



**MORTON GROVE PUBLIC
SCHOOL DISTRICT NO. 70**
Morton Grove, Illinois

FINANCIAL STATEMENTS
June 30, 2010

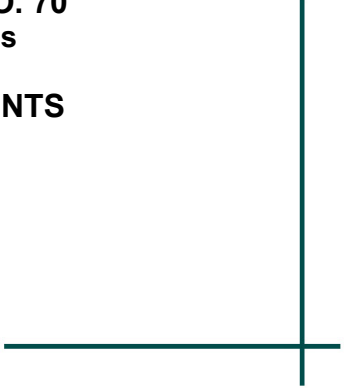


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Independent Auditor's Report

Board of Education
Morton Grove Public School District No. 70
Morton Grove, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morton Grove Public School District No. 70 (the "District") as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2010, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages I through VI, Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual for the General Fund on page 25, and the Table of Historical Pension Information on page 26 are not a required part of the basic financial statements, but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining, individual fund financial statements, and supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Clifton Gunderson LLP

Oak Brook, Illinois
December 8, 2010

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Unaudited)**

This analysis of Morton Grove Public School District No. 70 (the "District") provides a review of the District's financial activities for the year ended June 30, 2010 and should be read in conjunction with the audited financial statements.

Financial Highlights

Key financial highlights for the year ended June 30, 2010 (rounded to thousands) are as follows:

- Revenues increased \$84,000 and expenses increased \$168,000 in all combined funds from 2009 levels. Property taxes accounted for approximately 85% of total revenues. Property taxes increased \$104,000.
- For the year ended June 30, 2010, local revenue sources accounted for 91% of total revenue. State and federal revenue sources were 5% and 4%, respectively.
- Among major funds, the General Fund, which includes the Education Fund, the Building Fund, the Debt Service Fund and the Capital Project Fund, had \$12,401,000 in revenues, \$9,983,000 in expenditures. The General Fund's fund balance increased \$2,417,000 from 2009. The 2009 budget projected an increase of \$1,751,000.
- The District's total net assets increased by \$1,738,000.

Overview of the Financial Statements

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

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

The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported on the accrual basis of accounting. Thus, activity related to capital acquisitions and payment of debt principal has been eliminated in this Statement. Additionally, depreciation expense has been recorded.

The government-wide financial statements report all activities of the District as governmental activities.

The government-wide financial statements can be found on pages 2 and 3 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are divided into two categories: governmental funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for Governmental Funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains eight individual governmental funds. (The Educational, Building, Debt Service and Capital Projects Accounts comprise the General Fund.) Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is the only major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of individual fund financial statements as supplemental information in this report.

The basic governmental fund financial statements can be found on pages 4 and 6.

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

The basic fiduciary fund financial statement can be found on page 8 of this report.

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 9 through 23 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its Illinois municipal retirement pension obligation for its employees. The District adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has also been provided for the major funds as required supplemental information to demonstrate compliance with these budgets. This required supplemental information can be found on pages 25 and 26 of this report.

Government-wide Financial Analysis

The Statement of Net Assets and the Statement of Activities report combined school district activities. These statements include all the District's fund assets and liabilities and report the net assets and the change in those assets. The change in net assets is important in determining whether the financial position of the District has improved or diminished over the past year. For the year ended June 30, 2010, the net assets of the District increased by \$1,738,000 from the previous year.

Below is a summary of the District's net assets (rounded to thousands) for 2010:

Assets

Cash and investments	\$ 12,713,000
Receivables	5,004,000
Capital assets, net	<u>11,105,000</u>

Total assets \$ 28,822,000

Liabilities

Accrued liabilities	\$ 41,000
Accrued interest payable	17,000
Noncurrent liabilities: Due within one year	315,000
Noncurrent liabilities: Due in more than one year	<u>4,945,000</u>

Total liabilities \$ 5,318,000

Net assets

Invested in capital assets, net of debt	\$ 5,845,000
Restricted for employees' retirement system	(76,000)
Restricted for debt service	852,000
Restricted for project costs	690,000
Unrestricted	<u>16,193,000</u>

Total net assets \$ 23,504,000

Cash and investments totaled \$12,713,000, an increase of \$2,549,000 from 2009.

Capital assets, net of depreciation, were \$11,105,000 as of June 30, 2010. This was a decrease of \$312,000 from 2009. Total additions to capital assets during 2010 were \$107,000 and were offset by depreciation expense of \$419,000. Building improvements totaled \$9,000 and equipment purchases totaled approximately \$98,000.

The change in net assets can also be shown from the change in revenues, less expenses, (rounded to thousands) as shown below:

Revenues

Program revenues:	
Charges for services	\$ 376,000
Operating grants and contributions	<u>936,000</u>
Total program revenues	<u>1,312,000</u>
General revenues:	
Property taxes	10,491,000
State aid	186,000
Interest and investment earnings	<u>328,000</u>
Total general revenues	<u>11,005,000</u>
Total revenues	<u>12,317,000</u>

Expenses

Instruction	5,732,000
Support services	2,880,000
Other	<u>1,967,000</u>
Total expenses	<u>10,579,000</u>

Change in net assets	1,738,000
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Beginning net assets	<u>21,766,000</u>
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Ending net assets	<u>\$ 23,504,000</u>
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Reporting the School District’s Most Significant Funds

The governmental funds Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances, provide detailed information about the District’s major funds and aggregate remaining fund information. The District uses five governmental funds to account for financial transactions. The most significant fund is the General Fund, which includes the educational account and the building account. All activity directly related to educating children, such as the cost of teachers, support personnel and administrators, textbooks and supplies and services are accounted for in the Educational Account. The activities involved in operating and maintaining the District’s property and buildings are accounted for in the Building Account. Over 94% of all expenditures occur in the General Fund.

Other governmental funds include activity related to the Transportation Fund, Municipal Retirement Fund, Working Cash Fund and the Life Safety Fund.

Governmental Fund Financial Statements

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a district's net resources available for spending at the end of the fiscal year.

The following schedule presents a comparison of General Fund revenues (rounded to thousands) between 2010 and 2009:

	<u>2010</u>	<u>2009</u>	<u>Change</u>
Property taxes and payments in lieu of taxes	\$ 10,766,000	\$ 9,641,000	\$ 1,125,000
Earnings on investments	317,000	379,000	(62,000)
Food services	153,000	163,000	(10,000)
Pupil activities	113,000	113,000	-
Other local sources	98,000	200,000	(102,000)
State sources	486,000	514,000	(28,000)
Federal sources	<u>468,000</u>	<u>354,000</u>	<u>114,000</u>
Total General Fund	<u>\$ 12,401,000</u>	<u>\$ 11,364,000</u>	<u>\$ 1,037,000</u>

The following schedule presents a comparison of General Fund expenditures (rounded to thousands) between 2010 and 2009:

	<u>2010</u>	<u>2009</u>	<u>Change</u>
Instruction - regular programs	\$ 4,482,000	\$ 4,312,000	\$ 170,000
Instruction - special education	543,000	514,000	29,000
Instruction - other	595,000	574,000	21,000
Support services - student based	388,000	394,000	(6,000)
Support services - non-student based	2,034,000	1,991,000	43,000
Intergovernmental	1,276,000	1,237,000	39,000
Capital outlay	123,000	87,000	36,000
Debt service	526,000	740,000	(214,000)
Other	<u>16,000</u>	<u>6,000</u>	<u>10,000</u>
Total General Fund expenditures	<u>\$ 9,983,000</u>	<u>\$ 9,855,000</u>	<u>\$ 128,000</u>

Capital Assets

At June 30, 2010, the District had \$11,105,000 invested in capital assets, which includes land, land improvements, buildings and improvements, and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of \$312,000 or 3% from last year. Capital expenditures totaling \$107,000 consisted mainly of equipment purchases and building improvements. Depreciation expense for the year was \$419,000. See Note 5 to the basic financial statements for additional information.

