

**Mundelein Consolidated High School  
District 120**

**Annual Financial Report**

**Year Ended June 30, 2019**

**Mundelein Consolidated High School District 120**  
 ANNUAL FINANCIAL REPORT  
 For the Year Ended June 30, 2019

**TABLE OF CONTENTS**

---

	<u>Page</u>
<b>Independent Auditors' Report</b>	1 - 4
<b>Management's Discussion and Analysis (Unaudited)</b>	5 - 13
<b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Position - Governmental Activities	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet - Governmental Funds	16 - 17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) - Governmental Funds	19 - 20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) of Governmental Funds to the Statement of Activities	21
Statement of Fiduciary Assets and Liabilities - Agency Fund	22
Notes to the Financial Statements	23 - 70
<b>Required Supplementary Information (Unaudited)</b>	
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund	71 - 72
Multiyear Schedule of Contributions - Illinois Municipal Retirement Fund	73
Multiyear Schedule of the District's Proportionate Share of Net Pension Liability - Teachers' Retirement System of the State of Illinois	74 - 75
Multiyear Schedule of District Contributions - Teachers' Retirement System of the State of Illinois	76 - 77
Multiyear Schedule of Changes in Total Other Postemployment Benefits (OPEB) Liability and Related Ratios Retiree Health Plan	78
Multiyear Schedule of the District's Proportionate Share of the Net Other Postemployment Benefit (OPEB) Liability - Teachers' Health Insurance Security Fund	79
Multiyear Schedule of District Contributions - Teachers' Health Insurance Security Fund	80
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund - Budgetary Basis	81 - 93

(Continued)

**Mundelein Consolidated High School District 120**  
ANNUAL FINANCIAL REPORT  
For the Year Ended June 30, 2019

**TABLE OF CONTENTS**

---

	<u>Page</u>
<b>Required Supplementary Information (Unaudited) (Continued)</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Operations and Maintenance Fund	94 - 95
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Transportation Fund	96 - 97
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Municipal Retirement/Social Security Fund	98 - 101
Notes to the Required Supplementary Information	102 - 107
<b>Supplementary Financial Information</b>	
General Fund	
Combining Balance Sheet	108
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	109
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Debt Service Fund	110 - 111
Schedule of Revenues, Expenditures, and Changes in Fund Deficits - Budget and Actual - Capital Projects Fund	112 - 113
Statement of Changes in Assets and Liabilities - Agency Fund - Student Activity Funds	114 - 118
<b>Other Supplemental Information (Unaudited)</b>	
Operating Costs and Tuition Charge	119

(Concluded)

# 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, 2019, 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, 2019, 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 71 through 77, the other postemployment benefits data on page 78 through 80, budgetary comparison schedules and notes to the required supplementary information on pages 81 through 107 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, 2019 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, 2019 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2019 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, 2019, is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2019.

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, 2018 (not presented herein), and have issued our report thereon dated January 16, 2019, 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, 2018 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 2018 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 2018 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, 2018.

---

***Other Information*** (Continued)

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 15, 2019 on our consideration of Mundelein Consolidated High School District 120's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mundelein Consolidated High School District 120's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



---

Certified Public Accountants

Deerfield, Illinois  
November 15, 2019

**Mundelein Consolidated High School District 120  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2019**

---

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, 2019. 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, 2019, the total assets and deferred outflows of the District exceeded its total liabilities and deferred inflows, resulting in a net position balance of \$19,102,288.
- The District's net position was \$22,776,243 as of June 30, 2018. The difference between the prior year balance and the current net position balance at June 30, 2019, of \$19,102,288 is \$3,673,955.
- At the close of the 2018-19 fiscal year, the District's governmental funds reported a combined ending fund balance of \$16,580,984, which reflects an increase of \$116,990 in comparison with the prior year. The combined fund balance was \$16,463,994, as of June 30, 2018.

**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, 2019**

---

**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, 2019**

---

**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 \$19,102,288 at the close of the most recent fiscal year. The unrestricted net deficit at June 30, 2019 was (\$16,427,713). This figure is \$3,153,465 less than the prior year unrestricted net position of (\$13,274,248).

