017	\$ 74,377,917	\$ 71,934,359	\$ 2,443,558
Service cost	1,313,082	-	1,313,082
Interest on total pension liability	5,442,171	-	5,442,171
Differences between expected and actual experience of the total pension liability	1,365,578	-	1,365,578
Change of assumptions	2,146,777	-	2,146,777
Benefit payments, including refunds of employee contributions	(4,944,366)	(4,944,366)	-
Contributions - employer	-	1,577,551	(1,577,551)
Contributions - employee	-	654,248	(654,248)
Net investment income	-	(4,264,306)	4,264,306
Other (net transfer)	-	1,737,736	(1,737,736)
Balances at December 31, 2018	<u>\$ 79,701,159</u>	<u>\$ 66,695,222</u>	<u>\$ 13,005,937</u>

*Changes in Assumptions.* Change of assumptions reflects a change in the discount rate from 7.50% to 7.25%.

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* For the year ended June 30, 2019, the District recognized pension expense of \$1,315,435. The District's deferred outflows and inflows of resources related to pension were from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	\$ 1,173,414	\$ 287,941
Assumption changes	1,532,394	1,140,315
Net difference between projected and actual earnings on pension plan investments	4,610,446	-
Contributions subsequent to the measurement date	<u>674,132</u>	<u>-</u>
Total	<u>\$ 7,990,386</u>	<u>\$ 1,428,256</u>

## J. STERLING MORTON HIGH SCHOOL DISTRICT 201

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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#### NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2020. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$5,887,998) will be recognized in pension expense as follows:

<i>Year Ending June 30,</i>	<i>Amount</i>
2020	\$ 1,829,571
2021	1,072,581
2022	1,061,279
2023	<u>1,924,567</u>
Total	<u>\$ 5,887,998</u>

#### NOTE 10 - CONSTRUCTION COMMITMENTS

As of June 30, 2019, the District is committed to approximately \$12,551,742 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances and building bonds already issued.

#### NOTE 11 - STATE AND FEDERAL AID CONTINGENCIES

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

#### NOTE 12 - EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 87, *Leases*, GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, GASB Statement No. 90, *Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*, and GASB Statement No. 91, *Conduit Debt Obligations*. Application of these standards may restate portions of these financial statements.

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY  
AND RELATED RATIOS  
Five Most Recent Fiscal Years

	2019	2018	2017	2016	2015
<b>Total pension liability</b>					
Service cost	\$ 1,313,082	\$ 1,466,220	\$ 1,398,793	\$ 1,376,234	\$ 1,497,870
Interest	5,442,171	5,499,547	5,234,751	4,972,352	4,656,933
Differences between expected and actual experience	1,365,578	(631,383)	1,016,026	1,116,133	(788,111)
Changes of assumptions	2,146,777	(2,425,701)	(174,298)	84,159	2,675,593
Benefit payments, including refunds of member contributions	<u>(4,944,366)</u>	<u>(4,249,898)</u>	<u>(4,080,097)</u>	<u>(3,846,691)</u>	<u>(3,528,043)</u>
<b>Net change in total pension liability</b>	5,323,242	(341,215)	3,395,175	3,702,187	4,514,242
<b>Total pension liability - beginning</b>	<u>74,377,917</u>	<u>74,719,132</u>	<u>71,323,957</u>	<u>67,621,770</u>	<u>63,107,528</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 79,701,159</u>	<u>\$ 74,377,917</u>	<u>\$ 74,719,132</u>	<u>\$ 71,323,957</u>	<u>\$ 67,621,770</u>
<b>Plan fiduciary net position</b>					
Employer contributions	\$ 1,577,551	\$ 1,505,670	\$ 1,581,981	\$ 1,599,287	\$ 1,487,656
Employee contributions	654,248	625,531	606,604	604,868	575,577
Net investment income	(4,264,306)	11,473,376	4,222,491	305,140	3,603,786
Benefit payments, including refunds of member contributions	(4,944,366)	(4,249,898)	(4,080,097)	(3,846,691)	(3,528,043)
Other (net transfer)	<u>1,737,736</u>	<u>(1,575,744)</u>	<u>411,562</u>	<u>901,102</u>	<u>(100,662)</u>
<b>Net change in plan fiduciary net position</b>	(5,239,137)	7,778,935	2,742,541	(436,294)	2,038,314
<b>Plan fiduciary net position - beginning</b>	<u>71,934,359</u>	<u>64,155,424</u>	<u>61,412,883</u>	<u>61,849,177</u>	<u>59,810,863</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 66,695,222</u>	<u>\$ 71,934,359</u>	<u>\$ 64,155,424</u>	<u>\$ 61,412,883</u>	<u>\$ 61,849,177</u>
<b>Employer's net pension liability - ending (a) - (b)</b>	<u>\$ 13,005,937</u>	<u>\$ 2,443,558</u>	<u>\$ 10,563,708</u>	<u>\$ 9,911,074</u>	<u>\$ 5,772,593</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	83.68%	96.71%	85.86%	86.10%	91.46%
<b>Covered payroll</b>	\$ 12,919,260	\$ 13,047,398	\$ 13,316,346	\$ 12,813,680	\$ 12,113,794
<b>Employer's net pension liability as a percentage of covered payroll</b>	100.67%	18.73%	79.33%	77.35%	47.65%

**Notes to Schedule:**

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

Actuary valuations are as of December 31st, which is 6 months prior to the end of the fiscal year.

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF DISTRICT CONTRIBUTIONS Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 1,519,305	\$ 1,505,670	\$ 1,581,982
Contributions in relation to the actuarially determined contribution	<u>(1,577,551)</u>	<u>(1,505,670)</u>	<u>(1,581,981)</u>
Contribution deficiency (excess)	<u>\$ (58,246)</u>	<u>\$ -</u>	<u>\$ 1</u>
 Covered payroll	 \$ 12,919,260	 \$ 13,047,398	 \$ 13,316,346
 Contributions as a percentage of covered payroll	 12.21%	 11.54%	 11.88%
	 <u>2016</u>	 <u>2015</u>	
Actuarially determined contribution	\$ 1,533,797	\$ 1,466,980	
Contributions in relation to the actuarially determined contribution	<u>(1,599,287)</u>	<u>(1,487,656)</u>	
Contribution deficiency (excess)	<u>\$ (65,490)</u>	<u>\$ (20,676)</u>	
 Covered payroll	 \$ 12,813,680	 \$ 12,113,794	
 Contributions as a percentage of covered payroll	 12.48%	 12.28%	

### Notes to Schedule:

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

### Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

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

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Inflation	2.75% -- approximate
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2014 Employee Mortality Table, adjusted to match current IMRF experience

### Other information:

There were no benefit changes during the year.

See Auditors' Report and Notes to Required Supplementary Information

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## TEACHERS' RETIREMENT SYSTEM

### SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY AND SCHEDULE OF DISTRICT CONTRIBUTIONS Five Most Recent Fiscal Years

	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.0072546155%	0.0220399653%	0.0229553199%	0.0225832234%	0.0164412830%
District's proportionate share of the net pension liability	\$ 5,654,598	\$ 16,838,124	\$ 18,120,022	\$ 14,794,286	\$ 10,005,881
State's proportionate share of the net pension liability	<u>387,363,681</u>	<u>331,816,459</u>	<u>308,907,911</u>	<u>228,260,631</u>	<u>275,578,370</u>
Total net pension liability	<u>\$ 393,018,279</u>	<u>\$ 348,654,583</u>	<u>\$ 327,027,933</u>	<u>\$ 243,054,917</u>	<u>\$ 285,584,251</u>
Covered payroll	\$ 42,689,785	\$ 41,316,776	\$ 39,425,189	\$ 37,300,609	\$ 38,072,544
District's proportionate share of the net pension liability as a percentage of covered payroll	13.25%	40.75%	45.96%	39.66%	26.28%
Plan fiduciary net position as a percentage of the total pension liability	40.00%	39.30%	36.40%	41.50%	43.00%
Contractually required contribution	\$ 362,069	\$ 339,039	\$ 932,495	\$ 820,487	\$ 781,251
Contributions in relation to the contractually required contribution	<u>(555,393)</u>	<u>(454,586)</u>	<u>(1,028,260)</u>	<u>(933,110)</u>	<u>(865,234)</u>
Contribution deficiency (excess)	<u>\$ (193,324)</u>	<u>\$ (115,547)</u>	<u>\$ (95,765)</u>	<u>\$ (112,623)</u>	<u>\$ (83,983)</u>
Covered payroll	\$ 45,605,062	\$ 42,689,785	\$ 41,316,776	\$ 39,425,189	\$ 37,300,609
Contributions as a percentage of covered payroll	1.2178%	1.0649%	2.4887%	2.3668%	2.3196%

**Notes to Schedule:**

The District implemented GASB 68 in 2015. Information for fiscal years prior to 2015 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

**Key Assumptions:**

Long-term expected rate of return	7.00%	7.00%	7.00%	7.50%	7.50%
Municipal bond index	3.87%	3.58%	2.85%	3.73%	N/A
Single equivalent discount rate	7.00%	7.00%	6.83%	7.47%	7.50%
Inflation rate	2.50%	2.50%	2.50%	3.00%	3.00%
Projected salary increases	4.00% to 9.50%	3.25% to 9.25%	3.25% to 9.25%	3.75% to 9.75%	5.75%
	varying by service	varying by service	varying by service	varying by service	

See Auditors' Report and Notes to Required Supplementary Information

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## RETIREES' HEALTH PLAN

### SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>		
Service cost	\$ 271,298	\$ 256,038
Interest	200,415	234,569
Differences between expected and actual experience	-	(246,451)
Changes of assumptions	69,844	(329,894)
Benefit payments, including refunds of member contributions	(809,922)	(883,290)
Other changes	<u>(5,382)</u>	<u>(213,744)</u>
<b>Net change in total OPEB liability</b>	(273,747)	(1,182,772)
<b>Total OPEB liability - beginning</b>	<u>7,130,314</u>	<u>8,313,086</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 6,856,567</u></u>	<u><u>\$ 7,130,314</u></u>
<b>Covered payroll</b>	\$ 59,234,226	\$ 56,531,694
<b>District's total OPEB liability as a percentage of covered payroll</b>	11.58%	12.61%

#### Notes to Schedule:

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

See Auditors' Report and Notes to Required Supplementary Information

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## RETIREES' HEALTH PLAN SCHEDULE OF DISTRICT CONTRIBUTIONS Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	N/A	N/A
Contributions in relation to the actuarially determined contribution	<u>N/A</u>	<u>N/A</u>
Contribution deficiency (excess)	<u>N/A</u>	<u>N/A</u>
Covered payroll	\$ 59,234,226	\$ 56,531,694
Contributions as a percentage of covered payroll	0.00%	0.00%

### Notes to Schedule:

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

### Valuation date:

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

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

Actuarial cost method	Entry age normal
Amortization method	Straight line
Remaining amortization period	9.56 years
Election at retirement	Certified Staff - 100%
	Clerical Employees - 100%
	Custodial & Maintenance Employees - 100
	Other Employees - 20%
Salary increases	4.00%
Investment rate of return	N/A
Healthcare cost trend rate - initial	6.50% PPO, 5.50% HMO, 5.00% TRIP, 2.00% Dental
Healthcare cost trend rate - ultimate	5.00% PPO, 4.50% HMO, Constant trend rate for TRIP and Dental
Mortality	RP-2014 Employee Mortality Table, adjusted to match current IMRF experience

### Other information:

There were no benefit changes during the year.

See Auditors' Report and Notes to Required Supplementary Information

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201**  
**TEACHERS' HEALTH INSURANCE SECURITY FUND**  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE  
OF THE COLLECTIVE NET OPEB LIABILITY AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.1788243956%	0.1797968936%
District's proportionate share of the net OPEB liability	\$ 47,112,886	\$ 46,656,514
State's proportionate share of the net OPEB liability	<u>63,262,446</u>	<u>61,271,596</u>
Total net OPEB liability	<u>\$ 110,375,332</u>	<u>\$ 107,928,110</u>
Covered payroll	\$ 42,689,785	\$ 41,316,776
District's proportionate share of the net OPEB liability as a percentage of covered payroll	110.36%	112.92%
Plan fiduciary net position as a percentage of the total pension liability	-0.07%	-0.17%
Contractually required contribution	\$ 419,567	\$ 375,670
Contributions in relation to the contractually required contribution	<u>(437,954)</u>	<u>(362,131)</u>
Contribution deficiency (excess)	<u>\$ (18,387)</u>	<u>\$ 13,539</u>
Contributions as a percentage of covered payroll	1.0259%	0.8765%

**Notes to Schedule:**

The District implemented GASB 68 in fiscal year 2018. Information for fiscal years prior to 2018 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

**Key Assumptions:**

Long-term expected rate of return	0.00%	0.00%
Municipal bond index	3.62%	3.56%
Single equivalent discount rate	3.62%	3.56%
Inflation rate	2.75%	2.75%
Healthcare cost trend rates - initial	Medicare - 9.00%	Medicare - 9.00%
	Non-Medicare - 8.00%	Non-Medicare - 8.00%
Healthcare cost trend rates - ultimate	4.50%	4.50%
Mortality	RP-2014 Tables	RP-2014 Tables

