



***MORTON GROVE PUBLIC SCHOOL
DISTRICT NO. 70
MORTON GROVE, ILLINOIS***

ANNUAL FINANCIAL REPORT

JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of

Morton Grove Public School District No. 70

as of and for the year ended June 30, 2023, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the District as of June 30, 2023 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Morton Grove Public School District No. 70 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

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

Change in Accounting Principle

As described in Note 16 to the financial statements, during the year, the District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Morton Grove Public School District No. 70's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Morton Grove Public School District No. 70 internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Morton Grove Public School District No. 70's ability to continue as a going concern for a reasonable period of time.

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

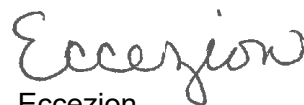
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except for the average daily attendance figure included in the computation of operating expenses per pupil and per capita tuition charges, 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, the supplementary information and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2023 on our consideration of Morton Grove Public School District No. 70's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Morton Grove Public School District No. 70's internal control over financial reporting and compliance.



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McHenry, Illinois
November 10, 2023



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities and each major fund of

Morton Grove Public School District No. 70

as of and for the year ended June 30, 2023, and the related notes to the financial statements which collectively comprise Morton Grove Public School District No. 70's basic financial statements, and have issued our report thereon dated November 10, 2023. Our opinion was modified because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Morton Grove Public School District No. 70's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Morton Grove Public School District No. 70's internal control. Accordingly, we do not express an opinion on the effectiveness of Morton Grove Public School District No. 70's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

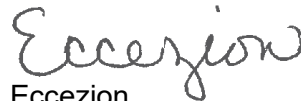
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Morton Grove Public School District No. 70's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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McHenry, Illinois
November 10, 2023

SUPPLEMENTAL INFORMATION

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

The Management's Discussion and Analysis of Morton Grove Public School District No. 70's (District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2023. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

Overview of the Financial Statements

This discussion and analysis are 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 the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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 – Modified Cash Basis presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference 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 fiscal year being reported. All changes in net position are reported on the cash basis as soon as cash is received or disbursed, regardless of when the underlying event giving rise to the change occurs.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, operations and maintenance, and transportation services.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds are governmental funds (the District maintains no proprietary funds).

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 District's near-term financing decisions. Both the governmental fund Balance Sheet – Modified Cash Basis and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund Balance Sheet - Modified Cash Basis and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis for the General, Operations and Maintenance, Debt Services, Transportation, Illinois Municipal Retirement/Social Security, Capital Projects, and Fire Prevention and Safety Funds, all of which the District considers to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement, which is supplemental information, has been provided for each fund to demonstrate compliance with this budget.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental information concerning the District's progress in meeting its obligation to provide as fully adequate as possible educational services and extracurricular activities to all of its resident's students.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$32,449,577 at the close of the most recent fiscal year.

The following table presents a summary of the District's net position for the years ended June 30, 2023 and 2022:

Morton Grove Public School District No. 70's Net Position at Year-End

	Governmental Activities	
	FY 2023	FY 2022
Assets		
Current and Other Assets	\$ 21,777,913	\$ 20,609,436
Capital Assets	12,176,354	12,367,500
Total Assets	\$ 33,954,267	\$ 32,976,936
Liabilities		
Payroll Liabilities	\$ 10,137	\$ 16,057
Long-Term Liabilities Outstanding	1,494,705	1,882,102
Total Liabilities	\$ 1,504,842	\$ 1,898,159
Net Position		
Net Investment in Capital Assets	\$ 12,176,354	\$ 12,367,500
Restricted	4,198,708	3,762,911
Unrestricted	16,074,515	14,948,366
Total Net Position	\$ 32,449,577	\$ 31,078,777

The net investment in capital assets (38% of total net position) represents assets such as land, buildings, and equipment, less any related debt used to acquire those assets that is still outstanding. The District uses its assets to provide educational services and extracurricular activities for the students of the local community. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (13%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (49%) may be used to meet the District's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net position.

The District's net position increased by \$1,370,800.

Governmental Activities

Governmental activities increased the District's net position by \$1,370,800. Key elements of this increase are as follows:

Morton Grove Public School District No. 70's Change in Net Position

	Governmental Activities	
	FY 2023	FY 2022
Revenues:		
Program Revenues		
Charges for Services	\$ 323,641	\$ 209,344
Operating Grants and Contributions	5,259,497	5,349,951
Capital Grants and Contributions	50,000	50,000
General Revenues:		
Property Taxes	12,829,180	13,070,136
Other Taxes	1,492,565	1,320,589
Grants and Contributions not Restricted to Specific Activities	866,246	867,148
Unrestricted Investment Earnings	457,727	373,642
Other	305,607	285,148
Total Revenues	<u>\$ 21,584,463</u>	<u>\$ 21,525,958</u>
Expenses:		
Instruction	\$ 11,867,790	\$ 11,387,142
Support Services	5,799,454	5,711,145
Community Services	19,941	15,652
Debt Services	46,628	63,908
Intergovernmental Payments	1,854,087	1,915,277
Depreciation - Unallocated	625,763	642,385
Total Expenses	<u>\$ 20,213,663</u>	<u>\$ 19,735,509</u>
Increase/(Decrease) in Net Position	\$ 1,370,800	\$ 1,790,449
Net Position - Beginning	<u>31,078,777</u>	<u>29,288,328</u>
Net Position - Ending	<u>\$ 32,449,577</u>	<u>\$ 31,078,777</u>

Total revenues remained similar. The increase in expenses was due mainly to an increase in instruction expenditures.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of June 30, 2023, the District's funds reported combined ending fund balances of \$21,767,928, an increase of \$1,174,549 in comparison with the prior year.

The General Fund is the chief operating fund of the District. At June 30, 2023, fund balance was \$16,860,574, of which \$16,849,216 is unassigned. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 97% of total General Fund expenditures and total fund balance represents 97% of total General Fund expenditures.

The General Fund's fund balance increased \$821,108 compared to prior year.

The Operations and Maintenance Fund's fund balance decreased \$823,601 in comparison with the prior year due to an increase in instruction expenditures.

The Debt Services Fund's fund balance increased \$7,307 in comparison with the prior year.

The Transportation Fund's fund balance increased \$382,059 in comparison with the prior year. This increase was the result of a decrease in expenses for transportation services.

The Illinois Municipal Retirement/Social Security Fund's fund balance decreased \$41,435 in comparison with the prior year.

The Capital Projects Fund's fund balance increased \$829,097 in comparison with the prior year due to a reduction in the amount of capital projects completed.

The Fire Prevention and Safety Fund's fund balance increased \$14 in comparison with the prior year.

General Fund Budgetary Highlights

Significant differences between the budget and actual revenues and expenditures are summarized as follows:

- The difference between budgeted revenues and actual revenues was \$4,884,892 (favorable) and was mostly due to State Retirement Contributions not budgeted for.
- The difference between budgeted expenditures and actual expenditures was \$4,024,857 (unfavorable) and was due to State Retirement Contributions not budgeted for.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2023, the District had invested \$12,176,354 in a broad range of capital assets, including land, buildings and improvements, equipment, food service and computer equipment, furniture and fixtures and transportation equipment. Total depreciation expense for the year was \$625,763.

Major capital asset events during the current fiscal year included the following:

- Final payments towards roof replacement project of \$141,409
- Construction in Progress of \$115,460 for elementary roofing project and a bathroom remodel

Morton Grove Public School District No. 70's Capital Assets (net of depreciation)

	Governmental Activities	
	FY 2023	FY 2022
Land	\$ 185,220	\$ 185,220
Construction in Progress	165,021	342,378
Buildings and Improvements	11,598,275	11,590,259
Equipment	216,065	220,450
Food Service Equipment	7,350	8,396
Computer Equipment	4,423	20,797
Total	<u>\$ 12,176,354</u>	<u>\$ 12,367,500</u>

Additional information on the District's capital assets can be found in note 4 in the Notes to the Financial Statements.

Long-Term Debt

At June 30, 2023, the District had \$1,494,705 in long-term debt.

Morton Grove Public School District No. 70's Outstanding Debt

	Governmental Activities	
	FY 2023	FY 2022
General Obligation Bonds	\$ 895,000	\$ 1,220,000
Special Education Bond Series	599,705	662,102
Total	<u>\$ 1,494,705</u>	<u>\$ 1,882,102</u>

Significant debt activity for the year ended June 30, 2023 includes a payment of \$325,000 according to the General Obligation Bonds payment schedule and \$62,397 payments towards the Special Education Bond Series.

Additional information on the District's long-term debt can be found in note 5 in the Notes to the Financial Statements.

Economic Factors and Next Year's Budget

Morton Grove Public School District No. 70 will continue to receive an increase in revenues for Fiscal year 2024 mostly due to ESSER III grant funds as well as an increase in property tax revenue. In fiscal year 2024 the District anticipates capital projects totaling approximately \$1,000,000 which has been reflected in the fiscal year 2024 budget.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the District at the following address:

Morton Grove Public School District No. 70
 6200 Lake Street
 Morton Grove, IL 60053

BASIC FINANCIAL STATEMENTS

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 21,776,064
Other Current Assets	2,001
Capital Assets:	
Land	185,220
Construction in Progress	165,020
Depreciable Buildings, Property, and Equipment, net of depreciation	11,826,114
Total Assets	\$ 33,954,419
LIABILITIES	
Payroll Liabilities	\$ 10,137
Long-Term Liabilities	
Due Within One Year	394,708
Due in More Than One Year	1,099,997
Total Liabilities	\$ 1,504,842
NET POSITION	
Net Investment in Capital Assets	\$ 12,176,354
Restricted for:	
Operations and Maintenance	713,911
Debt Service	85,122
Transportation	1,995,648
Retirement	237,248
Student Activity Fund	41,358
Unrestricted/(Deficit)	16,074,515
Total Net Position	\$ 32,449,577

