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

**FINANCIAL STATEMENTS AND
OTHER INFORMATION
June 30, 2015**

Wealth Advisory

Outsourcing

Audit, Tax, and Consulting



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Morton Grove Public School District No. 70 (the "District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining the modified cash basis of accounting is an acceptable basis for the preparation of the basic financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position - modified cash basis thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1 of the basic financial statements.

Basis of Accounting

We draw attention to Note 1 of the basic financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The management's discussion and analysis, budgetary compensation for General Fund, combining and individual fund financial statements, and agency fund activity schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statement and agency fund activity schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. We have applied certain limited procedures to Management's Discussion and Analysis and Budgetary Comparison Schedule for General Fund 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 to management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Oak Brook, Illinois
December 2, 2015

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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, 2015 and should be read in conjunction with the audited financial statements.

Financial Highlights

Key financial highlights for the year ended June 30, 2015 (rounded to thousands) are as follows:

- Revenues increased \$118,000 and expenses increased \$995,000 in all combined funds from 2014 levels. Property taxes accounted for approximately 75% of total revenues. Property taxes increased approximately \$300,000.
- For the year ended June 30, 2015, local revenue sources accounted for 80% of total revenue. State and federal revenue sources were 19% and 1%, respectively.
- Among major funds, the General Fund, which includes the Educational Fund, the Building Fund, and the Working Cash Fund, had \$14,400,000 in revenues and \$13,162,000 in expenditures. The General Fund's fund balance increased \$677,000 from 2014. The 2015 budget projected an increase of \$786,000.
- The District's total net position increased by \$1,269,000.

Using this Report

These audited financial statements consist of several different types of statements as well as notes to those statements. The statements are presented so as to report on the District as an entire entity as well as providing a detailed look at specific financial activities in major funds.

The Statement of Net Position - Modified Cash Basis and Statement of Activities - Modified Cash Basis provide information about the activities of the District in total. Governmental fund financial statements provide the next level of detail by presenting the District's most significant funds as well as all other non-major funds in a combining statement. For the District, the General Fund is the most significant fund.

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.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

1. Government-wide financial statements

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

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

The Statement of Activities - Modified Cash Basis presents information showing how the District's net position changed during the most recent fiscal year. The 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 3 and 4 of this report.

2. 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 Fund.

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 Funds - Statement of Assets and Liabilities Arising From Cash Transactions and the Governmental Funds - Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)**

The District maintains eight individual Governmental Fund: (the Educational, including Tort, Building, and Working Cash Fund comprise the General Fund). Information is presented separately in the Governmental Funds - Statement of Assets and Liabilities Arising From Cash Transactions and in the Governmental Fund Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances for the General Fund and Capital Projects Fund, which are the only major funds. 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 other information in this report.

The basic Governmental Funds financial statements can be found on pages 5 and 7.

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 statements because the resources of those funds are not available to support the District's own programs.

The basic Fiduciary Fund financial statements can be found on page 9 of this report.

3. 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 10 through 24 of this report.

Other information - In addition to the financial statements and accompanying notes, this report also presents certain other information concerning the District's adopted annual appropriated budget for all of its governmental funds. A budgetary comparison statement has also been provided for the General Fund as other information to demonstrate compliance with these budgets.

Government-wide financial analysis

The Statement of Net Position - Modified Cash Basis and the Statement of Activities - Modified Cash Basis report combined school district activities. These statements include all the District's fund assets and liabilities and report the net position and the change in net position. The change in net position 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, 2015, the net position of the District increased by \$1,269,000 from the previous year.

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)**

Below is a summary of the District's net position (rounded to thousands) for 2015 and 2014:

Assets	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 19,786,000	\$ 19,007,000
Capital assets, net	<u>13,778,000</u>	<u>11,430,000</u>
Total assets	<u>33,564,000</u>	<u>32,785,000</u>
Liabilities		
Bonds payable – current	515,000	490,000
Bonds payable - long-term	<u>5,810,000</u>	<u>6,325,000</u>
Total liabilities	<u>6,325,000</u>	<u>6,815,000</u>
Net position		
Net investment in capital assets	7,453,000	4,615,000
Restricted for employees' retirement system	358,000	263,000
Restricted for debt services	1,054,000	1,008,000
Restricted for tort	86,000	45,000
Unrestricted	<u>18,288,000</u>	<u>20,039,000</u>
Total net position	<u>\$27,239,000</u>	<u>\$25,970,000</u>

Cash and cash equivalents totaled \$19,786,000, an increase of \$779,000 from 2014.

Capital assets, net of depreciation, were \$13,778,000 as of June 30, 2015. This was an increase of \$2,348,000 from 2014. Total additions to capital assets during 2015 were \$2,962,000 and were offset by depreciation expense of \$614,000. Specifically, building improvements totaled \$2,606,000 of the increase in additions.

The change in net position can also be shown from the change in revenue collected, less expenses paid, (rounded to thousands) as shown below:

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)**

Revenue Collected	<u>2015</u>	<u>2014</u>
Program revenues:		
Charges for services	\$ 455,000	\$ 426,000
Operating grants and contributions	<u>2,780,000</u>	<u>3,028,000</u>
Total program revenues	<u>3,235,000</u>	<u>3,454,000</u>
General revenues:		
Property taxes	11,867,000	11,562,000
State aid	420,000	393,000
Interest and investment earnings	<u>404,000</u>	<u>399,000</u>
Total general revenues	<u>12,691,000</u>	<u>12,354,000</u>
Total revenue collected	<u>15,926,000</u>	<u>15,808,000</u>
Expenses Paid		
Instruction	9,094,000	8,647,000
Support services	3,598,000	3,622,000
Other	<u>1,965,000</u>	<u>1,393,000</u>
Total expenses paid	<u>14,657,000</u>	<u>13,662,000</u>
Change in net position	1,269,000	2,146,000
Beginning net position	<u>25,970,000</u>	<u>23,824,000</u>
Ending net position	<u>\$ 27,239,000</u>	<u>\$ 25,970,000</u>

Reporting the School District's Most Significant Funds

The Governmental Funds - Statement of Assets and Liabilities Arising From Cash Transactions and the Governmental Funds - Statement of Revenues Collected, Expenditures Paid, 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 (including Tort), Building Account and Working Cash 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 75% of all expenditures occur in the General Fund.

Other Governmental Funds include activity related to the Debt Service Fund, Transportation Fund, Illinois Municipal Retirement Fund, and the Life Safety Fund.

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)**

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 Fund is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a district's net resources available for spending at the end of the fiscal year.

