

**Skokie/Morton Grove
School District No. 69
Skokie, Illinois**

Annual Financial Report
June 30, 2023

Skokie/Morton Grove School District 69

Year Ended June 30, 2023

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Skokie/Morton Grove School District 69

Year Ended June 30, 2023

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Skokie/Morton Grove School District 69 (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Skokie/Morton Grove School District 69 as of June 30, 2023, and respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Skokie/Morton Grove School District 69 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Skokie/Morton Grove School District 69's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Skokie/Morton Grove School District 69's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Skokie/Morton Grove School District 69's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis and the budgetary comparison information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the combining and individual fund financial statements and schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Skokie/Morton Grove School District 69's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP
Aurora, Illinois
February 16, 2024

Skokie/Morton Grove School District 69

Management's Discussion and Analysis For the Year Ended June 30, 2023

Our discussion and analysis of the Skokie/Morton Grove Elementary School District No. 69's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which begin on page 11, and the Notes to the Financial Statements, which begin on page 21, to further enhance your understanding of the District's financial condition.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2023 by \$42,051,166 (net position).
- The District's total net position increased by \$4,913,137 based on operating results. The District's net position increased by \$16,042,017 as a result of a restatement of beginning net position to reflect an updated appraisal of the District's capital assets.
- The District decreased its total long-term debt by \$7,704,738 due to scheduled principal payments and a reduction in the net pension and other postemployment benefit liabilities.
- At June 30, 2023, the District's governmental funds reported combined fund balances of \$29,867,854, an increase of \$1,754,308 from the prior year primarily due to the expenditures related to capital projects.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 11 and 12) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 13. For the governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as agent for the benefit of those outside the government.

Reporting the District as a Whole

Our analysis of the District as a whole begins on page 6. One of the most important questions asked about the District's finances is, "is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question.

Skokie/Morton Grove School District 69

Management's Discussion and Analysis For the Year Ended June 30, 2023

USING THIS ANNUAL REPORT (continued)

These two statements report the District's net position and changes in it. You can think of the District's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. In order to assess the overall health of the District, you will need to consider other factors, such as the timing of the county tax billing cycles, and the basis of accounting. The two statements should show that the District has made significant strides and is dedicated to continuing its efforts to achieve and maintain financial health.

In the Statement of Net Position and the Statement of Activities, we report the District's Governmental activities. All of the District's services are reported here, including instructional services, support services, community services, and non-programmed charges. Property taxes, earnings on investments, fees, and state and federal grants finance most of these activities.

Reporting the District's Most Significant Funds

The District as Trustee

The District is the trustee, or fiduciary, for its students and employees. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position – Custodial Fund on page 19, and a Statement of Changes in Fiduciary Net Position on page 20. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are contained on pages 21 through 53.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental information relating to the District's progress in funding its obligation to provide pension and other postemployment benefits to its employees, and other supplemental information that may be useful to the reader.

Skokie/Morton Grove School District 69

Management's Discussion and Analysis

For the Year Ended June 30, 2023

THE DISTRICT AS A WHOLE

A condensed statement of net position as of June 30, 2023 and 2022, and statement of activities for the year ended June 30, 2023 and 2022, is presented below.

Table 1			
Condensed Statement of Net Position			
	<u>2023</u>	<u>2022</u>	<u>Percentage Change</u>
Current assets	\$ 43,906,843	\$ 41,712,766	5.3%
Noncurrent assets:			
Net pension asset	-	1,949,359	
Capital assets	71,592,031	56,692,581	26.3%
Total assets	<u>115,498,874</u>	<u>100,354,706</u>	15.1%
Deferred outflows of resources	<u>3,087,281</u>	<u>1,551,959</u>	98.9%
Total assets and deferred outflows of resources	<u>118,586,155</u>	<u>101,906,665</u>	16.4%
Current liabilities	2,844,342	569,856	399.1%
Long-term liabilities	<u>47,568,779</u>	<u>59,687,876</u>	-20.3%
Total liabilities	<u>50,413,121</u>	<u>60,257,732</u>	-16.3%
Deferred inflows of resources	<u>26,121,868</u>	<u>20,552,921</u>	27.1%
Net position:			
Net investment in capital assets	27,919,748	11,445,298	143.9%
Restricted	6,779,800	8,446,910	-19.7%
Unrestricted	<u>7,351,618</u>	<u>1,203,804</u>	510.7%
Total net position	<u>\$ 42,051,166</u>	<u>\$ 21,096,012</u>	99.3%

Skokie/Morton Grove School District 69

Management's Discussion and Analysis

For the Year Ended June 30, 2023

Table 2			
Changes in Net Position			
	2023	2022	Percentage Change
Revenues:			
Program revenues:			
Charges for services	\$ 1,110,073	\$ 626,843	77.1%
Operating grants and contributions	12,643,152	13,968,029	-9.5%
General revenues:			
Property taxes	27,461,206	26,305,734	4.4%
Other taxes	1,976,566	1,510,472	30.9%
Evidence-based funding	4,146,912	3,995,007	3.8%
Earnings on investments	596,401	568,932	4.8%
Other	264,342	740,950	-64.3%
Total revenues	48,198,652	47,715,967	1.0%
Expenses:			
Instruction	22,211,827	21,063,135	5.5%
Support services	15,252,954	15,678,901	-2.7%
Community services	993,563	1,180,790	-15.9%
Intergovernmental	1,970,535	1,847,411	6.7%
Interest and other charges	1,773,817	1,180,580	50.2%
Depreciation - Unallocated	1,082,819	1,562,811	-30.7%
Total expenses	43,285,515	42,513,628	1.8%
Change in net position	4,913,137	5,202,339	
Net position - beginning, as restated	37,138,029	15,893,673	
Net position - ending	\$ 42,051,166	\$ 21,096,012	

Net position of the District's governmental activities increased by \$4,913,137. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased by \$6,147,814 to \$7,351,618.

THE DISTRICT'S FUNDS

At June 30, 2023, the District's governmental funds (as presented in the Balance Sheet on page 14) reported a combined fund balance of \$29,867,854, which is greater than last year's total of \$28,113,546. The primary reason for the governmental funds increase was due to increased property tax revenue.

Skokie/Morton Grove School District 69

Management's Discussion and Analysis For the Year Ended June 30, 2023

General Fund Budgetary Highlights

The original July 1, 2022 to June 30, 2023 budget was approved by the Board of Education on September 15, 2022, and the amended budget was approved by the Board of Education on June 20, 2023. The budget is a general guide for the financial activity of the District.

- The General Fund actual direct receipts were greater than the budgeted amount due primarily to higher than expected property taxes.
- The General Fund actual direct disbursements were less than the budgeted amount due to lower than expected expenditures related to capital outlay.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the District had \$71,592,031 invested in capital assets, including land, land improvements, buildings, and furniture and equipment, as shown below.

	2023	2022	Percentage Change
Land	\$ 707,755	\$ 707,755	0.0%
Construction in progress	-	38,250,772	-100.0%
Buildings and improvements	70,259,126	15,605,549	350.2%
Furniture and equipment	625,150	2,128,505	100.0%
Total	<u>\$ 71,592,031</u>	<u>\$ 56,692,581</u>	26.3%

The increase was due to an updated appraisal of the District's capital assets.

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

Skokie/Morton Grove School District 69

Management's Discussion and Analysis

For the Year Ended June 30, 2023

Long-Term Debt

At June 30, 2023, the District had \$50,033,779 in long-term debt outstanding, as shown below.

Table 4			
Outstanding Long-Term Obligations			
	<u>2023</u>	<u>2022</u>	<u>Percentage Change</u>
2012 Working Cash and Refunding Bonds	\$ -	\$ 725,000	-100.0%
2017 Refunding Bonds	2,865,000	3,850,000	-25.6%
2018 GO Limited Tax Bonds	8,885,000	8,885,000	0.0%
2020 GO Limited Tax Bonds	22,315,000	22,315,000	0.0%
2021 Taxable GO Bonds	6,650,000	6,805,000	-2.3%
Unamortized Premium	2,957,283	3,294,751	-10.2%
Leases	-	97,532	-100.0%
Net Pension Liabilities			
IMRF	999,984	- *	N/A
TRS	1,326,788	1,311,391	1.2%
Net OPEB Liability - THIS	<u>4,034,724</u>	<u>12,404,202</u>	-67.5%
Total	<u>\$ 50,033,779</u>	<u>\$ 59,687,876</u>	-16.2%

* IMRF was a net pension asset as of June 30, 2022

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

Skokie/Morton Grove School District 69

Management's Discussion and Analysis For the Year Ended June 30, 2023

OTHER FINANCIAL MATTERS BEARING ON THE DISTRICT'S FUTURE

- As a result of federal funding to support the return to in-person learning coming to an end September of 2024, the District prepares for the decrease in revenue after FY23 and will need to identify ways to reduce expenditures to offset this decrease.
- The District entered a new 5-year contract (2023 - 2028) with the Teachers Associations (SEA).
- Due to delays in the Cook County assessment process, the Office of the Cook County Clerk release the Agency Tax Rate Report very late and, as such, the ability to more accurately budget tax receipts for the 2023 fiscal year generated from the 2021 tax extension has been difficult.
- In past fiscal years, tax receipts were reduced for refunds, objections, and adjustments, in effect reducing the tax collection rate. AS a result of Public Act 102-0519, Cook County now has a "recapture levy" to collect previous extension amounts lost due to the property tax appeal process.
- Beginning in levy year 2021, the District's levy shall be increased by previous refunds, objections, and adjustments for a prior 12-month period. Time will be needed to better understand the assumed positive financial impact of this Act.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with an overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Ms. Sonali Patil, Assistant Superintendent for Business & Operations, 5050 Madison Street, Skokie, IL 60077.

