

**Mundelein Consolidated High School
District 120**

Annual Financial Report

Year Ended June 30, 2017

Mundelein Consolidated High School District 120

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2017

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Mundelein Consolidated High School District 120

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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, 2017, 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, 2017, 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 61 through 64, the other postemployment benefits data on page 65, budgetary comparison schedules and notes to the required supplementary information on pages 66 through 88 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, for the year ended June 30, 2017 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.

(Continued)

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, 2017 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2017 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, 2017 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2017.

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, 2016 (not presented herein), and have issued our report thereon dated October 13, 2016, 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. 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, 2016 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 2016 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 2016 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, 2016.

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 November 2, 2017 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.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
November 2, 2017

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017**

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, 2017. 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, 2017, the total assets and deferred outflows of the District exceeded its total liabilities and deferred inflows, resulting in a net position balance of \$40,990,423.
- The District's net position was \$31,551,084 as of June 30, 2016. The difference between the prior year balance of \$31,551,084 and the current net position balance at June 30, 2017, of \$40,990,423 is \$9,439,339.
- At the close of the 2016-17 fiscal year, the District's governmental funds reported a combined ending fund balance of \$15,975,755, which reflects an increase of \$3,054,384 in comparison with the prior year. The combined fund balance was \$12,921,371, as of June 30, 2016.

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.

Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017

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 outflows, 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, 2017**

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 \$40,990,423 at the close of the most recent fiscal year. The unrestricted net position at June 30, 2017 was \$5,475,236. This figure is \$3,104,928 more than the prior year unrestricted net position of \$2,370,308. A portion of the District's net position, \$32,116,645, 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 \$9,439,339 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, 2017**

Government-Wide Financial Analysis (Continued)

Total revenues for the District were \$59,090,806 in fiscal year 2017 (full accrual), an increase of \$13,331,380 (a 29.1% increase) from the prior fiscal year. The net increase results primarily from the receipt of approximately \$7,000,000 from the Capital Development Board for the new addition, and increased state retirement contributions of \$4,355,192 over the previous year.

Total expenditures on governmental activities for the District were \$49,651,467 in fiscal year 2017 (full accrual), an increase of \$6,492,628 from the prior fiscal year. This reflects a percentage increase of 15.0%. This increase was due primarily to the increase in pension contributions for the state retirement system.

Statement of Net Position

(Millions of dollars)

	<u>2017</u>	<u>2016</u>
Current Assets	\$ 51.265	\$ 50.602
Capital Assets, net	52.810	52.056
Total Assets	104.075	102.658
Deferred outflows related to pensions	1.390	1.364
Total Deferred Outflows	1.390	1.364
Current Liabilities	1.999	4.839
Long-term Liabilities	29.035	34.476
Total Liabilities	31.034	39.315
Property taxes levied for a future period	33.256	32.920
Deferred inflows related to pensions	0.185	0.236
Total Deferred Inflows	33.441	33.156
Net investment in capital assets	32.117	25.936
Restricted	3.398	3.245
Unrestricted	5.475	2.370
Total Net Position	\$ 40.990	\$ 31.551

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017**

Government-Wide Financial Analysis (Continued)

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

	<u>2017</u>	<u>2016</u>
Revenues		
Program Revenues		
Charges for Services	\$ 0.784	\$ 0.819
Operating Grants and Contributions	22.858	10.266
Total Program Revenues	23.642	11.085
General Revenues		
Property Taxes	33.095	32.776
Replacement Taxes	0.395	0.280
Operating grants and contributions not restricted	1.344	1.266
Interest and Investment earnings	0.205	0.119
Miscellaneous	0.409	0.233
Total General Revenues	35.448	34.674
 Total Revenue	 59.090	 45.759
 Expenses		
Instruction	33.992	28.962
Support Services	14.454	12.886
Community Services	0.033	0.061
Nonprogrammed Charges	0.531	0.351
Interest and Fees	0.641	0.899
Total Expenses	49.651	43.159
 Change in Net Position	 \$ 9.439	 \$ 2.600

Financial Analysis of the District's Funds

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 \$15,975,755. The unassigned fund balance component is \$12,539,214 and the restricted fund balance component is \$3,436,541.

Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017

Financial Analysis of the District's Funds (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, 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 2017, the Educational Account had a fund balance of \$13,281,724. The fund balance as of June 30, 2016 was \$14,632,049. This difference reflects a decrease in the fund balance of \$1,350,325. This decrease is due to the transfer of \$2.855 million to the Debt Service Fund to pay off the 2007 Debt Certificates.

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 2017, the Working Cash Account had a fund balance of \$693,241. The fund balance as of June 30, 2016 was \$678,600. This difference reflects an increase in the fund balance of \$14,641.

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 2017, the Tort Immunity and Judgment Account had a fund balance of \$223,251. The fund balance as of June 30, 2016 was \$266,237. The difference reflects a decrease in the fund balance of \$42,986.

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 2017, the Operations and Maintenance Fund had a fund balance of \$1,948,828. The fund balance as of June 30, 2016 was \$1,477,078. This difference reflects an increase in the fund balance of \$471,750.

Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017

Financial Analysis of the District's Funds (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 2017, the Transportation Fund had a fund balance of \$975,048. The fund balance as of June 30, 2016 was \$890,786. This difference reflects an increase in the fund balance of \$84,262.

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 2017, the Municipal Retirement/Social Security Fund had a fund balance of \$251,415. The fund balance as of June 30, 2016 was \$479,473. The difference reflects a decrease in the fund balance of \$228,058.

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 2017, the Debt Service Fund had a fund balance of \$37,999. The fund balance as of June 30, 2016 was \$209,253. This difference reflects a decrease in the fund balance of \$171,254. 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 2017, the Capital Projects Fund had a fund deficit balance of \$1,435,751. The fund balance as of June 30, 2016 was a deficit of \$5,712,105. The deficit was reduced by \$4,276,354 during the year. The District expects to receive the final grant payment from the Illinois Capital Development Board in fiscal year 2017-18. For more detailed information, see Note O – Deficit Fund Balance.

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017**

Financial Analysis of the District's Funds (Continued)

The District's total revenues were \$58,991,973 (modified accrual). Approximately 59.2% of total governmental fund revenues come from local sources (property taxes, replacement taxes, interest, and other), 1.8% from federal sources, 18.4% from state sources, excluding TRS on-behalf contributions, and 20.6% 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).

2016-17 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 2016, the Board adopted the 2016-17 Annual Budget (which was amended in June 2017). This was the tenth straight year with a balanced or surplus budget.
- In 2016-17, the School Board completely paid off the remaining principal of \$2.855 million on the 2007 Debt Certificates. The debt service on these certificates was scheduled to increase approximately \$231,000 in FY2018. Not only did the Board gain this budget savings, it also saved District taxpayers a total of \$707,363 in net interest over the next 10 years.

Capital Assets and Debt Administration

Capital assets

As of June 30, 2017, the District had \$52.811 million invested in capital assets (net of depreciation), including land, construction in progress, buildings, improvements, and equipment. As of June 30, 2016, the District had \$52.056 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>2017</u>	<u>2016</u>
Land & Construction in Progress	\$10.558	\$30.737
Buildings	38.481	18.181
Improvements Other Than Buildings	1.810	1.715
Equipment and Transportation		
Equipment	<u>1.961</u>	<u>1.423</u>
Total	<u>\$52.811</u>	<u>\$52.056</u>

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017**

Capital Assets and Debt Administration (Continued)

Long-term debt

As of June 30, 2017, the District had \$29.035 million in total long-term debt. This is a decrease of \$5.441 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>2017</u>	<u>2016</u>
General obligation bonds (including unamortized premiums)	\$22.204	\$25.146
Debt Certificates	1.535	4.585
Other Postemployment Benefits	0.002	0.030
Compensated Absences	0.010	0.005
IMRF Net Pension Obligation*	2.886	2.961
TRS Net Pension Obligation*	<u>2.398</u>	<u>1.749</u>
TOTAL	<u>\$29.035</u>	<u>\$34.476</u>

Factors Bearing on the District's Future

While the District continues to enjoy excellent financial results, we are cautiously optimistic regarding the new state funding formula. At the time of this financial report, the state has still not provided the actual numbers for FY2017-18 funding. Early estimates indicate that the District will receive a small increase in state funding. However, this may be offset by lower CPPRT.

The new building addition continues to provide excellent value to our students and to the community. The board will be reviewing a long-term facilities plan this year with a view to progress toward making Mundelein High School a modern 21st century learning facility. One large step forward that is planned for this year is bringing back our special education transition students and most of our out-placed special education 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, 2017

ASSETS	
Cash and investments	\$ 33,330,763
Receivables (net of allowance for uncollectibles):	
Property taxes	16,013,034
Replacement taxes	55,957
Intergovernmental	1,723,411
Other current assets	141,599
Capital assets:	
Land	10,557,916
Depreciable buildings, property, and equipment, net	<u>42,252,745</u>
Total assets	<u>104,075,425</u>
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows related to pensions	<u>1,389,941</u>
Total deferred outflows	<u>1,389,941</u>
LIABILITIES	
Accounts payable	1,116,422
Salaries and wages payable	627,467
Interest payable	64,085
Unearned revenue	190,581
Long-term liabilities:	
Due within one year	2,794,651
Due after one year	<u>26,240,793</u>
Total liabilities	<u>31,033,999</u>
DEFERRED INFLOW OF RESOURCES	
Property taxes levied for a future period	33,255,706
Deferred inflows related to pensions	<u>185,238</u>
Total deferred inflows	<u>33,440,944</u>
NET POSITION	
Net investment in capital assets	32,116,645
Restricted For:	
Operations and maintenance	1,948,828
Student transportation	975,048
Retirement benefits	251,415
Tort immunity	223,251
Unrestricted	<u>5,475,236</u>
Total net position	<u>\$ 40,990,423</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, 2017

Functions / Programs	Expenses	PROGRAM REVENUES			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Instruction:					
Regular programs	\$ 13,896,016	\$ 688,854	\$ 1,223,380	\$ -	\$ (11,983,782)
Special programs	5,030,928	-	1,377,965	-	(3,652,963)
Other instructional programs	2,890,959	45,104	320,685	-	(2,525,170)
State retirement contributions	12,173,494	-	12,173,494	-	-
Support services:					
Pupils	2,380,776	-	-	-	(2,380,776)
Instructional staff	783,864	-	70,003	-	(713,861)
General administration	880,058	-	-	-	(880,058)
School administration	1,900,645	-	-	-	(1,900,645)
Business	2,059,533	-	18,200	6,989,737	4,948,404
Transportation	1,343,417	-	685,313	-	(658,104)
Operations and maintenance	3,341,076	50,504	-	-	(3,290,572)
Central	1,765,011	-	-	-	(1,765,011)
Community services	33,115	-	-	-	(33,115)
Nonprogrammed charges - excluding special education	531,336	-	-	-	(531,336)
Interest and fees	<u>641,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(641,239)</u>
 Total governmental activities	 <u>\$ 49,651,467</u>	 <u>\$ 784,462</u>	 <u>\$ 15,869,040</u>	 <u>\$ 6,989,737</u>	 <u>\$ (26,008,228)</u>
 General revenues:					
Taxes:					
					24,275,490
					5,588,674
					3,230,737
					394,917
					1,343,766
					204,672
					409,311
					<u>35,447,567</u>
					9,439,339
					<u>31,551,084</u>
					<u>\$ 40,990,423</u>

The accompanying notes are an integral part of this statement.

