

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

**FINANCIAL STATEMENTS AND
OTHER INFORMATION**
June 30, 2016



CliftonLarsonAllen

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED).....	1
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position - Modified Cash Basis	3
Statement of Activities - Modified Cash Basis.....	4
Fund Financial Statements:	
Statement of Assets and Liabilities Arising From Cash Transactions - Governmental Funds	5
Reconciliation of the Governmental Funds Statement of Assets and Liabilities Arising From Cash Transactions to the Statement of Net Position - Modified Cash Basis.....	6
Statement of Revenue Collected, Expenditures Paid, and Changes in Fund Balances - Governmental Funds	7
Reconciliation of the Governmental Funds Statement of Revenue Collected, Expenditures Paid, and Changes in Fund Balances with the Statement of Activities - Modified Cash Basis.....	8
Statement of Fiduciary Net Position - Modified Cash Basis	9
 Notes to Basic Financial Statements	 10
 OTHER INFORMATION	 27
Schedule of Revenue Collected, Expenditures Paid, and Changes in Fund Balances - Budget and Actual - General Fund.....	28
COMBINING AND INDIVIDUAL FUND FINANCIAL SCHEDULES	
Other Nonmajor Governmental Funds:	
Combining Schedule of Assets and Liabilities Arising From Cash Transactions	29
Combining Schedule of Revenue Collected, Expenditures Paid, and Changes in Fund Balances	30

**COMBINING AND INDIVIDUAL FUND FINANCIAL
SCHEDULES (continued)**

Combining Schedule of Assets and Liabilities Arising From Cash Transactions - General Fund.....	31
Combining Schedule of Revenue Collected, Expenditures Paid and Changes in Fund Balances - General Fund.....	32
Educational Account - Schedule of Assets and Liabilities Arising From Cash Transactions.....	33
Educational Account - Schedule of Revenue Collected, Expenditures Paid, and Changes in Fund Balance - Budget and Actual	34
Operations and Maintenance Account - Schedule of Assets and Liabilities Arising From Cash Transactions	40
Operations and Maintenance Account - Schedule of Revenue Collected, Expenditures Paid, and Changes in Fund Balance - Budget and Actual	41
Working Cash Account - Schedule of Assets and Liabilities Arising From Cash Transactions.....	42
Working Cash Account - Schedule of Revenue Collected, Expenditures Paid, and Changes in Fund Balance - Budget and Actual	43
Debt Services Fund - Schedule of Assets and Liabilities Arising From Cash Transactions.....	44
Debt Services Fund - Schedule of Revenue Collected, Expenditures Paid, and Changes in Fund Balance - Budget and Actual	45
Capital Projects Fund - Schedule of Assets and Liabilities Arising From Cash Transactions.....	46
Capital Projects Fund - Schedule of Revenue Collected, Expenditures Paid, and Changes in Fund Balance - Budget and Actual	47
Transportation Fund - Schedule of Assets and Liabilities Arising From Cash Transactions.....	48
Transportation Fund - Schedule of Revenue Collected, Expenditures Paid, And Changes in Fund Balance - Budget and Actual.....	49
Municipal Retirement Fund - Schedule of Assets and Liabilities Arising From Cash Transactions.....	50
Municipal Retirement Fund - Schedule of Revenue Collected, Expenditures Paid, and Changes in Fund Balance - Budget and Actual	51
Fire Prevention and Safety Fund - Schedule of Assets and Liabilities Arising From Cash Transactions.....	52
Fire Prevention and Safety Fund - Schedule of Revenue Collected, Expenditures Paid, and Changes in Fund Balance - Budget and Actual	53
Agency Fund - Activity Funds - Schedule of Changes in Assets and Liabilities.....	54
Agency Fund - Activity Funds - Schedule of Receipts, Disbursements, and Cash Balances	55



CliftonLarsonAllen

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 modified cash basis 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, 2016, 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, 2016, 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 schedules, 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 schedule 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.

The management's discussion and analysis and budgetary comparison schedule for General Fund have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2016, 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 14, 2016

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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, 2016 and should be read in conjunction with the audited financial statements.

Financial Highlights

Key financial highlights for the year ended June 30, 2016 (rounded to thousands) are as follows:

- Revenues increased \$467,000 and expenditures increased 4,346,000 in all combined funds from 2015 levels. Property taxes accounted for approximately 70% of total revenues. Property taxes increased approximately \$5,000.
- For the year ended June 30, 2016, local revenue sources accounted for 78% of total revenue. State and federal revenue sources were 21% and 1%, respectively.
- Among major funds, the General Fund, which includes the Educational Fund, the Operations and Maintenance Fund, and the Working Cash Fund, had \$15,082,000 in revenues and \$14,125,000 in expenditures. The General Fund's fund balance decreased \$1,708,000 from 2015.
- The District's total net position increased by \$551,000.

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, 2016
(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 modified cash basis 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, 2016
(Unaudited)

The District maintains eight individual Governmental Fund. The Educational, including Tort, Operations and Maintenance, and Working Cash Accounts 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 Debt Services 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 25 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, 2016, the net position of the District increased by \$551,000 from the previous year.

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)**

Below is a summary of the District's net position (rounded to thousands) for 2016 and 2015:

Assets	<u>2016</u>	<u>2015</u>
Cash and investments	\$ 17,038,000	\$ 19,786,000
Capital assets, net	<u>13,452,000</u>	<u>13,778,000</u>
Total assets	<u>30,490,000</u>	<u>33,564,000</u>
Liabilities		
Bonds payable – current	-	515,000
Bonds payable - long-term	<u>2,700,000</u>	<u>5,810,000</u>
Total liabilities	<u>2,700,000</u>	<u>6,325,000</u>
Net position		
Net investment in capital assets	10,752,000	7,453,000
Restricted for employees' retirement system	463,000	358,000
Restricted for debt services	42,000	1,054,000
Restricted for tort	126,000	86,000
Restricted for transportation	301,000	358,000
Unrestricted	<u>16,106,000</u>	<u>18,288,000</u>
Total net position	<u>\$27,790,000</u>	<u>\$27,239,000</u>

Cash and investments totaled \$17,038,000, a decrease of \$2,748,000 from 2015.

Capital assets, net of depreciation, were \$13,452,000 as of June 30, 2016. This was a decrease of \$326,000 from 2015. Total additions to capital assets during 2016 were \$378,000 and were offset by depreciation expense of \$704,000.