Debt

At June 30, 2010, the District had the following debt outstanding:

- \$5,335,000 - Tax School Bonds, Series 2005

See Note 6 to the financial statements for debt maturities.

Budgetary Highlights

In September 2009, the Board of Education adopted the fiscal year 2009-10 budget for the General Fund budget that reflected total revenues of \$11,737,000 and total expenditures of \$9,987,000. Excess revenues totaling \$1,750,000 was projected. Actual General Fund revenues for fiscal year 2010 were \$12,401,000 and expenditures were \$9,983,000.

General Fund revenues were higher than the budget mainly due to the following: property taxes of \$516,000 and federal sources of \$100,000.

General Fund expenditures were higher than the budget due to \$275,000 more of intergovernmental expenditures, \$163,000 less of instruction expenditures and \$113,000 less of support services.

Requests for Information

This financial report is designed to provide citizens, taxpayers, parents, students and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Additional details can be requested at the following address:

Morton Grove Public School District #70
6200 Lake Street
Morton Grove, IL 60053

Or visit our website at: www.parkview70.net

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
STATEMENT OF NET ASSETS
June 30, 2010

ASSETS

Cash and cash equivalents	\$ 12,713,514
Property taxes receivable, net	5,003,681
Capital assets, net of accumulated depreciation	<u>11,105,248</u>

TOTAL ASSETS **\$ 28,822,443**

LIABILITIES

Accounts payable	\$ 41,316
Accrued interest payable	17,410
Noncurrent liabilities:	
Due within one year	315,000
Due in more than one year	<u>4,944,766</u>

TOTAL LIABILITIES **\$ 5,318,492**

NET ASSETS

Invested in capital assets, net of related debt	\$ 5,845,482
Restricted for employees' retirement system	(76,524)
Restricted for debt service	851,862
Restricted for project costs	689,951
Unrestricted	<u>16,193,180</u>

TOTAL NET ASSETS **\$ 23,503,951**

The accompanying notes are an integral part of the financial statements.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
STATEMENT OF ACTIVITIES
Year Ended June 30, 2010

		Program Revenues		Net
	Expenses	Charges for Services	Operating Grants and Contributions	(Expense) Revenue and Changes in Net Assets
FUNCTIONS/PROGRAMS				
Governmental activities:				
Instruction - regular programs	\$ 4,478,370	\$ -	\$ -	\$ (4,478,370)
Instruction - special education	543,189	-	259,344	(283,845)
Instruction - other	710,042	-	40,428	(669,614)
Support services - student based	404,903	47,230	636,524	278,851
Support services - non-student based	2,475,451	329,278	-	(2,146,173)
Community	16,326	-	-	(16,326)
Intergovernmental	1,275,562	-	-	(1,275,562)
Interest on long-term debt	219,683	-	-	(219,683)
Other	36,793	-	-	(36,793)
Depreciation - unallocated	418,896	-	-	(418,896)
	\$ 10,579,215	\$ 376,508	\$ 936,296	(9,266,411)
TOTAL GOVERNMENTAL				
General revenues:				
Taxes:				
Property taxes and payments in lieu of taxes, levied for general purposes				10,490,621
State aid				185,837
Unrestricted investment earnings				328,430
Total general revenues				11,004,888
CHANGE IN NET ASSETS				1,738,477
NET ASSETS - BEGINNING				21,765,474
NET ASSETS - ENDING				\$ 23,503,951

The accompanying notes are an integral part of the financial statements.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

ASSETS	General Fund	Other Governmental Funds	Total
Cash and cash equivalents	\$ 12,331,228	\$ 382,286	\$ 12,713,514
Interfund receivable	-	1,738,736	1,738,736
Property tax receivables (net of allowances for uncollectibles)	<u>4,548,977</u>	<u>454,704</u>	<u>5,003,681</u>
TOTAL ASSETS	<u>\$ 16,880,205</u>	<u>\$ 2,575,726</u>	<u>\$ 19,455,931</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 5,224	\$ 36,092	\$ 41,316
Interfund payable	1,698,304	40,432	1,738,736
Deferred revenue	<u>4,548,977</u>	<u>454,704</u>	<u>5,003,681</u>
Total liabilities	<u>6,252,505</u>	<u>531,228</u>	<u>6,783,733</u>
FUND BALANCES			
Unreserved - undesignated	9,085,887	2,121,022	11,206,909
Reserved - employees' retirement system	-	(76,524)	(76,524)
Reserved - project costs	689,951	-	689,951
Reserved - debt service	<u>851,862</u>	<u>-</u>	<u>851,862</u>
Total fund balances	<u>10,627,700</u>	<u>2,044,498</u>	<u>12,672,198</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,880,205</u>	<u>\$ 2,575,726</u>	<u>\$ 19,455,931</u>

The accompanying notes are an integral part of the financial statements.

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
June 30, 2010**

Total fund balances - governmental funds \$ 12,672,198

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

Capital assets used in governmental activities are not
financial resources and, therefore, are not reported as
assets in governmental funds. The cost of the assets
and related accumulated depreciation is:

Cost of capital assets	\$ 16,747,553	
Accumulated depreciation	<u>(5,642,305)</u>	11,105,248

Receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.	5,003,681
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(5,277,176)</u>
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TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES **\$ 23,503,951**

The accompanying notes are an integral part of the financial statements.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2010

	General Fund	Other Governmental Funds	Total
REVENUES			
Property taxes	\$ 10,392,403	\$ 525,892	\$ 10,918,295
Payments in lieu of taxes	373,326	-	373,326
Transportation fees	-	2,354	2,354
Earnings on investments	317,229	11,201	328,430
Food services	152,471	-	152,471
Textbook rentals	68,554	-	68,554
Summer school tuition	44,876	-	44,876
Other local sources	97,888	10,365	108,253
State sources	485,609	168,346	653,955
Federal sources	468,178	-	468,178
	<u>12,400,534</u>	<u>718,158</u>	<u>13,118,692</u>
Total revenues			
EXPENDITURES			
Instruction - regular programs	4,481,828	-	4,481,828
Instruction - special education	543,189	-	543,189
Instruction - other	595,220	114,822	710,042
Support services - student based	388,041	16,862	404,903
Support services - non-student based	2,034,265	456,905	2,491,170
Community	16,326	-	16,326
Intergovernmental	1,275,562	-	1,275,562
Capital outlay	122,995	-	122,995
Debt service	526,045	-	526,045
	<u>9,983,471</u>	<u>588,589</u>	<u>10,572,060</u>
Total expenditures			
Excess of revenue over expenditures	2,417,063	129,569	2,546,632
FUND BALANCE, BEGINNING OF YEAR	<u>8,210,637</u>	<u>1,914,929</u>	<u>10,125,566</u>
FUND BALANCE, END OF YEAR	<u>\$ 10,627,700</u>	<u>\$ 2,044,498</u>	<u>\$ 12,672,198</u>

The accompanying notes are an integral part of the financial statements.