See Auditors' Report and Notes to Required Supplementary Information

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 27,282,659	\$ 25,799,194	\$ (1,483,465)	\$ 26,272,283
Special education levy	424,073	400,409	(23,664)	408,117
Corporate personal property replacement taxes	3,500,000	4,240,084	740,084	5,202,267
Summer school tuition from pupils or parents (in state)	-	94,541	94,541	90,278
Adult - tuition from pupils or parents (in state)	-	165,263	165,263	208,326
Adult - tuition from other LEA's (in state)	210,000	-	(210,000)	-
Investment income	1,580,000	1,608,589	28,589	556,032
Sales to pupils - lunch	171,400	191,152	19,752	173,751
Sales to pupils - breakfast	3,900	9,086	5,186	4,953
Sales to pupils - a la carte	296,000	350,241	54,241	321,071
Sales to adults	140,250	178,242	37,992	162,790
Other food service	6,000	4,312	(1,688)	7,804
Admissions - athletic	17,600	14,213	(3,387)	18,903
Admissions - other	10,000	10,761	761	10,052
Fees	-	986	986	3,217
Book store sales	416,300	540,402	124,102	490,507
Other pupil activity revenue	235,600	383,854	148,254	373,863
Rentals - regular textbook	7,000	-	(7,000)	-
Sales - regular textbook	-	12,241	12,241	10,276
Refund of prior years' expenditures	-	23,180	23,180	-
Payments of surplus monies from TIF districts	-	242	242	64,426
Driver's education fees	61,500	3,526	(57,974)	1,575
Payment from other LEA's	97,000	-	(97,000)	-
Other	1,291,000	562,106	(728,894)	639,648
Total local sources	35,750,282	34,592,624	(1,157,658)	35,020,139
<b>State sources</b>				
Evidence based funding	38,189,084	38,352,387	163,303	28,276,812
Special education - private facility tuition	-	1,432,607	1,432,607	1,252,637
Special education - extraordinary	-	-	-	301,000
Special education - personnel	-	-	-	237,596
Special education - summer school	-	-	-	64,172
CTE - Secondary program improvement	236,000	235,146	(854)	327,425
Bilingual education - downstate - TPI	118,262	-	(118,262)	337,450
State free lunch & breakfast	25,135	50,259	25,124	47,917
Driver education	12,127	13,935	1,808	16,169
Truant alternative/optional education	-	-	-	125,000
Early childhood - block grant	96,000	454,100	358,100	94,915
Other restricted revenue from state sources	41,000	125,440	84,440	81,172
Total state sources	38,717,608	40,663,874	1,946,266	31,162,265

See Auditors' Report and Notes to Required Supplementary Information

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Federal sources</b>				
National school lunch program	\$ 2,200,000	\$ 2,722,776	\$ 522,776	\$ 2,825,927
School breakfast program	250,000	326,825	76,825	308,242
Child care commodity/SFS 13-adult day care	180,000	136,646	(43,354)	202,421
Fresh fruits & vegetables	-	96,827	96,827	93,301
Food service - other	-	218,019	218,019	259,438
Title I - Low income	2,824,360	3,383,770	559,410	2,934,569
Title I - Other	293,584	15,000	(278,584)	-
Federal - special education - IDEA - flow-through/low incident	2,400,000	2,827,208	427,208	907,554
Federal - special education - IDEA - room & board	25,000	2,170	(22,830)	551
Federal - special education - IDEA - discretionary	420,000	-	(420,000)	-
CTE - Perkins - Title III E - tech. prep.	-	409,390	409,390	420,999
Emergency immigrant assistance	5,000	-	(5,000)	5,407
Title III - English language acquisition	110,000	120,621	10,621	156,654
Title II - Teacher quality	341,775	386,038	44,263	388,114
Medicaid matching funds - administrative outreach	160,000	217,643	57,643	242,283
Medicaid matching funds - fee-for-service program	160,000	262,103	102,103	144,542
Other restricted revenue from federal sources	<u>55,000</u>	<u>440,963</u>	<u>385,963</u>	<u>685,819</u>
Total federal sources	<u>9,424,719</u>	<u>11,565,999</u>	<u>2,141,280</u>	<u>9,575,821</u>
Total revenues	<u>83,892,609</u>	<u>86,822,497</u>	<u>2,929,888</u>	<u>75,758,225</u>

### Expenditures

#### Instruction

##### Regular programs

Salaries	26,438,293	26,718,764	(280,471)	25,054,041
Employee benefits	6,106,455	6,195,866	(89,411)	5,794,928
Purchased services	138,977	142,959	(3,982)	71,491
Supplies and materials	1,423,932	1,310,481	113,451	897,164
Capital outlay	119,475	103,228	16,247	170,567
Other objects	7,700	16,190	(8,490)	15,970
Non-capitalized equipment	<u>1,400</u>	<u>2,192</u>	<u>(792)</u>	<u>147</u>
Total	<u>34,236,232</u>	<u>34,489,680</u>	<u>(253,448)</u>	<u>32,004,308</u>

See Auditors' Report and Notes to Required Supplementary Information

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Special education programs</b>				
Salaries	\$ 7,070,663	\$ 6,940,830	\$ 129,833	\$ 6,620,873
Employee benefits	1,508,253	1,659,686	(151,433)	1,634,000
Purchased services	182,000	104,493	77,507	112,303
Supplies and materials	85,000	48,169	36,831	33,872
Capital outlay	21,000	252,739	(231,739)	1,421
Other objects	2,000	-	2,000	-
Total	8,868,916	9,005,917	(137,001)	8,402,469
<b>Remedial and supplemental programs K - 12</b>				
Salaries	307,052	347,847	(40,795)	369,583
Employee benefits	94,180	118,055	(23,875)	110,180
Purchased services	217,838	250,434	(32,596)	313,924
Supplies and materials	1,210,138	1,270,891	(60,753)	1,239,131
Capital outlay	-	264,011	(264,011)	-
Total	1,829,208	2,251,238	(422,030)	2,032,818
<b>Adult/continuing education programs</b>				
Salaries	242,502	235,002	7,500	230,956
Employee benefits	5,989	6,531	(542)	5,706
Supplies and materials	4,000	-	4,000	1,453
Total	252,491	241,533	10,958	238,115
<b>CTE programs</b>				
Salaries	2,047,288	2,251,500	(204,212)	2,003,159
Employee benefits	436,335	539,694	(103,359)	441,763
Purchased services	101,320	79,164	22,156	111,142
Supplies and materials	329,347	246,610	82,737	284,653
Capital outlay	228,409	298,312	(69,903)	303,257
Other objects	7,000	4,624	2,376	3,800
Non-capitalized equipment	5,000	4,936	64	-
Total	3,154,699	3,424,840	(270,141)	3,147,774
<b>Interscholastic programs</b>				
Salaries	1,109,023	860,748	248,275	783,412
Employee benefits	35,576	27,977	7,599	37,251
Purchased services	347,650	264,218	83,432	258,080
Supplies and materials	249,461	223,701	25,760	386,534
Other objects	300	200	100	130
Total	1,742,010	1,376,844	365,166	1,465,407
<b>Summer school programs</b>				
Salaries	204,138	339,122	(134,984)	293,095
Employee benefits	2,486	4,380	(1,894)	6,216
Purchased services	-	4,086	(4,086)	-
Supplies and materials	200	6,247	(6,047)	3,643
Total	206,824	353,835	(147,011)	302,954

See Auditors' Report and Notes to Required Supplementary Information

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Driver's education programs</b>				
Salaries	\$ 15,625	\$ 12,678	\$ 2,947	\$ 14,881
Employee benefits	206	193	13	217
Purchased services	11,200	5,670	5,530	5,705
Supplies and materials	<u>7,515</u>	<u>742</u>	<u>6,773</u>	<u>399</u>
Total	<u>34,546</u>	<u>19,283</u>	<u>15,263</u>	<u>21,202</u>
<b>Bilingual programs</b>				
Salaries	516,767	844,761	(327,994)	800,768
Employee benefits	221,956	177,276	44,680	120,054
Purchased services	-	3,468	(3,468)	-
Supplies and materials	<u>12,000</u>	<u>3,089</u>	<u>8,911</u>	<u>298</u>
Total	<u>750,723</u>	<u>1,028,594</u>	<u>(277,871)</u>	<u>921,120</u>
<b>Truant's alternative and optional programs</b>				
Salaries	21,884	34,466	(12,582)	20,871
Employee benefits	301	517	(216)	287
Purchased services	1,700	939	761	686
Supplies and materials	24,250	15,883	8,367	12,362
Capital outlay	3,000	-	3,000	-
Non-capitalized equipment	<u>3,300</u>	<u>2,008</u>	<u>1,292</u>	<u>2,811</u>
Total	<u>54,435</u>	<u>53,813</u>	<u>622</u>	<u>37,017</u>
<b>Special education programs K -12 - private tuition</b>				
Other objects	<u>3,500,000</u>	<u>3,811,183</u>	<u>(311,183)</u>	<u>3,120,293</u>
Total	<u>3,500,000</u>	<u>3,811,183</u>	<u>(311,183)</u>	<u>3,120,293</u>
Total instruction	<u>54,630,084</u>	<u>56,056,760</u>	<u>(1,426,676)</u>	<u>51,693,477</u>
<b>Support services</b>				
<b>Pupils</b>				
<b>Attendance and social work services</b>				
Salaries	2,258,998	2,257,049	1,949	2,046,435
Employee benefits	594,784	522,428	72,356	491,835
Purchased services	117,831	38,572	79,259	20,795
Supplies and materials	62,380	48,995	13,385	26,672
Capital outlay	<u>21,000</u>	<u>19,441</u>	<u>1,559</u>	<u>55,719</u>
Total	<u>3,054,993</u>	<u>2,886,485</u>	<u>168,508</u>	<u>2,641,456</u>

See Auditors' Report and Notes to Required Supplementary Information

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Guidance services</b>				
Salaries	\$ 2,515,918	\$ 2,344,121	\$ 171,797	\$ 2,225,836
Employee benefits	619,893	531,645	88,248	470,840
Purchased services	33,700	56,674	(22,974)	27,620
Supplies and materials	10,650	5,615	5,035	13,253
Capital outlay	3,000	-	3,000	608
Other objects	325	13	312	745
Total	<u>3,183,486</u>	<u>2,938,068</u>	<u>245,418</u>	<u>2,738,902</u>
<b>Health services</b>				
Salaries	492,882	327,184	165,698	441,741
Employee benefits	235,810	79,389	156,421	125,937
Purchased services	326,705	575,463	(248,758)	397,636
Supplies and materials	14,636	12,647	1,989	6,821
Capital outlay	7,568	6,464	1,104	-
Other objects	3,400	-	3,400	-
Non-capitalized equipment	1,000	863	137	1,331
Total	<u>1,082,001</u>	<u>1,002,010</u>	<u>79,991</u>	<u>973,466</u>
<b>Psychological services</b>				
Salaries	346,977	240,192	106,785	330,455
Employee benefits	82,887	70,028	12,859	78,943
Supplies and materials	10,000	17,221	(7,221)	2,821
Total	<u>439,864</u>	<u>327,441</u>	<u>112,423</u>	<u>412,219</u>
<b>Speech pathology and audiology services</b>				
Salaries	234,321	227,451	6,870	223,164
Employee benefits	57,657	55,775	1,882	54,914
Total	<u>291,978</u>	<u>283,226</u>	<u>8,752</u>	<u>278,078</u>
<b>Other support services - pupils</b>				
Salaries	313,436	296,784	16,652	298,747
Employee benefits	15,357	14,282	1,075	14,294
Supplies and materials	2,950	1,236	1,714	1,060
Other objects	1,560	530	1,030	1,095
Total	<u>333,303</u>	<u>312,832</u>	<u>20,471</u>	<u>315,196</u>
Total pupils	<u>8,385,625</u>	<u>7,750,062</u>	<u>635,563</u>	<u>7,359,317</u>

See Auditors' Report and Notes to Required Supplementary Information

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Instructional staff</b>				
<b>Improvement of instructional services</b>				
Salaries	\$ 1,886,903	\$ 1,756,462	\$ 130,441	\$ 1,810,643
Employee benefits	542,431	362,228	180,203	397,230
Purchased services	420,772	1,303,453	(882,681)	546,194
Supplies and materials	31,400	82,802	(51,402)	26,483
Capital outlay	209,813	207,856	1,957	221,734
Other objects	2,000	-	2,000	70
Total	<u>3,093,319</u>	<u>3,712,801</u>	<u>(619,482)</u>	<u>3,002,354</u>
<b>Educational media services</b>				
Salaries	601,252	512,123	89,129	511,611
Employee benefits	522,159	190,896	331,263	201,248
Purchased services	110,136	96,970	13,166	57,868
Supplies and materials	209,905	182,823	27,082	202,149
Capital outlay	10,000	-	10,000	-
Other objects	3,000	-	3,000	-
Non-capitalized equipment	10,580	11,081	(501)	8,731
Total	<u>1,467,032</u>	<u>993,893</u>	<u>473,139</u>	<u>981,607</u>
<b>Assessment and testing</b>				
Salaries	10,863	3,815	7,048	10,346
Employee benefits	158	54	104	151
Purchased services	110,000	211,204	(101,204)	184,410
Supplies and materials	56,449	102,407	(45,958)	2,721
Capital outlay	9,322	18,642	(9,320)	-
Total	<u>186,792</u>	<u>336,122</u>	<u>(149,330)</u>	<u>197,628</u>
Total instructional staff	<u>4,747,143</u>	<u>5,042,816</u>	<u>(295,673)</u>	<u>4,181,589</u>
<b>General administration</b>				
<b>Board of education services</b>				
Salaries	332,565	291,820	40,745	255,328
Employee benefits	51,940	69,459	(17,519)	46,883
Purchased services	503,800	461,913	41,887	321,961
Supplies and materials	54,100	72,141	(18,041)	2,326
Capital outlay	-	2,701	(2,701)	-
Other objects	65,000	59,559	5,441	74,101
Non-capitalized equipment	-	-	-	30
Total	<u>1,007,405</u>	<u>957,593</u>	<u>49,812</u>	<u>700,629</u>

