

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

FINANCIAL STATEMENTS
June 30, 2012



CliftonLarsonAllen

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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, 2012, 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, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension information on pages three through I through VI, 25, and 26 be presented to supplement the basic financial statements, such information although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and supporting 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, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the 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.

CliftonLarsonAllen LLP

Oak Brook, Illinois
January 29, 2013



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**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(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, 2012 and should be read in conjunction with the audited financial statements.

Financial Highlights

Key financial highlights for the year ended June 30, 2012 (rounded to thousands) are as follows:

- Revenues decreased \$137,000 and expenses increased \$654,000 in all combined funds from 2011 levels. Property taxes accounted for approximately 84% of total revenues. Property taxes increased \$175,000.
- For the year ended June 30, 2012, local revenue sources accounted for 92% of total revenue. State and federal revenue sources were 6% and 2%, 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 \$11,721,000 in revenues, \$10,518,000 in expenditures. The General Fund's fund balance increased \$1,203,000 from 2011. The 2012 budget projected an increase of \$972,000.
- The District's total net assets increased by \$1,642,000.

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 supplementary information to demonstrate compliance with these budgets. This required supplementary 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, 2012, the net assets of the District increased by \$1,642,000 from the previous year.

Below is a summary of the District's net assets (rounded to thousands) for 2012:

Assets

Cash and investments	\$ 16,284,000
Receivables	5,296,000
Capital assets, net	<u>10,628,000</u>

Total assets \$ 32,208,000

Liabilities

Accrued liabilities	\$ 7,000
Accrued interest payable	15,000
Noncurrent liabilities: Due within one year	340,000
Noncurrent liabilities: Due in more than one year	<u>4,286,000</u>

Total liabilities \$ 4,648,000

Net assets

Invested in capital assets, net of debt	\$ 6,002,000
Restricted for employees' retirement system	89,000
Restricted for debt service	938,000
Restricted for project costs	801,000
Unrestricted	<u>19,730,000</u>

Total net assets \$ 27,560,000

Cash and investments totaled \$16,284,000, an increase of \$1,376,000 from 2011.

Capital assets, net of depreciation, were \$10,628,000 as of June 30, 2012. This was a decrease of \$206,000 from 2011. Total additions to capital assets during 2012 were \$220,000 and were offset by depreciation expense of \$426,000. Building improvements totaled \$38,000 and equipment purchases totaled approximately \$182,000.

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	\$ 391,000
Operating grants and contributions	<u>730,000</u>
Total program revenues	<u>1,121,000</u>
General revenues:	
Property taxes	11,097,000
State aid	276,000
Interest and investment earnings	<u>274,000</u>
Total general revenues	<u>11,647,000</u>
Total revenues	<u>12,768,000</u>

Expenses

Instruction	6,123,000
Support services	3,199,000
Other	<u>1,803,000</u>
Total expenses	<u>11,125,000</u>

Change in net assets	1,643,000
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Beginning net assets	<u>25,917,000</u>
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Ending net assets	<u>\$27,560,000</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 2012 and 2011:

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Property taxes and payments in lieu of taxes	\$ 10,292,000	\$ 10,142,000	\$ 150,000
Earnings on investments	233,000	291,000	(58,000)
Food services	140,000	152,000	(12,000)
Pupil activities	115,000	115,000	-
Other local sources	128,000	229,000	(101,000)
State sources	605,000	639,000	(34,000)
Federal sources	<u>208,000</u>	<u>260,000</u>	<u>(52,000)</u>
Total General Fund	<u>\$ 11,721,000</u>	<u>\$ 11,828,000</u>	<u>\$ (107,000)</u>

The following schedule presents a comparison of General Fund expenditures (rounded to thousands) between 2012 and 2011:

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Instruction - regular programs	\$ 4,723,000	\$ 4,679,000	\$ 44,000
Instruction - special education	541,000	543,000	(2,000)
Instruction - other	739,000	634,000	105,000
Support services - student based	432,000	355,000	77,000
Support services - non-student based	2,160,000	2,092,000	68,000
Intergovernmental	-	937,000	(937,000)
Capital outlay	358,000	150,000	208,000
Debt service	527,000	524,000	3,000
Community	<u>1,038,000</u>	<u>25,000</u>	<u>1,013,000</u>
Total General Fund expenditures	<u>\$10,518,000</u>	<u>\$ 9,939,000</u>	<u>\$ 579,000</u>

Capital Assets

At June 30, 2012, the District had \$10,628,000 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 \$206,000 or 2% from last year. Capital expenditures totaling \$220,000 consisted mainly of equipment purchases and building improvements. Depreciation expense for the year was \$426,000. See Note 5 to the basic financial statements for additional information.

Debt

At June 30, 2012, the District had the following debt outstanding:

- \$4,690,000 - Tax School Bonds, Series 2005

See Note 6 to the financial statements for debt maturities.

Budgetary Highlights

In September 2011, the Board of Education adopted the fiscal year 2011-12 budget for the General Fund budget that reflected total revenues of \$11,484,000 and total expenditures of \$10,512,000. Excess revenues totaling \$972,000 was projected. Actual General Fund revenues for fiscal year 2012 were \$11,721,000 and expenditures were \$10,518,000.