The following schedule presents the General Fund revenues collected (rounded to thousands) in 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Property taxes and payments in lieu of taxes	\$ 10,569,000	\$ 10,300,000
Earnings on investments	360,000	339,000
Food services	121,000	136,000
Pupil activities	140,000	68,000
Other local sources	193,000	218,000
State sources	2,800,000	3,011,000
Federal sources	<u>216,000</u>	<u>184,000</u>
Total General Fund	<u>\$ 14,399,000</u>	<u>\$ 14,256,000</u>

The following schedule presents the General Fund expenditures paid (rounded to thousands) in 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Instruction	\$ 8,968,000	\$ 8,522,000
Support services	2,811,000	2,878,000
Capital outlay	263,000	305,000
Community	<u>1,120,000</u>	<u>701,000</u>
Total General Fund expenditures	<u>\$ 13,162,000</u>	<u>\$ 12,406,000</u>

Capital Assets

At June 30, 2015, the District had \$13,778,000 invested in capital assets, which includes land, land improvements, buildings and improvements, and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of \$2,348,000 from last year. Capital expenditures totaling \$2,962,000 consisted mainly of equipment purchases and building improvements. Depreciation expense for the year was \$614,000. See Note 5 to the financial statements for additional information.

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)**

Debt

At June 30, 2015, the District had the following debt outstanding:

- \$3,630,000 - Tax School Bonds, Series 2005
- \$2,695,000 - Tax School Bonds, Series 2014

See Note 6 to the financial statements for debt maturities.

Budgetary Highlights

In September 2014, the Illinois State Board of Education adopted the fiscal year 2014-15 budget for the General Fund budget that reflected total revenues of \$11,735,000 and total expenditures of \$11,573,000. Excess revenues totaling \$161,000 was projected. Actual General Fund revenues collected for fiscal year 2015 were \$14,399,000 and expenditures were \$13,162,000.

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 POSITION - MODIFIED CASH BASIS
June 30, 2015

ASSETS

Cash and cash equivalents	\$ 19,786,514
Capital assets, net of accumulated depreciation	<u>13,778,155</u>

TOTAL ASSETS 33,564,669

LIABILITIES

Current liabilities	
Bonds payable - current portion	515,000
Long-term liabilities	
Bonds payable - long-term	<u>5,810,000</u>

TOTAL LIABILITIES 6,325,000

NET POSITION

Net investment in capital assets	7,453,155
Restricted for employees' retirement system	358,402
Restricted for debt service	1,053,624
Restricted for tort	86,272
Unrestricted	<u>18,288,216</u>

TOTAL NET POSITION \$ 27,239,669

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

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
Year Ended June 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
Instruction - regular programs	\$ 5,238,947	\$ -	\$ -	\$ (5,238,947)
Instruction - special education	800,770	-	187,921	(612,849)
Instruction - other	3,054,736	-	2,190,798	(863,938)
Support services - student based	599,339	38,068	401,422	(159,849)
Support services - non-student based	2,999,144	416,994	-	(2,582,150)
Community	1,119,906	-	-	(1,119,906)
Interest on long-term debt	230,682	-	-	(230,682)
Depreciation - unallocated	613,651	-	-	(613,651)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 14,657,175</u>	<u>\$ 455,062</u>	<u>\$ 2,780,141</u>	<u>(11,421,972)</u>
General revenues:				
Taxes:				
				11,867,278
				420,101
				<u>403,738</u>
			Total general revenues	<u>12,691,117</u>
CHANGE IN NET POSITION				1,269,145
NET POSITION - BEGINNING OF YEAR,				<u>25,970,524</u>
NET POSITION - ENDING OF YEAR				<u>\$ 27,239,669</u>

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

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
GOVERNMENTAL FUNDS
June 30, 2015

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 17,899,557	\$ 7,681	\$ 1,879,276	\$ 19,786,514
Interfund receivable	40,432	-	-	40,432
TOTAL ASSETS	<u>\$ 17,939,989</u>	<u>\$ 7,681</u>	<u>\$ 1,879,276</u>	<u>\$ 19,826,946</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Interfund payable	\$ -	\$ -	\$ 40,432	\$ 40,432
Total liabilities	<u>-</u>	<u>-</u>	<u>40,432</u>	<u>40,432</u>
FUND BALANCES				
Restricted for:				
Tort	86,272	-	-	86,272
Employees retirement system	-	-	358,402	358,402
Debt service	-	-	1,053,624	1,053,624
Assigned to:				
Building	1,221,847	-	-	1,221,847
Working cash	2,419,273	-	-	2,419,273
Transportation	-	-	426,267	426,267
Capital projects	-	7,681	-	7,681
Life safety	-	-	551	551
Unassigned	<u>14,212,597</u>	<u>-</u>	<u>-</u>	<u>14,212,597</u>
Total fund balances	<u>17,939,989</u>	<u>7,681</u>	<u>1,838,844</u>	<u>19,786,514</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,939,989</u>	<u>\$ 7,681</u>	<u>\$ 1,879,276</u>	<u>\$ 19,826,946</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 ASSETS
AND LIABILITIES ARISING FROM CASH TRANSACTIONS TO THE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
June 30, 2015**

Total fund balances - governmental funds		\$ 19,786,514
Amounts reported for governmental activities in the Statement of Net Position 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	\$ 21,864,253	
Accumulated depreciation	<u>(8,086,098)</u>	13,778,155
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
		<u>(6,325,000)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 27,239,669</u>

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

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
STATEMENT OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUE COLLECTED				
Property taxes	\$ 10,097,786	\$ -	\$ 1,298,079	\$ 11,395,865
Payments in lieu of taxes	471,413	-	-	471,413
Transportation fees	-	-	813	813
Earnings on investments	360,266	5,301	38,171	403,738
Food services	121,446	-	-	121,446
Textbook rentals	102,489	-	-	102,489
Summer school tuition	37,255	-	-	37,255
Other local sources	193,059	-	-	193,059
State sources	2,799,425	21,701	162,684	2,983,810
Federal sources	216,432	-	-	216,432
	<u>14,399,571</u>	<u>27,002</u>	<u>1,499,747</u>	<u>15,926,320</u>
EXPENDITURES PAID				
Instruction - regular programs	5,238,947	-	-	5,238,947
Instruction - special education	800,770	-	-	800,770
Instruction - other	2,928,801	-	125,935	3,054,736
Support services - student based	599,339	-	-	599,339
Support services - non-student based	2,211,885	31,233	756,026	2,999,144
Community	1,119,906	-	-	1,119,906
Capital outlay	262,802	2,699,001	-	2,961,803
Debt service	-	-	720,682	720,682
	<u>13,162,450</u>	<u>2,730,234</u>	<u>1,602,643</u>	<u>17,495,327</u>
Net change in fund balance before other financing sources (uses)	1,237,121	(2,703,232)	(102,896)	(1,569,007)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	362,000	198,406	560,406
Transfers to other funds	(560,406)	-	-	(560,406)
	<u>(560,406)</u>	<u>362,000</u>	<u>198,406</u>	<u>-</u>
Net change in fund balance	676,715	(2,341,232)	95,510	(1,569,007)
FUND BALANCE, BEGINNING OF YEAR	<u>17,263,274</u>	<u>2,348,913</u>	<u>1,743,334</u>	<u>21,355,521</u>
FUND BALANCE, END OF YEAR	<u>\$ 17,939,989</u>	<u>\$ 7,681</u>	<u>\$ 1,838,844</u>	<u>\$ 19,786,514</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 REVENUE COLLECTED, EXPENDITURES PAID, AND CHANGES IN FUND
BALANCES WITH THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
Year Ended June 30, 2015**

Total net change in fund balances - governmental funds \$ (1,569,007)

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

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	\$ 2,961,803	
Depreciation expense	<u>(613,651)</u>	2,348,152

Repayments of bond principal are expenditures in the
governmental funds, but the repayment reduces
long-term debt in the Statement of Net Position.