See Auditors' Report and Notes to Required Supplementary Information

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Executive administration services</b>				
Salaries	\$ 444,038	\$ 521,656	\$ (77,618)	\$ 422,895
Employee benefits	110,279	120,349	(10,070)	105,030
Purchased services	48,800	24,806	23,994	27,339
Supplies and materials	17,000	5,358	11,642	6,483
Capital outlay	6,000	699	5,301	-
Other objects	24,000	33,350	(9,350)	20,562
Total	650,117	706,218	(56,101)	582,309
<b>Special area administration services</b>				
Salaries	653,111	644,091	9,020	696,305
Employee benefits	143,088	169,623	(26,535)	154,882
Purchased services	7,500	7,388	112	6,835
Supplies and materials	200	13,781	(13,581)	23,308
Total	803,899	834,883	(30,984)	881,330
Total general administration	2,461,421	2,498,694	(37,273)	2,164,268
<b>School administration</b>				
<b>Office of the principal services</b>				
Salaries	2,040,206	2,132,212	(92,006)	1,996,414
Employee benefits	380,370	545,589	(165,219)	446,577
Purchased services	76,575	76,283	292	53,217
Supplies and materials	32,565	31,453	1,112	10,900
Capital outlay	8,400	7,329	1,071	61,259
Other objects	29,361	23,816	5,545	11,862
Non-capitalized equipment	4,000	-	4,000	8,750
Total	2,571,477	2,816,682	(245,205)	2,588,979
Total school administration	2,571,477	2,816,682	(245,205)	2,588,979
<b>Business</b>				
<b>Direction of business support services</b>				
Salaries	145,600	142,800	2,800	140,000
Employee benefits	30,792	43,021	(12,229)	29,327
Total	176,392	185,821	(9,429)	169,327
<b>Fiscal services</b>				
Salaries	549,948	533,810	16,138	523,762
Employee benefits	94,789	105,760	(10,971)	90,277
Purchased services	275,000	281,532	(6,532)	161,841
Supplies and materials	21,000	8,200	12,800	13,657
Other objects	6,000	3,970	2,030	4,182
Total	946,737	933,272	13,465	793,719

See Auditors' Report and Notes to Required Supplementary Information

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Operation and maintenance of plant services</b>				
Purchased services	\$ -	\$ 19,200	\$ (19,200)	\$ 311,021
Total	-	19,200	(19,200)	311,021
<b>Pupil transportation services</b>				
Capital outlay	-	119,184	(119,184)	-
Total	-	119,184	(119,184)	-
<b>Food services</b>				
Salaries	1,053,931	1,007,003	46,928	1,008,344
Employee benefits	269,016	305,656	(36,640)	257,370
Purchased services	170,337	508,115	(337,778)	570,166
Supplies and materials	601,019	1,351,875	(750,856)	1,329,724
Capital outlay	-	110,934	(110,934)	13,703
Other objects	1,150	3,150	(2,000)	3,203
Non-capitalized equipment	25,000	13,304	11,696	13,622
Total	2,120,453	3,300,037	(1,179,584)	3,196,132
<b>Internal services</b>				
Salaries	258,969	222,443	36,526	246,678
Employee benefits	61,114	22,600	38,514	48,204
Purchased services	22,000	96,037	(74,037)	66,813
Supplies and materials	535,000	316,672	218,328	62,496
Total	877,083	657,752	219,331	424,191
Total business	4,120,665	5,215,266	(1,094,601)	4,894,390
<b>Central</b>				
<b>Direction of central support services</b>				
Salaries	-	535	(535)	15,910
Total	-	535	(535)	15,910
<b>Information services</b>				
Salaries	49,390	52,793	(3,403)	47,038
Employee benefits	18,454	17,898	556	17,576
Purchased services	195,200	163,218	31,982	124,311
Capital outlay	4,000	-	4,000	-
Total	267,044	233,909	33,135	188,925
<b>Staff services</b>				
Salaries	-	-	-	33,865
Employee benefits	-	-	-	3,800
Purchased services	-	-	-	1,134
Supplies and materials	-	-	-	33
Total	-	-	-	38,832

See Auditors' Report and Notes to Required Supplementary Information

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Data processing services</b>				
Salaries	\$ 709,049	\$ 551,114	\$ 157,935	\$ 560,848
Employee benefits	258,135	172,088	86,047	167,935
Purchased services	1,651,253	1,416,686	234,567	1,560,676
Supplies and materials	96,300	28,034	68,266	113,192
Capital outlay	<u>1,000,000</u>	<u>757,870</u>	<u>242,130</u>	<u>752,955</u>
Total	<u>3,714,737</u>	<u>2,925,792</u>	<u>788,945</u>	<u>3,155,606</u>
Total central	<u>3,981,781</u>	<u>3,160,236</u>	<u>821,545</u>	<u>3,399,273</u>
<b>Other supporting services</b>				
Salaries	86,331	85,635	696	44,125
Employee benefits	-	19,789	(19,789)	-
Purchased services	866,500	746,565	119,935	809,708
Supplies and materials	3,500	5,209	(1,709)	3,038
Other objects	<u>5,000</u>	<u>4,523</u>	<u>477</u>	<u>918</u>
Total	<u>961,331</u>	<u>861,721</u>	<u>99,610</u>	<u>857,789</u>
Total support services	<u>27,229,443</u>	<u>27,345,477</u>	<u>(116,034)</u>	<u>25,445,605</u>
<b>Community services</b>				
Salaries	135,918	162,035	(26,117)	154,823
Employee benefits	50,195	66,599	(16,404)	40,770
Purchased services	-	353,817	(353,817)	88,327
Supplies and materials	<u>7,500</u>	<u>46,142</u>	<u>(38,642)</u>	<u>4,588</u>
Total community services	<u>193,613</u>	<u>628,593</u>	<u>(434,980)</u>	<u>288,508</u>
<b>Payments to other districts and governmental units</b>				
<b>Payments for CTE programs</b>				
Other objects	<u>20,038</u>	<u>18,638</u>	<u>1,400</u>	<u>26,788</u>
Total	<u>20,038</u>	<u>18,638</u>	<u>1,400</u>	<u>26,788</u>
<b>Payments for special education programs - tuition</b>				
Other objects	<u>850,000</u>	<u>535,875</u>	<u>314,125</u>	<u>793,026</u>
Total	<u>850,000</u>	<u>535,875</u>	<u>314,125</u>	<u>793,026</u>
Total payments to other districts and governmental units	<u>870,038</u>	<u>554,513</u>	<u>315,525</u>	<u>819,814</u>
Total expenditures	<u>82,923,178</u>	<u>84,585,343</u>	<u>(1,662,165)</u>	<u>78,247,404</u>
Net change in fund balance	<u>\$ 969,431</u>	<u>2,237,154</u>	<u>\$ 1,267,723</u>	<u>(2,489,179)</u>
Fund balance, beginning of year		<u>51,685,191</u>		<u>54,174,370</u>
Fund balance, end of year		<u>\$ 53,922,345</u>		<u>\$ 51,685,191</u>

See Auditors' Report and Notes to Required Supplementary Information

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## OPERATIONS AND MAINTENANCE FUND

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

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 5,991,087	\$ 5,575,113	\$ (415,974)	\$ 5,716,303
Investment income	40,000	223,897	183,897	(74,691)
Rentals	14,500	37,683	23,183	22,248
Other	-	31,893	31,893	-
Total local sources	<u>6,045,587</u>	<u>5,868,586</u>	<u>(177,001)</u>	<u>5,663,860</u>
<b>State sources</b>				
Evidence based funding	<u>22,355,396</u>	<u>22,269,128</u>	<u>(86,268)</u>	<u>25,894,875</u>
Total state sources	<u>22,355,396</u>	<u>22,269,128</u>	<u>(86,268)</u>	<u>25,894,875</u>
Total revenues	<u>28,400,983</u>	<u>28,137,714</u>	<u>(263,269)</u>	<u>31,558,735</u>
<b>Expenditures</b>				
<b>Support services</b>				
<b>Business</b>				
<b>Facilities acquisition and construction service</b>				
Purchased services	-	-	-	140
Supplies and materials	5,000	-	5,000	758
Capital outlay	<u>10,430,000</u>	<u>13,324,717</u>	<u>(2,894,717)</u>	<u>15,118,848</u>
Total	<u>10,435,000</u>	<u>13,324,717</u>	<u>(2,889,717)</u>	<u>15,119,746</u>
<b>Operation and maintenance of plant services</b>				
Salaries	7,137,433	6,306,126	831,307	6,262,443
Employee benefits	1,581,091	1,306,817	274,274	1,277,220
Purchased services	1,868,100	3,338,974	(1,470,874)	2,702,877
Supplies and materials	2,766,500	3,076,402	(309,902)	2,054,527
Capital outlay	507,000	759,465	(252,465)	272,023
Other objects	-	58	(58)	-
Non-capitalized equipment	<u>26,500</u>	<u>7,482</u>	<u>19,018</u>	<u>9,727</u>
Total	<u>13,886,624</u>	<u>14,795,324</u>	<u>(908,700)</u>	<u>12,578,817</u>
Total business	<u>24,321,624</u>	<u>28,120,041</u>	<u>(3,798,417)</u>	<u>27,698,563</u>
<b>Other supporting services</b>				
Purchased services	<u>275,000</u>	<u>382,266</u>	<u>(107,266)</u>	<u>446,169</u>
Total	<u>275,000</u>	<u>382,266</u>	<u>(107,266)</u>	<u>446,169</u>
Total support services	<u>24,596,624</u>	<u>28,502,307</u>	<u>(3,905,683)</u>	<u>28,144,732</u>
Total expenditures	<u>24,596,624</u>	<u>28,502,307</u>	<u>(3,905,683)</u>	<u>28,144,732</u>

See Auditors' Report and Notes to Required Supplementary Information

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201****OPERATIONS AND MAINTENANCE FUND**

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

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019		VARIANCE WITH FINAL BUDGET	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Excess (deficiency) of revenues over expenditures	<u>\$ 3,804,359</u>	<u>(364,593)</u>	<u>\$ (4,168,952)</u>	<u>3,414,003</u>
<b>Other financing sources (uses)</b>				
Transfer to pay principal on EPA loan	-	-	-	(49,036)
Transfer to pay interest on EPA loan	<u>-</u>	<u>-</u>	<u>-</u>	<u>(964)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Net change in fund balance	<u><u>\$ 3,804,359</u></u>	<u>(364,593)</u>	<u><u>\$ (4,168,952)</u></u>	<u>3,364,003</u>
Fund balance, beginning of year		<u>5,646,697</u>		<u>2,282,694</u>
Fund balance, end of year		<u><u>\$ 5,282,104</u></u>		<u><u>\$ 5,646,697</u></u>

See Auditors' Report and Notes to Required Supplementary Information

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201****TRANSPORTATION FUND**

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

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 1,168,556	\$ 1,131,021	\$ (37,535)	\$ 1,122,365
Investment income	<u>30,000</u>	<u>87,284</u>	<u>57,284</u>	<u>35,734</u>
Total local sources	<u>1,198,556</u>	<u>1,218,305</u>	<u>19,749</u>	<u>1,158,099</u>
<b>State sources</b>				
Evidence based funding	1,066,188	1,237,174	170,986	906,823
Transportation - regular/vocational	1,450	1,186	(264)	1,858
Transportation - special education	<u>2,772,195</u>	<u>2,904,381</u>	<u>132,186</u>	<u>2,125,987</u>
Total state sources	<u>3,839,833</u>	<u>4,142,741</u>	<u>302,908</u>	<u>3,034,668</u>
Total revenues	<u>5,038,389</u>	<u>5,361,046</u>	<u>322,657</u>	<u>4,192,767</u>
<b>Expenditures</b>				
<b>Support Services</b>				
<b>Business</b>				
<b>Pupil transportation services</b>				
Salaries	35,325	29,254	6,071	32,299
Employee benefits	20,000	16,573	3,427	16,203
Purchased services	3,438,405	3,828,203	(389,798)	3,722,624
Supplies and materials	7,000	7,147	(147)	7,552
Capital outlay	432,000	-	432,000	-
Other objects	<u>500</u>	<u>6,100</u>	<u>(5,600)</u>	<u>510</u>
Total	<u>3,933,230</u>	<u>3,887,277</u>	<u>45,953</u>	<u>3,779,188</u>
Total business	<u>3,933,230</u>	<u>3,887,277</u>	<u>45,953</u>	<u>3,779,188</u>
Total support services	<u>3,933,230</u>	<u>3,887,277</u>	<u>45,953</u>	<u>3,779,188</u>
Total expenditures	<u>3,933,230</u>	<u>3,887,277</u>	<u>45,953</u>	<u>3,779,188</u>
Net change in fund balance	<u>\$ 1,105,159</u>	1,473,769	<u>\$ 368,610</u>	413,579
Fund balance, beginning of year		<u>1,015,271</u>		<u>601,692</u>
Fund balance, end of year		<u>\$ 2,489,040</u>		<u>\$ 1,015,271</u>

See Auditors' Report and Notes to Required Supplementary Information

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201****MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL****FOR THE YEAR ENDED JUNE 30, 2019****WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	ORIGINAL AND FINAL BUDGET	2019 ACTUAL	VARIANCE WITH FINAL BUDGET	2018 ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 1,401,306	\$ 1,333,391	\$ (67,915)	\$ 1,340,208
Social security/Medicare only levy	1,401,306	1,335,626	(65,680)	1,337,973
Corporate personal property replacement taxes	1,500,000	1,799,373	299,373	225,000
Investment income	<u>10,000</u>	<u>37,429</u>	<u>27,429</u>	<u>10,704</u>
Total local sources	<u>4,312,612</u>	<u>4,505,819</u>	<u>193,207</u>	<u>2,913,885</u>
Total revenues	<u>4,312,612</u>	<u>4,505,819</u>	<u>193,207</u>	<u>2,913,885</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Regular programs	378,320	393,042	(14,722)	363,629
Special education programs	370,910	340,867	30,043	324,368
Remedial and supplemental programs K - 12	24,208	16,334	7,874	18,877
Adult/continuing education programs	4,236	3,739	497	4,035
CTE programs	70,082	72,445	(2,363)	66,717
Interscholastic programs	33,870	34,414	(544)	32,255
Summer school programs	11,618	14,186	(2,568)	10,887
Driver's education programs	227	183	44	216
Bilingual programs	12,122	21,467	(9,345)	8,024
Truant's alternative and optional programs	<u>429</u>	<u>507</u>	<u>(78)</u>	<u>409</u>
Total instruction	<u>906,022</u>	<u>897,184</u>	<u>8,838</u>	<u>829,417</u>
<b>Support services</b>				
<b>Pupils</b>				
Attendance and social work services	182,196	158,053	24,143	173,215
Guidance services	54,901	52,242	2,659	52,352
Health services	87,855	58,054	29,801	83,670
Psychological services	4,935	3,529	1,406	4,700
Speech pathology and audiology services	3,316	3,219	97	3,158
Other support services - pupils	<u>15,379</u>	<u>11,558</u>	<u>3,821</u>	<u>12,805</u>
Total pupils	<u>348,582</u>	<u>286,655</u>	<u>61,927</u>	<u>329,900</u>
<b>Instructional staff</b>				
Improvement of instructional staff	64,582	51,856	12,726	58,996
Educational media services	56,378	50,910	5,468	54,281
Assessment and testing	<u>156</u>	<u>98</u>	<u>58</u>	<u>149</u>
Total instructional staff	<u>121,116</u>	<u>102,864</u>	<u>18,252</u>	<u>113,426</u>