Mundelein Consolidated High School District 120

Governmental Funds

BALANCE SHEET

June 30, 2017

	General	Operations and Maintenance	Transportation	Municipal Retirement / SOC. SEC.
ASSETS				
Cash and investments	\$ 26,525,677	\$ 3,127,446	\$ 1,242,591	\$ 730,178
Receivables (net of allowance for uncollectibles):				
Property taxes	11,914,311	1,575,481	524,370	450,872
Replacement taxes	55,957	-	-	-
Intergovernmental	1,380,125	-	343,286	-
Loan to capital projects fund	-	602,332	-	-
Other current assets	<u>134,867</u>	<u>-</u>	<u>-</u>	<u>6,732</u>
 Total assets	 <u>\$ 40,010,937</u>	 <u>\$ 5,305,259</u>	 <u>\$ 2,110,247</u>	 <u>\$ 1,187,782</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 152,321	\$ 84,488	\$ 46,194	\$ -
Salaries and wages payable	627,467	-	-	-
Loan from operations and maintenance fund	-	-	-	-
Unearned school fees	<u>190,581</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total liabilities	 <u>970,369</u>	 <u>84,488</u>	 <u>46,194</u>	 <u>-</u>
DEFERRED INFLOWS				
Unavailable grant revenue	98,833	-	-	-
Property taxes levied for a future period	<u>24,743,519</u>	<u>3,271,943</u>	<u>1,089,005</u>	<u>936,367</u>
 Total deferred inflows	 <u>24,842,352</u>	 <u>3,271,943</u>	 <u>1,089,005</u>	 <u>936,367</u>
FUND BALANCES				
Restricted	223,251	1,948,828	975,048	251,415
Unassigned	<u>13,974,965</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total fund balance	 <u>14,198,216</u>	 <u>1,948,828</u>	 <u>975,048</u>	 <u>251,415</u>
 Total liabilities, deferred inflows, and fund balance	 <u>\$ 40,010,937</u>	 <u>\$ 5,305,259</u>	 <u>\$ 2,110,247</u>	 <u>\$ 1,187,782</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total
\$ 1,704,871	\$ -	\$ 33,330,763
1,548,000	-	16,013,034
-	-	55,957
-	-	1,723,411
-	-	602,332
<u>-</u>	<u>-</u>	<u>141,599</u>
<u>\$ 3,252,871</u>	<u>\$ -</u>	<u>\$ 51,867,096</u>
\$ -	\$ 833,419	\$ 1,116,422
-	-	627,467
-	602,332	602,332
<u>-</u>	<u>-</u>	<u>190,581</u>
<u>-</u>	<u>1,435,751</u>	<u>2,536,802</u>
-	-	98,833
<u>3,214,872</u>	<u>-</u>	<u>33,255,706</u>
<u>3,214,872</u>	<u>-</u>	<u>33,354,539</u>
37,999	-	3,436,541
<u>-</u>	<u>(1,435,751)</u>	<u>12,539,214</u>
<u>37,999</u>	<u>(1,435,751)</u>	<u>15,975,755</u>
<u>\$ 3,252,871</u>	<u>\$ -</u>	<u>\$ 51,867,096</u>

Mundelein Consolidated High School District 120
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2017

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

Total fund balances - governmental funds		\$ 15,975,755
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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.		52,810,661
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Deferred outflows and inflows of 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	\$ 1,052,973	
Deferred outflows of 2017 employer contributions related to pensions	336,968	1,389,941

Deferred inflows of resources related to pensions		(185,238)
---	--	-----------

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.		(64,085)
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Certain grant receivables are not available to pay for current expenditures and are unavailable in the governmental funds		98,833
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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.		(29,035,444)
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Net position - governmental activities		\$ 40,990,423
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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, 2017

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 24,406,777	\$ 3,891,004	\$ 735,233	\$ 831,150
Replacement taxes	377,917	-	-	17,000
State aid	15,377,711	-	685,313	-
Federal aid	1,050,949	-	-	-
Interest	152,916	20,946	7,133	4,465
Other	833,103	360,670	-	-
	<u>42,199,373</u>	<u>4,272,620</u>	<u>1,427,679</u>	<u>852,615</u>
Total revenues				
Expenditures				
Current:				
Instruction:				
Regular programs	11,812,918	-	-	224,347
Special programs	3,131,654	-	-	148,191
Other instructional programs	2,727,005	-	-	148,318
State retirement contributions	12,173,494	-	-	-
Support services:				
Pupils	2,273,282	-	-	66,097
Instructional staff	729,036	-	-	16,394
General administration	728,946	-	-	130,675
School administration	1,734,187	-	-	73,670
Business	894,732	103,909	-	60,363
Transportation	-	-	1,343,417	-
Operations and maintenance	659,083	2,347,471	-	111,621
Central	1,201,494	-	-	100,594
Community services	28,799	-	-	403
Nonprogrammed charges	2,269,754	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	358,659	266,794	-	-
	<u>40,723,043</u>	<u>2,718,174</u>	<u>1,343,417</u>	<u>1,080,673</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	1,476,330	1,554,446	84,262	(228,058)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(2,855,000)	(1,082,696)	-	-
	<u>(2,855,000)</u>	<u>(1,082,696)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balance (deficit)	(1,378,670)	471,750	84,262	(228,058)
Fund balance, beginning 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>
Fund balance (deficit), end of year	\$ 14,198,216	\$ 1,948,828	\$ 975,048	\$ 251,415
	<u>\$ 14,198,216</u>	<u>\$ 1,948,828</u>	<u>\$ 975,048</u>	<u>\$ 251,415</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total
\$ 3,230,737	\$ -	\$ 33,094,901
-	-	394,917
-	6,989,737	23,052,761
-	-	1,050,949
19,212	-	204,672
-	-	1,193,773
<u>3,249,949</u>	<u>6,989,737</u>	<u>58,991,973</u>
-	-	12,037,265
-	-	3,279,845
-	-	2,875,323
-	-	12,173,494
-	-	2,339,379
-	-	745,430
-	-	859,621
-	-	1,807,857
-	711,430	1,770,434
-	-	1,343,417
-	-	3,118,175
-	-	1,302,088
-	-	29,202
-	-	2,269,754
5,790,000	-	5,790,000
856,997	-	856,997
-	2,713,855	3,339,308
<u>6,646,997</u>	<u>3,425,285</u>	<u>55,937,589</u>
(3,397,048)	3,564,452	3,054,384
3,225,794	711,902	3,937,696
-	-	(3,937,696)
<u>3,225,794</u>	<u>711,902</u>	<u>-</u>
(171,254)	4,276,354	3,054,384
<u>209,253</u>	<u>(5,712,105)</u>	<u>12,921,371</u>
<u>\$ 37,999</u>	<u>\$ (1,435,751)</u>	<u>\$ 15,975,755</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, 2017

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

Net change in fund balances - total governmental funds	\$ 3,054,384
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 in the current period.	754,911
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	(435,719)
Deferred outflow and inflows of resources related to TRS pension	512,157
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.	14,256
Certain grant revenues included in the statement of activities do not provide current financial resources and, therefore, are deferred in the fund statements.	98,833
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.	<u>5,440,517</u>
Change in net position - governmental activities	<u>\$ 9,439,339</u>

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, 2017

	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	<u>\$ 402,075</u>
LIABILITIES	
Due to student groups	<u>\$ 402,075</u>

The accompanying notes are an integral part of this statement.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

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. 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.

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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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 upon collection of property taxes in the fund(s) loaned to. 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.

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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b. Special Revenue Funds (Continued)

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, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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.

4. 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, 2017, 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, 2017, the District has no assigned fund balance.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. 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, 2017 are as follows:

The restricted fund balance in the General Fund is comprised of \$223,251, 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-3.

5. 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, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. 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.

6. 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, 2017, 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, 2017, the District had deferred inflows of resources related to pensions, unavailable grant revenue, and property taxes levied for a future period.

7. 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.

8. Deposits and Investments

Investments are stated at fair value. Changes in fair value are included in investment income.

9. 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, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. 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 estimated historical cost at the date purchased or constructed. Donated assets are recorded at 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.

11. 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, 2017, accumulated unpaid vacation pay was \$9,651.

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, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. 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.

13. 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.

14. 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.

15. 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, 2017

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	\$ (20,840,927)
Unamortized premium	(1,363,731)
Debt certificates	(1,535,000)
IMRF pension liability	(2,885,829)
TRS pension liability	(2,397,906)
Other postemployment benefits	(2,400)
Compensated absences	<u>(9,651)</u>
Net adjustment to reduce total fund balances - governmental funds to arrive at net position - governmental activities	<u>\$ (29,035,444)</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	\$ 3,171,047
Depreciation expense	<u>(2,416,136)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	<u>\$ 754,911</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

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	\$ 2,740,000
Debt certificates	3,050,000
Accretion on general obligation bonds	(170,485)
Amortization of bond premium	371,987
IMRF pension expense (net change)	74,835
TRS pension expense (net change)	(649,296)
Other postemployment benefits (net change)	27,955
Compensated absences (net change)	<u>(4,479)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	 \$ <u><u>5,440,517</u></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, 2017

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2017, the District's cash and investments consisted of the following:

	<u>Government- wide</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ 33,330,763	\$ 402,075	\$ 33,732,838

At June 30, 2017, the District's cash and investments consisted of the following:

	<u>Total</u>
Deposits with financial institutions*	\$ 13,029,348
Illinois School District Liquid Asset Fund Plus (ISDLAF+)	6,929,719
Other investments	<u>13,773,771</u>
	<u>\$ 33,732,838</u>

*includes accounts held in demand and savings accounts, but primarily consists of non-negotiable certificates of deposit and money market savings accounts, which are valued at cost.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The District's investments detailed in the interest rate risk table below are measured using the market valuation method and level 2 valuation inputs.

1. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, a periodic review of the investment portfolio is performed to ensure performance is consistent with the safety, liquidity, rate of return, diversification and overall performance the District needs. Maturity information on other investments is shown in the table below.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Interest Rate Risk (Continued)

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
ISDLAF+ Term Series	\$ 3,473,771	\$ -	\$ 3,473,771	\$ -	\$ -
Negotiable certificates of deposit	10,300,000	10,300,000	-	-	-
TOTAL	\$ 13,773,771	\$ 10,300,000	\$ 3,473,771	\$ -	\$ -

Redemption Notice Period - Investments in ISDLAF's Term Series may be redeemed upon seven days' advance notice. Redemption prior to maturity may result in the realization of a loss on the investment, including a penalty in an amount necessary to recoup the Term Series penalty charges, losses and other costs attributable to the early redemption.

The following investment is measured at net asset value (NAV):

		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
ISDLAF+	\$ 6,929,719	n/a	Daily	1 day

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 investments in negotiable certificates of deposits and ISDLAF+ Term Series are unrated.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit pooled investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAM and are valued at share price, which is the price for which the investment could be sold.

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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

4. Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. At June 30, 2017, the bank balances of the District's deposits with financial institutions totaled \$14,614,439, all of which was fully insured or collateralized.

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring that all investments be secured by private insurance or collateral.

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 13, 2016. 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 2016 tax levy was \$1,281,954,241.

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 2016 property tax levy is recognized as a receivable in fiscal 2017, net of estimated uncollectible amounts of approximately 1%. The District considers that the 2016 levy is to be used to finance operations in fiscal 2018. Therefore, the entire 2016 levy, including amounts collected in fiscal 2017, has been recognized as property taxes levied for a future period.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

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 www.trsil.org; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675.

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.

Essentially all Tier I retirees receive an annual 3 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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES (Continued)

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

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. On July 1, 2016, the rate dropped to 9.0 percent of pay due to the expiration of the Early Retirement Option (ERO). 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, 2017, 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 \$11,994,733 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, 2017, were \$92,573, and are deferred because they were paid after the June 30, 2016 measurement date.