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES WITH THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2010**

Total net change in fund balances - governmental funds		\$ 2,546,632
Amounts reported for governmental activities in the Statement of Activities are different because:		
Change in property tax receivable from prior year.		(801,000)
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Below are the depreciation expense and capital outlays for the year:		
Capital outlay/equipment	\$ 107,272	
Depreciation expense	<u>(418,896)</u>	(311,624)
Accrued vacation pay reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds.		3,458
The issuance of long-term debt (e.g. bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on issuance costs, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		<u>301,011</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u>\$ 1,738,477</u>

The accompanying notes are an integral part of the financial statements.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2010

ASSETS

Cash	\$ <u>44,007</u>
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LIABILITIES

Due to organizations - Student Activity Funds	\$ <u>44,007</u>
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NET ASSETS

\$ <u>-</u>

The accompanying notes are an integral part of the financial statements.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Morton Grove Public School District No. 70 (the "District") is a school district serving elementary and junior high students in Morton Grove, Illinois and the surrounding area. Revenues are substantially generated as a result of taxes assessed and allocated to the District and grants received from federal and state governmental entities. The District's revenues are, therefore, primarily dependent upon the availability of funds at the federal and state level and the local economy within the territorial boundaries of the District.

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant of such policies:

(a) Financial Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. The financial reporting entity consists of (a) the primary government, the District, which as a separately elected governing body, is legally separate and fiscally independent of other state and local governments, (b) organizations for which the primary government is financially accountable, and (c) 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.

There are no component units of the District, nor is the District dependent on any other entity.

(b) Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

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

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Government-wide and Fund Financial Statements (continued)

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

(c) 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*, as are the fiduciary fund financial statements. 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 which they are intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within one year of the end of the current fiscal period except for property taxes which must be collected within 60 days to be considered available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The District reports the following major governmental fund:

General Fund - The Educational, Building, Debt Service and Capital Project Accounts comprise the General Operating Fund. It is used to account for all financial resources except those required to be accounted for in other funds.

The educational account includes the cost of regular operations, including educational costs, textbook costs, the food service department, and certain other special programs, including federal and state programs.

The building account includes the cost of maintaining, improving, or repairing school buildings and property.

The debt service account is used to account for the accumulation of resources for, and the payment of, general long-term principal, interest and related costs.

The capital project account is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Additionally, the District reports the following fund types:

Agency Funds - These funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, and other governmental units.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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.

(d) Assets, Liabilities, and Net Assets or Equity

Deposits and Investments

The District's cash and cash equivalents are comprised of cash on hand, demand deposits, and certificates of deposit with a maturity at the date of purchase of three months or less. Cash and investments of the District are in the custody of the Niles Township Treasurer who maintains a common bank account for all the school districts within the Township. The Treasurer purchases investments from this account and informs the District of the amount of interest earned on the investments.

According to the District's investment policy, the District is allowed to invest in securities as authorized by the Illinois Compiled Statutes, which includes obligations of the U.S. Treasury, commercial paper, repurchase agreements, and certain authorized investment pools.

Certificates of deposit are stated at cost, which approximates fair value.

Receivables and Payables

The 2009 property tax levy is recorded as a receivable, net of estimated uncollectibles approximating 2%, and, less collections distributed to the District prior to June 30, 2010.

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The levy was passed by the Board on September 21, 2009. Property taxes attach as an enforceable lien on property as of January 1, and are payable in two installments on or about March 1 and September 1. The District receives significant distribution of tax receipts approximately one month after these due dates.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Assets, Liabilities, and Net Assets or Equity (continued)

Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, equipment and furniture and fixtures, 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All buildings, improvements, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Building improvements	20 - 40 years
Vehicles	5 years
Computer equipment	5 years
Equipment	10 years
Furniture and fixtures	10 years

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial 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.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Assets, Liabilities, and Net Assets or Equity (continued)

Vacation and Sick Leave

Employees earn vacation days after completing a full year of service. Employees may carry over to the next year up to 10 days of vacation each year with a maximum accumulation of 10 days. Employees who work less than 12 calendar months per year do not earn vacation days. An employee may choose to turn in unused vacation days for days of pay at the end of the year.

Employees receive vacation days annually. The quantity of vacation days earned is based on the following:

	<u>Annually Awarded Vacation Days</u>
New hires through five years of employment	10
Six through 20 years of employment	15
20 years of employment or more	20

Employees receive 14 sick days each year. Employees can carry over unused sick days to following years without any limit. Employee sick leave is recorded when paid. Upon termination, employees do not receive any sick leave pay.

Net Assets and Fund Balance

Government-wide Financial Statements

When the District incurs an expense for which it may use either restricted or unrestricted net assets, it uses restricted net assets first unless unrestricted net assets will have to be returned because they were not used. Net assets on the Statement of Net Assets include the following:

Investment in Capital Assets, Net of Related Debt - The component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted for Employees' Retirement System - The component of net assets that reports the financial resources restricted to pay amounts related to employees' retirement.

Restricted for Debt Service - The component of net assets that reports the financial resources restricted to pay debt service on capital related debt less current accrual of interest.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Assets, Liabilities, and Net Assets or Equity (continued)

Net Assets and Fund Balance (continued)

Restricted for Project Costs - The component of net assets that reports the financial resources restricted to pay project costs.

Unrestricted - The difference between the assets and liabilities that is not reported in net assets invested in capital assets, net of related debt.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

(e) Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with GAAP 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, expenditures, and other changes in fund equity during the reporting period. Actual results could differ from those estimates.

(f) Stewardship, Compliance, and Accountability

Budgetary Data

The District follows these procedures in establishing the budgetary data reflected in the general-purpose financial statements:

- 1) Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
- 3) Prior to September 30, the budget is legally adopted through passage of an ordinance. On September 21, 2009, the budget was officially adopted at a public hearing. Prior to the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Stewardship, Compliance, and Accountability (continued)

Budgetary Data (continued)

- 4) The Board of Education is authorized to transfer up to 10% of the total budget between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after following the public hearing procedures mandated by law. The budget, as reflected in this report, represents the original budget.
- 5) Formal budgetary integration is employed as a management control device during the year for the Governmental Fund. Budgets are legally required to be adopted for these funds. The level of control is at the fund level.
- 6) The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

Change in Accounting Principles

Effective July 1, 2009, the District adopted *The FASB Standards Codification and the Hierarchy of Generally Accepted Accounting Principles* (the codification standards). The codification standards are the single official source of authoritative U.S. GAAP. The codification standards do not change the U.S. GAAP; instead, they introduce a new structure and change the referencing of financial standards. The adoption of the codification standards did not have a material impact on the District's financial statements or related disclosures.

Effective July 1, 2009, the District adopted FASB Accounting Standards Codification No. 855-10, *Subsequent Events* (ASC 855-10), which introduces the concept of financial statements being available to be issued and requires disclosure of the date through which an entity has evaluated subsequent events and the basis for that date. The adoption of ASC 855-10 did not have a material impact on the District's financial statements. See Note 11.