See Auditors' Report and Notes to Required Supplementary Information

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

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

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>General administration</b>				
Board of education services	\$ 59,612	\$ 31,760	\$ 27,852	\$ 56,032
Executive administration services	24,232	25,780	(1,548)	23,080
Special area administration services	127,491	51,464	76,027	53,953
Total general administration	211,335	109,004	102,331	133,065
<b>School administration</b>				
Office of the principal services	145,060	120,217	24,843	137,455
Total school administration	145,060	120,217	24,843	137,455
<b>Business</b>				
Direction of business support services	2,112	2,072	40	2,012
Fiscal services	105,441	97,088	8,353	100,422
Operations and maintenance of plant services	1,231,869	1,123,901	107,968	1,173,234
Pupil transportation services	6,661	5,331	1,330	6,346
Food services	196,533	176,898	19,635	187,181
Internal services	49,578	39,745	9,833	47,224
Total business	1,592,194	1,445,035	147,159	1,516,419
<b>Central</b>				
Direction of central support services	3,263	104	3,159	3,070
Information services	5,625	9,010	(3,385)	8,843
Staff services	508	-	508	484
Data processing services	113,108	100,951	12,157	107,722
Total central	122,504	110,065	12,439	120,119
<b>Other supporting services</b>	7,716	15,545	(7,829)	7,350
Total support services	2,548,507	2,189,385	359,122	2,357,734
<b>Community services</b>	40,966	28,328	12,638	29,118
Total expenditures	3,495,495	3,114,897	380,598	3,216,269
Net change in fund balance	\$ 817,117	1,390,922	\$ 573,805	(302,384)
Fund balance, beginning of year		769,293		1,071,677
Fund balance, end of year		\$ 2,160,215		\$ 769,293

See Auditors' Report and Notes to Required Supplementary Information

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

### STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### Budgetary Data

Except for the exclusion of on-behalf payments from other governments, discussed below, the budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

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

1. 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.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. 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 any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

#### Budget Reconciliations

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. The District does not budget for these amounts in the Educational Accounts of the General Fund. The differences between the budget and GAAP basis are as follows:

	<i>Revenues</i>	<i>Expenditures</i>
General Fund Budgetary Basis	\$ 86,822,497	\$ 84,585,343
To adjust for on-behalf payments received	20,114,439	-
To adjust for on-behalf payments made	-	20,114,439
General Fund GAAP Basis	<u>\$ 106,936,936</u>	<u>\$ 104,699,782</u>

#### Excess of Expenditures over Budget

For the year ended June 30, 2019, expenditures exceeded budget in the General Fund and Operations and Maintenance Fund by \$1,662,165 and \$3,905,683, respectively, which were all funded by additional financial resources received during fiscal year 2019 as well as by available fund balance.

See Auditors' Report

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 10,650,388	\$ 11,102,483	\$ 452,095	\$ 9,346,402
Investment income	<u>10,000</u>	<u>53,960</u>	<u>43,960</u>	<u>19,727</u>
Total local sources	<u>10,660,388</u>	<u>11,156,443</u>	<u>496,055</u>	<u>9,366,129</u>
<b>Federal sources</b>				
Qualified school construction bond credits	<u>2,100,000</u>	<u>1,045,870</u>	<u>(1,054,130)</u>	<u>2,165,396</u>
Total federal sources	<u>2,100,000</u>	<u>1,045,870</u>	<u>(1,054,130)</u>	<u>2,165,396</u>
Total revenues	<u>12,760,388</u>	<u>12,202,313</u>	<u>(558,075)</u>	<u>11,531,525</u>
<b>Expenditures</b>				
<b>Debt services</b>				
<b>Payments on long term debt</b>				
Interest on long term debt	7,812,084	2,423,725	5,388,359	2,510,943
Principal payments on long term debt	<u>3,944,122</u>	<u>9,195,000</u>	<u>(5,250,878)</u>	<u>9,244,036</u>
Total	<u>11,756,206</u>	<u>11,618,725</u>	<u>137,481</u>	<u>11,754,979</u>
<b>Other debt service</b>				
Purchased services	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,225</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,225</u>
Total debt services	<u>11,756,206</u>	<u>11,618,725</u>	<u>137,481</u>	<u>11,756,204</u>
Total expenditures	<u>11,756,206</u>	<u>11,618,725</u>	<u>137,481</u>	<u>11,756,204</u>
Excess (deficiency) of revenues over expenditures	<u>1,004,182</u>	<u>583,588</u>	<u>(420,594)</u>	<u>(224,679)</u>
<b>Other financing sources (uses)</b>				
Transfer to debt service to pay principal on EPA loan	-	-	-	49,036
Transfer to debt service to pay interest on EPA loan	<u>-</u>	<u>-</u>	<u>-</u>	<u>964</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Net change in fund balance	<u>\$ 1,004,182</u>	<u>583,588</u>	<u>\$ (420,594)</u>	<u>(174,679)</u>
Fund balance, beginning of year		<u>6,308,748</u>		<u>6,483,427</u>
Fund balance, end of year		<u>\$ 6,892,336</u>		<u>\$ 6,308,748</u>

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201****CAPITAL PROJECTS FUND**

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

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
Investment income	\$ -	\$ 510,500	\$ 510,500	\$ 261,059
Total local sources	-	510,500	510,500	261,059
Total revenues	-	510,500	510,500	261,059
<b>Expenditures</b>				
<b>Support services</b>				
<b>Business</b>				
<b>Facilities acquisition and construction service</b>				
Capital outlay	36,477,921	29,961,317	6,516,604	3,273,558
Total	36,477,921	29,961,317	6,516,604	3,273,558
Total business	36,477,921	29,961,317	6,516,604	3,273,558
Total support services	36,477,921	29,961,317	6,516,604	3,273,558
Total expenditures	36,477,921	29,961,317	6,516,604	3,273,558
Net change in fund balance	\$ (36,477,921)	(29,450,817)	\$ 7,027,104	(3,012,499)
Fund balance, beginning of year		35,831,997		38,844,496
Fund balance, end of year		\$ 6,381,180		\$ 35,831,997

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201****FIRE PREVENTION AND LIFE SAFETY FUND**

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

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ -	\$ 750,903	\$ 750,903	\$ (1,884)
Investment income	-	137,037	137,037	78,427
Total local sources	-	887,940	887,940	76,543
Total revenues	-	887,940	887,940	76,543
<b>Expenditures</b>				
<b>Support services</b>				
<b>Business</b>				
<b>Facilities acquisition and construction service</b>				
Capital outlay	11,566,518	8,913,438	2,653,080	978,711
Total	11,566,518	8,913,438	2,653,080	978,711
Total business	11,566,518	8,913,438	2,653,080	978,711
Total support services	11,566,518	8,913,438	2,653,080	978,711
Total expenditures	11,566,518	8,913,438	2,653,080	978,711
Net change in fund balance	<u>\$ (11,566,518)</u>	(8,025,498)	<u>\$ 3,541,020</u>	(902,168)
Fund balance, beginning of year		11,154,130		12,056,298
Fund balance, end of year		<u>\$ 3,128,632</u>		<u>\$ 11,154,130</u>

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201****GENERAL FUND****COMBINING BALANCE SHEET****AS OF JUNE 30, 2019**

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
<b>Assets</b>			
Cash and investments	\$ 43,216,491	\$ 8,168,547	\$ 51,385,038
Receivables (net allowance for uncollectibles):			
Property taxes	13,809,871	-	13,809,871
Replacement taxes	966,279	-	966,279
Intergovernmental	3,338,128	-	3,338,128
Other	28,807	-	28,807
Interfund receivable	298,731	-	298,731
Inventory	110,632	-	110,632
Prepaid items	317,711	-	317,711
Total assets	<u>\$ 62,086,650</u>	<u>\$ 8,168,547</u>	<u>\$ 70,255,197</u>
<b>Liabilities, deferred inflows of resources, and fund balance</b>			
<b>Liabilities</b>			
Accounts payable	\$ 1,264,266	\$ -	\$ 1,264,266
Health claims payable	1,090,508	-	1,090,508
Total liabilities	<u>2,354,774</u>	<u>-</u>	<u>2,354,774</u>
<b>Deferred inflows of resources</b>			
Property taxes levied for a future period	13,809,871	-	13,809,871
Unavailable state and federal aid receivable	168,207	-	168,207
Total deferred inflows of resources	<u>13,978,078</u>	<u>-</u>	<u>13,978,078</u>
<b>Fund balance</b>			
Nonspendable	428,343	-	428,343
Unassigned	45,325,455	8,168,547	53,494,002
Total fund balance	<u>45,753,798</u>	<u>8,168,547</u>	<u>53,922,345</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 62,086,650</u>	<u>\$ 8,168,547</u>	<u>\$ 70,255,197</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, 2019

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
<b>Revenues</b>			
Property taxes	\$ 26,199,603	\$ -	\$ 26,199,603
Corporate personal property replacement taxes	4,240,084	-	4,240,084
State aid	60,778,313	-	60,778,313
Federal aid	11,565,999	-	11,565,999
Investment income	1,407,569	201,020	1,608,589
Other	<u>2,544,348</u>	<u>-</u>	<u>2,544,348</u>
Total revenues	<u>106,735,916</u>	<u>201,020</u>	<u>106,936,936</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular programs	34,386,452	-	34,386,452
Special programs	14,551,588	-	14,551,588
Other instructional programs	6,200,430	-	6,200,430
State retirement contributions	20,114,439	-	20,114,439
Support Services:			
Pupils	7,724,157	-	7,724,157
Instructional staff	4,816,318	-	4,816,318
General administration	2,495,294	-	2,495,294
School administration	2,809,353	-	2,809,353
Business	4,965,948	-	4,965,948
Operations and maintenance	19,200	-	19,200
Central	2,402,366	-	2,402,366
Other supporting services	861,721	-	861,721
Community services	628,593	-	628,593
Payments to other districts and gov't units	554,513	-	554,513
Capital outlay	<u>2,169,410</u>	<u>-</u>	<u>2,169,410</u>
Total expenditures	<u>104,699,782</u>	<u>-</u>	<u>104,699,782</u>
Net change in fund balance	2,036,134	201,020	2,237,154
Fund balance, beginning of year	<u>43,717,664</u>	<u>7,967,527</u>	<u>51,685,191</u>
Fund balance, end of year	<u>\$ 45,753,798</u>	<u>\$ 8,168,547</u>	<u>\$ 53,922,345</u>

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 27,282,659	\$ 25,799,194	\$ (1,483,465)	\$ 26,272,283
Special education levy	424,073	400,409	(23,664)	408,117
Corporate personal property replacement taxes	3,500,000	4,240,084	740,084	5,202,267
Summer school tuition from pupils or parents (in state)	-	94,541	94,541	90,278
Adult - tuition from pupils or parents (in state)	-	165,263	165,263	208,326
Adult - tuition from other LEA's (in state)	210,000	-	(210,000)	-
Investment income	1,500,000	1,407,569	(92,431)	525,639
Sales to pupils - lunch	171,400	191,152	19,752	173,751
Sales to pupils - breakfast	3,900	9,086	5,186	4,953
Sales to pupils - a la carte	296,000	350,241	54,241	321,071
Sales to adults	140,250	178,242	37,992	162,790
Other food service	6,000	4,312	(1,688)	7,804
Admissions - athletic	17,600	14,213	(3,387)	18,903
Admissions - other	10,000	10,761	761	10,052
Fees	-	986	986	3,217
Book store sales	416,300	540,402	124,102	490,507
Other pupil activity revenue	235,600	383,854	148,254	373,863
Rentals - regular textbook	7,000	-	(7,000)	-
Sales - regular textbook	-	12,241	12,241	10,276
Refund of prior years' expenditures	-	23,180	23,180	-
Payments of surplus monies from TIF districts	-	242	242	64,426
Driver's education fees	61,500	3,526	(57,974)	1,575
Payment from other LEA's	97,000	-	(97,000)	-
Other	1,291,000	562,106	(728,894)	639,648
Total local sources	35,670,282	34,391,604	(1,278,678)	34,989,746
State sources				
Evidence based funding	38,189,084	38,352,387	163,303	28,276,812
Special education - private facility tuition	-	1,432,607	1,432,607	1,252,637
Special education - extraordinary	-	-	-	301,000
Special education - personnel	-	-	-	237,596
Special education - summer school	-	-	-	64,172
CTE - Secondary program improvement	236,000	235,146	(854)	327,425
Bilingual education - downstate - TPI	118,262	-	(118,262)	337,450
State free lunch & breakfast	25,135	50,259	25,124	47,917
Driver education	12,127	13,935	1,808	16,169
Truant alternative/optional education	-	-	-	125,000
Early childhood - block grant	96,000	454,100	358,100	94,915
Other restricted revenue from state sources	41,000	125,440	84,440	81,172
Total state sources	38,717,608	40,663,874	1,946,266	31,162,265

