

**Mundelein Consolidated High School
District 120**

Annual Financial Report

Year Ended June 30, 2016

Mundelein Consolidated High School District 120

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2016

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
Mundelein Consolidated High School District 120
Mundelein, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mundelein Consolidated High School District 120, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Mundelein Consolidated High School District 120's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

(Continued)

Auditors' Responsibility (Continued)

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mundelein Consolidated High School District 120, as of June 30, 2016, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois pension data on pages 60 through 63, the other postemployment benefits data on page 64, budgetary comparison schedules and notes to the required supplementary information on pages 65 through 87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mundelein Consolidated High School District 120's basic financial statements. The other schedules listed in the table of contents as supplementary financial information and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Information (Continued)

The supplementary financial 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. Such information for the year ended June 30, 2016 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2016 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 financial information for the year ended June 30, 2016 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2016.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Mundelein Consolidated High School District 120, as of and for the year ended June 30, 2015 (not presented herein), and have issued our report thereon dated November 12, 2015, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The audit was conducted for the purpose of forming audit opinions on the financial statements that collectively comprise the Mundelein Consolidated High School District 120's basic financial statements as a whole. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund and Debt Service Fund with comparative amounts for the year ended June 30, 2015 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 2015 basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund and Debt Service Fund have been subjected to the auditing procedures applied in the audit of the 2015 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 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund and Debt Service Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

The other supplemental information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2016 on our consideration of Mundelein Consolidated High School District 120's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mundelein Consolidated High School District 120's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
October 13, 2016

Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2016

The Management Discussion and Analysis of Mundelein Consolidated High School District 120 (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2016. 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. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (the "MD&A") and is included in this analysis.

Financial Highlights

- As of June 30, 2016, the total assets and deferred outflows of the District exceeded its total liabilities and deferred inflows, resulting in a net position balance of \$31,551,084.
- The District's net position was \$28,950,497 as of June 30, 2015. The difference between the prior year balance of \$28,950,497 and the current net position balance at June 30, 2016, of \$31,551,084 is \$2,600,587.
- At the close of the 2015-16 fiscal year, the District's governmental funds reported a combined ending fund balance of \$12,921,371, which reflects a decrease of \$18,342,587 in comparison with the prior year. However, this decrease is largely due to expenditures related to the new building addition project as well as delayed receipt of approximately \$8,300,000 in awarded state grant funds due from the Illinois Capital Development Board (ICDB). For more detailed information, see Note Q – Deficit Fund Balance & Subsequent Events. The combined fund balance was \$31,263,958, as of June 30, 2015.

Overview of the Financial Statements

This Management Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements

This report also contains required and 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 Governmental Accounting Standards Board (GASB) has issued Statement No. 72, *Fair Value Measurement and Application*, which was implemented by the District during the fiscal year ended June 30, 2016. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value investments.

Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2016

Overview of the Financial Statements (Continued)

Government-wide financial statements (Continued)

The statement of net position presents information on all of the District's assets, deferred inflows, liabilities, and deferred inflows, 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 presents information showing how the District's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting. This basis of accounting considers all revenues available when they are collectible within the current period or soon enough thereafter to pay the liabilities of the current period. Expenditures are recorded when the related liability is incurred, except for unmatured principal and interest on general long-term debt and certain compensated absences, claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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), support services, operations and maintenance of facilities, 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 of the District can be divided into two categories: governmental funds and fiduciary funds (the District maintains no proprietary 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 school district's near-term financing requirements.

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2016**

Overview of the Financial Statements (Continued)

Fund financial statements (Continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General (includes the Educational, Tort Immunity and Judgment, and Working Cash Accounts), Operations and Maintenance, Debt Service, Transportation, Municipal Retirement/Social Security, and Capital Projects Funds, all of which are considered to be major funds. The District adopts an annual budget for each of the funds listed above. Budgetary comparison schedules have been provided for each fund to demonstrate compliance with this budget.

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

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a better 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 required supplementary 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 residents' students.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the Mundelein Consolidated High School District 120, total assets and deferred outflows exceeded total liabilities and deferred inflows by \$31,551,084 at the close of the most recent fiscal year. The unrestricted net position at June 30, 2016 was \$2,370,308. This figure is \$5,250,946 less than the prior year unrestricted net position of \$7,621,254. A portion of the District's net position, \$25,936,290, reflects its investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery, and equipment); less any related debt outstanding used to acquire those assets. The increase in total net position to \$2,600,587 indicates that the District's overall financial position improved during this fiscal year.

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2016**

Government-Wide Financial Analysis (Continued)

Total revenues for the District were \$45,759,426 in fiscal year 2016 (full accrual), an increase of \$1,314,138 (a 2.96% increase) from the prior fiscal year. The net increase results primarily from the increase in property taxes of \$1,115,991.

Total expenditures on governmental activities for the District were \$43,158,839 in fiscal year 2016 (full accrual), an increase of \$45,034 from the prior fiscal year. This reflects a percentage increase of 0.1%.

Statement of Net Position

(Millions of dollars)

	<u>2016</u>	<u>2015</u>
Current Assets	\$ 50.602	\$ 66.908
Capital Assets, net	52.056	33.995
Total Assets	<u>102.658</u>	<u>100.903</u>
Deferred outflows related to pensions	1.364	0.889
Total Deferred Outflows	<u>1.364</u>	<u>0.889</u>
Current Liabilities	4.839	2.971
Long-term Liabilities	34.476	36.815
Total Liabilities	<u>39.315</u>	<u>39.786</u>
Property taxes levied for a future period	32.920	32.754
Deferred inflows related to pensions	0.236	0.302
Total Deferred Inflows	<u>33.156</u>	<u>33.056</u>
Net investment in capital assets	25.936	5.461
Restricted	3.245	15.868
Unrestricted	2.370	7.621
Total Net Position	<u>\$ 31.551</u>	<u>\$ 28.950</u>

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2016**

Government-Wide Financial Analysis (Continued)

**Statement of Activities- Full Accrual
(Millions of dollars)**

	<u>2016</u>	<u>2015</u>
Revenues		
Program Revenues		
Charges for Services	\$ 0.819	\$ 0.994
Operating Grants and Contributions	10.266	10.099
Total Program Revenues	11.085	11.093
General Revenues		
Property Taxes	32.776	31.660
Replacement Taxes	0.280	0.350
Operating grants and contributions not restricted	1.266	1.207
Interest and Investment earnings	0.119	0.072
Miscellaneous	0.233	0.063
Total General Revenues	34.674	33.352
Total Revenue	45.759	44.445
Expenses		
Instruction	28.962	27.310
Support Services	12.886	14.674
Community Services	0.061	0.063
Nonprogrammed Charges	0.351	0.249
Interest and Fees	0.899	0.818
Total Expenses	43.159	43.114
Change in Net Position	\$ 2.600	\$ 1.331

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 government's net resources available for spending at the end of the fiscal year.

At the end of the most recent fiscal year, the District's governmental funds reported a total combined ending fund balance of \$12,921,371. The unassigned fund balance component is \$9,598,544 and the restricted fund balance component is \$3,322,827.

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2016**

Government-Wide Financial Analysis (Continued)

General Fund (Educational, Working Cash, and Tort Immunity and Judgment Accounts):

Educational Account – The greatest variety and the largest volume of transactions are recorded in the Educational Account because the Educational Account covers expenditures that include the direct costs of all instruction, special education, interscholastic athletics and clubs, tuition-based programs, adult education, technology, guidance, social work, support services, lunch programs, administration, staff training, and security. Certain revenues that must be credited to this Fund include educational tax levies, tuition, state and federal grants and aid, and student fee revenue.

- At the end of fiscal year 2016, the Educational Account had a fund balance of \$14,632,049. The fund balance as of June 30, 2015 was \$14,650,831. This difference reflects a decrease in the fund balance of \$18,782.

Working Cash Account – If a separate tax is levied for working cash purposes or if bonds are sold for this purpose, this Fund is created. Interfund loans from the Working Cash Fund may be made to any fund for which taxes are levied.

- At the end of fiscal year 2016, the Working Cash Account had a fund balance of \$678,600. The fund balance as of June 30, 2015 was \$663,936. This difference reflects an increase in the fund balance of \$14,664.

Tort Immunity and Judgment Account – This fund is required if taxes are levied or bonds sold for tort immunity or tort judgment purposes. Property taxes assigned to this fund were used to pay premiums for a) Workers' Compensation insurance, b) Property/Liability/Auto/Boiler Mechanical/School Board Legal Liability insurances, and c) Unemployment claims.

- At the end of fiscal year 2016, the Tort Immunity and Judgment Account had a fund balance of \$266,237. The fund balance as of June 30, 2015 was \$266,691. The difference reflects a decrease in the fund balance of \$454.

Operations and Maintenance Fund – All costs of maintaining, cleaning, improving, or repairing school buildings and mechanical systems and grounds, and rental of buildings and property for school purposes, are reported in the Operations and Maintenance Fund. The facilities services contract costs, as well as salaries and insurance benefit costs of any District maintenance employees, as well as all costs of electricity, natural gas, water, telephone service, fuel, and maintenance and grounds equipment are included in the Operations and Maintenance Fund.

- At the end of fiscal year 2016, the Operations and Maintenance Fund had a fund balance of \$1,477,078. The fund balance as of June 30, 2015 was \$973,965. This difference reflects an increase in the fund balance of \$503,113.

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2016**

Government-Wide Financial Analysis (Continued)

Transportation Fund – The costs of student transportation services are accounted for in the Transportation Fund and include the costs of the District's contractual services for regular routes, special education, field trips, and most athletic and club trips. The expense for fuel and for purchase and maintenance of the district's multi-function white buses and vans are also included. Monies received for transportation purposes include the tax levy and state reimbursements for regular and special education transportation.

- At the end of fiscal year 2016, the Transportation Fund had a fund balance of \$890,786. The fund balance as of June 30, 2015 was \$2,165,100. This difference reflects a decrease in the fund balance of \$1,274,314, primarily attributable to a transfer of \$800,000 was made during fiscal year 2016 from the Transportation Fund to the Operations and Maintenance Fund to pay for a property acquisition. For more detailed information, see Note L – Interfund Transfers.

Municipal Retirement/Social Security Fund – This Fund consists of two separate tax levies, one for the purpose of providing resources for the District's share of retirement benefits for support staff employees covered by the Illinois Municipal Retirement Fund, and a separate levy for the purpose of providing resources for the District's share of Social Security and Medicare-only payments for covered employees.

- At the end of fiscal year 2016, the Municipal Retirement/Social Security Fund had a fund balance of \$479,473. The fund balance as of June 30, 2015 was \$666,222. The difference reflects a decrease in the fund balance of \$186,749.

Debt Service Fund – Bonds are generally issued to finance the construction of buildings and large capital projects, and may be issued for other purposes. Taxes are levied to provide cash to retire these bonds and to pay the interest on them. To protect the bondholders, these tax collections are made independently by the county clerk and must be accounted for in the Debt Service Fund. Debt certificate payments are also made from this Fund with monies transferred from the Operations and Maintenance Fund.

- At the end of fiscal year 2016, the Debt Service Fund had a fund balance of \$209,253. The fund balance as of June 30, 2015 was \$197,604. This difference reflects an increase in the fund balance of \$11,649. This fund balance may only be used to pay the principal and interest on the District's outstanding bonded debt.

Capital Projects Fund – This fund is required to account for costs associated with large building projects including the architectural and construction management expenses associated with these projects. The most recent project undertaken is the new classroom addition.

- At the end of fiscal year 2016, the Capital Projects Fund had a fund deficit balance of \$5,712,105. The fund balance as of June 30, 2015 was \$11,679,609. The significant negative balance is due to the delayed receipt of approximately \$8,300,000 in awarded state grant funds due from the Illinois Capital Development Board (ICDB). For more detailed information, see Note Q – Deficit Fund Balance & Subsequent Events.

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2016**

Government-Wide Financial Analysis (Continued)

The District's total revenues were \$45,759,426 (modified accrual). Approximately 74.8% of total governmental fund revenues come from local sources, 6.4% from state sources, 1.7% from federal sources, and 17.1% of revenues are calculated to be paid directly to TRS by the state (for more detailed information see Note E, Pension Liabilities – Teachers' Retirement System of the State of Illinois).

2015-16 Budgetary Highlights

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for budgeting the revenues and expenditures related to "on behalf payments" made by the State of Illinois related to pensions. All annual unencumbered appropriations lapse at fiscal year-end. The budget is prepared by fund, function, and object, and this format conforms to Illinois State Board of Education presentation guidelines.

- In September 2015, the Board adopted the 2015-16 Annual Budget (which was amended in June 2016). This was the ninth straight year with a balanced or surplus budget.
- In 2015-16, the District essentially completed the construction of the new addition. This building includes a STEM (science, technology, engineering, mathematics) lab, a Project Lead the Way lab, a Business Incubator lab, 7 new science labs, and 15 regular classrooms (6 with break-out space).

Capital Assets and Debt Administration

Capital assets

As of June 30, 2016, the District had \$52.056 million invested in capital assets (net of depreciation), including land, construction in progress, buildings, improvements, and equipment. As of June 30, 2015, the District had \$33.995 million invested in capital assets. Additional information on the District's capital assets can be found in the notes to the financial statements (Note G).

Capital Assets (net of depreciation) <i>(in thousands of dollars)</i>		
	<u>2016</u>	<u>2015</u>
Land & Construction in Progress	\$30.737	\$11.642
Buildings	18.181	19.300
Improvements Other Than Buildings	1.715	1.841
Equipment and Transportation		
Equipment	1.423	1.212
Total	<u>\$52.056</u>	<u>\$33.995</u>

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2016**

Capital Assets and Debt Administration (Continued)

Long-term debt

As of June 30, 2016, the District had \$34.476 million in total long-term debt. This is a decrease of \$2.339 million compared to the previous fiscal year. Additional information regarding the District's long-term liabilities can be found in the notes to the financial statements (Note H). A summary of long-term debt is listed below:

Outstanding Long-Term Debt <i>(in thousands of dollars)</i>		
	<u>2016</u>	<u>2015</u>
General obligation bonds (including unamortized premiums)	\$25.146	\$27.770
Debt Certificates	4.585	4.785
Loan	0.000	0.000
Other Postemployment Benefits	0.030	0.031
Compensated Absences	0.005	0.001
IMRF Net Pension Obligation*	2.961	2.759
TRS Net Pension Obligation*	<u>1.749</u>	<u>1.469</u>
TOTAL	<u>\$34.476</u>	<u>\$36.815</u>

Factors Bearing on the District's Future

While the District continues to enjoy excellent financial results, the unresolved pension reform at the state level is still an area of concern with the possibility of a pension cost shift from the state to the District. The District is also concerned generally about the instability of the state budget. While a six-month budget was passed, there is still no resolution to funding reform and how that may impact local school districts.