The Notes to Financial Statements are an integral part of this statement.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					Governmental Activities
Instruction					
Regular Programs	\$ 5,479,783	\$ 155,036	\$ 149,343	\$ -	\$ (5,175,404)
Special Education Programs	803,241	-	245,338	-	(557,903)
Special Education Programs Pre-K	119,731	-	-	-	(119,731)
Other Instructional Programs	1,219,118	5,825	850	-	(1,212,443)
Student Activity Fund	46,912	-	-	-	(46,912)
State Retirement Contributions	4,199,005	-	4,199,005	-	-
Support Services					
Pupil	944,201	-	30,408	-	(913,793)
Instructional Staff	915,690	-	-	-	(915,690)
General Administration	490,221	-	-	-	(490,221)
School Administration	625,931	-	-	-	(625,931)
Business	377,914	-	-	-	(377,914)
Facilities Acquisition and Construction Services	40,487	-	-	-	(40,487)
Operations and Maintenance	1,010,551	-	271,654	50,000	(688,897)
Transportation	905,911	-	211,592	-	(694,319)
Food Services	337,812	131,980	151,307	-	(54,525)
Central	130,964	-	-	-	(130,964)
Other Support Services	19,772	-	-	-	(19,772)
Community Services	19,941	-	-	-	(19,941)
Debt Services					
Interest and Fees	46,628	-	-	-	(46,628)
Intergovernmental Payments					
Payments to Other Districts and Governmental Units	1,854,087	30,800	-	-	(1,823,287)
Depreciation Unallocated	625,763	-	-	-	(625,763)
Total Governmental Activities	\$ 20,213,663	\$ 323,641	\$ 5,259,497	\$ 50,000	\$ (14,580,525)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					
					\$ 12,481,052
Property Taxes, Levied for Debt Service					
					348,128
Personal Property Replacement Taxes					
					1,492,565
Grants and Contributions not Restricted to Specific Activities					
					866,246
Unrestricted Investment Earnings					
					457,727
Miscellaneous Income					
					305,607
Total General Revenues					
					\$ 15,951,325
Change in Net Position					
					\$ 1,370,800
Net Position - July 1, 2022					
					31,078,777
Net Position - June 30, 2023					
					\$ 32,449,577

The Notes to Financial Statements are an integral part of this statement.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
 FUND FINANCIAL STATEMENTS
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE - MODIFIED CASH BASIS
 GOVERNMENTAL FUNDS
 JUNE 30, 2023

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 16,870,711	\$ 1,027,390	\$ 281,624	\$ 2,112,051	\$ 261,734	\$ 1,221,902	\$ 652	\$ 21,776,064
Other Current Assets	-	1,849	-	152	-	-	-	2,001
Total Assets	<u>\$ 16,870,711</u>	<u>\$ 1,029,239</u>	<u>\$ 281,624</u>	<u>\$ 2,112,203</u>	<u>\$ 261,734</u>	<u>\$ 1,221,902</u>	<u>\$ 652</u>	<u>\$ 21,778,065</u>
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Payroll Liabilities	\$ 10,137	-	-	-	-	-	-	\$ 10,137
Total Liabilities	<u>\$ 10,137</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,137</u>
FUND BALANCE								
Restricted								
Operations and Maintenance	\$ -	\$ 713,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 713,911
Debt Services	-	-	85,122	-	-	-	-	85,122
Transportation	-	-	-	1,995,648	-	-	-	1,995,648
Illinois Municipal Retirement Fund/Social Security	-	-	-	-	237,248	-	-	237,248
Capital Projects	-	-	-	-	-	1,125,421	-	1,125,421
Student Activity	41,358	-	-	-	-	-	-	41,358
Assigned								
Operations and Maintenance	-	315,328	-	-	-	-	-	315,328
Debt Services	-	-	196,502	-	-	-	-	196,502
Transportation	-	-	-	116,555	-	-	-	116,555
Illinois Municipal Retirement Fund/Social Security	-	-	-	-	24,486	-	-	24,486
Capital Projects	-	-	-	-	-	96,481	-	96,481
Fire Prevention and Safety	-	-	-	-	-	-	652	652
Unassigned	16,819,216	-	-	-	-	-	-	16,819,216
Total Fund Balance	<u>\$ 16,860,574</u>	<u>\$ 1,029,239</u>	<u>\$ 281,624</u>	<u>\$ 2,112,203</u>	<u>\$ 261,734</u>	<u>\$ 1,221,902</u>	<u>\$ 652</u>	<u>\$ 21,767,928</u>
Total Liabilities and Fund Balance	<u>\$ 16,870,711</u>	<u>\$ 1,029,239</u>	<u>\$ 281,624</u>	<u>\$ 2,112,203</u>	<u>\$ 261,734</u>	<u>\$ 1,221,902</u>	<u>\$ 652</u>	<u>\$ 21,778,065</u>

The Notes to Financial Statements are an integral part of this statement.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE -
 MODIFIED CASH BASIS TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 JUNE 30, 2023

Total Fund Balances - Governmental Funds		\$ 21,767,928
<p>Amounts reported for governmental activities in the Statement of Net Position - Modified Cash Basis are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Capital Assets	\$ 23,741,436	
Accumulated Depreciation on Capital Assets	<u>(11,565,082)</u>	12,176,354
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
		<u>(1,494,705)</u>
Net Position of Governmental Activities		<u>\$ 32,449,577</u>

The Notes to Financial Statements are an integral part of this statement.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2023

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	Total Governmental Funds
REVENUES								
Property Taxes	\$ 9,929,439	\$ 1,292,290	\$ 348,128	\$ 1,027,873	\$ 231,450	\$ -	\$ -	\$ 12,829,180
Payments in Lieu of Taxes	1,444,231	-	-	-	48,334	-	-	1,492,565
Tuition	54,078	-	-	-	-	-	-	54,078
Earnings on Investments	363,795	27,349	5,579	38,628	4,386	17,976	14	457,727
Food Services	131,980	-	-	-	-	-	-	131,980
Textbooks	106,783	-	-	-	-	-	-	106,783
Student Activity Income	47,997	-	-	-	-	-	-	47,997
Other Local Sources	257,610	30,800	-	-	-	-	-	288,410
State Aid	877,699	-	-	211,592	-	50,000	-	1,139,291
Federal Aid	818,384	10,961	-	8,102	-	-	-	837,447
State Retirement Contributions	4,199,005	-	-	-	-	-	-	4,199,005
Total Revenues	\$ 18,231,001	\$ 1,361,400	\$ 353,707	\$ 1,286,195	\$ 284,170	\$ 67,976	\$ 14	\$ 21,584,463
EXPENDITURES								
Current								
Instruction								
Regular Programs	\$ 5,414,237	\$ -	\$ -	\$ -	\$ 65,546	\$ -	\$ -	\$ 5,479,783
Special Education Programs	774,496	-	-	-	28,745	-	-	803,241
Special Education Programs Pre-K	114,163	-	-	-	5,568	-	-	119,731
Other Instructional Programs	1,203,432	-	-	-	15,686	-	-	1,219,118
Student Activity Fund	46,912	-	-	-	-	-	-	46,912
State Retirement Contributions	4,199,005	-	-	-	-	-	-	4,199,005
Support Services								
Pupil	920,405	-	-	-	23,796	-	-	944,201
Instructional Staff	876,866	-	-	-	38,824	-	-	915,690
General Administration	486,157	-	-	-	4,064	-	-	490,221
School Administration	604,254	-	-	-	21,677	-	-	625,931
Business	337,149	-	-	-	40,765	-	-	377,914
Facilities Acquisition and Construction Services	-	40,487	-	-	-	-	-	40,487
Operations and Maintenance	62,879	910,712	-	-	36,960	-	-	1,010,551
Transportation	1,396	-	-	904,136	379	-	-	905,911
Food Services	308,294	-	-	-	29,518	-	-	337,812
Central	116,897	-	-	-	14,067	-	-	130,964
Other Support Services	19,772	-	-	-	-	-	-	19,772
Community Services	19,931	-	-	-	10	-	-	19,941
Debt Services								
Principal	-	-	387,397	-	-	-	-	387,397
Interest and Fees	-	-	46,628	-	-	-	-	46,628
Capital Outlay	49,561	146,177	-	-	-	238,879	-	434,617
Intergovernmental Payments								
Payments to Other Districts and Governmental Units	1,854,087	-	-	-	-	-	-	1,854,087
Total Expenditures	\$ 17,409,893	\$ 1,097,376	\$ 434,025	\$ 904,136	\$ 325,605	\$ 238,879	\$ -	\$ 20,409,914
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 821,108	\$ 264,024	\$ (80,318)	\$ 382,059	\$ (41,435)	\$ (170,903)	\$ 14	\$ 1,174,549
OTHER FINANCING SOURCES (USES)								
Interfund Transfers	-	(1,087,625)	87,625	-	-	1,000,000	-	-
NET CHANGE IN FUND BALANCES	\$ 821,108	\$ (823,601)	\$ 7,307	\$ 382,059	\$ (41,435)	\$ 829,097	\$ 14	\$ 1,174,549
FUND BALANCE - JULY 1, 2022	16,039,466	1,852,840	274,317	1,730,144	303,169	392,805	638	20,593,379
FUND BALANCE - JUNE 30, 2023	\$ 16,860,574	\$ 1,029,239	\$ 281,624	\$ 2,112,203	\$ 261,734	\$ 1,221,902	\$ 652	\$ 21,767,928

The Notes to Financial Statements are an integral part of this statement.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - MODIFIED CASH BASIS TO THE
 STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 1,174,549

Amounts reported for governmental activities in the Statement of Activities - Modified Cash Basis are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities - Modified Cash Basis the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (625,763)	
Capital Outlay	<u>434,617</u>	(191,146)

Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis, but the repayment reduces long-term liabilities in the Statement of Net Position - Modified Cash Basis and is therefore not reported in the Statement of Activities - Modified Cash Basis.

Repayment of Long-Term Debt		<u>387,397</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 1,370,800</u></u>
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The Notes to Financial Statements are an integral part of this statement.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Morton Grove Public School District No. 70 (District) financial statements are prepared in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies used by the District are discussed below.

A. Reporting Entity

The accompanying financial statements comply with the provisions of GASB statements, in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units. In addition, the District is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. *Basic Financial Statements – Government-Wide Financial Statements*

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund (reporting the District's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the District as governmental activities. The District does not have any business-type activities.