Basic Financial Statements

Skokie/Morton Grove School District 69

Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Current Assets	
Cash and investments	\$ 28,481,056
Receivables:	
Property taxes, net	14,101,547
Replacement tax	269,389
Other current assets	283,893
Due from other government units	770,958
Total current assets	<u>43,906,843</u>
Noncurrent Assets	
Capital assets, not being depreciated	707,755
Capital assets, being depreciated, net	70,884,276
Total noncurrent assets	<u>71,592,031</u>
Total assets	<u>115,498,874</u>
Deferred Outflows of Resources	
Pension related items - Illinois Municipal Retirement Fund	1,379,519
Pension related items - Teachers' Retirement System	227,159
OPEB related items - Teachers' Health Insurance Security Fund	1,480,603
Total deferred outflows of resources	<u>3,087,281</u>
Total assets and deferred outflows of resources	<u>\$ 118,586,155</u>

Skokie/Morton Grove School District 69

Statement of Net Position (Continued)
June 30, 2023

	Governmental Activities
Liabilities	
Current Liabilities	
Accounts payable	\$ 111,430
Accrued salaries and benefits	3,876
Unearned revenue	149,679
Accrued interest	114,357
General obligation bonds	2,465,000
Total current liabilities	<u>2,844,342</u>
Long-Term Liabilities, net of current maturities	
General obligation bonds, including unamortized premium	41,207,283
Net pension liability - Illinois Municipal Retirement Fund	999,984
Collective net pension liability - Teachers' Retirement System	1,326,788
Collective total OPEB liability - Teachers' Health Insurance Security Fund	4,034,724
Total long-term liabilities	<u>47,568,779</u>
Total liabilities	<u>50,413,121</u>
Deferred Inflows of Resources	
Pension related items - Teachers' Retirement System	241,268
OPEB related items - Teachers' Health Insurance Security Fund	12,593,823
Deferred property taxes	13,286,777
Total deferred inflows of resources	<u>26,121,868</u>
Net Position	
Net investment in capital assets	27,919,748
Restricted for:	
Liability insurance	805,831
Transportation	3,402,371
Retirement benefits	886,883
Capital projects	1,684,715
Unrestricted	7,351,618
Total net position	<u>42,051,166</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 118,586,155</u>

See Notes to Basic Financial Statements.

Skokie/Morton Grove School District 69

**Statement of Activities
Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction:				
Regular programs	\$ 18,056,637	\$ 654,987	\$ 8,721,072	\$ (8,680,578)
Special programs	2,758,221	-	2,577,316	(180,905)
Other instructional programs	1,396,969	15,234	665,165	(716,570)
Support services:				
Pupils	2,291,478	-	-	(2,291,478)
Instructional staff	884,056	-	49,526	(834,530)
General administration	790,553	-	-	(790,553)
School administration	1,885,907	-	-	(1,885,907)
Business	1,292,079	275,338	630,073	(386,668)
Transportation	1,867,093	72,223	-	(1,794,870)
Operations and maintenance	3,429,294	92,291	-	(3,337,003)
Central	2,745,370	-	-	(2,745,370)
Other support services	67,124	-	-	(67,124)
Community services	993,563	-	-	(993,563)
Intergovernmental				
Payment to other governments	1,970,535	-	-	(1,970,535)
Depreciation - unallocated	1,773,817	-	-	(1,773,817)
Interest and charges	1,082,819	-	-	(1,082,819)
Total governmental activities	\$ 43,285,515	\$ 1,110,073	\$ 12,643,152	(29,532,290)
General revenues:				
Taxes:				
Property taxes, general purposes				24,617,001
Property taxes, debt service				2,844,205
Corporate property replacement taxes				1,976,566
Evidence-based funding				4,146,912
Investment income (loss) and other				596,401
Other revenue				264,342
Total general revenues				34,445,427
Change in net position				4,913,137
Net position:				
Beginning				21,096,012
Prior period adjustment				16,042,017
Beginning, as restated				37,138,029
Ending				\$ 42,051,166

See Notes to Basic Financial Statements.

Skokie/Morton Grove School District 69

Balance Sheet
Governmental Funds
June 30, 2023

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Transportation Fund	Debt Service Fund		
Assets					
Cash and investments	\$ 20,169,395	\$ 3,245,671	\$ 2,580,535	\$ 2,485,455	\$ 28,481,056
Receivables:					
Property taxes, net	11,146,036	1,028,697	1,461,328	465,486	14,101,547
Replacement tax	196,013	-	-	73,376	269,389
Other current assets	283,893	-	-	-	283,893
Due from other governmental units	569,587	201,371	-	-	770,958
Total assets	\$ 32,364,924	\$ 4,475,739	\$ 4,041,863	\$ 3,024,317	\$ 43,906,843
Liabilities					
Accounts payable	\$ 80,816	\$ 30,614	\$ -	\$ -	\$ 111,430
Accrued salaries and benefits	3,876	-	-	-	3,876
Unearned revenue	107,409	42,270	-	-	149,679
Total liabilities	192,101	72,884	-	-	264,985
Deferred Inflows of Resources					
Deferred property taxes	10,840,336	1,000,484	1,421,246	452,719	13,714,785
Deferred other revenues	59,219	-	-	-	59,219
Total deferred inflows of resources	10,899,555	1,000,484	1,421,246	452,719	13,774,004
Fund balances					
Restricted for:					
Liability insurance	805,831	-	-	-	805,831
Transportation	-	3,402,371	-	-	3,402,371
Retirement benefits	-	-	-	886,883	886,883
Debt service	-	-	2,620,617	-	2,620,617
Capital projects	-	-	-	1,684,715	1,684,715
Unassigned	20,467,437	-	-	-	20,467,437
Total fund balances	21,273,268	3,402,371	2,620,617	2,571,598	29,867,854
Total liabilities, deferred inflows of resources, and fund balances	\$ 32,364,924	\$ 4,475,739	\$ 4,041,863	\$ 3,024,317	\$ 43,906,843

See Notes to Basic Financial Statements.

Skokie/Morton Grove School District 69

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2023**

Total fund balances - governmental funds	\$ 29,867,854
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	71,592,031
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Certain revenues that are reported as deferred inflows of resources in the fund financial statements because they are not available are recognized as revenue in the government-wide financial statements.	487,227
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Premiums on bonds that are other financing sources in the fund financial statements are liabilities that are amortized over the life of the bonds in the government-wide financial statements.	(2,957,283)
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Certain pension-related items are reported as deferred outflows of resources in the government-wide financial statements but not in the fund financial statements.	
Deferred outflows of resources - Illinois Municipal Retirement Fund	1,379,519
Deferred outflows of resources - Teachers' Retirement System	227,159
Deferred outflows of resources - Teachers' Health Insurance Security Fund	1,480,603

Certain pension-related items are reported as deferred inflows of resources in the government-wide financial statements but not in the fund financial statements.	
Deferred inflows of resources - Teachers' Retirement System	(241,268)
Deferred inflows of resources - Teachers' Health Insurance Security Fund	(12,593,823)

Some assets (liabilities) reported in the statement of net position do not provide (use) current financial resources and, therefore, are not reported as assets (liabilities) in governmental funds:	
General obligation bonds	(40,715,000)
Accrued interest	(114,357)
Net pension liability - Illinois Municipal Retirement Fund	(999,984)
Collective net pension liability - Teachers' Retirement System	(1,326,788)
Collective total OPEB liability - Teachers' Health Insurance Security Fund	<u>(4,034,724)</u>

Net position of governmental activities	<u>\$ 42,051,166</u>
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See Notes to Basic Financial Statements.

Skokie/Morton Grove School District 69

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2023

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Transportation Fund	Debt Service Fund		
Revenues:					
Property taxes	\$ 21,021,118	\$ 2,409,063	\$ 2,844,205	\$ 758,812	\$ 27,033,198
Corporate property replacement taxes	1,438,190	-	-	538,376	1,976,566
Charges for services	461,507	72,223	-	-	533,730
Unrestricted state aid	4,146,912	-	-	-	4,146,912
Restricted state aid	766,873	752,449	-	-	1,519,322
Restricted federal aid	4,416,894	-	-	-	4,416,894
Other local revenue	840,685	-	-	-	840,685
Investment income (loss)	417,783	73,047	54,483	51,088	596,401
State on-behalf contributions - TRS	7,867,858	-	-	-	7,867,858
State on-behalf contributions - THIS	147,760	-	-	-	147,760
Total revenues	41,525,580	3,306,782	2,898,688	1,348,276	49,079,326
Expenditures:					
Current:					
Instruction:					
Regular programs	20,773,709	-	-	314,325	21,088,034
Special programs	2,663,560	-	-	74,223	2,737,783
Other instructional programs	1,374,593	-	-	12,025	1,386,618
Support services:					
Pupils	2,202,169	-	-	72,329	2,274,498
Instructional staff	854,404	-	-	23,101	877,505
General administration	771,387	-	-	13,308	784,695
School administration	1,815,218	-	-	56,714	1,871,932
Business	1,601,752	-	-	173,791	1,775,543
Transportation	-	1,853,259	-	-	1,853,259
Operations and maintenance	3,339,324	-	-	64,560	3,403,884
Central	2,602,416	-	-	122,610	2,725,026
Other support services	59,371	-	-	7,255	66,626
Community services	920,291	430	-	65,480	986,201
Intergovernmental:					
Payment to other governments	1,970,535	-	-	-	1,970,535
Capital outlay	-	-	-	133,535	133,535
Debt service:					
Principal	-	-	1,962,532	-	1,962,532
Interest and charges	-	-	1,421,712	-	1,421,712
Bond issuance costs	-	-	5,100	-	5,100
Total expenditures	40,948,729	1,853,689	3,389,344	1,133,256	47,325,018
Excess (deficiency) of revenues over (under) expenditures	576,851	1,453,093	(490,656)	215,020	1,754,308
Other financing sources (uses):					
Transfer in	2,237,076	-	337,269	-	2,574,345
Transfer (out)	(337,269)	(2,237,076)	-	-	(2,574,345)
Total other financing sources (uses)	1,899,807	(2,237,076)	337,269	-	-
Net change in fund balances	2,476,658	(783,983)	(153,387)	215,020	1,754,308
Fund balances:					
Beginning	18,796,610	4,186,354	2,774,004	2,356,578	28,113,546
Ending	\$ 21,273,268	\$ 3,402,371	\$ 2,620,617	\$ 2,571,598	\$ 29,867,854

See Notes to Basic Financial Statements.