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, 2017, the employer pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$25,760 were paid from federal and special trust funds that required employer contributions of \$9,928. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES (Continued)

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

Contributions (Continued)

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, 2017, 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, 2017, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2017, 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	\$ 2,397,906
State's proportionate share of the net pension liability associated with the District	<u>122,138,379</u>
Total	<u>\$ 124,536,285</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. 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, 2016, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2016, the District's proportion was 0.0030377837 percent, which was an increase of 0.0003685600 from its proportion measured as of June 30, 2015.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES (Continued)

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

For the year ended June 30, 2017, the District recognized pension expense of \$12,250,432 and revenue of \$11,994,733 for support provided by the state. At June 30, 2017, 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	\$ 17,730	\$ 1,626
Change of assumptions	205,944	-
Net difference between projected and actual earnings on pension plan investments	67,745	-
Changes in proportion and differences between District contributions and proportionate share of contributions	292,698	117,487
Total deferred amounts to be recognized in pension expense in future periods	584,117	119,113
District contributions subsequent to the measurement date	102,501	-
	\$ 686,618	\$ 119,113

The District reported \$102,501 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 of Resources
2018	\$ 86,797
2019	86,797
2020	155,812
2021	115,737
2022	19,861
	\$ 465,004

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

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

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	Varies by amount of service credit
Investment rate of return	7.00 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.

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.50 percent to 7.0 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

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:

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

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)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	14.40 %	6.94 %
U.S. equities small/mid cap	3.60	8.09
International equities developed	14.40	7.46
Emerging market equities	3.60	10.15
U.S. bonds core	10.70	2.44
International debt developed	5.30	1.70
Real estate	15.00	5.44
Commodities (real return)	11.00	4.28
Hedge funds (absolute return)	8.00	4.16
Private equity	14.00	10.63
Total	<u>100.00 %</u>	

Discount Rate

At June 30, 2016, the discount rate used to measure the total pension liability was a blended rate of 6.83 percent, which was a change from the June 30, 2015 rate of 7.47 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, 2017

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, 2016 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, 2015, the discount rate used to measure the total pension liability was 7.47 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year as well because TRS's fiduciary net position and the subsidy provided by Tier II were not 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 6.83 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 (5.83 percent) or 1-percentage-point higher (7.83 percent) than the current rate:

	<u>1% Decrease (5.83%)</u>	<u>Current Discount (6.83%)</u>	<u>1% Increase (7.83%)</u>
District's proportionate share of the net pension liability	\$ 2,932,737	\$ 2,397,906	\$ 1,961,092

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2016 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

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, 2017

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

As of December 31, 2016, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	84
Inactive plan members entitled to but not yet receiving benefits	103
Active plan members	<u>83</u>
Total	<u><u>270</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 2016 was 14.72%. For the fiscal year ended June 30, 2017 the District contributed \$462,222 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, 2016. 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, 2016:

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	7.50%
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, 2017

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Mortality

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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 projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment 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 2012). 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%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65% - 7.35%
Cash Equivalents	1%	2.25%
Total	100%	

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Single Discount Rate

A Single Discount Rate of 7.50% 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 3.78%, and the resulting single discount rate is 7.50%.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

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, 2016:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 12,043,848	\$ 9,083,184	\$ 2,960,664
Changes for the year:			
Service cost	338,908	-	338,908
Interest on the total pension liability	886,375	-	886,375
Difference between expected and actual experience of the total pension liability	(44,600)	-	(44,600)
Changes of assumptions	(55,271)	-	(55,271)
Contributions - employer	-	473,129	(473,129)
Contributions - employees	-	144,639	(144,639)
Net investment income	-	626,686	(626,686)
Benefit payments, including refunds of employee contributions	(663,202)	(663,202)	-
Other (net transfer)	-	(44,207)	44,207
Net changes	462,210	537,045	(74,835)
Balances at December 31, 2016	\$ 12,506,058	\$ 9,620,229	\$ 2,885,829

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 7.50%, 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 (6.50%)	Current Discount Rate (7.50%)	1% Higher (8.50%)
Net pension liability	\$ 4,378,704	\$ 2,885,829	\$ 1,653,490

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

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, 2017 the District recognized pension expense of \$822,634. At June 30, 2017, 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>	<u>Deferred Inflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 5,775	\$ 29,530
Change of assumptions	-	36,595
Net difference between projected and actual earnings on pension plan investments	<u>463,081</u>	<u>-</u>
 Total deferred amounts to be recognized in pension expense in the future periods	 <u>468,856</u>	 <u>66,125</u>
 <i>Pension contributions made subsequent to the measurement date</i>	 <u>234,467</u>	 <u>-</u>
 Total deferred amounts related to pensions	 <u>\$ 703,323</u>	 <u>\$ 66,125</u>

The District reported \$234,467 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, 2018. 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>
2018	\$ 130,865
2019	126,457
2020	135,170
2021	10,239
2022	<u>-</u>
Total	<u>\$ 402,731</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

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	\$ 102,501	\$ 234,467	\$ 336,968
Experience	17,730	5,775	23,505
Assumptions	205,944	-	205,944
Proportionate share	292,698	-	292,698
Investments	67,745	463,081	530,826
	<u>\$ 686,618</u>	<u>\$ 703,323</u>	<u>\$ 1,389,941</u>
Net pension liability	<u>\$ 2,397,906</u>	<u>\$ 2,885,829</u>	<u>\$ 5,283,735</u>
Deferred inflows of resources:			
Experience	\$ 1,626	\$ 29,530	\$ 31,156
Assumptions	-	36,595	36,595
Proportionate share	117,487	-	117,487
	<u>\$ 119,113</u>	<u>\$ 66,125</u>	<u>\$ 185,238</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, 2017

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 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$178,761, 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 0.84 percent during the year ended June 30, 2016. For the year ended June 30, 2017, the District paid \$134,071 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" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

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 (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, 2017, the District had 28 active fully eligible to retire employees, 217 active not yet eligible to retire employees, and 6 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 2017, the District contributed \$67,504 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, 2017
Annual required contribution	\$ 39,347
Interest on net OPEB obligation	1,214
Adjustment to annual required contribution	(1,012)
Annual OPEB cost	39,549
Contributions made	(67,504)
Decrease in net OPEB obligation	(27,955)
Net OPEB obligation, beginning of year	30,355
Net OPEB obligation, end of year	\$ 2,400

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

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 2017 and the two preceding fiscal years were as follows:

<u>Actuarial Valuation Date</u>	<u>Annual OPEB Cost</u>	<u>Percentage Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/17	\$ 39,549	170.7%	\$ 2,400
6/30/16*	37,037	102.2%	30,355
6/30/15	36,994	82.5%	31,172

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

Funding Status and Funding Progress

As of June 30, 2017, the actuarial accrued liability for benefits was \$458,095, 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 \$17,705,781 and 3%, 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, 2017

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, 2016
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, 2017

NOTE G - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Increases / Transfers	Decreases / Transfers	Balance June 30, 2017
Capital assets, not being depreciated				
Land	\$ 10,557,916	\$ -	\$ -	\$ 10,557,916
Construction in progress*	20,179,173	2,200,838	22,380,011	-
Total capital assets, not being depreciated	30,737,089	2,200,838	22,380,011	10,557,916
Capital assets, being depreciated				
Buildings	41,326,400	22,168,690	-	63,495,090
Improvements other than buildings	3,155,214	228,164	105,101	3,278,277
Equipment	6,826,977	953,366	-	7,780,343
Transportation equipment	308,822	-	-	308,822
Total capital assets, being depreciated	51,617,413	23,350,220	105,101	74,862,532
Less accumulated depreciation for:				
Buildings	23,145,450	1,868,671	-	25,014,121
Improvements other than buildings	1,440,492	132,354	105,101	1,467,745
Equipment	5,469,153	397,076	-	5,866,229
Transportation equipment	243,657	18,035	-	261,692
Total accumulated depreciation	30,298,752	2,416,136	105,101	32,609,787
Total capital assets being depreciated, net	21,318,661	20,934,084	-	42,252,745
Governmental activities capital assets, net	\$ 52,055,750	\$ 23,134,922	\$ 22,380,011	\$ 52,810,661

* Construction in progress represents costs primarily associated with a major building addition completed and placed in service during fiscal year 2017.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE G - CAPITAL ASSETS (Continued)

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

Governmental activities	
General Government	
Regular programs	\$ 1,812,102
Business services	24,160
Operations and maintenance	193,287
Central	<u>386,587</u>
	<u>\$ 2,416,136</u>

NOTE H - LONG-TERM LIABILITIES

1. Changes in General Long-term Liabilities

During the year ended June 30, 2017, the following is the long-term liability activity for the District:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions /</u> <u>Accretion</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2017</u>
Bonds payable:				
General obligation bonds	\$ 23,410,442	\$ 170,485	\$ 2,740,000	\$ 20,840,927
Add unamortized premium	1,735,718	-	371,987	1,363,731
Debt certificates	4,585,000	-	3,050,000	1,535,000
IMRF net pension liability	2,960,664	1,269,490	1,344,325	2,885,829
TRS net pension liability	1,748,610	766,940	117,644	2,397,906
Other postemployment benefits	30,355	39,549	67,504	2,400
Compensated absences	<u>5,172</u>	<u>49,277</u>	<u>44,798</u>	<u>9,651</u>
 Total long-term liabilities - governmental activities	 <u>\$ 34,475,961</u>	 <u>\$ 2,295,741</u>	 <u>\$ 7,736,258</u>	 <u>\$ 29,035,444</u>

At June 30, 2017, amounts due within one year on the outstanding long-term liabilities were as follows:

Bonds payable:	
General obligation bonds	\$ 2,585,000
Debt certificates	200,000
Compensated absences	<u>9,651</u>
 Total long-term liabilities - governmental activities	 <u>\$ 2,794,651</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

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%	\$ 3,135,927	\$ 3,550,000
2011 General Obligation Limited School Bonds	2.00% - 4.00%	3,320,000	3,320,000
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
		<u>\$ 20,840,927</u>	<u>\$ 21,255,000</u>

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>
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	3,030,000	347,650	3,377,650
2023-2024	7,165,000	365,675	7,530,675
	<u>\$ 21,255,000</u>	<u>\$ 2,964,458</u>	<u>\$ 24,219,458</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$37,999 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, 2017, the statutory debt limit for the District was \$88,454,843, providing a debt margin of \$66,078,916.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE H - LONG-TERM LIABILITIES (Continued)

3. Debt Certificates

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
2014 General Obligation Limited Tax Refunding Debt Certificates	3.00% - 4.00%	\$ <u><u>1,535,000</u></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>
2018	\$ 200,000	\$ 50,100	\$ 250,100
2019	205,000	44,025	249,025
2020	210,000	37,800	247,800
2021	215,000	31,425	246,425
2022	225,000	23,700	248,700
2023-2024	480,000	19,400	499,400
	<u>\$ 1,535,000</u>	<u>\$ 206,450</u>	<u>\$ 1,741,450</u>

Principal and interest payments on the debt certificates will be repaid from the Debt Service Fund with funding provided by the Operations and Maintenance Fund.

NOTE I - OPERATING LEASES

The District is entered into various lease agreements (copiers and vehicles) with terms of 3 to 5 years with payments ranging from \$272 - \$2,404 per month through October 2021. Total costs for such leases was \$50,476 for the year ended June 30, 2017. Future lease payments are as follows:

<u>Year Ending June 30</u>	<u>Total</u>
2018	\$ 51,564
2019	25,120
2020	6,399
2021	3,264
2022	1,088
	<u>\$ 87,435</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

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 pool 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 AND SUBSEQUENT EVENT

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 \$390,000. 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.

Subsequent to year end, the District passed a resolution approving the withdrawal from SEDOL, which will be effective July 1, 2018.

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 \$262,000 for the year ended June 30, 2017. The District believes that, because it does not control the selection 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 board, this joint agreement is not required to be included as a component unit of the District.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE L - INTERFUND LOANS

As of June 30, 2017, the District has a loan balance of \$602,332 in the Capital Projects Fund due to the Operations and Maintenance Fund. Amounts are expected to be repaid in fiscal year 2018.