**Mundelein Consolidated High School District 120  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2019**

**Government-Wide Financial Analysis (Continued)**

Total revenues for the District were \$54,570,204 in fiscal year 2019 (full accrual), an increase of \$1,224,179 from the prior fiscal year. The increase results primarily from receipt of school infrastructure grant revenues of \$838,544 from the State of Illinois.

Total expenditures on governmental activities for the District were \$58,244,159 in fiscal year 2019 (full accrual), an increase of \$5,064,512 from the prior fiscal year. This reflects a percentage increase of 9.5%. This increase was primarily due to the increase in expense from the prior year for regular program activities.

***Statement of Net Position***

***(Millions of dollars)***

	<u>2019</u>	<u>2018</u>
Current Assets	\$ 53.890	\$ 51.902
Capital Assets, net	48.571	50.765
Total Assets	102.461	102.667
Deferred outflows related to pensions and other postemployment benefits	3.200	2.076
Total Deferred Outflows	3.200	2.076
Current Liabilities	2.034	1.278
Long-term Liabilities	41.536	42.818
Total Liabilities	43.570	44.096
Property taxes levied for a future period	35.003	33.998
Deferred inflows related to pensions and other postemployment benefits	7.986	3.873
Total Deferred Inflows	42.989	37.871
Net investment in capital assets	32.792	32.472
Restricted	2.738	3.578
Unrestricted	(16.428)	(13.274)
Total Net Position	\$ 19.102	\$ 22.776

**Mundelein Consolidated High School District 120  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2019**

**Government-Wide Financial Analysis (Continued)**

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

	<u>2019</u>	<u>2018</u>
Revenues		
Program Revenues		
Charges for Services	\$ 0.897	\$ 0.798
Capital, Operating Grants and Contributions	16.032	15.942
<b>Total Program Revenues</b>	<b>16.929</b>	<b>16.740</b>
General Revenues		
Property Taxes	34.343	33.468
Replacement Taxes	0.324	0.292
Operating grants and contributions not restricted	2.025	1.970
Investment earnings	0.731	0.453
Miscellaneous	0.218	0.423
<b>Total General Revenues</b>	<b>37.641</b>	<b>36.606</b>
 <b>Total Revenue</b>	 <b>54.570</b>	 <b>53.346</b>
Expenses		
Instruction	40.804	37.322
Support Services	16.404	14.656
Community Services	0.043	0.054
Nonprogrammed Charges	0.465	0.514
Interest and Fees	0.528	0.634
<b>Total Expenses</b>	<b>58.244</b>	<b>53.180</b>
 <b>Change in Net Position</b>	 <b>\$ (3.674)</b>	 <b>\$ .166</b>

**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 \$16,580,984. The unassigned fund balance component is \$13,841,252 and the restricted fund balance component is \$2,739,732.

**Mundelein Consolidated High School District 120  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2019**

---

**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 2019, the Educational Account had a fund balance of \$13,115,996. The fund balance as of June 30, 2018 was \$13,605,031. This difference reflects a decrease in the fund balance of \$489,035.

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 2019, the Working Cash Account had a fund balance of \$732,650. The fund balance as of June 30, 2018 was \$712,790. This difference reflects an increase in the fund balance of \$19,860.

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 2019, the Tort Immunity and Judgment Account had a fund balance of \$7,093. The fund balance as of June 30, 2018 was \$97,704. The difference reflects a decrease in the fund balance of \$90,611.

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 2019, the Operations and Maintenance Fund had a fund balance of \$1,840,071. The fund balance as of June 30, 2018 was \$2,374,135. This difference reflects a decrease in the fund balance of \$534,064.

**Mundelein Consolidated High School District 120  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2019**

---

**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 2019, the Transportation Fund had a fund balance of \$760,482. The fund balance as of June 30, 2018 was \$973,413. This difference reflects a decrease in the fund balance of \$212,931.

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 2019, the Municipal Retirement/Social Security Fund had a deficit fund balance of \$7,394. The fund balance as of June 30, 2018 was \$92,689. The difference reflects a decrease in the fund balance of \$100,083.