General Fund revenues were higher than the budget by \$237,000.

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, 2012

ASSETS

Cash and cash equivalents	\$ 16,283,831
Other assets	52,193
Property taxes receivable, net	5,244,011
Capital assets, net of accumulated depreciation	<u>10,628,149</u>

TOTAL ASSETS **\$ 32,208,184**

LIABILITIES

Accounts payable	\$ 7,150
Accrued interest payable	15,355
Noncurrent liabilities:	
Due within one year	340,000
Due in more than one year	<u>4,286,004</u>

TOTAL LIABILITIES **\$ 4,648,509**

NET ASSETS

Invested in capital assets, net of related debt	\$ 6,002,145
Restricted for employees' retirement system	88,626
Restricted for debt service	937,515
Restricted for project costs	801,183
Unrestricted	<u>19,730,206</u>

TOTAL NET ASSETS **\$ 27,559,675**

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, 2012

		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	\$ 4,724,334	\$ -	\$ -	\$ (4,724,334)
Instruction - special education	540,625	-	290,084	(250,541)
Instruction - other	857,841	-	39,260	(818,581)
Support services - student based	439,904	56,699	400,760	17,555
Support services - non-student based	2,758,924	334,026	-	(2,424,898)
Community	1,038,276	-	-	(1,038,276)
Interest on long-term debt	195,779	-	-	(195,779)
Other	143,772	-	-	(143,772)
Depreciation - unallocated	425,645	-	-	(425,645)
TOTAL GOVERNMENTAL	<u>\$ 11,125,100</u>	<u>\$ 390,725</u>	<u>\$ 730,104</u>	<u>(10,004,271)</u>
General revenues:				
Taxes:				
Property taxes and payments in lieu of taxes, levied for general purposes				11,096,555
State aid				275,751
Unrestricted investment earnings				<u>274,401</u>
Total general revenues				<u>11,646,707</u>
CHANGE IN NET ASSETS				1,642,436
NET ASSETS - BEGINNING				<u>25,917,239</u>
NET ASSETS - ENDING				<u>\$ 27,559,675</u>

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

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	General Fund	Other Governmental Funds	Total
ASSETS			
Cash and cash equivalents	\$ 15,366,273	\$ 917,558	\$ 16,283,831
Other assets	52,193	-	52,193
Interfund receivable	-	1,738,736	1,738,736
Property tax receivables (net of allowances for uncollectibles)	4,892,156	351,855	5,244,011
TOTAL ASSETS	\$ 20,310,622	\$ 3,008,149	\$ 23,318,771
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 7,150	\$ 7,150
Interfund payable	1,698,304	40,432	1,738,736
Deferred revenue	4,892,156	351,855	5,244,011
Total liabilities	6,590,460	399,437	6,989,897
 FUND BALANCES			
Unreserved - undesignated	11,981,464	2,520,086	14,501,550
Reserved - employees' retirement system	-	88,626	88,626
Reserved - project costs	801,183	-	801,183
Reserved - debt service	937,515	-	937,515
Total fund balances	13,720,162	2,608,712	16,328,874
TOTAL LIABILITIES AND FUND BALANCES	\$ 20,310,622	\$ 3,008,149	\$ 23,318,771

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, 2012**

Total fund balances - governmental funds		\$ 16,328,874
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	\$ 17,119,393	
Accumulated depreciation	<u>(6,491,244)</u>	10,628,149
Receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.		5,244,011
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(4,641,359)</u>
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES		<u>\$ 27,559,675</u>

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, 2012

	General Fund	Other Governmental Funds	Total
REVENUES			
Property taxes	\$ 9,885,733	\$ 713,698	\$ 10,599,431
Payments in lieu of taxes	406,180	-	406,180
Transportation fees	-	7,905	7,905
Earnings on investments	233,050	41,351	274,401
Food services	139,609	-	139,609
Textbook rentals	66,901	-	66,901
Summer school tuition	48,794	-	48,794
Other local sources	127,516	-	127,516
State sources	605,095	192,948	798,043
Federal sources	207,812	-	207,812
	<u>11,720,690</u>	<u>955,902</u>	<u>12,676,592</u>
Total revenues			
EXPENDITURES			
Instruction - regular programs	4,723,067	-	4,723,067
Instruction - special education	540,625	-	540,625
Instruction - other	738,580	119,261	857,841
Support services - student based	439,904	-	439,904
Support services - non-student based	2,152,548	606,376	2,758,924
Community	1,038,276	-	1,038,276
Capital outlay	358,194	-	358,194
Debt service	526,826	-	526,826
	<u>10,518,020</u>	<u>725,637</u>	<u>11,243,657</u>
Total expenditures			
Excess of revenue over expenditures	1,202,670	230,265	1,432,935
FUND BALANCE, BEGINNING OF YEAR	<u>12,517,492</u>	<u>2,378,447</u>	<u>14,895,939</u>
FUND BALANCE, END OF YEAR	<u>\$ 13,720,162</u>	<u>\$ 2,608,712</u>	<u>\$ 16,328,874</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, 2012**

Total net change in fund balances - governmental funds \$ 1,432,935

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

Change in property tax receivable from prior year. 90,944

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	\$ 219,770	
Depreciation expense	<u>(425,645)</u>	(205,875)

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. (1,267)

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. 325,699

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 1,642,436

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, 2012

ASSETS

Cash	<u>\$ 41,267</u>
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LIABILITIES

Due to organizations - Student Activity Funds	<u>\$ 41,267</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, 2012

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, 2012

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.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

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

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

General Fund (continued)

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

Additionally, the District reports the following fund type:

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 2011 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, 2012.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

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

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

Receivables and Payables (continued)

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 19, 2011. 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.