The new building addition was completed on time for the beginning of the 2016-17 school year. The new addition provides 25 new classroom spaces including a state of the art STEM (Science, Technology, Engineering, and Mathematics) lab, a Project Lead the Way lab, and a Business Incubator lab. Great value has been added to the District's educational programs through improved college and career readiness for our students.

The information that is presented includes all items that management is aware of as of the date of this auditors' report.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, 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, please contact the Business Office.

BASIC FINANCIAL STATEMENTS

Mundelein Consolidated High School District 120
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2016

ASSETS	
Cash and investments	\$ 33,856,071
Receivables (net of allowance for uncollectibles):	
Property taxes	16,158,116
Replacement taxes	57,729
Intergovernmental	529,927
Capital assets:	
Land	10,557,916
Construction in progress	20,179,173
Depreciable buildings, property, and equipment, net	<u>21,318,661</u>
Total assets	<u>102,657,593</u>
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows related to pensions	<u>1,364,317</u>
Total deferred outflows	<u>1,364,317</u>
LIABILITIES	
Accounts payable	3,952,003
Salaries and wages payable	575,627
Interest payable	78,341
Unearned revenue	192,301
Due to other governments	40,783
Long-term liabilities:	
Due within one year	2,940,172
Due after one year	<u>31,535,789</u>
Total liabilities	<u>39,315,016</u>
DEFERRED INFLOW OF RESOURCES	
Property taxes levied for a future period	32,919,758
Deferred inflows related to pensions	<u>236,052</u>
Total deferred inflows	<u>33,155,810</u>
NET POSITION	
Net investment in capital assets	25,936,290
Restricted For:	
Operations and maintenance	1,477,078
Debt service	130,912
Student transportation	890,786
Retirement benefits	479,473
Tort immunity	266,237
Unrestricted	<u>2,370,308</u>
Total net position	<u>\$ 31,551,084</u>

The accompanying notes are an integral part of this statement.

Mundelein Consolidated High School District 120

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses)
		Charges for	Operating	Revenue and
		Services	Grants and	Changes in
			Contributions	Net Position
Governmental activities				
Instruction:				
Regular programs	\$ 12,993,485	\$ 689,580	\$ 262,419	\$ (12,041,486)
Special programs	5,380,270	-	1,196,827	(4,183,443)
Other instructional programs	2,769,676	45,697	224,519	(2,499,460)
State retirement contributions	7,818,302	-	7,818,302	-
Support services:				
Pupils	2,154,771	-	-	(2,154,771)
Instructional staff	634,626	-	50,443	(584,183)
General administration	923,300	-	-	(923,300)
School administration	1,691,860	-	-	(1,691,860)
Business	1,663,000	-	21,769	(1,641,231)
Transportation	1,849,658	-	691,736	(1,157,922)
Operations and maintenance	2,707,792	83,953	-	(2,623,839)
Central	1,260,977	-	-	(1,260,977)
Community services	61,203	-	-	(61,203)
Nonprogrammed charges - excluding special education	351,399	-	-	(351,399)
Interest and fees	<u>898,520</u>	<u>-</u>	<u>-</u>	<u>(898,520)</u>
 Total governmental activities	 <u>\$ 43,158,839</u>	 <u>\$ 819,230</u>	 <u>\$ 10,266,015</u>	 <u>\$ (32,073,594)</u>
 General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				23,932,008
Real estate taxes, levied for specific purposes				5,501,222
Real estate taxes, levied for debt service				3,343,224
Personal property replacement taxes				279,849
State aid-formula grants				1,266,106
Investment earnings				118,759
Miscellaneous				<u>233,013</u>
Total general revenues				<u>34,674,181</u>
 Change in net position				 2,600,587
Net position, beginning of year				<u>28,950,497</u>
 Net position, end of year				 <u>\$ 31,551,084</u>

The accompanying notes are an integral part of this statement.

Mundelein Consolidated High School District 120

Governmental Funds

BALANCE SHEET

June 30, 2016

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 28,768,299	\$ 990,871	\$ 1,348,808	\$ 901,657
Receivables (net of allowance for uncollectibles):				
Property taxes	11,914,630	1,900,458	359,106	405,954
Replacement taxes	57,729	-	-	-
Intergovernmental	356,350	-	173,577	-
Loan to other funds	-	2,537,499	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 41,097,008</u>	<u>\$ 5,428,828</u>	<u>\$ 1,881,491</u>	<u>\$ 1,307,611</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 437,121	\$ 79,850	\$ 259,082	\$ 1,069
Salaries and wages payable	575,627	-	-	-
Due to other governments	40,783	-	-	-
Loan from operations and maintenance fund	-	-	-	-
Unearned school fees	192,301	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,245,832</u>	<u>79,850</u>	<u>259,082</u>	<u>1,069</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>24,274,290</u>	<u>3,871,900</u>	<u>731,623</u>	<u>827,069</u>
Total deferred inflows	<u>24,274,290</u>	<u>3,871,900</u>	<u>731,623</u>	<u>827,069</u>
FUND BALANCES				
Restricted	266,237	1,477,078	890,786	479,473
Unassigned	<u>15,310,649</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>15,576,886</u>	<u>1,477,078</u>	<u>890,786</u>	<u>479,473</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 41,097,008</u>	<u>\$ 5,428,828</u>	<u>\$ 1,881,491</u>	<u>\$ 1,307,611</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total
\$ 1,846,436	\$ -	\$ 33,856,071
1,577,968	-	16,158,116
-	-	57,729
-	-	529,927
-	-	2,537,499
<u>\$ 3,424,404</u>	<u>\$ -</u>	<u>\$ 53,139,342</u>
\$ 275	\$ 3,174,606	\$ 3,952,003
-	-	575,627
-	-	40,783
-	2,537,499	2,537,499
-	-	192,301
<u>275</u>	<u>5,712,105</u>	<u>7,298,213</u>
<u>3,214,876</u>	<u>-</u>	<u>32,919,758</u>
<u>3,214,876</u>	<u>-</u>	<u>32,919,758</u>
209,253	-	3,322,827
-	(5,712,105)	9,598,544
<u>209,253</u>	<u>(5,712,105)</u>	<u>12,921,371</u>
<u>\$ 3,424,404</u>	<u>\$ -</u>	<u>\$ 53,139,342</u>

Mundelein Consolidated High School District 120
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
For the Year Ended June 30, 2016

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$	12,921,371
Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.		52,055,750
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources related to pensions	\$ 1,016,886	
Deferred outflows of 2016 employer contributions related to pensions	347,431	1,364,317
Deferred inflows of resources related to pensions		(236,052)
Interest on long-term liabilities accrued in the statement of net position will not be paid with current financial resources and, therefore, is not recognized in the governmental funds balance sheet.		(78,341)
Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet.		(34,475,961)
Net position - governmental activities	\$	31,551,084

The accompanying notes are an integral part of this statement.

Mundelein Consolidated High School District 120

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)

For the Year Ended June 30, 2016

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 24,105,353	\$ 3,799,611	\$ 703,277	\$ 824,989
Replacement taxes	262,849	-	-	17,000
State aid	10,070,831	-	691,736	-
Federal aid	765,113	-	-	4,441
Interest	81,887	11,143	3,754	2,414
Other	873,587	178,656	-	-
	<u>36,159,620</u>	<u>3,989,410</u>	<u>1,398,767</u>	<u>848,844</u>
Total revenues				
Expenditures				
Current:				
Instruction:				
Regular programs	11,589,288	-	-	216,597
Special programs	2,978,740	-	-	144,440
Other instructional programs	2,622,731	-	-	143,954
State retirement contributions	7,818,302	-	-	-
Support services:				
Pupils	2,087,936	-	-	68,290
Instructional staff	631,787	-	-	11,968
General administration	796,895	-	-	124,240
School administration	1,638,107	-	-	74,482
Business	764,949	103,283	-	56,923
Transportation	2,127	-	1,847,531	-
Operations and maintenance	676,829	1,862,595	-	94,370
Central	928,566	-	-	99,888
Community services	61,846	-	-	441
Nonprogrammed charges	2,605,149	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	460,940	1,938,931	25,550	-
	<u>35,664,192</u>	<u>3,904,809</u>	<u>1,873,081</u>	<u>1,035,593</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	495,428	84,601	(474,314)	(186,749)
Other financing sources (uses)				
Transfers in	-	1,300,000	-	-
Transfers (out)	(500,000)	(881,488)	(800,000)	-
	<u>(500,000)</u>	<u>418,512</u>	<u>(800,000)</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balance (deficit)	(4,572)	503,113	(1,274,314)	(186,749)
Fund balance, beginning of year	15,581,458	973,965	2,165,100	666,222
	<u>15,581,458</u>	<u>973,965</u>	<u>2,165,100</u>	<u>666,222</u>
Fund balance (deficit), end of year	\$ 15,576,886	\$ 1,477,078	\$ 890,786	\$ 479,473
	<u>\$ 15,576,886</u>	<u>\$ 1,477,078</u>	<u>\$ 890,786</u>	<u>\$ 479,473</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total
\$ 3,343,224	\$ -	\$ 32,776,454
-	-	279,849
-	-	10,762,567
-	-	769,554
12,115	7,446	118,759
-	-	1,052,243
<u>3,355,339</u>	<u>7,446</u>	<u>45,759,426</u>
-	-	11,805,885
-	-	3,123,180
-	-	2,766,685
-	-	7,818,302
-	-	2,156,226
-	-	643,755
-	-	921,135
-	-	1,712,589
-	100,940	1,026,095
-	-	1,849,658
-	-	2,633,794
-	-	1,028,454
-	-	62,287
-	-	2,605,149
2,760,000	-	2,760,000
965,178	-	965,178
-	17,798,220	20,223,641
<u>3,725,178</u>	<u>17,899,160</u>	<u>64,102,013</u>
(369,839)	(17,891,714)	(18,342,587)
381,488	500,000	2,181,488
-	-	(2,181,488)
<u>381,488</u>	<u>500,000</u>	<u>-</u>
11,649	(17,391,714)	(18,342,587)
<u>197,604</u>	<u>11,679,609</u>	<u>31,263,958</u>
<u>\$ 209,253</u>	<u>\$ (5,712,105)</u>	<u>\$ 12,921,371</u>

Mundelein Consolidated High School District 120

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2016

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

Net change in fund balances - total governmental funds \$ (18,342,587)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, 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 and loss on disposals in the current period. 18,060,817

Changes in deferred outflows and inflows or resources related to pensions are reported only in the statement of activities:

Deferred outflow and inflows of resources related to IMRF pension 284,662

Deferred outflow and inflows of resources related to TRS pension 256,364

Accrued interest reported in the statement of activities does not require the use of current financial resources, and, therefore, is not reported as expenditures in the governmental funds. 2,467

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and compensated absences consume the current financial resources of the governmental funds. 2,338,864

Change in net position - governmental activities \$ 2,600,587

The accompanying notes are an integral part of this statement.

Mundelein Consolidated High School District 120

Agency Fund

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

June 30, 2016

	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	<u>\$ 353,007</u>
LIABILITIES	
Due to student groups	<u>\$ 353,007</u>

The accompanying notes are an integral part of this statement.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Mundelein Consolidated High School District 120 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units, hereinafter referred to as generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

1. Reporting Entity

The District is located in Lake County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all personnel, budgetary, taxing, and debt matters.

The District includes all funds of its operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The accompanying financial statements include only those funds of the District, as there are no organizations for which it has financial accountability.

Also, the District is not included as a component unit in any other governmental reporting entity, as defined by the Governmental Accounting Standards Board (GASB) pronouncements.

2. New Accounting Pronouncement

The Governmental Accounting Standards Board (GASB) has issued Statement No. 72, Fair Value Measurement and Application, issued in February 2015, which was implemented by the District during the fiscal year ended June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value investments.

3. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental and fiduciary.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting (Continued)

Governmental funds are used to account for the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (debt service funds), and the acquisition or construction of major capital facilities (capital projects funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund. The District considers all governmental funds to be major.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District.

4. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) amounts paid by recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

a. General Fund

The *General Fund* includes the Educational Account, the Working Cash Account, and the Tort Immunity and Judgment Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources, held by the District, to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid within one year. As allowed by the School Code of Illinois, this Fund may be permanently abolished and become part of the Educational Account or it may be partially abated to any fund in need, as long as the District maintains a balance in the Working Cash Account of at least .05% of the District's current Equalized Assessed Valuation. The Tort Immunity and Judgment Account is used to account for revenues derived from a specific property tax levy and state reimbursement grants and expenditures of these monies is for risk management activities.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Government-Wide and Fund Financial Statements (Continued)

b. Special Revenue Funds

The special revenue funds are used to account for and report the proceeds of specific revenue sources (other than those accounted for in the Debt Service, Capital Projects, or Fiduciary Funds) that are legally restricted to expenditures for specified purposes.

Each of the District's special revenue funds has been established as a separate fund in accordance with the fund structure required by the state of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's special revenue funds is as follows:

Operations and Maintenance Fund - is used for expenditures made for operations, repair, and maintenance of the District's building and land. Revenues consist primarily of local property taxes and transfers from other funds.

Transportation Fund - accounts for all revenue and expenditures made for student transportation. Revenues are derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for noncertified employees. Revenues to finance contributions are derived primarily from local property taxes and personal property replacement taxes.

c. Debt Service Fund

The Debt Service Fund - is used for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue sources are local property taxes levied specifically for debt service and transfers from other funds.

d. Capital Projects Fund

The Capital Projects Fund - accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bond proceeds or transfers from other funds.

e. Fiduciary Fund

The Fiduciary Fund - accounts for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Government-Wide and Fund Financial Statements (Continued)

e. Fiduciary Fund (Continued)

Student Activity Funds (Agency Funds) - are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. Although the Board of Education has the ultimate responsibility for activity funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated, and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational, or cultural purposes. They account for activities such as student yearbook, student clubs and council, and scholarships.

Convenience accounts - account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc. The convenience accounts are included in student activity accounts.

5. Fund Balance

In the fund financial statements, governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash, such as prepaid items or inventories.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, or laws and regulations of other governments, or are imposed by law through enabling legislation. Special revenue funds, as well as debt service funds and capital projects funds are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. As of June 30, 2016, the District has no committed fund balance.
- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegates the authority to assign amounts to be used for specific purposes. The Board of Education delegated this authority to the Business Manager. As of June 30, 2016, the District has no assigned fund balance.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Fund Balance (Continued)

- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally they act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

Governmental fund balances reported on the fund financial statements at June 30, 2016 are as follows:

The restricted fund balance in the General Fund is comprised of \$266,237, representing the remaining unspent portion of the restricted tort immunity levy. The remaining restricted fund balances are for the purpose of the restricted funds as described in Note A-4.

6. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are used to account for the District's general governmental activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property tax revenues and most other revenues available if they are collected within 60 days after year-end. Revenues that are paid to the District by the Illinois State Board of Education are considered available if vouchered by year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences, claims, and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property and replacement taxes, interest, and intergovernmental revenues associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The District reports unearned and unavailable revenue on its financial statements. Unearned and unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability or deferred inflow of resources for unearned or unavailable revenue is removed from the balance sheet and revenue is recognized. Governmental Funds also defer revenue recognition in connection with resources received, but not yet earned. At the end of the current fiscal year, unearned revenue reported in the governmental funds related to tuition and fees.

The fiduciary fund statements are reported using the accrual basis of accounting.

7. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to future periods. At June 30, 2016, the District had deferred outflows of resources related to pensions. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to future reporting periods. At June 30, 2016, the District had deferred inflows of resources related to pensions and property taxes levied for a future period.

8. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the General Fund which does not budget for on-behalf payments for the State of Illinois. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

9. Deposits and Investments

Investments are stated at cost, amortized cost or net asset value (NAV) per share as disclosed in the related notes. No amortization is made to interest income for discounted federal securities. Gains and losses on the sale of investments are recorded as interest income at the date of sale or maturity.

10. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund, with the balance allocated at the discretion of the District.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Prepaid Items

Prepaid items are recorded at cost and recognized over the term of the underlying agreements. Reported prepaid expenditures are equally offset by fund balance reserves, which indicate that they do not constitute "available spendable resources" even though they are a component of current assets. These are accounted for using the consumption method. At June 30, 2016, the District had no prepaid items.

12. Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, equipment, and transportation equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of \$2,500 or more. Such assets are recorded at historical cost or acquisition value at the date of donation.

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

Depreciation of capital assets is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	30 - 40
Improvements other than buildings	20
Equipment	5 - 20
Transportation equipment	8

Construction in progress is stated at cost and includes engineering, design, material, and labor incurred for ongoing building construction. No provision for depreciation is made on construction in progress until the asset is completed and placed in service.

13. Accumulated Unpaid Vacation and Sick Pay

Vacation benefits are granted to employees in varying amounts to specified maximums depending on tenure with the District. Vacation can accumulate for carryover up to 20 days. At June 30, 2016, accumulated unpaid vacation pay was \$5,172.

Sick leave is accumulated from year to year without limit, but it is not paid upon termination.

Due to the nature of the policies on sick leave, and the fact that any liability is contingent upon future events and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated unpaid sick leave.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. 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. Bond premiums and discounts, and losses on refunding of bonds are deferred and amortized over the life of the applicable bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount or loss on refunding. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, losses on refunding, and 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 cost and losses on refunding are reported as debt service expenditures.

15. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are at fair value.

16. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

17. Restricted Net Position

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, (2) imposed by law through constitutional provisions, or (3) imposed by enabling legislation.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as the resources are needed.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Government Funds Balance Sheet and the Government-wide Statement of Net Position

The governmental funds balance sheet includes a reconciliation between total fund balances - governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet." The details of this difference are as follows:

General obligation bonds	\$ 23,410,442
Unamortized premium	1,735,718
Debt certificates	4,585,000
IMRF pension liability	2,960,664
TRS pension liability	1,748,610
Other postemployment benefits	30,355
Compensated absences	<u>5,172</u>
Net adjustment to reduce total fund balances - governmental funds to arrive at net position - governmental activities	<u>\$ 34,475,961</u>

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and change in net position - governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	\$ 20,225,149
Depreciation expense	(2,142,398)
Loss on disposals	<u>(21,934)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	<u>\$ 18,060,817</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(Continued)

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and compensated absences consume the current financial resources of the governmental funds." The details of this difference are as follows:

Principal repayments	
General obligation bonds	\$ 2,560,000
Debt certificates	200,000
Accretion on general obligation bonds	(195,711)
Amortization of bond premium	259,902
IMRF pension expense (net change)	(202,169)
TRS pension expense (net change)	(279,943)
Other postemployment benefits (net change)	817
Compensated absences (net change)	<u>(4,032)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	\$ <u>2,338,864</u>

NOTE C - DEPOSITS AND INVESTMENTS

The District's investment policy is in line with State Statutes. The investments that the District may purchase are limited by Illinois law to the following: (1) securities that are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) interest-bearing savings accounts, interest-bearing certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; (4) short-term discount obligations of corporations organized in the United States with assets exceeding \$500,000,000; (5) interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation or school district; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2016, the District's cash and investments consisted of the following:

	<u>Government- wide</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ 33,856,071	\$ 353,007	\$ 34,209,078

At June 30, 2016, the District's cash and investments consisted of the following:

	<u>Total</u>
Deposits with financial institutions*	\$ 9,392,409
Illinois School District Liquid Asset Fund Plus	18,816,669
Illinois School District Liquid Asset Fund Plus - Term Series	<u>6,000,000</u>
	<u>\$ 34,209,078</u>

* Includes accounts held in demand and savings accounts, but consists primarily of certificates of deposits and money market savings accounts that are valued at cost.

1. Interest Rate Risk

The District's investment policy seeks to ensure preservation of capital in the District's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the policy requires the District's investment portfolio to be sufficiently liquid to enable the District to meet all operating requirements as they come due. A portion of the portfolio is required to be invested in readily available funds to ensure appropriate liquidity.

2. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The District's investment policy authorizes investments in any type of security as permitted by State statute.

Fund Plus - Term Series are unrated, not-for-profit investment trusts formed pursuant to the Illinois School Code and managed by a Board of Trustees elected from participating members. They are not registered with the SEC as an investment company, but operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments are valued at NAV share price, which is the price for which the investment could be sold. There were no unfunded commitments and no redemption limitations or notice periods.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

3. Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return.

4. Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the government'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, 2016, the bank balances of the District's deposits with financial institutions total \$35,729,400, all of which was insured or collateralized.

NOTE D - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on December 15, 2015. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that tax year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year. The District's annual property tax levy is subject to two statutory limitations: individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELA).

The County Clerk adds the Equalized Assessed Valuation of all real property in the District to the valuation of property assessed directly by the state (to which the Equalization Factor is not applied) to arrive at the base amount (the Assessment Base) used to calculate the annual tax rates, as described above. The Equalized Assessed Valuation for the extension for the 2015 tax levy was \$1,199,872,922.

Property taxes are collected by the Lake County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments: the first due on June 1 and the second due on September 1. Property taxes are normally collected by the District within 60 days of the respective installment dates.

The 2015 property tax levy is recognized as a receivable in fiscal 2016, net of estimated uncollectible amounts of approximately 1%. The District considers that the 2015 levy is to be used to finance operations in fiscal 2017. Therefore, the entire 2015 levy, including amounts collected in fiscal 2016, has been recognized as deferred inflows - property taxes levied for a future period in the accompanying financial statements.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE E - PENSION LIABILITIES

1. 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 nonannuitants 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://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, 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 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 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 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 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 last 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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE E - PENSION LIABILITIES (Continued)

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

Benefits Provided (Continued)

Essentially all Tier I retirees receive an annual three percent 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 three percent of the original benefit or one-half percent 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.

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 percent 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, 2016, was 9.4 percent 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 employer. For the year ended June 30, 2016, 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 \$7,653,821 in pension contributions from the state of Illinois.

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2016, were \$89,158, and are deferred because they were paid after the June 30, 2015 measurement date.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE E - PENSION LIABILITIES (Continued)

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

Contributions (Continued)

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

For the year ended June 30, 2016, the employer pension contribution was 36.06 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$34,461 were paid from federal and special trust funds that required employer contributions of \$12,427. These contributions are deferred because they were paid after the June 30, 2015 measurement date.

Early 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 retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2016, the District paid \$0 to TRS for employer ERO contributions.

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2016, the District paid \$657 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE E - PENSION LIABILITIES (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	1,748,610
State's proportionate share of the net pension liability associated with the District		93,420,818
Total	\$	95,169,428

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015, the District's proportion was 0.0026692237 percent, which was an increase of 0.0002559664 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$7,772,172 and revenue of \$7,653,821 for support provided by the state. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 650	\$ 1,917
Change of assumptions	24,181	-
Net difference between projected and actual earnings on pension plan investments	34,630	61,230
Changes in proportion and differences between District contributions and proportionate share of contributions	130,354	172,905
Total deferred amounts to be recognized in pension expense in future periods	189,815	236,052
District contributions subsequent to the measurement date	101,585	-
	\$ 291,400	\$ 236,052

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE E - PENSION LIABILITIES (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The District reported \$101,585 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Net Deferred Outflow (Inflow) of Resources
2017	\$ (28,128)
2018	(28,128)
2019	(28,128)
2020	38,147
2021	-
	<u>\$ (46,237)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	Varies by amount of service credit
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

The actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered from their 2013 levels.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE E - PENSION LIABILITIES (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. large cap	18 %	7.53 %
Global equity (excluding U.S.)	18	7.88
Aggregate bonds	16	1.57
U.S. TIPS	2	2.82
NCREIF	11	5.11
Opportunistic real estate	4	9.09
ARS	8	2.57
Risk parity	8	4.87
Diversified inflation strategy	1	3.26
Private equity	14	12.33
Total	<u>100 %</u>	

Discount Rate

At June 30, 2015, the discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was a change from the June 30, 2014 rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE E - PENSION LIABILITIES (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount Rate (Continued)

Based on those assumptions, TRS's fiduciary net position at June 30, 2015 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2014, the discount rate used to measure the total pension liability was 7.50 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.47 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.47 percent) or 1-percentage-point higher (8.47 percent) than the current rate:

	<u>1% Decrease (6.47%)</u>	<u>Current Discount (7.47%)</u>	<u>1% Increase (8.47%)</u>
District's proportionate share of the net pension liability	\$ 2,160,854	\$ 1,748,610	\$ 1,410,560

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2015 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed with the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the Benefits Provided section below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual 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).

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 10 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 10 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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

As of December 31, 2015, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	83
Inactive plan members entitled to but not yet receiving benefits	103
Active plan members	<u>81</u>
Total	<u><u>267</u></u>

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 2015 was 14.86%. For the fiscal year ended June 30, 2016 the District contributed \$453,829 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.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.75%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.46%
Projected Retirement Age	Experience-based table of rates, specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Mortality

For non-disabled retirees, the IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projections scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	2.75-8.15%
Cash Equivalents	1%	2.25%
Total	<u>100%</u>	

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Single Discount Rate

A Single Discount Rate of 7.46% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

- a. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
- b. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.46%.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Liability

The following table shows the components of the change in the District's net pension liability for the calendar year ended December 31, 2015:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at December 31, 2014	\$ 11,539,226	\$ 8,780,731	\$ 2,758,495
Changes for the year:			
Service cost	296,366	-	296,366
Interest on the total pension liability	847,384	-	847,384
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the total pension liability	17,611	-	17,611
Changes of assumptions	-	-	-
Contributions - Employer	-	411,553	(411,553)
Contributions - Employees	-	124,629	(124,629)
Net Investment Income	-	43,602	(43,602)
Benefit payments, including refunds of employee contributions	(656,739)	(656,739)	-
Other (net transfer)	-	379,408	(379,408)
Net changes	<u>504,622</u>	<u>302,453</u>	<u>202,169</u>
 Balances at December 31, 2015	 <u>\$ 12,043,848</u>	 <u>\$ 9,083,184</u>	 <u>\$ 2,960,664</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.46%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (6.46%)	Current Discount Rate (7.46%)	1% Higher (8.46%)
	<u> </u>	<u> </u>	<u> </u>
Net pension liability	\$ 4,396,843	\$ 2,960,664	\$ 1,773,097

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE E - PENSION LIABILITIES (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016 the District recognized pension expense of \$372,146. At June 30, 2016, the District reported deferred outflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>	
Differences between expected and actual experience	\$ 77,357
Change of assumptions	178,988
Net difference between projected and actual earnings on pension plan investments	<u>570,726</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>827,071</u>
<i>Pension contributions made subsequent to the measurement date</i>	<u>245,846</u>
Total deferred amounts related to pensions	<u>\$ 1,072,917</u>

The District reported \$245,846 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2017	\$ 399,168
2018	154,373
2019	148,598
2020	124,932
2021	<u>-</u>
Total	<u>\$ 827,071</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE E - PENSION LIABILITIES (Continued)

3. Summary of Pension Items

Below is a summary of the various pension items:

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 101,585	\$ 245,846	\$ 347,431
Experience	650	77,357	78,007
Assumptions	24,181	178,988	203,169
Proportionate share	130,354	-	130,354
Investments	34,630	570,726	605,356
	<u>\$ 291,400</u>	<u>\$ 1,072,917</u>	<u>\$ 1,364,317</u>
Net pension liability	<u>\$ 1,748,610</u>	<u>\$ 2,960,664</u>	<u>\$ 4,709,274</u>
Deferred inflows of resources:			
Investments	61,230	-	61,230
Experience	1,917	-	1,917
Proportionate share	172,905	-	172,905
	<u>\$ 236,052</u>	<u>\$ -</u>	<u>\$ 236,052</u>

4. Social Security/Medicare

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

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

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

On behalf contributions to the THIS Fund

The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$164,481, and the District recognized revenue and expenditures of this amount during the year.

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.80 percent during the year ended June 30, 2016. For the year ended June 30, 2016, the District paid \$122,976 to the THIS Fund, which was 100 percent of the required contribution.

Further Information on the THIS Fund

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan

Plan Description

The District is a participant in the Educational Benefits Cooperative (EBC) for medical, dental, and life insurance. The District's policy and applicable collective bargaining agreements do not permit retirees in the administrative, nonunion support, and certified Mundelein Education Association or "MEA" employment categories to participate in the health care plan. Retirees in the support staff category represented by the Mundelein Education Support Association ("MESA") are eligible to participate in the health care plan. Such MESA retirees pay 100% of the applicable annual premiums. As of June 30, 2015 (the most recent actuarial valuation date), the District had 20 active fully eligible to retire employees, 205 active not yet eligible to retire employees, and 4 retirees who have accessed a postemployment benefit(s) through the District.