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Federal sources</b>				
National school lunch program	\$ 2,200,000	\$ 2,722,776	\$ 522,776	\$ 2,825,927
School breakfast program	250,000	326,825	76,825	308,242
Child care commodity/SFS 13-adult day care	180,000	136,646	(43,354)	202,421
Fresh fruits & vegetables	-	96,827	96,827	93,301
Food service - other	-	218,019	218,019	259,438
Title I - Low income	2,824,360	3,383,770	559,410	2,934,569
Title I - Other	293,584	15,000	(278,584)	-
Federal - special education - IDEA - flow-through/low incident	2,400,000	2,827,208	427,208	907,554
Federal - special education - IDEA - room & board	25,000	2,170	(22,830)	551
Federal - special education - IDEA - discretionary	420,000	-	(420,000)	-
CTE - Perkins - Title III E - tech. prep.	-	409,390	409,390	420,999
Emergency immigrant assistance	5,000	-	(5,000)	5,407
Title III - English language acquisition	110,000	120,621	10,621	156,654
Title II - Teacher quality	341,775	386,038	44,263	388,114
Medicaid matching funds - administrative outreach	160,000	217,643	57,643	242,283
Medicaid matching funds - fee-for-service program	160,000	262,103	102,103	144,542
Other restricted revenue from federal sources	55,000	440,963	385,963	685,819
Total federal sources	9,424,719	11,565,999	2,141,280	9,575,821
Total revenues	83,812,609	86,621,477	2,808,868	75,727,832

### Expenditures

#### Instruction

##### Regular programs

Salaries	26,438,293	26,718,764	(280,471)	25,054,041
Employee benefits	6,106,455	6,195,866	(89,411)	5,794,928
Purchased services	138,977	142,959	(3,982)	71,491
Supplies and materials	1,423,932	1,310,481	113,451	897,164
Capital outlay	119,475	103,228	16,247	170,567
Other objects	7,700	16,190	(8,490)	15,970
Non-capitalized equipment	1,400	2,192	(792)	147
Total	<u>34,236,232</u>	<u>34,489,680</u>	<u>(253,448)</u>	<u>32,004,308</u>

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Special education programs</b>				
Salaries	\$ 7,070,663	\$ 6,940,830	\$ 129,833	\$ 6,620,873
Employee benefits	1,508,253	1,659,686	(151,433)	1,634,000
Purchased services	182,000	104,493	77,507	112,303
Supplies and materials	85,000	48,169	36,831	33,872
Capital outlay	21,000	252,739	(231,739)	1,421
Other objects	2,000	-	2,000	-
Total	<u>8,868,916</u>	<u>9,005,917</u>	<u>(137,001)</u>	<u>8,402,469</u>
<b>Remedial and supplemental programs K - 12</b>				
Salaries	307,052	347,847	(40,795)	369,583
Employee benefits	94,180	118,055	(23,875)	110,180
Purchased services	217,838	250,434	(32,596)	313,924
Supplies and materials	1,210,138	1,270,891	(60,753)	1,239,131
Capital outlay	-	264,011	(264,011)	-
Total	<u>1,829,208</u>	<u>2,251,238</u>	<u>(422,030)</u>	<u>2,032,818</u>
<b>Adult/continuing education programs</b>				
Salaries	242,502	235,002	7,500	230,956
Employee benefits	5,989	6,531	(542)	5,706
Supplies and materials	4,000	-	4,000	1,453
Total	<u>252,491</u>	<u>241,533</u>	<u>10,958</u>	<u>238,115</u>
<b>CTE programs</b>				
Salaries	2,047,288	2,251,500	(204,212)	2,003,159
Employee benefits	436,335	539,694	(103,359)	441,763
Purchased services	101,320	79,164	22,156	111,142
Supplies and materials	329,347	246,610	82,737	284,653
Capital outlay	228,409	298,312	(69,903)	303,257
Other objects	7,000	4,624	2,376	3,800
Non-capitalized equipment	5,000	4,936	64	-
Total	<u>3,154,699</u>	<u>3,424,840</u>	<u>(270,141)</u>	<u>3,147,774</u>
<b>Interscholastic programs</b>				
Salaries	1,109,023	860,748	248,275	783,412
Employee benefits	35,576	27,977	7,599	37,251
Purchased services	347,650	264,218	83,432	258,080
Supplies and materials	249,461	223,701	25,760	386,534
Other objects	300	200	100	130
Total	<u>1,742,010</u>	<u>1,376,844</u>	<u>365,166</u>	<u>1,465,407</u>

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019		VARIANCE WITH FINAL BUDGET	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Summer school programs</b>				
Salaries	\$ 204,138	\$ 339,122	\$ (134,984)	\$ 293,095
Employee benefits	2,486	4,380	(1,894)	6,216
Purchased services	-	4,086	(4,086)	-
Supplies and materials	<u>200</u>	<u>6,247</u>	<u>(6,047)</u>	<u>3,643</u>
Total	<u>206,824</u>	<u>353,835</u>	<u>(147,011)</u>	<u>302,954</u>
<b>Gifted programs</b>				
<b>Driver's education programs</b>				
Salaries	15,625	12,678	2,947	14,881
Employee benefits	206	193	13	217
Purchased services	11,200	5,670	5,530	5,705
Supplies and materials	<u>7,515</u>	<u>742</u>	<u>6,773</u>	<u>399</u>
Total	<u>34,546</u>	<u>19,283</u>	<u>15,263</u>	<u>21,202</u>
<b>Bilingual programs</b>				
Salaries	516,767	844,761	(327,994)	800,768
Employee benefits	221,956	177,276	44,680	120,054
Purchased services	-	3,468	(3,468)	-
Supplies and materials	<u>12,000</u>	<u>3,089</u>	<u>8,911</u>	<u>298</u>
Total	<u>750,723</u>	<u>1,028,594</u>	<u>(277,871)</u>	<u>921,120</u>
<b>Truant's alternative and optional programs</b>				
Salaries	21,884	34,466	(12,582)	20,871
Employee benefits	301	517	(216)	287
Purchased services	1,700	939	761	686
Supplies and materials	24,250	15,883	8,367	12,362
Capital outlay	3,000	-	3,000	-
Non-capitalized equipment	<u>3,300</u>	<u>2,008</u>	<u>1,292</u>	<u>2,811</u>
Total	<u>54,435</u>	<u>53,813</u>	<u>622</u>	<u>37,017</u>
<b>Special education programs K -12 - private tuition</b>				
Other objects	<u>3,500,000</u>	<u>3,811,183</u>	<u>(311,183)</u>	<u>3,120,293</u>
Total	<u>3,500,000</u>	<u>3,811,183</u>	<u>(311,183)</u>	<u>3,120,293</u>
Total instruction	<u>54,630,084</u>	<u>56,056,760</u>	<u>(1,426,676)</u>	<u>51,693,477</u>

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201****EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Support services</b>				
<b>Pupils</b>				
<b>Attendance and social work services</b>				
Salaries	\$ 2,258,998	\$ 2,257,049	\$ 1,949	\$ 2,046,435
Employee benefits	594,784	522,428	72,356	491,835
Purchased services	117,831	38,572	79,259	20,795
Supplies and materials	62,380	48,995	13,385	26,672
Capital outlay	21,000	19,441	1,559	55,719
Total	3,054,993	2,886,485	168,508	2,641,456
<b>Guidance services</b>				
Salaries	2,515,918	2,344,121	171,797	2,225,836
Employee benefits	619,893	531,645	88,248	470,840
Purchased services	33,700	56,674	(22,974)	27,620
Supplies and materials	10,650	5,615	5,035	13,253
Capital outlay	3,000	-	3,000	608
Other objects	325	13	312	745
Total	3,183,486	2,938,068	245,418	2,738,902
<b>Health services</b>				
Salaries	492,882	327,184	165,698	441,741
Employee benefits	235,810	79,389	156,421	125,937
Purchased services	326,705	575,463	(248,758)	397,636
Supplies and materials	14,636	12,647	1,989	6,821
Capital outlay	7,568	6,464	1,104	-
Other objects	3,400	-	3,400	-
Non-capitalized equipment	1,000	863	137	1,331
Total	1,082,001	1,002,010	79,991	973,466
<b>Psychological services</b>				
Salaries	346,977	240,192	106,785	330,455
Employee benefits	82,887	70,028	12,859	78,943
Supplies and materials	10,000	17,221	(7,221)	2,821
Total	439,864	327,441	112,423	412,219
<b>Speech pathology and audiology services</b>				
Salaries	234,321	227,451	6,870	223,164
Employee benefits	57,657	55,775	1,882	54,914
Total	291,978	283,226	8,752	278,078

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Other support services - pupils</b>				
Salaries	\$ 313,436	\$ 296,784	\$ 16,652	\$ 298,747
Employee benefits	15,357	14,282	1,075	14,294
Supplies and materials	2,950	1,236	1,714	1,060
Other objects	<u>1,560</u>	<u>530</u>	<u>1,030</u>	<u>1,095</u>
Total	<u>333,303</u>	<u>312,832</u>	<u>20,471</u>	<u>315,196</u>
Total pupils	<u>8,385,625</u>	<u>7,750,062</u>	<u>635,563</u>	<u>7,359,317</u>
<b>Instructional staff</b>				
<b>Improvement of instructional services</b>				
Salaries	1,886,903	1,756,462	130,441	1,810,643
Employee benefits	542,431	362,228	180,203	397,230
Purchased services	420,772	1,303,453	(882,681)	546,194
Supplies and materials	31,400	82,802	(51,402)	26,483
Capital outlay	209,813	207,856	1,957	221,734
Other objects	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>70</u>
Total	<u>3,093,319</u>	<u>3,712,801</u>	<u>(619,482)</u>	<u>3,002,354</u>
<b>Educational media services</b>				
Salaries	601,252	512,123	89,129	511,611
Employee benefits	522,159	190,896	331,263	201,248
Purchased services	110,136	96,970	13,166	57,868
Supplies and materials	209,905	182,823	27,082	202,149
Capital outlay	10,000	-	10,000	-
Other objects	3,000	-	3,000	-
Non-capitalized equipment	<u>10,580</u>	<u>11,081</u>	<u>(501)</u>	<u>8,731</u>
Total	<u>1,467,032</u>	<u>993,893</u>	<u>473,139</u>	<u>981,607</u>
<b>Assessment and testing</b>				
Salaries	10,863	3,815	7,048	10,346
Employee benefits	158	54	104	151
Purchased services	110,000	211,204	(101,204)	184,410
Supplies and materials	56,449	102,407	(45,958)	2,721
Capital outlay	<u>9,322</u>	<u>18,642</u>	<u>(9,320)</u>	<u>-</u>
Total	<u>186,792</u>	<u>336,122</u>	<u>(149,330)</u>	<u>197,628</u>
Total instructional staff	<u>4,747,143</u>	<u>5,042,816</u>	<u>(295,673)</u>	<u>4,181,589</u>

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>General administration</b>				
<b>Board of education services</b>				
Salaries	\$ 332,565	\$ 291,820	\$ 40,745	\$ 255,328
Employee benefits	51,940	69,459	(17,519)	46,883
Purchased services	503,800	461,913	41,887	321,961
Supplies and materials	54,100	72,141	(18,041)	2,326
Capital outlay	-	2,701	(2,701)	-
Other objects	65,000	59,559	5,441	74,101
Non-capitalized equipment	-	-	-	30
Total	<u>1,007,405</u>	<u>957,593</u>	<u>49,812</u>	<u>700,629</u>
<b>Executive administration services</b>				
Salaries	444,038	521,656	(77,618)	422,895
Employee benefits	110,279	120,349	(10,070)	105,030
Purchased services	48,800	24,806	23,994	27,339
Supplies and materials	17,000	5,358	11,642	6,483
Capital outlay	6,000	699	5,301	-
Other objects	<u>24,000</u>	<u>33,350</u>	<u>(9,350)</u>	<u>20,562</u>
Total	<u>650,117</u>	<u>706,218</u>	<u>(56,101)</u>	<u>582,309</u>
<b>Special area administration services</b>				
Salaries	653,111	644,091	9,020	696,305
Employee benefits	143,088	169,623	(26,535)	154,882
Purchased services	7,500	7,388	112	6,835
Supplies and materials	<u>200</u>	<u>13,781</u>	<u>(13,581)</u>	<u>23,308</u>
Total	<u>803,899</u>	<u>834,883</u>	<u>(30,984)</u>	<u>881,330</u>
Total general administration	<u>2,461,421</u>	<u>2,498,694</u>	<u>(37,273)</u>	<u>2,164,268</u>
<b>School administration</b>				
<b>Office of the principal services</b>				
Salaries	2,040,206	2,132,212	(92,006)	1,996,414
Employee benefits	380,370	545,589	(165,219)	446,577
Purchased services	76,575	76,283	292	53,217
Supplies and materials	32,565	31,453	1,112	10,900
Capital outlay	8,400	7,329	1,071	61,259
Other objects	29,361	23,816	5,545	11,862
Non-capitalized equipment	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>8,750</u>
Total	<u>2,571,477</u>	<u>2,816,682</u>	<u>(245,205)</u>	<u>2,588,979</u>
Total school administration	<u>2,571,477</u>	<u>2,816,682</u>	<u>(245,205)</u>	<u>2,588,979</u>