490,000

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,269,145

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

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
June 30, 2015

ASSETS

Cash	<u>\$ 47,059</u>
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LIABILITIES

Due to organizations	<u>\$ 47,059</u>
----------------------	------------------

NET POSITION

<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, 2015

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 school 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 accounting principles generally accepted in the United States of America 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 the applicable accounting standards. 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 Position - Modified Cash Basis and the Statement of Activities - Modified Cash Basis) 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 - Modified Cash Basis 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, 2015

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 modified cash basis of accounting. Revenues are recorded when the cash is received and expenses are recorded when they are paid. Capital assets and long-term debt are recognized on an economic resources measurement focus.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified cash basis of accounting. Revenues are recognized when the cash is received. Expenditures are recorded when they are paid.

The District reports the following major governmental funds:

General Fund - The Educational, Building, and Working Cash 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. This also includes the Tort Account, which had limited activity.

The Building Account includes the cost of maintaining, improving, or repairing school buildings and property.

The Working Cash Account is used to account for financial resources held by the District which may be temporarily loaned to other funds.

Capital Projects Fund - The Capital Projects Fund 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, 2015

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 fiduciary fund type:

Agency Fund - The Agency Fund is 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.

(d) Assets, Liabilities, and Equity

Deposits and Investments

The District's cash and cash equivalents are comprised of cash on hand and demand deposits. Cash of the District is 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.

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.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

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

(d) Assets, Liabilities, and Equity (Continued)

Capital Assets (continued)

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

	<u>Years</u>
Buildings and improvements	20 - 50
Vehicles	5
Computer equipment	5
Equipment	10
Furniture and fixtures	10

Long-Term Debt

In the Government-wide Financial Statements, long-term debt is reported as liabilities in the Statement of Net Position.

In the Fund Financial Statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources at the date received. Payments on debt principal are recorded as an expenditure.

Fund Balance Classification: GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Non-spendable: This classification includes amounts that cannot be spend because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact. The District did not have any non-spendable resources as of June 30, 2015.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

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

(d) Assets, Liabilities, and Equity (Continued)

Fund Balance (Continued)

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified the state and federal grants as being restricted because their use is restricted by granting agencies. The District has also considered various taxes as being restricted because their use is restricted by state laws and regulations.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Illinois State Board of Education. These amounts cannot be used for any other purpose unless the Illinois State Board of Education removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of June 30, 2015.
- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Illinois State Board of Education or through the Illinois State Board of Education delegating this responsibility to the District's management through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes the residual fund for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

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

(d) Assets, Liabilities, and Equity (Continued)

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net positions are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The District first applied restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

(e) Use of Estimates in Preparing Financial Statements

The preparation of financial statements require 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 collected, expenditures paid, 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 financial statements:

- 1) Prior to July 1, the superintendent submits to the board 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. 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, 2015

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

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

Budgetary Data (continued)

- 4) The board 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 after following the public hearing procedures mandated by law. The budget, as reflected in this report, represents the original budget.
- 5) All appropriation lapse at the end of each fiscal year.

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.

Applicable current year (2014 and 2013 levies) tax rates as well as maximum tax rates are as follows:

	<u>Rate Per \$100 Assessed Valuation</u>		
	<u>2014 Levy</u>	<u>2013 Levy</u>	<u>Maximum</u>
Educational	3.0419	3.4328	3.5000
Building	.3914	.3416	.5500
Transportation	.1485	.1486	As needed
Illinois Municipal Retirement Fund	.0686	.0687	As needed
Social Security	.0686	.0687	As needed
Bond and Interest	.2074	.2109	As needed
Tort Immunity	.0293	.0000	As needed
Working Cash	.0393	.0394	.0500
Special Education	<u>.3482</u>	<u>.0394</u>	.4000
Total	<u><u>4.3432</u></u>	<u><u>4.3501</u></u>	

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 3 - DEPOSITS

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that all amounts deposited or invested with financial institutions in excess of any insurance limit be collateralized in accordance with the Public Fund Investment Act of ILCS2351. The market value of the pledged securities should equal or exceed the portion of the deposit requiring collateralization. A majority of the District's deposits are in the custody of Niles Township Treasurer, the Township ensures all funds are covered by FDIC or are fully collateralized.

As of June 30, 2015, the District's bank balances of \$19,899,015 were fully insured or collateralized. The carrying amount of these deposits was \$19,786,514 as of June 30, 2015.

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, 2015

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions and Reclassifications</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 185,220	\$ -	\$ -	\$ 185,220
Capital assets being depreciated:				
Buildings and improvements	16,025,726	2,606,137	-	18,631,863
Equipment	908,395	96,242	-	1,004,637
Computer equipment	1,570,702	195,048	-	1,765,750
Furniture and fixtures	157,537	64,376	-	221,913
Vehicles	54,870	-	-	54,870
Total capital assets being depreciated	<u>18,717,230</u>	<u>2,961,803</u>	<u>-</u>	<u>21,679,033</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,647,510)	(403,124)	-	(6,050,634)
Equipment	(592,691)	(34,714)	-	(627,405)
Computer equipment	(1,069,042)	(155,704)	-	(1,224,746)
Furniture and fixtures	(127,805)	(14,546)	-	(142,351)
Vehicles	(35,399)	(5,563)	-	(40,962)
Total accumulated depreciation	<u>(7,472,447)</u>	<u>(613,651)</u>	<u>-</u>	<u>(8,086,098)</u>
Total	<u>\$ 11,430,003</u>	<u>\$ 2,348,152</u>	<u>\$ -</u>	<u>\$ 13,778,155</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%.