Skokie/Morton Grove School District 69

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2023**

Net change in fund balances—total governmental funds	\$ 1,754,308
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Amounts reported for governmental activities in the statement of activities are different because:

Property tax revenues are reported as deferred inflows of resources in the fund financial statements because they are not available but are recognized as revenue in the government-wide financial statements.	428,008
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State grant revenues are reported as deferred inflows of resources in the fund financial statements because they are not available but are recognized as revenue in the government-wide financial statements.	59,219
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Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which capital outlays exceeded depreciation expense in the current period.	
Capital outlays	631,250
Depreciation expense	(1,773,817)

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Bond principal retirement (refunding)	1,865,000
Lease principal retirement	97,532

Premium on bonds is recorded as other financing sources in the fund financial statements, but the premium is recorded as a liability in the statement of net position and is amortized over the life of the bonds. These are the amounts in the current period.	
Amortization of premium on bonds	337,468

Changes related to pension obligations are reported as deferred inflows and deferred outflows on the government-wide financial statements, but not on the fund financial statements.	
Deferred outflows of resources related to pension expense - IMRF	977,120
Deferred outflows of resources related to pension expense - TRS	55,500
Deferred inflows of resources related to pension expense - IMRF	1,658,946
Deferred inflows of resources related to pension expense - TRS	274,126

Continued

Skokie/Morton Grove School District 69

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Continued
Year Ended June 30, 2023**

Changes related to OPEB obligations are reported as deferred inflows and deferred outflows on the government-wide financial statements, but not on the fund financial statements.

Deferred outflows of resources related to OPEB expense - THIS	502,702
Deferred inflows of resources related to OPEB expense - THIS	(7,365,488)

Some revenues and expenses reported in the statement of activities do not provide (use) current financial resources and, therefore, are not reported as revenues (expenditures) in governmental funds. These activities consist of changes in:

State on-behalf contribution revenue for TRS and THIS	(8,015,618)
State on-behalf expense for TRS and THIS	8,015,618
Accrued interest	6,525
Net pension liability - Illinois Municipal Retirement Fund	(2,949,343)
Collective net pension liability - TRS	(15,397)
Collective total OPEB liability - THIS	<u>8,369,478</u>

Change in net position of governmental activities	<u>\$ 4,913,137</u>
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See Notes to Basic Financial Statements.

Skokie/Morton Grove School District 69

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023**

	<u>Custodial Fund</u>
Assets	
Cash in bank	<u>\$ 16,525</u>
Net position	
Restricted for Little 9 Conference	<u>\$ 16,525</u>

See Notes to Basic Financial Statements.

Skokie/Morton Grove School District 69

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2023**

	<u>Custodial Fund</u>
Additions:	
Contributions	<u>\$ 31,500</u>
Total additions	<u>31,500</u>
Deductions	
Benefits paid to individuals and members	<u>41,322</u>
Total deductions	<u>41,322</u>
Net increase in fiduciary net position	(9,822)
Net position	
Beginning	<u>26,347</u>
Ending	<u><u>\$ 16,525</u></u>

See Notes to Basic Financial Statements.

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Skokie/Morton Grove School District 69 (the "District") is governed by the District's Board of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District includes all funds of its governmental operations that are controlled by or dependent upon the District as determined on a basis of financial accountability.

Reporting Entity

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

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

Fund Accounting

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

The following summarizes the fund types used by the District:

The District reports the following major governmental funds:

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

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

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

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

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

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

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

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

The District reports the following nonmajor governmental funds:

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

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Capital Projects Fund – The Capital Projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

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

Custodial Fund - The custodial fund (Little 9 Conference) accounts for assets held by the District in a trustee capacity for the organization.. These assets are for the benefit of the organization and are not included in the government-wide financial statements.

Basis of Presentation

Government-Wide Financial Statements

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

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

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

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Measurement focus, basis of accounting, and financial statement presentation

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

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

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

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

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

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Deferred Outflows/Inflows of Resources

Deferred inflows of resources and unearned revenue arise when assets are recognized before revenue recognition criteria have been satisfied. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred inflows of resources. Property taxes for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations, have been recorded as deferred inflows of resources. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue. Amounts related to pension and other post-employment benefits are also recorded as deferred inflows of resources.

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

Deposits and Investments

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

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

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deposits and Investments (Continued)

Investments are stated at cost, which approximates market value. Gains or losses, if any, on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2022 levy resolution was approved during the December 20, 2022 Board of Education meeting. The District's property tax is levied each year on all taxable real property located in the District, and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year. The District's annual property tax levy is subject to two statutory limitations: Individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELA).

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

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

The 2022 property tax levy is recognized as a receivable in fiscal year 2023. The District considers that the first installment of the 2022 levy is to be used to finance operations in fiscal year 2023. The District has determined that the second installment of the 2022 levy is to be used to finance operations in fiscal year 2024 and has deferred the corresponding receivable and collections.

Personal Property Replacement Taxes

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

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

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

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

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

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

Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2023 are determined on the basis of current salary rates and include salary related payments.

Employees who work a twelve-month year are entitled to be compensated for vacation time. Vacations are usually taken within the fiscal year. Any unused vacation time as of the fiscal year end is forfeited; however, an exception is made with approval of either the Board of Education or the Superintendent. Employees allowed to carryover vacation days must use the days by calendar year end, or else forfeit the remaining carryover days. As such, no liability exists for unused vacation time.

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences (Continued)

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

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

Long-Term Obligations

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

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

Pensions

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

Leases

Lessee: The District is a lessee for a lease of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Leases (Continued)

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Net Position

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

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

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

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

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position (Continued)

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

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

Fund Balance Reporting

According to governmental accounting standards, fund balances are to be classified into five major classifications; nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

Non-spendable: The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

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

Special Education

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

State and federal grants

Proceeds from state and federal grants and the related expenditures have been included in the General Fund and various special revenue funds. At June 30, 2023, expenditures exceeded revenue from state and federal grants, resulting in no restricted balances.

Capital projects funds

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

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance Reporting (Continued)

Committed: The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the school board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

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

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

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

Use of Estimates

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

Note 2: Deposits and Investments

As of June 30, 2023, the reported amount of the District's cash and cash equivalents consisted of the following:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Petty cash	\$ 2,500	N/A
Deposits with Financial Institutions	174,905	176,007
Deposits with Township Treasurer	28,303,651	N/A
	<u>\$ 28,481,056</u>	

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 2: Deposits and Investments (Continued)

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, 2023, the bank balance of the District's deposits with financial institutions totaled \$176,007, which was covered by insurance.

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

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

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

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

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

The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2023, the carrying amount of the District's cash and investments was \$28,303,651 and all of the District's deposits were either covered by Federal Depository Insurance or fully collateralized.

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 3: Capital Assets

Governmental activities capital asset balances and activity for the year ended June 30, 2023, were as follows:

	Original Balance July 1, 2022	Restatement (See Note 10)	Restated Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023
Governmental activities:						
Capital assets, not being depreciated:						
Land	\$ 707,755	\$ -	\$ 707,755	\$ -	\$ -	\$ 707,755
Construction in progress	38,250,772	2,500,811	40,751,583	-	40,751,583	-
Total capital assets not being depreciated	<u>38,958,527</u>	<u>2,500,811</u>	<u>41,459,338</u>	<u>-</u>	<u>40,751,583</u>	<u>707,755</u>
Capital assets, being depreciated:						
Buildings and improvement	37,521,880	2,342,798	39,864,678	41,296,256	-	81,160,934
Equipment	4,399,942	(1,617,282)	2,782,660	86,577	-	2,869,237
Leased equipment	442,510	-	442,510	-	-	442,510
Total capital assets being depreciated	<u>42,364,332</u>	<u>725,516</u>	<u>43,089,848</u>	<u>41,382,833</u>	<u>-</u>	<u>84,472,681</u>
Less accumulated depreciation:						
Buildings	21,916,331	(12,528,126)	9,388,205	1,513,603	-	10,901,808
Equipment	2,368,969	(287,564)	2,081,405	162,682	-	2,244,087
Leased equipment	344,978	-	344,978	97,532	-	442,510
Total accumulated depreciation	<u>24,630,278</u>	<u>(12,815,690)</u>	<u>11,814,588</u>	<u>1,773,817</u>	<u>-</u>	<u>13,588,405</u>
Total capital assets being depreciated, net	<u>17,734,054</u>	<u>13,541,206</u>	<u>31,275,260</u>	<u>39,609,016</u>	<u>-</u>	<u>70,884,276</u>
Governmental activities						
Capital assets, net	<u>\$ 56,692,581</u>	<u>\$ 16,042,017</u>	<u>\$ 72,734,598</u>	<u>\$ 39,609,016</u>	<u>\$ 40,751,583</u>	<u>\$ 71,592,031</u>

Depreciation was not charged to any specific function.

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 4: Long-Term Debt

Long-term debt consisted of the following at June 30, 2023:

	Outstanding debt as of July 1, 2022	Additions	Reductions	Outstanding debt as of June 30, 2023	Due within one year
2012 Working Cash Fund and Refunding Bonds	\$ 725,000	\$ -	\$ 725,000	\$ -	\$ -
2017-A Refunding Bonds	3,850,000	-	985,000	2,865,000	1,835,000
2018 GO Limited Tax Bonds	8,885,000	-	-	8,885,000	-
2020 GO Limited Tax Bonds	22,315,000	-	-	22,315,000	-
2021 Taxable GO Bonds	6,805,000	-	155,000	6,650,000	630,000
Unamortized premiums	3,294,751	-	337,468	2,957,283	-
Total General obligation debt	45,874,751	-	2,202,468	43,672,283	2,465,000
Leases *	97,532	-	97,532	-	-
Net Pension Liability - TRS	1,311,391	15,397	-	1,326,788	-
Net pension Liability - IMRF*	(1,949,359)	2,949,343	-	999,984	-
Net Other Post Employment Benefit Liability - THIS	12,404,202	-	8,369,478	4,034,724	-
	\$ 57,738,517	\$ 2,964,740	\$ 10,669,478	\$ 50,033,779	\$ 2,465,000

General Obligation Bonds

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

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

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

2021 Taxable GO School Bonds dated March 1, 2021 were issued by the District in the amount of \$7,000,000. Principal payments are due each December 1, through 2032. Interest payments at a rate of 1.22% are due June 1 and December 1.

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 4: Long-Term Debt (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 2,465,000	\$ 1,346,987	\$ 3,811,987
2025	2,230,000	1,270,671	3,500,671
2026	2,345,000	1,196,963	3,541,963
2027	2,465,000	1,118,833	3,583,833
2028	2,585,000	1,031,311	3,616,311
2029 - 2033	15,125,000	3,614,690	18,739,690
2034 - 2038	11,910,000	1,180,800	13,090,800
2039	1,590,000	23,850	1,613,850
	<u>\$ 40,715,000</u>	<u>\$ 10,784,105</u>	<u>\$ 51,499,105</u>

Payments to retire bonds payable will be made from debt service levies in future periods. There is \$2,620,617 of fund equity available in the Debt Service Fund to service outstanding bonds payable.