In the government-wide Statement of Net Position – Modified Cash Basis, the governmental activities column (a) is presented on a consolidated basis, and (b) is reported on a modified cash, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities – Modified Cash Basis reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.). The Statement of Activities – Modified Cash Basis reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function (regular programs, special education programs, payments to other districts and governmental units, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.).

The District does not allocate indirect costs.

NOTES TO FINANCIAL STATEMENTS (Continued)

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of all governmental funds) for the determination of major funds. The District electively made all governmental funds major funds.

The following fund types are used by the District:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Educational, Working Cash, and Tort are included in this fund.

This fund also includes activity funds held and controlled by the District, under the direction of district personnel, and administrative involvement of the board of education.

Special Revenue Funds – The Special Revenue Funds (Operations and Maintenance Fund, Transportation Fund, and Illinois Municipal Retirement/Social Security Fund) are used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service and capital projects.

Debt Services Fund – The Debt Services Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the periodic payment of principal, interest, and related fees on general long-term debt.

Capital Projects Funds – The Capital Projects Funds (Capital Projects Fund and Fire Prevention and Safety Fund) are used to account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of major capital facilities and fire prevention and safety projects.

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

In the government-wide Statement of Net Position - Modified Cash Basis and Statement of Activities - Modified Cash Basis and the fund financial statements, governmental activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

NOTES TO FINANCIAL STATEMENTS (Continued)

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the District utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. The government-wide financial statements would be presented on the accrual basis of accounting.

E. *Budgetary Process*

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

1. The Director of Business Services submits a proposed operating budget to the Board for the financial year commencing July 1. The operating budget includes proposed expenditures and means of financing them. This proposed budget is approved by the Board at the July meeting.
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.
4. The board is authorized to transfers 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 appropriations lapse at the end of each fiscal year.

F. *Cash and Cash Equivalents and Investments*

State statutes require the District to use treasury services of the Township School Treasurer and authorize the District's treasurer to invest in obligations of the U.S. Treasury, certain highly rated commercial paper, corporate bonds, repurchase agreements, and money market mutual funds registered under the Investment Company Act of 1940 with certain restrictions.

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

Occasionally certain of the funds participating in the common bank accounts will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans which have not been authorized by School Board action.

No District fund had a cash overdraft at June 30, 2023.

The District has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred.

NOTES TO FINANCIAL STATEMENTS (Continued)

G. *Inventories*

No inventory accounts are maintained to reflect the values of resale or supply items on hand. Instead, the costs of such items are charged to expense when purchased. The value of the District's inventories is not deemed to be material.

H. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

I. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and Improvements	20 - 50	years
Vehicles	5	years
Computer Equipment	5	years
Equipment	10	years
Furniture and Fixtures	10	years
Food Service Equipment	10	years

J. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Statement of Assets, Liabilities, and Fund Balance(s) and Statement(s) of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resource until that time.

K. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position – Modified Cash Basis. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as they are incurred.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

L. *Government-Wide Net Position*

Government-wide fund net position is divided into three components:

- Net investment in Capital Assets – consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position – consists of net position that is restricted by the District’s creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted Net Position – the remaining position is reported in this category.

M. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. The spendable fund balances are arranged in a hierarchy based on spending constraints.

- Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Board of Education. Committed amounts cannot be used for any other purpose unless the Board of Education removes those constraints by taking the same type of action (e.g. legislation, resolution, ordinance). Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- Assigned – Assigned fund balances are amounts that are constrained by the District’s intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Education has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. The District has not delegated this authority to an appointed body or official.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects or debt service fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District itself. All assigned fund balances are the residual amounts of the fund.

- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash.

The District permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

N. *Property Tax Calendar and Revenues*

Property taxes are levied each calendar year on all taxable real property located in the District on or before the last Tuesday in December. The 2022 tax levy was passed by the Board on December 12, 2022. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year and are payable in two installments early in March and early in September of the following calendar year. The District receives significant distributions of tax receipts approximately one month after these dates.

O. *Right-To-Use Assets*

The District recognizes a right-to-use liability and asset for various lease and subscription-based IT agreements right-to-use assets (right-to-use asset) in the government-wide financial statements.

At the commencement of a lease or subscription-based IT agreement, the District initially measures the right-to-use liability at the present value of payments expected to be made during the agreement term. Subsequently, the right-to-use liability is reduced by the principal portion payments made. The right-to-use asset is initially measured as the initial amount of the right-to-use liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over the term of the lease or subscription-based IT agreement. Key estimates and judgments related to leases or subscription-based IT agreements include how the District determines (1) the discount rate it uses to discount the expected payments to present value, (2) the term, and (3) payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District uses its estimated incremental borrowing rate as the discount rate for leases or subscription-based IT agreements.

The term includes the noncancellable period of the lease or subscription-based IT agreement. Payments included in the measurement of the right-to-use liability are composed of fixed payments and purchase option prices that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease or subscription-based IT agreements and will remeasure the right-to-use asset and liability if certain changes occur that are expected to significantly affect the amount of the right-to-use liability. Right-to-use assets are reported with Capital Assets and right-to-use liabilities are reported with Long Term Liabilities on the Statement of Net Position. As of June 30, 2023 the District does not have any agreements that fall under these standards.

NOTE 2 - DEPOSITS AND INVESTMENTS

As explained in Note 1, the Illinois Compiled Statutes require the District to utilize the investment services of the Township School Treasurer (the Treasurer). As such, the Treasurer is the lawful custodian of these school funds. The Treasurer is appointed by the Township Treasurer's Board of Trustees. The investment policies are established by the Treasurer, as prescribed by the Illinois Compiled Statutes.

The Treasurer is the direct recipient of property taxes, replacement taxes, and most state and federal aid, and disburses school funds upon lawful order to the school board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below.

District cash and investments (other than the student activity and petty cash funds) are part of a common pool for all the school districts and cooperatives within the township. The Treasurer maintains records that segregate the cash and investments balances by district or cooperative. Income from investments

NOTES TO FINANCIAL STATEMENTS (Continued)

is distributed based upon the district's percentage participation in the pool. Cash for all funds, including cash applicable to the Debt Services 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 office operates as a nonrated, 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 weighted-average maturity of all pooled marketable investments held by the Treasurer was 6.75 years at June 30, 2023. The Treasurer also holds money-market type investments and deposits with financial institutions, including certificates of deposit. As of the same date, the fair value of all investments held by the Treasurer's office was \$394,118,121 and the fair value of the District's proportionate share of the cash and investments held by the Treasurer's office was \$19,163,836 at June 30, 2023.

Interest Rate Risk

The District's investment policy, which is the same as the Treasurer's office, aims to ensure preservation of capital in the District's overall portfolio. The highest return on investments is sought, consistent with the preservation of principal and prudent investment principles. The investment portfolio is required to provide sufficient liquidity to pay District obligations as they come due, considering maturity and investments, as appropriate to the nature, purpose and amount of funds. The District will also consider investments in local financial institutions, recognizing their contribution to the community's economic development.

Cash and Investments in the Custody of the District

At June 30, 2023, the carrying value of the District's activity fund was \$41,358, all of which was deposited with financial institutions. The District also maintains \$2,000 in an imprest account.

Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy 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. At June 30, 2023, the District had \$0 deposited with a financial institution which was uncollateralized and uninsured.

NOTE 3 - FAIR VALUE MEASUREMENT

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs

The District has the following recurring fair value measurements as of June 30, 2023:

- Municipal Bonds (Level 2 inputs) and U.S. Government backed debt (Level 1 inputs) backed debt are valued using quoted market prices

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 185,220	\$ -	\$ -	\$ 185,220
Construction In Progress	342,378	165,021	342,378	165,021
Total Capital Assets not being Depreciated	<u>\$ 527,598</u>	<u>\$ 165,021</u>	<u>\$ 342,378</u>	<u>\$ 350,241</u>
Other Capital Assets				
Buildings and Improvements	\$ 20,914,471	\$ 544,652	\$ -	\$ 21,459,123
Equipment	963,783	67,322	-	1,031,105
Food Service Equipment	10,465	-	-	10,465
Computer Equipment	862,686	-	-	862,686
Vehicles	27,816	-	-	27,816
Total Other Capital Assets at Historical Cost	<u>\$ 22,779,221</u>	<u>\$ 611,974</u>	<u>\$ -</u>	<u>\$ 23,391,195</u>
Less Accumulated Depreciation				
Buildings and Improvements	\$ 9,324,212	\$ 536,636	\$ -	\$ 9,860,848
Equipment	743,333	71,707	-	815,040
Food Service Equipment	2,069	1,046	-	3,115
Computer Equipment	841,889	16,374	-	858,263
Vehicles	27,816	-	-	27,816
Total Accumulated Depreciation	<u>\$ 10,939,319</u>	<u>\$ 625,763</u>	<u>\$ -</u>	<u>\$ 11,565,082</u>
Other Capital Assets, Net	<u>\$ 11,839,902</u>	<u>\$ (13,789)</u>	<u>\$ -</u>	<u>\$ 11,826,113</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,367,500</u>	<u>\$ 151,232</u>	<u>\$ 342,378</u>	<u>\$ 12,176,354</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
Unallocated	<u>\$ 625,763</u>
Total Governmental Activities Depreciation Expense	<u>\$ 625,763</u>

Net Investment in capital asset calculation as of June 30, 2023 was as follows:

Governmental Activities	
Capital Assets, Net of Accumulated Depreciation	\$ 12,176,354
Less:	
Capital Related Debt	-
Unspent Debt Proceeds	-
Investment in Capital Assets	<u>\$ 12,176,354</u>

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Additions	Retirement	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities:					
Tax School Bonds					
2016 G.O. Limited Tax Bonds	\$ 1,220,000	\$ -	\$ 325,000	\$ 895,000	\$ 330,000
2021 Special Education Bond Series	662,102	-	62,397	599,705	64,708
Governmental Activities Long-Term Liabilities	<u>\$ 1,882,102</u>	<u>\$ -</u>	<u>\$ 387,397</u>	<u>\$ 1,494,705</u>	<u>\$ 394,708</u>

Bonds and notes payable consisted of the following at June 30, 2023:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
2016 General Obligation Limited Tax Bonds	6/28/2026	2.00% - 3.00%	\$ 2,700,000	\$ 895,000
2021 Special Education Bond Series	12/1/2030	2.00% - 5.00%	715,255	599,705

NOTES TO FINANCIAL STATEMENTS (Continued)

At June 30, 2023 annual debt service requirements to service long-term debt are:

Year Ending June 30	Principal	Interest	Total
2024	\$ 394,708	\$ 37,286	\$ 431,994
2025	403,175	27,978	431,153
2026	300,486	19,555	320,041
2027	72,797	14,390	87,187
2028	76,263	11,408	87,671
2029-2031	247,276	15,045	262,321
	<u>\$ 1,494,705</u>	<u>\$ 125,662</u>	<u>\$ 1,620,367</u>

The District defeased Tax School Bonds, Series 2014 by placing the proceeds of the 2016 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, 2023 \$670,000 of defeased bonds remained outstanding.