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Business</b>				
<b>Direction of business support services</b>				
Salaries	\$ 145,600	\$ 142,800	\$ 2,800	\$ 140,000
Employee benefits	<u>30,792</u>	<u>43,021</u>	<u>(12,229)</u>	<u>29,327</u>
Total	<u>176,392</u>	<u>185,821</u>	<u>(9,429)</u>	<u>169,327</u>
<b>Fiscal services</b>				
Salaries	549,948	533,810	16,138	523,762
Employee benefits	94,789	105,760	(10,971)	90,277
Purchased services	275,000	281,532	(6,532)	161,841
Supplies and materials	21,000	8,200	12,800	13,657
Other objects	<u>6,000</u>	<u>3,970</u>	<u>2,030</u>	<u>4,182</u>
Total	<u>946,737</u>	<u>933,272</u>	<u>13,465</u>	<u>793,719</u>
<b>Operation and maintenance of plant services</b>				
Purchased services	<u>-</u>	<u>19,200</u>	<u>(19,200)</u>	<u>311,021</u>
Total	<u>-</u>	<u>19,200</u>	<u>(19,200)</u>	<u>311,021</u>
<b>Pupil transportation services</b>				
Capital outlay	<u>-</u>	<u>119,184</u>	<u>(119,184)</u>	<u>-</u>
Total	<u>-</u>	<u>119,184</u>	<u>(119,184)</u>	<u>-</u>
<b>Food services</b>				
Salaries	1,053,931	1,007,003	46,928	1,008,344
Employee benefits	269,016	305,656	(36,640)	257,370
Purchased services	170,337	508,115	(337,778)	570,166
Supplies and materials	601,019	1,351,875	(750,856)	1,329,724
Capital outlay	-	110,934	(110,934)	13,703
Other objects	1,150	3,150	(2,000)	3,203
Non-capitalized equipment	<u>25,000</u>	<u>13,304</u>	<u>11,696</u>	<u>13,622</u>
Total	<u>2,120,453</u>	<u>3,300,037</u>	<u>(1,179,584)</u>	<u>3,196,132</u>
<b>Internal services</b>				
Salaries	258,969	222,443	36,526	246,678
Employee benefits	61,114	22,600	38,514	48,204
Purchased services	22,000	96,037	(74,037)	66,813
Supplies and materials	<u>535,000</u>	<u>316,672</u>	<u>218,328</u>	<u>62,496</u>
Total	<u>877,083</u>	<u>657,752</u>	<u>219,331</u>	<u>424,191</u>
Total business	<u>4,120,665</u>	<u>5,215,266</u>	<u>(1,094,601)</u>	<u>4,894,390</u>

# J. STERLING MORTON HIGH SCHOOL DISTRICT 201

## EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Central</b>				
<b>Direction of central support services</b>				
Salaries	\$ -	\$ 535	\$ (535)	\$ 15,910
Total	-	535	(535)	15,910
<b>Information services</b>				
Salaries	49,390	52,793	(3,403)	47,038
Employee benefits	18,454	17,898	556	17,576
Purchased services	195,200	163,218	31,982	124,311
Capital outlay	4,000	-	4,000	-
Total	267,044	233,909	33,135	188,925
<b>Staff services</b>				
Salaries	-	-	-	33,865
Employee benefits	-	-	-	3,800
Purchased services	-	-	-	1,134
Supplies and materials	-	-	-	33
Total	-	-	-	38,832
<b>Data processing services</b>				
Salaries	709,049	551,114	157,935	560,848
Employee benefits	258,135	172,088	86,047	167,935
Purchased services	1,651,253	1,416,686	234,567	1,560,676
Supplies and materials	96,300	28,034	68,266	113,192
Capital outlay	1,000,000	757,870	242,130	752,955
Total	3,714,737	2,925,792	788,945	3,155,606
Total central	3,981,781	3,160,236	821,545	3,399,273
<b>Other supporting services</b>				
Salaries	86,331	85,635	696	44,125
Employee benefits	-	19,789	(19,789)	-
Purchased services	866,500	746,565	119,935	809,708
Supplies and materials	3,500	5,209	(1,709)	3,038
Other objects	5,000	4,523	477	918
Total	961,331	861,721	99,610	857,789
Total support services	27,229,443	27,345,477	(116,034)	25,445,605
<b>Community services</b>				
Salaries	135,918	162,035	(26,117)	154,823
Employee benefits	50,195	66,599	(16,404)	40,770
Purchased services	-	353,817	(353,817)	88,327
Supplies and materials	7,500	46,142	(38,642)	4,588
Total community services	193,613	628,593	(434,980)	288,508

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201****EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019		VARIANCE WITH FINAL BUDGET	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Payments to other districts and governmental units</b>				
<b>Payments for CTE programs</b>				
Other objects	\$ 20,038	\$ 18,638	\$ 1,400	\$ 26,788
Total	20,038	18,638	1,400	26,788
<b>Payments for special education programs - tuition</b>				
Other objects	850,000	535,875	314,125	793,026
Total	850,000	535,875	314,125	793,026
Total payments to other districts and governmental units	870,038	554,513	315,525	819,814
Total expenditures	82,923,178	84,585,343	(1,662,165)	78,247,404
Net change in fund balance	\$ 889,431	2,036,134	\$ 1,146,703	(2,519,572)
Fund balance, beginning of year		43,717,664		46,237,236
Fund balance, end of year		\$ 45,753,798		\$ 43,717,664

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201****WORKING CASH ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
Investment income	\$ 80,000	\$ 201,020	\$ 121,020	\$ 30,393
Total local sources	80,000	201,020	121,020	30,393
Total revenues	80,000	201,020	121,020	30,393
<b>Expenditures</b>				
Total expenditures	-	-	-	-
Net change in fund balance	\$ 80,000	201,020	\$ 121,020	30,393
Fund balance, beginning of year		7,967,527		7,937,134
Fund balance, end of year		\$ 8,168,547		\$ 7,967,527

**J. STERLING MORTON HIGH SCHOOL DISTRICT 201****OPERATING COST AND TUITION CHARGE  
FOR THE YEAR ENDED JUNE 30, 2019**

	2019	2018
<b>Operating Cost Per Pupil</b>		
Average Daily Attendance (ADA):	<u>7,122</u>	<u>7,085</u>
Operating Costs:		
Educational	\$ 84,585,343	\$ 78,247,404
Operations and maintenance	28,502,307	28,144,732
Debt service	11,618,725	11,756,204
Transportation	3,887,277	3,779,188
Municipal retirement/social security	<u>3,114,897</u>	<u>3,216,269</u>
Subtotal	<u>131,708,549</u>	<u>125,143,797</u>
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	3,811,183	3,120,293
Adult education	245,272	242,150
Summer school	368,021	313,841
Capital outlay	16,253,592	16,972,094
Non-capitalized equipment	41,866	45,149
Debt principal retired	9,195,000	9,244,036
Community services	656,921	317,626
Payments to other districts & governmental units	<u>554,513</u>	<u>819,814</u>
Subtotal	<u>31,126,368</u>	<u>31,075,003</u>
Operating costs	<u>\$ 100,582,181</u>	<u>\$ 94,068,794</u>
Operating Cost Per Pupil - Based on ADA	<u>\$ 14,123</u>	<u>\$ 13,278</u>
<b>Tuition Charge</b>		
Operating Costs	\$ 100,582,181	\$ 94,068,794
Less - revenues from specific programs, such as special education or lunch programs	<u>23,167,346</u>	<u>21,669,335</u>
Net operating costs	77,414,835	72,399,459
Depreciation allowance	<u>6,299,411</u>	<u>5,902,595</u>
Allowable Tuition Costs	<u>\$ 83,714,245</u>	<u>\$ 78,302,054</u>
Tuition Charge Per Pupil - based on ADA	<u>\$ 11,754</u>	<u>\$ 11,052</u>

**J. STERLING MORTON HIGH SCHOOLS DISTRICT 201****AGENCY FUND - STUDENT ACTIVITY ACCOUNTS****SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

	BALANCE JULY 1, 2018	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2018
<b>Assets</b>				
Cash and Investments	<u>\$ 926,733</u>	<u>\$ 813,768</u>	<u>\$ 731,309</u>	<u>\$ 1,009,192</u>
Total assets	<u>\$ 926,733</u>	<u>\$ 813,768</u>	<u>\$ 731,309</u>	<u>\$ 1,009,192</u>
<b>Liabilities</b>				
<b>Due to activity fund organizations:</b>				
District Office	\$ 459,862	\$ 243,206	\$ 254,864	\$ 448,204
Morton East	219,514	286,519	228,982	277,051
Morton West	231,676	264,150	235,079	260,747
Freshmen Center	<u>15,681</u>	<u>19,893</u>	<u>12,384</u>	<u>23,190</u>
Total liabilities	<u>926,733</u>	<u>813,768</u>	<u>731,309</u>	<u>1,009,192</u>
Total Activity Accounts	<u>\$ 926,733</u>	<u>\$ 813,768</u>	<u>\$ 731,309</u>	<u>\$ 1,009,192</u>

## Statistical Section

The 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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	92 - 99
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	100 - 105
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	106 - 110
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.	
<b>Demographic and Economic Information</b>	111 - 114
These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.	
<b>Operating Information</b>	115 - 119
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 NO. 201****NET POSITION BY COMPONENT**

LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015
<b>Governmental activities</b>					
Net investment in					
capital assets	\$ 111,366,628	\$ 100,817,910	\$ 88,663,321	\$ 82,907,613	\$ 77,475,998
Restricted	10,527,963	8,104,045	8,356,536	9,755,050	8,856,602
Unrestricted	<u>(67,208,051)</u>	<u>(76,592,382)</u>	<u>(23,616,459)</u>	<u>(33,027,575)</u>	<u>(38,791,327)</u>
Total governmental activities					
net position	<u>\$ 54,686,540</u>	<u>\$ 32,329,573</u>	<u>\$ 73,403,398</u>	<u>\$ 59,635,088</u>	<u>\$ 47,541,273</u>

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

Source of Information: District Records

2014	2013	2012	2011	2010
\$ 70,893,937	\$ 65,124,681	\$ 64,372,629	\$ 58,640,092	\$ 57,368,295
9,843,189	9,672,732	9,253,577	8,676,643	13,179,338
<u>(35,816,718)</u>	<u>(40,895,871)</u>	<u>(26,908,952)</u>	<u>(30,222,985)</u>	<u>(49,263,655)</u>
<u>\$ 44,920,408</u>	<u>\$ 33,901,542</u>	<u>\$ 46,717,254</u>	<u>\$ 37,093,750</u>	<u>\$ 21,283,978</u>

# J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

## CHANGES IN NET POSITION

### LAST TEN FISCAL YEARS

	2019	2018	2017	2016
<b>Expenses</b>				
Instruction:				
Regular programs	\$ 38,022,744	\$ 36,858,138	\$ 33,178,545	\$ 33,615,215
Special programs	15,817,364	15,526,182	14,734,292	14,533,039
Other instructional programs	6,359,007	6,162,096	5,410,783	5,210,917
State retirement contributions	39,955,843	33,159,525	30,799,388	19,122,886
Support services:				
Pupils	7,970,197	7,994,603	7,833,545	7,569,307
Instructional staff	4,559,457	5,118,881	4,922,383	4,835,915
General administration	3,519,132	2,533,958	3,200,419	2,418,910
School administration	4,259,121	4,707,847	2,547,076	2,431,157
Business	5,287,229	5,230,014	5,599,793	5,060,848
Transportation	4,056,309	3,917,493	3,456,475	3,015,933
Operations and maintenance	16,174,686	15,396,214	14,002,319	13,060,773
Central	2,463,672	2,901,996	3,079,919	2,650,080
Other supporting services	1,255,003	1,327,796	923,478	609,834
Community services	653,843	343,766	278,346	345,267
Payments to other districts and gov't units - excluding special education	18,638	26,788	9,494	35,981
Interest and fees	5,839,854	6,204,620	4,488,897	4,189,745
<b>Total expenses</b>	<b>\$ 156,212,099</b>	<b>\$ 147,409,917</b>	<b>\$ 134,465,152</b>	<b>\$ 118,705,807</b>
<b>Program Revenues</b>				
Charges for services				
Instruction:				
Regular programs	\$ 1,556,456	\$ 1,546,466	\$ 1,527,469	\$ 1,070,163
Other instructional programs	263,330	300,179	367,477	347,886
Support services:				
Business	733,033	670,369	619,088	631,824
Operations and maintenance	37,683	22,248	47,718	91,152
Other	-	-	-	-
Operating grants and contributions	55,878,420	47,044,119	48,624,826	37,682,319
Capital grants and contributions	2,091,740	2,179,387	158,834	-
<b>Total program revenues</b>	<b>\$ 60,560,662</b>	<b>\$ 51,762,768</b>	<b>\$ 51,345,412</b>	<b>\$ 39,823,344</b>
<b>Net (expense)/revenue</b>	<b>\$ (95,651,437)</b>	<b>\$ (95,647,149)</b>	<b>\$ (83,119,740)</b>	<b>\$ (78,882,463)</b>
<b>General revenues</b>				
Taxes:				
Real estate taxes, levied for general purposes	\$ 26,199,603	\$ 26,680,400	\$ 26,494,465	\$ 25,038,738
Real estate taxes, levied for specific purposes	10,126,054	9,514,965	9,574,781	10,571,376
Real estate taxes, levied for debt service	11,102,483	9,346,402	9,404,948	9,281,278
Personal property replacement taxes	6,039,457	5,427,267	7,352,297	5,210,151
State aid-formula grants	61,858,689	55,078,510	43,510,708	40,659,477
Federal Medicaid reimbursement	-	-	-	-
Investment earnings	2,658,696	886,992	550,215	154,801
Miscellaneous	23,422	64,426	636	60,457
<b>Total general revenues</b>	<b>\$ 118,008,404</b>	<b>\$ 106,998,962</b>	<b>\$ 96,888,050</b>	<b>\$ 90,976,278</b>
<b>Change in net position</b>	<b>\$ 22,356,967</b>	<b>\$ 11,351,813</b>	<b>\$ 13,768,310</b>	<b>\$ 12,093,815</b>

Source of Information: District Records

Note: District aggregated information differently for fiscal years 2014 through 2019 when compared to prior years.