The District is subject to the *Illinois Compiled Statutes* which limits the amount of bond indebtedness, to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2023 the statutory debt limit for the District was \$38,080,670. The District has a debt margin of \$3,679,004 after non-taxable bonds of \$34,062,000 and \$2,620,617 available in the Debt Service Fund.

Leases

The District has entered into lease agreements as lessee for the use of equipment. At June 30, 2023, \$442,510 of amounts included in assets were acquired via leases with accumulated depreciation of \$442,510. The obligations for the leases was repaid from the Debt Service Fund.

Note 5: Employee Retirement Systems

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

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

Plan Description

The District participates in the TRS. TRS is a cost-sharing, multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago.

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 5: Employee Retirement Systems (Continued)

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs/fy2022>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest consecutive years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

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

Essentially all Tier I retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring Tier 1 members to receive a partial lump-sum in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.

Contributions

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

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 5: Employee 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, 2023, was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on-behalf of the District. For the year ended June 30, 2023, State of Illinois contributions recognized by the District were based on the State's proportionate share of the pension expense associated with the District, and the District recognized revenue and expenses of \$9,040,475 in the governmental activities based on the economic resources measurement focus and revenues and expenditures of \$7,867,858 in the General Fund based on the current financial resources measurement focus.

2.2 formula contributions. The District contributes 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2023 were \$94,586, and are deferred because they were paid after the June 30, 2022 measurement date.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

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

For the year ended June 30, 2023, the employer pension contribution was 10.49% of salaries paid from federal and special trust funds. For the year ended June 30, 2023, \$940,495 of salaries were paid from the federal and special trust funds and contributions for the year ended June 30, 2023 were \$98,658. These contributions are deferred because they were paid after the June 30, 2022 measurement date.

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. Additionally, PA 100-0023 requires school districts to pay for a portion of the cost of a member's pension if that member's salary, determined on a full-time equivalent basis, is greater than the governor's statutory salary (currently \$205,700). The amount charged to the employer is the employer normal cost, or 10.49%. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit.

For the year ended June 30, 2023, the District made no payments to TRS for employee contributions due on salary increases in excess of 6 percent and made no payment for sick leave days granted in excess of the normal allotment. The District was required to make a contribution of \$29,671 for salaries in excess of the Governor's statutory salary.

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 5: Employee Retirement Systems (Continued)

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District follows below:

District's proportionate share of the net pension liability	\$ 1,326,788
State's proportionate share of the net pension liability associated with the District	<u>115,090,038</u>
Total	<u><u>\$ 116,416,826</u></u>

The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2022, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2022 the employer's proportion was 0.00158%, which was a decrease of 0.00010% from its proportion measured as of June 30, 2021.

For year ended June 30, 2023, the District recognized the following pension expense/expenditures and revenue pertaining to the District's TRS employees:

	Governmental Activities	General Fund
State on-behalf contribution - pension revenue and expense/expenditure	\$ 9,040,475	\$ 7,867,858
District pension expense/expenditure	(91,866)	193,244
Total pension expense/expenditure	<u><u>\$ 8,948,609</u></u>	<u><u>\$ 8,061,102</u></u>

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 5: Employee Retirement Systems (Continued)

At June 30, 2023, the District had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,667	\$ 7,315
Net difference between projected and actual earnings on pension plan investments	1,214	-
Changes of assumptions	6,118	2,533
Changes in proportion and differences between District contributions and proportionate share of contributions	23,916	231,420
Total deferred amounts to be recognized in pension expense in future periods	33,915	241,268
District contributions subsequent to the measurement date	193,244	-
	\$ 227,159	\$ 241,268

\$193,244 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in these reporting years:

Year Ending June 30:	Net Deferred Outflows (Inflows) of Resources
2024	\$ (140,750)
2025	(35,343)
2026	(29,706)
2027	4,854
2028	(6,408)
	\$ (207,353)

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	varies by amount of service credit
Investment rate of return	7.00% net of pension plan investment expense, including inflation

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 5: Employee Retirement Systems (Continued)

In the June 30, 2022 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for the TRS experience. The rates are based on a fully-generational basis using projection table MP-2020. In the June 30, 2021 actuarial valuation, mortality rates were also based on the PubT-2010 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2020.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	16.3 %	5.73
U.S. equities small/mid cap	1.9	6.78
International equities developed	14.1	6.56
Emerging market equities	4.7	8.55
U.S. bonds core	6.9	1.15
Cash equivalents	1.2	(0.32)
International debt developed	1.2	6.56
Emerging international debt	3.7	3.76
TIPS	0.5	0.33
Real estate	16.0	5.42
Private debt	12.5	5.29
Hedge funds	4.0	3.48
Infrastructure	2.0	5.86
Private equity	15.0	10.04
	100.0 %	

Discount Rate

At June 30, 2022, the discount rate used to measure the total pension liability was 7.0%, which was the same as the June 30, 2021 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 5: Employee Retirement Systems (Continued)

Based on those assumptions, TRS’s fiduciary net position at June 30, 2022 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I’s liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 1,622,673	\$ 1,326,788	\$ 1,081,429

Detailed information about the TRS’s fiduciary net position as of June 30, 2022 is available in the separately issued TRS Annual Comprehensive Financial Report.

b. Illinois Municipal Retirement Fund (IMRF)

Plan Description and Benefits

Plan description – The District’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The employer’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 5: Employee Retirement Systems (Continued)

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Employees Covered by the Benefit Terms - At the December 31, 2022 valuation date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	77
Inactive Plan Member entitled to but not yet receiving benefits	252
Active Plan Members	128
Total	<u>457</u>

Contributions - As set by statute, the employer's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer's annual contribution rates for calendar years 2023 and 2022 was 4.67% and 5.43%, respectively. For the fiscal year ended June 30, 2023, the employer contributed \$269,439 to the plan. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability - The employer's Net Pension Liability was measured as of December 31, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 5: Employee Retirement Systems (Continued)

Actuarial assumptions – The following are the methods and assumptions used to determine total pension liability at December 31, 2022:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Inflation	2.25%
Salary increases	2.85% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
Other information: Notes	There were no benefit changes during the year.

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 rates of return for each major asset class are summarized in the following table as of December 31, 2022:

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 5: Employee Retirement Systems (Continued)

Asset Class	Target Allocation	Projected Returns / Risk	
		One year Arithmetic	Ten Year Geometric
Domestic equity	35.5 %	7.82 %	6.50 %
International equity	18.0	9.23	7.60
Fixed income	25.5	5.01	4.90
Real estate	10.5	7.10	6.20
Alternative investments	9.5		
Private equity		13.43	9.90
Commodities		7.42	6.25
Cash equivalents	1.0	4.00	4.00
	100.0 %		

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return (7.25%) on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
1. The tax-exempt municipal bond rate (4.05%) based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

IMRF's fiduciary net position as of December 31, 2022 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients of the plan. For the purpose of the most recent valuation, the expected rate of return on plan investments is not adjusted by the municipal bond rate and the resulting single discount rate of 7.25 percent.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate - The following presents the plan's net pension liability (asset), calculated using the single discount rate of 7.25 percent, as well as what the plan's net pension liability (asset) would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net pension liability (asset)	\$ 2,491,389	\$ 999,984	\$ (126,125)

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 5: Employee Retirement Systems (Continued)

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balance at beginning of year	\$ 12,455,197	\$ 14,404,556	\$ (1,949,359)
Changes for the year:			
Service cost	428,325	-	428,325
Interest on the total pension liability	891,853	-	891,853
Difference between expected and actual experience of the total pension liability	339,841	-	339,841
Changes of assumptions	-	-	-
Contributions - employer	-	279,508	(279,508)
Contributions - employees	-	231,637	(231,637)
Net investment income	-	(1,755,481)	1,755,481
Benefit payment, including refunds of employee contributions	(735,882)	(735,882)	-
Other (net transfer)	-	(44,988)	44,988
Net changes	924,137	(2,025,206)	2,949,343
Balance at end of year	\$ 13,379,334	\$ 12,379,350	\$ 999,984

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

For year ended June 30, 2023, the District recognized pension expense of \$582,716. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources which are not reported due to the financial reporting provisions of the Illinois State Board of Education.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 279,243	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	964,864	-
Total deferred amounts to be recognized in pension expense in future periods	1,244,107	-
Employer contributions subsequent to the measurement date	135,412	-
	\$ 1,379,519	\$ -

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 5: Employee Retirement Systems (Continued)

\$135,412 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	Net Deferred Outflows (Inflows) of Resources
2024	\$ 122,493
2025	244,240
2026	319,368
2027	558,006
	\$ 1,244,107

Aggregate Pension Amounts - At June 30, 2023, the District reported the following from all pension plans:

	TRS	IMRF	Total
Net pension liability	\$ 1,326,788	\$ 999,984	\$ 2,326,772
Deferred outflows of resources	227,159	1,379,519	1,606,678
Deferred inflows of resources	241,268	-	241,268
Pension expense	8,948,609	582,716	9,531,325

Note 6: Other Postemployment Benefits

a. Teacher Health Insurance Security (THIS)

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

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

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 6: Other Postemployment Benefits (Continued)

Benefits Provided

The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state administered participating provider option plan or choose from several managed care options. Annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

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

Contributions

The SEGIA requires that all active contributors to the TRS, who are not employees of a department, make contributions to the plan at a rate of 0.90% of salary and for every employer of a teacher to contribute an amount equal to 0.67% of each teacher's salary. Additionally, the SEGIA requires the State to match the employees' contribution on-behalf of the employer. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the THIS, an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

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

On-behalf contributions to THIS. The state of Illinois makes employer retiree health insurance contributions on behalf of the District. In the fund financial statements, the State contributions are intended to match contributions to THIS Fund from active members which were 0.90% of pay during the year ended June 30, 2022. In the government-wide financial statements, the State of Illinois contributions also include a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate). For the year ended June 30, 2023, the District recognized revenue and expenses of \$(2,392,757) in the governmental activities based on the economic resources measurement focus and revenues and expenditures in the amount of \$147,760 in the General Fund based on the current financial resources measurement focus for the State of Illinois contributions on behalf of the District.