Funding Policy

MEA retirees may be reimbursed up to \$2,750 in each of the first two years after retirement for documented health care plan expenses. Again, these employees do not participate in the District health care plan. Currently, the District contributes 82.5 percent to the postemployment benefits. For fiscal year 2016, the District contributed \$37,854 toward the cost of the postemployment benefits for retirees.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net estimated OPEB obligation to the Retiree Health Plan:

	June 30, 2016
Annual required contribution	\$ 36,829
Interest on net OPEB obligation	1,247
Adjustment to annual required contribution	<u>(1,039)</u>
Annual OPEB cost	37,037
Contributions made	<u>(37,854)</u>
Decrease in net OPEB obligation	(817)
Net OPEB obligation, beginning of year	<u>31,172</u>
Net OPEB obligation, end of year	<u><u>\$ 30,355</u></u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2016 and the two preceding fiscal years were as follows:

Actuarial Valuation Date	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/16*	\$ 37,037	102.2%	\$ 30,355
6/30/15	36,994	82.5%	31,172
6/30/14*	43,791	89.6%	24,688

* Annual OPEB cost estimated using ARC from most recent valuation information.

Funding Status and Funding Progress

As of June 30, 2015 (the most recent actuarial valuation date), the actuarial accrued liability for benefits was \$374,522, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) and the ratio of the unfunded actuarial accrued liability to the covered payroll were \$16,333,463 and 2%, respectively.

The projection of future benefit payments for an ongoing plan involved estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Methods and Assumptions (Continued)

The following simplifying assumptions were made:

Contribution rates:

District	N/A
Plan members	Same as health care trend

Actuarial valuation date (most recent)	July 1, 2014
Actuarial cost method	Entry age normal
Amortization period	Level percentage of projected payroll
Remaining amortization period	30 years
Asset valuation method	Not applicable

Actuarial assumptions:

Investment rate of return	4.00%
Projected salary increases	4.00%
Healthcare trend	4.50% - Blue Adv. Plan and PPO Plan

Mortality, Turnover, Disability, Retirement
Ages

Similar rates utilized for IMRF

Percentage of active employees
assumed to elect benefit

100%

Employer provided benefit

Certified employees and administrators-
Employees receive a reimbursement for their Teacher's Retirement Insurance Program health insurance premium for the first two years following retirement. In order to receive the bonus, they must send a receipt of the payment of premiums and then the district reimburses up to \$2,750 per year.

IMRF Employees -

Employees may continue coverage into retirement on the District medical plan on a pay-all basis. Dependents may also continue on a pay-all basis. Coverage may continue for as long as required contributions are paid.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE G - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance July 1, 2015	Increases / Transfers	Decreases / Transfers	Balance June 30, 2016
Capital assets, not being depreciated				
Land	\$ 8,982,366	\$ 1,575,550	\$ -	\$ 10,557,916
Construction in progress*	2,660,036	17,519,137	-	20,179,173
 Total capital assets, not being depreciated	 11,642,402	 19,094,687	 -	 30,737,089
 Capital assets, being depreciated				
Buildings	41,316,681	9,719	-	41,326,400
Improvements other than buildings	3,150,645	4,569	-	3,155,214
Equipment	5,785,447	1,075,520	33,990	6,826,977
Transportation equipment	268,168	40,654	-	308,822
 Total capital assets, being depreciated	 50,520,941	 1,130,462	 33,990	 51,617,413
 Less accumulated depreciation for:				
Buildings	22,016,376	1,129,074	-	23,145,450
Improvements other than buildings	1,310,275	130,217	-	1,440,492
Equipment	4,617,554	863,655	12,056	5,469,153
Transportation equipment	224,205	19,452	-	243,657
 Total accumulated depreciation	 28,168,410	 2,142,398	 12,056	 30,298,752
 Total capital assets being depreciated, net	 22,352,531	 (1,011,936)	 21,934	 21,318,661
 Governmental activities capital assets, net	 \$ 33,994,933	 \$ 18,082,751	 \$ 21,934	 \$ 52,055,750

* Construction in progress at June 30, 2016 represents primarily costs associated with a major building addition completed and placed in service subsequent to fiscal year end.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE G - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General Government	
Regular programs	\$ 1,606,799
Business services	21,423
Operations and maintenance	171,389
Central	<u>342,787</u>
	<u>\$ 2,142,398</u>

NOTE H - LONG-TERM LIABILITIES

1. Changes in General Long-term Liabilities

During the year ended June 30, 2016, the following is the long-term liability activity for the District:

	Balance July 1, 2015	Additions / Accretion	Reductions	Balance June 30, 2016
Bonds payable:				
General obligation bonds	\$ 25,774,731	\$ 195,711	\$ 2,560,000	\$ 23,410,442
Add unamortized premium	1,995,620	-	259,902	1,735,718
Debt certificates	4,785,000	-	200,000	4,585,000
IMRF net pension liability	2,758,495	1,161,361	959,192	2,960,664
TRS net pension liability	1,468,667	375,390	95,447	1,748,610
Other postemployment benefits	31,172	37,037	37,854	30,355
Compensated absences	<u>1,140</u>	<u>5,172</u>	<u>1,140</u>	<u>5,172</u>
 Total long-term liabilities - governmental activities	 <u>\$ 36,814,825</u>	 <u>\$ 1,774,671</u>	 <u>\$ 4,113,535</u>	 <u>\$ 34,475,961</u>

At June 30, 2016, amounts due within one year on the outstanding long-term liabilities were as follows:

Bonds payable:	
General obligation bonds	\$ 2,740,000
Debt certificates	195,000
Compensated absences	<u>5,172</u>
 Total long-term liabilities - governmental activities	 <u>\$ 2,940,172</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE H - LONG-TERM LIABILITIES (Continued)

2. General Obligation Bonds Payable

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Carrying Amount</u>	<u>Face Amount</u>
2002 Limited Tax Capital Appreciation School Bonds	3.60% - 5.19%	\$ 3,675,442	\$ 4,260,000
2011 General Obligation Limited School Bonds	2.00% - 4.00%	5,350,000	5,350,000
2014 General Obligation Limited School Bonds	3.00% - 5.00%	6,975,000	6,975,000
2015 General Obligation Limited School Bonds	3.00% - 5.00%	7,410,000	7,410,000
		\$ 23,410,442	\$ 23,995,000

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental-type activities:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,740,000	\$ 738,753	\$ 3,478,753
2018	2,585,000	684,858	3,269,858
2019	2,710,000	614,625	3,324,625
2020	2,880,000	524,075	3,404,075
2021	2,885,000	427,575	3,312,575
2022-2024	10,195,000	713,325	10,908,325
	\$ 23,995,000	\$ 3,703,211	\$ 27,698,211

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$209,253 in the Debt Service Fund to service the outstanding bond payable.

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2016, the statutory debt limit for the District was \$82,791,232, providing a debt margin of \$54,211,232.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE H - LONG-TERM LIABILITIES (Continued)

3. Debt Certificates

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
2007 General Obligation Limited Tax Debt Certificates	4.00% - 4.30%	\$ 2,855,000
2014 General Obligation Limited Tax Refunding Debt Certificates	3.00% - 4.00%	<u>1,730,000</u>
		<u>\$ 4,585,000</u>

Annual debt service requirements to maturity for debt certificates are as follows for governmental-type activities:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 195,000	\$ 175,563	\$ 370,563
2018	435,000	164,938	599,938
2019	450,000	149,202	599,202
2020	465,000	132,788	597,788
2021	480,000	115,686	595,686
2022-2026	<u>2,560,000</u>	<u>291,433</u>	<u>2,851,433</u>
	<u>\$ 4,585,000</u>	<u>\$ 1,029,610</u>	<u>\$ 5,614,610</u>

NOTE I - OPERATING LEASES AND SUBSEQUENT EVENT

The District is entered into various lease agreements (copiers and vehicles) with terms of 3 to 5 years with payments ranging from \$236 - \$2,427 per month through June 2020. Total costs for such leases was \$40,779 for the year ended June 30, 2016. Subsequent to year end, the District entered into an operating lease for vehicles to be used in the drivers' education program. The agreement requires monthly principal and interest payments of \$1,336 through June 2019. Future lease payments are as follows:

<u>Year Ending June 30</u>	<u>Total</u>
2017	\$ 48,300
2018	48,300
2019	21,856
2020	<u>3,135</u>
	<u>\$ 121,591</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE J - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases coverage against such risks. To protect the District from such risks, the District participates in the Collective Liability Insurance Cooperative (CLIC) public entity risk pool for property damage and injury claims. The arrangements with the pool provide that the pool will be self-sustaining through member premiums, and will reinsure through commercial companies for claims in excess of certain levels established by the pool. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE K - JOINT AGREEMENTS

1. Special Education District of Lake County (SEDOL)

The District is a member of the Special Education District of Lake County (SEDOL) joint agreement that provides certain special education services to residents of many school districts. It is also a member of the risk management pool listed above (Note J). Total amounts paid under the terms of the joint agreement and for services provided were approximately \$465,000. The District believes that, because it does not control the selection of the governing authority and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not required to be included as component units of the District.

2. Lake County Area Vocational System (LCAVS)

The District and other districts within Lake and McHenry Counties have entered into a joint agreement to provide vocational programs for member districts that are not offering these services individually. Each member district has a financial responsibility for annual and special assessments, as established by the management council. Total amounts paid under the terms of the joint agreement were approximately \$326,000 for the year ended June 30, 2016. The District believes that, because it does not control the selection of the governing authority and because the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing board, this joint agreement is not required to be included as a component unit of the District.

NOTE L - INTERFUND LOANS

As of June 30, 2016, the District loaned \$2,537,499 from the Operations and Maintenance Fund to the Capital Projects Fund. Amounts are expected to be repaid in fiscal year 2017.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE M - INTERFUND TRANSFERS

The District transferred \$500,000 and \$800,000 from the General Fund and Transportation Fund, respectively, to the Operations and Maintenance Fund. The amounts transferred represents funds transferred to pay for a property acquisition.

The District transferred \$181,488 from the Operations and Maintenance Fund to the Debt Service Fund. The amount transferred represents funds transferred to pay interest on the District's debt certificates.

The District transferred \$200,000 from the Operations and Maintenance Fund to the Debt Service Fund. The amount transferred represents funds transferred to pay principal on the District's debt certificates.

The District transferred \$500,000 from the Operations and Maintenance Fund to the Capital Projects Fund. The amount transferred represents funds transferred to pay for ongoing capital projects.

NOTE N - CONTINGENCIES

1. Litigation

The District is a defendant in various lawsuits and other pending matters. Although the eventual outcome and related liability, if any, is not determinable at this time, in the opinion of the District's management, the resolution of these matters will not have a material adverse effect on the financial condition of the District. No provision has been made in the accompanying financial statements for settlement costs.

2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

NOTE O - CONSTRUCTION COMMITMENTS

The District has ongoing contracts for construction in the next fiscal year. Commitments under these contracts approximate \$1,709,000, at June 30, 2016.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE P - SPECIAL EDUCATION - GENERAL STATE AID

In fiscal year 2016, the District must expend from their General State Aid an amount computed for the provision of special education services as defined in Section 14-1.08 of Illinois Public Act PA 99-0523. The amount was computed using the District's final December 1, 2014, special education child count in proportion to the total child count of the state. In accordance with Public Act 99-0523, \$4,138 of Special Education line item "1205-Salaries" was paid with revenue code 3001.

NOTE Q - DEFICIT FUND BALANCE & SUBSEQUENT EVENT

At June 30, 2016, the following fund has a deficit fund balance.

<u>Fund</u>	<u>Deficit</u>
Capital Projects Fund	\$ 5,712,105

District management expects to fund this deficit through future fund transfers and a previously awarded state grant approximating \$8.3 million which the District was awarded in 2014, which was not received as of June 30, 2016 from the Illinois Capital Development Board (ICDB) due to the lack of a final State budget. The agency works with the Illinois State Board of Education (ISBE) to administer grants to local school districts for construction and renovation through the School Construction Program. Subsequent to fiscal year end, the District has received approximately \$7.1 million of the awarded grant funds.

NOTE R - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 13, 2016, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than as disclosed in Note I and Note Q, have occurred subsequent to the statement of net position / balance sheet date that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Mundelein Consolidated High School District 120
 SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 MOST RECENT CALANDAR YEARS
 Illinois Municipal Retirement Fund
June 30, 2016

Calendar year ended December 31,

	<u>2015</u>	<u>2014</u>
Total pension liability		
Service cost	\$ 296,366	\$ 280,125
Interest on the total pension liability	847,384	762,877
Benefit changes	-	-
Difference between expected and actual experience of the total pension liability	17,611	197,812
Assumption changes	-	539,198
Benefit payments and refunds	(656,739)	(599,238)
Net change in total pension liability	<u>504,622</u>	<u>1,180,774</u>
Total pension liability, beginning	<u>11,539,226</u>	<u>10,358,452</u>
Total pension liability, ending	<u>\$ 12,043,848</u>	<u>\$ 11,539,226</u>
 Plan fiduciary net position		
Contributions, employer	\$ 411,553	\$ 373,732
Contributions, employee	124,629	114,338
Net investment income	43,602	503,925
Benefit payments, including refunds of employee contributions	(656,739)	(599,238)
Other (net transfer)	379,408	71,319
Net change in plan fiduciary net position	<u>302,453</u>	<u>464,076</u>
Plan fiduciary net position, beginning	<u>8,780,731</u>	<u>8,316,655</u>
Plan fiduciary net position, ending	<u>\$ 9,083,184</u>	<u>\$ 8,780,731</u>
 Net pension liability	 <u>\$ 2,960,664</u>	 <u>\$ 2,758,495</u>
 Plan fiduciary net position as a percentage of the total pension liability	 75.42 %	 76.09 %
 Covered Valuation Payroll	 \$ 2,769,534	 \$ 2,486,576
 Net pension liability as a percentage of covered valuation payroll	 106.90 %	 110.94 %

Note: The District implemented GASB 68 beginning with it's fiscal year ended June 30, 2015 therefore 10 years of information is not available.

Mundelein Consolidated High School District 120
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
June 30, 2016

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 411,553	* \$ 411,553	\$ -	\$ 2,769,534	14.86 %
2014	373,733	373,732	1	2,486,576	15.03

* Estimated based on contribution rate of 14.86% and covered valuation payroll of \$2,769,534

Note: The District implemented GASB 68 beginning with it's fiscal year ended June 30, 2015 therefore 10 years of information is not available.

Mundelein Consolidated High School District 120

SCHEDULE OF THE DISTRICT'S PROPORTIONATE

SHARE OF THE NET PENSION LIABILITY

Teachers' Retirement System of the State of Illinois

June 30, 2016

Fiscal year ended June 30,

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.0026692237 %	0.0024132573 %
District's proportionate share of the net pension liability	\$ 1,748,610	\$ 1,468,667
State's proportionate share of the net pension liability associated with the District	<u>93,420,818</u>	<u>87,487,936</u>
Total	<u>\$ 95,169,428</u>	<u>\$ 88,956,603</u>
District's covered-employee payroll	\$ 14,543,792	\$ 14,095,401
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	12.02 %	10.42 %
Plan fiduciary net position as a percentage of the total pension liability	41.50 %	43.00 %

Note 1: The amounts presented were determined as of the prior fiscal-year end.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 therefore 10 years of information is not available.