2015	2014	2013	2012	2011	2010
\$ 29,479,389	\$ 32,209,779	\$ 40,056,603	\$ 43,950,117	\$ 43,543,304	\$ 45,839,828
13,318,024	12,877,911	11,469,318	10,248,130	15,992,179	13,871,762
4,661,423	4,758,764	4,910,920	5,852,209	936,964	3,918,525
22,567,450	13,505,305	-	-	-	-
7,337,446	7,497,424	7,425,862	5,971,774	5,948,820	5,926,067
4,807,616	4,114,956	4,101,633	4,221,857	2,516,264	2,634,026
1,957,785	1,756,258	1,703,753	1,700,663	1,752,128	1,371,944
2,305,537	2,219,376	2,234,213	2,002,459	1,951,217	2,224,374
5,045,886	5,507,285	4,739,495	5,630,427	6,166,698	5,376,908
3,496,900	3,159,852	3,477,394	3,595,525	3,361,030	2,920,439
12,840,545	12,060,837	13,172,461	12,212,693	10,933,498	10,188,107
2,205,583	1,910,659	1,284,400	104,893	1,029,143	1,130,022
208,175	1,334,603	1,455,462	1,911,751	1,081,710	1,223,183
320,293	289,783	-	-	-	-
37,716	138,798	-	-	-	-
4,427,638	4,653,702	4,868,499	4,908,317	725,445	5,655,441
<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>	<u>\$ 102,280,626</u>
\$ 803,423	\$ 1,222,024	\$ 2,459,155	\$ 1,061,660	\$ 1,221,347	\$ 981,055
301,973	378,624	-	-	-	-
683,524	840,106	896,441	1,008,450	1,944,223	2,113,122
101,351	81,952	76,498	64,374	63,300	37,050
-	-	-	1,419,548	735,430	-
39,909,912	30,114,127	25,383,170	24,643,116	27,713,879	21,621,187
-	148,000	2,041,567	2,960,697	-	-
<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>\$ 24,752,414</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>	<u>\$ (77,528,212)</u>
\$ 24,438,199	\$ 23,919,446	\$ 28,585,409	\$ 29,083,104	\$ 26,387,338	\$ 27,408,897
9,842,721	10,565,125	4,385,031	3,791,022	4,351,000	3,580,715
9,255,730	9,360,364	8,993,119	9,460,799	9,254,374	9,477,658
6,520,552	6,065,527	-	-	-	-
37,147,286	36,195,725	34,010,276	32,280,783	32,448,996	24,072,708
-	-	345,307	496,703	497,182	415,224
137,644	117,484	106,142	116,083	177,282	356,031
39,606	5,654	6,316,300	5,547,980	6,953,821	5,877,021
<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>\$ 71,188,254</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>	<u>\$ (6,339,958)</u>

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2019	2018	2017	2016
<b>General Fund</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	428,343	450,957	400,206	470,969
Unassigned	<u>53,494,002</u>	<u>51,234,234</u>	<u>53,774,164</u>	<u>47,940,823</u>
Total general fund	<u>\$ 53,922,345</u>	<u>\$ 51,685,191</u>	<u>\$ 54,174,370</u>	<u>\$ 48,411,792</u>
<b>All other governmental funds</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Debt service fund	-	-	-	-
Special revenue funds	-	-	-	-
Nonspendable, reported in:				
Debt service fund	-	-	-	9,621
Special revenue funds	169,770	701,282	255,786	194,264
Restricted, reported in:				
Special revenue funds	2,310,287	769,293	1,094,525	938,849
Debt service fund	6,892,336	6,308,748	6,483,427	6,277,482
Capital projects funds	9,509,812	46,986,127	50,900,794	2,655,522
Assigned, reported in:				
Special revenue funds	7,451,302	5,960,686	2,605,752	1,350,181
Unassigned, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 26,333,507</u>	<u>\$ 60,726,136</u>	<u>\$ 61,340,284</u>	<u>\$ 11,425,919</u>

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

Source of information: Fiscal years 2010 - 2019 Annual Financial Statements

2015	2014	2013	2012	2011	2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 227,388
-	-	-	-	-	22,793,351
605,246	535,383	115,232	199,367	201,967	-
<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>-</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>	<u>\$ 23,020,739</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,327,634
-	-	-	-	-	5,897,682
-	-	-	-	-	7,591,915
-	-	-	-	-	-
258,765	-	-	-	-	-
781,202	1,044,629	1,045,977	860,385	507,042	-
6,198,298	6,137,302	5,971,527	5,978,397	5,985,256	-
2,658,304	2,661,258	2,655,228	2,414,795	2,184,345	-
1,302,558	920,028	-	-	-	-
-	-	(188,385)	(646,621)	(359,250)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,861,635)</u>	<u>(25,266)</u>	<u>-</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>	<u>\$ 15,817,231</u>

# J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
<b>Revenues</b>				
Local Sources				
Taxes	\$ 53,467,597	\$ 50,969,034	\$ 52,826,491	\$ 50,101,543
Earnings on investments	2,658,696	886,992	550,215	154,801
Other local sources	<u>2,613,924</u>	<u>2,603,688</u>	<u>2,562,388</u>	<u>2,201,482</u>
Total local sources	<u>58,740,217</u>	<u>54,459,714</u>	<u>55,939,094</u>	<u>52,457,826</u>
State sources	87,190,182	93,251,333	80,478,488	65,029,204
Federal sources	<u>12,611,869</u>	<u>11,741,217</u>	<u>11,523,161</u>	<u>11,713,269</u>
Total Revenues	<u>\$ 158,542,268</u>	<u>\$ 159,452,264</u>	<u>\$ 147,940,743</u>	<u>\$ 129,200,299</u>
<b>Expenditures</b>				
Current:				
Instruction	\$ 76,150,093	\$ 84,101,196	\$ 79,324,626	\$ 67,649,839
Supporting services	46,589,144	44,336,388	42,118,211	40,667,849
Community services	656,921	317,626	272,425	337,879
Nonprogrammed charges	554,513	819,814	845,189	938,128
Debt service				
Principal	9,195,000	9,244,036	9,353,158	9,346,659
Interest and other	2,423,725	2,512,168	371,039	13,797
Capital outlay	<u>55,128,347</u>	<u>21,224,363</u>	<u>9,979,152</u>	<u>9,478,520</u>
Total expenditures	<u>190,697,743</u>	<u>162,555,591</u>	<u>142,263,800</u>	<u>128,432,671</u>
Excess (deficiency) of revenue over expenditures	(32,155,475)	(3,103,327)	5,676,943	767,628
Other Financing Sources (Uses)				
Proceeds from borrowing	-	-	-	-
Proceeds from issuance of debt	-	-	50,000,000	-
Principal on capital lease proceeds	-	-	-	-
Transfers in	-	50,000	39,820,619	165,456
Transfers out	-	(50,000)	(39,820,619)	(165,456)
Sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>50,000,000</u>	<u>-</u>
Net change in fund balances	<u>(32,155,475)</u>	<u>(3,103,327)</u>	<u>55,676,943</u>	<u>767,628</u>
Debt service as a percentage of noncapital expenditures	8.55%	8.31%	7.33%	7.29%

Source of information: Fiscal years 2010 - 2019 Annual Financial Statements

2015	2014	2013	2012	2011	2010
\$ 50,057,202	\$ 49,910,462	\$ 42,938,858	\$ 42,239,027	\$ 40,164,833	\$ 42,223,133
137,644	117,484	106,142	116,083	177,282	356,031
<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>9,008,248</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>	<u>51,587,412</u>
66,723,666	56,901,240	54,068,462	51,693,831	49,785,958	37,876,068
<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>13,065,980</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>	<u>\$ 102,529,460</u>
\$ 66,480,680	\$ 59,960,159	\$ 52,598,186	\$ 58,223,679	\$ 57,149,042	\$ 61,564,405
40,033,096	38,615,960	41,938,722	42,760,354	36,443,226	32,983,632
315,655	289,783	101,058	120,961	117,012	108,162
992,336	1,240,958	944,923	1,234,816	911,698	938,467
9,340,458	9,334,527	5,518,979	4,591,987	4,273,133	4,661,696
19,998	25,939	3,841,478	4,653,013	4,971,867	4,583,304
<u>9,725,737</u>	<u>8,393,106</u>	<u>-</u>	<u>289,632</u>	<u>394,582</u>	<u>-</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>	<u>104,839,666</u>
2,273,961	1,153,726	8,655,069	(36,021)	7,659,733	(2,310,206)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	525,645	-	-
165,456	165,456	165,457	-	50,000	50,000
(165,456)	(165,456)	(165,457)	-	(50,000)	(50,000)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>525,645</u>	<u>-</u>	<u>-</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>	<u>(2,310,206)</u>
7.99%	8.55%	8.92%	8.29%	8.90%	8.82%

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN LEVY YEARS**

LEVY YEAR		EQUALIZED ASSESSED VALUE	INCREASE (DECREASE) OVER PREVIOUS YEAR	PERCENTAGE INCREASE (DECREASE) OVER PREVIOUS YEAR		ESTIMATED ACTUAL VALUE
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
2009		2,267,964,034	(11,105,932)	-0.49%		6,803,892,102

Tax Levy Year		Real Estate	Railroad	Air Pollution		Total EAV
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
2009		2,251,198,094	16,757,916	8,024		2,267,964,034

**Source:** Cook County Levy, Rate, and Extension Reports for the years 2009 to 2018.

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN TAX LEVY YEARS**

	2018	2017	2016	2015	2014
<b>OVERLAPPING GOVERNMENT:</b>					
County of Cook	0.489	0.496	0.533	0.552	0.568
Forest Preserve District	0.060	0.062	0.063	0.069	0.069
Consolidated Elections	-	0.031	-	0.034	-
Town of Berwyn	0.055	0.052	0.060	0.061	0.059
General Assistance - Berwyn	0.048	0.045	0.052	0.053	0.051
Metropolitan Water Reclamation District	0.396	0.402	0.406	0.426	0.430
Community College #527	0.619	0.583	0.680	0.698	0.670
City of Berwyn	4.254	4.012	4.723	4.901	4.533
City of Berwyn Library Fund	0.495	0.476	0.576	0.577	0.555
Public Health - Berwyn	0.093	0.087	0.102	0.105	0.103
Mental Health - Berwyn	0.084	0.077	0.092	0.092	0.087
School District #98	3.540	3.346	4.049	4.134	3.971
North Berwyn Park District	0.442	0.416	0.502	0.513	0.492
Total overlapping rate (note)	10.5750	10.0850	11.8380	12.2150	11.5880
<b>DIRECT DEBT:</b>					
Morton S.D. #201	3.036	2.875	3.251	3.339	3.216
Representative Tax Rate	13.611	12.960	15.089	15.554	14.804
<b>OTHER:</b>					
Berwyn Park District	0.406	0.381	0.443	0.456	0.438
School District #100	4.539	5.076	4.490	4.568	4.265
Town of Cicero	6.504	6.029	0.320	6.315	5.760
General Assistance - Cicero	0.023	0.024	0.041	0.049	0.047
Clyde Park District	0.507	0.460	0.530	0.542	0.556
Cicero Library Fund	0.287	0.279	0.394	0.338	0.351
Mental Health - Cicero	0.104	0.093	0.122	0.120	0.104
School District #99	4.306	4.111	4.717	5.238	4.998
Town of Lyons	0.065	0.063	0.067	0.070	0.068
Road and Bridges - Lyons	0.041	0.040	0.047	0.049	0.048
General Assistance - Lyons	0.002	-	0.003	0.003	0.003
Des Plaines Valley Mosquito	0.015	0.015	0.017	0.017	0.016
Mental Health - Lyons	0.093	0.090	0.110	0.115	0.112
School District #103	5.416	5.062	5.796	5.924	5.418
Village of Lyons	2.282	2.123	2.454	2.503	2.416
Village of Lyons Library	0.419	0.388	0.459	0.468	0.449
Town of Stickney	0.305	0.297	0.320	0.293	0.283
Road and Bridge - Stickney Twp.	0.077	0.073	0.082	0.084	0.080
General Assistance - Stickney	0.017	0.016	0.020	0.020	0.026
Stickney - Forest View Library	0.507	0.478	0.543	0.489	0.470
Public Health - Stickney	0.240	0.222	0.248	0.274	0.276
Village of Stickney	3.199	3.116	3.712	3.721	3.646

\*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.