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 2019, the Debt Service Fund had a fund balance of \$132,086. The fund balance as of June 30, 2018 was \$98,647. This difference reflects an increase in the fund balance of \$33,439. 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 2019, the Capital Projects Fund had a fund balance of \$0. The fund balance as of June 30, 2018 was a deficit of \$1,490,415. This difference reflects an increase in the fund balance of \$1,490,415.

**Mundelein Consolidated High School District 120  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2019**

---

**Financial Analysis of the District's Funds (Continued)**

The District's total revenues were \$49,525,967 (modified accrual). Approximately 73.5% of total governmental fund revenues come from local sources (property taxes, replacement taxes, interest, and other), 1.9% from federal sources, 8.8% from state sources, excluding TRS / THIS on-behalf contributions, and 15.8% 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).

**2018-19 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 2018, the Board adopted the 2018-19 Annual Budget (which was amended in June 2019). This was the eleventh straight year with a balanced or surplus budget.
- The 2018-19 budget included the first year of moving the Special Education Transition Program from outsourced to an in-house program.

**Capital Assets and Debt Administration**

Capital assets

As of June 30, 2019, the District had \$48.571 million invested in capital assets (net of depreciation), including land, construction in progress, buildings, improvements, and equipment. As of June 30, 2018, the District had \$50.765 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).

<b>Capital Assets (net of depreciation)</b> <i>(in thousands of dollars)</i>		
	<u><b>2019</b></u>	<u><b>2018</b></u>
Land & Construction in Progress	\$10.558	\$10.558
Buildings	34.906	36.780
Improvements Other Than Buildings	1.557	1.679
Equipment and Transportation		
Equipment	<u>1.550</u>	<u>1.748</u>
<b>Total</b>	<u><b>\$48.571</b></u>	<u><b>\$50.765</b></u>

**Mundelein Consolidated High School District 120  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2019**

**Capital Assets and Debt Administration** (Continued)

Long-term debt

As of June 30, 2019, the District had \$41.536 million in total long-term debt. This is a decrease of \$1.282 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:

<b>Outstanding Long-Term Debt</b> <i>(in thousands of dollars)</i>		
	<u>2019</u>	<u>2018</u>
General obligation bonds (including unamortized premiums)	\$16.686	\$19.522
Debt Certificates	1.130	1.335
Other Postemployment Benefits	18.371	18.414
Compensated Absences	0.005	0.011
IMRF Net Pension Obligation	3.448	1.814
TRS Net Pension Obligation	<u>1.896</u>	<u>1.722</u>
<b>TOTAL</b>	<b><u>\$41.536</u></b>	<b><u>\$42.818</u></b>

**Factors Bearing on the District's Future**

The District continues to enjoy good financial results. However, there are increased budget pressures coming from increased costs for special education and transportation. The District anticipates receiving more in federal IDEA grant dollars starting in FY2021 to help support our in-house special education programs.

For the past five years, the State has been considering legislative changes to the Teacher Retirement System pension which would push the cost of the pensions onto the school district. The District continues to monitor this closely as the potential impact to the District is significant.

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, 2019

**ASSETS**

Cash and investments	\$ 35,411,333
Receivables (net of allowance for uncollectibles):	
Interest	259,684
Property taxes	17,442,350
Replacement taxes	51,902
Intergovernmental	683,509
Other current assets	41,101
Capital assets:	
Land	10,557,916
Depreciable buildings, property, and equipment, net	<u>38,012,786</u>
Total assets	<u>102,460,581</u>

**DEFERRED OUTFLOW OF RESOURCES**

Deferred outflows related to pensions	2,337,870
Deferred outflows related to other postemployment benefits	<u>862,255</u>
Total deferred outflows	<u>3,200,125</u>

**LIABILITIES**

Accounts payable	996,706
Salaries and wages payable	834,125
Interest payable	51,367
Unearned revenue	151,926
Long-term liabilities:	
Due within one year	3,094,671
Due after one year	<u>38,441,039</u>
Total liabilities	<u>43,569,834</u>