The Tax School Bonds, Series 2014, were an original issue of \$2,820,000, dated April 10, 2014, providing for serial retirement of principal on December 1, beginning in 2014, and interest payable on June 1 and December 1 of each year at a rate of 1.0% to 2.80%.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Tax School Bonds (Continued)

At June 30, 2015, the annual cash flow requirements of debt principal and interest for the Tax School Bonds, Series 2005, were as follows:

<u>Year Ending June 30,</u>	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>
Total		<u>\$ 3,630,000</u>	<u>\$ 651,860</u>	<u>\$ 4,281,860</u>

At June 30, 2015, the annual cash flow requirements of debt principal and interest for the Tax School Bonds, Series 2014 were as follows:

<u>Years Ending June 30</u>	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	2.000%	\$ 135,000	\$ 63,595	\$ 198,595
2017	2.000%	140,000	60,895	200,895
2018	2.000%	140,000	58,095	198,095
2019	2.000%	145,000	55,295	200,295
2020	2.000%	375,000	52,395	427,395
2021	2.250%	380,000	44,895	424,895
2022	2.500%	390,000	36,345	426,345
2023	2.500%	320,000	26,595	346,595
2024	2.750%	330,000	18,595	348,595
2025	2.800%	<u>340,000</u>	<u>9,520</u>	<u>349,520</u>
Total		<u>\$ 2,695,000</u>	<u>\$ 426,225</u>	<u>\$ 3,121,225</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

Long-term liabilities activity for the year ended June 30, 2015, 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	<u>\$6,815,000</u>	<u>\$ -</u>	<u>\$ (490,000)</u>	<u>\$6,325,000</u>	<u>\$ 515,000</u>

Legal Debt Margin

The legal debt margin of the District at June 30, 2015 is as follows:

Assessed valuation 2014	<u>\$ 268,322,229</u>
Statutory debt limitation (6.9% of assessed valuation)	\$ 18,514,234
Less total debt	<u>6,325,000</u>
Legal debt margin	<u>\$ 12,189,234</u>

NOTE 7 - OTHER REQUIRED DISCLOSURES

Interfund Receivables/Payables and Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods, without equivalent flows of assets in return. Interfund borrowings are reflected as "Interfund Receivables/Payables" on the accompanying financial statements.

The following were outstanding borrowings at June 30, 2015:

- Educational Account owes Working Cash Account \$1,698,304.
- Municipal Retirement/Social Security Fund owes Working Cash Account \$40,432.

Interfund transfers made during the year ended June 30, 2015 were as follows:

- Educational Account transferred \$362,000 to Capital Projects Fund.
- Building Fund transferred \$198,406 to Debt Services Fund.

These transfers were made in order to pay for building improvements and payments on bonds.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 7 - OTHER REQUIRED DISCLOSURES (CONTINUED)

Excess of Total Expenditures Over Budget in Individual Funds

The following funds reflected an excess of expenditures over budget for the year ended June 30, 2015:

	<u>Budget</u>	<u>Actual</u>	<u>Overage</u>
General Fund	\$ 11,573,358	\$ 13,162,450	\$ 1,589,092
Transportation	576,570	608,828	32,258
Debt Services	526,000	720,682	194,682
Municipal Retirement/Social Security	272,580	273,133	553

Deficit Fund Balances of Individual Funds

There were no deficit fund balances in individual funds at June 30, 2015.

NOTE 8 - RETIREMENT COMMITMENTS

The District participates in two retirement systems: The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). 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.

Teachers' Retirement System of the State of Illinois

TRS provides retirement, disability, and death benefits. 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, 2015 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. The active member contribution rate was also 9.4% for the years ended June 30, 2014 and 2013.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 - RETIREMENT COMMITMENTS (CONTINUED)

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

On-behalf Contributions - The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2015, the state of Illinois contributions were based on 33.00% of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$2,049,347 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2014 and 2013, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 35.41% (\$2,136,338) and 28.05% (\$1,635,564), respectively.

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

2.2 Formula Contributions – Employers contribute 0.58 percent of total creditable earnings for 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2015 were \$36,019. Contributions for the years ended June 30, 2014 and June 30, 2013 were \$34,974, and \$33,819, respectively.

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. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2015, the employer pension contribution was 33% of salaries paid from federal and special trust funds. For the years ended June 30, 2014 and June 30, 2013, the employer pension contribution was 35.41% and 28.05% of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2015, salaries totaling \$14,590 were paid from federal and special trust funds that required employer contributions of \$4,815. For the years ended June 30, 2014 and June 30, 2013, required employer contributions were \$2,889 and \$0, respectively.

Early Retirement Option - The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member. The maximum employer payment of 146.5 percent 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, 2015, the District paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2014 and June 30, 2013, the District paid \$-0- in employer ERO contributions, respectively.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 - RETIREMENT COMMITMENTS (CONTINUED)

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

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, the District paid \$-0- to TRS for employer contributions due on salary increases in excess of 6 percent and \$-0- for sick leave days granted in excess of normal allotment. For the years ended June 30, 2014 and June 30, 2013, the District paid \$-0- to TRS for employer contributions due on salary increases in excess of 6 percent, respectively, and \$-0- for sick leave allotment.

Further Information on TRS - TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794, or by calling (888)877-0890, option 2.

Teacher Health Insurance Security

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post employment health care plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 - RETIREMENT COMMITMENTS (CONTINUED)

Teacher Health Insurance Security (Continued)

The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year.

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$63,343, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2014 and June 30, 2013 were 0.97 percent and 0.92 percent of pay, respectively. State contributions on behalf of employees were \$58,522 and \$53,644, respectively.

Employer Contributions to THIS Fund. The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.76 percent during the year ended June 30, 2015, and 0.72 and 0.69 percent during the years ended June 30, 2014 and June 30, 2013, respectively. For the year ended June 30, 2015, the District paid \$47,197 to the THIS Fund. For the years ended June 30, 2014 and June 30, 2013, the District paid \$43,439 and \$40,233, respectively, which was 100 percent of the required contribution.

Further Information on THIS Fund. The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 - RETIREMENT COMMITMENTS (CONTINUED)

Illinois Municipal Retirement Fund

Defined Benefit 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 online at www.imrf.org.

Funding Policy. As set by statute, District regular plan members are required to contribute 4.50 percent 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 2014 used by the District was 14.80 percent. 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.

Contributions Made. The District contributed \$121,660 for calendar year 2014. The amounts contributed for calendar years 2013 and 2012 were \$108,010 and \$97,424, respectively.

The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% 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.

NOTE 9 - 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. To ensure against these losses, the District carries 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, 2015, there were no significant reductions in coverage.

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

OTHER INFORMATION

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
STATEMENT OF REVENUE COLLECTED, EXPENDITURES PAID, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2015
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUE COLLECTED			
Property taxes	\$ 9,897,304	\$ 9,897,304	\$ 10,097,786
Payments in lieu of taxes	450,000	450,000	471,413
Earnings on investments	162,800	162,800	360,266
Food services	122,000	122,000	121,446
Textbook rentals	65,000	65,000	102,489
Summer school tuition	50,000	50,000	37,255
Other local sources	147,000	147,000	193,059
State sources	660,215	660,215	2,799,425
Federal sources	180,500	180,500	216,432
	<u>11,734,819</u>	<u>11,734,819</u>	<u>14,399,571</u>
Total revenue collected			
EXPENDITURES PAID			
Instruction - regular programs	5,318,922	5,318,922	5,238,947
Instruction - special education	780,190	780,190	800,770
Instruction - other	893,626	893,626	2,928,801
Support services - student based	596,364	596,364	599,339
Support services - non-student based	2,725,506	2,725,506	2,211,885
Community	857,500	857,500	1,119,906
Capital outlay	401,250	401,250	262,802
	<u>11,573,358</u>	<u>11,573,358</u>	<u>13,162,450</u>
Total expenditures paid			
Net change in fund balance before other financing uses	<u>161,461</u>	<u>161,461</u>	<u>1,237,121</u>
OTHER FINANCING USES			
Transfers to other funds	<u>-</u>	<u>(1,000,000)</u>	<u>(560,406)</u>
Net change in fund balance	<u>\$ 161,461</u>	<u>\$ (838,539)</u>	<u>676,715</u>
FUND BALANCE, BEGINNING OF YEAR			<u>17,263,274</u>
FUND BALANCE, END OF YEAR			<u>\$ 17,939,989</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
COMBINING STATEMENT OF ASSETS AND LIABILITIES ARISING FROM
CASH TRANSACTIONS - OTHER NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