2013	2012	2011	2010	2009
0.560	0.531	0.462	0.423	0.394
0.069	0.063	0.058	0.051	0.049
0.031	-	0.025	-	0.021
0.053	0.048	0.042	0.032	0.032
0.046	0.042	0.037	0.028	0.026
0.417	0.370	0.320	0.274	0.261
0.613	0.556	0.504	0.392	0.393
3.990	3.369	2.984	2.310	2.278
0.476	0.448	0.396	0.319	0.281
0.095	0.089	0.078	0.060	0.061
0.076	0.070	0.063	0.048	0.046
3.639	3.346	3.582	2.836	2.814
0.455	0.355	0.371	0.288	0.286
10.5200	9.2870	8.9220	7.0610	6.9420
2.954	2.732	2.454	1.858	1.848
13.474	12.019	11.376	8.919	8.790

0.396	0.374	0.316	0.307	0.307
3.919	3.645	3.197	2.499	2.492
5.183	4.522	4.566	3.388	3.344
0.062	0.068	0.051	0.037	0.036
0.545	0.505	0.458	0.333	0.308
0.322	0.289	0.231	0.166	0.161
0.096	0.100	0.077	0.063	0.062
4.670	4.302	3.874	2.799	2.786
0.068	0.063	0.059	0.048	0.047
0.048	0.044	0.041	0.033	0.033
0.003	0.003	0.003	0.002	0.002
0.016	0.015	0.014	0.011	0.011
0.112	0.103	0.095	0.078	0.076
5.293	4.856	4.367	3.377	3.287
2.204	2.039	1.832	1.382	1.634
0.402	0.373	0.334	0.252	0.243
0.277	0.250	0.231	0.195	0.181
0.074	0.067	0.059	0.048	0.045
0.023	0.020	0.017	0.014	0.015
0.441	0.499	0.450	0.348	0.338
0.262	0.240	0.180	0.180	0.180
3.326	3.052	2.768	2.128	2.118

# J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 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 June 30, 2011 CAFR

# J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

## PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN LEVY YEARS

	2018	2017	2016	2015	2014
Rates extended:					
Educational	1.6457	1.6108	1.8533	1.9048	1.7459
Special education	0.0257	0.0247	0.0293	0.0301	0.0296
Operations and maintenance	0.3487	0.3463	0.4178	0.4242	0.4856
Tort immunity	0.0000	0.0000	0.0000	0.0000	0.0000
Transportation	0.0709	0.0722	0.0747	0.0773	0.0759
Illinois municipal retirement/Social security	0.1702	0.1634	0.1934	0.1964	0.1930
Bond and interest	0.6813	0.6571	0.6822	0.7059	0.6857
Working Cash	0.0000	0.0000	0.0000	0.0000	0.0000
Life Safety	0.0935	0.0000	0.0000	0.0000	0.0000
Total rates extended	<u>3.0360</u>	<u>2.8745</u>	<u>3.2507</u>	<u>3.3387</u>	<u>3.2157</u>
Property tax extensions:					
Educational	\$ 27,327,622	\$ 27,735,125	\$ 26,729,645	\$ 26,550,091	\$ 25,051,065
Special education	426,760	425,290	422,585	419,549	424,715
Operations and maintenance	5,790,327	5,962,673	6,025,816	5,912,719	6,967,637
Tort immunity	-	-	-	-	-
Transportation	1,177,327	1,243,156	1,077,377	1,077,447	1,089,052
Illinois municipal retirement/Social security	2,826,250	2,813,458	2,789,354	2,737,524	2,769,262
Bond and interest	11,313,752	11,313,752	9,838,650	9,838,650	9,838,650
Life Safety	1,552,611	-	-	-	-
Total levies extended	<u>\$ 50,414,649</u>	<u>\$ 49,493,454</u>	<u>\$ 46,883,427</u>	<u>\$ 46,535,980</u>	<u>\$ 46,140,381</u>
Current year collections	24,428,830	23,216,114	22,568,454	22,432,444	21,832,435
Subsequent collections	-	22,994,763	22,335,512	22,485,843	22,378,175
Total collections	<u>\$ 24,428,830</u>	<u>\$ 46,210,877</u>	<u>\$ 44,903,966</u>	<u>\$ 44,918,287</u>	<u>\$ 44,210,610</u>
Percentage of extensions collected - current year collections	48.46%	46.91%	48.14%	48.20%	47.32%
Percentage of extensions collected - subsequent year collections	<u>0.00%</u>	<u>46.46%</u>	<u>47.64%</u>	<u>48.32%</u>	<u>48.50%</u>
Percentage of extensions collected - total	<u>48.46%</u>	<u>93.37%</u>	<u>95.78%</u>	<u>96.52%</u>	<u>95.82%</u>

Source of Information: Cook County Levy, Rate and Extension Reports for 2009 - 2018.

2013	2012	2011	2010	2009
1.5971	1.4373	1.2546	0.9435	0.9464
0.0271	0.0249	0.0222	0.0167	0.0168
0.4442	0.4093	0.3650	0.2745	0.2753
0.0000	0.0000	0.0000	0.0000	0.0000
0.0694	0.0640	0.0571	0.0429	0.0430
0.1766	0.1968	0.1755	0.1320	0.1323
0.6396	0.5996	0.5516	0.4268	0.4338
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0272	0.0209	0.0000
<u>2.9540</u>	<u>2.7319</u>	<u>2.4532</u>	<u>1.8573</u>	<u>1.8476</u>
\$ 24,556,565	\$ 23,584,606	\$ 22,378,351	\$ 21,751,438	\$ 21,464,054
416,851	408,583	395,982	385,001	380,298
6,832,676	6,716,189	6,510,520	6,328,319	6,244,227
-	-	-	-	1
1,067,509	1,050,173	1,018,495	989,016	974,999
2,716,458	3,229,284	3,130,400	3,043,125	3,000,092
9,838,650	9,838,650	9,838,650	9,838,650	9,838,650
-	-	485,167	481,828	-
<u>\$ 45,428,709</u>	<u>\$ 44,827,485</u>	<u>\$ 43,757,565</u>	<u>\$ 42,817,377</u>	<u>\$ 41,902,321</u>
21,893,735	21,666,948	21,572,327	20,912,293	20,703,666
21,762,964	22,036,163	20,852,281	19,991,172	19,365,952
<u>\$ 43,656,699</u>	<u>\$ 43,703,111</u>	<u>\$ 42,424,608</u>	<u>\$ 40,903,465</u>	<u>\$ 40,069,618</u>
48.19%	48.33%	49.30%	48.84%	49.41%
<u>47.91%</u>	<u>49.16%</u>	<u>47.65%</u>	<u>46.69%</u>	<u>46.22%</u>
<u>96.10%</u>	<u>97.49%</u>	<u>96.95%</u>	<u>95.53%</u>	<u>95.63%</u>

# **J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**

## **OUTSTANDING DEBT BY TYPE**

LAST TEN FISCAL YEARS

YEAR	QUALIFIED SCHOOL CONSTRUCTION BONDS	CAPITAL APPRECIATION BONDS	CAPITAL LEASES & LOANS	TOTAL	TOTAL DEBT PER CAPITA	PERCENTAGE OF TOTAL DEBT TO PERSONAL INCOME
2019	\$ 50,000,000	\$ 47,914,794	\$ -	\$ 97,914,794	\$ 618	1.83%
2018	50,000,000	53,101,460	-	103,101,460	651	1.93%
2017	50,000,000	58,028,145	49,036	108,077,181	680	2.12%
2016	-	62,298,614	207,194	62,505,808	391	1.26%
2015	-	67,125,462	358,853	67,484,315	424	0.83%
2014	-	71,320,617	504,312	71,824,929	451	0.93%
2013	-	75,295,648	643,839	75,939,487	480	0.98%
2012	-	47,398,367	777,629	48,175,996	305	0.65%
2011	-	51,956,272	286,066	52,242,338	328	0.72%
2010	-	56,196,359	319,112	56,515,471	356	0.79%

Source of Information: Annual Financial Statements

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 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
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%

Source of Information: Annual Financial Statements 2010-2019

\* 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 NO. 201

## COMPUTATION OF DIRECT AND OVERLAPPING DEBT

JUNE 30, 2019

GOVERNMENTAL JURISDICTION	DEBT OUTSTANDING	OVERLAPPING PERCENT	NET DIRECT AND OVERLAPPING DEBT
<b>Overlapping debt:</b>			
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
<b>Direct Debt:</b>			
J. Sterling Morton High School District # 201	64,944,586 (2)	100.00%	\$ 64,944,586
Total Direct and Overlapping General Obligation Bonded Debt			<u>\$ 429,808,721</u>

(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 NO. 201

## LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

### Legal Debt Margin Calculation for Fiscal Year 2019

Assessed Valuation	<u>\$ 1,660,547,053</u>
Debt Limit - 6.9% of Assessed Valuation	\$ 114,577,747
Total Debt Outstanding	<u>65,974,587</u>
Total Debt Margin	<u>\$ 48,603,160</u>

	2019	2018	2017	2016
Debt Limit	\$ 114,577,747	\$ 118,805,790	\$ 99,516,835	\$ 96,175,785
Total Net Debt Applicable to Limit	<u>65,974,587</u>	<u>69,752,644</u>	<u>73,716,374</u>	<u>28,012,352</u>
Legal Debt Margin	<u>\$ 48,603,160</u>	<u>\$ 49,053,146</u>	<u>\$ 25,800,461</u>	<u>\$ 68,163,433</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	58%	59%	74%	29%

Source of Information: 2010 - 2019 Annual Financial Statements

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2015	2014	2013	2012	2011	2010
\$ 99,004,728	\$ 106,135,685	\$ 113,221,863	\$ 123,075,585	\$ 159,072,523	\$ 156,489,518
<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>50,298,677</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>	<u>\$ 106,190,841</u>
33%	35%	32%	34%	29%	32%

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 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%

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 NO. 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

# J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

## NUMBER OF EMPLOYEES BY TYPE

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Instructional services:				
Regular programs				
Teachers	360.0	338.0	333.0	337.0
Clerical	-	-	-	-
Special programs				
Administrators	5.0	4.0	3.0	3.0
Teachers	62.0	57.0	55.0	53.0
Teaching assistants/clerical	56.0	56.0	55.0	49.0
Other programs				
Administrators	1.0	1.0	1.0	1.0
Teachers	12.0	12.0	12.0	8.0
Teaching assistants/clerical	14.0	11.0	11.0	10.0
Support services:				
Pupil support services				
Dean of students/administrators	10.0	9.0	9.0	9.0
Guidance counselors	26.0	25.0	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
Testing facilitator	-	-	-	-
Teachers	-	-	-	-
Librarians	3.0	3.0	3.0	3.0
Clerical/aides	-	-	-	-
General administration services				
Treasurer	1.0	1.0	1.0	1.0
Superintendent/asst. superintendents	3.0	3.0	3.0	3.0
Special area administration	3.0	3.0	3.0	3.0
Clerical	9.0	8.0	8.0	8.0
School administration services				
Principals and assistant principals	11.0	11.0	11.0	11.0
Clerical	11.0	9.0	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	25.0	25.0	25.0	25.0
Operations and maintenance of facilities				
Director/clerical	2.0	2.0	2.0	2.0
Engineers/custodial/maintenance	65.0	65.0	65.0	61.0
Security	47.0	47.0	47.0	64.0
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	809.0	773.0	764.0	768.0

Source: District records - full time equivalents.

2015	2014	2013	2012	2011	2010
331.0	304.3	299.0	300.0	334.0	369.0
-	-	-	-	-	-
3.0	3.0	3.0	3.0	3.0	3.0
50.0	52.5	55.0	57.0	58.0	68.0
54.0	62.0	68.0	70.0	70.0	63.0
1.0	1.0	1.0	1.0	1.0	-
8.0	9.0	9.0	9.0	9.0	68.0
10.0	12.0	7.0	6.0	6.0	26.0
9.0	11.0	9.0	9.0	9.0	9.0
25.0	27.0	27.0	24.0	26.0	28.0
5.0	5.0	5.0	4.0	4.0	4.0
3.0	3.0	3.0	3.0	3.0	3.0
43.0	43.0	41.0	34.0	34.0	34.0
6.0	6.0	6.0	5.0	5.0	5.0
-	-	-	-	-	-
-	-	-	-	-	-
3.0	3.0	3.0	3.0	3.0	5.0
-	-	-	9.0	9.0	13.0
1.0	1.0	1.0	1.0	1.0	1.0
2.0	2.0	2.0	2.0	2.0	3.0
3.0	3.0	3.0	1.0	1.0	7.0
8.0	8.0	9.0	9.0	9.0	9.0
11.0	11.0	11.0	11.0	11.0	12.0
9.0	9.0	10.0	13.0	13.0	17.0
1.0	1.0	1.0	1.0	1.0	1.0
14.0	14.0	14.0	18.0	18.0	18.0
25.0	20.0	21.0	20.0	25.0	25.0
2.0	2.0	2.0	2.0	2.0	2.0
61.0	63.0	71.0	71.0	71.0	71.0
53.0	57.5	54.0	51.0	47.0	47.0
1.0	2.0	2.0	2.0	2.0	2.0
-	-	-	-	-	-
10.0	10.0	9.0	10.0	10.0	10.0
752.0	753.3	754.0	758.0	796.0	932.0

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201****OPERATING INDICATORS BY PROGRAM**

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Instruction				
Enrollment				
Regular Education	7,371	7,802	7,840	7,562
Special Education	1,069	992	958	937
Total Enrollment	8,440	8,794	8,798	8,499
Percentage of limited English proficient	18.1%	14.2%	18.0%	10.4%
Pupil support services				
Percentage of students with disabilities	12.7%	11.1%	10.6%	11.3%
School Administration				
Student attendance rate	92.2%	90.3%	93.0%	91.1%
Fiscal Services				
Purchase orders processed	2,858	2,838	2,923	3,023
W-2's issued	1,168	1,102	1,122	1,105
Maintenance				
District square footage maintained by custodians and maintenance staff	1,354,175	1,354,175	1,354,175	1,354,175
District acreage maintained by grounds staff	69	69	69	69

Source of information: District records

2015	2014	2013	2012	2011	2010
7,354	7,452	7,347	7,309	7,730	7,414
945	850	843	1,035	823	992
8,299	8,302	8,190	8,344	8,553	8,406
11.2%	9.9%	10.0%	10.0%	6.3%	5.6%
11.3%	10.2%	10.3%	12.4%	9.7%	11.8%
88.5%	90.8%	89.0%	86.9%	86.9%	84.8%
2,897	2,974	4,211	3,931	4,099	4,600
1,145	1,129	1,138	1,200	1,200	1,214
1,354,175	1,354,175	1,354,175	1,354,175	1,345,425	1,345,425
69	69	69	69	69	69

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201****SCHOOL BUILDING INFORMATION**

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
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)	3,427	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)	3,577	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)	1,233	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)	84	84	84	84
Morton Alternative School (leased)				
Enrollment (students housed)	n/a	n/a	n/a	n/a

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2015	2014	2013	2012	2011	2010
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	3,394	3,352	3,220	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	3,479	3,379	3,892	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	1,225	1,244	1,337	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	85	110	104	104	104
n/a	n/a	n/a	n/a	n/a	n/a

**J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**

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FISCAL YEAR ENDED JUNE 30,	OPERATING COST (1)	AVERAGE DAILY ATTENDANCE	NET OPERATING COST PER PUPIL	PERCENTAGE CHANGE
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%
2010	84,671,293	6,610.30	12,809	18.52%

(1) Total operating expenses

Source of Information: 2010 - 2019 Annual Financial Statements and Annual Financial Reports