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, 2016
(Unaudited)**

Revenue Collected	<u>2016</u>	<u>2015</u>
Program revenues:		
Charges for services	\$ 464,000	\$ 455,000
Operating grants and contributions	<u>3,211,000</u>	<u>2,780,000</u>
Total program revenues	<u>3,675,000</u>	<u>3,235,000</u>
General revenues:		
Property taxes	11,835,000	11,867,000
State aid	457,000	420,000
Interest and investment earnings	<u>426,000</u>	<u>404,000</u>
Total general revenues	<u>12,718,000</u>	<u>12,691,000</u>
Total revenue collected	<u>16,393,000</u>	<u>15,926,000</u>
Expenses Paid		
Instruction	9,661,000	9,094,000
Support services	4,096,000	3,598,000
Other	<u>2,085,000</u>	<u>1,965,000</u>
Total expenses paid	<u>15,842,000</u>	<u>14,657,000</u>
Change in net position	551,000	1,269,000
Beginning net position	<u>27,239,000</u>	<u>25,970,000</u>
Ending net position	<u>\$ 27,790,000</u>	<u>\$ 27,239,000</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), Operations and Maintenance 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 Operations and Maintenance Account. About 65% of all expenditures occur in the General Fund.

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)**

Reporting the School District's Most Significant Funds (Continued)

Other Governmental Funds include activity related to the Capital Projects Fund, Transportation Fund, Municipal Retirement Fund, and the Fire Prevention and 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 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 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Property taxes and payments in lieu of taxes	\$ 10,812,000	\$ 10,569,000
Earnings on investments	390,000	360,000
Food services	139,000	121,000
Pupil activities	130,000	140,000
Other local sources	195,000	193,000
State sources	3,212,000	2,800,000
Federal sources	<u>205,000</u>	<u>216,000</u>
Total General Fund	<u>\$ 15,083,000</u>	<u>\$ 14,399,000</u>

The following schedule presents the General Fund expenditures paid (rounded to thousands) in 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Instruction	\$ 9,534,000	\$ 8,968,000
Support services	3,162,000	2,811,000
Capital outlay	366,000	263,000
Community services	1,000	1,120,000
Payments to other governmental units	<u>1,062,000</u>	<u>-</u>
Total General Fund expenditures	<u>\$ 14,125,000</u>	<u>\$ 13,162,000</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)**

Capital Assets

At June 30, 2016, the District had \$13,452,000 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 \$326,000 from last year. Capital expenditures totaling \$378,000 consisted mainly of equipment purchases and building improvements. Depreciation expense for the year was \$704,000. See Note 4 to the financial statements for additional information.

Debt

At June 30, 2016, the District had the following debt outstanding:

- \$2,700,000 - Tax School Bonds, Series 2016

See Note 5 to the financial statements for debt maturities.

Budgetary Highlights

In May 2016, the Board of Education adopted the fiscal year 2015-16 amended budget for the General Fund budget that reflected total revenues of \$12,058,000 and total expenditures of \$11,969,000. Excess revenues totaling \$90,000 was projected. Actual General Fund revenues collected for fiscal year 2016 were \$15,082,000 and expenditures were \$14,124,000.

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, 2016

ASSETS

Cash and investments	\$ 17,038,411
Capital assets, net of accumulated depreciation	<u>13,451,947</u>

TOTAL ASSETS

\$ 30,490,358

LIABILITIES

Long-term liabilities	
Bonds payable - long-term	\$ 2,700,000

NET POSITION

Net investment in capital assets	10,751,947
Restricted for tort	126,682
Restricted for employees' retirement system	463,376
Restricted for transportation	301,193
Restricted for debt service	41,640
Unrestricted	<u>16,105,520</u>

TOTAL NET POSITION

\$ 27,790,358

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, 2016

<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	\$ 5,287,626	\$ -	\$ -	\$ (5,287,626)
Instruction - special education	838,703	-	258,244	(580,459)
Instruction - other	3,534,731	-	2,495,783	(1,038,948)
Support services - student based	668,553	35,515	456,717	(176,321)
Support services - non-student based	3,427,872	428,223	-	(2,999,649)
Community services	776	-	-	(776)
Payments to other governmental units	1,061,889	-	-	(1,061,889)
Interest on long-term debt	367,712	-	-	(367,712)
Depreciation - unallocated	703,730	-	-	(703,730)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 15,891,592</u>	<u>\$ 463,738</u>	<u>\$ 3,210,744</u>	<u>(12,217,110)</u>
General revenues:				
Taxes:				
Property taxes and payments in lieu of taxes, levied for general purposes				11,835,195
State aid				457,342
Premium on bonds issued				49,297
Unrestricted investment earnings				<u>425,965</u>
Total general revenues				<u>12,767,799</u>
CHANGE IN NET POSITION				550,689
NET POSITION - BEGINNING OF YEAR				<u>27,239,669</u>
NET POSITION - ENDING OF YEAR				<u>\$ 27,790,358</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, 2016

	<u>General Fund</u>	<u>Debt Services Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 16,231,462	\$ 41,640	\$ 765,309	\$ 17,038,411
Interfund receivable	-	-	-	-
TOTAL ASSETS	<u>\$ 16,231,462</u>	<u>\$ 41,640</u>	<u>\$ 765,309</u>	<u>\$ 17,038,411</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES	\$ -	\$ -	\$ -	\$ -
FUND BALANCES				
Restricted for:				
Tort	126,682	-	-	126,682
Employees' retirement system	-	-	463,376	463,376
Transportation	-	-	301,193	301,193
Debt service	-	41,640	-	41,640
Assigned to:				
Building	1,360,810	-	-	1,360,810
Working cash	2,541,080	-	-	2,541,080
Capital projects	-	-	177	177
Fire prevention and safety	-	-	563	563
Unassigned	12,202,890	-	-	12,202,890
Total fund balances	<u>16,231,462</u>	<u>41,640</u>	<u>765,309</u>	<u>17,038,411</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,231,462</u>	<u>\$ 41,640</u>	<u>\$ 765,309</u>	<u>\$ 17,038,411</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, 2016**

Total fund balances - governmental funds		\$ 17,038,411
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	\$ 22,241,775	
Accumulated depreciation	<u>(8,789,828)</u>	13,451,947
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
		<u>(2,700,000)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 27,790,358</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, 2016