Long-term liabilities are being repaid from the following funds:

Obligation	Fund
General Obligation Bonds	Debt Services Fund
Special Education Bond Series	Debt Services Fund

NOTE 6 - INTERFUND LOANS

There are no outstanding interfund loans at June 30, 2023.

NOTE 7 - DEFICIT FUND BALANCE

No District fund had a deficit fund balance at June 30, 2023.

NOTE 8 - PROPERTY TAXES

Taxes recorded in these financial statements are from the 2022 levy (\$6,809,287) and 2021 and prior levies (\$6,019,893). A summary of the assessed valuations, rates, and extensions for tax years 2022, 2021, and 2020 is as follows:

Assessed Valuation	2022		2021		2020	
	Rate	Extension	Rate	Extension	Rate	Extension
	\$423,235,960		\$344,240,208		\$377,939,705	
Educational	2.1861	\$ 9,255,726	2.5882	\$ 8,910,593	2.4413	\$ 9,226,642
Special Education	0.2830	1,197,757	0.3446	1,186,251	0.3104	1,173,125
Operations and Maintenance	0.3451	1,460,587	0.3658	1,259,230	0.3234	1,222,257
Debt Service	0.0863	365,295	0.1066	366,870	0.0969	366,225
Transportation	0.2554	1,080,944	0.3145	1,082,635	0.2069	781,957
Municipal Retirement	0.0230	97,344	0.0141	48,537	0.0026	9,826
Social Security	0.0460	194,688	0.0422	145,269	0.0026	9,826
Working Cash	0.0230	97,344	0.0281	96,731	0.0259	97,886
Levy Adjustment	0.0153	77,433	0.0156	53,860	-	-
	<u>3.2632</u>	<u>\$ 13,827,119</u>	<u>3.8197</u>	<u>\$ 13,149,976</u>	<u>3.4100</u>	<u>\$ 12,887,744</u>

NOTE 9 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2023, expenditures in the following fund exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
General Fund	\$ 13,385,036	\$ 17,409,893	\$ 4,024,857

The General Fund was over budget due to state retirement contributions that were not budgeted for.

NOTE 10 - RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

General Information About the Pension Plan

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

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

Benefits Provided

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

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

Essentially all Tier I retirees receive an annual 3% increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of 3% of the original benefit or $\frac{1}{2}\%$ of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and will be funded by bonds issued by the state of Illinois.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2023 was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2023, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$4,131,682 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2023 were \$43,498.

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

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

For the year ended June 30, 2023, the District pension contribution was 10.49% of salaries paid from federal and special trust funds. For the year ended June 30, 2023, salaries totaling \$60,319 were paid from federal and special trust funds that required District contributions of \$6,327.

Employer Retirement Cost Contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is 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, 2023, 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 the normal annual allotment.

B. Illinois Municipal Retirement Fund

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 managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by

NOTES TO FINANCIAL STATEMENTS (Continued)

statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at www.imrf.org.

Benefits Provided

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

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

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

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

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2022, the following employees were covered by the benefit terms:

Inactive plan members and beneficiaries currently receiving benefits	39
Inactive plan members entitled to but not yet receiving benefits	60
Active plan members	27
	<hr/>
	126
	<hr/>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2023 and 2022 was 12.60% and 14.73%, respectively. For the fiscal year ended June 30, 2023, the District contributed \$138,224 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

C. *Social Security*

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid the total required contribution for the current fiscal year.

NOTE 11 - POST EMPLOYMENT BENEFIT COMMITMENTS

Teacher Health Insurance Security Fund (THIS)

Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired 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. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

Benefits Provided

The State of Illinois offers comprehensive health plan options, all of which include prescription drug and behavioral health coverage. The State of Illinois offers TCHP, HMO, and OAP plans.

- Teachers' Choice Health Plan (TCHP) benefit recipients can choose any physician or hospital for medical services; however, benefit recipients receive enhanced benefits, resulting in lower out-of-pocket costs, when receiving services from a TCHP in-network provider. TCHP has a nationwide network and includes CVS/Caremark for prescription drug benefits and Magellan Behavioral Health for behavioral health services.
- Health Maintenance Organizations (HMO) benefit recipients are required to stay within the health plan provider network. No out-of-network services are available. Benefit recipients will need to select a primary care physician (PCP) from a network of participating providers. The PCP will direct all healthcare services and make referrals to specialists and hospitalization.
- Open Access Plan (OAP) benefit recipients will have three tiers of providers from which to choose to obtain services. The benefit level is determined by the tier in which the healthcare provider is contracted.
 - Tier I offers a managed care network which provides enhanced benefits and operates like an HMO.
 - Tier II offers an expanded network of providers and is a hybrid plan operating like an HMO and PPO.
 - Tier III covers all providers which are not in the managed care networks of Tiers I or II (i.e., out-of-network providers). Using Tier III can offer benefit recipients flexibility in selecting healthcare providers but involves higher out-of-pocket costs. Furthermore, benefit recipients

NOTES TO FINANCIAL STATEMENTS (Continued)

who use out-of-network providers will be responsible for any amount that is over and above the charges allowed by the plan for services (i.e., allowable charges), which could result in substantial out-of-pocket costs. Benefit recipients enrolled in an OAP can mix and match providers and tiers.

Contributions

For the fiscal year ended June 30, 2023, the State Employees Group Insurance Act of 1971 (5ILCS 375/6.6) requires that all active contributors of the TRS, who are not employees of a department, make contributions to the plan at a rate of 0.90% of salary and for every employer of a teacher to contribute an amount equal to 0.67% of each teacher’s salary. For the fiscal year ended June 30, 2022 the employee contribution was 0.9% of salary and the employer contribution was 0.67% of each teacher’s salary. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers’ Health Insurance Security Fund (THIS), an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer. Total employer contributions for the fiscal year ended June 30, 2023 were \$50,248.

On-Behalf Contributions to THIS. The State of Illinois makes employer benefit contributions on behalf of the District. For the year ended June 30, 2023, State of Illinois contributions recognized by the District were based on the State’s proportionate share of the collective net OPEB liability associated with the District, and the District recognized revenue and expenditures of \$67,323 in benefit contributions from the State of Illinois.

NOTE 12 - INTERFUND TRANSFERS

The District had the following interfund transfers during the year ended June 30, 2023:

Transfer from	Transfer to	Amount
Operations and Maintenance Fund	Capital Projects Fund	\$ 1,000,000
Operations and Maintenance Fund	Debt Services Fund	87,625

The District transferred monies to the Capital Project Fund in order to fund future capital projects and the transfer to the Debt Services Fund was to fund the Special Education Bonds.

NOTE 13 - 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 exceed this commercial coverage in any of the past three fiscal years. During the year ended June 30, 2023 there was no significant reductions in coverage.

NOTE 14 - CONTINGENCIES

The District is currently dealing with property tax objections, none of which were finalized by year-end. The objectors allege that the District’s tax rates for a number of funds are illegally excessive for various reasons. The District is unable to estimate any future liability.

NOTE 15 - LEGAL DEBT LIMITATION

The Illinois School Code limits the amount of indebtedness to 6.9% of the most recent available equalized assessed valuation (EAV) of the District. The District’s legal debt limitation is as follows:

2022 EAV	\$ 423,235,960
Rate	<u>6.9%</u>
Debt Margin	\$ 29,203,281
Current Debt	<u>1,494,705</u>
Remaining Debt Margin	<u>\$ 27,708,576</u>

NOTE 16 - CHANGE IN ACCOUNTING PRINCIPLE

The District has implemented GASB 96, *Subscription-Based Information Technology Arrangements*. This statement establishes financial reporting standards related to subscription-based information technology arrangements. Implementation of this standard resulted in recognizing the fair market value of the liability and asset at the commencement of the agreement. There have been no changes to the previously issued audited financial statements which would be required on a retrospective basis.

NOTE 17 - JOINT VENTURE – NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION (NTDSE)

The District and several other districts within Niles Township have entered into a joint agreement to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the management council.

A summary of financial condition (accrual basis) of NTDSE at June 30, 2022 (the most recent information available) is as follows:

Assets and Deferred Outflow s	<u>\$ 39,853,041</u>
Liabilities and Deferred Inflow s	<u>\$ (21,436,257)</u>
Fund Equity	<u>18,416,784</u>
	<u>\$ (3,019,473)</u>
Revenues Received	<u>\$ 18,538,428</u>
Expenditures Disbursed	<u>13,678,241</u>
Net Increase/(Decrease) in Fund Balance	<u>\$ 4,860,187</u>

Complete financial statements for NTDSE can be obtained from the Administrative Offices at 8701 Menard Ave., Morton Grove, IL 60053

NOTE 18 - TAX ABATEMENTS

The District entered into an intergovernmental agreement with the Village of Morton Grove in January 2000 in connection with the adoption of a Tax Increment Financing (TIF) District. Certain areas designated for redevelopment are generating incremental property taxes and the Village of Morton Grove agreed to pass certain amounts of these funds on to the District. The amount of property taxes that the District has not received or has abated for fiscal year 2023 was estimated to be \$312,000. Per the agreement, the District received approximately \$234,000 from the Village in lieu of these abated taxes in fiscal year 2023.