**DEFERRED INFLOW OF RESOURCES**

Property taxes levied for a future period	35,003,180
Deferred inflows related to pensions	1,152,757
Deferred inflows related to other postemployment benefits	<u>6,832,647</u>
Total deferred inflows	<u>42,988,584</u>

**NET POSITION**

Net investment in capital assets	32,791,547
Restricted For:	
Operations and maintenance	1,859,875
Debt service	101,195
Student transportation	769,899
Tort immunity	7,485
Unrestricted	<u>(16,427,713)</u>
Total net position	<u>\$ 19,102,288</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, 2019

Functions / Programs	Expenses	PROGRAM REVENUES			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental activities					
Instruction:					
Regular programs	\$ 17,282,413	\$ 662,596	\$ 676,910	\$ -	\$ (15,942,907)
Special programs	6,816,152	-	807,970	-	(6,008,182)
Other instructional programs	3,925,760	93,380	266,529	-	(3,565,851)
State retirement contributions	12,779,535	-	12,779,535	-	-
Support services:					
Pupils	3,168,421	-	16,486	-	(3,151,935)
Instructional staff	1,062,555	-	77,992	-	(984,563)
General administration	1,000,034	-	-	-	(1,000,034)
School administration	2,342,309	-	-	-	(2,342,309)
Business	1,448,460	111,145	15,419	838,544	(483,352)
Transportation	1,731,830	-	552,490	-	(1,179,340)
Operations and maintenance	4,038,303	29,940	-	-	(4,008,363)
Central	1,612,069	-	-	-	(1,612,069)
Community services	42,821	-	-	-	(42,821)
Nonprogrammed charges -					
excluding special education	465,332	-	-	-	(465,332)
Interest and fees	528,165	-	-	-	(528,165)
Total governmental activities	<u>\$ 58,244,159</u>	<u>\$ 897,061</u>	<u>\$ 15,193,331</u>	<u>\$ 838,544</u>	<u>(41,315,223)</u>
General revenues:					
Taxes:					
					25,788,822
					5,308,366
					3,245,984
					324,401
					2,024,787
					730,816
					218,092
					<u>37,641,268</u>
					(3,673,955)
					22,776,243
					<u>\$ 19,102,288</u>

The accompanying notes are an integral part of this statement.

## Mundelein Consolidated High School District 120

Governmental Funds

BALANCE SHEET

June 30, 2019

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
<b>ASSETS</b>				
Cash and investments	\$ 27,660,794	\$ 4,118,990	\$ 1,238,041	\$ 570,318
Receivables (net of allowance for uncollectibles):				
Interest	197,860	21,735	10,335	7,281
Property taxes	13,104,063	1,526,454	553,319	576,837
Replacement taxes	51,902	-	-	-
Intergovernmental	519,714	26,999	136,796	-
Other current assets	38,704	-	-	2,397
Total assets	<u>\$ 41,573,037</u>	<u>\$ 5,694,178</u>	<u>\$ 1,938,491</u>	<u>\$ 1,156,833</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 167,483	\$ 771,027	\$ 58,196	\$ -
Salaries and wages payable	834,125	-	-	-
Unearned school fees	151,926	-	-	-
Total liabilities	<u>1,153,534</u>	<u>771,027</u>	<u>58,196</u>	<u>-</u>
<b>DEFERRED INFLOWS</b>				
Unavailable interest revenue	180,283	19,804	9,417	6,635
Unavailable grant revenue	86,343	-	-	-
Property taxes levied for a future period	26,297,138	3,063,276	1,110,396	1,157,592
Total deferred inflows	<u>26,563,764</u>	<u>3,083,080</u>	<u>1,119,813</u>	<u>1,164,227</u>
<b>FUND BALANCES</b>				
Restricted	7,093	1,840,071	760,482	-
Unassigned	13,848,646	-	-	(7,394)
Total fund balance	<u>13,855,739</u>	<u>1,840,071</u>	<u>760,482</u>	<u>(7,394)</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 41,573,037</u>	<u>\$ 5,694,178</u>	<u>\$ 1,938,491</u>	<u>\$ 1,156,833</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total
\$ 1,823,190	\$ -	\$ 35,411,333
22,473	-	259,684
1,681,677	-	17,442,350
-	-	51,902
-	-	683,509
-	-	41,101
<u>\$ 3,527,340</u>	<u>\$ -</u>	<u>\$ 53,889,879</u>
\$ -	\$ -	\$ 996,706
-	-	834,125
-	-	151,926
<u>-</u>	<u>-</u>	<u>1,982,757</u>
20,476	-	236,615
-	-	86,343
<u>3,374,778</u>	<u>-</u>	<u>35,003,180</u>
<u>3,395,254</u>	<u>-</u>	<u>35,326,138</u>
132,086	-	2,739,732
-	-	13,841,252
<u>132,086</u>	<u>-</u>	<u>16,580,984</u>
<u>\$ 3,527,340</u>	<u>\$ -</u>	<u>\$ 53,889,879</u>