	General Fund	Debt Services Fund	Other Governmental Funds	Total
REVENUE COLLECTED				
Property taxes	\$ 10,377,684	\$ 253,193	\$ 770,356	\$ 11,401,233
Payments in lieu of taxes	433,962	-	-	433,962
Earnings on investments	390,008	15,993	19,964	425,965
Food services	139,009	-	-	139,009
Textbook rentals	94,501	-	-	94,501
Summer school tuition	35,515	-	-	35,515
Other local sources	194,713	-	-	194,713
State sources	3,211,778	-	251,176	3,462,954
Federal sources	205,132	-	-	205,132
	<u>15,082,302</u>	<u>269,186</u>	<u>1,041,496</u>	<u>16,392,984</u>
EXPENDITURES PAID				
Instruction - regular programs	5,287,626	-	-	5,287,626
Instruction - special education	838,703	-	-	838,703
Instruction - other	3,407,415	-	127,316	3,534,731
Support services - student based	668,553	-	-	668,553
Support services - non-student based	2,493,118	-	934,754	3,427,872
Community services	776	-	-	776
Payments to other governmental units	1,061,889	-	-	1,061,889
Capital outlay	366,504	-	11,018	377,522
Debt service	-	4,132,712	-	4,132,712
	<u>14,124,584</u>	<u>4,132,712</u>	<u>1,073,088</u>	<u>19,330,384</u>
Excess (deficiency) of revenue collected over expenditures paid	957,718	(3,863,526)	(31,592)	(2,937,400)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of bonds	-	2,700,000	-	2,700,000
Bond premium on sale of bonds	-	49,297	-	49,297
Bonds refunded	-	(2,560,000)	-	(2,560,000)
Transfers from other funds	-	2,662,245	4,000	2,666,245
Transfers to other funds	(2,666,245)	-	-	(2,666,245)
	<u>(2,666,245)</u>	<u>2,851,542</u>	<u>4,000</u>	<u>189,297</u>
Net change in fund balance	(1,708,527)	(1,011,984)	(27,592)	(2,748,103)
FUND BALANCE, BEGINNING OF YEAR	<u>17,939,989</u>	<u>1,053,624</u>	<u>792,901</u>	<u>19,786,514</u>
FUND BALANCE, END OF YEAR	<u>\$ 16,231,462</u>	<u>\$ 41,640</u>	<u>\$ 765,309</u>	<u>\$ 17,038,411</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, 2016**

Total net change in fund balances - governmental funds \$ (2,748,103)

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	\$ 377,522	
Depreciation expense	<u>(703,730)</u>	(326,208)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.		(2,700,000)
---	--	-------------

Repayments of bond principal are expenditures and other financing uses in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position.		<u>6,325,000</u>
--	--	------------------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 550,689</u></u>
--	--	--------------------------

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, 2016

ASSETS

Cash	<u>\$ 52,754</u>
------	------------------

LIABILITIES

Due to organizations	<u>\$ 52,754</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, 2016

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 significant 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, 2016

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.

Debt Service Fund - The Debt Services Fund is used to account for financial resources to be used for the payment of principal and interest on long term debt.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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

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.

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, 2016

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 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 spent 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, 2016.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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

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

Fund Balance Classification: (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 Board of Education. These amounts cannot be used for any other purpose unless the 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, 2016.

- 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 Board of Education or through the 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, 2016

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, 2016**

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 (2015 and 2014 levies) tax rates as well as maximum tax rates are as follows:

	<u>Rate Per \$100 Assessed Valuation</u>		
	<u>2015 Levy</u>	<u>2014 Levy</u>	<u>Maximum</u>
Educational	3.1494	3.0419	3.5000
Building	.4053	.3914	.5500
Transportation	.1538	.1485	As needed
Illinois Municipal Retirement Fund	.0711	.0686	As needed
Social Security	.0711	.0686	As needed
Bond and Interest	.0000	.2074	As needed
Tort Immunity	.0304	.0293	As needed
Working Cash	.0407	.0393	.0500
Special Education	<u>.3605</u>	<u>.3482</u>	.4000
Total	<u><u>4.2823</u></u>	<u><u>4.3432</u></u>	

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash and Investments at Niles Township Treasurer

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

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

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

The Treasurer's office operates as a non-rated, external investment pool. The fair value of the District's investment in the Treasurer's pool is determined by the District's proportionate share of the fair value of the investments held by the Treasurer's Office. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2016, the fair value of the District's proportionate share of the pool was \$17,035,492.

Because all cash and investments are pooled by a separate legal governmental agency (Treasurer), categorization by risk category is not determinable. Further information about whether investments are insured, collateralized, or uncollateralized is available from the Treasurer's financial statements.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3 - DEPOSITS (CONTINUED)

Custodial Credit Risk – Local Deposits

With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2016, the bank balance of the District's deposits held locally with financial institutions (not including funds at Niles Township Treasurer) totaled \$70,435 and was fully insured.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 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	18,631,863	128,371	-	18,760,234
Equipment	1,004,637	8,151	-	1,012,788
Computer equipment	1,765,750	223,325	-	1,989,075
Furniture and fixtures	221,913	17,675	-	239,588
Vehicles	<u>54,870</u>	<u>-</u>	<u>-</u>	<u>54,870</u>
Total capital assets being depreciated	<u>21,679,033</u>	<u>377,522</u>	<u>-</u>	<u>22,241,775</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,050,634)	(437,305)	-	(6,487,939)
Equipment	(627,405)	(50,971)	-	(678,376)
Computer equipment	(1,224,746)	(198,212)	-	(1,422,958)
Furniture and fixtures	(142,351)	(11,679)	-	(154,030)
Vehicles	<u>(40,962)</u>	<u>(5,563)</u>	<u>-</u>	<u>(46,525)</u>
Total accumulated depreciation	<u>(8,086,098)</u>	<u>(703,730)</u>	<u>-</u>	<u>(8,789,828)</u>
Total	<u>\$ 13,778,155</u>	<u>\$ (326,208)</u>	<u>\$ -</u>	<u>\$ 13,451,947</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 5 - LONG-TERM DEBT

Tax School Bonds

The District issues Tax School Bonds to provide for the construction and rehabilitation of major capital facilities.

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%. These bonds were paid in full during the year ended June 30, 2016.

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%. These bonds were refunded during the year ended June 30, 2016 with new bonds.

The Tax School Bonds, Series 2016, were an original issue of \$2,700,000, dated June 28, 2016, providing for serial retirement of principal on December 1, beginning in 2017, and interest payable on June 1 and December 1 of each year at a rate of 2.0% to 3.0%. The proceeds were used to advance refund \$2,560,000 of outstanding Tax School Bonds, Series 2014. The net proceeds of \$2,713,016 (including a premium of \$49,297 and after payment of \$36,280 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for future debt service payment on the refunded bonds. As a result the Tax School Bonds, Series 2014 are considered defeased and the liability for those bonds have been removed from the statement of net position,

Defeased Debt

The District defeased Tax School Bonds, Series 2014 by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2016, \$2,560,000 of defeased bonds remained outstanding.