Employer contributions to THIS Fund. The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.67% during the year ended June 30, 2023. For the year ended June 30, 2023 the District paid \$109,999 to the THIS Fund, which was 100 percent of the required contribution. These contributions are deferred because they were paid after the June 30, 2022 measurement date.

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 6: Other Postemployment Benefits (Continued)

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

At June 30, 2023, the District's reported a liability for its proportionate share of the net OPEB liability. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective total OPEB liability	\$ 4,034,724
The State's proportionate share of the collective total OPEB liability associated with the District	<u>5,488,840</u>
Total THIS total collective OPEB liability associated with the District	<u><u>\$ 9,523,564</u></u>

The collective total OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward to June 30, 2022. The District's proportion of the net OPEB liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2022, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2022, the District's proportion was 0.058947%, which was an increase of 0.002706% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized the following OPEB expense/expenditure and revenue pertaining to the District's THIS employees:

	Governmental Activities	General Fund
State on-behalf contribution - OPEB revenue and expenditure	\$ (2,392,757)	\$ 147,760
District OPEB (revenue) and expenditure	<u>(1,396,175)</u>	<u>109,999</u>
Total OPEB (revenue) and expenditure	<u><u>\$ (3,788,932)</u></u>	<u><u>\$ 257,759</u></u>

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 6: Other Postemployment Benefits (Continued)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	\$ 2,638,908
Changes in proportion and differences between District contributions and proportionate share of contributions	1,366,473	2,324
Net difference between projected and actual investment earnings	491	-
Changes of assumptions	3,640	9,952,591
Total deferred amounts to be recognized in expense in future periods	1,370,604	12,593,823
District contributions subsequent to the measurement date	109,999	-
	\$ 1,480,603	\$ 12,593,823

The District reported \$109,999 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	Net Deferred Outflows (Inflows) of Resources
2024	\$ (2,065,333)
2025	(1,927,551)
2026	(1,719,944)
2027	(1,665,283)
2028	(1,644,193)
Thereafter	(2,200,915)
	\$ (11,223,219)

Actuarial Valuation Method

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

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 6: Other Postemployment Benefits (Continued)

Actuarial Assumptions.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward to June 30, 2022 based on the entry age normal cost method and using the following actuarial assumptions:

Discount rate	3.96% as of June 30, 2022
Inflation	2.25%
Salary increases	Ultimate salary increases used to project payroll is 3.50%
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years
Healthcare cost trend rates	The actual trend used for fiscal year 2023. For fiscal years on and after 2024, trend starts at 8.00% for non-Medicare costs and Medicare costs, and gradually decreases to an ultimate trend of 4.25% in 2039.
Mortality	Mortality rates for retirement and beneficiary annuitants were based on the PubT-2010 Retiree Mortality Table, adjusted for TRS experience. For disabled annuitants, mortality rates were based on the PubNS-2010. Non-safety Disabled Retiree Table. Mortality rates for pre-retirement were based on the PubT-2010 Retiree Employee Table. All tables reflect future mortality improvements using Projection Scale MP-2020.
Participation	Eighty percent of future retirees that are currently active are assumed to elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. Thirty five percent of current deferred vested participants with at least seven years of service and younger than 70 as of June 30, 2021, are assumed to elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. Ten percent of current deferred vested participants with five to seven years of service and younger than age 70 as of June 30, 2021, are assumed to be eligible under SEGIP or TRIP before retirement and elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. The liability for this group is allocated equally to TRIP and SEGIP.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 6: Other Postemployment Benefits (Continued)

The following OPEB-related assumption changes were made since the last actuarial valuation as of June 30, 2020:

- The discount rate was changed from 1.92 percent on June 30, 2021 to 3.69 percent at June 30, 2022;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2021, projected plan cost for plan year end June 30, 2022, premium changes through plan year end 2023, and expectation of future trend increases after June 30, 2022.
- Per capita claim costs for plan year end June 30, 2022, were updated based on projected claims and enrollment experience through June 30, 2022, and updated premium rates through plan year 2023
- Healthcare plan participation rates by plan were updated based on observed experience; and
- Effective as of January 1, 2023, projected per capita costs reflect the newly established zero premium MAPD plan. Based on discussions with CMS, the MAPD costs are zero for calendar years 2023 through 2027, increase to \$42 per member per month in calendar year 2028, and increases ratably to \$102 per member per month in calendar year 2032. After 2032, costs increase according to the assumed trend rates.

The long-term expected rate of return assumption was set to zero. As such, ranges of expected future real rates of return by asset class were not developed.

Discount Rate

Since THIS is financed on a pay-as-you-go basis, a long-term rate of return was not used, and the discount rate used to measure the total OPEB liability was the 20-year general obligation bond index rate (source was Fidelity Index's 20-year municipal GO AA Index). The discount rate as of June 30, 2022, was 3.96 percent, which was an increase from the June 30, 2021, rate of 1.92 percent. The projection of cash flows used to determine the discount rate assumed that employee, District, and State contributions would be made at the current statutorily required rates. Based on those assumptions, THIS's fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.96%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
District's proportionate share of the collective total OPEB liability	\$ 4,484,074	\$ 4,034,724	\$ 3,573,068

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 6: Other Postemployment Benefits (Continued)

The following presents the District's proportionate share of the net OPEB liability would be if it were calculated using the healthcare cost trend rate, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	Healthcare Cost Trend Rates Assumption		
	1% Decrease(a)		1% Increase(b)
District's proportionate share of the collective total OPEB liability	\$ 3,409,467	\$ 4,034,724	\$ 4,720,966

- a) One percentage point decrease in healthcare trend rates are 7.00% in 2023 decreasing to an ultimate trend rate of 3.25% in 2039 for non-Medicare and post-Medicare coverage.
- b) One percentage point increase in healthcare trend rates are 9.00% in 2023 decreasing to an ultimate trend rate of 5.25% in 2039 for non-Medicare and post-Medicare coverage.

Note 7: Risk Management

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

Note 8: Joint Agreements

The District participates with other Illinois school districts in certain cooperative educational organizations, known as joint agreements. These joint agreements are owned by the participants and are operated for the specific purposes stated in the joint agreement document, e.g., Special Education, Vocational/Technical Education, etc. This district has, in accordance with the generally accepted practice of other Illinois school districts, charged the cost of its investment to current expenditures in the year paid. The investment is not capitalized and it is unclear whether the District would receive any return on its investment should it choose to withdraw from the joint agreement.

Skokie/Morton Grove School District 69

Notes to Financial Statements

Note 8: Joint Agreements (Continued)

Niles Township District for Special Education

The District is a member of the Niles Township District for Special Education #807 (NTDSE), along with other area school districts. NTDSE provides special education programs, and services, which benefit District students, and also provides jointly administered grants and programming, which benefits the District. The District is financially responsible for annual and special assessments as established by the NTDSE governing board, and fees for programs and services based on usage. NTDSE is separately audited and its financial information is not included in these financial statements. Financial information may be obtained directly from NTDSE by contacting its administration at 8701 North Menard Avenue, Morton Grove, Illinois 60053.

Note 9: State and Federal Aid Contingencies

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

Note 10: Restatement

The District obtained a physical appraisal of District capital assets for their year-end June 30, 2023. The appraisal resulted in an increase of net capital assets of \$16,042,017 as of July 1, 2022. This was reflected as a restatement of the District's beginning net positions.

The District's net position as of June 30, 2022 has been restated as follows:

	Governmental Activities
Net position, June 30, 2022	\$ 21,096,012
Restatement of capital assets resulting from an updated appraisal	<u>16,042,017</u>
Net position as restated, June 30, 2022	<u>\$ 37,138,029</u>

Required Supplementary Information

Skokie/Morton Grove School District 69

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
General Fund - Budgetary Basis
Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Property taxes	\$ 19,571,220	\$ 19,571,220	\$ 21,021,118	\$ 1,449,898
Corporate property replacement taxes	1,400,696	1,120,854	1,438,190	317,336
Charges for services	300,000	301,000	461,507	160,507
Unrestricted state aid	3,987,300	4,007,300	4,146,912	139,612
Restricted state aid	607,223	591,223	766,873	175,650
On behalf payments - State	-	10,000,000	8,015,618	(1,984,382)
Restricted federal aid	5,427,242	4,988,592	4,416,894	(571,698)
Other local revenue	160,000	349,842	840,685	490,843
Investment income	280,000	247,000	417,783	170,783
Total revenues	31,733,681	41,177,031	41,525,580	348,549
Expenditures:				
Current:				
Instruction:				
Regular programs	13,235,772	22,070,222	20,773,709	1,296,513
Special programs	2,713,285	2,792,385	2,663,560	128,825
Other instructional programs	1,494,537	1,166,878	1,374,593	(207,715)
Support services:				
Pupils	2,158,769	2,166,581	2,202,169	(35,588)
Instructional staff	929,729	950,029	854,404	95,625
General administration	622,407	615,206	771,387	(156,181)
School administration	1,668,810	1,762,303	1,815,218	(52,915)
Business	1,805,178	1,799,522	1,601,752	197,770
Operations and maintenance	2,789,866	2,647,198	3,339,324	(692,126)
Central	1,986,422	2,049,780	2,602,416	(552,636)
Other support services	62,113	61,753	59,371	2,382
Community services	1,035,855	1,217,074	920,291	296,783
Intergovernmental:				
Payment to other governments	1,536,970	1,496,999	1,970,535	(473,536)
Capital outlay	1,064,750	1,635,173	-	1,635,173
Provision for contingencies	220,000	-	-	-
Total expenditures	33,324,464	42,431,104	40,948,729	1,482,375
Excess (deficiency) of revenues over (under) expenditures	(1,590,783)	(1,254,073)	576,851	1,830,924
Other financing sources (uses):				
Transfer in	2,237,076	2,232,664	2,237,076	4,412
Transfer (out)	(237,076)	(232,664)	(337,269)	(104,605)
Total other financing sources (uses)	2,000,000	2,000,000	1,899,807	(100,193)
Change in fund balance	\$ 409,217	\$ 745,927	2,476,658	\$ 1,730,731
Fund balance:				
Beginning			18,796,610	
Ending			<u>\$ 21,273,268</u>	

Skokie/Morton Grove School District 69

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Transportation Fund - Budgetary Basis
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Property taxes	\$ 2,904,297	\$ 2,904,297	\$ 2,409,063	\$ (495,234)
Charges for services	100,000	100,000	72,223	(27,777)
Restricted state aid	480,000	480,000	752,449	272,449
Investment income	80,000	50,000	73,047	23,047
Total revenues	3,564,297	3,534,297	3,306,782	(227,515)
Expenditures:				
Current:				
Support services:				
Transportation	1,548,868	1,626,069	1,853,259	(227,190)
Community services	-	-	430	(430)
Provision for contingencies	20,000	20,000	-	20,000
Total expenditures	1,568,868	1,646,069	1,853,689	(207,620)
Excess of revenues over expenditures	1,995,429	1,888,228	1,453,093	(435,135)
Other financing uses:				
Transfer (out)	(2,237,076)	(2,237,076)	(2,237,076)	-
Change in fund balance	\$ (241,647)	\$ (348,848)	(783,983)	\$ (435,135)
Fund balance:				
Beginning			<u>4,186,354</u>	
Ending			<u>\$ 3,402,371</u>	

Skokie/Morton Grove School District 69

Notes to Required Supplementary Information

Budgetary Data

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

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

- The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
- Prior to September 30 the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
- The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law. The original budget was adopted on August 19, 2022 and the amended budget was adopted on June 20, 2023.
- Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, the Debt Service Fund, and the Capital Projects Fund.
- The District has adopted a legal budget for all its Governmental Funds. The legal level of budgetary control is at the individual fund level, therefore, actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
- The budget (all appropriations) lapses at the end of each fiscal year.
- The District's actual expenditures in the Transportation Fund IMRF/Social Security Fund and Debt Service Fund exceeded budgeted expenditures. Additional sources are available to finance these excess expenditures as allowed under the State Budget Act.