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.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

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

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

Long-Term Debt (continued)

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.

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:

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

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)

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.

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 or restricted net assets.

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:

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

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

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

Budgetary Data (continued)

- 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 19, 2011, 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.
- 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.

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, 2012

NOTE 2 - PROPERTY TAXES (continued)

Applicable current year (2011 and 2010 levies) tax rates as well as maximum tax rates are as follows:

<u>Fund</u>	<u>Rate Per \$100 Assessed Valuation</u>		
	<u>2011 Levy</u>	<u>2010 Levy</u>	<u>Maximum</u>
Educational	2.6179	2.2870	3.5000
Building	.2299	.2068	.5500
Transportation	.0919	.0827	As needed
Illinois Municipal Retirement	.0490	.0441	As needed
Social Security	.0490	.0441	As needed
Bond and Interest	.1661	.1503	As needed
Tort Immunity	.0000	.0248	As needed
Working Cash	.0286	.0248	.0500
Special Education	<u>.0286</u>	<u>.0248</u>	.4000
Total	<u><u>3.2610</u></u>	<u><u>2.8894</u></u>	

NOTE 3 - CASH

At June 30, 2012, the carrying amount of the District's deposits, which includes demand deposits and certificates of deposit, was \$16,283,831, 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 un-invested 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, 2012

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 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	14,969,054	38,450	-	15,007,504
Equipment	553,559	51,826	-	605,385
Computer equipment	1,031,213	114,424	-	1,145,637
Furniture and fixtures	133,523	15,070	-	148,593
Vehicles	27,054	-	-	27,054
Total capital assets being depreciated	<u>16,714,403</u>	<u>219,770</u>	<u>-</u>	<u>16,934,173</u>
Less accumulated depreciation for:				
Buildings and improvements	(4,602,050)	(343,960)	-	(4,946,010)
Equipment	(526,449)	(12,901)	-	(539,350)
Computer equipment	(796,518)	(62,776)	-	(859,294)
Furniture and fixtures	(113,701)	(5,835)	-	(119,536)
Vehicles	(26,881)	(173)	-	(27,054)
Total accumulated depreciation	<u>(6,065,599)</u>	<u>(425,645)</u>	<u>-</u>	<u>(6,491,244)</u>
Governmental activities capital assets, net	<u>\$10,834,024</u>	<u>\$ (205,875)</u>	<u>\$ -</u>	<u>\$ 10,628,149</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, 2012

NOTE 6 - LONG-TERM DEBT (continued)

Tax School Bonds (continued)

At June 30, 2012, 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>
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>\$ 4,690,000</u>	<u>\$ 1,164,631</u>	<u>\$ 5,854,631</u>

Changes in Long-Term Liabilities

Long-term liabilities activity for the year ended June 30, 2012, 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	\$ 5,020,000	\$ -	\$ (330,000)	\$ 4,690,000	\$ 340,000
Less deferred amounts:					
For issuance costs and discounts	<u>(74,873)</u>	<u>5,348</u>	<u>-</u>	<u>(69,525)</u>	<u>-</u>
Total bonds payable	4,945,127	5,348	(330,000)	4,620,475	340,000
Compensated absences	<u>4,262</u>	<u>1,267</u>	<u>-</u>	<u>5,529</u>	<u>-</u>
Long-term liabilities	<u>\$ 4,949,389</u>	<u>\$ 6,615</u>	<u>\$ (330,000)</u>	<u>\$ 4,626,004</u>	<u>\$ 340,000</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 6 - LONG-TERM DEBT (continued)

Legal Debt Margin

The legal debt margin of the District at June 30, 2012 is as follows:

Assessed valuation 2011	<u>\$ 335,432,073</u>
Statutory debt limitation (6.9% of assessed valuation)	\$ 23,144,813
Less total debt	<u>4,690,000</u>
Legal debt margin	<u>\$ 18,454,813</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	\$ 9,324,765	\$ 9,240,804	\$ (83,961)
Building Fund	710,613	750,388	39,775

- b. Deficit fund balances of individual funds.

The District did not have a Fund with a deficit in 2012.

- 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 Education Fund of \$1,698,304.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

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, 2012 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 .66% during the year ended June 30, 2012, and the member THIS Fund health insurance contribution was .88%.

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, 2012, the State of Illinois' contributions were based on 9.4% of creditable earnings, and the District recognized revenue and expenditures of \$544,049 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2011 and 2010, the State of Illinois' contribution rates as percentages of creditable earnings were 9.4%. Total pension contributions were \$520,853 and \$512,096 for the years ended June 30, 2011 and 2010, respectively.