ASSETS	Debt Service	Transportation	Illinois Municipal Retirement	Life Safety	Total
Cash	\$ 1,053,624	\$ 426,267	\$ 398,834	\$ 551	\$ 1,879,276
TOTAL ASSETS	\$ 1,053,624	\$ 426,267	\$ 398,834	\$ 551	\$ 1,879,276
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Interfund payable	\$ -	\$ -	\$ 40,432	\$ -	\$ 40,432
Total liabilities	-	-	40,432	-	40,432
FUND BALANCES					
Restricted for:					
Employees' retirement system	-	-	358,402	-	358,402
Debt service	1,053,624	-	-	-	1,053,624
Assigned to:					
Transportation	-	426,267	-	-	426,267
Life Safety	-	-	-	551	551
Total fund balances	1,053,624	426,267	358,402	551	1,838,844
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,053,624	\$ 426,267	\$ 398,834	\$ 551	\$ 1,879,276

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
COMBINING STATEMENT OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCES - OTHER NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	Debt Service	Transportation	Illinois Municipal Retirement	Life Safety	Total
REVENUE COLLECTED					
Local sources:					
Property taxes	\$ 547,822	\$ 390,121	\$ 360,136	\$ -	\$ 1,298,079
Transportation fees	-	813	-	-	813
Earnings on investments	<u>20,537</u>	<u>9,762</u>	<u>7,862</u>	<u>10</u>	<u>38,171</u>
Total local sources	568,359	400,696	367,998	10	1,337,063
State sources - transportation aid	<u>-</u>	<u>162,684</u>	<u>-</u>	<u>-</u>	<u>162,684</u>
Total revenue collected	<u>568,359</u>	<u>563,380</u>	<u>367,998</u>	<u>10</u>	<u>1,499,747</u>
EXPENDITURES PAID					
Current:					
Instruction	-	-	125,935	-	125,935
Supporting services	-	608,828	147,198	-	756,026
Capital Outlay	-	-	-	-	-
Debt service	<u>720,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>720,682</u>
Total expenditures paid	<u>720,682</u>	<u>608,828</u>	<u>273,133</u>	<u>-</u>	<u>1,602,643</u>
Net change in fund balances before other financing sources	(152,323)	(45,448)	94,865	10	(102,896)
OTHER FINANCING SOURCES					
Transfer from other funds	<u>198,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,406</u>
Net change in fund balance	46,083	(45,448)	94,865	10	95,510
FUND BALANCE, BEGINNING OF YEAR	<u>1,007,541</u>	<u>471,715</u>	<u>263,537</u>	<u>541</u>	<u>1,743,334</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,053,624</u>	<u>\$ 426,267</u>	<u>\$ 358,402</u>	<u>\$ 551</u>	<u>\$ 1,838,844</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
GENERAL FUND
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2015**

	<u>Educational</u>	<u>Building</u>	<u>Working Cash</u>	<u>Total</u>
ASSETS				
Cash	\$ 15,997,173	\$ 1,221,847	\$ 680,537	\$ 17,899,557
Interfund receivable (payable)	<u>(1,698,304)</u>	<u>-</u>	<u>1,738,736</u>	<u>40,432</u>
TOTAL ASSETS	<u>\$ 14,298,869</u>	<u>\$ 1,221,847</u>	<u>\$ 2,419,273</u>	<u>\$ 17,939,989</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES				
Restricted - Tort	86,272	-	-	86,272
Assigned to building	-	1,221,847	-	1,221,847
Assigned to working cash	-	-	2,419,273	2,419,273
Unassigned	<u>14,212,597</u>	<u>-</u>	<u>-</u>	<u>14,212,597</u>
Total fund balances	<u>14,298,869</u>	<u>1,221,847</u>	<u>2,419,273</u>	<u>17,939,989</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 14,298,869</u>	<u>\$ 1,221,847</u>	<u>\$ 2,419,273</u>	<u>\$ 17,939,989</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
GENERAL FUND
COMBINING STATEMENT OF REVENUE COLLECTED, EXPENDITURES PAID,
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2015

	<u>Educational</u>	<u>Building</u>	<u>Working Cash</u>	<u>Total</u>
REVENUE COLLECTED				
Local sources:				
Property taxes	\$ 9,028,838	\$ 965,754	\$ 103,194	\$ 10,097,786
Payments in lieu of taxes	471,413	-	-	471,413
Earnings on investments	324,740	23,493	12,033	360,266
Food services	121,446	-	-	121,446
Summer school tuition	37,255	-	-	37,255
Textbook rentals	102,489	-	-	102,489
Other local sources	<u>133,350</u>	<u>59,709</u>	<u>-</u>	<u>193,059</u>
Total local sources	10,219,531	1,048,956	115,227	11,383,714
State sources	2,799,425	-	-	2,799,425
Federal sources	<u>216,432</u>	<u>-</u>	<u>-</u>	<u>216,432</u>
Total revenue collected	<u>13,235,388</u>	<u>1,048,956</u>	<u>115,227</u>	<u>14,399,571</u>
EXPENDITURES PAID				
Current:				
Instruction	8,968,518	-	-	8,968,518
Supporting services	2,224,670	586,554	-	2,811,224
Community	1,119,906	-	-	1,119,906
Capital outlay	<u>174,592</u>	<u>88,210</u>	<u>-</u>	<u>262,802</u>
Total expenditures paid	<u>12,487,686</u>	<u>674,764</u>	<u>-</u>	<u>13,162,450</u>
Net change in fund balance before other finance uses	747,702	374,192	115,227	1,237,121
OTHER FINANCING USES				
Transfer to other funds	<u>(362,000)</u>	<u>(198,406)</u>	<u>-</u>	<u>(560,406)</u>
Total other sources of funds	<u>(362,000)</u>	<u>(198,406)</u>	<u>-</u>	<u>(560,406)</u>
Net change in fund balance	385,702	175,786	115,227	676,715
FUND BALANCES, BEGINNING OF YEAR				
	<u>13,913,167</u>	<u>1,046,061</u>	<u>2,304,046</u>	<u>17,263,274</u>
FUND BALANCES, END OF YEAR				
	<u>\$ 14,298,869</u>	<u>\$ 1,221,847</u>	<u>\$ 2,419,273</u>	<u>\$ 17,939,989</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2015**

ASSETS

Cash	<u>\$ 15,997,173</u>
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LIABILITIES AND FUND BALANCE

INTERFUND PAYABLE	\$ 1,698,304
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FUND BALANCE