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Tax School Bonds (Continued)

At June 30, 2016, the annual cash flow requirements of debt principal and interest for the Tax School Bonds, Series 2016, were as follows:

<u>Year Ending June 30</u>	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	3.000%	\$ -	\$ 63,640	\$ 63,640
2018	3.000%	280,000	64,600	344,600
2019	3.000%	285,000	56,125	341,125
2020	3.000%	295,000	47,425	342,425
2021	3.000%	305,000	38,425	343,425
2022	3.000%	315,000	29,125	344,125
2023	2.000%	325,000	21,150	346,150
2024	2.000%	330,000	14,600	344,600
2025	2.000%	335,000	7,950	342,950
2026	2.000%	<u>230,000</u>	<u>2,300</u>	<u>232,300</u>
Total		<u>\$ 2,700,000</u>	<u>\$ 345,340</u>	<u>\$ 3,045,340</u>

Changes in Long-Term Liabilities

Long-term liabilities activity for the year ended June 30, 2016, 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>\$6,325,000</u>	<u>\$2,700,000</u>	<u>\$(6,325,000)</u>	<u>\$2,700,000</u>	<u>\$ -</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Legal Debt Margin

The legal debt margin of the District at June 30, 2016 is as follows:

Assessed valuation 2015	<u>\$ 264,184,506</u>
Statutory debt limitation (6.9% of assessed valuation)	\$ 18,228,731
Less total debt	<u>2,700,000</u>
Legal debt margin	<u>\$ 15,528,731</u>

NOTE 6 - 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.

Interfund transfers made during the year ended June 30, 2016 were as follows:

- Educational Account transferred \$2,465,000 to Debt Services Fund.
- Educational Account transferred \$4,000 to Capital Projects Fund.

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

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2016**

NOTE 6 - 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, 2016:

	<u>Budget</u>	<u>Actual</u>	<u>Overage</u>
General Fund	\$ 11,969,274	\$ 14,124,584	\$ 2,155,310
Debt Services	3,717,612	6,643,415	2,925,803
Capital Projects	3,500	11,518	8,018
Transportation	583,821	785,698	201,877

Deficit Fund Balances of Individual Funds

There were no deficit fund balances in individual funds at June 30, 2016.

NOTE 7 - 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, 2016 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, 2015 and 2014.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 - 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, 2016, the state of Illinois contributions were based on 36.06% of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$2,416,728 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2015 and 2014, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 33.00% (\$2,049,347) and 35.41% (\$2,136,338), respectively.

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

2.2 Formula Contributions – Employers contribute 0.58% of total creditable earnings for 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2016 were \$38,871. Contributions for the years ended June 30, 2015 and June 30, 2014 were \$36,019, and \$34,974, 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, 2016, the employer pension contribution was 36.06% of salaries paid from federal and special trust funds. For the years ended June 30, 2015 and June 30, 2014, the employer pension contribution was 33.00% and 35.41% of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2016, salaries totaling \$11,583 were paid from federal and special trust funds that required employer contributions of \$4,177. For the years ended June 30, 2015 and June 30, 2014, required employer contributions were \$4,815 and \$2,889, 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% 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, 2016, the District paid \$-0- to TRS for employer contributions under the ERO program. For the years ended June 30, 2015 and June 30, 2014, the District paid \$-0- in employer ERO contributions.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 - 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% 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, 2016, the District paid \$-0- to TRS for employer contributions due on salary increases in excess of 6% and \$-0- for sick leave days granted in excess of normal allotment. For the years ended June 30, 2015 and June 30, 2014, the District paid \$-0- to TRS for employer contributions due on salary increases in excess of 6%, 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.

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% 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 2015 used by the District was 13.79%. 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 \$115,873 for calendar year 2015. The amounts contributed for calendar years 2014 and 2013 were \$121,660 and \$108,010, respectively.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 - RETIREMENT COMMITMENTS (CONTINUED)

The required contribution for 2015 was determined as part of the December 31, 2013, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2013, included (a) 7.5% 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 8 - THIS FUND EMPLOYER CONTRIBUTIONS

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, 2016

NOTE 8 - THIS FUND EMPLOYER CONTRIBUTIONS (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 1.07% of pay during the year ended June 30, 2016. State of Illinois contributions were \$71,711, 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, 2015 and June 30, 2014 were 1.02% and 0.97% of pay, respectively. State contributions on behalf of employees were \$63,343 and \$58,522, respectively.

Employer Contributions to THIS Fund. The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.80% during the year ended June 30, 2016, and 0.76 and 0.72% during the years ended June 30, 2015 and June 30, 2014, respectively. For the year ended June 30, 2016, the District paid \$53,616 to the THIS Fund. For the years ended June 30, 2015 and June 30, 2014, the District paid \$47,197 and \$43,439, respectively, which was 100% 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."

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, 2016, 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
SCHEDULE OF REVENUE COLLECTED, EXPENDITURES PAID, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2016
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUE COLLECTED			
Property taxes	\$ 9,932,834	\$ 9,932,834	\$ 10,377,684
Payments in lieu of taxes	470,000	470,000	433,962
Earnings on investments	331,000	331,000	390,008
Food services	121,800	121,800	139,009
Summer school tuition	40,000	40,000	35,515
Textbook rentals	110,000	110,000	94,501
Other local sources	191,000	191,000	194,713
State sources	677,500	677,500	3,211,778
Federal sources	184,750	184,750	205,132
	<u>12,058,884</u>	<u>12,058,884</u>	<u>15,082,302</u>
EXPENDITURES PAID			
Instruction - regular programs	5,300,621	5,393,270	5,287,626
Instruction - special education	810,015	810,015	838,703
Instruction - other	1,022,814	944,814	3,407,415
Support services - student based	684,923	684,923	668,553
Support services - non-student based	2,875,276	2,996,852	2,493,118
Community services	2,850	2,850	776
Payments to other governmental units	850,000	850,000	1,061,889
Capital outlay	286,550	286,550	366,504
	<u>11,833,049</u>	<u>11,969,274</u>	<u>14,124,584</u>
Excess of revenue collected over expenditures paid	225,835	89,610	957,718
OTHER FINANCING USES			
Transfers to other funds	<u>-</u>	<u>(2,469,000)</u>	<u>(2,666,245)</u>
Net change in fund balance	<u>\$ 225,835</u>	<u>\$ (2,379,390)</u>	<u>(1,708,527)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>17,939,989</u>
FUND BALANCE, END OF YEAR			<u>\$ 16,231,462</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
COMBINING SCHEDULE OF ASSETS AND LIABILITIES ARISING FROM
CASH TRANSACTIONS - OTHER NONMAJOR GOVERNMENTAL FUNDS
June 30, 2016