Mundelein Consolidated High School District 120
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Retirement System of the State of Illinois
June 30, 2016

Fiscal year ended June 30,

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 100,343	\$ 91,601
Contributions in relation to the contractually required contribution	<u>93,529</u>	<u>86,104</u>
Contribution deficiency (excess)	<u>\$ 6,814</u>	<u>\$ 5,497</u>
District's covered-employee payroll	\$ 14,543,792	\$ 14,095,401
Contributions as a percentage of covered-employee payroll	0.64 %	0.61 %

Note: The District implemented GASB 68 beginning with it's fiscal year ended June 30, 2015 therefore 10 years of information is not available.

Mundelein Consolidated High School District 120

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS

June 30, 2016

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5)
6/30/2016*	\$ -	\$ 374,522	0.00 %	\$ 374,522	\$ 16,333,463	2.29 %
6/30/2015	-	374,522	0.00	374,522	16,333,463	2.29
6/30/2014*	-	357,782	0.00	357,782	NA	NA

NA - not available

* Results from prior year.

Mundelein Consolidated High School District 120
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$ 23,600,528	\$ 23,600,528	\$ 23,618,329	\$ 17,801	\$ 23,329,392
Leasing levy	-	-	-	-	83,790
Special education levy	486,766	486,766	487,024	258	490,767
Corporate personal property replacement taxes	337,746	337,746	262,849	(74,897)	333,231
Summer school tuition from pupils or parents	38,000	38,000	45,697	7,697	39,893
Interest on investments	35,250	35,250	81,887	46,637	53,250
Sales to pupils - lunch	-	-	-	-	45,846
Sales to pupils - breakfast	-	-	-	-	2,736
Sales to pupils - a la carte	-	-	-	-	146,290
Other food service	-	-	-	-	5,283
Admissions - athletic	20,000	20,000	24,228	4,228	17,847
Fees	410,000	410,000	455,067	45,067	432,580
Book store sales	20,000	20,000	15,694	(4,306)	20,491
Other district/school activity revenue	226,000	226,000	188,554	(37,446)	245,849
Other - textbooks	6,000	6,000	6,037	37	8,095
Other	92,600	92,600	138,310	45,710	22,875
Total local sources	<u>25,272,890</u>	<u>25,272,890</u>	<u>25,323,676</u>	<u>50,786</u>	<u>25,278,215</u>
State sources					
General State Aid	1,260,924	1,260,924	1,266,106	5,182	1,206,840
Special Education - Private Facility Tuition	375,000	375,000	320,821	(54,179)	376,679
Special Education - Extraordinary	275,000	275,000	289,246	14,246	270,386
Special Education - Personnel	250,000	250,000	289,004	39,004	254,792
Orphanage - Summer Individual - Summer School	1,250	1,250	-	(1,250)	500

(Continued)

Mundelein Consolidated High School District 120
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
State sources (Continued)					
CTE - Secondary Program Improvement (CTEI)	\$ 23,953	\$ 23,953	\$ -	\$ (23,953)	\$ 41,570
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	28,260	28,260	5,932	(22,328)	23,729
State Free Lunch and Breakfast	-	-	-	-	2,551
Driver Education	45,000	45,000	48,182	3,182	52,407
Adult Education (from ICCB)	325,000	325,000	31,936	(293,064)	379,209
Other state sources	<u>1,600</u>	<u>1,600</u>	<u>1,302</u>	<u>(298)</u>	<u>3,155</u>
Total state sources	<u>2,585,987</u>	<u>2,585,987</u>	<u>2,252,529</u>	<u>(333,458)</u>	<u>2,611,818</u>
Federal sources					
National School Lunch Program	-	-	-	-	152,097
Special Milk Program	25,000	25,000	21,769	(3,231)	12,649
Special Breakfast Program	-	-	-	-	32,105
Title I - Low Income	203,875	203,875	182,301	(21,574)	153,662
Federal - Special Education - I.D.E.A. - Flow Through	219,386	219,386	224,970	5,584	144,203
Federal - Special Education - I.D.E.A. - Room and Board	15,000	15,000	-	(15,000)	2,253
CTE - Perkins - Title III Technical Prep	16,902	16,902	16,902	-	16,902
Federal - Adult Education	189,365	189,365	196,178	6,813	189,365
Emergency Immigrant Assistance	-	-	5,507	5,507	6,577
Title II - Teacher Quality	48,302	48,302	49,141	839	35,278
Medicaid Matching Funds - Administrative Outreach	5,000	5,000	5,974	974	14,910
Medicaid Matching Funds - Fee-For-Service-Program	<u>25,000</u>	<u>25,000</u>	<u>62,371</u>	<u>37,371</u>	<u>39,809</u>
Total federal sources	<u>747,830</u>	<u>747,830</u>	<u>765,113</u>	<u>17,283</u>	<u>799,810</u>
Total revenues	<u>28,606,707</u>	<u>28,606,707</u>	<u>28,341,318</u>	<u>(265,389)</u>	<u>28,689,843</u>

(Continued)

Mundelein Consolidated High School District 120
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Expenditures					
Instruction					
Regular programs					
Salaries	\$ 9,070,612	\$ 9,063,612	\$ 9,243,146	\$ (179,534)	\$ 8,907,383
Employee benefits	1,746,000	1,746,000	1,720,322	25,678	1,722,040
Purchased services	85,600	85,600	80,275	5,325	99,805
Supplies and materials	494,575	505,895	393,841	112,054	331,378
Capital outlay	95,000	360,000	367,535	(7,535)	86,712
Other objects	13,000	13,000	5,559	7,441	12,235
Non-capitalized equipment	<u>148,000</u>	<u>140,000</u>	<u>146,145</u>	<u>(6,145)</u>	<u>246,300</u>
Total	<u>11,652,787</u>	<u>11,914,107</u>	<u>11,956,823</u>	<u>(42,716)</u>	<u>11,405,853</u>
Special education programs					
Salaries	2,349,941	2,347,941	2,539,287	(191,346)	2,089,618
Employee benefits	333,450	333,450	393,226	(59,776)	300,893
Purchased services	43,700	43,700	30,840	12,860	44,028
Supplies and materials	50,042	50,042	11,520	38,522	8,580
Capital outlay	7,000	7,000	7,601	(601)	4,363
Non-capitalized equipment	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>4,250</u>
Total	<u>2,788,133</u>	<u>2,786,133</u>	<u>2,982,474</u>	<u>(196,341)</u>	<u>2,451,732</u>
Remedial and Supplemental programs K-12					
Salaries	3,000	3,000	3,750	(750)	1,415
Employee benefits	-	-	117	(117)	23
Purchased services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(570)</u>
Total	<u>3,000</u>	<u>3,000</u>	<u>3,867</u>	<u>(867)</u>	<u>868</u>

(Continued)

Mundelein Consolidated High School District 120

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Adult/continuing education programs					
Salaries	\$ 380,571	\$ 417,171	\$ 379,460	\$ 37,711	\$ 376,803
Employee benefits	25,250	25,250	15,424	9,826	15,084
Purchased services	3,500	2,500	20	2,480	2,748
Supplies and materials	<u>117,042</u>	<u>119,652</u>	<u>50,555</u>	<u>69,097</u>	<u>136,558</u>
Total	<u>526,363</u>	<u>564,573</u>	<u>445,459</u>	<u>119,114</u>	<u>531,193</u>
CTE programs					
Supplies and materials	16,902	16,902	2,632	14,270	11,570
Capital outlay	<u>23,953</u>	<u>23,953</u>	<u>40,931</u>	<u>(16,978)</u>	<u>12,692</u>
Total	<u>40,855</u>	<u>40,855</u>	<u>43,563</u>	<u>(2,708)</u>	<u>24,262</u>
Interscholastic programs					
Salaries	1,325,593	1,325,593	1,370,339	(44,746)	1,312,376
Employee benefits	57,800	57,800	63,013	(5,213)	55,652
Purchased services	161,500	161,500	125,349	36,151	115,028
Supplies and materials	116,000	116,000	108,740	7,260	102,534
Other objects	56,500	56,500	48,752	7,748	47,643
Non-capitalized equipment	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>31,243</u>
Total	<u>1,737,393</u>	<u>1,737,393</u>	<u>1,736,193</u>	<u>1,200</u>	<u>1,664,476</u>
Summer school programs					
Salaries	83,500	83,500	79,872	3,628	67,083
Employee benefits	1,100	1,100	10,395	(9,295)	6,545
Purchased services	3,000	3,000	2,778	222	-
Supplies and materials	<u>4,250</u>	<u>4,250</u>	<u>2,535</u>	<u>1,715</u>	<u>2,366</u>
Total	<u>91,850</u>	<u>91,850</u>	<u>95,580</u>	<u>(3,730)</u>	<u>75,994</u>
Drivers education programs					
Supplies and materials	<u>-</u>	<u>-</u>	<u>(375)</u>	<u>375</u>	<u>375</u>
Total	<u>-</u>	<u>-</u>	<u>(375)</u>	<u>375</u>	<u>375</u>

(Continued)

Mundelein Consolidated High School District 120
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Bilingual programs					
Salaries	\$ 278,753	\$ 278,753	\$ 287,697	\$ (8,944)	\$ 276,948
Employee benefits	34,350	34,350	42,010	(7,660)	33,322
Purchased services	1,500	1,500	921	579	1,088
Supplies and materials	8,276	8,276	12,614	(4,338)	6,330
Total	<u>322,879</u>	<u>322,879</u>	<u>343,242</u>	<u>(20,363)</u>	<u>317,688</u>
Total instruction	<u>17,163,260</u>	<u>17,460,790</u>	<u>17,606,826</u>	<u>(146,036)</u>	<u>16,472,441</u>
Support services					
Pupils					
Attendance and social work services					
Salaries	404,825	404,825	406,034	(1,209)	377,694
Employee benefits	54,675	68,850	31,626	37,224	67,639
Purchased services	-	-	3,500	(3,500)	-
Supplies and materials	<u>1,250</u>	<u>1,250</u>	<u>130</u>	<u>1,120</u>	<u>168</u>
Total	<u>460,750</u>	<u>474,925</u>	<u>441,290</u>	<u>33,635</u>	<u>445,501</u>
Guidance services					
Salaries	990,123	990,123	996,829	(6,706)	962,436
Employee benefits	137,525	123,350	146,105	(22,755)	120,287
Purchased services	61,000	61,000	47,042	13,958	39,001
Supplies and materials	34,000	34,000	31,031	2,969	28,737
Other objects	<u>1,000</u>	<u>1,000</u>	<u>175</u>	<u>825</u>	<u>324</u>
Total	<u>1,223,648</u>	<u>1,209,473</u>	<u>1,221,182</u>	<u>(11,709)</u>	<u>1,150,785</u>

(Continued)

Mundelein Consolidated High School District 120
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Health services					
Salaries	\$ 91,953	\$ 91,953	\$ 105,000	\$ (13,047)	\$ 100,330
Employee benefits	21,436	21,436	1,031	20,405	20,917
Purchased services	2,250	2,250	5,661	(3,411)	1,284
Supplies and materials	<u>2,000</u>	<u>2,000</u>	<u>2,615</u>	<u>(615)</u>	<u>1,783</u>
Total	<u>117,639</u>	<u>117,639</u>	<u>114,307</u>	<u>3,332</u>	<u>124,314</u>
Psychological services					
Salaries	153,735	153,735	158,206	(4,471)	147,306
Employee benefits	15,453	15,453	29,066	(13,613)	12,994
Purchased services	<u>10,000</u>	<u>10,000</u>	<u>19,370</u>	<u>(9,370)</u>	<u>5,391</u>
Total	<u>179,188</u>	<u>179,188</u>	<u>206,642</u>	<u>(27,454)</u>	<u>165,691</u>
Speech pathology and audiology services					
Salaries	66,542	66,542	81,149	(14,607)	63,191
Employee benefits	21,056	21,056	21,502	(446)	20,909
Purchased services	<u>-</u>	<u>-</u>	<u>1,864</u>	<u>(1,864)</u>	<u>-</u>
Total	<u>87,598</u>	<u>87,598</u>	<u>104,515</u>	<u>(16,917)</u>	<u>84,100</u>
Total pupils	<u>2,068,823</u>	<u>2,068,823</u>	<u>2,087,936</u>	<u>(19,113)</u>	<u>1,970,391</u>
Instructional staff					
Improvement of instruction services					
Salaries	188,380	223,030	172,440	50,590	205,352
Employee benefits	17,700	17,700	20,301	(2,601)	27,519
Purchased services	75,661	81,329	70,728	10,601	73,366
Supplies and materials	9,564	4,400	7,128	(2,728)	8,995
Capital outlay	3,000	3,000	-	3,000	-
Other objects	-	-	260	(260)	7,981
Non-capitalized equipment	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>5,211</u>
Total	<u>296,805</u>	<u>331,959</u>	<u>270,857</u>	<u>61,102</u>	<u>328,424</u>

(Continued)

Mundelein Consolidated High School District 120

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Educational media services					
Salaries	\$ 231,594	\$ 231,594	\$ 221,276	\$ 10,318	\$ 186,805
Employee benefits	15,058	15,058	18,105	(3,047)	11,482
Supplies and materials	<u>32,600</u>	<u>32,600</u>	<u>31,932</u>	<u>668</u>	<u>31,060</u>
Total	<u>279,252</u>	<u>279,252</u>	<u>271,313</u>	<u>7,939</u>	<u>229,347</u>
Assessment and testing					
Salaries	-	-	800	(800)	-
Employee benefits	-	-	3	(3)	-
Purchased services	56,000	56,000	59,210	(3,210)	41,322
Supplies and materials	<u>-</u>	<u>-</u>	<u>29,604</u>	<u>(29,604)</u>	<u>-</u>
Total	<u>56,000</u>	<u>56,000</u>	<u>89,617</u>	<u>(33,617)</u>	<u>41,322</u>
Total instructional staff	<u>632,057</u>	<u>667,211</u>	<u>631,787</u>	<u>35,424</u>	<u>599,093</u>
General administration					
Board of education services					
Salaries	55,120	55,120	55,120	-	53,000
Employee benefits	150,110	150,110	102,567	47,543	153,401
Purchased services	215,500	215,500	187,863	27,637	217,138
Supplies and materials	6,500	6,500	5,508	992	5,172
Other objects	<u>12,000</u>	<u>12,000</u>	<u>8,167</u>	<u>3,833</u>	<u>18,192</u>
Total	<u>439,230</u>	<u>439,230</u>	<u>359,225</u>	<u>80,005</u>	<u>446,903</u>
Executive administration services					
Salaries	268,368	268,368	278,970	(10,602)	268,796
Employee benefits	50,025	50,025	49,265	760	47,838
Purchased services	6,500	6,500	5,633	867	3,818
Supplies and materials	5,000	5,000	5,302	(302)	2,777
Other objects	3,500	3,500	355	3,145	2,937
Non-capitalized equipment	<u>3,000</u>	<u>3,000</u>	<u>2,395</u>	<u>605</u>	<u>5,338</u>
Total	<u>336,393</u>	<u>336,393</u>	<u>341,920</u>	<u>(5,527)</u>	<u>331,504</u>