	Actual	Budget	Excess
Major Funds:			
Debt Service Fund	\$ 3,389,344	\$ 3,289,051	\$ 100,293
Transportation Fund	1,853,689	1,646,069	207,620
Nonmajor Funds:			
Municipal Retirement/Social Security Fund	947,279	880,094	67,185

Skokie/Morton Grove School District 69

Notes to Required Supplementary Information

Budgetary Data (Continued)

The over expenditure in the Transportation Fund is primarily due to higher than anticipated costs for special education transportation. The over expenditure in the IMRF/Social Security Fund is primarily due to the hiring of additional teachers and aides for regular education programs. The over expenditure in the Debt Service Fund is primarily due to the principal on lease liabilities not being budgeted.

Skokie/Morton Grove School District 69

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios - IMRF

Calendar Year Ended December 31	2022	2021	2020	2019
Total Pension Liability				
Service Cost	\$ 428,325	\$ 340,707	\$ 323,635	\$ 294,995
Interest on the Total Pension Liability	891,853	833,843	788,779	761,901
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	339,841	292,785	335,896	(46,581)
Changes of Assumptions	-	-	(162,644)	-
Benefit Payments, including Refunds of Employee Contributions	(735,882)	(686,124)	(659,149)	(648,647)
Net Change in Total Pension Liability	924,137	781,211	626,517	361,668
Total Pension Liability - Beginning	12,455,197	11,673,986	11,047,469	10,685,801
Total Pension Liability - Ending	<u>\$ 13,379,334</u>	<u>\$ 12,455,197</u>	<u>\$ 11,673,986</u>	<u>\$ 11,047,469</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 279,508	\$ 282,801	\$ 256,109	\$ 190,505
Contributions - Employees	231,637	199,355	181,829	151,999
Net Investment Income	(1,755,481)	2,093,110	1,597,887	1,840,477
Benefit Payments, including Refunds of Employee Contributions	(735,882)	(686,124)	(659,149)	(648,647)
Other (Net Transfer)	(44,988)	1,853	43,781	(68,440)
Net Change in Plan Fiduciary Net Position	(2,025,206)	1,890,995	1,420,457	1,465,894
Plan Fiduciary Net Position - Beginning	14,404,556	12,513,561	11,093,104	9,627,210
Plan Fiduciary Net Position - Ending	<u>\$ 12,379,350</u>	<u>\$ 14,404,556</u>	<u>\$ 12,513,561</u>	<u>\$ 11,093,104</u>
Net Pension Liability (Asset)	<u>\$ 999,984</u>	<u>\$ (1,949,359)</u>	<u>\$ (839,575)</u>	<u>\$ (45,635)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	92.53%	115.65%	107.19%	100.41%
Covered Payroll	\$ 5,147,485	\$ 4,384,499	\$ 3,700,995	\$ 3,377,758
Net Pension Liability (Asset) as a Percentage of Covered Payroll	19.43%	-44.46%	-22.69%	-1.35%

Notes to Schedules

The information on the schedules will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68. Information is presented for those years for which information is available.

	2018	2017	2016	2015	2014
\$	275,096	\$ 278,617	\$ 241,379	\$ 210,006	\$ 226,590
	728,693	703,840	666,124	620,872	581,844
	-	-	-	-	-
	133,051	289,944	100,876	225,992	(222,909)
	280,447	(350,661)	-	-	353,574
	(619,688)	(557,524)	(490,704)	(447,702)	(373,150)
	797,599	364,216	517,675	609,168	565,949
	9,888,202	9,523,986	9,006,311	8,397,143	7,831,194
\$	10,685,801	\$ 9,888,202	\$ 9,523,986	\$ 9,006,311	\$ 8,397,143

\$	232,068	\$ 217,305	\$ 204,949	\$ 202,331	\$ 173,028
	144,440	130,731	117,188	104,774	98,872
	(605,977)	1,587,412	583,239	42,707	499,508
	(619,688)	(557,524)	(490,704)	(447,702)	(373,150)
	146,953	(101,899)	63,905	61,095	(25,939)
	(702,204)	1,276,025	478,577	(36,795)	372,319
	10,329,414	9,053,389	8,574,812	8,611,607	8,239,288
\$	9,627,210	\$ 10,329,414	\$ 9,053,389	\$ 8,574,812	\$ 8,611,607

\$	1,058,591	\$ (441,212)	\$ 470,597	\$ 431,499	\$ (214,464)
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	90.09%	104.46%	95.06%	95.21%	102.55%
\$	3,209,782	\$ 2,905,139	\$ 2,604,176	\$ 2,328,308	\$ 1,974,037
	32.98%	-15.19%	18.07%	18.53%	-10.86%

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Skokie/Morton Grove School District 69

Schedule of Employer Contributions - IMRF

Fiscal Year Ended June 30,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2023	\$ 269,439	\$ 269,439	-	\$ 5,374,769	5.01%
2022	291,237	291,237	-	4,938,726	5.90%
2021	256,838	256,838	-	3,855,836	6.66%
2020	227,708	227,708	-	3,590,319	6.34%
2019	211,286	211,286	-	3,293,770	6.41%
2018	224,686	224,686	-	3,057,461	7.35%
2017	211,127	211,127	-	2,754,658	7.66%
2016	203,640	203,640	-	2,466,242	8.26%
2015	184,272	191,086	(6,814)	2,151,173	8.88%

Notes to Schedule:

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

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2022 Contribution Rate

Valuation Date:

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

Methods and Assumptions Used to Determine 2022 Contribution Rates:

Actuarial Cost Method: Aggregate entry age normal
 Amortization Method: Level percentage of payroll, closed
 Remaining Amortization Period: 21-year closed period
 Asset Valuation Method: 5-year smoothed market; 20% corridor
 Wage Growth: 2.75%
 Price Inflation: 2.25%
 Salary Increases: 2.85% to 13.75%, including inflation
 Investment Rate of Return: 7.25%
 Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.
 Mortality: For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010 Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes: There were no benefit changes or assumption changes

Skokie/Morton Grove School District 69

**Schedule of the Employer's Proportionate Share of the Net Pension Liability
Teachers' Retirement System**

Fiscal Year	2023*	2022*	2021*
Employer's proportion of the collective net pension liability	0.00158%	0.00168%	0.00164%
Employer's proportionate share of the collective net pension liability	\$ 1,326,788	\$ 1,311,391	\$ 1,410,679
State's proportionate share of the collective net pension liability associated Skokie/Morton Grove School District 69	115,090,039	109,908,496	110,491,706
Total	\$ 116,416,827	\$ 111,219,887	\$ 111,902,385
Employer's covered payroll	\$ 16,191,587	\$ 14,604,292	\$ 14,078,179
Employer's proportionate share of the net pension liability of its covered payroll as a percentage	8.19%	8.98%	10.02%
Plan fiduciary net position as a percentage of the total pension liability	42.8%	45.10%	37.80%

Notes to Schedules

**The amounts presented were determined as of the prior fiscal year-end.*

The information on this schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68. Information is presented for those years for which information is available.

**Schedule of Employer Contributions
Teachers' Retirement System**

Fiscal Year	2023	2022	2021
Statutorily-required contribution	\$ 193,881	\$ 127,699	\$ 110,918
Contributions in relation to the statutorily-required contribution	193,244	127,699	110,918
Contribution deficiency (excess)	\$ 637	\$ -	\$ -
Employer's covered payroll	\$ 16,417,796	\$ 16,191,587	\$ 14,604,292
Contributions as a percentage of the covered payroll	1.18%	0.79%	0.76%

Notes to Schedule

Changes of Assumptions

For the 2022 measurement year, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated September 30, 2021.

For the 2017-2021 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.25 percent and a real rate of return of 4.75 percent. Salary increases were assumed to vary by service credit. The assumptions used for the 2018-2020 and 2016-2017 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.

For the 2015 measurement year, the assumed investment rate of return of 7.5 percent, including an inflation rate of 3.0 percent and real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

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

The District implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions, in fiscal year 2015. Information prior to fiscal year 2015 is not available.