Restricted - Tort	86,272
Unassigned	<u>14,212,597</u>

Total fund balances	<u>14,298,869</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 15,997,173</u>
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MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
STATEMENT OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
REVENUE COLLECTED			
Local sources:			
Property taxes	\$ 8,868,390	\$ 8,868,390	\$ 9,028,838
Payments in lieu of taxes	450,000	450,000	471,413
Earnings on investments	150,000	150,000	324,740
Food services	122,000	122,000	121,446
Summer school tuition	50,000	50,000	37,255
Textbook rentals	65,000	65,000	102,489
Other local sources	<u>115,000</u>	<u>115,000</u>	<u>133,350</u>
Total local sources	<u>9,820,390</u>	<u>9,820,390</u>	<u>10,219,531</u>
State sources:			
General state aid	429,215	429,215	420,101
Special education	200,500	200,500	187,921
Bilingual education	30,000	30,000	78,108
School lunch and breakfast program	500	500	605
On-behalf payments for teachers' retirement	<u>-</u>	<u>-</u>	<u>2,112,690</u>
Total state sources	<u>660,215</u>	<u>660,215</u>	<u>2,799,425</u>
Federal sources:			
Title I - low income	76,000	76,000	73,573
National school lunch program	50,000	50,000	75,454
Title II - Teacher quality	14,000	14,000	13,753
Title III - English language acquisition	<u>40,500</u>	<u>40,500</u>	<u>53,652</u>
Total federal sources	<u>180,500</u>	<u>180,500</u>	<u>216,432</u>
Total revenue collected	<u>10,661,105</u>	<u>10,661,105</u>	<u>13,235,388</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
STATEMENT OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2015**

	<u>Budget</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
EXPENDITURES PAID			
Current:			
Instruction:			
Regular programs:			
Salaries	4,281,264	4,281,264	4,316,043
Employee benefits	689,308	689,308	644,598
Purchased services	41,000	41,000	5,273
Supplies and materials	307,350	307,350	273,011
Non-capitalized equipment	-	-	22
Total regular programs	<u>5,318,922</u>	<u>5,318,922</u>	<u>5,238,947</u>
Special education programs:			
Salaries	671,286	671,286	661,728
Employee benefits	95,904	95,904	110,497
Purchased services	2,000	2,000	16,908
Supplies and materials	11,000	11,000	11,637
Total special education programs	<u>780,190</u>	<u>780,190</u>	<u>800,770</u>
Remedial and supplemental programs K-12:			
Salaries	265,672	265,672	265,672
Employee benefits	37,783	37,783	31,680
Supplies and materials	4,000	4,000	66
Total remedial and supplemental programs K-12	<u>307,455</u>	<u>307,455</u>	<u>297,418</u>
Interscholastic programs:			
Salaries	52,200	52,200	53,547
Employee benefits	699	699	577
Supplies and materials	5,000	5,000	6,868
Other objects	6,500	6,500	5,810
Total programs	<u>64,399</u>	<u>64,399</u>	<u>66,802</u>
Summer school programs:			
Salaries	55,000	55,000	23,368
Employee benefits	737	737	325
Supplies and materials	5,000	5,000	2,936
Total summer school programs	<u>60,737</u>	<u>60,737</u>	<u>26,629</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
STATEMENT OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
EXPENDITURES PAID (CONTINUED)			
Current (Continued):			
Gifted programs:			
Salaries	102,524	102,524	102,524
Employee benefits	15,084	15,084	21,210
Supplies and materials	750	750	1,782
Total gifted programs	<u>118,358</u>	<u>118,358</u>	<u>125,516</u>
Bilingual programs:			
Salaries	299,118	299,118	244,736
Employee benefits	26,609	26,609	38,870
Purchased services	1,100	1,100	-
Supplies and materials	3,850	3,850	5,864
Other objects	12,000	12,000	10,276
Total bilingual programs	<u>342,677</u>	<u>342,677</u>	<u>299,746</u>
On-behalf payments for teachers retirements	-	-	2,112,690
Total instruction	<u>6,992,738</u>	<u>6,992,738</u>	<u>8,968,518</u>
Supporting services:			
Attendance and social work services:			
Salaries	141,892	141,892	141,570
Employee benefits	34,081	34,081	34,850
Total attendance and social work services	<u>175,973</u>	<u>175,973</u>	<u>176,420</u>
Health services:			
Salaries	36,450	36,450	37,648
Employee benefits	2,000	2,000	1,800
Supplies and materials	1,800	1,800	1,534
Non-capitalized equipment	250	250	-
Total health services	<u>40,500</u>	<u>40,500</u>	<u>40,982</u>
Psychological services:			
Salaries	228,057	228,057	227,394
Employee benefits	25,007	25,007	28,657
Total psychological services	<u>253,064</u>	<u>253,064</u>	<u>256,051</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
STATEMENT OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
EXPENDITURES PAID (CONTINUED)			
Supporting services: (Continued)			
Speech pathology and audiology services:			
Salaries	93,323	93,323	93,323
Employee benefits	21,004	21,004	21,087
Supplies and materials	1,000	1,000	497
Total speech pathology and audiology services	<u>115,327</u>	<u>115,327</u>	<u>114,907</u>
Other support services - pupils:			
Supplies and materials	6,500	6,500	8,171
Non-capitalized equipment	5,000	5,000	2,808
Total other support services - pupils	<u>11,500</u>	<u>11,500</u>	<u>10,979</u>
Improvement of instruction services:			
Employee benefits	25,000	25,000	20
Purchased services	66,039	66,039	72,926
Supplies and materials	10,000	10,000	-
Total improvement of instruction services	<u>101,039</u>	<u>101,039</u>	<u>72,946</u>
Educational media services:			
Salaries	249,222	249,222	238,772
Employee benefits	57,532	57,532	37,413
Purchased services	113,000	113,000	63,315
Supplies and materials	73,500	73,500	37,197
Non-capitalized equipment	-	-	8,662
Total educational media services	<u>493,254</u>	<u>493,254</u>	<u>385,359</u>
Assessment and testing:			
Purchased services	12,000	12,000	8,775
Board of education services:			
Purchased services	69,600	73,100	67,459
Supplies and materials	2,000	2,000	1,136
Other objects	7,500	7,500	3,145
Total board of education services	<u>79,100</u>	<u>82,600</u>	<u>71,740</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
STATEMENT OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
EXPENDITURES PAID(CONTINUED)			
Supporting services: (Continued)			
Executive administration services:			
Salaries	217,580	217,580	225,350
Employee benefits	3,659	3,659	5,255
Purchased services	10,100	10,100	1,369
Supplies and materials	4,000	4,000	891
Other objects	<u>3,500</u>	<u>3,500</u>	<u>4,265</u>
Total executive administration services	<u>238,839</u>	<u>238,839</u>	<u>237,130</u>
Office of the principal services:			
Salaries	279,930	279,930	284,370
Employee benefits	44,651	44,651	49,655
Purchased services	36,000	36,000	40,194
Supplies and materials	25,000	25,000	3,455
Other objects	<u>2,500</u>	<u>2,500</u>	<u>814</u>
Total office of the principal services	<u>388,081</u>	<u>388,081</u>	<u>378,488</u>
Direction of business support services:			
Purchased services	<u>70,000</u>	<u>66,500</u>	<u>61,366</u>
Fiscal services:			
Salaries	46,500	46,500	50,018
Employee benefits	-	-	4,626
Purchased services	<u>50,000</u>	<u>50,000</u>	<u>62,524</u>
Total fiscal services	<u>96,500</u>	<u>96,500</u>	<u>117,168</u>
Operations and maintenance of plant services:			
Salaries	-	-	1,568
Employee benefits	-	-	998
Purchased services	<u>45,000</u>	<u>45,000</u>	<u>49,701</u>
Total operations and maintenance of plant services	<u>45,000</u>	<u>45,000</u>	<u>52,267</u>
Pupil transportation services			
Employee benefits	<u>-</u>	<u>-</u>	<u>493</u>
Food services:			
Salaries	131,100	131,100	121,611
Employee benefits	16,000	16,000	14,615
Purchased services	2,500	2,500	5,861
Supplies and materials	<u>110,000</u>	<u>110,000</u>	<u>90,505</u>
Total food services	<u>259,600</u>	<u>259,600</u>	<u>232,592</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
STATEMENT OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2015**