(Continued)

Mundelein Consolidated High School District 120

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Tort immunity services					
Purchased services	\$ 189,630	\$ 189,630	\$ 174,296	\$ 15,334	\$ 202,389
Total	<u>189,630</u>	<u>189,630</u>	<u>174,296</u>	<u>15,334</u>	<u>202,389</u>
Total general administration	<u>965,253</u>	<u>965,253</u>	<u>875,441</u>	<u>89,812</u>	<u>980,796</u>
School administration					
Office of the principal services					
Salaries	757,104	757,104	772,677	(15,573)	747,635
Employee benefits	147,995	147,995	142,118	5,877	137,397
Purchased services	103,625	103,625	105,059	(1,434)	90,762
Supplies and materials	49,000	49,000	59,586	(10,586)	41,201
Other objects	<u>11,500</u>	<u>11,500</u>	<u>7,600</u>	<u>3,900</u>	<u>11,659</u>
Total	<u>1,069,224</u>	<u>1,069,224</u>	<u>1,087,040</u>	<u>(17,816)</u>	<u>1,028,654</u>
Other support services - school administration					
Salaries	534,600	534,600	534,578	22	522,117
Employee benefits	8,150	8,150	8,495	(345)	7,874
Purchased services	11,000	11,000	7,859	3,141	7,388
Other objects	<u>2,000</u>	<u>2,000</u>	<u>135</u>	<u>1,865</u>	<u>62</u>
Total	<u>555,750</u>	<u>555,750</u>	<u>551,067</u>	<u>4,683</u>	<u>537,441</u>
Total school administration	<u>1,624,974</u>	<u>1,624,974</u>	<u>1,638,107</u>	<u>(13,133)</u>	<u>1,566,095</u>

(Continued)

Mundelein Consolidated High School District 120
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Business					
Direction of business support services					
Salaries	\$ 180,864	\$ 180,864	\$ 180,864	\$ -	\$ 178,256
Employee benefits	4,650	4,650	31,932	(27,282)	4,900
Purchased services	72,000	72,000	76,876	(4,876)	81,134
Supplies and materials	3,000	3,000	2,081	919	2,744
Other objects	1,000	1,000	580	420	895
Non-capitalized equipment	<u>2,500</u>	<u>2,500</u>	<u>1,390</u>	<u>1,110</u>	<u>6,630</u>
Total	<u>264,014</u>	<u>264,014</u>	<u>293,723</u>	<u>(29,709)</u>	<u>274,559</u>
Fiscal services					
Salaries	213,907	213,907	209,571	4,336	160,730
Employee benefits	125,440	125,440	94,156	31,284	96,258
Purchased services	750	750	459	291	547
Supplies and materials	2,000	2,000	2,312	(312)	1,971
Other objects	<u>750</u>	<u>750</u>	<u>325</u>	<u>425</u>	<u>760</u>
Total	<u>342,847</u>	<u>342,847</u>	<u>306,823</u>	<u>36,024</u>	<u>260,266</u>
Operation and maintenance of plant services					
Salaries	341,500	341,500	358,572	(17,072)	371,245
Employee benefits	75,525	75,525	83,586	(8,061)	86,409
Purchased services	160,000	160,000	143,389	16,611	144,644
Supplies and materials	10,000	10,000	9,555	445	9,021
Non-capitalized equipment	<u>5,000</u>	<u>5,000</u>	<u>3,181</u>	<u>1,819</u>	<u>2,522</u>
Total	<u>592,025</u>	<u>592,025</u>	<u>598,283</u>	<u>(6,258)</u>	<u>613,841</u>

(Continued)

Mundelein Consolidated High School District 120
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Pupil transportation services					
Purchased services	\$ 4,000	\$ 4,000	\$ 2,127	\$ 1,873	\$ 6,657
Total	<u>4,000</u>	<u>4,000</u>	<u>2,127</u>	<u>1,873</u>	<u>6,657</u>
Food services					
Purchased services	2,000	2,000	220	1,780	347,650
Supplies and materials	2,000	2,000	580	1,420	1,358
Non-capitalized equipment	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>5,676</u>
Total	<u>14,000</u>	<u>14,000</u>	<u>800</u>	<u>13,200</u>	<u>354,684</u>
Internal services					
Salaries	35,333	35,333	35,162	171	33,075
Employee benefits	7,070	7,070	7,203	(133)	7,033
Purchased services	80,000	80,000	85,367	(5,367)	75,522
Supplies and materials	40,000	40,000	35,871	4,129	34,892
Capital outlay	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>33,186</u>
Total	<u>197,403</u>	<u>197,403</u>	<u>163,603</u>	<u>33,800</u>	<u>183,708</u>
Total business	<u>1,414,289</u>	<u>1,414,289</u>	<u>1,365,359</u>	<u>48,930</u>	<u>1,693,715</u>
Staff services					
Salaries	-	-	11,111	(11,111)	3,080
Employee benefits	-	-	1,153	(1,153)	-
Supplies and materials	<u>-</u>	<u>-</u>	<u>7,090</u>	<u>(7,090)</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>19,354</u>	<u>(19,354)</u>	<u>3,080</u>

(Continued)

Mundelein Consolidated High School District 120
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Data processing services					
Salaries	\$ 451,875	\$ 447,750	\$ 453,538	\$ (5,788)	\$ 383,289
Employee benefits	68,825	68,825	70,601	(1,776)	59,333
Purchased services	180,000	184,628	131,563	53,065	118,714
Supplies and materials	95,000	104,164	78,500	25,664	95,430
Capital outlay	50,000	50,000	44,873	5,127	-
Non-capitalized equipment	<u>350,000</u>	<u>350,000</u>	<u>175,010</u>	<u>174,990</u>	<u>445,070</u>
 Total	 <u>1,195,700</u>	 <u>1,205,367</u>	 <u>954,085</u>	 <u>251,282</u>	 <u>1,101,836</u>
 Total central	 <u>1,195,700</u>	 <u>1,205,367</u>	 <u>973,439</u>	 <u>231,928</u>	 <u>1,104,916</u>
 Other supporting services					
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>586</u>
 Total	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>586</u>
 Total support services	 <u>7,901,096</u>	 <u>7,945,917</u>	 <u>7,572,069</u>	 <u>373,848</u>	 <u>7,915,592</u>
 Community services					
Salaries	16,000	26,580	23,434	3,146	8,155
Employee benefits	-	-	1,195	(1,195)	-
Purchased services	32,744	36,844	32,289	4,555	48,224
Supplies and materials	<u>7,872</u>	<u>14,211</u>	<u>4,928</u>	<u>9,283</u>	<u>5,973</u>
 Total	 <u>56,616</u>	 <u>77,635</u>	 <u>61,846</u>	 <u>15,789</u>	 <u>62,352</u>
 Payments to other districts and government units					
Payments for regular programs					
Other objects	<u>30,000</u>	<u>30,000</u>	<u>19,620</u>	<u>10,380</u>	<u>28,710</u>
 Total	 <u>30,000</u>	 <u>30,000</u>	 <u>19,620</u>	 <u>10,380</u>	 <u>28,710</u>

(Continued)

Mundelein Consolidated High School District 120
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Payments for special education programs					
Other objects	\$ 2,450,000	\$ 2,450,000	\$ 2,253,750	\$ 196,250	\$ 2,103,659
Total	<u>2,450,000</u>	<u>2,450,000</u>	<u>2,253,750</u>	<u>196,250</u>	<u>2,103,659</u>
Payments for CTE education programs					
Other objects	<u>300,000</u>	<u>300,000</u>	<u>325,743</u>	<u>(25,743)</u>	<u>219,341</u>
Total	<u>300,000</u>	<u>300,000</u>	<u>325,743</u>	<u>(25,743)</u>	<u>219,341</u>
Payments for regular programs - tuition					
Other objects	<u>35,000</u>	<u>35,000</u>	<u>1,400</u>	<u>33,600</u>	<u>980</u>
Other objects	<u>-</u>	<u>-</u>	<u>4,636</u>	<u>(4,636)</u>	<u>-</u>
Total payments to other districts and other government units	<u>2,815,000</u>	<u>2,815,000</u>	<u>2,605,149</u>	<u>209,851</u>	<u>2,352,690</u>
Total expenditures	<u>27,935,972</u>	<u>28,299,342</u>	<u>27,845,890</u>	<u>453,452</u>	<u>26,803,075</u>
Excess of revenues over expenditures	<u>670,735</u>	<u>307,365</u>	<u>495,428</u>	<u>188,063</u>	<u>1,886,768</u>

(Continued)

Mundelein Consolidated High School District 120
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Other financing sources (uses)					
Permanent transfer from Working					
Cash Fund - abatement	\$ -	\$ -	\$ -	\$ -	\$(16,000,000)
Permanent transfer	-	(500,000)	(500,000)	-	-
Principal on bonds sold	-	-	-	-	14,385,000
Premium on bonds sold	-	-	-	-	1,820,673
Bond issuance costs	-	-	-	-	(205,673)
Total other financing sources (uses)	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>
Net change to fund balance	<u>\$ 670,735</u>	<u>\$ (192,635)</u>	<u>(4,572)</u>	<u>\$ 188,063</u>	1,886,768
Fund balance, beginning of year			<u>15,581,458</u>		<u>13,694,690</u>
Fund balance, end of year			<u>\$ 15,576,886</u>		<u>\$ 15,581,458</u>

(Concluded)

Mundelein Consolidated High School District 120
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$3,797,602	\$ 3,797,602	\$ 3,799,611	\$ 2,009	\$ 3,387,490
Interest on investments	4,000	4,000	11,143	7,143	6,475
Rentals	60,000	60,000	83,953	23,953	28,596
Contributions and donations from private sources	30,000	30,000	65,661	35,661	4,170
Other	-	-	29,042	29,042	20,309
Total local sources	<u>3,891,602</u>	<u>3,891,602</u>	<u>3,989,410</u>	<u>97,808</u>	<u>3,447,040</u>
State sources					
Other	-	-	-	-	22,827
Total state sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,827</u>
Total revenues	<u>3,891,602</u>	<u>3,891,602</u>	<u>3,989,410</u>	<u>97,808</u>	<u>3,469,867</u>
Expenditures					
Facilities acquisition and construction services					
Purchased services	-	-	-	-	45,857
Capital outlay	-	1,625,000	1,911,397	(286,397)	604,296
Other objects	-	-	103,283	(103,283)	81,494
Total	<u>-</u>	<u>1,625,000</u>	<u>2,014,680</u>	<u>(389,680)</u>	<u>731,647</u>
Operation and maintenance of plant services					
Salaries	77,250	77,250	80,761	(3,511)	74,257
Employee benefits	28,065	28,065	18,497	9,568	30,184
Purchased services	1,481,200	1,481,200	1,031,615	449,585	1,319,259
Supplies and materials	640,000	640,000	549,756	90,244	608,065

(Continued)

Mundelein Consolidated High School District 120
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Operation and maintenance of plant services (continued)					
Capital outlay	\$ 630,000	\$ 30,000	\$ 27,534	\$ 2,466	\$ 24,474
Other objects	266,534	266,534	133,030	133,504	170,114
Non-capitalized equipment	<u>50,000</u>	<u>50,000</u>	<u>48,936</u>	<u>1,064</u>	<u>53,551</u>
Total	<u>3,173,049</u>	<u>2,573,049</u>	<u>1,890,129</u>	<u>682,920</u>	<u>2,279,904</u>
Total business	<u>3,173,049</u>	<u>4,198,049</u>	<u>3,904,809</u>	<u>293,240</u>	<u>3,011,551</u>
Total support services	<u>3,173,049</u>	<u>4,198,049</u>	<u>3,904,809</u>	<u>293,240</u>	<u>3,011,551</u>
Provision for contingencies	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>-</u>
Total expenditures	<u>3,208,049</u>	<u>4,233,049</u>	<u>3,904,809</u>	<u>328,240</u>	<u>3,011,551</u>
Excess (deficiency) of revenues over expenditures	<u>683,553</u>	<u>(341,447)</u>	<u>84,601</u>	<u>426,048</u>	<u>458,316</u>
Other financing sources (uses)					
Permanent transfer from Working Cash Fund - abatement	-	-	-	-	16,000,000
Permanent transfer	-	1,300,000	1,300,000	-	-
Transfer to Debt Service Fund for principal on debt certificates	(200,000)	(200,000)	(200,000)	-	(175,000)
Transfer to Debt Service Fund for interest on debt certificates	(181,488)	(181,488)	(181,488)	-	(200,957)
Transfer to Capital Projects Fund	(50,000)	(500,000)	(500,000)	-	(16,000,000)
Other uses not classified elsewhere	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,920)</u>
Total other financing sources (uses)	<u>(431,488)</u>	<u>418,512</u>	<u>418,512</u>	<u>-</u>	<u>(377,877)</u>
Net change in fund balance	<u>\$ 252,065</u>	<u>\$ 77,065</u>	503,113	<u>\$ 426,048</u>	80,439
Fund balance, beginning of year			<u>973,965</u>		<u>893,526</u>
Fund balance, end of year			<u>\$ 1,477,078</u>		<u>\$ 973,965</u>

(Concluded)