	2020*		2019*		2018*		2017*		2016*		2015*
	0.00170%		0.00187%		0.00351%		0.00323%		0.00308%		0.00289%
\$	1,419,211	\$	1,457,253	\$	2,679,827	\$	2,550,794	\$	2,016,067	\$	1,755,810
	101,003,720		99,827,965		88,671,492		90,206,764		70,742,238		65,635,237
\$	102,422,931	\$	101,285,218	\$	91,351,319	\$	92,757,558	\$	72,758,305	\$	67,391,047
\$	13,566,683	\$	12,940,445	\$	11,496,352	\$	10,912,297	\$	10,665,519	\$	10,345,553
	10.46%		11.26%		23.31%		23.38%		18.90%		16.97%
	39.60%		40.00%		39.30%		36.44%		41.47%		42.95%

	2020		2019		2018		2017		2016		2015
\$	109,592	\$	146,700	\$	102,186	\$	147,402	\$	126,123	\$	118,057
	109,592		146,700		102,186		125,145		107,835		102,938
\$	-	\$	-	\$	-	\$	22,257	\$	18,288	\$	15,119
\$	14,078,179	\$	13,566,683	\$	12,940,445	\$	11,496,352	\$	10,912,297	\$	10,665,519
	0.78%		1.08%		0.79%		1.09%		0.99%		0.97%

Skokie/Morton Grove School District 69

Teachers' Health Insurance Security Fund

Schedule of the Employer's Proportionate Share of the Collective Total OPEB Liability

For the fiscal year ending June 30, *	2023	2022	2021
Employer's proportion of the collective total OPEB liability	0.058947%	0.056241%	0.055655%
Employer's proportionate share of the collective total OPEB liability	\$ 4,034,724	\$ 12,404,202	\$ 14,879,898
State's proportionate share of the collective total OPEB liability associated with the employer	5,488,840	16,818,288	20,158,209
Total	<u>\$ 9,523,564</u>	<u>\$ 29,222,490</u>	<u>\$ 35,038,107</u>
Employer's covered payroll	\$ 16,191,587	\$ 14,604,292	\$ 14,078,179
Collective total OPEB liability as a percentage of the employer's covered payroll	24.92%	84.94%	105.69%
Plan fiduciary net position as a percentage of the total OPEB liability	5.24%	1.40%	0.70%

Notes to Schedules

* The amounts presented for each fiscal year were determined as of the prior fiscal year-end.

Changes of benefit assumptions. Changes of assumptions are as follows:

- The following are discount rates used in each period.
 - 2023 - 3.69%
 - 2022 - 1.90%
 - 2021 - 2.45%
 - 2020 - 3.13%
 - 2019 - 3.62%
 - 2018 - 3.56%
- The healthcare trend assumption was updated each year based on claim and enrollment experience, projected plan cost for the applicable plan year, premium changes through the applicable plan year, and expectation of future trend increases.
- With the repeal of the Excise Tax during 2021, the excise trend rate adjustment was removed. Prior to 2021, the excise trend rate adjustment was updated based on available premium and enrollment information for the applicable plan year.
- Per capita claim costs were updated based on projected claims and enrollment experience for the applicable plan year and updated premium rates for the applicable plan year.
- Healthcare plan participation rates by plan were updated based on observed experience.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Schedule of Employer Contributions

For the fiscal year ending June 30,	2023	2022	2021
Statutorily-required contribution	\$ 109,999	\$ 108,484	\$ 134,359
Contributions in relation to the statutorily-required contribution	109,999	108,484	134,359
Contribution (excess) deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 16,417,796	\$ 16,191,587	\$ 14,604,292
Contributions as a percentage of employer's covered payroll	0.67%	0.67%	0.92%

2020	2019	2018
0.055175%	0.054635%	0.054535%
\$ 15,270,937	\$ 14,393,958	\$ 14,151,649
20,678,979	19,328,128	18,584,631
\$ 35,949,916	\$ 33,722,086	\$ 32,736,280
\$ 13,566,683	\$ 12,940,445	\$ 11,496,352
112.56%	111.23%	123.10%
-0.22%	-0.07%	-0.17%

2020	2019	2018	2017	2016	2015
\$ 129,519	\$ 124,813	\$ 113,876	\$ 424,692	\$ 399,013	\$ 376,823
129,519	124,813	113,876	424,692	399,013	376,823
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 14,078,179	\$ 13,566,683	\$ 12,940,445	\$ 50,558,564	\$ 49,876,564	\$ 49,581,944
0.92%	0.92%	0.88%	0.84%	0.80%	0.76%

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Supplementary Information

Skokie/Morton Grove School District 69

Combining Balance Sheet
General Fund, by Accounts
June 30, 2023

	Educational Account	Operations and Maintenance Account	Working Cash Account	Tort Immunity Account	Total
Assets					
Cash and investments	\$ 15,735,351	\$ 2,049,336	\$ 1,579,300	\$ 805,408	\$ 20,169,395
Receivables:					
Property taxes, net	9,775,918	1,251,818	102,870	15,430	11,146,036
Replacement tax	196,013	-	-	-	196,013
Other assets	283,893	-	-	-	283,893
Due from other governmental units	569,587	-	-	-	569,587
Total assets	\$ 26,560,762	\$ 3,301,154	\$ 1,682,170	\$ 820,838	\$ 32,364,924
Liabilities					
Accounts payable	\$ 65,360	\$ 15,456	\$ -	\$ -	\$ 80,816
Accrued salaries and benefits	3,876	-	-	-	3,876
Unearned revenue	107,409	-	-	-	107,409
Total liabilities	176,645	15,456	-	-	192,101
Deferred Inflows of Resources					
Deferred property taxes	9,507,796	1,217,485	100,048	15,007	10,840,336
Deferred other revenue	59,219	-	-	-	59,219
Total deferred inflows of resources	9,567,015	1,217,485	100,048	15,007	10,899,555
Fund balance					
Restricted for:					
Liability insurance	-	-	-	805,831	805,831
Unassigned	16,817,102	2,068,213	1,582,122	-	20,467,437
Total fund balance	16,817,102	2,068,213	1,582,122	805,831	21,273,268
Total liabilities, deferred inflows of resources, and fund balance	\$ 26,560,762	\$ 3,301,154	\$ 1,682,170	\$ 820,838	\$ 32,364,924

Skokie/Morton Grove School District 69

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance -
 General Fund, by Accounts
 Year Ended June 30, 2023

	Educational Account	Operations and Maintenance Account	Working Cash Account	Tort Immunity	Eliminations	Total
Revenues:						
Property taxes	\$ 18,280,704	\$ 2,485,504	\$ 225,374	\$ 29,536	\$ -	\$ 21,021,118
Corporate property replacement taxes	1,438,190	-	-	-	-	1,438,190
Charges for services	369,216	92,291	-	-	-	461,507
Unrestricted state aid	4,146,912	-	-	-	-	4,146,912
Restricted state aid	766,873	-	-	-	-	766,873
On behalf payments - State	8,015,618	-	-	-	-	8,015,618
Restricted federal aid	4,416,894	-	-	-	-	4,416,894
Other local revenue	698,467	140,024	-	2,194	-	840,685
Investment income	330,226	39,336	30,483	17,738	-	417,783
Total revenues	38,463,100	2,757,155	255,857	49,468	-	41,525,580
Expenditures:						
Current:						
Instruction:						
Regular programs	20,773,709	-	-	-	-	20,773,709
Special programs	2,663,560	-	-	-	-	2,663,560
Other instructional programs	1,374,593	-	-	-	-	1,374,593
Support services:						
Pupils	2,202,169	-	-	-	-	2,202,169
Instructional staff	854,404	-	-	-	-	854,404
General administration	665,574	-	-	105,813	-	771,387
School administration	1,815,218	-	-	-	-	1,815,218
Business	1,490,077	14,278	-	97,397	-	1,601,752
Operations and maintenance	-	3,339,324	-	-	-	3,339,324
Central	2,602,416	-	-	-	-	2,602,416
Other support services	59,371	-	-	-	-	59,371
Community services	920,291	-	-	-	-	920,291
Intergovernmental:						
Payments to other governments	1,970,535	-	-	-	-	1,970,535
Total expenditures	37,391,917	3,353,602	-	203,210	-	40,948,729
Excess (deficiency) of revenues over (under) expenditures	1,071,183	(596,447)	255,857	(153,742)	-	576,851
Other financing sources (uses):						
Transfer in	4,412	2,237,076	-	-	(4,412)	2,237,076
Transfer (out)	(100,193)	(237,076)	-	(4,412)	4,412	(337,269)
Total other financing sources (uses)	(95,781)	2,000,000	-	(4,412)	-	1,899,807
Change in fund balance	975,402	1,403,553	255,857	(158,154)	-	2,476,658
Fund balance:						
Beginning	15,841,700	664,660	1,326,265	963,985	-	18,796,610
Ending	\$ 16,817,102	\$ 2,068,213	\$ 1,582,122	\$ 805,831	\$ -	\$ 21,273,268

Skokie/Morton Grove School District 69

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

General Fund, by Accounts

Year Ended June 30, 2023

	Educational Account			Operations and Maintenance Account		
	Original	Final	Actual	Original	Final	Actual
	Budget	Budget		Budget	Budget	
Revenues:						
Property taxes	\$ 16,898,213	\$ 16,898,213	\$ 18,280,704	\$ 2,399,510	\$ 2,399,510	\$ 2,485,504
Corporate property replacement taxes	1,400,696	1,120,854	1,438,190	-	-	-
Charges for services	280,000	281,000	369,216	20,000	20,000	92,291
Unrestricted state aid	3,987,300	4,007,300	4,146,912	-	-	-
Restricted state aid	607,223	591,223	766,873	-	-	-
On behalf payments - State	-	10,000,000	8,015,618	-	-	-
Restricted federal aid	5,427,242	4,988,592	4,416,894	-	-	-
Other local revenue	160,000	349,842	698,467	-	-	140,024
Investment income	200,000	175,000	330,226	45,000	45,000	39,336
Total revenues	28,960,674	38,412,024	38,463,100	2,464,510	2,464,510	2,757,155
Expenditures:						
Current:						
Instruction:						
Regular programs	13,235,772	22,070,222	20,773,709	-	-	-
Special programs	2,713,285	2,792,385	2,663,560	-	-	-
Other instructional programs	1,494,537	1,166,878	1,374,593	-	-	-
Support services:						
Pupils	2,158,769	2,166,581	2,202,169	-	-	-
Instructional staff	929,729	950,029	854,404	-	-	-
General administration	622,407	615,206	665,574	-	-	-
School administration	1,668,810	1,762,303	1,815,218	-	-	-
Business	1,539,057	1,542,901	1,490,077	9,500	-	14,278
Operations and maintenance	25,000	130,000	-	2,764,866	2,517,198	3,339,324
Central	1,986,422	2,049,780	2,602,416	-	-	-
Other support services	62,113	61,753	59,371	-	-	-
Community services	1,035,855	1,217,074	920,291	-	-	-
Intergovernmental:						
Payments to other governments	1,536,970	1,496,999	1,970,535	-	-	-
Capital outlay	339,750	664,700	-	725,000	970,473	-
Provision for contingencies	200,000	-	-	20,000	-	-
Total expenditures	29,548,477	38,686,812	37,391,917	3,519,366	3,487,671	3,353,602
Excess (deficiency) of revenues over (under) expenditures	(587,803)	(274,788)	1,071,183	(1,054,856)	(1,023,161)	(596,447)
Other financing sources (uses):						
Transfer in	-	-	4,412	2,237,076	2,237,076	2,237,076
Transfer (out)	-	-	(100,193)	(237,076)	(237,076)	(237,076)
Total other financing sources (uses)	-	-	(95,781)	2,000,000	2,000,000	2,000,000
Change in fund balance	\$ (587,803)	\$ (274,788)	975,402	\$ 945,144	\$ 976,839	1,403,553
Fund balance:						
Beginning			<u>15,841,700</u>			<u>664,660</u>
Ending			<u>\$ 16,817,102</u>			<u>\$ 2,068,213</u>