NOTE 2 - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. The District's property tax is levied each year at the time the budget for the ensuing year is passed and is extended against the assessed valuation of the District on the following January 1. Normally, taxes are due and payable in two installments in March and September at the County Collector's office. Sale of taxes on any uncollected amounts is prior to November 30 or shortly thereafter by the County Collector's office. Final distribution to all taxing bodies is usually made no later than the first quarter of the next calendar year by the County Collector's office.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 2 - PROPERTY TAXES (continued)

Applicable current year (2009 and 2008 levies) tax rates as well as maximum tax rates are as follows:

<u>Fund</u>	<u>Rate Per \$100 Assessed Valuation</u>		
	<u>2009 Levy</u>	<u>2008 Levy</u>	<u>Maximum</u>
Educational	2.0935	2.0747	3.5000
Building	.1650	.1554	.5500
Transportation	.0761	.0598	As needed
Illinois Municipal Retirement	.0381	.0239	As needed
Social Security	.0381	.0239	As needed
Bond and Interest	.1371	.1337	As needed
Tort Immunity	.0000	.0000	As needed
Working Cash	.0254	.0120	.0500
Special Education	<u>.0000</u>	<u>.0000</u>	.4000
Total	<u><u>2.5733</u></u>	<u><u>2.4834</u></u>	

NOTE 3 - CASH

At June 30, 2010, the carrying amount of the District's deposits, which includes demand deposits and certificates of deposit, was \$12,713,514, all of which was covered by federal depository insurance, bank deposit guaranty bonds, or by collateral held in trust in the District's name.

NOTE 4 - COMMON BANK ACCOUNT

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

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions and Reclassifications</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 185,220	\$ -	\$ -	\$ 185,220
Capital assets being depreciated:				
Buildings and improvements	14,954,734	9,210	-	14,963,944
Equipment	546,715	6,844	-	553,559
Computer equipment	798,008	86,245	-	884,253
Furniture and fixtures	128,550	4,973	-	133,523
Vehicles	<u>27,054</u>	<u>-</u>	<u>-</u>	<u>27,054</u>
Total capital assets being depreciated	<u>16,455,061</u>	<u>107,272</u>	<u>-</u>	<u>16,562,333</u>
Less accumulated depreciation for:				
Buildings and improvements	(3,915,565)	(343,185)	-	(4,258,750)
Equipment	(500,439)	(13,005)	-	(513,444)
Computer equipment	(682,180)	(53,495)	-	(735,675)
Furniture and fixtures	(98,691)	(8,864)	-	(107,555)
Vehicles	<u>(26,534)</u>	<u>(347)</u>	<u>-</u>	<u>(26,881)</u>
Total accumulated depreciation	<u>(5,223,409)</u>	<u>(418,896)</u>	<u>-</u>	<u>(5,642,305)</u>
Governmental activities capital assets, net	<u>\$ 11,416,872</u>	<u>\$ (311,624)</u>	<u>\$ -</u>	<u>\$ 11,105,248</u>

NOTE 6 - LONG-TERM DEBT

Tax School Bonds

The District issues Tax School Bonds to provide for the construction and rehabilitation of major capital facilities. Tax School bonds currently outstanding are as follows:

The Tax School Bonds, Series 2005, were an original issue of \$5,560,000, dated April 1, 2005, providing for serial retirement of principal on December 1, beginning in 2009, and interest payable on June 1 and December 1 of each year at a rate of 3.75% to 4.25%.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 6 - LONG-TERM DEBT (continued)

The Tax School Bonds, Series 2000, were an original issue of \$2,800,000, dated October 1, 2000, providing for serial retirement of principal on December 1, and interest payable on June 1 and December 1 of each year at rate of 4.0% to 9.0%. The Series 2000 Bonds were paid in full as of June 30, 2010.

At June 30, 2010, the annual cash flow requirements of debt principal and interest for the Tax School Bonds, Series 2005, were as follows:

<u>Years Ending June 30</u>	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	3.750%	\$ 315,000	\$ 208,920	\$ 523,920
2012	3.750%	330,000	196,826	526,826
2013	3.750%	340,000	184,263	524,263
2014	3.750%	355,000	171,232	526,232
2015	4.000%	365,000	157,276	522,276
2016	4.000%	380,000	142,376	522,376
2017	4.250%	395,000	126,382	521,382
2018	4.125%	415,000	109,429	524,429
2019	4.125%	430,000	92,001	522,001
2020	4.125%	450,000	73,851	523,851
2021	4.100%	465,000	55,038	520,038
2022	4.100%	485,000	35,563	520,563
2023	4.200%	505,000	15,015	520,015
2024	4.200%	<u>105,000</u>	<u>2,205</u>	<u>107,205</u>
Totals		<u>\$ 5,335,000</u>	<u>\$ 1,570,377</u>	<u>\$ 6,905,377</u>

Changes in long-term liabilities

Long-term liabilities activity for the year ended June 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
Tax School Bonds	\$ 5,640,000	\$ -	\$ (305,000)	\$ 5,640,000	\$ 315,000
Less deferred amounts:					
For issuance costs and discounts	<u>(85,569)</u>	<u>5,348</u>	<u>-</u>	<u>(80,221)</u>	<u>-</u>
Total bonds payable	5,554,431	5,348	(305,000)	5,559,779	315,000
Compensated absences	<u>8,445</u>	<u>(3,458)</u>	<u>-</u>	<u>4,987</u>	<u>-</u>
Long-term liabilities	<u>\$ 5,562,876</u>	<u>\$ 1,890</u>	<u>\$ (305,000)</u>	<u>\$ 5,564,766</u>	<u>\$ 315,000</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 6 - LONG-TERM DEBT (continued)

Legal Debt Margin

The legal debt margin of the District at June 30, 2010 is as follows:

Assessed valuation 2009	<u>\$ 405,822,300</u>
Statutory debt limitation (6.9% of assessed valuation)	\$ 28,001,739
Less total debt	<u>5,335,000</u>
Legal debt margin	<u>\$ 22,666,739</u>

NOTE 7 - RESTRICTED NET ASSETS

Net assets restricted for employees' retirement system represents net assets which must be used for future District contributions to the Illinois Municipal Retirement Fund (IMRF).

NOTE 8 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

GAAP requires disclosure, as part of the financial statements - overview, of certain information concerning individual funds including:

a. Excesses of expenditures over (under) appropriations in individual funds.

	<u>Budget</u>	<u>Actual</u>	Excess Actual Over (Under) <u>Budget</u>
Education Fund	\$ 8,763,093	\$ 8,866,811	\$ 103,718
Building Fund	697,460	590,615	(106,845)

b. Deficit fund balances of individual funds.

The District has a deficit fund balance of \$76,524 in the IMRF Fund.

c. Individual fund interfund receivable and payable balances.

Interfund receivable balance in the Working Cash Fund of \$1,738,736

Interfund payable balance in the IMRF Fund of \$40,432

Interfund payable balance in the Educational Fund of \$1,698,304

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 9 - Retirement Commitments

Teachers' Retirement System of the State of Illinois

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. 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 State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate through June 30, 2010 was 9.4% of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer.