ASSETS	Capital Projects	Transportation	Municipal Retirement	Fire Prevention and Safety	Total
Cash and investments	\$ 177	\$ 301,193	\$ 463,376	\$ 563	\$ 765,309
TOTAL ASSETS	\$ 177	\$ 301,193	\$ 463,376	\$ 563	\$ 765,309
LIABILITIES AND FUND BALANCES					
LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES					
Restricted for:					
Employees' retirement system	-	-	463,376	-	463,376
Transportation	-	301,193	-	-	301,193
Assigned to:					
Capital projects	177	-	-	-	177
Fire prevention and safety	-	-	-	563	563
Total fund balances	177	301,193	463,376	563	765,309
TOTAL LIABILITIES AND FUND BALANCES	\$ 177	\$ 301,193	\$ 463,376	\$ 563	\$ 765,309

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
COMBINING SCHEDULE OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCES - OTHER NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2016

	<u>Capital Projects</u>	<u>Transportation</u>	<u>Municipal Retirement</u>	<u>Fire Prevention and Safety</u>	<u>Total</u>
REVENUE COLLECTED					
Local sources:					
Property taxes	\$ -	\$ 400,339	\$ 370,017	\$ -	\$ 770,356
Earnings on investments	14	9,109	10,829	12	19,964
Total local sources	14	409,448	380,846	12	790,320
State sources - transportation aid	-	251,176	-	-	251,176
Total revenue collected	14	660,624	380,846	12	1,041,496
EXPENDITURES PAID					
Current:					
Instruction	-	-	127,316	-	127,316
Supporting services	500	785,698	148,556	-	934,754
Capital Outlay	11,018	-	-	-	11,018
Total expenditures paid	11,518	785,698	275,872	-	1,073,088
Excess (deficiency) of revenue collected over expenditures paid	(11,504)	(125,074)	104,974	12	(31,592)
OTHER FINANCING SOURCES					
Transfer from other funds	4,000	-	-	-	4,000
Net change in fund balance	(7,504)	(125,074)	104,974	12	(27,592)
FUND BALANCE, BEGINNING OF YEAR	<u>7,681</u>	<u>426,267</u>	<u>358,402</u>	<u>551</u>	<u>792,901</u>
FUND BALANCE, END OF YEAR	<u>\$ 177</u>	<u>\$ 301,193</u>	<u>\$ 463,376</u>	<u>\$ 563</u>	<u>\$ 765,309</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
GENERAL FUND
COMBINING SCHEDULE OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2016**

	Educational	Operations and Maintenance	Working Cash	Total
ASSETS				
Cash and investments	\$ 14,027,876	\$ 1,360,810	\$ 842,776	\$ 16,231,462
Interfund receivable (payable)	(1,698,304)	-	1,698,304	-
TOTAL ASSETS	<u>\$ 12,329,572</u>	<u>\$ 1,360,810</u>	<u>\$ 2,541,080</u>	<u>\$ 16,231,462</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES	\$ -	\$ -	\$ -	\$ -
FUND BALANCES				
Restricted for Tort	126,682	-	-	126,682
Assigned to building	-	1,360,810	-	1,360,810
Assigned to working cash	-	-	2,541,080	2,541,080
Unassigned	<u>12,202,890</u>	<u>-</u>	<u>-</u>	<u>12,202,890</u>
Total fund balances	<u>12,329,572</u>	<u>1,360,810</u>	<u>2,541,080</u>	<u>16,231,462</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,329,572</u>	<u>\$ 1,360,810</u>	<u>\$ 2,541,080</u>	<u>\$ 16,231,462</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
GENERAL FUND
COMBINING SCHEDULE OF REVENUE COLLECTED, EXPENDITURES PAID,
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2016

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total</u>
REVENUE COLLECTED				
Local sources:				
Property taxes	\$ 9,214,485	\$ 1,057,257	\$ 105,942	\$ 10,377,684
Payments in lieu of taxes	433,962	-	-	433,962
Earnings on investments	344,690	29,453	15,865	390,008
Food services	139,009	-	-	139,009
Summer school tuition	35,515	-	-	35,515
Textbook rentals	94,501	-	-	94,501
Other local sources	<u>163,363</u>	<u>31,350</u>	<u>-</u>	<u>194,713</u>
Total local sources	10,425,525	1,118,060	121,807	11,665,392
State sources	3,211,778	-	-	3,211,778
Federal sources	<u>205,132</u>	<u>-</u>	<u>-</u>	<u>205,132</u>
Total revenue collected	13,842,435	1,118,060	121,807	15,082,302
EXPENDITURES PAID				
Current:				
Instruction	9,533,744	-	-	9,533,744
Supporting services	2,516,716	644,955	-	3,161,671
Community services	776	-	-	776
Payments to other governmental units	1,061,889	-	-	1,061,889
Capital outlay	<u>229,607</u>	<u>136,897</u>	<u>-</u>	<u>366,504</u>
Total expenditures paid	<u>13,342,732</u>	<u>781,852</u>	<u>-</u>	<u>14,124,584</u>
Excess of revenue collected over expenditures paid	499,703	336,208	121,807	957,718
OTHER FINANCING USES				
Transfer to other funds	<u>(2,469,000)</u>	<u>(197,245)</u>	<u>-</u>	<u>(2,666,245)</u>
Net change in fund balance	(1,969,297)	138,963	121,807	(1,708,527)
FUND BALANCES,				
BEGINNING OF YEAR	<u>14,298,869</u>	<u>1,221,847</u>	<u>2,419,273</u>	<u>17,939,989</u>
FUND BALANCES,				
END OF YEAR	<u>\$ 12,329,572</u>	<u>\$ 1,360,810</u>	<u>\$ 2,541,080</u>	<u>\$ 16,231,462</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
SCHEDULE OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2016**

ASSETS

Cash and investments	<u>\$ 14,027,876</u>
----------------------	----------------------

LIABILITIES AND FUND BALANCE

LIABILITIES

Interfund payable	\$ 1,698,304
-------------------	--------------

FUND BALANCE

Restricted for Tort	126,682
Unassigned	<u>12,202,890</u>

Total fund balances	<u>12,329,572</u>
---------------------	-------------------

TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 14,027,876</u>
---	-----------------------------