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

- a) 2.2 Formula Contributions. For the years ended June 30, 2012, June 30, 2011 and June 30, 2010, employers contributed .58% of creditable earnings for the 2.2 formula changes. Contributions for the years ended June 30, 2012, June 30, 2011 and June 30, 2010 were \$33,570, \$32,138, and \$31,597, respectively.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

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, 2012, salaries totaling \$0 were paid from federal and trust funds that required employer contributions of \$0. For the year ended June 30, 2011, salaries totaling \$40,000 were paid from the federal and trust funds that required employer contributions of \$9,240. For the year ended June 30, 2010, salaries totaling \$81,928 were paid from the federal and trust funds that required employer contributions of \$19,155.
- 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, 2012, the District paid \$0 for employer contributions under the Early Retirement Option. For the years ended June 30, 2011 and June 30, 2010, 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, 2011. The report for the year ended June 30, 2012, is expected to be available in late 2012.

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 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 online at www.imrf.org.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

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 2011 used by the District was 13.14% of annual covered payroll. The District's annual required contribution rate for calendar year 2010 was 12.22%. 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 ended December 31, 2011, the District's actual contributions for pension cost for the regular plan were \$94,201. Its required contribution for calendar year 2011 was \$94,201. The following is the trend information applicable to the District for the three periods ended December 31, 2011:

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
December 31, 2011	\$ 94,201	100%	\$ -
December 31, 2010	\$ 90,215	92%	\$ -
December 31, 2009	\$ 75,226	100%	\$ -

The required contribution for 2011 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 included: (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% 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 20% corridor between the actuarial and market value of assets. The District's regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30-year basis.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 9 - RETIREMENT COMMITMENTS (continued)

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

Funded Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, the regular plan was 54.28% funded. The actuarial accrued liability for benefits was \$1,748,464 and the actuarial value of the assets was \$948,980, resulting in an underfunded actuarial accrued liability (UAAL) of \$799,484. The covered payroll (annual payroll of active employees covered by the plan) was \$716,902 and the ratio of the UAAL to the covered payroll was 112%. The schedule of funding progress 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, 2012, there were no significant reductions in coverage.

NOTE 11 - SUBSEQUENT EVENTS

Management evaluated subsequent events through January 29, 2013, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2012, but prior to January 29, 2013 that provided additional evidence about conditions that existed at June 30, 2012, have been recognized in the financial statements for the year ended June 30, 2012. Events or transactions that provided evidence about conditions that did not exist at June 30, 2012, 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, 2012.

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

REQUIRED SUPPLEMENTARY 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, 2012

	Budgeted Amounts		Actual
	Original	Final	
REVENUE			
Property taxes	\$ 9,966,244	\$ 9,966,244	\$ 9,885,733
Payments in lieu of taxes	447,186	447,186	406,180
Earnings on investments	196,000	196,000	233,050
Food services	140,000	140,000	139,609
Textbook rentals	65,000	65,000	66,901
Private local sources	-	-	48,794
Other local sources	98,000	98,000	127,516
State sources	447,000	447,000	605,095
Federal sources	124,516	124,516	207,812
	<u>11,483,946</u>	<u>11,483,946</u>	<u>11,720,690</u>
Total revenue			
EXPENDITURES			
Instruction - regular programs	5,092,096	5,092,096	4,723,067
Instruction - special education	592,123	592,123	540,625
Instruction - other	693,995	693,995	738,580
Support services - student based	395,020	395,020	439,904
Support services - non-student based	2,261,869	2,261,869	2,152,548
Community	844,025	844,025	1,038,276
Capital outlay	156,250	156,250	358,194
Debt service	526,826	526,826	526,826
	<u>10,562,204</u>	<u>10,562,204</u>	<u>10,518,020</u>
Total expenditures			
Excess of revenue over expenditures	<u>\$ 921,742</u>	<u>\$ 921,742</u>	1,202,670
FUND BALANCE, BEGINNING OF YEAR			<u>12,517,492</u>
FUND BALANCE, END OF YEAR			<u>\$ 13,720,162</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
ILLINOIS MUNICIPAL RETIREMENT
SCHEDULE OF FUNDING PROGRESS
Year Ended June 30, 2012
(Unaudited)

The following is the trend information - schedule of funding progress applicable to the District for the three fiscal periods ended December 31, 2012:

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:						
2011	\$ 948,980	\$ 1,748,464	\$ 799,484	54.28%	\$ 716,902	111.52%
2010	922,879	1,649,003	726,124	55.97%	682,411	106.41%
2009	840,821	1,432,955	592,134	58.68%	677,101	87.45%

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
COMBINING BALANCE SHEET -
OTHER GOVERNMENTAL FUNDS
June 30, 2012