	<u>Budget</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
EXPENDITURES PAID (continued)			
Information services:			
Purchased services	20,000	20,000	5,245
Other support services			
Supplies and materials	750	750	1,762
Total supporting services	<u>2,400,527</u>	<u>2,400,527</u>	<u>2,224,670</u>
Community services:			
Purchased services	1,750	1,750	1,342
Supplies and materials	5,750	5,750	904
Other objects	850,000	850,000	1,117,660
Total community services	<u>857,500</u>	<u>857,500</u>	<u>1,119,906</u>
Capital outlay:			
Instruction	16,750	16,750	8,032
Education media services	154,500	154,500	166,560
Executive administration services	2,000	2,000	-
Office of the principal services	20,000	20,000	-
Food services	3,000	3,000	-
Total capital outlay	<u>196,250</u>	<u>196,250</u>	<u>174,592</u>
Total expenditures paid	<u>10,447,015</u>	<u>10,447,015</u>	<u>12,487,686</u>
Net change in fund balance before other other financing uses	<u>214,090</u>	<u>214,090</u>	747,702
OTHER FINANCING USES			
Transfer to other funds	-	(1,000,000)	(362,000)
Net change in fund balance	<u>\$ 214,090</u>	<u>\$ (785,910)</u>	385,702
FUND BALANCE, BEGINNING OF YEAR			<u>13,913,167</u>
FUND BALANCE, END OF YEAR			<u>\$ 14,298,869</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
BUILDING ACCOUNT
STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2015**

ASSETS

Cash	<u>\$ 1,221,847</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES	\$ -
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FUND BALANCE	
Assigned	<u>1,221,847</u>

TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,221,847</u>
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MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
BUILDING ACCOUNT
STATEMENT OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2015

	<u>Budget</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
REVENUE COLLECTED			
Local sources:			
Property taxes	\$ 925,737	\$ 925,737	\$ 965,754
Earnings on investments	7,800	7,800	23,493
Other local sources	<u>32,000</u>	<u>32,000</u>	<u>59,709</u>
Total revenue collected	<u>965,537</u>	<u>965,537</u>	<u>1,048,956</u>
EXPENDITURES PAID			
Current:			
Supporting services:			
Facilities acquisition and construction:			
Purchased services	221,500	221,500	3,854
Other objects	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total facilities acquisition and construction	<u>231,500</u>	<u>231,500</u>	<u>3,854</u>
Operation and maintenance of plant:			
Salaries	193,950	193,950	198,674
Employee benefits	26,893	26,893	25,107
Purchased services	224,500	224,500	202,991
Supplies and materials	244,500	244,500	151,649
Non-capitalized equipment	<u>-</u>	<u>-</u>	<u>4,279</u>
Total operation and maintenance of plant	<u>689,843</u>	<u>689,843</u>	<u>582,700</u>
Total supporting services	<u>921,343</u>	<u>921,343</u>	<u>586,554</u>
Capital outlay:			
Facilities acquisition and construction	30,000	30,000	-
Operation and maintenance of plant	<u>175,000</u>	<u>175,000</u>	<u>88,210</u>
Total capital outlay	<u>205,000</u>	<u>205,000</u>	<u>88,210</u>
Total expenditures paid	<u>1,126,343</u>	<u>1,126,343</u>	<u>674,764</u>
Net change in fund balance before other financing uses	<u>\$ (160,806)</u>	<u>\$ (160,806)</u>	374,192
OTHER FINANCING USES			
Transfer to other funds	<u>-</u>	<u>-</u>	<u>(198,406)</u>
Net change in fund balance	<u>\$ (160,806)</u>	<u>\$ (160,806)</u>	175,786
FUND BALANCE, BEGINNING OF YEAR			<u>1,046,061</u>
FUND BALANCE, END OF YEAR			<u>\$ 1,221,847</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
WORKING CASH ACCOUNT
STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2015**

ASSETS

Cash	\$ 680,537
Interfund receivable	<u>1,738,736</u>
TOTAL ASSETS	<u>\$ 2,419,273</u>

LIABILITIES AND FUND BALANCE

LIABILITIES	\$ -
FUND BALANCE	
Assigned	<u>2,419,273</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,419,273</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
 WORKING CASH ACCOUNT
 STATEMENT OF REVENUE COLLECTED, EXPENDITURES PAID, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 Fiscal Year Ended June 30, 2015**

	Budget			Actual
	Original	Final		
REVENUE COLLECTED				
Local sources:				
Property taxes	\$ 103,177	\$ 103,177	\$	103,194
Earnings on investments	5,000	5,000		12,033
Total revenue collected	108,177	108,177		115,227
 EXPENDITURES PAID	-	-		-
Net change in fund balance	\$ 108,177	\$ 108,177		115,227
 FUND BALANCE, BEGINNING OF YEAR				2,304,046
 FUND BALANCE, END OF YEAR				\$ 2,419,273

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
DEBT SERVICE FUND
STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2015**

ASSETS

Cash	<u>\$ 1,053,624</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES	\$ -
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FUND BALANCE	
Restricted for debt service	<u>1,053,624</u>

TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,053,624</u>
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MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
DEBT SERVICE FUND
STATEMENT OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2015