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2016

	Budget		Actual
	Original	Final	
REVENUE COLLECTED			
Local sources:			
Property taxes	\$ 8,820,213	\$ 8,820,213	\$ 9,214,485
Payments in lieu of taxes	470,000	470,000	433,962
Earnings on investments	301,000	301,000	344,690
Food services	121,800	121,800	139,009
Summer school tuition	40,000	40,000	35,515
Textbook rentals	110,000	110,000	94,501
Other local sources	<u>140,000</u>	<u>140,000</u>	<u>163,363</u>
Total local sources	10,003,013	10,003,013	10,425,525
State sources:			
General state aid	429,000	429,000	457,342
Special education	170,000	170,000	258,244
Bilingual education	78,000	78,000	7,344
School lunch and breakfast program	500	500	409
On-behalf payments for teachers' retirement	<u>-</u>	<u>-</u>	<u>2,488,439</u>
Total state sources	677,500	677,500	3,211,778
Federal sources:			
Title I - low income	80,000	80,000	95,865
Special education - IDEA - flow through	-	-	7,510
National school lunch program	65,000	65,000	69,051
Title II - Teacher quality	14,000	14,000	17,719
Title III - English language acquisition	<u>25,750</u>	<u>25,750</u>	<u>14,987</u>
Total federal sources	184,750	184,750	205,132
Total revenue collected	10,865,263	10,865,263	13,842,435

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2016**

	<u>Budget</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
EXPENDITURES PAID			
Current:			
Instruction:			
Regular programs:			
Salaries	4,308,994	4,400,418	4,387,253
Employee benefits	723,380	724,605	698,319
Purchased services	42,000	42,000	2,627
Supplies and materials	226,247	226,247	197,912
Non-capitalized equipment	-	-	1,515
Total regular programs	5,300,621	5,393,270	5,287,626
Special education programs:			
Salaries	689,118	689,118	705,760
Employee benefits	104,897	104,897	108,236
Purchased services	5,000	5,000	15,643
Supplies and materials	11,000	11,000	9,064
Total special education programs	810,015	810,015	838,703
Remedial and supplemental programs K-12:			
Salaries	271,350	271,350	270,775
Employee benefits	41,282	41,282	38,020
Supplies and materials	4,000	4,000	1,887
Total remedial and supplemental programs K-12	316,632	316,632	310,682
Interscholastic programs:			
Salaries	53,375	53,375	46,930
Employee benefits	716	716	592
Supplies and materials	5,000	5,000	4,559
Other objects	6,500	6,500	6,880
Total interscholastic programs	65,591	65,591	58,961
Summer school programs:			
Salaries	40,000	40,000	35,202
Employee benefits	536	536	1,605
Supplies and materials	5,000	5,000	2,386
Total summer school programs	45,536	45,536	39,193

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2016**

	<u>Budget</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
EXPENDITURES PAID (CONTINUED)			
Current (Continued):			
Gifted programs:			
Salaries	104,442	104,442	104,442
Employee benefits	20,810	20,810	21,605
Supplies and materials	<u>750</u>	<u>750</u>	<u>419</u>
Total gifted programs	126,002	126,002	126,466
Bilingual programs:			
Salaries	414,171	336,171	330,888
Employee benefits	39,882	39,882	41,711
Supplies and materials	4,000	4,000	949
Other objects	<u>11,000</u>	<u>11,000</u>	<u>10,126</u>
Total bilingual programs	469,053	391,053	383,674
On-behalf payments for teachers' retirement	<u>-</u>	<u>-</u>	<u>2,488,439</u>
Total instruction	7,133,450	7,148,099	9,533,744
Supporting services:			
Attendance and social work services:			
Salaries	145,423	145,423	145,423
Employee benefits	<u>37,221</u>	<u>37,221</u>	<u>35,873</u>
Total attendance and social work services	182,644	182,644	181,296
Health services:			
Salaries	33,029	33,029	34,219
Employee benefits	2,000	2,000	-
Supplies and materials	<u>1,800</u>	<u>1,800</u>	<u>1,927</u>
Total health services	36,829	36,829	36,146
Psychological services:			
Salaries	229,435	229,435	229,434
Employee benefits	<u>27,261</u>	<u>27,261</u>	<u>18,807</u>
Total psychological services	256,696	256,696	248,241

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2016**

	<u>Budget</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
EXPENDITURES PAID (CONTINUED)			
Supporting services: (Continued)			
Speech pathology and audiology services:			
Salaries	162,611	162,611	162,611
Employee benefits	33,643	33,643	29,070
Supplies and materials	<u>1,000</u>	<u>1,000</u>	<u>1,016</u>
Total speech pathology and audiology services	197,254	197,254	192,697
Other support services - pupils:			
Supplies and materials	6,500	6,500	7,449
Other objects	<u>5,000</u>	<u>5,000</u>	<u>2,724</u>
Total other support services - pupils	11,500	11,500	10,173
Improvement of instruction services:			
Employee benefits	20,000	6,576	-
Purchased services	73,850	73,850	43,129
Supplies and materials	<u>10,000</u>	<u>10,000</u>	<u>670</u>
Total improvement of instruction services	103,850	90,426	43,799
Educational media services:			
Salaries	259,358	259,358	268,777
Employee benefits	63,206	63,206	40,576
Purchased services	98,000	98,000	139,656
Supplies and materials	100,500	100,500	37,438
Non-capitalized equipment	<u>-</u>	<u>-</u>	<u>1,003</u>
Total educational media services	521,064	521,064	487,450
Assessment and testing:			
Purchased services	12,000	12,000	13,502
Board of education services:			
Purchased services	95,750	95,750	115,224
Supplies and materials	2,000	2,000	2,392
Other objects	<u>7,500</u>	<u>7,500</u>	<u>2,173</u>
Total board of education services	105,250	105,250	119,789

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2016**

	Budget		Actual
	Original	Final	
EXPENDITURES PAID (CONTINUED)			
Supporting services: (Continued)			
Executive administration services:			
Salaries	213,594	213,594	235,894
Employee benefits	4,021	4,021	9,942
Purchased services	10,100	10,100	13,572
Supplies and materials	4,000	4,000	2,341
Other objects	4,500	4,500	3,334
Total executive administration services	236,215	236,215	265,083
Office of the principal services:			
Salaries	281,595	281,595	293,935
Employee benefits	48,455	48,455	59,599
Purchased services	55,000	55,000	68,343
Supplies and materials	25,000	25,000	3,028
Other objects	2,500	2,500	1,302
Non-capitalized equipment	-	-	2,234
Total office of the principal services	412,550	412,550	428,441
Direction of business support services:			
Purchased services	70,000	70,000	20,600
Supplies and materials	-	-	42,307
Total direction of business support services	70,000	70,000	62,907
Fiscal services:			
Salaries	40,000	40,000	43,365
Employee benefits	5,500	5,500	-
Purchased services	65,000	65,000	62,573
Total fiscal services	110,500	110,500	105,938
Operations and maintenance of plant services:			
Employee benefits	-	-	1,186
Purchased services	50,000	50,000	44,955
Total operations and maintenance of plant services	50,000	50,000	46,141
Pupil transportation services			
Employee benefits	-	-	585
Food services:			
Salaries	125,562	125,562	124,553
Employee benefits	17,600	17,600	9,084
Purchased services	25,000	25,000	21,508
Supplies and materials	115,000	115,000	101,688
Total food services	283,162	283,162	256,833