ASSETS	<u>Transportation</u>	<u>IMRF</u>	<u>Life Safety</u>	<u>Working Cash</u>	<u>Total</u>
Cash	\$ 426,238	\$ 136,208	\$ 523	\$ 354,589	\$ 917,558
Interfund receivable	-	-	-	1,738,736	1,738,736
Property tax receivables (net of allowances for uncollectibles)	<u>147,901</u>	<u>157,807</u>	<u>-</u>	<u>46,147</u>	<u>351,855</u>
TOTAL ASSETS	<u>\$ 574,139</u>	<u>\$ 294,015</u>	<u>\$ 523</u>	<u>\$ 2,139,472</u>	<u>\$ 3,008,149</u>
 LIABILITIES AND FUND BALANCES					
 LIABILITIES					
Accounts payable	\$ -	\$ 7,150	\$ -	\$ -	\$ 7,150
Interfund payable	-	40,432	-	-	40,432
Deferred revenue	<u>147,901</u>	<u>157,807</u>	<u>-</u>	<u>46,147</u>	<u>351,855</u>
Total liabilities	<u>147,901</u>	<u>205,389</u>	<u>-</u>	<u>46,147</u>	<u>399,437</u>
 FUND BALANCES					
Reserved for employees' retirement system	-	88,626	-	-	88,626
Unreserved - undesignated	<u>426,238</u>	<u>-</u>	<u>523</u>	<u>2,093,325</u>	<u>2,520,086</u>
Total fund balances	<u>426,238</u>	<u>88,626</u>	<u>523</u>	<u>2,093,325</u>	<u>2,608,712</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 574,139</u>	<u>\$ 294,015</u>	<u>\$ 523</u>	<u>\$ 2,139,472</u>	<u>\$ 3,008,149</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, 2012

	<u>Transportation</u>	<u>IMRF</u>	<u>Life Safety</u>	<u>Working Cash</u>	<u>Total</u>
REVENUES					
Local sources:					
Property taxes	\$ 300,810	\$ 321,008	\$ -	\$ 91,880	\$ 713,698
Transportation fees	7,905	-	-	-	7,905
Earnings on investments	<u>7,999</u>	<u>1,255</u>	<u>9</u>	<u>32,088</u>	<u>41,351</u>
Total local sources	316,714	322,263	9	123,968	762,954
State sources - transportation aid	<u>192,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,948</u>
Total revenues	<u>509,662</u>	<u>322,263</u>	<u>9</u>	<u>123,968</u>	<u>955,902</u>
EXPENDITURES					
Current:					
Instruction	-	119,261	-	-	119,261
Supporting services	<u>492,735</u>	<u>113,641</u>	<u>-</u>	<u>-</u>	<u>606,376</u>
Total expenditures	<u>492,735</u>	<u>232,902</u>	<u>-</u>	<u>-</u>	<u>725,637</u>
Excess of revenues over expenditures	16,927	89,361	9	123,968	230,265
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>409,311</u>	<u>(735)</u>	<u>514</u>	<u>1,969,357</u>	<u>2,378,447</u>
FUND BALANCE, END OF YEAR	<u>\$ 426,238</u>	<u>\$ 88,626</u>	<u>\$ 523</u>	<u>\$ 2,093,325</u>	<u>\$ 2,608,712</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
COMBINING BALANCE SHEET - GENERAL FUND
June 30, 2012

	<u>Educational</u>	<u>Building</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Total</u>
ASSETS					
Cash	\$ 13,627,575	\$ 743,057	\$ 937,515	\$ 58,126	\$ 15,366,273
Other assets	52,193	-	-	-	52,193
Net of allowances for uncollectibles: Property taxes, receivables	<u>4,255,558</u>	<u>369,502</u>	<u>267,096</u>	<u>-</u>	<u>4,892,156</u>
TOTAL ASSETS	<u>\$ 17,935,326</u>	<u>\$ 1,112,559</u>	<u>\$ 1,204,611</u>	<u>\$ 58,126</u>	<u>\$ 20,310,622</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund payable	1,698,304	-	-	-	1,698,304
Deferred revenue	<u>4,255,558</u>	<u>369,502</u>	<u>267,096</u>	<u>-</u>	<u>4,892,156</u>
Total liabilities	<u>5,953,862</u>	<u>369,502</u>	<u>267,096</u>	<u>-</u>	<u>6,590,460</u>
FUND BALANCES					
Unreserved - undesignated	11,981,464	-	-	-	11,981,464
Reserved - project costs	-	743,057	-	58,126	801,183
Reserved - debt service	-	-	937,515	-	937,515
Total fund balances	<u>11,981,464</u>	<u>743,057</u>	<u>937,515</u>	<u>58,126</u>	<u>13,720,162</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,935,326</u>	<u>\$ 1,112,559</u>	<u>\$ 1,204,611</u>	<u>\$ 58,126</u>	<u>\$ 20,310,622</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GENERAL FUND
Year Ended June 30, 2012**