**Mundelein Consolidated High School District 120**  
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
 FUNDS TO THE STATEMENT OF NET POSITION  
June 30, 2019

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

Total fund balances - governmental funds		\$ 16,580,984
--	--	---------------

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.		48,570,702
--	--	------------

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	\$ 1,967,185		
Deferred outflows of 2019 employer contributions related to pensions	<u>370,685</u>		2,337,870
Deferred inflows of resources related to pensions			(1,152,757)

Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to OPEB	\$ 699,578		
Deferred outflows of 2019 employer contributions related to OPEB	<u>162,677</u>		862,255
Deferred inflows of resources related to OPEB			(6,832,647)

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.		(51,367)
---	--	----------

Certain interest and grant receivables are not available to pay for current expenditures and are unavailable in the governmental funds.		322,958
---	--	---------

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.		<u>(41,535,710)</u>
---	--	---------------------

Net position - governmental activities		<u>\$ 19,102,288</u>
--	--	----------------------

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, 2019

	<u>General</u>	<u>Operations and Maintenance</u>	<u>Transportation</u>	<u>Municipal Retirement / SOC. SEC.</u>
<b>Revenues</b>				
Property taxes	\$ 25,856,067	\$ 3,177,206	\$ 941,426	\$ 1,122,489
Replacement taxes	307,112	-	-	17,289
State aid	10,760,500	26,999	552,490	-
Federal aid	935,317	-	-	-
Interest	479,667	52,615	24,983	17,721
Other	877,700	237,453	-	-
Total revenues	<u>39,216,363</u>	<u>3,494,273</u>	<u>1,518,899</u>	<u>1,157,499</u>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular programs	12,924,861	-	-	230,469
Special programs	4,478,109	-	-	185,179
Other instructional programs	3,174,124	-	-	200,100
State retirement contributions	7,836,723	-	-	-
<b>Support services:</b>				
Pupils	2,617,177	-	-	79,273
Instructional staff	931,586	-	-	33,577
General administration	804,120	-	-	127,897
School administration	2,037,552	-	-	78,443
Business	1,110,735	103,511	-	91,770
Transportation	-	-	1,731,830	-
Operations and maintenance	753,695	2,935,593	-	142,144
Central	1,144,488	-	-	88,590
Community services	42,319	-	-	140
Nonprogrammed charges	1,822,987	-	-	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	97,673	24,185	-	-
Total expenditures	<u>39,776,149</u>	<u>3,063,289</u>	<u>1,731,830</u>	<u>1,257,582</u>
Excess (deficiency) of revenues over expenditures	(559,786)	430,984	(212,931)	(100,083)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	(965,048)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(965,048)</u>	<u>-</u>	<u>-</u>
Net change in fund balance (deficit)	(559,786)	(534,064)	(212,931)	(100,083)
Fund balance (deficit), beginning of year	<u>14,415,525</u>	<u>2,374,135</u>	<u>973,413</u>	<u>92,689</u>
Fund balance (deficit), end of year	<u>\$ 13,855,739</u>	<u>\$ 1,840,071</u>	<u>\$ 760,482</u>	<u>\$ (7,394)</u>

The accompanying notes are an integral part of this statement.