NOTE M - INTERFUND TRANSFERS

The District transferred \$2,855,000 and \$255,000 from the General Fund (Educational Account) and Operations and Maintenance Fund, respectively, to the Debt Service Fund. The amounts transferred represent funds transferred to pay principal on the District's debt certificates.

The District transferred \$115,794 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 \$711,902 from the Operations and Maintenance Fund to the Capital Projects Fund. The amount transferred represents funds transferred to pay for capital projects.

NOTE N - CONTINGENCIES

1. Litigation

The District is a defendant in various lawsuits and other pending matters such as real estate tax objections. 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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE O - DEFICIT FUND BALANCE

At June 30, 2017, the following fund has a deficit fund balance.

<u>Fund</u>	<u>Deficit</u>
Capital Projects Fund	\$ 1,435,751

District management expects to fund this deficit through future fund transfers and amounts owed on a previously awarded 2014 state grant approximating \$8.3 million from the Illinois Capital Development Board (ICDB). 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. For the year ended June 30, 2017, the District received approximately \$7.3 million of the awarded grant funds. As of June 30, 2017, the District was owed approximately \$1 million of the awarded grant funds, which are expected to be paid during fiscal year 2018.

NOTE P - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 2, 2017, 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 K-1, 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
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MOST RECENT CALENDAR YEARS
Illinois Municipal Retirement Fund
June 30, 2017

Calendar year ended December 31,

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability			
Service cost	\$ 338,908	\$ 296,366	\$ 280,125
Interest on the total pension liability	886,375	847,384	762,877
Benefit changes	-	-	-
Difference between expected and actual experience of the total pension liability	(44,600)	17,611	197,812
Assumption changes	(55,271)	-	539,198
Benefit payments and refunds	<u>(663,202)</u>	<u>(656,739)</u>	<u>(599,238)</u>
Net change in total pension liability	462,210	504,622	1,180,774
Total pension liability, beginning	<u>12,043,848</u>	<u>11,539,226</u>	<u>10,358,452</u>
Total pension liability, ending	<u>\$ 12,506,058</u>	<u>\$ 12,043,848</u>	<u>\$ 11,539,226</u>
 Plan fiduciary net position			
Contributions, employer	\$ 473,129	\$ 411,553	\$ 373,732
Contributions, employee	144,639	124,629	114,338
Net investment income	626,686	43,602	503,925
Benefit payments, including refunds of employee contributions	(663,202)	(656,739)	(599,238)
Other (net transfer)	<u>(44,207)</u>	<u>379,408</u>	<u>71,319</u>
Net change in plan fiduciary net position	537,045	302,453	464,076
Plan fiduciary net position, beginning	<u>9,083,184</u>	<u>8,780,731</u>	<u>8,316,655</u>
Plan fiduciary net position, ending	<u>\$ 9,620,229</u>	<u>\$ 9,083,184</u>	<u>\$ 8,780,731</u>
 Net pension liability	 <u>\$ 2,885,829</u>	 <u>\$ 2,960,664</u>	 <u>\$ 2,758,495</u>
 Plan fiduciary net position as a percentage of the total pension liability	 76.92 %	 75.42 %	 76.09 %
 Covered Valuation Payroll	 \$ 3,214,399	 \$ 2,769,534	 \$ 2,486,576
 Net pension liability as a percentage of covered valuation payroll	 89.78 %	 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, 2017

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 473,160 *	\$ 473,129	\$ 31	\$ 3,214,399	14.72 %
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 14.72% and covered valuation payroll of \$3,214,399.

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 THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
June 30, 2017

Fiscal year ended June 30,

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.0030377837 %	0.0026692237 %	0.0024132573 %
District's proportionate share of the net pension liability	\$ 2,397,906	\$ 1,748,610	\$ 1,468,667
State's proportionate share of the net pension liability associated with the District	<u>122,138,379</u>	<u>93,420,818</u>	<u>87,487,936</u>
Total	<u>\$ 124,536,285</u>	<u>\$ 95,169,428</u>	<u>\$ 88,956,603</u>
District's covered-employee payroll	\$ 15,372,024	\$ 14,543,792	\$ 14,095,401
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	15.60 %	12.02 %	10.42 %
Plan fiduciary net position as a percentage of the total pension liability	36.40 %	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 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 DISTRICT CONTRIBUTIONS
 Teachers' Retirement System of the State of Illinois
June 30, 2017

Fiscal year ended June 30,

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 102,501	\$ 100,343	\$ 91,601
Contributions in relation to the contractually required contribution	<u>117,644</u>	<u>93,529</u>	<u>86,104</u>
Contribution deficiency (excess)	\$ <u><u>(15,143)</u></u>	\$ <u><u>6,814</u></u>	\$ <u><u>5,497</u></u>
District's covered-employee payroll	\$ 15,960,786	\$ 15,372,024	\$ 14,543,792
Contributions as a percentage of covered-employee payroll	0.74 %	0.61 %	0.59 %

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, 2017

<u>Actuarial Valuation Date</u>	<u>(1) Actuarial Value of Assets</u>	<u>(2) Actuarial Accrued Liability (AAL)</u>	<u>(3) Funded Ratio (1) / (2)</u>	<u>(4) Unfunded AAL (UAAL) (2) - (1)</u>	<u>(5) Covered Payroll</u>	<u>(6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5)</u>
6/30/2017	\$ -	\$ 458,095	0.00 %	\$ 458,095	\$ 17,705,781	2.59 %
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

N/A - 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, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$ 23,791,694	\$ 23,791,694	\$ 23,921,798	\$ 130,104	\$ 23,618,329
Special education levy	482,598	482,598	484,979	2,381	487,024
Corporate personal property replacement taxes	286,313	286,313	377,917	91,604	262,849
Summer school tuition from pupils or parents	40,000	40,000	45,104	5,104	45,697
Interest on investments	75,400	75,400	152,916	77,516	81,887
Admissions - athletic	20,000	20,000	24,570	4,570	24,228
Fees	416,000	416,000	477,521	61,521	455,067
Book store sales	15,000	15,000	2,959	(12,041)	15,694
Other district/school activity revenue	181,500	181,500	178,827	(2,673)	188,554
Other - textbooks	6,000	6,000	4,977	(1,023)	6,037
Other	95,000	95,000	99,145	4,145	138,310
Total local sources	<u>25,409,505</u>	<u>25,409,505</u>	<u>25,770,713</u>	<u>361,208</u>	<u>25,323,676</u>
State sources					
General State Aid	1,338,276	1,338,276	1,343,766	5,490	1,266,106
Special Education - Private Facility Tuition	375,000	375,000	419,994	44,994	320,821
Special Education - Funding for Children Requiring Sp Ed Services	280,000	280,000	267,502	(12,498)	289,246
Special Education - Personnel	270,000	270,000	285,468	15,468	289,004
Special Education - Summer School	1,250	1,250	2,075	825	-