	<u>Educational</u>	<u>Building</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Total</u>
REVENUES					
Local sources:					
Property taxes	\$ 8,587,108	\$ 753,455	\$ 545,170	\$ -	\$ 9,885,733
Payments in lieu of taxes	406,180	-	-	-	406,180
Earnings on investments	204,558	11,204	16,303	985	233,050
Food services	139,609	-	-	-	139,609
Summer school tuition	48,794	-	-	-	48,794
Textbook rentals	66,901	-	-	-	66,901
Other local sources	116,477	11,039	-	-	127,516
	<u>9,569,627</u>	<u>775,698</u>	<u>561,473</u>	<u>985</u>	<u>10,907,783</u>
Total local sources					
State sources	605,095	-	-	-	605,095
Federal sources	207,812	-	-	-	207,812
	<u>10,382,534</u>	<u>775,698</u>	<u>561,473</u>	<u>985</u>	<u>11,720,690</u>
Total revenues					
EXPENDITURES					
Current:					
Instruction	6,002,272	-	-	-	6,002,272
Supporting services	2,026,286	566,166	-	-	2,592,452
Community	1,038,276	-	-	-	1,038,276
Capital outlay	173,970	184,224	-	-	358,194
Debt service	-	-	526,826	-	526,826
	<u>9,240,804</u>	<u>750,390</u>	<u>526,826</u>	<u>-</u>	<u>10,518,020</u>
Total expenditures					
Excess of revenues over expenditures	1,141,730	25,308	34,647	985	1,202,670
FUND BALANCES, BEGINNING OF YEAR					
	<u>10,839,734</u>	<u>717,749</u>	<u>902,868</u>	<u>57,141</u>	<u>12,517,492</u>
FUND BALANCES, END OF YEAR					
	<u>\$ 11,981,464</u>	<u>\$ 743,057</u>	<u>\$ 937,515</u>	<u>\$ 58,126</u>	<u>\$ 13,720,162</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, 2012**

	Budget	Actual
REVENUES		
Local sources:		
Property taxes	\$ 8,733,230	\$ 8,587,108
Payments in lieu of taxes	447,186	406,180
Earnings on investments	175,000	204,558
Food services	140,000	139,609
Activity fees	-	200
Summer school tuition	-	48,794
Textbook rentals	65,000	66,901
Other local sources	95,000	116,277
Total local sources	9,655,416	9,569,627
State sources:		
General state aid	245,000	275,751
Special education	201,000	290,084
Bilingual education	-	32,798
Gifted education	-	5,075
School lunch and breakfast program	1,000	1,387
Total state sources	447,000	605,095
Federal sources:		
Title I - low income	69,218	78,237
School lunch and breakfast program	40,000	58,769
Title II - Teacher quality	15,298	10,354
Title II - English language acquisition	-	29,362
Special education	-	7,530
Other revenue	-	23,560
Total federal sources	124,516	207,812
Total revenues	10,226,932	10,382,534

**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, 2012**

	<u>Budget</u>	<u>Actual</u>
EXPENDITURES		
Current:		
Instruction:		
Regular programs:		
Salaries	3,877,746	3,878,915
Employee benefits	877,000	630,660
Purchased services	32,500	2,640
Supplies	292,850	202,302
Other miscellaneous	<u>12,000</u>	<u>8,550</u>
Total regular programs	<u>5,092,096</u>	<u>4,723,067</u>
Special education programs:		
Salaries	581,923	476,195
Employee benefits	2,200	59,053
Purchased services	2,000	550
Supplies	<u>6,000</u>	<u>4,827</u>
Total special education programs	<u>592,123</u>	<u>540,625</u>
Educationally deprived/remedial programs:		
Salaries	275,810	270,258
Supplies	12,000	1,283
Employee benefits	<u>-</u>	<u>33,727</u>
Total educationally deprived/remedial programs	<u>287,810</u>	<u>305,268</u>
Adult/continuing education programs		
Supplies	<u>-</u>	<u>26,186</u>
Interscholastic programs:		
Salaries	50,000	37,154
Employee benefits	-	658
Supplies	5,000	3,441
Other miscellaneous	<u>5,500</u>	<u>4,950</u>
Total interscholastic programs	<u>60,500</u>	<u>46,203</u>
Summer school:		
Salaries	50,000	43,321
Employee benefits	-	473
Supplies	<u>5,000</u>	<u>4,349</u>
Total summer school	<u>55,000</u>	<u>48,143</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, 2012**

	Budget	Actual
EXPENDITURES (continued)		
Current (continued):		
Gifted:		
Salaries	100,200	102,820
Employee benefits	1,500	1,275
Supplies	1,000	414
Total gifted	102,700	104,509
Bilingual:		
Salaries	173,581	186,322
Employee benefits	104	5,910
Purchased services	1,300	642
Supplies	2,000	5,447
Other miscellaneous	11,000	9,950
Total bilingual	187,985	208,271
Total instruction	6,378,214	6,002,272
Supporting services:		
Attendance and social work services:		
Salaries	119,300	119,218
Employee benefits	700	20,420
Total attendance and social work services	120,000	139,638
Health services:		
Salaries	32,820	32,858
Supplies	1,800	1,056
Total health services	34,620	33,914
Psychological services:		
Salaries	121,750	121,590
Employee benefits	-	7,735
Total psychological services	121,750	129,325
Speech pathology and audiology services:		
Salaries	105,700	108,579
Employee benefits	700	18,002
Supplies	750	626
Total speech pathology and audiology services	107,150	127,207