Mundelein Consolidated High School District 120
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$ 702,905	\$ 702,905	\$ 703,277	\$ 372	\$ 873,805
Interest on investments	<u>2,000</u>	<u>2,000</u>	<u>3,754</u>	<u>1,754</u>	<u>3,202</u>
Total local sources	<u>704,905</u>	<u>704,905</u>	<u>707,031</u>	<u>2,126</u>	<u>877,007</u>
State sources					
Transportation - Regular/Vocational	20,000	20,000	39,740	19,740	32,631
Transportation - Special Education	<u>600,000</u>	<u>600,000</u>	<u>651,996</u>	<u>51,996</u>	<u>647,158</u>
Total state sources	<u>620,000</u>	<u>620,000</u>	<u>691,736</u>	<u>71,736</u>	<u>679,789</u>
Total revenues	<u>1,324,905</u>	<u>1,324,905</u>	<u>1,398,767</u>	<u>73,862</u>	<u>1,556,796</u>
Expenditures					
Business					
Pupil transportation services					
Purchased services	1,614,500	1,614,500	1,764,232	(149,732)	1,526,007
Supplies and materials	120,000	120,000	83,299	36,701	97,978
Capital outlay	<u>26,000</u>	<u>26,000</u>	<u>25,550</u>	<u>450</u>	<u>-</u>
Total	<u>1,760,500</u>	<u>1,760,500</u>	<u>1,873,081</u>	<u>(112,581)</u>	<u>1,623,985</u>
Total support services	<u>1,760,500</u>	<u>1,760,500</u>	<u>1,873,081</u>	<u>(112,581)</u>	<u>1,623,985</u>
Total expenditures	<u>1,760,500</u>	<u>1,760,500</u>	<u>1,873,081</u>	<u>(112,581)</u>	<u>1,623,985</u>

(Continued)

Mundelein Consolidated High School District 120
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Actual	Variance	2015 Actual
	Original Budget	Final Budget		From Final Budget	
Deficiency of revenues over expenditures	\$ (435,595)	\$ (435,595)	\$ (474,314)	\$ (38,719)	\$ (67,189)
Other financing uses					
Permanent transfer	-	(800,000)	(800,000)	-	-
Total other financing uses	-	(800,000)	(800,000)	-	-
Net change in fund balance	<u>\$ (435,595)</u>	<u>\$ (1,235,595)</u>	(1,274,314)	<u>\$ (38,719)</u>	(67,189)
Fund balance, beginning of year			<u>2,165,100</u>		<u>2,232,289</u>
Fund balance, end of year			<u>\$ 890,786</u>		<u>\$ 2,165,100</u>

(Concluded)

Mundelein Consolidated High School District 120
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$ 483,813	\$ 483,813	\$ 399,366	\$ (84,447)	\$ 395,008
Special education levy	-	-	84,703	84,703	107,729
Social security/Medicare only levy	340,740	340,740	340,920	180	347,128
Corporate personal property replacement taxes	17,000	17,000	17,000	-	17,000
Interest on investments	<u>1,000</u>	<u>1,000</u>	<u>2,414</u>	<u>1,414</u>	<u>1,621</u>
Total local sources	<u>842,553</u>	<u>842,553</u>	<u>844,403</u>	<u>1,850</u>	<u>868,486</u>
Federal sources					
Federal - Special Education - I.D.E.A. -	<u>-</u>	<u>-</u>	<u>4,441</u>	<u>4,441</u>	<u>-</u>
Total federal sources	<u>-</u>	<u>-</u>	<u>4,441</u>	<u>4,441</u>	<u>-</u>
Total revenues	<u>842,553</u>	<u>842,553</u>	<u>848,844</u>	<u>6,291</u>	<u>868,486</u>
Expenditures					
Instruction					
Regular programs	195,000	195,000	216,597	(21,597)	201,025
Special education programs	100,820	100,820	144,386	(43,566)	86,997
Remedial and supplemental programs K-12	-	-	54	(54)	37
Adult/continuing education programs	51,150	51,150	57,118	(5,968)	50,931
Interscholastic programs	71,500	71,500	67,651	3,849	70,792
Summer school programs	1,850	1,850	1,783	67	1,789
Bilingual programs	<u>16,700</u>	<u>16,700</u>	<u>17,402</u>	<u>(702)</u>	<u>16,881</u>
Total instruction	<u>437,020</u>	<u>437,020</u>	<u>504,991</u>	<u>(67,971)</u>	<u>428,452</u>

(Continued)

Mundelein Consolidated High School District 120
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Support services					
Pupils					
Attendance and social work services	\$ 22,900	\$ 22,900	\$ 23,832	\$ (932)	\$ 22,576
Guidance services	30,950	30,950	31,511	(561)	30,797
Health services	9,700	9,700	9,827	(127)	9,477
Psychological services	2,000	2,000	2,114	(114)	904
Speech pathology and audiology services	<u>775</u>	<u>775</u>	<u>1,006</u>	<u>(231)</u>	<u>751</u>
Total pupils	<u>66,325</u>	<u>66,325</u>	<u>68,290</u>	<u>(1,965)</u>	<u>64,505</u>
Instructional staff					
Improvement of instruction services	6,920	6,920	2,515	4,405	2,488
Educational media services	8,600	8,600	9,424	(824)	8,288
Assessment and testing	<u>-</u>	<u>-</u>	<u>29</u>	<u>(29)</u>	<u>-</u>
Total instructional staff	<u>15,520</u>	<u>15,520</u>	<u>11,968</u>	<u>3,552</u>	<u>10,776</u>
General administration					
Board of education services	97,707	97,707	103,407	(5,700)	115,848
Executive administration services	17,900	17,900	19,179	(1,279)	17,812
Special area administrative services	<u>-</u>	<u>-</u>	<u>1,654</u>	<u>(1,654)</u>	<u>12,827</u>
Total general administration	<u>115,607</u>	<u>115,607</u>	<u>124,240</u>	<u>(8,633)</u>	<u>146,487</u>
School administration					
Office of the principal services	65,350	65,350	67,009	(1,659)	64,505
Other support services - school administration	<u>7,350</u>	<u>7,350</u>	<u>7,473</u>	<u>(123)</u>	<u>7,315</u>
Total school administration	<u>72,700</u>	<u>72,700</u>	<u>74,482</u>	<u>(1,782)</u>	<u>71,820</u>

(Continued)

Mundelein Consolidated High School District 120
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Business					
Direction of business support services	\$ 2,650	\$ 2,650	\$ 2,628	\$ 22	\$ 2,590
Fiscal services	38,000	38,000	46,431	(8,431)	36,814
Operation and maintenance of plant services	98,850	98,850	94,370	4,480	98,234
Internal services	<u>7,300</u>	<u>7,300</u>	<u>7,864</u>	<u>(564)</u>	<u>7,257</u>
Total business	<u>146,800</u>	<u>146,800</u>	<u>151,293</u>	<u>(4,493)</u>	<u>144,895</u>
Central					
Staff services	-	-	157	(157)	-
Data processing services	<u>92,500</u>	<u>92,500</u>	<u>99,731</u>	<u>(7,231)</u>	<u>86,998</u>
Total central	<u>92,500</u>	<u>92,500</u>	<u>99,888</u>	<u>(7,388)</u>	<u>86,998</u>
Total support services	<u>509,452</u>	<u>509,452</u>	<u>530,161</u>	<u>(20,709)</u>	<u>525,481</u>
Community services	<u>85</u>	<u>85</u>	<u>441</u>	<u>(356)</u>	<u>-</u>
Total expenditures	<u>946,557</u>	<u>946,557</u>	<u>1,035,593</u>	<u>(89,036)</u>	<u>953,933</u>
Deficiency of revenues over expenditures	<u>(104,004)</u>	<u>(104,004)</u>	<u>(186,749)</u>	<u>(82,745)</u>	<u>(85,447)</u>
Net change in fund balance	<u>\$ (104,004)</u>	<u>\$ (104,004)</u>	(186,749)	<u>\$ (82,745)</u>	(85,447)
Fund balance, beginning of year			<u>666,222</u>		<u>751,669</u>
Fund balance, end of year			<u>\$ 479,473</u>		<u>\$ 666,222</u>

(Concluded)

Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2016

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) Prior to October 1, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- e) The Board of Education may amend the budget by the same procedures required of its original adoption.
- f) Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- g) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 22, 2015, and as amended by the Board of Education on June 14, 2016.
- h) All budget appropriations lapse at the end of the fiscal year.

2. BUDGET RECONCILIATION

The statement of revenues, expenditures, and changes in fund balance - governmental funds (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the state of Illinois for the employer's share of the Teachers' Retirement System pension. The District does not budget for these amounts. The differences between the budget and GAAP basis are as follows:

Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2016

2. BUDGET RECONCILIATION (Continued)

	<u>Revenues</u>	<u>Expenditures</u>
General fund - budgetary basis	\$ 28,341,318	\$ 27,845,890
To adjust for on-behalf payments received	7,818,302	-
To adjust for on-behalf payments made	<u>-</u>	<u>7,818,302</u>
	<u>\$ 36,159,620</u>	<u>\$ 35,664,192</u>

3. EXPENDITURES IN EXCESS OF FINAL BUDGETS

The following funds had an excess of expenditures over final budget as follows:

<u>Fund</u>	<u>Variance</u>
Capital Projects Fund	\$ 1,149,160
Transportation Fund	112,581
Municipal Retirement / Social Security Fund	89,036

The expenditures in excess of budget in the Capital Projects Fund is a result of higher than anticipated construction payments for the ongoing building addition project.

4. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

Amounts reported in 2015 reflect an investment rate of return of 7.50 percent, an inflation rate of 3.00 percent and real return of 4.50 percent, and salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.50 percent, an inflation rate of 3.00 percent and real return of 4.50 percent, and salary increases of 5.75 percent.

Mundelein Consolidated High School District 120
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

5. SUMMARY OF ACUTARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2015 IMRF CONTRIBUTION RATE

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine the 2015 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Taxing bodies (Regular, SLEP and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage growth	4.00%
Price Inflation	3.00% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16%
Investment Rate of Return	7.50
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008 - 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes There were no benefit changes during the year.

SUPPLEMENTARY FINANCIAL INFORMATION

Mundelein Consolidated High School District 120

General Fund

COMBINING BALANCE SHEET

June 30, 2016

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 27,749,565	\$ 332,755	\$ 685,979	\$ 28,768,299
Receivables (net of allowance for uncollectibles):				
Property taxes	11,843,394	64,123	7,113	11,914,630
Replacement taxes	57,729	-	-	57,729
Intergovernmental	<u>356,350</u>	<u>-</u>	<u>-</u>	<u>356,350</u>
 Total assets	 <u>\$ 40,007,038</u>	 <u>\$ 396,878</u>	 <u>\$ 693,092</u>	 <u>\$ 41,097,008</u>
 LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 437,121	\$ -	\$ -	\$ 437,121
Salaries and wages payable	575,627	-	-	575,627
Due to other governments	40,783	-	-	40,783
Unearned school fees	<u>192,301</u>	<u>-</u>	<u>-</u>	<u>192,301</u>
 Total liabilities	 <u>1,245,832</u>	 <u>-</u>	 <u>-</u>	 <u>1,245,832</u>
 DEFERRED INFLOWS				
Property taxes levied for a future period	<u>24,129,157</u>	<u>130,641</u>	<u>14,492</u>	<u>24,274,290</u>
 Total deferred inflows	 <u>24,129,157</u>	 <u>130,641</u>	 <u>14,492</u>	 <u>24,274,290</u>
 FUND BALANCES				
Restricted	-	266,237	-	266,237
Unassigned	<u>14,632,049</u>	<u>-</u>	<u>678,600</u>	<u>15,310,649</u>
 Total fund balance	 <u>14,632,049</u>	 <u>266,237</u>	 <u>678,600</u>	 <u>15,576,886</u>
 Total liabilities, deferred inflows, and fund balance	 <u>\$ 40,007,038</u>	 <u>\$ 396,878</u>	 <u>\$ 693,092</u>	 <u>\$ 41,097,008</u>

Mundelein Consolidated High School District 120

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2016

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 23,917,385	\$ 173,345	\$ 14,623	\$ 24,105,353
Replacement taxes	262,849	-	-	262,849
State aid	10,070,831	-	-	10,070,831
Federal aid	765,113	-	-	765,113
Interest	81,349	497	41	81,887
Other	873,587	-	-	873,587
	35,971,114	173,842	14,664	36,159,620
Expenditures				
Current:				
Instruction:				
Regular programs	11,589,288	-	-	11,589,288
Special programs	2,978,740	-	-	2,978,740
Other instructional programs	2,622,731	-	-	2,622,731
State retirement contributions	7,818,302	-	-	7,818,302
Support services:				
Pupils	2,087,936	-	-	2,087,936
Instructional staff	631,787	-	-	631,787
General administration	701,145	95,750	-	796,895
School administration	1,638,107	-	-	1,638,107
Business	764,949	-	-	764,949
Transportation	2,127	-	-	2,127
Operations and maintenance	598,283	78,546	-	676,829
Central	928,566	-	-	928,566
Community services	61,846	-	-	61,846
Nonprogrammed charges	2,605,149	-	-	2,605,149
Capital outlay	460,940	-	-	460,940
	35,489,896	174,296	-	35,664,192
Excess (deficiency) of revenues over expenditures	481,218	(454)	14,664	495,428

(Continued)

Mundelein Consolidated High School District 120

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2016

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Other financing uses				
Transfers out	\$ (500,000)	\$ -	\$ -	\$ (500,000)
Total other financing uses	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>
Net change in fund balance	(18,782)	(454)	14,664	(4,572)
Fund balance, beginning of year	<u>14,650,831</u>	<u>266,691</u>	<u>663,936</u>	<u>15,581,458</u>
Fund balance, end of year	<u>\$ 14,632,049</u>	<u>\$ 266,237</u>	<u>\$ 678,600</u>	<u>\$ 15,576,886</u>

(Concluded)

Mundelein Consolidated High School District 120
Debt Service Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$ 3,375,208	\$ 3,375,208	\$ 3,343,224	\$ (31,984)	\$ 2,645,354
Interest on investments	4,000	4,000	12,115	8,115	5,678
Other	-	-	-	-	15,249
Total local sources	<u>3,379,208</u>	<u>3,379,208</u>	<u>3,355,339</u>	<u>(23,869)</u>	<u>2,666,281</u>
Total revenues	<u>3,379,208</u>	<u>3,379,208</u>	<u>3,355,339</u>	<u>(23,869)</u>	<u>2,666,281</u>
Expenditures					
Debt service					
Bonds and certificates - interest	<u>1,327,891</u>	<u>1,327,891</u>	<u>963,278</u>	<u>364,613</u>	<u>642,918</u>
Total debt service - interest	<u>1,327,891</u>	<u>1,327,891</u>	<u>963,278</u>	<u>364,613</u>	<u>642,918</u>
Principal payments on long-term debt	<u>2,395,387</u>	<u>2,395,387</u>	<u>2,760,000</u>	<u>(364,613)</u>	<u>2,595,000</u>
Other debt service					
Purchased services	-	-	-	-	63,254
Other objects	<u>3,125</u>	<u>3,125</u>	<u>1,900</u>	<u>1,225</u>	<u>1,171</u>
Total	<u>3,125</u>	<u>3,125</u>	<u>1,900</u>	<u>1,225</u>	<u>64,425</u>
Total debt service	<u>3,726,403</u>	<u>3,726,403</u>	<u>3,725,178</u>	<u>1,225</u>	<u>3,302,343</u>
Total expenditures	<u>3,726,403</u>	<u>3,726,403</u>	<u>3,725,178</u>	<u>1,225</u>	<u>3,302,343</u>
Deficiency of revenues over expenditures	<u>(347,195)</u>	<u>(347,195)</u>	<u>(369,839)</u>	<u>(22,644)</u>	<u>(636,062)</u>