NOTE 19 - CONSTRUCTION COMMITMENTS

The District had construction commitments of \$297,130 as of June 30, 2023 for the elementary roofing project.

SUPPLEMENTAL INFORMATION

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
EXPENDITURES (Continued)		
Support Services (Continued)		
School Administration		
Office of the Principal Services		
Salaries	\$ 502,336	\$ 496,283
Employee Benefits	94,609	90,308
Purchased Services	16,498	17,013
Other Objects	1,500	650
	<u>\$ 614,943</u>	<u>\$ 604,254</u>
Total Support Services - School Administration	<u>\$ 614,943</u>	<u>\$ 604,254</u>
Business		
Direction of Business Support Services		
Salaries	\$ 68,063	\$ 67,815
Employee Benefits	15,173	14,771
Purchased Services	2,000	2,039
	<u>\$ 85,236</u>	<u>\$ 84,625</u>
Fiscal Services		
Salaries	\$ 130,942	\$ 130,695
Employee Benefits	36,477	35,766
Purchased Services	80,471	85,423
Other Objects	550	640
	<u>\$ 248,440</u>	<u>\$ 252,524</u>
Total Support Services - Business	<u>\$ 333,676</u>	<u>\$ 337,149</u>
Operations and Maintenance		
Employee Benefits	\$ 2,815	\$ 2,791
Purchased Services	56,962	60,088
Total Support Services - Operations and Maintenance	<u>\$ 59,777</u>	<u>\$ 62,879</u>
Transportation		
Employee Benefits	\$ 1,407	\$ 1,396
Total Support Services - Transportation	<u>\$ 1,407</u>	<u>\$ 1,396</u>
Food Services		
Salaries	\$ 181,418	\$ 182,796
Employee Benefits	34,377	25,142
Purchased Services	5,464	1,235
Supplies and Materials	115,000	98,355
Other Objects	755	766
Total Support Services - Food Services	<u>\$ 337,014</u>	<u>\$ 308,294</u>
Central		
Information Services		
Purchased Services	\$ 37,728	\$ 39,937
Supplies and Materials	500	-
	<u>\$ 38,228</u>	<u>\$ 39,937</u>
Data Processing Services		
Salaries	\$ 71,270	\$ 66,270
Employee Benefits	10,832	10,690
	<u>\$ 82,102</u>	<u>\$ 76,960</u>
Total Support Services - Central	<u>\$ 120,330</u>	<u>\$ 116,897</u>

See Accompanying Independent Auditor's Report

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Support Services (Continued)		
Other Support Services		
Purchased Services	\$ 19,587	\$ 18,820
Supplies and Materials	1,000	952
Total Support Services - Other Support Services	\$ 20,587	\$ 19,772
Total Support Services	\$ 3,890,879	\$ 3,734,069
Community Services		
Purchased Services	\$ 17,012	\$ 7,282
Supplies and Materials	2,316	4,357
Total Community Services	\$ 19,328	\$ 19,931
Intergovernmental Payments		
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ 167,844	\$ 169,223
Other Objects	140,281	139,041
Total Payments to Other Districts and Governmental Units (In-State)	\$ 308,125	\$ 308,264
Total Payments to Other Districts and Governmental Units (In-State)	\$ 308,125	\$ 308,264
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Special Education Programs		
Other Objects	\$ 1,607,700	\$ 1,545,823
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	\$ 1,607,700	\$ 1,545,823
Total Payments to Other Districts and Governmental Units	\$ 1,915,825	\$ 1,854,087
Total Intergovernmental Payments	\$ 1,915,825	\$ 1,854,087
Total Expenditures	\$ 13,385,036	\$ 17,409,893
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (38,167)	\$ 821,108
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (38,167)	\$ 821,108
FUND BALANCE - JULY 1, 2022		16,039,466
FUND BALANCE - JUNE 30, 2023		\$ 16,860,574

See Accompanying Independent Auditor's Report

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 1,217,047	\$ 1,292,290
Earnings on Investments	35,445	27,349
Other Local Sources	30,000	30,800
State Aid		
Other Federal Aid	10,961	10,961
Total Revenues	\$ 1,293,453	\$ 1,361,400
EXPENDITURES		
Support Services		
Facilities Acquisition and Construction Services		
Purchased Services	\$ 90,000	\$ 40,487
Total Support Services - Facilities Acquisition and Construction Services	\$ 90,000	\$ 40,487
Operations and Maintenance		
Salaries	\$ 216,087	\$ 232,690
Employee Benefits	38,108	41,153
Purchased Services	458,714	304,679
Supplies and Materials	285,400	263,689
Non-Capitalized Equipment	100,000	68,161
Total Support Services - Operations and Maintenance	\$ 1,098,309	\$ 910,712
Total Support Services	\$ 1,188,309	\$ 951,199
Capital Outlay		
Support Services		
Operations and Maintenance	\$ 50,000	\$ 146,177
Total Capital Outlay	\$ 50,000	\$ 146,177
Total Expenditures	\$ 1,238,309	\$ 1,097,376
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 55,144	\$ 264,024
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	(1,087,625)	(1,087,625)
NET CHANGE IN FUND BALANCE	\$ (1,032,481)	\$ (823,601)
FUND BALANCE - JULY 1, 2022		1,852,840
FUND BALANCE - JUNE 30, 2023		\$ 1,029,239

See Accompanying Independent Auditor's Report

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
DEBT SERVICES FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 354,385	\$ 348,128
Earnings on Investments	4,681	5,579
Total Revenues	\$ 359,066	\$ 353,707
EXPENDITURES		
Debt Services		
Interest		
Corporate Personal Property Replacement Tax Anticipation Notes		
Other Objects	\$ 21,150	\$ -
Other Interest on Long-Term Debt		
Other Objects	350,228	46,378
Total Debt Services - Interest	\$ 371,378	\$ 46,378
Payments of Principal on Long-Term Debt		
Other Objects	\$ 62,397	\$ 387,397
Total Debt Services - Payment of Principal on Long-Term Debt	\$ 62,397	\$ 387,397
Other		
Other Objects	\$ 250	\$ 250
Total Debt Services - Other	\$ 250	\$ 250
Total Debt Services	\$ 434,025	\$ 434,025
Total Expenditures	\$ 434,025	\$ 434,025
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (74,959)	\$ (80,318)
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	87,625	87,625
NET CHANGE IN FUND BALANCE	\$ 12,666	\$ 7,307
FUND BALANCE - JULY 1, 2022		274,317
FUND BALANCE - JUNE 30, 2023		\$ 281,624

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MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 1,051,990	\$ 1,027,873
Earnings on Investments	28,411	38,628
State Aid		
Transportation	235,684	211,592
Other Federal Aid	4,928	8,102
Total Revenues	\$ 1,321,013	\$ 1,286,195
EXPENDITURES		
Support Services		
Transportation		
Salaries	\$ 26,332	\$ 26,254
Employee Benefits	3,034	2,362
Purchased Services	1,160,007	875,520
Total Support Services - Transportation	\$ 1,189,373	\$ 904,136
Total Support Services	\$ 1,189,373	\$ 904,136
Total Expenditures	\$ 1,189,373	\$ 904,136
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 131,640	\$ 382,059
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ 131,640	\$ 382,059
FUND BALANCE - JULY 1, 2022		1,730,144
FUND BALANCE - JUNE 30, 2023		\$ 2,112,203

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MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts	Actual Amounts
	<u>Original and Final</u>	<u></u>
REVENUES		
Property Taxes	\$ 186,949	\$ 231,450
Payments in Lieu of Taxes	48,334	48,334
Earnings on Investments	6,297	4,386
Total Revenues	<u>\$ 241,580</u>	<u>\$ 284,170</u>
EXPENDITURES		
Instruction		
Regular Programs		
Employee Benefits	\$ 70,337	\$ 65,546
Special Education Programs		
Employee Benefits	31,949	28,745
Special Education Programs Pre-K		
Employee Benefits	5,948	5,568
Remedial and Supplemental Programs K-12		
Employee Benefits	7,507	8,503
Interscholastic Programs		
Employee Benefits	2,168	1,591
Summer School Programs		
Employee Benefits	1,076	1,127
Bilingual Programs		
Employee Benefits	4,534	4,465
Total Instruction	<u>\$ 123,519</u>	<u>\$ 115,545</u>
Support Services		
Pupil		
Attendance and Social Work Services		
Employee Benefits	\$ 2,478	\$ 2,340
Health Services		
Employee Benefits	17,257	16,393
Psychological Services		
Employee Benefits	2,665	2,630
Speech Pathology and Audiology Services		
Employee Benefits	2,645	2,433
Total Support Services - Pupil	<u>\$ 25,045</u>	<u>\$ 23,796</u>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ -	\$ 125
Educational Media Services		
Employee Benefits	41,262	38,699
Total Support Services - Instructional Staff	<u>\$ 41,262</u>	<u>\$ 38,824</u>
General Administration		
Executive Administration Services		
Employee Benefits	\$ 2,673	\$ 2,710
Special Area Administrative Services		
Employee Benefits	1,211	1,354
Total Support Services - General Administration	<u>\$ 3,884</u>	<u>\$ 4,064</u>

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MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Support Services (Continued)		
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 23,617	\$ 21,677
Total Support Services - School Administration	\$ 23,617	\$ 21,677
Business		
Direction of Business Support Services		
Employee Benefits	\$ 15,233	\$ 13,678
Fiscal Services		
Employee Benefits	29,305	27,087
Total Support Services - Business	\$ 44,538	\$ 40,765
Operations and Maintenance		
Employee Benefits	\$ 36,087	\$ 36,960
Total Support Services - Operations and Maintenance	\$ 36,087	\$ 36,960
Transportation		
Employee Benefits	\$ 382	\$ 379
Total Support Services - Transportation	\$ 382	\$ 379
Food Services		
Employee Benefits	\$ 32,774	\$ 29,518
Total Support Services - Food Services	\$ 32,774	\$ 29,518
Central		
Data Processing Services		
Employee Benefits	\$ 15,950	\$ 14,067
Total Support Services - Central	\$ 15,950	\$ 14,067
Total Support Services	\$ 223,539	\$ 210,050
Community Services		
Employee Benefits	\$ -	\$ 10
Total Community Services	\$ -	\$ 10
Total Expenditures	\$ 347,058	\$ 325,605
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (105,478)	\$ (41,435)
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (105,478)	\$ (41,435)
FUND BALANCE - JULY 1, 2022		303,169
FUND BALANCE - JUNE 30, 2023		\$ 261,734