**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, 2012**

	Budget	Actual
EXPENDITURES (continued)		
Supporting services: (continued)		
Other support services - pupils:		
Supplies	6,500	5,055
Other miscellaneous	5,000	4,765
Total other support services - pupils	11,500	9,820
Improvement of instruction services:		
Employee benefits	40,000	13,550
Purchased services	65,000	33,366
Supplies	5,000	938
Total improvement of instruction services	110,000	47,854
Education media services:		
Salaries	317,349	342,409
Employee benefits	1,500	50,040
Purchased services	40,000	13,226
Supplies	34,000	52,388
Total education media services	392,849	458,063
Computer assisted instruction:		
Purchased services	50,000	57,977
Board of Education services:		
Salaries	67,200	-
Purchased services	94,000	79,731
Supplies	1,000	800
Other miscellaneous	6,000	2,700
Total Board of Education services	168,200	83,231
Executive administration services:		
Salaries	152,640	241,000
Employee benefits	16,200	14,714
Purchased services	10,000	10,144
Supplies	4,000	1,307
Other miscellaneous	3,500	4,397
Total executive administration services	186,340	271,562

**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, 2012**

	<u>Budget</u>	<u>Actual</u>
EXPENDITURES (continued)		
Supporting services: (continued)		
Office of the principal:		
Salaries	238,047	238,048
Employee benefits	1,200	20,885
Purchased services	5,500	3,400
Supplies	5,000	6,513
Other miscellaneous	<u>3,000</u>	<u>1,895</u>
Total office of the principal	<u>252,747</u>	<u>270,741</u>
Direction of business support services:		
Purchased services	<u>35,000</u>	<u>48,736</u>
Fiscal services:		
Salaries	45,750	45,580
Purchased services	<u>47,770</u>	<u>-</u>
Total fiscal services	<u>93,520</u>	<u>45,580</u>
Operations and maintenance:		
Salaries	2,000	5,297
Employee benefits	-	990
Purchased services	<u>45,000</u>	<u>58,255</u>
Total operations and maintenance	<u>47,000</u>	<u>64,542</u>
Pupil transportation		
Employee benefits	<u>-</u>	<u>495</u>
Food services:		
Salaries	129,600	109,714
Purchased services	2,000	3,393
Supplies	120,000	108,218
Other miscellaneous	<u>1,000</u>	<u>2,010</u>
Total food services	<u>252,600</u>	<u>223,335</u>
Information services:		
Purchased services	<u>10,000</u>	<u>14,266</u>
Total supporting services	<u>1,993,276</u>	<u>2,026,286</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, 2012**

	Budget	Actual
EXPENDITURES (continued)		
Community:		
Purchased services	1,000	2,796
Supplies	7,225	5,205
	8,225	8,001
Payments to others:		
Payments to District	835,800	1,030,275
Total community	844,025	1,038,276
Capital outlay:		
Regular programs	5,000	9,586
Health services	250	522
Computer assisted instruction	34,000	74,984
Education media services	45,000	18,914
Executive administration services	2,000	-
Office of the principal	20,000	66,964
Food services	3,000	3,000
Total capital outlay	109,250	173,970
Total expenditures	9,324,765	9,240,804
Excess of revenues over expenditures	\$ 902,167	1,141,730
 FUND BALANCE, BEGINNING OF YEAR		 10,839,734
 FUND BALANCE, END OF YEAR		 \$ 11,981,464

**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, 2012**

	Unaudited Budget	Actual
REVENUES		
Local sources:		
Property taxes	\$ 700,000	\$ 753,455
Earnings on investments	10,000	11,204
Other local sources	3,000	11,039
Total revenues	713,000	775,698
 EXPENDITURES		
Current:		
Supporting services:		
Facilities acquisition and construction:		
Purchased services	25,000	16,468
Operation and maintenance of plant:		
Salaries	181,113	172,257
Employee benefits	31,000	21,076
Purchased services	194,500	179,624
Supplies and materials	232,000	176,741
Total operation and maintenance of plant	638,613	549,698
Total supporting services	663,613	566,166
Capital outlay:		
Facilities acquisition and construction	32,000	25,814
Operation and maintenance of plant:	15,000	158,410
Total capital outlay	47,000	184,224
Total expenditures	710,613	750,390
Excess of revenues over expenditures	\$ 2,387	25,308
 FUND BALANCE, BEGINNING OF YEAR		 717,749
 FUND BALANCE, END OF YEAR		 \$ 743,057

**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, 2012**

	Budget	Actual
REVENUES		
Local sources:		
Property taxes	\$ 533,014	\$ 545,170
Earnings on investments	12,000	16,303
Total revenues	545,014	561,473
 EXPENDITURES		
Debt service:		
Principal retirement	330,000	330,000
Interest	196,826	196,826
Total debt service	526,826	526,826
Excess of revenues over expenditures	\$ 18,188	34,647
 FUND BALANCE, BEGINNING OF YEAR		 902,868
 FUND BALANCE, END OF YEAR		 \$ 937,515

**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, 2012**

	Budget	Actual
REVENUE		
Earnings on investments	\$ (1,000)	\$ 985
EXPENDITURES	-	-
Excess of revenue over expenditures	\$ (1,000)	985
FUND BALANCE, BEGINNING OF YEAR		57,141
FUND BALANCE, END OF YEAR		\$ 58,126