(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, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
State sources (Continued)					
CTE - Secondary Program Improvement (CTEI)	\$ 26,348	\$ 26,348	\$ 23,953	\$ (2,395)	\$ -
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	37,363	37,363	1,682	(35,681)	5,932
Driver Education	45,000	45,000	49,023	4,023	48,182
Adult Education (from ICCB)	415,987	415,987	810,754	394,767	31,936
Other state sources	<u>1,600</u>	<u>1,600</u>	<u>-</u>	<u>(1,600)</u>	<u>1,302</u>
Total state sources	<u>2,790,824</u>	<u>2,790,824</u>	<u>3,204,217</u>	<u>413,393</u>	<u>2,252,529</u>
Federal sources					
Special Milk Program	20,000	20,000	18,200	(1,800)	21,769
Title I - Low Income	324,594	358,048	264,770	(93,278)	182,301
Federal - Special Education - I.D.E.A. - Flow Through	326,629	424,365	330,840	(93,525)	224,970
Federal - Special Education - I.D.E.A. - Room and Board	15,000	15,000	14,264	(736)	-
CTE - Perkins - Title III Technical Prep	16,902	16,902	16,902	-	16,902
Federal - Adult Education	196,178	196,178	274,535	78,357	196,178
Emergency Immigrant Assistance	-	-	-	-	5,507
Title III - English Language Acquisition	12,023	12,023	3,613	(8,410)	-
Title II - Teacher Quality Administrative Outreach	80,752	80,752	70,003	(10,749)	49,141
Medicaid Matching Funds - Fee-For-Service-Program	5,000	5,000	-	(5,000)	5,974
	<u>50,000</u>	<u>50,000</u>	<u>57,822</u>	<u>7,822</u>	<u>62,371</u>
Total federal sources	<u>1,047,078</u>	<u>1,178,268</u>	<u>1,050,949</u>	<u>(127,319)</u>	<u>765,113</u>
Total revenues	<u>29,247,407</u>	<u>29,378,597</u>	<u>30,025,879</u>	<u>647,282</u>	<u>28,341,318</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, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Expenditures					
Instruction					
Regular programs					
Salaries	\$ 9,622,048	\$ 9,633,675	\$ 9,619,287	\$ 14,388	\$ 9,243,146
Employee benefits	1,795,000	1,795,000	1,647,353	147,647	1,720,322
Purchased services	106,275	117,025	102,783	14,242	80,275
Supplies and materials	512,195	554,699	305,405	249,294	393,841
Capital outlay	230,000	230,000	290,716	(60,716)	367,535
Other objects	13,000	13,000	6,459	6,541	5,559
Non-capitalized equipment	<u>126,000</u>	<u>126,000</u>	<u>131,631</u>	<u>(5,631)</u>	<u>146,145</u>
Total	<u>12,404,518</u>	<u>12,469,399</u>	<u>12,103,634</u>	<u>365,765</u>	<u>11,956,823</u>
Special education programs					
Salaries	2,592,724	2,589,945	2,625,920	(35,975)	2,539,287
Employee benefits	420,200	420,200	463,327	(43,127)	393,226
Purchased services	40,700	45,561	1,142	44,419	30,840
Supplies and materials	49,292	7,310	32,679	(25,369)	11,520
Capital outlay	7,000	-	100	(100)	7,601
Non-capitalized equipment	<u>4,000</u>	<u>-</u>	<u>1,307</u>	<u>(1,307)</u>	<u>-</u>
Total	<u>3,113,916</u>	<u>3,063,016</u>	<u>3,124,475</u>	<u>(61,459)</u>	<u>2,982,474</u>
Remedial and Supplemental programs K-12					
Salaries	3,000	3,000	6,915	(3,915)	3,750
Employee benefits	<u>-</u>	<u>-</u>	<u>364</u>	<u>(364)</u>	<u>117</u>
Total	<u>3,000</u>	<u>3,000</u>	<u>7,279</u>	<u>(4,279)</u>	<u>3,867</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, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Adult/continuing education programs					
Salaries	\$ 380,571	\$ 380,571	\$ 369,342	\$ 11,229	\$ 379,460
Employee benefits	25,250	25,250	19,251	5,999	15,424
Purchased services	3,500	3,500	400	3,100	20
Supplies and materials	<u>117,242</u>	<u>117,042</u>	<u>164,560</u>	<u>(47,518)</u>	<u>50,555</u>
Total	<u>526,563</u>	<u>526,363</u>	<u>553,553</u>	<u>(27,190)</u>	<u>445,459</u>
CTE programs					
Supplies and materials	16,902	16,902	-	16,902	2,632
Capital outlay	<u>26,348</u>	<u>26,348</u>	<u>43,250</u>	<u>(16,902)</u>	<u>40,931</u>
Total	<u>43,250</u>	<u>43,250</u>	<u>43,250</u>	<u>-</u>	<u>43,563</u>
Interscholastic programs					
Salaries	1,260,450	1,260,450	1,365,816	(105,366)	1,370,339
Employee benefits	69,750	69,750	74,659	(4,909)	63,013
Purchased services	166,500	166,500	114,484	52,016	125,349
Supplies and materials	116,000	116,000	103,628	12,372	108,740
Other objects	51,850	51,850	48,778	3,072	48,752
Non-capitalized equipment	<u>25,000</u>	<u>25,000</u>	<u>22,702</u>	<u>2,298</u>	<u>20,000</u>
Total	<u>1,689,550</u>	<u>1,689,550</u>	<u>1,730,067</u>	<u>(40,517)</u>	<u>1,736,193</u>
Summer school programs					
Salaries	83,500	83,500	80,121	3,379	79,872
Employee benefits	1,100	1,100	6,098	(4,998)	10,395
Purchased services	3,000	3,000	-	3,000	2,778
Supplies and materials	<u>7,750</u>	<u>7,500</u>	<u>4,266</u>	<u>3,234</u>	<u>2,535</u>
Total	<u>95,350</u>	<u>95,100</u>	<u>90,485</u>	<u>4,615</u>	<u>95,580</u>
Drivers education programs					
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(375)</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Bilingual programs					
Salaries	\$ 293,220	\$ 294,620	\$ 294,275	\$ 345	\$ 287,697
Employee benefits	44,100	44,100	44,589	(489)	42,010
Purchased services	1,500	5,000	124	4,876	921
Supplies and materials	8,276	22,250	13,912	8,338	12,614
Total	<u>347,096</u>	<u>365,970</u>	<u>352,900</u>	<u>13,070</u>	<u>343,242</u>
Total instruction	<u>18,223,243</u>	<u>18,255,648</u>	<u>18,005,643</u>	<u>250,005</u>	<u>17,606,826</u>
Support services					
Pupils					
Attendance and social work services					
Salaries	513,615	513,615	427,946	85,669	406,034
Employee benefits	75,185	75,185	10,788	64,397	31,626
Purchased services	5,775	5,775	23,446	(17,671)	3,500
Supplies and materials	1,250	1,250	373	877	130
Total	<u>595,825</u>	<u>595,825</u>	<u>462,553</u>	<u>133,272</u>	<u>441,290</u>
Guidance services					
Salaries	1,027,261	1,027,261	1,014,890	12,371	996,829
Employee benefits	128,600	128,600	147,360	(18,760)	146,105
Purchased services	61,000	61,000	31,675	29,325	47,042
Supplies and materials	35,000	35,000	35,119	(119)	31,031
Other objects	1,000	1,000	900	100	175
Total	<u>1,252,861</u>	<u>1,252,861</u>	<u>1,229,944</u>	<u>22,917</u>	<u>1,221,182</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, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Health services					
Salaries	\$ 122,790	\$ 122,790	\$ 143,288	\$ (20,498)	\$ 105,000
Employee benefits	21,461	21,461	22,559	(1,098)	1,031
Purchased services	2,250	3,250	2,119	1,131	5,661
Supplies and materials	<u>2,500</u>	<u>2,500</u>	<u>2,487</u>	<u>13</u>	<u>2,615</u>
Total	<u>149,001</u>	<u>150,001</u>	<u>170,453</u>	<u>(20,452)</u>	<u>114,307</u>
Psychological services					
Salaries	220,926	220,926	220,926	-	158,206
Employee benefits	32,900	32,900	38,604	(5,704)	29,066
Purchased services	<u>2,000</u>	<u>2,000</u>	<u>30,382</u>	<u>(28,382)</u>	<u>19,370</u>
Total	<u>255,826</u>	<u>255,826</u>	<u>289,912</u>	<u>(34,086)</u>	<u>206,642</u>
Speech pathology and audiology services					
Salaries	88,149	88,149	94,691	(6,542)	81,149
Employee benefits	22,070	22,070	22,753	(683)	21,502
Purchased services	<u>2,000</u>	<u>2,000</u>	<u>2,976</u>	<u>(976)</u>	<u>1,864</u>
Total	<u>112,219</u>	<u>112,219</u>	<u>120,420</u>	<u>(8,201)</u>	<u>104,515</u>
Total pupils	<u>2,365,732</u>	<u>2,366,732</u>	<u>2,273,282</u>	<u>93,450</u>	<u>2,087,936</u>
Instructional staff					
Improvement of instruction services					
Salaries	228,842	279,872	244,821	35,051	172,440
Employee benefits	28,258	28,150	50,401	(22,251)	20,301
Purchased services	85,821	99,399	78,610	20,789	70,728
Supplies and materials	14,400	20,250	22,403	(2,153)	7,128
Other objects	3,000	1,600	349	1,251	260
Non-capitalized equipment	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>
Total	<u>361,821</u>	<u>430,771</u>	<u>396,584</u>	<u>34,187</u>	<u>270,857</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, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Educational media services					
Salaries	\$ 226,509	\$ 226,509	\$ 231,653	\$ (5,144)	\$ 221,276
Employee benefits	18,558	18,558	13,778	4,780	18,105
Supplies and materials	<u>33,100</u>	<u>33,100</u>	<u>30,362</u>	<u>2,738</u>	<u>31,932</u>
Total	<u>278,167</u>	<u>278,167</u>	<u>275,793</u>	<u>2,374</u>	<u>271,313</u>
Assessment and testing					
Salaries	1,000	1,000	17,126	(16,126)	800
Employee benefits	-	-	559	(559)	3
Purchased services	56,000	56,000	4,527	51,473	59,210
Supplies and materials	<u>100</u>	<u>100</u>	<u>34,447</u>	<u>(34,347)</u>	<u>29,604</u>
Total	<u>57,100</u>	<u>57,100</u>	<u>56,659</u>	<u>441</u>	<u>89,617</u>
Total instructional staff	<u>697,088</u>	<u>766,038</u>	<u>729,036</u>	<u>37,002</u>	<u>631,787</u>
General administration					
Board of education services					
Salaries	57,325	86,325	56,774	29,551	55,120
Employee benefits	132,115	132,115	7,555	124,560	102,567
Purchased services	193,000	193,000	203,195	(10,195)	187,863
Supplies and materials	5,500	5,500	3,935	1,565	5,508
Other objects	<u>12,000</u>	<u>12,000</u>	<u>15,471</u>	<u>(3,471)</u>	<u>8,167</u>
Total	<u>399,940</u>	<u>428,940</u>	<u>286,930</u>	<u>142,010</u>	<u>359,225</u>
Executive administration services					
Salaries	276,263	276,263	277,014	(751)	278,970
Employee benefits	52,200	52,200	51,857	343	49,265
Purchased services	6,000	6,000	4,288	1,712	5,633
Supplies and materials	5,000	5,000	3,392	1,608	5,302
Other objects	3,500	3,500	2,594	906	355
Non-capitalized equipment	<u>2,500</u>	<u>2,500</u>	<u>4,156</u>	<u>(1,656)</u>	<u>2,395</u>
Total	<u>345,463</u>	<u>345,463</u>	<u>343,301</u>	<u>2,162</u>	<u>341,920</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, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Tort immunity services					
Purchased services	\$ 184,191	\$ 184,191	\$ 174,986	\$ 9,205	\$ 174,296
Total	<u>184,191</u>	<u>184,191</u>	<u>174,986</u>	<u>9,205</u>	<u>174,296</u>
Total general administration	<u>929,594</u>	<u>958,594</u>	<u>805,217</u>	<u>153,377</u>	<u>875,441</u>
School administration					
Office of the principal services					
Salaries	780,332	780,332	781,587	(1,255)	772,677
Employee benefits	160,800	160,800	130,035	30,765	142,118
Purchased services	105,625	105,625	103,883	1,742	105,059
Supplies and materials	52,000	52,000	60,211	(8,211)	59,586
Other objects	<u>11,500</u>	<u>11,500</u>	<u>11,325</u>	<u>175</u>	<u>7,600</u>
Total	<u>1,110,257</u>	<u>1,110,257</u>	<u>1,087,041</u>	<u>23,216</u>	<u>1,087,040</u>
Other support services - school administration					
Salaries	541,901	541,901	556,302	(14,401)	534,578
Employee benefits	8,750	8,750	88,607	(79,857)	8,495
Purchased services	8,500	8,500	2,107	6,393	7,859
Other objects	<u>2,000</u>	<u>2,000</u>	<u>130</u>	<u>1,870</u>	<u>135</u>
Total	<u>561,151</u>	<u>561,151</u>	<u>647,146</u>	<u>(85,995)</u>	<u>551,067</u>
Total school administration	<u>1,671,408</u>	<u>1,671,408</u>	<u>1,734,187</u>	<u>(62,779)</u>	<u>1,638,107</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, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Business					
Direction of business support services					
Salaries	\$ 183,511	\$ 183,511	\$ 183,582	\$ (71)	\$ 180,864
Employee benefits	4,650	4,650	33,769	(29,119)	31,932
Purchased services	77,000	77,000	78,776	(1,776)	76,876
Supplies and materials	3,000	3,000	2,968	32	2,081
Capital outlay	-	-	3,285	(3,285)	-
Other objects	1,000	1,000	735	265	580
Non-capitalized equipment	1,000	1,000	2,712	(1,712)	1,390
Total	<u>270,161</u>	<u>270,161</u>	<u>305,827</u>	<u>(35,666)</u>	<u>293,723</u>
Fiscal services					
Salaries	275,750	275,750	277,860	(2,110)	209,571
Employee benefits	125,475	125,475	93,701	31,774	94,156
Purchased services	750	750	812	(62)	459
Supplies and materials	2,000	2,000	1,220	780	2,312
Other objects	750	750	-	750	325
Total	<u>404,725</u>	<u>404,725</u>	<u>373,593</u>	<u>31,132</u>	<u>306,823</u>
Operation and maintenance of plant services					
Salaries	370,000	370,000	370,739	(739)	358,572
Employee benefits	85,600	85,600	77,182	8,418	83,586
Purchased services	160,000	160,000	110,878	49,122	143,389
Supplies and materials	15,000	15,000	15,539	(539)	9,555
Non-capitalized equipment	5,000	5,000	8,474	(3,474)	3,181
Total	<u>635,600</u>	<u>635,600</u>	<u>582,812</u>	<u>52,788</u>	<u>598,283</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, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Pupil transportation services					
Purchased services	\$ 4,000	\$ -	\$ -	\$ -	\$ 2,127
Total	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,127</u>
Food services					
Purchased services	2,000	2,000	2,599	(599)	220
Supplies and materials	2,000	2,000	73	1,927	580
Non-capitalized equipment	<u>10,000</u>	<u>10,000</u>	<u>2,771</u>	<u>7,229</u>	<u>-</u>
Total	<u>14,000</u>	<u>14,000</u>	<u>5,443</u>	<u>8,557</u>	<u>800</u>
Internal services					
Salaries	37,100	37,100	34,817	2,283	35,162
Employee benefits	7,325	7,325	11,420	(4,095)	7,203
Purchased services	105,000	105,000	132,259	(27,259)	85,367
Supplies and materials	<u>40,000</u>	<u>40,000</u>	<u>34,658</u>	<u>5,342</u>	<u>35,871</u>
Total	<u>189,425</u>	<u>189,425</u>	<u>213,154</u>	<u>(23,729)</u>	<u>163,603</u>
Total business	<u>1,517,911</u>	<u>1,513,911</u>	<u>1,480,829</u>	<u>33,082</u>	<u>1,365,359</u>
Staff services					
Salaries	15,375	21,375	19,302	2,073	11,111
Employee benefits	-	-	-	-	1,153
Purchased services	-	-	1,316	(1,316)	-
Supplies and materials	<u>-</u>	<u>-</u>	<u>3,651</u>	<u>(3,651)</u>	<u>7,090</u>
Total	<u>15,375</u>	<u>21,375</u>	<u>24,269</u>	<u>(2,894)</u>	<u>19,354</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, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Data processing services					
Salaries	\$ 455,500	\$ 455,500	\$ 480,319	\$ (24,819)	\$ 453,538
Employee benefits	72,850	72,850	83,092	(10,242)	70,601
Purchased services	180,000	199,353	174,847	24,506	131,563
Supplies and materials	114,164	107,014	110,704	(3,690)	78,500
Capital outlay	50,000	50,000	21,308	28,692	44,873
Non-capitalized equipment	<u>350,000</u>	<u>350,000</u>	<u>328,263</u>	<u>21,737</u>	<u>175,010</u>
Total	<u>1,222,514</u>	<u>1,234,717</u>	<u>1,198,533</u>	<u>36,184</u>	<u>954,085</u>
Total central	<u>1,237,889</u>	<u>1,256,092</u>	<u>1,222,802</u>	<u>33,290</u>	<u>973,439</u>
Total support services	<u>8,419,622</u>	<u>8,532,775</u>	<u>8,245,353</u>	<u>287,422</u>	<u>7,572,069</u>
Community services					
Salaries	26,580	24,450	15,600	8,850	23,434
Employee benefits	-	-	1,331	(1,331)	1,195
Purchased services	36,844	27,311	9,930	17,381	32,289
Supplies and materials	<u>14,211</u>	<u>15,828</u>	<u>1,938</u>	<u>13,890</u>	<u>4,928</u>
Total	<u>77,635</u>	<u>67,589</u>	<u>28,799</u>	<u>38,790</u>	<u>61,846</u>
Payments to other districts and government units					
Payments for regular programs					
Purchased services	-	10,000	7,415	2,585	-
Other objects	<u>30,000</u>	<u>30,000</u>	<u>6,940</u>	<u>23,060</u>	<u>19,620</u>
Total	<u>30,000</u>	<u>40,000</u>	<u>14,355</u>	<u>25,645</u>	<u>19,620</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, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Payments for special education programs					
Other objects	\$ 2,160,000	\$ 2,160,000	\$ 1,731,003	\$ 428,997	\$ 2,253,750
Total	<u>2,160,000</u>	<u>2,160,000</u>	<u>1,731,003</u>	<u>428,997</u>	<u>2,253,750</u>
Payments for CTE education programs					
Other objects	<u>350,000</u>	<u>350,000</u>	<u>261,897</u>	<u>88,103</u>	<u>325,743</u>
Total	<u>350,000</u>	<u>350,000</u>	<u>261,897</u>	<u>88,103</u>	<u>325,743</u>
Other payments to in-state governmental units					
Purchased services	<u>-</u>	<u>980</u>	<u>-</u>	<u>980</u>	<u>-</u>
Total	<u>-</u>	<u>980</u>	<u>-</u>	<u>980</u>	<u>-</u>
Payments for regular programs - tuition					
Other objects	<u>60,000</u>	<u>60,000</u>	<u>262,499</u>	<u>(202,499)</u>	<u>1,400</u>
Payments for regular programs - transfers					
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,636</u>
Total payments to other districts and other government units	<u>2,600,000</u>	<u>2,610,980</u>	<u>2,269,754</u>	<u>341,226</u>	<u>2,605,149</u>
Total expenditures	<u>29,320,500</u>	<u>29,466,992</u>	<u>28,549,549</u>	<u>917,443</u>	<u>27,845,890</u>
Excess (deficiency) of revenues over expenditures	<u>(73,093)</u>	<u>(88,395)</u>	<u>1,476,330</u>	<u>1,564,725</u>	<u>495,428</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, 2017
 With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Other financing uses					
Transfer to Debt Service Fund for principal on debt certificates	\$ (2,855,000)	\$ (2,855,000)	\$ (2,855,000)	\$ -	\$ (500,000)
Total other financing uses	<u>(2,855,000)</u>	<u>(2,855,000)</u>	<u>(2,855,000)</u>	<u>-</u>	<u>(500,000)</u>
Net change to fund balance	<u>\$ (2,928,093)</u>	<u>\$ (2,943,395)</u>	(1,378,670)	<u>\$ 1,564,725</u>	(4,572)
Fund balance, beginning of year			<u>15,576,886</u>		<u>15,581,458</u>
Fund balance, end of year			<u>\$ 14,198,216</u>		<u>\$ 15,576,886</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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$3,871,900	\$3,871,900	\$3,891,004	\$ 19,104	\$ 3,799,611
Interest on investments	10,000	10,000	20,946	10,946	11,143
Rentals	63,000	63,000	50,504	(12,496)	83,953
Contributions and donations from private sources	30,000	250,000	288,173	38,173	65,661
Other	-	-	21,993	21,993	29,042
Total local sources	<u>3,974,900</u>	<u>4,194,900</u>	<u>4,272,620</u>	<u>77,720</u>	<u>3,989,410</u>
Total revenues	<u>3,974,900</u>	<u>4,194,900</u>	<u>4,272,620</u>	<u>77,720</u>	<u>3,989,410</u>
Expenditures					
Facilities acquisition and construction services					
Capital outlay	100,000	250,000	265,659	(15,659)	1,911,397
Other objects	103,909	103,909	103,909	-	103,283
Total	<u>203,909</u>	<u>353,909</u>	<u>369,568</u>	<u>(15,659)</u>	<u>2,014,680</u>
Operation and maintenance of plant services					
Salaries	225,000	185,000	179,263	5,737	80,761
Employee benefits	50,250	50,250	43,279	6,971	18,497
Purchased services	1,381,200	1,256,200	1,230,749	25,451	1,031,615
Supplies and materials	638,500	638,500	636,778	1,722	549,756