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MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Earnings on Investments	\$ 5,424	\$ 17,976
State Aid		
Infrastructure Improvements - Construction	-	50,000
Total Revenues	\$ 5,424	\$ 67,976
EXPENDITURES		
Capital Outlay		
Support Services		
Facilities Acquisition and Construction Services	\$ 1,000,000	\$ 238,879
Total Capital Outlay	\$ 1,000,000	\$ 238,879
Total Expenditures	\$ 1,000,000	\$ 238,879
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (994,576)	\$ (170,903)
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	1,000,000	1,000,000
NET CHANGE IN FUND BALANCE	\$ 5,424	\$ 829,097
FUND BALANCE - JULY 1, 2022		392,805
FUND BALANCE - JUNE 30, 2023		\$ 1,221,902

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MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND - FIRE PREVENTION AND SAFETY FUND
 YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Earnings on Investments	\$ 10	\$ 14
Total Revenues	\$ 10	\$ 14
EXPENDITURES		
Total Expenditures	\$ -	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 10	\$ 14
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ 10	\$ 14
FUND BALANCE - JULY 1, 2022		638
FUND BALANCE - JUNE 30, 2023		\$ 652

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MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
 FUND FINANCIAL STATEMENTS
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS
 GENERAL FUND
 JUNE 30, 2023

	Educational Fund	Working Cash Fund	Tort Fund	Total General Fund
ASSETS				
Cash and Cash Equivalents	\$ 14,413,024	\$ 2,457,687	\$ -	\$ 16,870,711
Total Assets	\$ 14,413,024	\$ 2,457,687	\$ -	\$ 16,870,711
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Payroll Liabilities	\$ 10,137	\$ -	\$ -	\$ 10,137
Total Liabilities	\$ 10,137	\$ -	\$ -	\$ 10,137
FUND BALANCE				
Restricted				
Student Activity	\$ 41,358	\$ -	\$ -	\$ 41,358
Unassigned	14,361,529	2,457,687	-	16,819,216
Total Fund Balance	\$ 14,402,887	\$ 2,457,687	\$ -	\$ 16,860,574
Total Liabilities and Fund Balance	\$ 14,413,024	\$ 2,457,687	\$ -	\$ 16,870,711

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MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
 GENERAL FUND
 YEAR ENDED JUNE 30, 2023

	Educational Fund	Working Cash Fund	Tort Fund	General Fund Total
REVENUES				
Property Taxes	\$ 9,837,881	\$ 91,558	\$ -	\$ 9,929,439
Payments in Lieu of Taxes	1,444,231	-	-	1,444,231
Tuition	54,078	-	-	54,078
Earnings on Investments	312,488	51,291	16	363,795
Food Services	131,980	-	-	131,980
Textbooks	106,783	-	-	106,783
Student Activity Income	47,997	-	-	47,997
Other Local Sources	257,610	-	-	257,610
State Aid	877,699	-	-	877,699
Federal Aid	818,384	-	-	818,384
State Retirement Contributions	4,199,005	-	-	4,199,005
Total Revenues	\$ 18,088,136	\$ 142,849	\$ 16	\$ 18,231,001
EXPENDITURES				
Current				
Instruction				
Regular Programs	\$ 5,414,237	\$ -	\$ -	\$ 5,414,237
Special Education Programs	774,496	-	-	774,496
Special Education Programs Pre-K	114,163	-	-	114,163
Other Instructional Programs	1,203,432	-	-	1,203,432
Student Activity Fund	46,912	-	-	46,912
State Retirement Contributions	4,199,005	-	-	4,199,005
Support Services				
Pupil	920,405	-	-	920,405
Instructional Staff	876,866	-	-	876,866
General Administration	486,157	-	-	486,157
School Administration	604,254	-	-	604,254
Business	337,149	-	-	337,149
Operations and Maintenance	62,879	-	-	62,879
Transportation	1,396	-	-	1,396
Food Services	308,294	-	-	308,294
Central	116,897	-	-	116,897
Other Support Services	7,037	-	12,735	19,772
Community Services	19,931	-	-	19,931
Intergovernmental Payments				
Payments to Other Districts and Governmental Units	1,854,087	-	-	1,854,087
Total Expenditures	\$ 17,397,158	\$ -	\$ 12,735	\$ 17,409,893
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 690,978	\$ 142,849	\$ (12,719)	\$ 821,108
OTHER FINANCING SOURCES (USES)				
Interfund Transfers	71	-	(71)	-
NET CHANGE IN FUND BALANCES	\$ 691,049	\$ 142,849	\$ (12,790)	\$ 821,108
FUND BALANCE - JULY 1, 2022	13,711,838	2,314,838	12,790	16,039,466
FUND BALANCE - JUNE 30, 2023	\$ 14,402,887	\$ 2,457,687	\$ -	\$ 16,860,574

See Accompanying Independent Auditor's Report

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted		Actual
	Amounts		
	Original and Final		Amounts
REVENUES			
Property Taxes	\$	9,756,304	\$ 9,837,881
Payments in Lieu of Taxes		945,502	1,444,231
Tuition		73,275	54,078
Earnings on Investments		241,225	312,488
Food Services		101,000	131,980
Textbooks		110,000	106,783
Student Activity Income		37,700	47,997
Other Local Sources		248,383	257,610
State Aid			
Evidence Based Funding		866,246	866,246
Special Education		-	10,218
State Free Lunch and Breakfast		1,000	385
Other Restricted Revenue from State Sources		-	850
Federal Aid			
Food Service		85,000	150,922
Title I		87,729	93,250
Title IV		27,238	22,216
Federal Special Education		214,825	235,120
Title III - English Language Acquisition		30,855	18,980
Title II - Teacher Quality		19,002	14,897
Medicaid Matching Funds - Administrative Outreach		-	20,185
Medicaid Matching Funds - Fee-for-Service Program		-	10,223
Other Federal Aid		368,140	252,591
State Retirement Contributions		-	4,199,005
Total Revenues	\$	13,213,424	\$ 18,088,136
EXPENDITURES			
Instruction			
Regular Programs			
Salaries	\$	4,581,131	\$ 4,400,804
Employee Benefits		711,496	693,937
Purchased Services		73,075	109,189
Supplies and Materials		253,900	202,989
	\$	5,629,602	\$ 5,414,237
Special Education Programs			
Salaries	\$	630,036	\$ 628,704
Employee Benefits		80,435	87,973
Purchased Services		7,000	5,506
Supplies and Materials		2,500	5,329
	\$	719,971	\$ 727,512
Special Education Programs Pre-K			
Salaries	\$	97,563	\$ 97,540
Employee Benefits		16,681	16,623
	\$	114,244	\$ 114,163
Remedial and Supplemental Programs K-12			
Salaries	\$	517,739	\$ 614,237
Employee Benefits		70,910	81,929
Supplies and Materials		2,500	2,932
	\$	591,149	\$ 699,098
Interscholastic Programs			
Salaries	\$	72,275	\$ 83,394
Employee Benefits		903	1,101
Purchased Services		10,195	9,989
Other Objects		10,800	9,458
	\$	95,673	\$ 104,827

See Accompanying Independent Auditor's Report

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts	Actual Amounts
	Original and Final	Original and Final
EXPENDITURES (Continued)		
Instruction (Continued)		
Summer School Programs		
Salaries	\$ 35,457	\$ 56,453
Employee Benefits	270	6,032
Supplies and Materials	1,300	704
	<u>\$ 37,027</u>	<u>\$ 63,189</u>
Bilingual Programs		
Salaries	\$ 312,657	\$ 312,657
Employee Benefits	19,981	19,896
Purchased Services	-	3,250
Supplies and Materials	1,000	515
	<u>\$ 333,638</u>	<u>\$ 336,318</u>
Private Tuition		
Special Education Programs K-12		
Other Objects	\$ -	\$ 46,984
	<u>\$ -</u>	<u>\$ 46,984</u>
Student Activity Fund	<u>\$ 37,700</u>	<u>\$ 46,912</u>
State Retirement Contributions	<u>\$ -</u>	<u>\$ 4,199,005</u>
Total Instruction	<u>\$ 7,559,004</u>	<u>\$ 11,752,245</u>
Support Services		
Pupil		
Attendance and Social Work Services		
Salaries	\$ 170,879	\$ 170,879
Employee Benefits	25,546	25,412
Purchased Services	8,453	7,600
Supplies and Materials	1,000	573
	<u>\$ 205,878</u>	<u>\$ 204,464</u>
Guidance Services		
Supplies and Materials	\$ 10,000	\$ 278
	<u>\$ 10,000</u>	<u>\$ 278</u>
Health Services		
Salaries	\$ 77,110	\$ 77,987
Employee Benefits	436	349
Purchased Services	750	490
Supplies and Materials	2,000	1,153
	<u>\$ 80,296</u>	<u>\$ 79,979</u>
Psychological Services		
Salaries	\$ 183,760	\$ 183,760
Employee Benefits	32,686	32,291
Purchased Services	210,487	177,095
Supplies and Materials	250	2,532
	<u>\$ 427,183</u>	<u>\$ 395,678</u>
Speech Pathology and Audiology Services		
Salaries	\$ 182,432	\$ 182,433
Employee Benefits	49,101	48,832
Supplies and Materials	1,500	1,006
	<u>\$ 233,033</u>	<u>\$ 232,271</u>