Working Cash Account			Tort Immunity Account				Total		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Eliminations	Original Budget	Final Budget	Actual
\$ 242,849	\$ 242,849	\$ 225,374	\$ 30,648	\$ 30,648	\$ 29,536	\$ -	\$ 19,571,220	\$ 19,571,220	\$ 21,021,118
-	-	-	-	-	-	-	1,400,696	1,120,854	1,438,190
-	-	-	-	-	-	-	300,000	301,000	461,507
-	-	-	-	-	-	-	3,987,300	4,007,300	4,146,912
-	-	-	-	-	-	-	607,223	591,223	766,873
-	-	-	-	-	-	-	-	10,000,000	8,015,618
-	-	-	-	-	-	-	5,427,242	4,988,592	4,416,894
-	-	-	-	-	2,194	-	160,000	349,842	840,685
20,000	15,000	30,483	15,000	12,000	17,738	-	280,000	247,000	417,783
<u>262,849</u>	<u>257,849</u>	<u>255,857</u>	<u>45,648</u>	<u>42,648</u>	<u>49,468</u>	-	<u>31,733,681</u>	<u>41,177,031</u>	<u>41,525,580</u>
-	-	-	-	-	-	-	13,235,772	22,070,222	20,773,709
-	-	-	-	-	-	-	2,713,285	2,792,385	2,663,560
-	-	-	-	-	-	-	1,494,537	1,166,878	1,374,593
-	-	-	-	-	-	-	2,158,769	2,166,581	2,202,169
-	-	-	-	-	-	-	929,729	950,029	854,404
-	-	-	-	-	105,813	-	622,407	615,206	771,387
-	-	-	-	-	-	-	1,668,810	1,762,303	1,815,218
-	-	-	256,621	256,621	97,397	-	1,805,178	1,799,522	1,601,752
-	-	-	-	-	-	-	2,789,866	2,647,198	3,339,324
-	-	-	-	-	-	-	1,986,422	2,049,780	2,602,416
-	-	-	-	-	-	-	62,113	61,753	59,371
-	-	-	-	-	-	-	1,035,855	1,217,074	920,291
-	-	-	-	-	-	-	1,536,970	1,496,999	1,970,535
-	-	-	-	-	-	-	1,064,750	1,635,173	-
-	-	-	-	-	-	-	220,000	-	-
-	-	-	256,621	256,621	203,210	-	33,324,464	42,431,104	40,948,729
262,849	257,849	255,857	(210,973)	(213,973)	(153,742)	-	(1,590,783)	(1,254,073)	576,851
-	-	-	-	-	-	(4,412)	2,237,076	2,232,664	2,241,488
-	-	-	-	-	(4,412)	4,412	(237,076)	(232,664)	(341,681)
-	-	-	-	-	(4,412)	-	2,000,000	2,000,000	1,899,807
<u>\$ 262,849</u>	<u>\$ 257,849</u>	255,857	<u>\$ (210,973)</u>	<u>\$ (213,973)</u>	(158,154)	<u>\$ -</u>	<u>\$ 409,217</u>	<u>\$ 745,927</u>	2,476,658
		<u>1,326,265</u>			<u>963,985</u>				<u>18,796,610</u>
		<u>\$ 1,582,122</u>			<u>\$ 805,831</u>				<u>\$ 21,273,268</u>

Skokie/Morton Grove School District 69

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Debt Service Fund
Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Property taxes	\$ 3,584,600	\$ 3,584,600	\$ 2,844,205	\$ (740,395)
Investment income (loss)	40,000	40,000	54,483	14,483
Total revenues	3,624,600	3,624,600	2,898,688	(725,912)
Expenditures:				
Debt service:				
Principal	1,870,000	1,419,051	1,962,532	(543,481)
Interest and charges	1,419,051	1,870,000	1,426,812	443,188
Total expenditures	3,289,051	3,289,051	3,389,344	(100,293)
Excess (deficiency) of revenues over (under) expenditures	335,549	335,549	(490,656)	(826,205)
Other financing sources:				
Transfer in	237,076	237,076	337,269	100,193
Change in fund balance	\$ 572,625	\$ 572,625	(153,387)	\$ (726,012)
Fund balance:				
Beginning			<u>2,774,004</u>	
Ending			<u>\$ 2,620,617</u>	

Skokie/Morton Grove School District 69

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2023

	Special Revenue Fund		Capital Projects Fund		Total Nonmajor Governmental Funds
	Municipal Retirement/Social Security Fund	Capital Projects Fund	Fire Prevention and Life Safety Fund		
Assets					
Cash and investments	\$ 800,740	\$ 631,561	\$ 1,053,154	\$ 2,485,455	
Receivables:					
Property taxes, net	465,486	-	-	465,486	
Replacement tax	73,376	-	-	73,376	
Due from other governmental units	-	-	-	-	
Total assets	\$ 1,339,602	\$ 631,561	\$ 1,053,154	\$ 3,024,317	
Liabilities					
Total liabilities	\$ -	\$ -	\$ -	\$ -	
Deferred Inflows of Resources					
Deferred property taxes	452,719	-	-	452,719	
Total deferred inflows of resources	452,719	-	-	452,719	
Fund balances					
Restricted for:					
Retirement benefits	886,883	-	-	886,883	
Capital projects	-	631,561	1,053,154	1,684,715	
Total fund balances	886,883	631,561	1,053,154	2,571,598	
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,339,602	\$ 631,561	\$ 1,053,154	\$ 3,024,317	

Skokie/Morton Grove School District 69

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2023**

	Special Revenue		Total Nonmajor Governmental Funds
	Municipal Retirement/ Social Security Fund	Capital Projects Fund	
Revenues:			
Property taxes	\$ 758,812	\$ -	\$ 758,812
Corporate property replacement taxes	538,376	-	538,376
Investment income	14,407	14,931	51,088
Total revenues	1,311,595	14,931	1,348,276
Expenditures:			
Current:			
Instruction:			
Regular programs	314,325	-	314,325
Special programs	74,223	-	74,223
Other instructional programs	12,025	-	12,025
Support services:			
Pupils	72,329	-	72,329
Instructional staff	23,101	-	23,101
General administration	13,308	-	13,308
School administration	56,714	-	56,714
Business	121,349	52,442	173,791
Operations and maintenance	64,560	-	64,560
Central	122,610	-	122,610
Other support services	7,255	-	7,255
Community services	65,480	-	65,480
Capital outlay	-	133,535	133,535
Total expenditures	947,279	185,977	1,133,256
Change in fund balances	364,316	(171,046)	215,020
Fund balances:			
Beginning	522,567	802,607	2,356,578
Ending	\$ 886,883	\$ 631,561	\$ 2,571,598

Skokie/Morton Grove School District 69

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Municipal Retirement/Social Security Fund
Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Property taxes	\$ 612,713	\$ 612,713	\$ 758,812	\$ 146,099
Corporate property replacement taxes	-	30,000	538,376	508,376
Investment income	11,000	10,500	14,407	3,907
Total revenues	<u>623,713</u>	<u>653,213</u>	<u>1,311,595</u>	<u>658,382</u>
Expenditures:				
Current:				
Instruction:				
Regular programs	216,410	211,528	314,325	(102,797)
Special programs	49,891	103,012	74,223	28,789
Other instructional programs	16,007	42,211	12,025	30,186
Support services:				
Pupils	68,537	65,912	72,329	(6,417)
Instructional staff	16,780	21,855	23,101	(1,246)
General administration	12,863	11,026	13,308	(2,282)
School administration	42,829	54,900	56,714	(1,814)
Business	98,362	49,521	121,349	(71,828)
Transportation	-	158	-	158
Operations and maintenance	52,077	128,618	64,560	64,058
Central	113,132	117,953	122,610	(4,657)
Other support services	6,595	7,355	7,255	100
Community services	71,864	66,045	65,480	565
Provision for contingencies	40,000	-	-	-
Total expenditures	<u>805,347</u>	<u>880,094</u>	<u>947,279</u>	<u>(67,185)</u>
Change in fund balance	<u>\$ (181,634)</u>	<u>\$ (226,881)</u>	<u>364,316</u>	<u>\$ 591,197</u>
Fund balance:				
Beginning			<u>522,567</u>	
Ending			<u>\$ 886,883</u>	

Skokie/Morton Grove School District 69

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Capital Projects Fund
Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Investment income	\$ 500	\$ 7,000	\$ 14,931	\$ 7,931
Total revenues	<u>500</u>	<u>7,000</u>	<u>14,931</u>	<u>7,931</u>
Expenditures:				
Current:				
Support services:				
Business	100,000	-	52,442	(52,442)
Operations and maintenance	-	100,000	-	100,000
Capital outlay	1,000,958	500,000	133,535	366,465
Provision for contingencies	-	40,000	-	40,000
Total expenditures	<u>1,100,958</u>	<u>640,000</u>	<u>185,977</u>	<u>454,023</u>
Change in fund balance	<u>\$ (1,100,458)</u>	<u>\$ (633,000)</u>	(171,046)	<u>\$ 461,954</u>
Fund balance:				
Beginning			<u>802,607</u>	
Ending			<u>\$ 631,561</u>	

Skokie/Morton Grove School District 69

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Fire Prevention and Life Safety Fund
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Investment income	\$ 12,000	\$ 12,000	\$ 21,750	\$ 9,750
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>21,750</u>	<u>9,750</u>
Expenditures:				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ 12,000</u>	<u>\$ 12,000</u>	21,750	<u>\$ 9,750</u>
Fund balance:				
Beginning			<u>1,031,404</u>	
Ending			<u>\$ 1,053,154</u>	

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