(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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Operation and maintenance of plant services (continued)					
Capital outlay	\$ 30,000	\$ 30,000	\$ 1,135	\$ 28,865	\$ 27,534
Other objects	169,764	169,764	152,831	16,933	133,030
Non-capitalized equipment	<u>50,000</u>	<u>95,000</u>	<u>104,571</u>	<u>(9,571)</u>	<u>48,936</u>
Total	<u>2,544,714</u>	<u>2,424,714</u>	<u>2,348,606</u>	<u>76,108</u>	<u>1,890,129</u>
Total business	<u>2,748,623</u>	<u>2,778,623</u>	<u>2,718,174</u>	<u>60,449</u>	<u>3,904,809</u>
Total support services	<u>2,748,623</u>	<u>2,778,623</u>	<u>2,718,174</u>	<u>60,449</u>	<u>3,904,809</u>
Provision for contingencies	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>-</u>
Total expenditures	<u>2,778,623</u>	<u>2,808,623</u>	<u>2,718,174</u>	<u>90,449</u>	<u>3,904,809</u>
Excess of revenues over expenditures	<u>1,196,277</u>	<u>1,386,277</u>	<u>1,554,446</u>	<u>168,169</u>	<u>84,601</u>
Other financing sources (uses)					
Permanent transfer	-	-	-	-	1,300,000
Transfer to Debt Service Fund for principal on debt certificates	(255,000)	(255,000)	(255,000)	-	(200,000)
Transfer to Debt Service Fund for interest on debt certificates	(115,794)	(115,794)	(115,794)	-	(181,488)
Transfer to Capital Projects Fund	<u>(1,327,499)</u>	<u>(1,000,000)</u>	<u>(711,902)</u>	<u>(288,098)</u>	<u>(500,000)</u>
Total other financing sources (uses)	<u>(1,698,293)</u>	<u>(1,370,794)</u>	<u>(1,082,696)</u>	<u>(288,098)</u>	<u>418,512</u>
Net change in fund balance	<u>\$ (502,016)</u>	<u>\$ 15,483</u>	471,750	<u>\$ 456,267</u>	503,113
Fund balance, beginning of year			<u>1,477,078</u>		<u>973,965</u>
Fund balance, end of year			<u>\$1,948,828</u>		<u>\$ 1,477,078</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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$ 731,624	\$ 731,624	\$ 735,233	\$ 3,609	\$ 703,277
Interest on investments	<u>2,000</u>	<u>2,000</u>	<u>7,133</u>	<u>5,133</u>	<u>3,754</u>
Total local sources	<u>733,624</u>	<u>733,624</u>	<u>742,366</u>	<u>8,742</u>	<u>707,031</u>
State sources					
Transportation - Regular/Vocational	20,000	20,000	56,520	36,520	39,740
Transportation - Special Education	<u>600,000</u>	<u>600,000</u>	<u>628,793</u>	<u>28,793</u>	<u>651,996</u>
Total state sources	<u>620,000</u>	<u>620,000</u>	<u>685,313</u>	<u>65,313</u>	<u>691,736</u>
Total revenues	<u>1,353,624</u>	<u>1,353,624</u>	<u>1,427,679</u>	<u>74,055</u>	<u>1,398,767</u>
Expenditures					
Business					
Pupil transportation services					
Purchased services	1,626,000	1,626,000	1,248,874	377,126	1,764,232
Supplies and materials	100,000	100,000	94,543	5,457	83,299
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,550</u>
Total	<u>1,726,000</u>	<u>1,726,000</u>	<u>1,343,417</u>	<u>382,583</u>	<u>1,873,081</u>
Total support services	<u>1,726,000</u>	<u>1,726,000</u>	<u>1,343,417</u>	<u>382,583</u>	<u>1,873,081</u>
Total expenditures	<u>1,726,000</u>	<u>1,726,000</u>	<u>1,343,417</u>	<u>382,583</u>	<u>1,873,081</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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Excess (deficiency) of revenues over expenditures	\$(372,376)	\$ (372,376)	\$ 84,262	\$ 456,638	\$ (474,314)
Other financing uses					
Permanent transfer	-	-	-	-	(800,000)
Total other financing uses	-	-	-	-	(800,000)
Net change in fund balance	<u>\$(372,376)</u>	<u>\$ (372,376)</u>	84,262	<u>\$ 456,638</u>	(1,274,314)
Fund balance, beginning of year			<u>890,786</u>		<u>2,165,100</u>
Fund balance, end of year			<u>\$ 975,048</u>		<u>\$ 890,786</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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$ 489,262	\$ 489,262	\$ 397,681	\$ (91,581)	\$ 399,366
Special education levy	-	-	93,995	93,995	84,703
Social security/Medicare only levy	337,808	337,808	339,474	1,666	340,920
Corporate personal property replacement taxes	-	-	17,000	17,000	17,000
Interest on investments	<u>2,000</u>	<u>2,000</u>	<u>4,465</u>	<u>2,465</u>	<u>2,414</u>
Total local sources	<u>829,070</u>	<u>829,070</u>	<u>852,615</u>	<u>23,545</u>	<u>844,403</u>
Federal sources					
Federal - Special Education - I.D.E.A. - Flow Through	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,441</u>
Total federal sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,441</u>
Total revenues	<u>829,070</u>	<u>829,070</u>	<u>852,615</u>	<u>23,545</u>	<u>848,844</u>
Expenditures					
Instruction					
Regular programs	195,000	195,000	224,347	(29,347)	216,597
Special education programs	100,820	100,820	148,091	(47,271)	144,386
Remedial and supplemental programs K-12	-	-	100	(100)	54
Adult/continuing education programs	51,150	51,150	55,892	(4,742)	57,118
Interscholastic programs	70,500	70,500	72,432	(1,932)	67,651
Summer school programs	1,850	1,850	2,746	(896)	1,783
Bilingual programs	<u>16,700</u>	<u>16,700</u>	<u>17,248</u>	<u>(548)</u>	<u>17,402</u>
Total instruction	<u>436,020</u>	<u>436,020</u>	<u>520,856</u>	<u>(84,836)</u>	<u>504,991</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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Support services					
Pupils					
Attendance and social work services	\$ 22,900	\$ 22,900	\$ 23,933	\$ (1,033)	\$ 23,832
Guidance services	30,950	30,950	24,484	6,466	31,511
Health services	9,700	9,700	13,443	(3,743)	9,827
Psychological services	2,000	2,000	3,040	(1,040)	2,114
Speech pathology and audiology services	<u>775</u>	<u>775</u>	<u>1,197</u>	<u>(422)</u>	<u>1,006</u>
Total pupils	<u>66,325</u>	<u>66,325</u>	<u>66,097</u>	<u>228</u>	<u>68,290</u>
Instructional staff					
Improvement of instruction services	6,920	6,920	9,469	(2,549)	2,515
Educational media services	8,600	8,600	6,295	2,305	9,424
Assessment and testing	<u>-</u>	<u>-</u>	<u>630</u>	<u>(630)</u>	<u>29</u>
Total instructional staff	<u>15,520</u>	<u>15,520</u>	<u>16,394</u>	<u>(874)</u>	<u>11,968</u>
General administration					
Board of education services	105,733	105,733	112,586	(6,853)	103,407
Executive administration services	17,900	17,900	18,089	(189)	19,179
Special area administrative services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,654</u>
Total general administration	<u>123,633</u>	<u>123,633</u>	<u>130,675</u>	<u>(7,042)</u>	<u>124,240</u>
School administration					
Office of the principal services	65,350	65,350	65,951	(601)	67,009
Other support services - school administration	<u>7,000</u>	<u>7,000</u>	<u>7,719</u>	<u>(719)</u>	<u>7,473</u>
Total school administration	<u>72,350</u>	<u>72,350</u>	<u>73,670</u>	<u>(1,320)</u>	<u>74,482</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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Business					
Direction of business support services	\$ 2,500	\$ 2,500	\$ 2,658	\$ (158)	\$ 2,628
Fiscal services	38,000	38,000	47,688	(9,688)	46,431
Operation and maintenance of plant services	117,250	117,250	111,621	5,629	94,370
Internal services	<u>6,400</u>	<u>6,400</u>	<u>10,017</u>	<u>(3,617)</u>	<u>7,864</u>
Total business	<u>164,150</u>	<u>164,150</u>	<u>171,984</u>	<u>(7,834)</u>	<u>151,293</u>
Central					
Staff services	-	-	-	-	157
Data processing services	<u>93,000</u>	<u>93,000</u>	<u>100,594</u>	<u>(7,594)</u>	<u>99,731</u>
Total central	<u>93,000</u>	<u>93,000</u>	<u>100,594</u>	<u>(7,594)</u>	<u>99,888</u>
Total support services	<u>534,978</u>	<u>534,978</u>	<u>559,414</u>	<u>(24,436)</u>	<u>530,161</u>
Community services	<u>85</u>	<u>85</u>	<u>403</u>	<u>(318)</u>	<u>441</u>
Total expenditures	<u>971,083</u>	<u>971,083</u>	<u>1,080,673</u>	<u>(109,590)</u>	<u>1,035,593</u>
Deficiency of revenues over expenditures	<u>(142,013)</u>	<u>(142,013)</u>	<u>(228,058)</u>	<u>(86,045)</u>	<u>(186,749)</u>
Net change in fund balance	<u>\$ (142,013)</u>	<u>\$ (142,013)</u>	(228,058)	<u>\$ (86,045)</u>	(186,749)
Fund balance, beginning of year			<u>479,473</u>		<u>666,222</u>
Fund balance, end of year			<u>\$ 251,415</u>		<u>\$ 479,473</u>