In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund health insurance contribution was 0.63% during the year ended June 30, 2010, and the member THIS Fund health insurance contribution was 0.84%.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS covered employees.

On-behalf Contributions - The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2010, the State of Illinois' contributions were based on 9.4% of creditable earnings, and the District recognized revenue and expenditures of \$512,096 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2009 and 2008, the State of Illinois' contribution rates as percentages of creditable earnings were 9.4%. Total pension contributions were \$491,736 and \$450,533 for the years ended June 30, 2009 and 2008, respectively.

The District makes three other types of employer contributions directly to TRS:

- a) 2.2 Formula Contributions. For the years ended June 30, 2010, June 30, 2009 and June 30, 2008, employers contributed .58% of creditable earnings for the 2.2 formula changes. Contributions for the years ended June 30, 2010, June 30, 2009 and June 30, 2008 were \$31,597, \$30,337, and \$27,951, respectively.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 9 - RETIREMENT COMMITMENTS (continued)

Teachers' Retirement System of the State of Illinois (continued)

- b) Federal and Trust Fund Contributions. When TRS members are paid from federal and trust funds administered from the District, there is a statutory requirement for the District to pay an employee pension contribution from those funds. For the year ended June 30, 2010, salaries totaling \$81,928 were paid from federal and trust funds that required employer contributions of \$19,155. For the year ended June 30, 2009, salaries totaling \$42,276 were paid from the federal and trust funds that required employer contributions of \$7,221. For the year ended June 30, 2008, salaries totaling \$21,888 were paid from the federal and trust funds that required employer contributions of \$2,870.
- c) Early Retirement Option. The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option. The payments vary depending on the age and salary of the member. No member or employer contributions are required if the member has 34 years of service. The maximum employer payment of 100% of the member's highest salary used in the calculation of final average salary is required if the member is 55 years old. For the year ended June 30, 2010, the District paid \$0 for employer contributions under the Early Retirement Option. For the years ended June 30, 2009 and June 30, 2008, the District paid \$0.

TRS financial information, an explanation of TRS' benefits, and descriptions of member, employer, and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2009. The report for the year ended June 30, 2010, is expected to be available in late 2010.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS website at www.trs.illinois.gov.

Pension Plan

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and requires supplementary information. That report may be obtained on-line at www.imrf.org.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 9 - RETIREMENT COMMITMENTS (continued)

Teachers' Retirement System of the State of Illinois (continued)

Funding Policy

As set by statute, District regular plan members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 11.11% of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

For fiscal year ending December 31, 2009, the District's annual pension cost of \$75,226 for the regular plan was equal to the District's required and actual contributions. Following is the trend information applicable to the District for the three periods ended December 31, 2009:

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
December 31, 2009	\$ 75,226	100%	\$ -
December 31, 2008	\$ 68,955	100%	\$ -
December 31, 2007	\$ 65,630	100%	\$ -

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007 included: (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year, depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the District's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The District's regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007 valuation was 23 years.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 9 - RETIREMENT COMMITMENTS (continued)

Teachers' Retirement System of the State of Illinois (continued)

Funded Status and Funding Progress

As of December 31, 2009, the most recent actuarial valuation date, the regular plan was 58.68% funded. The actuarial accrued liability for benefits was \$1,432,955 and the actuarial value of the assets was \$840,821, resulting in an underfunded actuarial accrued liability (UAAL) of \$592,134. The covered payroll (annual payroll of active employees covered by the plan) was \$677,101 and the ratio of the UAAL to the covered payroll was 87%. In conjunction with the December 2009 actuarial valuation, the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30-year basis. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damages to, and destruction of assets; injuries to employees; and natural disasters. The District purchases commercial insurance for these risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. During the year ended June 30, 2010, there were no significant reductions in coverage.

NOTE 11 - SUBSEQUENT EVENTS

Management evaluated subsequent events through December 8, 2010, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2010, but prior to December 8, 2010 that provided additional evidence about conditions that existed at June 30, 2010, have been recognized in the financial statements for the year ended June 30, 2010. Events or transactions that provided evidence about conditions that did not exist at June 30, 2010, but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2010.

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUE			
Property taxes	\$ 9,876,055	\$ 9,876,055	\$ 10,392,403
Payments in lieu of taxes	495,000	495,000	373,326
Earnings on investments	296,800	296,800	317,229
Food services	150,000	150,000	152,471
Textbook rentals	70,000	70,000	68,554
Private local sources	-	-	44,876
Other local sources	63,000	63,000	97,888
State sources	418,000	418,000	485,609
Federal sources	368,300	368,300	468,178
	<u>11,737,155</u>	<u>11,737,155</u>	<u>12,400,534</u>
Total revenue			
EXPENDITURES			
Instruction - regular programs	4,549,371	4,549,371	4,481,828
Instruction - special education	544,897	544,897	543,189
Instruction - other	688,920	688,920	595,220
Support services - student based	412,577	412,577	388,041
Support services - non-student based	2,122,756	2,122,756	2,034,265
Community	5,297	5,297	16,326
Intergovernmental	1,000,000	1,000,000	1,275,562
Capital outlay	136,735	136,735	122,995
Debt service	526,045	526,045	526,045
	<u>9,986,598</u>	<u>9,986,598</u>	<u>9,983,471</u>
Total expenditures			
Excess of revenue over expenditures	<u>\$ 1,750,557</u>	<u>\$ 1,750,557</u>	2,417,063
FUND BALANCE, BEGINNING OF YEAR			<u>8,210,637</u>
FUND BALANCE, END OF YEAR			<u>\$ 10,627,700</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
ILLINOIS MUNICIPAL RETIREMENT
SCHEDULE OF FUNDING PROGRESS
Year Ended June 30, 2010
(Unaudited)

Following is the trend information - schedule of funding progress applicable to the District for the three fiscal periods ended December 31, 2009:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Entry Age (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((b-a)/c)
December 31:						
2009	\$ 840,221	\$ 1,432,955	\$ 592,134	58.68%	\$ 677,101	87.45%
2008	811,762	1,393,992	582,230	58.23%	622,339	93.56%
2007	1,088,435	1,347,714	264,279	80.39%	599,361	44.09%

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
COMBINING BALANCE SHEET -
OTHER GOVERNMENTAL FUNDS
June 30, 2010

ASSETS	<u>Transportation</u>	<u>IMRF</u>	<u>Life Safety</u>	<u>Working Cash</u>	<u>Total</u>
Cash	\$ 280,041	\$ -	\$ 503	\$ 101,742	\$ 382,286
Interfund receivable	-	-	-	1,738,736	1,738,736
Property tax receivables (net of allowances for uncollectibles)	<u>176,882</u>	<u>202,154</u>	<u>-</u>	<u>75,668</u>	<u>454,704</u>
TOTAL ASSETS	<u>\$ 456,923</u>	<u>\$ 202,154</u>	<u>\$ 503</u>	<u>\$ 1,916,146</u>	<u>\$ 2,575,726</u>
 LIABILITIES AND FUND BALANCES					
 LIABILITIES					
Accounts payable	\$ -	\$ 36,092	\$ -	\$ -	\$ 36,092
Interfund payable	-	40,432	-	-	40,432
Deferred revenue	<u>176,882</u>	<u>202,154</u>	<u>-</u>	<u>75,668</u>	<u>454,704</u>
Total liabilities	<u>176,882</u>	<u>278,678</u>	<u>-</u>	<u>75,668</u>	<u>531,228</u>
 FUND BALANCES (DEFICIT)					
Reserved for employees' retirement system	-	(76,524)	-	-	(76,524)
Unreserved - undesignated	<u>280,041</u>	<u>-</u>	<u>503</u>	<u>1,840,478</u>	<u>2,121,022</u>
Total fund balances (deficit)	<u>280,041</u>	<u>(76,524)</u>	<u>503</u>	<u>1,840,478</u>	<u>2,044,498</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 456,923</u>	<u>\$ 202,154</u>	<u>\$ 503</u>	<u>\$ 1,916,146</u>	<u>\$ 2,575,726</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
COMBINING STATEMENT OF REVENUE EXPENDITURES, AND CHANGES
IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
Year Ended June 30, 2010