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MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Pupil (Continued)		
Other Support Services - Pupil		
Purchased Services	\$ 600	\$ 4,438
Supplies and Materials	2,600	2,947
Other Objects	2,500	350
	<u>\$ 5,700</u>	<u>\$ 7,735</u>
Total Support Services - Pupil	<u>\$ 962,090</u>	<u>\$ 920,405</u>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ 20,000	\$ 20,757
Purchased Services	119,305	101,619
Supplies and Materials	1,000	3,247
	<u>\$ 140,305</u>	<u>\$ 134,239</u>
Educational Media Services		
Salaries	\$ 325,878	\$ 322,744
Employee Benefits	62,824	67,465
Purchased Services	201,000	196,280
Supplies and Materials	169,800	106,398
Non-Capitalized Equipment	15,000	31,180
	<u>\$ 774,502</u>	<u>\$ 724,067</u>
Assessment and Testing		
Purchased Services	\$ 30,000	\$ 18,560
	<u>\$ 30,000</u>	<u>\$ 18,560</u>
Total Support Services - Instructional Staff	<u>\$ 944,807</u>	<u>\$ 876,866</u>
General Administration		
Board of Education Services		
Purchased Services	\$ 79,045	\$ 79,522
Supplies and Materials	1,500	2,014
Other Objects	5,664	6,008
	<u>\$ 86,209</u>	<u>\$ 87,544</u>
Executive Administration Services		
Salaries	\$ 184,324	\$ 183,779
Employee Benefits	29,789	26,389
Purchased Services	14,000	7,955
Supplies and Materials	2,000	2,574
Other Objects	3,000	1,981
	<u>\$ 233,113</u>	<u>\$ 226,702</u>
Special Area Administrative Services		
Salaries	\$ 83,516	\$ 83,517
Employee Benefits	16,235	16,232
Purchased Services	4,000	159
Other Objects	1,000	239
	<u>\$ 104,751</u>	<u>\$ 110,104</u>
Tort Immunity Services		
Purchased Services	\$ 72,175	\$ 61,807
	<u>\$ 72,175</u>	<u>\$ 61,807</u>
Total Support Services - General Administration	<u>\$ 496,248</u>	<u>\$ 486,157</u>

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MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts	Actual Amounts
	Original and Final	
EXPENDITURES (Continued)		
Support Services (Continued)		
School Administration		
Office of the Principal Services		
Salaries	\$ 502,336	\$ 496,283
Employee Benefits	94,609	90,308
Purchased Services	16,498	17,013
Other Objects	1,500	650
	<u>\$ 614,943</u>	<u>\$ 604,254</u>
Total Support Services - School Administration	<u>\$ 614,943</u>	<u>\$ 604,254</u>
Business		
Direction of Business Support Services		
Salaries	\$ 68,063	\$ 67,815
Employee Benefits	15,173	14,771
Purchased Services	2,000	2,039
	<u>\$ 85,236</u>	<u>\$ 84,625</u>
Fiscal Services		
Salaries	\$ 130,942	\$ 130,695
Employee Benefits	36,477	35,766
Purchased Services	80,471	85,423
Other Objects	550	640
	<u>\$ 248,440</u>	<u>\$ 252,524</u>
Total Support Services - Business	<u>\$ 333,676</u>	<u>\$ 337,149</u>
Operations and Maintenance		
Employee Benefits	\$ 2,815	\$ 2,791
Purchased Services	56,962	60,088
Total Support Services - Operations and Maintenance	<u>\$ 59,777</u>	<u>\$ 62,879</u>
Transportation		
Employee Benefits	\$ 1,407	\$ 1,396
Total Support Services - Transportation	<u>\$ 1,407</u>	<u>\$ 1,396</u>
Food Services		
Salaries	\$ 181,418	\$ 182,796
Employee Benefits	34,377	25,142
Purchased Services	5,464	1,235
Supplies and Materials	115,000	98,355
Other Objects	755	766
Total Support Services - Food Services	<u>\$ 337,014</u>	<u>\$ 308,294</u>
Central		
Information Services		
Purchased Services	\$ 37,728	\$ 39,937
Supplies and Materials	500	-
	<u>\$ 38,228</u>	<u>\$ 39,937</u>
Data Processing Services		
Salaries	\$ 71,270	\$ 66,270
Employee Benefits	10,832	10,690
	<u>\$ 82,102</u>	<u>\$ 76,960</u>
Total Support Services - Central	<u>\$ 120,330</u>	<u>\$ 116,897</u>

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MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts	Actual Amounts
	Original and Final	
EXPENDITURES (Continued)		
Support Services (Continued)		
Other Support Services		
Purchased Services	\$ 6,852	\$ 6,085
Supplies and Materials	1,000	952
Total Support Services - Other Support Services	\$ 7,852	\$ 7,037
Total Support Services	\$ 3,878,144	\$ 3,721,334
Community Services		
Purchased Services	\$ 17,012	\$ 7,282
Supplies and Materials	2,316	4,357
Total Community Services	\$ 19,328	\$ 19,931
Intergovernmental Payments		
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ 167,844	\$ 169,223
Other Objects	140,281	139,041
Total Payments to Other Districts and Governmental Units (In-State)	\$ 308,125	\$ 308,264
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Special Education Programs		
Other Objects	\$ 1,607,700	\$ 1,545,823
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	\$ 1,607,700	\$ 1,545,823
Total Payments to Other Districts and Governmental Units	\$ 1,915,825	\$ 1,854,087
Total Intergovernmental Payments	\$ 1,915,825	\$ 1,854,087
Total Expenditures	\$ 13,372,301	\$ 17,397,158
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (158,877)	\$ 690,978
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	-	71
NET CHANGE IN FUND BALANCE	\$ (158,877)	\$ 691,049
FUND BALANCE - JULY 1, 2022		13,711,838
FUND BALANCE - JUNE 30, 2023		\$ 14,402,887

See Accompanying Independent Auditor's Report

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
 GENERAL FUND - WORKING CASH FUND
 YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 93,346	\$ 91,558
Earnings on Investments	39,339	51,291
Total Revenues	\$ 132,685	\$ 142,849
EXPENDITURES	\$ -	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 132,685	\$ 142,849
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ 132,685	\$ 142,849
FUND BALANCE - JULY 1, 2022		2,314,838
FUND BALANCE - JUNE 30, 2023		\$ 2,457,687

See Accompanying Independent Auditor's Report

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
 GENERAL FUND - TORT FUND
 YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Earnings on Investments	\$ -	\$ 16
Total Revenues	\$ -	\$ 16
EXPENDITURES		
Support Services		
Other Support Services		
Purchased Services	\$ 12,735	\$ 12,735
Total Support Services - Other Support Services	\$ 12,735	\$ 12,735
Total Support Services	\$ 12,735	\$ 12,735
Total Expenditures	\$ 12,735	\$ 12,735
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (12,735)	\$ (12,719)
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	-	(71)
NET CHANGE IN FUND BALANCE	\$ (12,735)	\$ (12,790)
FUND BALANCE - JULY 1, 2022		12,790
FUND BALANCE - JUNE 30, 2023		\$ -

See Accompanying Independent Auditor's Report

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
 COMPUTATION OF OPERATING EXPENSE PER PUPIL
 AND PER CAPITA TUITION CHARGE
 YEAR ENDED JUNE 30, 2023

OPERATING EXPENSE PER PUPIL

EXPENDITURES:		
ED	Total Expenditures	\$ 13,151,241
O&M	Total Expenditures	1,097,376
DS	Total Expenditures	434,025
TR	Total Expenditures	904,136
MR/SS	Total Expenditures	325,605
TORT	Total Expenditures	12,735
	Total Expenditures	\$ 15,925,118

LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:

ED	Special Education Programs Pre-K	\$ 114,163
ED	Summer School Programs	63,189
ED	Special Education Programs K-12 - Private Tuition	46,984
ED	Community Services	12,425
ED	Total Payments to Other District & Govt Units	1,854,087
ED	Capital Outlay	49,561
ED	Non-Capitalized Equipment	46,004
O&M	Capital Outlay	146,177
O&M	Non-Capitalized Equipment	68,161
DS	Debt Service - Payments of Principal on Long-Term Debt	387,397
MR/SS	Special Education Programs - Pre-K	5,568
MR/SS	Summer School Programs	1,127
MR/SS	Community Services	10
	Total Deductions	\$ 2,794,853
	Total Operating Expenses (Regular K-12)	\$ 13,130,265
	9 Mo ADA from Average Daily Attendance - Student Information System (SIS) in IWAS	774.16
	Estimated OEPP	\$ 16,960.66

PER CAPITA TUITION CHARGE

LESS OFFSETTING RECEIPTS/REVENUES:

ED	Total Food Service	\$ 131,980
ED	Rentals - Regular Textbooks	106,783
ED-O&M-DS-TR-MR/SS	Payment from Other Districts	30,800
ED-O&M-TR	Total Special Education	10,218
ED	State Free Lunch & Breakfast	385
ED-O&M-TR-MR/SS	Total Transportation	211,592
ED-O&M-DS-TR-MR/SS-Tort	Other Restricted Revenue from State Sources	850
ED-MR/SS	Total Food Service	150,922
ED-O&M-TR-MR/SS	Total Title I	93,250
ED-O&M-TR-MR/SS	Total Title IV	22,216
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Flow Through/Low Incidence	229,392
ED-TR-MR/SS	Title III - Language Inst Program - Limited Eng (LIPLEP)	18,980
ED-O&M-TR-MR/SS	Title II - Teacher Quality	14,897
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Administrative Outreach	20,185
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Fee-for-Service Program	10,223
ED-O&M-TR-MR/SS	Other Restricted Revenue from Federal Sources (Describe & Itemize)	271,654
ED-TR-MR/SS	Special Education Contributions from EBF Funds	269,058
ED-MR/SS	English Learning (Bilingual) Contributions from EBF Funds	51,343
	Total Allowance for PCTC Computation	\$ 1,644,727
	Net Operating Expense for PCTC Computation	\$ 11,485,538
	Total Depreciation Allowance (from page 27, Col I)	\$ 637,179
	Total Allowance for PCTC Computation	\$ 12,122,717
	9 Mo ADA from Average Daily Attendance - Student Information System (SIS) in IWAS	774.16
	Unaudited Total Estimated PCTC	\$ 15,659.19

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited

Morton Grove Public School District No. 70's

compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Morton Grove Public School District No. 70's major federal programs for the year ended June 30, 2023. Morton Grove Public School District No. 70's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Morton Grove Public School District No. 70 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