	Debt Service	Capital Projects	Total
\$	3,245,984	\$ -	\$ 34,343,172
	-	-	324,401
	-	838,544	12,178,533
	-	-	935,317
	54,405	-	629,391
	-	-	1,115,153
	<u>3,300,389</u>	<u>838,544</u>	<u>49,525,967</u>
	-	-	13,155,330
	-	-	4,663,288
	-	-	3,374,224
	-	-	7,836,723
	-	-	2,696,450
	-	-	965,163
	-	-	932,017
	-	-	2,115,995
	-	4,152	1,310,168
	-	-	1,731,830
	-	-	3,831,432
	-	-	1,233,078
	-	-	42,459
	-	-	1,822,987
	2,915,000	-	2,915,000
	660,975	-	660,975
	-	-	121,858
	<u>3,575,975</u>	<u>4,152</u>	<u>49,408,977</u>
	(275,586)	834,392	116,990
	309,025	656,023	965,048
	-	-	(965,048)
	<u>309,025</u>	<u>656,023</u>	<u>-</u>
	33,439	1,490,415	116,990
	98,647	(1,490,415)	16,463,994
\$	<u>132,086</u>	<u>\$ -</u>	<u>\$ 16,580,984</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, 2019

---

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

Net change in fund balances - total governmental funds	\$	116,990
--	----	---------

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 depreciation expense exceeds capital outlay in the current period.

		(2,194,104)
--	--	-------------

Changes in deferred outflows and inflows of resources related to other postemployment benefits are reported only in the statement of activities:

Deferred outflows and inflows of resources related to RHP OPEB		8,211
Deferred outflows and inflows of resources related to THIS OPEB		(4,736,063)

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

Deferred outflows and inflows of resources related to IMRF pension		1,572,459
Deferred outflows and inflows of resources related to TRS pension		167,459

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.

		7,042
--	--	-------

Certain interest and grant revenues included in the statement of activities do not provide current financial resources and, therefore, are deferred in the fund statements.

		101,425
--	--	---------

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. Additionally, governmental funds report the effect of premiums and discounts when debt is issued. However, these amounts are deferred and amortized in the Statement of Activities.

		<u>1,282,626</u>
--	--	------------------

Change in net position - governmental activities	\$	<u><u>(3,673,955)</u></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, 2019

---

	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	<u>\$ 409,108</u>
LIABILITIES	
Due to student groups	<u>\$ 409,108</u>

The accompanying notes are an integral part of this statement.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### 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 the funds of the District, as there are no organizations for which it has financial accountability.

The District is not included as a component unit in any other governmental reporting entity, as defined by the 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 project fund). 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.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2. Fund Accounting (Continued)

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 and are accounted for under the accrual basis of accounting.

#### 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, intergovernmental revenues and local fees.

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 expenditures of these monies is for risk management activities.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### b. Special Revenue Funds

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

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

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

*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 grant proceeds, and 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, 2019

---

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### e. Fiduciary Fund (Continued)

*Student Activity Funds (Agency Fund)* - 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. As of June 30, 2019, the District has no nonspendable fund balance.
- 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, 2019, 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, 2019, the District has no assigned fund balance.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### 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, 2019 are as follows:

The restricted fund balance in the General Fund is comprised of \$7,093, 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.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property taxes, personal property replacement taxes, interest, and intergovernmental revenue associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. The District defers property taxes collected in the current year related to the most recent tax levy. All other revenue items are considered to be measurable and available only when cash is received by the District.

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 a future period. At June 30, 2019, the District has deferred outflows of resources related to pensions and other postemployment benefits. 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 a future reporting period. At June 30, 2019, the District reported deferred inflows of resources related to pensions, other postemployment benefits, property taxes levied for a future period, and unavailable grant and interest revenue.

#### 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 contributions from the State of Illinois for the employer's share of the Teacher's Retirement System Pension (see budget reconciliation in the Notes to the Required Supplementary Information). 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.



# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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.