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2016**

	<u>Budget</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
EXPENDITURES PAID (CONTINUED)			
Information services:			
Purchased services	20,000	20,000	17,618
Other support services			
Supplies and materials	<u>1,800</u>	<u>1,800</u>	<u>77</u>
Total supporting services	2,611,314	2,597,890	2,516,716
Community services:			
Purchased services	1,750	1,750	-
Supplies and materials	<u>1,100</u>	<u>1,100</u>	<u>776</u>
Total community services	2,850	2,850	776
Payments to other governmental units:			
Purchased services	-	-	12
Other objects	<u>850,000</u>	<u>850,000</u>	<u>1,061,877</u>
Total payments to other governmental units	850,000	850,000	1,061,889
Capital outlay:			
Regular programs	5,000	5,000	-
Health Services	250	250	3,712
Educational media services	154,300	154,300	223,324
Executive administration services	2,000	2,000	-
Office of the principal services	20,000	20,000	-
Food services	<u>5,000</u>	<u>5,000</u>	<u>2,571</u>
Total capital outlay	<u>186,550</u>	<u>186,550</u>	<u>229,607</u>
Total expenditures paid	<u>10,784,164</u>	<u>10,785,389</u>	<u>13,342,732</u>
Excess of revenue collected over expenditures paid	81,099	79,874	499,703
OTHER FINANCING USES			
Transfer to other funds	<u>-</u>	<u>(2,469,000)</u>	<u>(2,469,000)</u>
Net change in fund balance	<u>\$ 81,099</u>	<u>\$ (2,389,126)</u>	<u>(1,969,297)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>14,298,869</u>
FUND BALANCE, END OF YEAR			<u>\$ 12,329,572</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
OPERATIONS AND MAINTENANCE ACCOUNT
SCHEDULE OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2016**

ASSETS

Cash and investments	<u>\$ 1,360,810</u>
----------------------	---------------------

LIABILITIES AND FUND BALANCE

LIABILITIES	\$ -
--------------------	------

FUND BALANCE	
Assigned	<u>1,360,810</u>

TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,360,810</u>
---	---------------------

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
OPERATIONS AND MAINTENANCE ACCOUNT
SCHEDULE OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2016**

	<u>Original</u>	<u>Budget Final</u>	<u>Actual</u>
REVENUE COLLECTED			
Local sources:			
Property taxes	\$ 1,011,186	\$ 1,011,186	\$ 1,057,257
Earnings on investments	20,000	20,000	29,453
Other local sources	<u>51,000</u>	<u>51,000</u>	<u>31,350</u>
Total revenue collected	1,082,186	1,082,186	1,118,060
EXPENDITURES PAID			
Current:			
Supporting services:			
Facilities acquisition and construction:			
Purchased services	215,000	215,000	2,377
Other objects	<u>10,000</u>	<u>34,000</u>	<u>35,733</u>
Total facilities acquisition and construction	225,000	249,000	38,110
Operation and maintenance of plant:			
Salaries	197,835	197,835	193,414
Employee benefits	27,050	27,050	22,796
Purchased services	257,000	368,000	232,007
Supplies and materials	242,000	242,000	157,217
Non-capitalized equipment	<u>-</u>	<u>-</u>	<u>1,411</u>
Total operation and maintenance of plant	<u>723,885</u>	<u>834,885</u>	<u>606,845</u>
Total supporting services	948,885	1,083,885	644,955
Capital outlay:			
Facilities acquisition and construction	30,000	30,000	399
Operation and maintenance of plant	<u>70,000</u>	<u>70,000</u>	<u>136,498</u>
Total capital outlay	<u>100,000</u>	<u>100,000</u>	<u>136,897</u>
Total expenditures paid	<u>1,048,885</u>	<u>1,183,885</u>	<u>781,852</u>
Excess (deficiency) of revenue collected over expenditures paid	33,301	(101,699)	336,208
OTHER FINANCING USES			
Transfer to other funds	<u>-</u>	<u>-</u>	<u>(197,245)</u>
Net change in fund balance	<u>\$ 33,301</u>	<u>\$ (101,699)</u>	138,963
FUND BALANCE, BEGINNING OF YEAR			<u>1,221,847</u>
FUND BALANCE, END OF YEAR			<u>\$ 1,360,810</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
WORKING CASH ACCOUNT
SCHEDULE OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2016**

ASSETS

Cash and investments	\$ 842,776
Interfund receivable	<u>1,698,304</u>
TOTAL ASSETS	<u>\$ 2,541,080</u>

LIABILITIES AND FUND BALANCE

LIABILITIES	\$ -
FUND BALANCE	
Assigned	<u>2,541,080</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,541,080</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
 WORKING CASH ACCOUNT
 SCHEDULE OF REVENUE COLLECTED, EXPENDITURES PAID, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 Fiscal Year Ended June 30, 2016**

	<u>Budget</u>		
	Original	Final	Actual
REVENUE COLLECTED			
Local sources:			
Property taxes	\$ 101,435	\$ 101,435	\$ 105,942
Earnings on investments	10,000	10,000	15,865
Total revenue collected	111,435	111,435	121,807
 EXPENDITURES PAID	-	-	-
Net change in fund balance	\$ 111,435	\$ 111,435	121,807
 FUND BALANCE, BEGINNING OF YEAR			2,419,273
 FUND BALANCE, END OF YEAR			\$ 2,541,080

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
DEBT SERVICES FUND
SCHEDULE OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2016**

ASSETS

Cash and investments	<u>\$ 41,640</u>
----------------------	------------------

LIABILITIES AND FUND BALANCE

LIABILITIES	\$ -
--------------------	------

FUND BALANCE	
Restricted for debt service	<u>41,640</u>

TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 41,640</u>
---	------------------

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
DEBT SERVICES FUND
SCHEDULE OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2016

	<u>Original</u>	<u>Budget</u> Final	<u>Actual</u>
REVENUE COLLECTED			
Local sources:			
Property taxes	\$ 546,002	\$ 546,002	\$ 253,193
Earnings on investments	20,000	20,000	15,993
	566,002	566,002	269,186
EXPENDITURES PAID			
Debt service:			
State aid anticipation certificates	160,000	92,612	-
Principal retirement	-	-	3,765,000
Interest	375,000	3,625,000	367,712
	535,000	3,717,612	4,132,712
Excess (deficiency) of revenues collected over expenditures paid	31,002	(3,151,610)	(3,863,526)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	-	-	2,700,000
Bond premium on sale of bonds	-	-	49,297
Bonds refunded	-	-	(2,560,000)
Transfer from other funds	-	2,465,000	2,662,245
	-	2,465,000	2,851,542
Net change in fund balance	\$ 31,002	\$ (686,610)	(1,011,984)
FUND BALANCE, BEGINNING OF YEAR			1,053,624
FUND BALANCE, END OF YEAR			\$ 41,640