	<u>Original</u>	<u>Budget</u> <u>Final</u>	<u>Actual</u>
REVENUE COLLECTED			
Local sources:			
Property taxes	\$ 540,622	\$ 540,622	\$ 547,822
Earnings on investments	<u>11,500</u>	<u>11,500</u>	<u>20,537</u>
Total revenue collected	<u>552,122</u>	<u>552,122</u>	<u>568,359</u>
 EXPENDITURES PAID			
Debt service:			
State aid anticipation certificates	171,000	171,000	-
Principal retirement	-	-	490,000
Interest	<u>355,000</u>	<u>355,000</u>	<u>230,682</u>
Total expenditures paid	<u>526,000</u>	<u>526,000</u>	<u>720,682</u>
Net change in fund balance before other financing sources	<u>26,122</u>	<u>26,122</u>	(152,323)
 OTHER FINANCING SOURCES			
Transfer from other funds	<u>-</u>	<u>-</u>	<u>198,406</u>
Net change in fund balance	<u>\$ 26,122</u>	<u>\$ 26,122</u>	46,083
 FUND BALANCE, BEGINNING OF YEAR			<u>1,007,541</u>
 FUND BALANCE, END OF YEAR			<u>\$ 1,053,624</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
CAPITAL PROJECTS FUND
STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2015**

ASSETS

Cash	\$ <u>7,681</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES	\$ -
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FUND BALANCE	
Assigned	<u>7,681</u>

TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 7,681</u>
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MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
CAPITAL PROJECTS FUND
STATEMENT OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2015

	<u>Original</u>	<u>Budget</u>	<u>Final</u>	<u>Actual</u>
REVENUE COLLECTED				
Local sources:				
Earnings on investments	\$ 500	\$ 500	\$ 500	\$ 5,301
State sources:				
Transportation aid	-	-	-	21,701
Total revenue collected	<u>500</u>	<u>500</u>	<u>500</u>	<u>27,002</u>
 EXPENDITURES PAID				
Supporting services:				
Facilities acquisition and construction:				
Purchased services	2,850,000	2,850,000	2,850,000	9,457
Supplies and materials	-	-	-	12,901
Non-capitalized equipment	-	-	-	8,875
Total facilities acquisition and construction	<u>2,850,000</u>	<u>2,850,000</u>	<u>2,850,000</u>	<u>31,233</u>
Capital outlay:				
Facilities acquisition and construction	450,000	450,000	450,000	2,699,001
Total expenditures paid	<u>3,300,000</u>	<u>3,300,000</u>	<u>3,300,000</u>	<u>2,730,234</u>
Net change in fund balance before other financing sources	<u>(3,299,500)</u>	<u>(3,299,500)</u>	<u>(3,299,500)</u>	<u>(2,703,232)</u>
 OTHER FINANCING SOURCES				
Transfer from other funds	-	1,000,000	1,000,000	362,000
Total other financing sources	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>362,000</u>
Net change in fund balance	<u>\$ (3,299,500)</u>	<u>\$ (2,299,500)</u>	<u>\$ (2,299,500)</u>	<u>(2,341,232)</u>
 FUND BALANCE, BEGINNING OF YEAR				<u>2,348,913</u>
 FUND BALANCE, END OF YEAR				<u>\$ 7,681</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
TRANSPORTATION FUND
STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2015**

ASSETS

Cash	<u>\$ 426,267</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES	\$ -
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FUND BALANCE	
Assigned	<u>426,267</u>

TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 426,267</u>
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**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
TRANSPORTATION FUND
STATEMENT OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2015**

	<u>Original</u>	<u>Budget Final</u>	<u>Actual</u>
REVENUE COLLECTED			
Local sources:			
Property taxes	\$ 417,276	\$ 417,276	\$ 390,121
Transportation fees	4,000	4,000	813
Earnings on investments	4,500	4,500	9,762
Total local sources	425,776	425,776	400,696
State sources:			
Transportation aid	182,000	182,000	162,684
Total revenue collected	607,776	607,776	563,380
 EXPENDITURES PAID			
Supporting services:			
Salaries	25,670	25,670	20,911
Employee benefits	2,100	2,100	-
Purchased services	548,800	548,800	587,917
Total expenditures paid	576,570	576,570	608,828
Net change in fund balance	\$ 31,206	\$ 31,206	(45,448)
 FUND BALANCE, BEGINNING OF YEAR			471,715
 FUND BALANCE, END OF YEAR			\$ 426,267

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
ILLINOIS MUNICIPAL RETIREMENT FUND
STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2015**

ASSETS

Cash	<u>\$ 398,834</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Interfund payable	<u>\$ 40,432</u>
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FUND BALANCE

Restricted for employees' retirement system	<u>358,402</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 398,834</u></u>
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**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
ILLINOIS MUNICIPAL RETIREMENT FUND
STATEMENT OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Fiscal Year Ended June 30, 2015**

	<u>Original</u>	<u>Budget</u> <u>Final</u>	<u>Actual</u>
REVENUE COLLECTED			
Property taxes	\$ 362,606	\$ 362,606	\$ 360,136
Earnings on investments	<u>2,000</u>	<u>2,000</u>	<u>7,862</u>
Total revenue collected	<u>364,606</u>	<u>364,606</u>	<u>367,998</u>
 EXPENDITURES			
Current:			
Instruction:			
Employer's share of retirement system, FICA, and Medicare	130,880	130,880	125,935
Supporting services:			
Employer's share of retirement system, FICA, and Medicare	<u>141,700</u>	<u>141,700</u>	<u>147,198</u>
Total expenditures paid	<u>272,580</u>	<u>272,580</u>	<u>273,133</u>
Net change in fund balance	<u>\$ 92,026</u>	<u>\$ 92,026</u>	94,865
 FUND BALANCE, BEGINNING OF YEAR			 <u>263,537</u>
 FUND BALANCE, END OF YEAR			 <u>\$ 358,402</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
LIFE SAFETY FUND
STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2015**

ASSETS

Cash	<u>\$ 551</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES	\$ -
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FUND BALANCE	
Assigned	<u>551</u>

TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 551</u>
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MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
LIFE SAFETY FUND
STATEMENT OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Fiscal Year Ended June 30, 2015

	<u>Original</u>	<u>Budget</u> Final	<u>Actual</u>
REVENUE COLLECTED			
Earnings on investments	\$ -	\$ -	\$ 10
EXPENDITURES PAID	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	10
FUND BALANCE, BEGINNING OF YEAR			<u>541</u>
FUND BALANCE, END OF YEAR			<u>\$ 551</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
AGENCY FUND - ACTIVITY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 2015

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
ASSETS				
Cash	\$ 58,437	\$ 94,469	\$ 105,847	\$ 47,059
LIABILITIES				
Due to organizations	\$ 58,437	\$ 94,469	\$ 105,847	\$ 47,059

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
AGENCY FUND - ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES
Year Ended June 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
STUDENT ACTIVITY FUNDS				
Student Activity Fund	\$ 45,850	\$ 93,427	\$ 104,160	\$ 35,117
Activity Fund - Science Olympiad	<u>1,483</u>	<u>625</u>	<u>387</u>	<u>1,721</u>
Total Student Activity Funds	47,333	94,052	104,547	36,838
OTHER AGENCY FUNDS				
Stix Memorial Fund	<u>11,104</u>	<u>417</u>	<u>1,300</u>	<u>10,221</u>
TOTAL AGENCY AND ACTIVITY FUNDS	<u>\$ 58,437</u>	<u>\$ 94,469</u>	<u>\$ 105,847</u>	<u>\$ 47,059</u>