#### 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

#### 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, 2019, accumulated unpaid vacation pay was \$4,671. Future payments will be made from the same fund where the employee's salary is recorded.

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

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 11. Accumulated Unpaid Vacation and Sick Pay (Continued)

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.

#### 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 straight line 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, whether or not withheld from the actual proceeds received, and losses on refunding are reported as debt service expenditures.

#### 13. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension liability and other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to pensions and other post employment benefits (OPEB), and pension expense, information about the fiduciary net position of the pension/OPEB plan and additions to/deductions from the pension/OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB 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 stated 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.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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. The District's restricted net position was restricted as a result of 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.

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

#### 1. Explanation of Certain Differences Between the Governmental 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	\$ (13,830,000)
Capital appreciation bonds	(1,974,829)
Unamortized premium	(881,785)
Debt certificates	(1,130,000)
IMRF net pension liability	(3,447,589)
TRS net pension liability	(1,896,088)
RHP total other postemployment benefit	(400,108)
THIS net other postemployment benefit liability	(17,970,640)
Compensated absences	<u>(4,671)</u>
Net adjustment to decrease total fund balances - governmental funds to arrive at net position - governmental activities	<u>\$ (41,535,710)</u>

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### 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

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	\$ 106,136
Depreciation expense	<u>(2,300,240)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	<u>\$ (2,194,104)</u>

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

Principal repayments	
General obligation bonds	\$ 2,710,000
Debt certificates	205,000
Accretion on general obligation bonds	(115,205)
Amortization of bond premium	240,973
IMRF pension expense (net change)	(1,633,334)
TRS pension expense (net change)	(173,566)
RHP other postemployment benefit expense (net change)	9,336
THIS other postemployment benefit expense (net change)	33,447
Compensated absences (net change)	<u>5,975</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	<u>\$ 1,282,626</u>

**Mundelein Consolidated High School District 120**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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.

At June 30, 2019, the District's cash and investments consisted of the following:

	<u>Government- wide</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ 35,411,333	\$ 409,108	\$ 35,820,441

For disclosure purposes, this amount is classified into three components as follows:

	<u>Total</u>
Deposits with financial institutions*	\$ 22,278,111
Illinois School District Liquid Asset Fund Plus (ISDLAF+)	12,558,330
Other investments	<u>984,000</u>
	<u>\$ 35,820,441</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.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

### NOTE C - DEPOSITS AND INVESTMENTS (Continued)

#### 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.

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
Negotiable certificates of deposit	\$ 984,000	\$ -	\$ 984,000	\$ -	\$ -

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

		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
ISDLAF+	\$ 12,558,330	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 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, 2019

---

### 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 providing that all deposits in excess of FDIC insurable limits may be secured by collateral to protect against an event of default or failure of the financial institution holding the funds. At June 30, 2019, the bank balances of the District's deposits with financial institutions totaling \$23,535,000 were fully insured or collateralized. The District's investment instruments are either held by the District or by the District's agent.

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 11, 2018. 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 2018 tax levy was \$1,390,284,733.

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 portion of the 2018 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectible amounts of 1%. The District considers that the 2018 levy is to be used to finance operations in fiscal 2020. Therefore, the entire 2018 levy, including amounts collected in fiscal 2019, has been reported as property taxes levied for a future period in the accompanying financial statements.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### 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/financial/cafrs/fy2018](http://www.trsil.org/financial/cafrs/fy2018); by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

###### *Benefits Provided*

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 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, 2019

---

### NOTE E - PENSION LIABILITIES (Continued)

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

##### *Benefits Provided* (Continued)

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.

##### *Contributions*

The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 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, 2018, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

##### On-behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2019, 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 expenses of \$12,198,811 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$7,617,463 in the General Fund based on the current financial resources measurement basis.

##### 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, 2019, were \$102,557 and are deferred because they were paid after the June 30, 2018 measurement date.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### NOTE E - PENSION LIABILITIES (Continued)

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

##### *Contributions* (Continued)

##### Federal and Special Trust Fund Contributions

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

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

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$36,677 were paid from federal and special trust funds that required employer contributions of \$3,613.