(Concluded)

Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2017

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 20, 2016, and as amended by the Board of Education on June 20, 2017.
- 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, 2017

2. BUDGET RECONCILIATION (Continued)

	<u>Revenues</u>	<u>Expenditures</u>
General fund - budgetary basis	\$ 30,025,879	\$ 28,549,549
To adjust for on-behalf payments received	12,173,494	-
To adjust for on-behalf payments made	<u>-</u>	<u>12,173,494</u>
	<u>\$ 42,199,373</u>	<u>\$ 40,723,043</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>
Municipal Retirement / Social Security Fund	\$ 109,590
Debt Service Fund	2,450

4. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

For the 2016 measurement year, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50%. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. However, salary increases were assumed to vary by age.

Mundelein Consolidated High School District 120
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2016 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 2016 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 27-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	3.50%
Price Inflation	2.75% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50%, including inflation
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 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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 projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment 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 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

* Based on valuation assumptions used in the December 31, 2014 actuarial valuation.

SUPPLEMENTARY FINANCIAL INFORMATION

Mundelein Consolidated High School District 120

General Fund

COMBINING BALANCE SHEET

June 30, 2017

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 25,573,508	\$ 248,913	\$ 703,256	\$ 26,525,677
Receivables (net of allowance for uncollectibles):				
Property taxes	11,881,177	23,833	9,301	11,914,311
Replacement taxes	55,957	-	-	55,957
Intergovernmental	1,380,125	-	-	1,380,125
Other current assets	<u>134,867</u>	<u>-</u>	<u>-</u>	<u>134,867</u>
Total assets	<u>\$ 39,025,634</u>	<u>\$ 272,746</u>	<u>\$ 712,557</u>	<u>\$ 40,010,937</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 152,321	\$ -	\$ -	\$ 152,321
Salaries and wages payable	627,467	-	-	627,467
Unearned school fees	<u>190,581</u>	<u>-</u>	<u>-</u>	<u>190,581</u>
Total liabilities	<u>970,369</u>	<u>-</u>	<u>-</u>	<u>970,369</u>
DEFERRED INFLOWS				
Unavailable grant revenue	98,833	-	-	98,833
Property taxes levied for a future period	<u>24,674,708</u>	<u>49,495</u>	<u>19,316</u>	<u>24,743,519</u>
Total deferred inflows	<u>24,773,541</u>	<u>49,495</u>	<u>19,316</u>	<u>24,842,352</u>
FUND BALANCES				
Restricted	-	223,251	-	223,251
Unassigned	<u>13,281,724</u>	<u>-</u>	<u>693,241</u>	<u>13,974,965</u>
Total fund balance	<u>13,281,724</u>	<u>223,251</u>	<u>693,241</u>	<u>14,198,216</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 39,025,634</u>	<u>\$ 272,746</u>	<u>\$ 712,557</u>	<u>\$ 40,010,937</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, 2017

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 24,260,926	\$ 131,287	\$ 14,564	\$ 24,406,777
Replacement taxes	377,917	-	-	377,917
State aid	15,377,711	-	-	15,377,711
Federal aid	1,050,949	-	-	1,050,949
Interest	152,126	713	77	152,916
Other	833,103	-	-	833,103
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	42,052,732	132,000	14,641	42,199,373
Expenditures				
Current:				
Instruction:				
Regular programs	11,812,918	-	-	11,812,918
Special programs	3,131,654	-	-	3,131,654
Other instructional programs	2,727,005	-	-	2,727,005
State retirement contributions	12,173,494	-	-	12,173,494
Support services:				
Pupils	2,273,282	-	-	2,273,282
Instructional staff	729,036	-	-	729,036
General administration	630,231	98,715	-	728,946
School administration	1,734,187	-	-	1,734,187
Business	894,732	-	-	894,732
Operations and maintenance	582,812	76,271	-	659,083
Central	1,201,494	-	-	1,201,494
Community services	28,799	-	-	28,799
Nonprogrammed charges	2,269,754	-	-	2,269,754
Capital outlay	358,659	-	-	358,659
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	40,548,057	174,986	-	40,723,043
Excess (deficiency) of revenues over expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	1,504,675	(42,986)	14,641	1,476,330

(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, 2017

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Other financing uses				
Transfers out	\$ (2,855,000)	\$ -	\$ -	\$ (2,855,000)
Total other financing uses	<u>(2,855,000)</u>	<u>-</u>	<u>-</u>	<u>(2,855,000)</u>
Net change in fund balance	(1,350,325)	(42,986)	14,641	(1,378,670)
Fund balance, beginning of year	<u>14,632,049</u>	<u>266,237</u>	<u>678,600</u>	<u>15,576,886</u>
Fund balance, end of year	<u>\$ 13,281,724</u>	<u>\$ 223,251</u>	<u>\$ 693,241</u>	<u>\$ 14,198,216</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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017		Actual	Variance	2016 Actual
	Original Budget	Final Budget		From Final Budget	
Revenues					
Local sources					
General levy	\$ 3,247,348	\$ 3,247,348	\$ 3,230,737	\$ (16,611)	\$ 3,343,224
Interest on investments	<u>8,000</u>	<u>8,000</u>	<u>19,212</u>	<u>11,212</u>	<u>12,115</u>
Total local sources	<u>3,255,348</u>	<u>3,255,348</u>	<u>3,249,949</u>	<u>(5,399)</u>	<u>3,355,339</u>
Total revenues	<u>3,255,348</u>	<u>3,255,348</u>	<u>3,249,949</u>	<u>(5,399)</u>	<u>3,355,339</u>
Expenditures					
Debt service					
Debt services - interest					
Bonds and certificates - interest	<u>1,199,990</u>	<u>1,199,990</u>	<u>854,547</u>	<u>345,443</u>	<u>963,278</u>
Total debt service - interest	<u>1,199,990</u>	<u>1,199,990</u>	<u>854,547</u>	<u>345,443</u>	<u>963,278</u>
Principal payments on long-term debt	<u>5,444,557</u>	<u>5,444,557</u>	<u>5,790,000</u>	<u>(345,443)</u>	<u>2,760,000</u>
Other debt service					
Other objects	<u>-</u>	<u>-</u>	<u>2,450</u>	<u>(2,450)</u>	<u>1,900</u>
Total	<u>-</u>	<u>-</u>	<u>2,450</u>	<u>(2,450)</u>	<u>1,900</u>
Total debt service	<u>6,644,547</u>	<u>6,644,547</u>	<u>6,646,997</u>	<u>(2,450)</u>	<u>3,725,178</u>
Total expenditures	<u>6,644,547</u>	<u>6,644,547</u>	<u>6,646,997</u>	<u>(2,450)</u>	<u>3,725,178</u>
Deficiency of revenues over expenditures	<u>(3,389,199)</u>	<u>(3,389,199)</u>	<u>(3,397,048)</u>	<u>(7,849)</u>	<u>(369,839)</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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Other financing sources					
Transfer to pay for principal on debt certificates	\$ 3,110,000	\$ 3,110,000	\$ 3,110,000	\$ -	\$ 200,000
Transfer to pay for interest on debt certificates	<u>115,794</u>	<u>115,794</u>	<u>115,794</u>	<u>-</u>	<u>181,488</u>
Total other financing sources	<u>3,225,794</u>	<u>3,225,794</u>	<u>3,225,794</u>	<u>-</u>	<u>381,488</u>
Net change in fund balance	<u>\$ (163,405)</u>	<u>\$ (163,405)</u>	(171,254)	<u>\$ (7,849)</u>	11,649
Fund balance, beginning of year			<u>209,253</u>		<u>197,604</u>
Fund balance, end of year			<u>\$ 37,999</u>		<u>\$ 209,253</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, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
Interest on investments	\$ 6,000	\$ 6,000	\$ -	\$ (6,000)	\$ 7,446
Total local sources	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>	<u>7,446</u>
State sources					
Construction	<u>8,300,000</u>	<u>1,000,000</u>	<u>6,989,737</u>	<u>5,989,737</u>	<u>-</u>
Total state sources	<u>8,300,000</u>	<u>1,000,000</u>	<u>6,989,737</u>	<u>5,989,737</u>	<u>-</u>
Total revenues	<u>8,306,000</u>	<u>1,006,000</u>	<u>6,989,737</u>	<u>5,983,737</u>	<u>7,446</u>
Expenditures					
Support services					
Facilities acquisition and construction services					
Purchased services	725,000	725,000	711,430	13,570	100,940
Capital outlay	<u>6,525,000</u>	<u>4,925,000</u>	<u>2,713,855</u>	<u>2,211,145</u>	<u>17,798,220</u>
Total	<u>7,250,000</u>	<u>5,650,000</u>	<u>3,425,285</u>	<u>2,224,715</u>	<u>17,899,160</u>
Total support services	<u>7,250,000</u>	<u>5,650,000</u>	<u>3,425,285</u>	<u>2,224,715</u>	<u>17,899,160</u>
Total expenditures	<u>7,250,000</u>	<u>5,650,000</u>	<u>3,425,285</u>	<u>2,224,715</u>	<u>17,899,160</u>
Excess (deficiency) of revenues over expenditures	<u>1,056,000</u>	<u>(4,644,000)</u>	<u>3,564,452</u>	<u>8,208,452</u>	<u>(17,891,714)</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, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Other financing sources					
Transfer from Operations and Maintenance Fund	<u>\$ 1,327,499</u>	<u>\$ 1,000,000</u>	<u>\$ 711,902</u>	<u>\$ (288,098)</u>	<u>\$ 500,000</u>
Total other financing sources	<u>1,327,499</u>	<u>1,000,000</u>	<u>711,902</u>	<u>(288,098)</u>	<u>500,000</u>
Net change in fund balance	<u>\$ 2,383,499</u>	<u>\$ (3,644,000)</u>	4,276,354	<u>\$ 7,920,354</u>	(17,391,714)
Fund balance (deficit), beginning of year			<u>(5,712,105)</u>		<u>11,679,609</u>
Fund deficit, end of year			<u>\$ (1,435,751)</u>		<u>\$ (5,712,105)</u>