	<u>Transportation</u>	<u>IMRF</u>	<u>Life Safety</u>	<u>Working Cash</u>	<u>Total</u>
REVENUES					
Local sources:					
Property taxes	\$ 262,879	\$ 210,150	\$ -	\$ 52,863	\$ 525,892
Transportation fees	2,354	-	-	-	2,354
Other	10,365	-	-	-	10,365
Earnings (loss) on investments	9,063	210	(94)	2,022	11,201
	<u>284,661</u>	<u>210,360</u>	<u>(94)</u>	<u>54,885</u>	<u>549,812</u>
Total local sources					
State sources - transportation aid	168,346	-	-	-	168,346
	<u>453,007</u>	<u>210,360</u>	<u>(94)</u>	<u>54,885</u>	<u>718,158</u>
Total revenues					
EXPENDITURES					
Current:					
Instruction	-	114,822	-	-	114,822
Supporting services	375,215	98,552	-	-	473,767
	<u>375,215</u>	<u>213,374</u>	<u>-</u>	<u>-</u>	<u>588,589</u>
Total expenditures					
Excess (deficiency) of revenues over expenditures	77,792	(3,014)	(94)	54,885	129,569
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>202,249</u>	<u>(73,510)</u>	<u>597</u>	<u>1,785,593</u>	<u>1,914,929</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 280,041</u>	<u>\$ (76,524)</u>	<u>\$ 503</u>	<u>\$ 1,840,478</u>	<u>\$ 2,044,498</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
COMBINING BALANCE SHEET - GENERAL FUND
June 30, 2010

ASSETS	<u>Educational</u>	<u>Building</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Total</u>
Cash	\$ 10,789,415	\$ 634,093	\$ 851,862	\$ 55,858	\$ 12,331,228
Net of allowances for uncollectibles: Property taxes, receivables	<u>3,956,518</u>	<u>328,839</u>	<u>263,620</u>	<u>-</u>	<u>4,548,977</u>
TOTAL ASSETS	<u>\$ 14,745,933</u>	<u>\$ 962,932</u>	<u>\$ 1,115,482</u>	<u>\$ 55,858</u>	<u>\$ 16,880,205</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 5,224	\$ -	\$ -	\$ -	\$ 5,224
Interfund payable	1,698,304	-	-	-	1,698,304
Deferred revenue	<u>3,956,518</u>	<u>328,839</u>	<u>263,620</u>	<u>-</u>	<u>4,548,977</u>
Total liabilities	<u>5,660,046</u>	<u>328,839</u>	<u>263,620</u>	<u>-</u>	<u>6,252,505</u>
FUND BALANCES					
Unreserved - undesignated	9,085,887	-	-	-	9,085,887
Reserved - project costs	-	634,093	-	55,858	689,951
Reserved - debt service	<u>-</u>	<u>-</u>	<u>851,862</u>	<u>-</u>	<u>851,862</u>
Total fund balances	<u>9,085,887</u>	<u>634,093</u>	<u>851,862</u>	<u>55,858</u>	<u>10,627,700</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 14,745,933</u>	<u>\$ 962,932</u>	<u>\$ 1,115,482</u>	<u>\$ 55,858</u>	<u>\$ 16,880,205</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GENERAL FUND
Year Ended June 30, 2010

	<u>Educational</u>	<u>Building</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Total</u>
REVENUES					
Local sources:					
Property taxes	\$ 9,121,422	\$ 683,242	\$ 587,739	\$ -	\$ 10,392,403
Payments in lieu of taxes	373,326	-	-	-	373,326
Earnings on investments	276,850	15,161	23,606	1,612	317,229
Food services	152,471	-	-	-	152,471
Summer school tuition	44,876	-	-	-	44,876
Textbook rentals	68,554	-	-	-	68,554
Other local sources	<u>92,748</u>	<u>5,140</u>	<u>-</u>	<u>-</u>	<u>97,888</u>
Total local sources	10,130,247	703,543	611,345	1,612	11,446,747
State sources	485,609	-	-	-	485,609
Federal sources	<u>468,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>468,178</u>
Total revenues	<u>11,084,034</u>	<u>703,543</u>	<u>611,345</u>	<u>1,612</u>	<u>12,400,534</u>
EXPENDITURES					
Current:					
Instruction	5,620,237	-	-	-	5,620,237
Supporting services	1,835,685	586,621	-	-	2,422,306
Community	16,326	-	-	-	16,326
Intergovernmental	1,275,562	-	-	-	1,275,562
Capital outlay	119,001	3,994	-	-	122,995
Debt service	<u>-</u>	<u>-</u>	<u>526,045</u>	<u>-</u>	<u>526,045</u>
Total expenditures	<u>8,866,811</u>	<u>590,615</u>	<u>526,045</u>	<u>-</u>	<u>9,983,471</u>
Excess of revenues over expenditures	2,217,223	112,928	85,300	1,612	2,417,063
FUND BALANCES, BEGINNING OF YEAR	<u>6,868,664</u>	<u>521,165</u>	<u>766,562</u>	<u>54,246</u>	<u>8,210,637</u>
FUND BALANCES, END OF YEAR	<u>\$ 9,085,887</u>	<u>\$ 634,093</u>	<u>\$ 851,862</u>	<u>\$ 55,858</u>	<u>\$ 10,627,700</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2010**

REVENUES	<u>Budget</u>	<u>Actual</u>
Local sources:		
Property taxes	\$ 8,667,178	\$ 9,121,422
Payments in lieu of taxes	495,000	373,326
Earnings on investments	250,000	276,850
Food services	150,000	152,471
Summer school tuition	-	44,876
Textbook rentals	70,000	68,554
Other local sources	<u>60,000</u>	<u>92,748</u>
Total local sources	<u>9,692,178</u>	<u>10,130,247</u>
State sources:		
General State aid	150,000	185,837
Special education	202,000	259,344
Bilingual education	15,000	19,565
Reading improvement	25,000	15,952
School lunch and breakfast program	1,000	1,350
ASA safety and education block grant	<u>25,000</u>	<u>3,561</u>
Total state sources	<u>418,000</u>	<u>485,609</u>
Federal sources:		
Title I - low income	51,000	60,146
School lunch and breakfast program	35,000	46,883
Title II - Teacher Quality	20,100	-
Safe and drug free schools	2,200	2,311
Learn and serve America	10,000	18,400
Special education	-	174,589
ARRA general state aid	100,000	41,513
AARA title I low income	40,000	34,518
Art B flow thru	110,000	63,987
Title III	-	2,804
Cher quality	<u>-</u>	<u>23,027</u>
Total federal sources	<u>368,300</u>	<u>468,178</u>
Total revenues	<u>10,478,478</u>	<u>11,084,034</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2010**