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
TRANSPORTATION FUND
BALANCE SHEET
June 30, 2012**

ASSETS

Cash	\$ 426,238
Property tax receivable (net of allowance for uncollectibles)	<u>147,901</u>
TOTAL ASSETS	<u>\$ 574,139</u>

LIABILITIES AND FUND BALANCE

DEFERRED REVENUE	\$ 147,901
FUND BALANCE	
Unreserved - undesignated	<u>426,238</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 574,139</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, 2012**

	Budget	Actual
REVENUES		
Local sources:		
Property taxes	\$ 300,000	\$ 300,810
Transportation fees	2,000	7,905
Earnings on investments	5,000	7,999
Total local sources	307,000	316,714
State sources:		
Transportation aid	159,000	192,948
Total revenues	466,000	509,662
EXPENDITURES		
Supporting services:		
Salaries	20,000	28,273
Employee benefits	2,400	1,607
Purchased services	442,000	462,855
Total expenditures	464,400	492,735
Excess of revenues over expenditures	\$ 1,600	16,927
FUND BALANCE, BEGINNING OF YEAR		409,311
FUND BALANCE, END OF YEAR		\$ 426,238

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MUNICIPAL RETIREMENT FUND
BALANCE SHEET
June 30, 2012**

ASSETS

Cash	\$ 136,208
Property tax receivable (net of allowance for uncollectibles)	<u>157,807</u>
TOTAL ASSETS	<u>\$ 294,015</u>

LIABILITIES AND FUND DEFICIT

LIABILITIES

Accounts payable	\$ 7,150
Interfund payable	40,432
Deferred revenue	<u>157,807</u>
Total liabilities	205,389

FUND DEFICIT

Reserved for employees' retirement system	<u>88,626</u>
TOTAL LIABILITIES AND FUND DEFICIT	<u>\$ 294,015</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, 2012**

	Budget	Actual
REVENUES		
Property taxes	\$ 320,000	\$ 321,008
Earnings on investments	100	1,255
Total revenues	320,100	322,263
 EXPENDITURES		
Current:		
Instruction:		
Employer's share of retirement system, FICA, and Medicare	119,905	119,261
Supporting services:		
Employer's share of retirement system, FICA, and Medicare	105,095	113,641
Total expenditures	225,000	232,902
Excess of revenues over expenditures	\$ 95,100	89,361
 FUND DEFICIT, BEGINNING OF YEAR		 (735)
 FUND DEFICIT, END OF YEAR		 \$ 88,626

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
LIFE SAFETY FUND
BALANCE SHEET
June 30, 2012**

ASSETS

Cash	<u>\$ 523</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES	\$ -
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FUND BALANCE

Unreserved - undesignated	<u>523</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 523</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, 2012**

	Budget	Actual
REVENUES		
Earnings on investments	\$ (50)	\$ 9
EXPENDITURES		
Excess of revenue over expenditures	\$ (50)	9
FUND BALANCE, BEGINNING OF YEAR		514
FUND BALANCE, END OF YEAR		\$ 523

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
WORKING CASH FUND
BALANCE SHEET
June 30, 2012**

ASSETS

Cash	\$ 354,589
Property tax receivable (net of allowance for uncollectibles)	46,147
Interfund receivable	<u>1,738,736</u>
TOTAL ASSETS	<u>\$ 2,139,472</u>

LIABILITIES AND FUND BALANCE

DEFERRED REVENUE	\$ 46,147
FUND BALANCE	
Unreserved - undesignated	<u>2,093,325</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,139,472</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, 2012**

	Budget	Actual
REVENUE		
Property taxes	\$ (100,000)	\$ 91,880
Earnings on investments	(2,000)	32,088
Total revenue	(102,000)	123,968
 EXPENDITURES		
	-	-
Excess of revenue over expenditures	\$ (102,000)	123,968
 FUND BALANCE, BEGINNING OF YEAR		 1,969,357
 FUND BALANCE, END OF YEAR		 \$ 2,093,325

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
AGENCY FUND - ACTIVITY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
ASSETS				
Cash	\$ 47,048	\$ 105,377	\$ 111,158	\$ 41,267
LIABILITIES				
Due to organizations - Student Activity Funds	\$ 47,048	\$ 105,377	\$ 111,158	\$ 41,267

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
AGENCY FUND - ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES
Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
STUDENT ACTIVITY FUNDS				
Student Activity Fund	\$ 22,650	\$ 104,575	\$ 105,106	\$ 22,119
Activity Fund - Science Olympiad	<u>9,327</u>	<u>645</u>	<u>4,255</u>	<u>5,717</u>
Total student activity funds	31,977	105,220	109,361	27,836
OTHER AGENCY FUNDS				
Stix Memorial Fund	<u>15,071</u>	<u>157</u>	<u>1,797</u>	<u>13,431</u>
TOTAL AGENCY AND ACTIVITY FUNDS	<u>\$ 47,048</u>	<u>\$ 105,377</u>	<u>\$ 111,158</u>	<u>\$ 41,267</u>