(Continued)

Mundelein Consolidated High School District 120
Debt Service Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Other financing sources (uses)					
Principal on bonds sold	\$ -	\$ -	\$ -	\$ -	\$ 1,930,000
Premium on bonds sold	-	-	-	-	142,554
Accrued interest on bonds sold	-	-	-	-	225,156
principal on debt certificates	200,000	200,000	200,000	-	175,000
Transfer to pay for					
interest on debt certificates	181,488	181,488	181,488	-	200,957
Transfer to escrow agent	-	-	-	-	(2,009,300)
Other sources not classified elsewhere	-	-	-	-	1,920
Total other financing sources (uses)	<u>381,488</u>	<u>381,488</u>	<u>381,488</u>	<u>-</u>	<u>666,287</u>
Net change in fund balance	<u>\$ 34,293</u>	<u>\$ 34,293</u>	11,649	<u>\$ (22,644)</u>	30,225
Fund balance, beginning of year			<u>197,604</u>		<u>167,379</u>
Fund balance, end of year			<u>\$ 209,253</u>		<u>\$ 197,604</u>

(Concluded)

Mundelein Consolidated High School District 120
 Capital Projects Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Actual	Variance	2015 Actual
	Original Budget	Final Budget		From Final Budget	
Revenues					
Local sources					
Interest on investments	\$ 5,000	\$ 5,000	\$ 7,446	\$ 2,446	\$ 1,960
Total local sources	<u>5,000</u>	<u>5,000</u>	<u>7,446</u>	<u>2,446</u>	<u>1,960</u>
State sources					
Infrastructure Improvements - Construction	<u>7,457,762</u>	<u>7,457,762</u>	<u>-</u>	<u>(7,457,762)</u>	<u>-</u>
Total state sources	<u>7,457,762</u>	<u>7,457,762</u>	<u>-</u>	<u>(7,457,762)</u>	<u>-</u>
Total revenues	<u>7,462,762</u>	<u>7,462,762</u>	<u>7,446</u>	<u>(7,455,316)</u>	<u>1,960</u>
Expenditures					
Support services					
Facilities acquisition and construction services					
Purchased services	1,250,000	1,750,000	100,940	1,649,060	1,463,747
Capital outlay	<u>14,000,000</u>	<u>15,000,000</u>	<u>17,798,220</u>	<u>(2,798,220)</u>	<u>2,605,434</u>
Total	<u>15,250,000</u>	<u>16,750,000</u>	<u>17,899,160</u>	<u>(1,149,160)</u>	<u>4,069,181</u>
Total support services	<u>15,250,000</u>	<u>16,750,000</u>	<u>17,899,160</u>	<u>(1,149,160)</u>	<u>4,069,181</u>
Total expenditures	<u>15,250,000</u>	<u>16,750,000</u>	<u>17,899,160</u>	<u>(1,149,160)</u>	<u>4,069,181</u>
Deficiency of revenues over expenditures	<u>(7,787,238)</u>	<u>(9,287,238)</u>	<u>(17,891,714)</u>	<u>(8,604,476)</u>	<u>(4,067,221)</u>

(Continued)

Mundelein Consolidated High School District 120
 Capital Projects Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			Variance From Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
Other financing sources					
Transfer from Operations and Maintenance Fund	<u>\$ 50,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 16,000,000</u>
Total other financing sources	<u>50,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>16,000,000</u>
Net change in fund balance	<u><u>\$ (7,737,238)</u></u>	<u><u>\$ (8,787,238)</u></u>	(17,391,714)	<u><u>\$ (8,604,476)</u></u>	11,932,779
Fund balance (deficit), beginning of year			<u>11,679,609</u>		<u>(253,170)</u>
Fund balance (deficit), end of year			<u><u>\$ (5,712,105)</u></u>		<u><u>\$ 11,679,609</u></u>

(Concluded)

Mundelein Consolidated High School District 120
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2016

	Balance <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2016</u>
Assets				
Cash and cash equivalents	\$ 312,503	\$ 753,782	\$ 713,278	\$ 353,007
Total assets	<u>\$ 312,503</u>	<u>\$ 753,782</u>	<u>\$ 713,278</u>	<u>\$ 353,007</u>
Liabilities				
Due to student groups				
Band Camp	\$ 2,710	\$ 19,080	16,090	\$ 5,700
Baseball Camp	1,275	1,395	2,610	60
Basketball Camp - Boys	11,359	19,105	15,782	14,682
Cheerleading Camp	494	2,150	2,644	-
Dance Team Camp	780	1,710	1,260	1,230
Football Camp	9,135	24,525	15,446	18,214
Basketball Camp - Girls	3,740	8,154	4,774	7,120
Softball Camp	1,300	4,250	2,912	2,638
Gymnastics Camp	900	1,635	1,475	1,060
Lacrosse Camp	534	1,445	1,379	600
Soccer Camp - Both	2,875	11,655	8,842	5,688
Tennis Camp	1,641	4,800	4,237	2,204
Volleyball Camp - Both	4,130	6,860	5,474	5,516
Wrestling Camp	975	1,800	1,382	1,393
Swimming Camp - Both	3,900	600	4,500	-
Cross Country - Both	1,050	3,350	1,850	2,550
Diving Camp	420	1,620	1,735	305
Golf Camp - Girls	1,728	384	1,991	121
Vocal Music Camp	4,500	800	2,700	2,600
Throw Camp	-	240	-	240
Gymnastics Camp - Boys	720	390	-	1,110
Track - Speed Camp	-	160	-	160
Water Polo Camp - Boys	3,100	4,950	4,515	3,535
Water Polo Camp - Girls	990	3,630	2,520	2,100
Water Polo Camp - Youth	400	700	500	600
Flags Camp	1,175	300	1,425	50
Volleyball - Fundraiser	399	6,015	6,354	60
Lacrosse Camp - Girls	-	1,120	-	1,120
Gymnastics - Boys - ICT	820	-	820	-
Gymnastics Bob Bohl Invite	11,166	6,110	6,386	10,890
Soccer Sectionals - Girls	200	100	200	100
Basketball - Thanksgiving - Boys	9,409	4,216	432	13,193

(Continued)

Mundelein Consolidated High School District 120
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Liabilities (Continued)				
Due to student groups (Continued)				
Basketball - Girls - Holiday	\$ 17,101	\$ 7,311	10,547	\$ 13,865
Basketball - Girls - Thanksgiving	-	3,534	-	3,534
Golf - Boys - JV Invite	1,960	2,205	3,162	1,003
Golf - Boys - JV Quad	455	525	980	-
Golf - Boys - Varsity Invite	-	2,205	2,205	-
Golf - Girls - Varsity Invite	1,715	1,570	5,125	(1,840)
Gymnastics - Girls - JV Invite	2,035	1,050	-	3,085
Gymnastics - Girls - Lake County	1,923	1,048	-	2,971
Waterpolo - Both - P/L Invite	4,360	1,450	-	5,810
Waterpolo - Girls - Mini	600	600	-	1,200
Golf - Boys - Hawthorn Invite	90	625	715	-
IHSA Tournament - Girls	184	2,366	2,506	44
IHSA Tournament - Boys	723	3,439	4,020	142
Dance Invite	1	8,725	3,867	4,859
Golf - Boys - Geneva Invite	475	-	475	-
Academic Scholarship	-	3,925	-	3,925
AP Exams	25,748	66,291	71,225	20,814
Student Assistance	4,473	44	1,666	2,851
Venkus Scholarship	500	-	500	-
Interact	1,108	-	122	986
Voice - Joe Flynn Memorial	61	-	61	-
Meloy-Stroth Scholarship	613	-	613	-
Mustang Parent Club	2,420	10,698	10,468	2,650
Super Seniors	(33)	200	835	(668)
Interest Earned	603	916	-	1,519
Field Trips	1,290	1,830	1,043	2,077
MHS Booster Club	8,116	-	2,999	5,117
Staff Convenience Account	1	19,505	9,977	9,529
Coke Sponsorship Funding	8,977	5,200	917	13,260
Summer Reading	236	94	50	280
MHS Ceaf	(305)	2,050	1,097	648
PBIS	347	-	-	347
Poetry Slam Team	164	-	-	164
Lifesource Scholarship	76	4,750	-	4,826
Mundelein Art Fest Scholarship	500	2,000	1,000	1,500
T-shirt Purchase	3,831	571	4,755	(353)
Concession Sales	36	24,859	24,405	490

(Continued)

Mundelein Consolidated High School District 120
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Liabilities (Continued)				
Due to student groups (Continued)				
Vaughn Memorial Scholarship	\$ 1,250	\$ -	\$ 1,250	\$ -
Leadercast	-	50	-	50
Wellness University	-	23,828	20,646	3,182
F.B.L.A. - Art Department	-	1,492	1,492	-
F.B.L.A. - General	7,332	107,297	103,884	10,745
F.B.L.A. - Boosters	1,446	-	1,446	-
F.B.L.A. - Gym Clothing	6,124	436	6,560	-
F.B.L.A. - District Sales	246	-	246	-
Art Club	181	93	82	192
Band General	16,753	30,782	33,867	13,668
Band Fundraiser	1,529	43	-	1,572
Broadcasting	3,480	3,715	4,822	2,373
Chess Club	22	-	-	22
Yearbook	4,133	1,974	2,052	4,055
Mock Trial	42	-	-	42
National Honor Society	473	-	-	473
Orchesis	762	3,782	3,346	1,198
Students Against Drunk Driving	336	-	-	336
Student Leadership	7,161	73,097	70,590	9,668
Thespians	13,630	22,444	19,048	17,026
Vocal Music	12,180	14,158	11,249	15,089
Activity Specials	12	-	-	12
Economics Club	1,083	21,579	21,279	1,383
Black Student Union	1	496	467	30
Gay-Straight Alliance	175	-	154	21
Best Buddies	801	192	164	829
Robotics Club	1,056	250	1,049	257
Temas Latinos	328	255	386	197
Pasos Latinos	(119)	849	425	305
Music Invite	1,278	8,995	633	9,640
Mundelein Superintendents	33	-	-	33
Stand Up Coalition	132	-	-	132
Click, Operation	1,153	-	380	773
Link Crew	108	-	-	108
MHS Drink Oasis	1,138	1,967	2,016	1,089
Newspaper	170	402	268	304
Live Life Healthy Club	248	-	-	248

(Continued)

Mundelein Consolidated High School District 120
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Liabilities (Continued)				
Due to student groups (Continued)				
Byte Club	\$ 142	\$ 71	\$ 12	\$ 201
Athletic Special	19,748	27,016	36,862	9,902
Athletic Special - Booster	10	-	-	10
Baseball General	69	309	-	378
Basketball General - Boys	1	2,003	1,514	490
Cross Country General	1,683	930	1,548	1,065
Gymnastics General - Boys	722	224	418	528
Soccer General - Boys	452	-	394	58
Tennis General - Boys	681	752	228	1,205
Track General - Boys	1,831	2,733	3,238	1,326
Volleyball General - Boys	665	520	662	523
Waterpolo General - Boys	236	1,593	1,310	519
Cheerleading General	423	890	1,313	-
Color Guard - Winter	1,289	3,086	3,223	1,152
Football General	9,213	13,640	21,794	1,059
Basketball General - Girls	2,308	6,956	5,779	3,485
Golf General - Girls	306	-	273	33
Gymnastics General - Girls	-	7,332	5,853	1,479
Soccer General - Girls	1,142	1,108	1,031	1,219
Softball General	3,136	11,057	10,168	4,025
Tennis General - Girls	1,164	626	411	1,379
Track General - Girls	-	7,982	7,549	433
Volleyball General - Girls	1,611	681	1,147	1,145
Waterpolo General - Girls	1,346	2,150	2,070	1,426
Golf General - Boys	502	225	-	727
Lacrosse General	972	213	12	1,173
Lacrosse General - Girls	-	1,044	134	910
Wrestling General	288	1,042	424	906
Swimming and Diving - Girls	18	375	179	214
Athletic Trainers	1,598	3,373	430	4,541
PE Leadership	-	1,647	1,607	40
Swimming and Diving - Boys	1,505	-	-	1,505
Soccer - Intramural	1,507	483	446	1,544
Dance Team - General	680	10,785	9,678	1,787
Triathlon Club	369	1,925	200	2,094
	<u>312,503</u>	<u>753,782</u>	<u>713,278</u>	<u>353,007</u>
Total liabilities	\$ 312,503	\$ 753,782	\$ 713,278	\$ 353,007

(Concluded)

OTHER SUPPLEMENTAL INFORMATION

Mundelein Consolidated High School District 120
OPERATING COSTS AND TUITION CHARGE
June 30, 2016 and 2015

Operating costs per pupil	<u>2016</u>	<u>2015</u>
Average Daily Attendance (ADA):	<u>1,943.05</u>	<u>2,130.60</u>
Operating costs:		
Educational	\$ 27,671,594	\$ 26,600,686
Operations and Maintenance	3,904,809	3,011,551
Debt Service	3,725,178	3,302,343
Transportation	1,873,081	1,623,985
Municipal Retirement/Social Security	1,035,593	953,933
Tort	<u>174,296</u>	<u>202,389</u>
Subtotal	<u>38,384,551</u>	<u>35,694,887</u>
Less Revenues/Expenditures of Non regular Programs:		
Payments to Other District and Govt Units	2,605,149	2,352,690
Adult education	502,577	582,124
Summer school	97,363	77,783
Community services	62,287	62,352
Capital outlay	2,822,478	1,571,514
Debt principal retired	<u>2,760,000</u>	<u>2,595,000</u>
Subtotal	<u>8,849,854</u>	<u>7,241,463</u>
Operating costs	<u>\$ 29,534,697</u>	<u>\$ 28,453,424</u>
Operating costs per pupil - based on ADA	<u>\$ 15,200</u>	<u>\$ 13,355</u>
Tuition Charge		
Operating costs	\$ 29,534,697	\$ 28,453,424
Less - revenues from specific programs, such as special education or lunch programs	<u>2,993,132</u>	<u>3,292,443</u>
Net operating costs	26,541,565	25,160,981
Depreciation allowance	<u>2,182,104</u>	<u>1,737,162</u>
Allowance tuition costs	<u>\$ 28,723,669</u>	<u>\$ 26,898,143</u>
Tuition charge per pupil - based on ADA	<u>\$ 14,783</u>	<u>\$ 12,625</u>