EXPENDITURES	<u>Budget</u>	<u>Actual</u>
Current:		
Instruction:		
Regular programs:		
Salaries	3,583,744	3,618,140
Employee benefits	742,000	710,926
Purchased services	20,350	12,430
Supplies	188,277	135,396
Other miscellaneous	15,000	4,936
	<u>4,549,371</u>	<u>4,481,828</u>
Special education programs:		
Salaries	535,597	536,023
Employee benefits	2,000	2,236
Purchased services	2,000	-
Supplies	5,300	4,930
	<u>544,897</u>	<u>543,189</u>
Educationally deprived/remedial programs:		
Salaries	284,746	173,427
Employee benefits	1,000	15,459
Supplies	8,000	11,765
	<u>293,746</u>	<u>200,651</u>
Interscholastic programs:		
Salaries	50,000	34,217
Supplies	4,800	4,742
Other miscellaneous	5,200	4,959
	<u>60,000</u>	<u>43,918</u>
Summer school:		
Salaries	48,000	56,460
Supplies	5,000	4,019
	<u>53,000</u>	<u>60,479</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2010**

	<u>Budget</u>	<u>Actual</u>
EXPENDITURES (continued)		
Current (continued):		
Gifted:		
Salaries	131,165	131,164
Employee benefits	1,500	1,373
Supplies	1,000	411
	<hr/>	<hr/>
Total gifted	133,665	132,948
	<hr/>	<hr/>
Bilingual:		
Salaries	133,509	133,441
Supplies	4,000	14,183
Other miscellaneous	11,000	9,600
	<hr/>	<hr/>
Total bilingual	148,509	157,224
	<hr/>	<hr/>
Total instruction	5,783,188	5,620,237
	<hr/>	<hr/>
Supporting services:		
Attendance and social work services:		
Salaries	114,290	92,880
Employee benefits	600	539
	<hr/>	<hr/>
Total attendance and social work services	114,890	93,419
	<hr/>	<hr/>
Health services:		
Salaries	29,970	29,969
Supplies	1,500	1,702
	<hr/>	<hr/>
Total health services	31,470	31,671
	<hr/>	<hr/>
Psychological services:		
Salaries	152,072	152,076
	<hr/>	<hr/>
Speech pathology and audiology services:		
Salaries	101,195	101,195
Employee benefits	700	587
Supplies	750	607
	<hr/>	<hr/>
Total speech pathology and audiology services	102,645	102,389
	<hr/>	<hr/>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2010**

	<u>Budget</u>	<u>Actual</u>
EXPENDITURES (continued)		
Supporting services: (continued)		
Other support services - pupils:		
Supplies	6,500	5,736
Other miscellaneous	5,000	2,750
	<hr/>	<hr/>
Total other support services - pupils	11,500	8,486
	<hr/>	<hr/>
Improvement of instruction services:		
Salaries	1,100	25,044
Employee benefits	40,000	55,406
Purchased services	57,782	48,304
Supplies	11,000	18,907
	<hr/>	<hr/>
Total improvement of instruction services	109,882	147,661
	<hr/>	<hr/>
Education media services:		
Salaries	298,740	306,275
Employee benefits	1,500	1,571
Purchased services	47,500	45,661
Supplies	38,110	34,188
	<hr/>	<hr/>
Total education media services	385,850	387,695
	<hr/>	<hr/>
Board of Education services:		
Salaries	61,235	61,235
Purchased services	60,500	50,410
Supplies	1,000	489
Other miscellaneous	6,000	2,836
	<hr/>	<hr/>
Total Board of Education services	128,735	114,970
	<hr/>	<hr/>
Executive administration services:		
Salaries	131,400	131,357
Employee benefits	14,800	15,943
Purchased services	10,000	10,680
Supplies	4,000	311
Other miscellaneous	3,500	1,299
	<hr/>	<hr/>
Total executive administration services	163,700	159,590
	<hr/>	<hr/>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2010**

	<u>Budget</u>	<u>Actual</u>
EXPENDITURES (continued)		
Supporting services: (continued)		
Office of the Principal:		
Salaries	227,661	226,222
Employee benefits	1,200	1,109
Purchased services	2,000	380
Supplies	5,000	133
Other miscellaneous	<u>2,500</u>	<u>1,382</u>
Total office of the principal	<u>238,361</u>	<u>229,226</u>
Direction of business support services:		
Purchased services	<u>51,500</u>	<u>53,520</u>
Fiscal services:		
Salaries	41,738	41,737
Purchased services	<u>36,500</u>	<u>31,502</u>
Total fiscal services	<u>78,238</u>	<u>73,239</u>
Operations and maintenance:		
Salaries	2,000	457
Purchased services	<u>50,000</u>	<u>45,793</u>
Total operations and maintenance	<u>52,000</u>	<u>46,250</u>
Food services:		
Salaries	119,030	113,782
Purchased services	2,000	264
Supplies	120,000	113,799
Other miscellaneous	<u>1,000</u>	<u>236</u>
Total food services	<u>242,030</u>	<u>228,081</u>
Information services:		
Purchased services	<u>10,000</u>	<u>7,412</u>
Total supporting services	<u>1,872,873</u>	<u>1,835,685</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2010**

	<u>Budget</u>	<u>Actual</u>
EXPENDITURES (continued)		
Community:		
Purchased services	4,759	10,498
Supplies	<u>538</u>	<u>5,828</u>
Total community	<u>5,297</u>	<u>16,326</u>
Intergovernmental:		
Payments for special education programs	<u>1,000,000</u>	<u>1,275,562</u>
Capital outlay:		
Regular programs	10,000	1,461
Health services	250	-
Improvement of instruction services	51,500	56,702
Education media services	34,485	54,463
Executive administration services	2,000	520
Office of the Principal	1,000	-
Food services	2,500	-
Support services	<u>-</u>	<u>5,855</u>
Total capital outlay	<u>101,735</u>	<u>119,001</u>
Total expenditures	<u>8,763,093</u>	<u>8,866,811</u>
Excess of revenues over expenditures	<u>\$ 1,715,385</u>	2,217,223
 FUND BALANCE, BEGINNING OF YEAR		<u>6,868,664</u>
 FUND BALANCE, END OF YEAR		<u>\$ 9,085,887</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
BUILDING ACCOUNT
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2010**