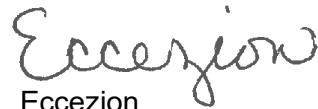
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The 2022 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures by us in our report dated November 28, 2022 expressed an unmodified opinion that such information was fairly stated in all material respects in relation to the 2022 financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Eccezion

Consulting • CPAs • Technology

McHenry, Illinois
November 10, 2023

Morton Grove SD 70
05-016-0700-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2023

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues			Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/21-6/30/22 (C)	Year 7/1/22-6/30/23 (D)	Year 7/1/21-6/30/22 (E)	Year 7/1/21-6/30/22 Pass through to Subrecipients	Year 7/1/22-6/30/23 (F)	Year 7/1/22-6/30/23 Pass through to Subrecipients			
CHILD NUTRITION CLUSTER										0	
US Department of Agriculture Passed Through										0	
Illinois State Board of Education										0	
Food Donations Program (Non-Cash Commodities)	10.555	23-4299-00		7,151				7,151		7,151	N/A
US Department of Agriculture Passed Through										0	
Department of Defense										0	
Food Donations Program (Non-Cash Commodities)	10.555	23-4299-00		16,725				16,725		16,725	N/A
										0	
US Department of Agriculture Passed Through										0	
Illinois State Board of Education										0	
National School Lunch Program +	10.555	22-4210-00	272,305	17,937	272,305			17,937		290,242	N/A
National School Lunch Program+	10.555	23-4210-00		101,233				101,233		101,233	N/A
COVID-19 ARP National School Lunch Program +	10.555	22-4210-BT		628				628		628	N/A
COVID-19 ARP Nutrition Supply Chain Assistance +	10.555	23-4210-SC		31,124				31,124		31,124	N/A
										0	
Subtotal CFDA "10.555"			272,305	174,798	272,305	0		174,798	0	447,103	
Total Child Nutrition Cluster			272,305	174,798	272,305	0		174,798	0	447,103	
Subtotal CFDA "10"			272,305	174,798	272,305	0		174,798	0	447,103	
										0	
US Department of Education Passed Through										0	
Illinois State Board of Education										0	
Title I - Low Income (M)	84.010	22-4300-00	112,610	14,016	126,626					126,626	173,971
Title I - Low Income (M)	84.010	23-4300-00		79,234				114,926		114,926	151,010
Subtotal CFDA "84.010"			112,610	93,250	126,626	0		114,926	0	241,552	
										0	

Morton Grove SD 70
05-016-0700-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2023

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues			Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/21-6/30/22 (C)	Year 7/1/22-6/30/23 (D)	Year 7/1/21-6/30/22 (E)	Year 7/1/21-6/30/22 Pass through to Subrecipients	Year 7/1/22-6/30/23 (F)	Year 7/1/22-6/30/23 Pass through to Subrecipients			
Title IVA - Student Support & Academic Enrichment*	84.424	22-4400-00	5,815	12,516	5,815		12,516		18,331	26,356	
Title IVA - Student Support & Academic Enrichment	84.424	23-4400-00		9,700			9,700		9,700	20,480	
Subtotal CFDA "84.424"			5,815	22,216	5,815	0	22,216	0	28,031		
									0		
Title III - LIPLEP*	84.365	22-4909-00	9,670	14,336	23,406		600		24,006	30,855	
Title III - LIPLEP*	84.365	23-4909-00		4,644			16,656		16,656	27,649	
Subtotal CFDA "84.365"			9,670	18,980	23,406	0	17,256	0	40,662		
									0		
Title II - Teacher Quality	84.367	22-4932-00	24,527	2,476	27,003		0		27,003	28,008	
Title II - Teacher Quality	84.367	23-4932-00		12,421			16,649		16,649	25,129	
Subtotal CFDA "84.367"			24,527	14,897	27,003	0	16,649	0	43,652		
									0		
COVID-19 Elementary and Secondary Emergency Relief Fund - ESSER 3 (M)	84.425U	22-4998-E3	236,840	258,526	318,480		268,153		586,633	731,950	
COVID-19 American Rescue Plan - Homeless Children and Youth (M)	84.425W	22-4998-HL	2,883	8,941	8,990		2,784		11,774	14,893	
COVID-19 Formula CARES and ARP Programs (M)	84.425	23-4998-EB		0			740		740	9,930	
Subtotal CFDA "84.425"			239,723	267,467	327,470	0	271,677	0	599,147		
									0		
SPECIAL EDUCATION CLUSTER									0		
Special Education - Preschool	84.173	22-4600-00	4,870	533	5,403		0		5,403	5,403	
Special Education - Preschool	84.173	23-4600-00		5,195			5,798		5,798	5,798	
Subtotal CFDA "84.173"			4,870	5,728	5,403	0	5,798	0	11,201		
									0		
Special Education - Grants to States	84.027	22-4620-00	193,965	32,060	226,025		0		226,025	226,025	
Special Education - Grants to States	84.027	23-4620-00		197,332			238,043		238,043	238,043	
Subtotal CFDA "84.027"			193,965	229,392	226,025	0	238,043	0	464,068		
Total Special Education Cluster			198,835	235,120	231,428	0	243,841	0	475,269		
Subtotal CFDA "84"			591,180	651,930	741,748	0	686,565	0	1,428,313		
									0		

Morton Grove SD 70
05-016-0700-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2023

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues			Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/21-6/30/22 (C)	Year 7/1/22-6/30/23 (D)	Year 7/1/21-6/30/22 (E)	Year 7/1/21-6/30/22 Pass through to Subrecipients	Year 7/1/22-6/30/23 (F)	Year 7/1/22-6/30/23 Pass through to Subrecipients			
MEDICAID CLUSTER										0	
US Department of Health and Human Services Passed Through										0	
Illinois Department of Healthcare and Family Services										0	
Medicaid Matching	93.778	23-4992-00		21,026				21,026		21,026	N/A
Total Medicaid Cluster			0	21,026	0	0		21,026	0	21,026	
Subtotal CFDA "93"			0	21,026	0	0		21,026	0	21,026	
										0	
Federal Communications Commission										0	
COVID-19 Emergency Connectivity Fund Program	32.009	22-4998-00	0	4,187	4,187					4,187	N/A
COVID-19 Emergency Connectivity Fund Program	32.009	23-4998-00						4,187		4,187	N/A
Subtotal CFDA "32.009"			0	4,187	4,187	0		4,187	0	8,374	
Subtotal CFDA "32"			0	4,187	4,187	0		4,187	0		
										0	
										0	
Total Federal Assistance			863,485	851,941	1,018,240	0		886,576	0	1,904,816	
										0	
										0	
+ 9/30 Project Year End										0	
* 8/31 Project Year End										0	
										0	

• (M) Program was audited as a major program as defined by §200.518.

***Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal award activity of Morton Grove Public School District No. 70 under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with requirements of the Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to, and does not present, the financial position, changes in fund balance, or cash flows of the District.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The District has elected not to use the 10 percent de minimis indirect rate as allowed under the Uniform Guidance.

NOTE 4 - SUBRECIPIENTS

The District did not provide federal awards to subrecipients during the year ended June 30, 2023.

NOTE 5 - FEDERAL LOANS

There were no federal loans or loan guarantees outstanding at year end.

NOTE 6 - DONATED PERSONAL PROTECTIVE EQUIPMENT (PPE) (UNAUDITED)

The District was not the recipient of any federally donated PPE during the current fiscal year.

MORTON GROVE PUBLIC SCHOOL DISTRICT NO. 70
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

- 1) Summary of auditor's results:
 - a) The auditor's report expresses a modified opinion on whether the financial statements of Morton Grove Public School District No. 70 were prepared in accordance with GAAP.
 - b) No significant deficiencies are reported during the audit of the financial statements. No material weaknesses are reported.
 - c) No instances of noncompliance material to the financial statements of Morton Grove Public School District No. 70, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
 - d) No significant deficiencies in internal control over major federal award programs are reported during the audit of the financial statements. No material weaknesses in internal control over major federal award programs are reported.
 - e) The auditor's report on compliance for the major federal award programs for Morton Grove Public School District No. 70 expresses as unmodified opinion on all major federal programs.
 - f) There are no audit findings that are required to be reported in accordance with Uniform Guidance 2 CFR section 200.516(a).
 - g) The programs tested as major programs were: Title I – Low Income (CFDA #84.010) and Covid-19 Elementary and Secondary Emergency Relief Fund (CFDA #84.425, CFDA #84.425U and CFDA #84.425W).
 - h) The threshold to distinguish between Type A and Type B programs was \$750,000.
 - i) Morton Grove Public School District No. 70 was determined to not be a low-risk auditee.
- 2) There were no findings related to the financial statements which are required to be reported.
- 3) There were no findings related to federal awards which are required to be reported.

Morton Grove SD 70
05-016-0700-02
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹

2023- None

2. THIS FINDING IS:

New

Repeat from Prior Year?

Year originally reported? _____

3. Criteria or specific requirement

4. Condition

5. Context¹²

6. Effect

7. Cause

8. Recommendation

9. Management's response¹³

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year **2021** would be assigned a reference number of **2021-001**, **2021-002**, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

¹³ See §200.521 *Management decision* for additional guidance on reporting management's response.

Morton Grove SD 70
05-016-0700-02
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ **2023- None** 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: _____

4. Project No.: _____ 5. CFDA No.: _____

6. Passed Through: _____

7. Federal Agency: _____

8. Criteria or specific requirement (including statutory, regulatory, or other citation)

9. Condition¹⁵

10. Questioned Costs¹⁶

11. Context¹⁷

12. Effect

13. Cause

14. Recommendation

15. Management's response¹⁸

¹⁴ See footnote 11.

¹⁵ Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).

¹⁶ Identify questioned costs as required by §200.516 (a)(3 - 4).

¹⁷ See footnote 12.

¹⁸ To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

Morton Grove SD 70
05-016-0700-02
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2023

[If there are no prior year audit findings, please submit schedule and indicate **NONE**]

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status²⁰</u>
NONE		

When possible, all prior findings should be on the same page

¹⁹ Explanation of this schedule - §200.511 (b)

²⁰ Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.