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
CAPITAL PROJECTS FUND
SCHEDULE OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2016**

ASSETS

Cash and investments	<u>\$ 177</u>
----------------------	---------------

LIABILITIES AND FUND BALANCE

LIABILITIES	\$ -
--------------------	------

FUND BALANCE	
Assigned	<u>177</u>

TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 177</u>
---	---------------

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2016**

	<u>Original</u>	<u>Budget</u>	<u>Final</u>		<u>Actual</u>
REVENUE COLLECTED					
Local sources:					
Earnings on investments	\$	500	\$	500	\$ 14
 EXPENDITURES PAID					
Supporting services:					
Facilities acquisition and construction:					
Purchased services		3,500		3,500	500
Capital outlay:					
Facilities acquisition and construction	-		-		11,018
Total expenditures paid	<u>3,500</u>		<u>3,500</u>		<u>11,518</u>
Deficiency of revenues collected over expenditures paid	(3,000)		(3,000)		(11,504)
 OTHER FINANCING SOURCES					
Transfer from other funds	-		4,000		4,000
Net change in fund balance	<u>\$ (3,000)</u>		<u>\$ 1,000</u>		<u>(7,504)</u>
 FUND BALANCE, BEGINNING OF YEAR					<u>7,681</u>
 FUND BALANCE, END OF YEAR					<u>\$ 177</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
TRANSPORTATION FUND
SCHEDULE OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2016**

ASSETS

Cash and investments	<u>\$ 301,193</u>
----------------------	-------------------

LIABILITIES AND FUND BALANCE

LIABILITIES	\$ -
--------------------	------

FUND BALANCE	
Restricted	<u>301,193</u>

TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 301,193</u>
---	-------------------

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
TRANSPORTATION FUND
SCHEDULE OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2016

	Budget			Actual
	Original	Final		
REVENUE COLLECTED				
Local sources:				
Property taxes	\$ 383,807	\$ 383,807	\$	400,339
Transportation fees	1,000	1,000		-
Earnings on investments	7,500	7,500		9,109
Total local sources	392,307	392,307		409,448
State sources:				
Transportation aid	181,000	181,000		251,176
Total revenue collected	573,307	573,307		660,624
EXPENDITURES PAID				
Supporting services:				
Salaries	26,121	26,121		23,893
Purchased services	557,700	557,700		761,805
Total expenditures paid	583,821	583,821		785,698
Net change in fund balance	\$ (10,514)	\$ (10,514)		(125,074)
FUND BALANCE, BEGINNING OF YEAR				426,267
FUND BALANCE, END OF YEAR				\$ 301,193

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MUNICIPAL RETIREMENT FUND
SCHEDULE OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2016**

ASSETS

Cash and investments	<u>\$ 463,376</u>
----------------------	-------------------

LIABILITIES AND FUND BALANCE

LIABILITIES	\$ -
--------------------	------

FUND BALANCE

Restricted for employees' retirement system	<u>463,376</u>
---	----------------

TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 463,376</u>
---	-------------------

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MUNICIPAL RETIREMENT FUND
SCHEDULE OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Fiscal Year Ended June 30, 2016**

	<u>Budget</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
REVENUE COLLECTED			
Property taxes	\$ 353,912	\$ 353,912	\$ 370,017
Earnings on investments	<u>7,000</u>	<u>7,000</u>	<u>10,829</u>
Total revenue collected	360,912	360,912	380,846
EXPENDITURES			
Current:			
Instruction:			
Employer's share of retirement system, FICA, and Medicare	129,680	129,680	127,316
Supporting services:			
Employer's share of retirement system, FICA, and Medicare	<u>152,300</u>	<u>152,300</u>	<u>148,556</u>
Total expenditures paid	<u>281,980</u>	<u>281,980</u>	<u>275,872</u>
Net change in fund balance	<u>\$ 78,932</u>	<u>\$ 78,932</u>	104,974
FUND BALANCE, BEGINNING OF YEAR			<u>358,402</u>
FUND BALANCE, END OF YEAR			<u>\$ 463,376</u>

**MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
FIRE PREVENTION AND SAFETY FUND
SCHEDULE OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2016**

ASSETS

Cash and investments	<u>\$ 563</u>
----------------------	---------------

LIABILITIES AND FUND BALANCE

LIABILITIES	\$ -
--------------------	------

FUND BALANCE	
Assigned	<u>563</u>

TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 563</u>
---	---------------

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
FIRE PREVENTION AND SAFETY FUND
SCHEDULE OF REVENUE COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Fiscal Year Ended June 30, 2016

	<u>Original</u>	<u>Budget</u> Final	<u>Actual</u>
REVENUE COLLECTED			
Earnings on investments	\$ 50	\$ 50	\$ 12
EXPENDITURES PAID	-	-	-
Net change in fund balance	<u>\$ 50</u>	<u>\$ 50</u>	12
FUND BALANCE, BEGINNING OF YEAR			<u>551</u>
FUND BALANCE, END OF YEAR			<u>\$ 563</u>

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
AGENCY FUND - ACTIVITY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 2016

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
ASSETS				
Cash	\$ 67,426	\$ 92,255	\$ 106,927	\$ 52,754
LIABILITIES				
Due to organizations	\$ 67,426	\$ 92,255	\$ 106,927	\$ 52,754

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
AGENCY FUND - ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES
Year Ended June 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
STUDENT ACTIVITY FUNDS				
Student Activity Fund	\$ 35,117	\$ 91,614	\$ 97,480	\$ 29,251
Activity Fund - Science Olympiad	<u>1,721</u>	<u>-</u>	<u>-</u>	<u>1,721</u>
Total Student Activity Funds	36,838	91,614	97,480	30,972
OTHER AGENCY FUNDS				
Midwest NWEA Account	20,367	-	8,147	12,220
Stix Memorial Fund	<u>10,221</u>	<u>641</u>	<u>1,300</u>	<u>9,562</u>
Total Other Agency Funds	<u>30,588</u>	<u>641</u>	<u>9,447</u>	<u>21,782</u>
TOTAL AGENCY AND ACTIVITY FUNDS	<u>\$ 67,426</u>	<u>\$ 92,255</u>	<u>\$ 106,927</u>	<u>\$ 52,754</u>