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Local sources:		
Property taxes	\$ 650,000	\$ 683,242
Earnings on investments	20,000	15,161
Other local sources	<u>3,000</u>	<u>5,140</u>
Total revenues	<u>673,000</u>	<u>703,543</u>
 EXPENDITURES		
Current:		
Supporting services:		
Facilities acquisition and construction:		
Purchased services	<u>25,000</u>	<u>29,733</u>
Operation and maintenance of plant:		
Salaries	169,460	160,940
Employee benefits	30,000	29,626
Purchased services	171,000	161,974
Supplies and materials	<u>267,000</u>	<u>204,348</u>
Total operation and maintenance of plant	<u>637,460</u>	<u>556,888</u>
Total supporting services	<u>662,460</u>	<u>586,621</u>
Capital outlay:		
Facilities acquisition and construction	25,000	1,145
Operation and maintenance of plant	<u>10,000</u>	<u>2,849</u>
Total capital outlay	<u>35,000</u>	<u>3,994</u>
Total expenditures	<u>697,460</u>	<u>590,615</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (24,460)</u>	112,928
 FUND BALANCE, BEGINNING OF YEAR		 <u>521,165</u>
 FUND BALANCE, END OF YEAR		 <u>\$ 634,093</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
DEBT SERVICE FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2010**

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Local sources:		
Property taxes	\$ 558,877	\$ 587,739
Earnings on investments	<u>25,000</u>	<u>23,606</u>
Total revenues	<u>583,877</u>	<u>611,345</u>
 EXPENDITURES		
Debt service:		
Principal retirement	305,000	305,000
Interest	<u>221,045</u>	<u>221,045</u>
Total debt service	<u>526,045</u>	<u>526,045</u>
Excess of revenues over expenditures	<u>\$ 57,832</u>	85,300
 FUND BALANCE, BEGINNING OF YEAR		 <u>766,562</u>
 FUND BALANCE, END OF YEAR		 <u>\$ 851,862</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Earnings on investments	\$ 1,800	\$ 1,612
EXPENDITURES	<u>-</u>	<u>-</u>
Excess of revenue over expenditures	<u>\$ 1,800</u>	1,612
FUND BALANCE, BEGINNING OF YEAR		<u>54,246</u>
FUND BALANCE, END OF YEAR		<u>\$ 55,858</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
TRANSPORTATION FUND
BALANCE SHEET
June 30, 2010**

ASSETS

Cash	\$ 280,041
Property tax receivable (net of allowance for uncollectibles)	<u>176,882</u>
TOTAL ASSETS	<u>\$ 456,923</u>

LIABILITIES AND FUND BALANCE

DEFERRED REVENUE	\$ 176,882
FUND BALANCE	
Unreserved - undesignated	<u>280,041</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 456,923</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
TRANSPORTATION FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2010**

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Local sources:		
Property taxes	\$ 250,000	\$ 262,879
Transportation fees	7,000	2,354
Earnings on investments	13,000	9,063
Other	<u>-</u>	<u>10,365</u>
Total local sources	270,000	284,661
State sources:		
Transportation aid	<u>101,000</u>	<u>168,346</u>
Total revenues	<u>371,000</u>	<u>453,007</u>
EXPENDITURES		
Supporting services:		
Salaries	18,770	18,765
Employee benefits	2,200	2,105
Purchased services	<u>442,000</u>	<u>354,345</u>
Total expenditures	<u>462,970</u>	<u>375,215</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (91,970)</u>	77,792
FUND BALANCE, BEGINNING OF YEAR		<u>202,249</u>
FUND BALANCE, END OF YEAR		<u>\$ 280,041</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MUNICIPAL RETIREMENT FUND
BALANCE SHEET
June 30, 2010**

ASSETS

Cash	\$ -
Property tax receivable (net of allowance for uncollectibles)	<u>202,154</u>
TOTAL ASSETS	<u>\$ 202,154</u>

LIABILITIES AND FUND DEFICIT

LIABILITIES

Accounts payable	\$ 36,092
Interfund payable	40,432
Deferred revenue	<u>202,154</u>
Total liabilities	278,678
FUND DEFICIT	
Reserved for employees' retirement system	<u>(76,524)</u>
TOTAL LIABILITIES AND FUND DEFICIT	<u>\$ 202,154</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MUNICIPAL RETIREMENT FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Fiscal Year Ended June 30, 2010**

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Property taxes	\$ 200,000	\$ 210,150
Earnings on investments	<u>300</u>	<u>210</u>
Total revenues	<u>200,300</u>	<u>210,360</u>
 EXPENDITURES		
Current:		
Instruction:		
Employer's share of retirement system, FICA, and Medicare	111,000	114,822
Supporting services:		
Employer's share of retirement system, FICA, and Medicare	<u>89,000</u>	<u>98,552</u>
Total expenditures	<u>200,000</u>	<u>213,374</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 300</u>	(3,014)
 FUND DEFICIT, BEGINNING OF YEAR		 <u>(73,510)</u>
 FUND DEFICIT, END OF YEAR		 <u>\$ (76,524)</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
LIFE SAFETY FUND
BALANCE SHEET
June 30, 2010**

ASSETS

Cash	<u>\$ 503</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES	\$ -
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FUND BALANCE

Unreserved - undesignated	<u>503</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 503</u>
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MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
LIFE SAFETY FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Earnings (loss) on investments	\$ 60	\$ (94)
EXPENDITURES		
	-	-
Excess (deficiency) of revenue over expenditures	\$ 60	(94)
FUND BALANCE, BEGINNING OF YEAR		597
FUND BALANCE, END OF YEAR		\$ 503

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
WORKING CASH FUND
BALANCE SHEET
June 30, 2010**

ASSETS

Cash	\$ 101,742
Property tax receivable (net of allowance for uncollectibles)	75,668
Interfund receivable	<u>1,738,736</u>
TOTAL ASSETS	<u>\$ 1,916,146</u>

LIABILITIES AND FUND BALANCE

DEFERRED REVENUE	\$ 75,668
FUND BALANCE	
Unreserved - undesignated	<u>1,840,478</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,916,146</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
 WORKING CASH FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 Fiscal Year Ended June 30, 2010**

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Property taxes	\$ 50,000	\$ 52,863
Earnings on investments	<u>-</u>	<u>2,022</u>
Total revenue	50,000	54,885
EXPENDITURES		
	<u>-</u>	<u>-</u>
Excess of revenue over expenditures	<u>\$ 50,000</u>	54,885
FUND BALANCE, BEGINNING OF YEAR		<u>1,785,593</u>
FUND BALANCE, END OF YEAR		<u>\$ 1,840,478</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
AGENCY FUND - ACTIVITY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 2010

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2010</u>
ASSETS				
Cash	\$ 47,417	\$ 96,862	\$ 100,272	\$ 44,007
LIABILITIES				
Due to organizations - Student Activity Funds	\$ 47,417	\$ 96,862	\$ 100,272	\$ 44,007

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
AGENCY FUND - ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES
Fiscal Year Ended June 30, 2010

	<u>Balance</u> <u>June 30, 2009</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2010</u>
STUDENT ACTIVITY FUNDS				
Student Activity Fund	\$ 13,555	\$ 95,730	\$ 93,913	\$ 15,372
Activity Fund - Science Olympiad	<u>15,677</u>	<u>842</u>	<u>4,574</u>	<u>11,945</u>
Total student activity funds	29,232	96,572	98,487	27,317
OTHER AGENCY FUNDS				
Stix Memorial Fund	<u>18,185</u>	<u>290</u>	<u>1,785</u>	<u>16,690</u>
TOTAL AGENCY AND ACTIVITY FUNDS	<u>\$ 47,417</u>	<u>\$ 96,862</u>	<u>\$ 100,272</u>	<u>\$ 44,007</u>