(Concluded)

Mundelein Consolidated High School District 120
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
For the Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Assets				
Cash and cash equivalents	\$ 353,007	\$ 953,659	\$ 904,591	\$ 402,075
Total assets	\$ 353,007	\$ 953,659	\$ 904,591	\$ 402,075
Liabilities				
Due to student groups				
Band Camp	\$ 5,700	\$ 16,095	\$ 15,840	\$ 5,955
Baseball Camp	60	4,860	-	4,920
Basketball Camp - Boys	14,682	10,466	16,069	9,079
Cheerleading Camp	-	20,488	13,780	6,708
Dance Team Camp	1,230	6,544	7,073	701
Football Camp	18,214	19,853	22,803	15,264
Basketball Camp - Girls	7,120	5,154	8,563	3,711
Softball Camp	2,638	3,610	2,638	3,610
Gymnastics Camp	1,060	2,050	1,060	2,050
Lacrosse Camp	600	1,060	1,225	435
Soccer Camp - Both	5,688	9,355	10,483	4,560
Tennis Camp	2,204	2,280	3,034	1,450
Volleyball Camp - Both	5,516	5,530	5,300	5,746
Wrestling Camp	1,393	1,350	1,393	1,350
Swimming Camp - Both	-	8,560	-	8,560
Cross Country - Both	2,550	2,650	2,550	2,650
Diving Camp	305	35	340	-
Golf Camp - Girls	121	-	63	58
Vocal Music Camp	2,600	-	-	2,600
Throw Camp	240	-	-	240
Gymnastics Camp - Boys	1,110	-	1,110	-
Track - Speed Camp	160	-	-	160
Water Polo Camp - Boys	3,535	3,300	3,885	2,950
Water Polo Camp - Girls	2,100	3,646	3,415	2,331
Water Polo Camp - Youth	600	680	1,280	-
Flags Camp	50	200	-	250
Volleyball - Fundraiser	60	6,134	4,682	1,512
Lacrosse Camp - Girls	1,120	830	1,320	630
Gymnastics Bob Bohl Invite	10,890	7,335	13,160	5,065
Soccer Sectionals - Girls	100	-	-	100
Basketball - Thanksgiving - Boys	13,193	4,664	11,492	6,365
Basketball - Girls - Holiday	13,865	-	13,765	100

(Continued)

Mundelein Consolidated High School District 120
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
For the Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Liabilities (Continued)				
Due to student groups (Continued)				
Basketball - Girls - Thanksgiving	\$ 3,534	\$ 4,504	\$ 3,756	\$ 4,282
Golf - Boys - JV Invite	1,003	2,340	102	3,241
Golf - Boys - JV Quad	-	600	-	600
Golf - Boys - Varsity Invite	-	3,270	375	2,895
Golf - Girls - Varsity Invite	(1,840)	1,940	-	100
Gymnastics - Girls - JV Invite	3,085	980	3,343	722
Gymnastics - Girls - Lake County	2,971	-	2,871	100
Soccer - Girls - JV Squad	-	300	-	300
Tennis - Boys - Mustang Invite	-	90	-	90
NCS Tournament	-	1,680	174	1,506
Waterpolo - Both - P/L Invite	5,810	1,650	5,911	1,549
Waterpolo - Girls - Mini	1,200	450	1,100	550
Golf - Boys - Hawthorn Invite	-	245	-	245
IHSA Tournament - Girls	44	2,400	1,573	871
IHSA Tournament - Boys	142	4,220	3,172	1,190
Dance Invite	4,859	9,150	5,659	8,350
Academic Scholarship	3,925	-	2,982	943
AP Exams	20,814	69,441	80,500	9,755
Jerri Craven Memorial Fund	-	14,617	3,968	10,649
Student Assistance	2,851	51	908	1,994
Interact	986	-	181	805
Mustang Parent Club	2,650	9,168	10,525	1,293
Super Seniors	(668)	200	-	(468)
Interest Earned	1,519	2,413	2,472	1,460
Field Trips	2,077	12,412	12,057	2,432
MHS Booster Club	5,117	400	-	5,517
Staff Convenience Account	9,529	3,330	8,278	4,581
Coke Sponsorship Funding	13,260	5,000	9,940	8,320
Summer Reading	280	-	-	280
MHS Ceaf	648	1,615	-	2,263
PBIS	347	-	-	347
Poetry Slam Team	164	-	-	164
Lifesource Scholarship	4,826	3,750	3,000	5,576
Mundelein Art Fest Scholarship	1,500	2,000	3,000	500
T-shirt Purchase	(353)	649	47	249
Concession Sales	490	49,928	42,465	7,953
Leadercast	50	-	-	50

(Continued)

Mundelein Consolidated High School District 120
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
For the Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Liabilities (Continued)				
Due to student groups (Continued)				
Wellness University	\$ 3,182	\$ 16,216	\$ 4,640	\$ 14,758
Stem	-	200	-	200
F.B.L.A. - General	10,745	82,927	71,478	22,194
Art Club	192	-	86	106
Band General	13,668	12,305	21,171	4,802
Band Fundraiser	1,572	165,778	164,676	2,674
Broadcasting	2,373	2,996	3,200	2,169
Chess Club	22	-	-	22
Yearbook	4,055	226	608	3,673
Mock Trial	42	-	-	42
National Honor Society	473	2,315	2,354	434
Orchesis	1,198	2,555	2,525	1,228
Students Against Drunk Driving	336	-	-	336
Student Leadership	9,668	73,895	78,589	4,974
Thespians	17,026	22,058	32,093	6,991
Vocal Music	15,089	21,945	19,856	17,178
Activity Specials	12	-	-	12
Economics Club	1,383	22,956	22,390	1,949
Black Student Union	30	546	199	377
Gay-Straight Alliance	21	94	-	115
Best Buddies	829	-	158	671
Robotics Club	257	2,500	1,110	1,647
Temas Latinos	197	213	151	259
Pasos Latinos	305	750	578	477
Music Invite	9,640	6,940	661	15,919
Mundelein Superintendents	33	-	-	33
Stand Up Coalition	132	-	-	132
Click, Operation	773	2,000	390	2,383
Link Crew	108	-	-	108
MHS Drink Oasis	1,089	2,665	2,737	1,017
Newspaper	304	660	353	611
Live Life Healthy Club	248	-	-	248
Byte Club	201	-	72	129
Business Incubator	-	1,021	1,000	21
Asian Culture Club	-	170	30	140
Athletic Special	9,902	33,023	-	42,925
Athletic Special - Booster	10	-	-	10

(Continued)

Mundelein Consolidated High School District 120
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
For the Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Liabilities (Continued)				
Due to student groups (Continued)				
Baseball General	\$ 378	\$ 214	\$ -	\$ 592
Basketball General - Boys	490	20,578	14,984	6,084
Cross Country General	1,065	4,417	1,524	3,958
Gymnastics General - Boys	528	831	-	1,359
Soccer General - Boys	58	3,343	1,977	1,424
Swimming General - Boys	-	122	-	122
Tennis General - Boys	1,205	60	300	965
Track General - Boys	1,326	11,333	8,700	3,959
Volleyball General - Boys	523	641	1,013	151
Waterpolo General - Boys	519	1,522	-	2,041
Cheerleading General	-	17,850	17,156	694
Color Guard - Winter	1,152	4,052	4,216	988
Football General	1,059	14,601	13,558	2,102
Basketball General - Girls	3,485	8,838	9,826	2,497
Golf General - Girls	33	-	-	33
Gymnastics General - Girls	1,479	2,086	2,037	1,528
Soccer General - Girls	1,219	1,063	423	1,859
Softball General	4,025	7,167	8,757	2,435
Tennis General - Girls	1,379	357	-	1,736
Track General - Girls	433	3,606	2,976	1,063
Volleyball General - Girls	1,145	500	552	1,093
Waterpolo General - Girls	1,426	3,092	917	3,601
Golf General - Boys	727	-	-	727
Lacrosse General	1,173	505	-	1,678
Lacrosse General - Girls	910	5,247	1,497	4,660
Wrestling General	906	1,195	-	2,101
Swimming and Diving - Girls	214	379	240	353
Athletic Trainers	4,541	648	835	4,354
PE Leadership	40	1,321	1,340	21
Swimming and Diving - Boys	1,505	-	-	1,505
Soccer - Intramural	1,544	576	650	1,470
Dance Team - General	1,787	2,242	2,318	1,711
Triathlon Club	2,094	2,797	3,008	1,883
	<u>2,094</u>	<u>2,797</u>	<u>3,008</u>	<u>1,883</u>
Total liabilities	\$ <u>353,007</u>	\$ <u>953,659</u>	\$ <u>904,591</u>	\$ <u>402,075</u>

(Concluded)

OTHER SUPPLEMENTAL INFORMATION

Mundelein Consolidated High School District 120
OPERATING COSTS AND TUITION CHARGE
June 30, 2017 and 2016

Operating costs per pupil	<u>2017</u>	<u>2016</u>
Average Daily Attendance (ADA):	<u>2,076.68</u>	<u>1,943.05</u>
Operating costs:		
Educational	\$ 28,374,563	\$ 27,671,594
Operations and Maintenance	2,718,174	3,904,809
Debt Service	6,646,997	3,725,178
Transportation	1,343,417	1,873,081
Municipal Retirement/Social Security	1,080,673	1,035,593
Tort	<u>174,986</u>	<u>174,296</u>
Subtotal	<u>40,338,810</u>	<u>38,384,551</u>
Less Revenues/Expenditures of Non regular Programs:		
Payments to Other District and Govt Units	2,269,754	2,605,149
Adult education	609,445	502,577
Summer school	93,231	97,363
Community services	29,202	62,287
Capital outlay	625,453	2,822,478
Non-capitalized equipment	606,587	-
Debt principal retired	<u>5,790,000</u>	<u>2,760,000</u>
Subtotal	<u>10,023,672</u>	<u>8,849,854</u>
Operating costs	<u>\$ 30,315,138</u>	<u>\$ 29,534,697</u>
Operating costs per pupil - based on ADA	<u>\$ 14,598</u>	<u>\$ 15,200</u>
Tuition Charge		
Operating costs	\$ 30,315,138	\$ 29,534,697
Less - revenues from specific programs, such as special education or lunch programs	<u>3,250,782</u>	<u>2,993,132</u>
Net operating costs	27,064,356	26,541,565
Depreciation allowance	<u>2,476,795</u>	<u>2,182,104</u>
Allowance tuition costs	<u>\$ 29,541,151</u>	<u>\$ 28,723,669</u>
Tuition charge per pupil - based on ADA	<u>\$ 14,225</u>	<u>\$ 14,783</u>