##### 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 District is 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. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

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, 2019, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$0 for salary increases in excess of 3 percent, and \$0 for sick leave days granted in excess of the normal annual allotment.

**Mundelein Consolidated High School District 120**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

**NOTE E - PENSION LIABILITIES** (Continued)

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

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

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 1,896,088
State's proportionate share of the net pension liability associated with the District	<u>129,889,990</u>
Total	<u><u>\$ 131,786,078</u></u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. 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, 2018, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was 0.0024326027 percent, which was a increase of 0.0001779378 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized the following pension expense/expenditures and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - revenue and expense/expenditure	\$ 12,198,811	\$ 7,617,463
District TRS pension expense	<u>110,759</u>	<u>102,557</u>
Total TRS expense/expenditure	<u><u>\$ 12,309,570</u></u>	<u><u>\$ 7,720,020</u></u>

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

### 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)**

At June 30, 2019, 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	\$ 38,108	\$ 413
Change of assumptions	83,162	53,739
Net difference between projected and actual earnings on pension plan investments	-	5,806
Changes in proportion and differences between District contributions and proportionate share of contributions	239,072	338,645
Total deferred amounts to be recognized in pension expense in future periods	360,342	398,603
District contributions subsequent to the measurement date	102,557	-
	\$ 462,899	\$ 398,603

The District reported \$102,557 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. 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 Inflows (Outflows) of Resources
2020	\$ (33,695)
2021	3,217
2022	87,302
2023	(6,594)
2024	(11,969)
	\$ 38,261

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### 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, 2018 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

In the June 30, 2018 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2017 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

The long-term (20-year) 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, 2019

---

### 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	15.0	6.7 %
U.S. equities small/mid cap	2.0	7.9
International equities developed	13.6	7.0
Emerging market equities	3.4	9.4
U.S. bonds core	8.0	2.2
U.S. bonds high yield	4.2	4.4
International debt developed	2.2	1.3
Emerging international debt	2.6	4.5
Real estate	16.0	5.4
Commodities (real return)	4.0	1.8
Hedge funds (absolute return)	14.0	3.9
Private equity	15.0	10.2
Total	<u>100.00 %</u>	

##### Discount Rate

At June 30, 2018, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2017 rate. 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.

Based on those assumptions, TRS's fiduciary net position at June 30, 2018 was 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. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### 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)

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the net pension liability	\$ <u>2,325,373</u>	\$ <u>1,896,088</u>	\$ <u>1,550,385</u>

##### TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2018 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

#### 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](http://www.imrf.org).

##### **Benefits Provided**

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP).

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### NOTE E - PENSION LIABILITIES (Continued)

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

##### **Benefits Provided** (Continued)

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.

##### **Employees Covered by Benefit Terms**

As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	92
Inactive plan members entitled to but not yet receiving benefits	107
Active plan members	98
	<hr/>
Total	297
	<hr/> <hr/>



**Mundelein Consolidated High School District 120**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

**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 2018 was 12.15%. For the fiscal year ended June 30, 2019 the District contributed \$519,649 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, 2018. 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, 2018:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2014-2017.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

**Actuarial Assumptions** (Continued)

Mortality

For non-disabled retirees, the IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projections scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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
Equities	37%	(6.08%)
International equities	18%	(14.16%)
Fixed income	28%	(0.28%)
Real estate	9%	8.36%
Alternative investments	7%	4.75% - 12.40%
Cash equivalents	1%	2.50%
Total	100%	

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### NOTE E - PENSION LIABILITIES (Continued)

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

##### **Single Discount Rate**

A Single Discount Rate of 7.25% 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 pension plan investments is 7.25%, the municipal bond rate is 3.71% (based on the daily rate closest to but not later than the measurement date of the "20-Year Municipal GO AA index"), and the resulting single discount rate is 7.25%.

**Mundelein Consolidated High School District 120**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

**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, 2018:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 12,830,816	\$ 11,016,561	\$ 1,814,255
Changes for the year:			
Service cost	371,621	-	371,621
Interest on the total pension liability	949,548	-	949,548
Difference between expected and actual experience of the total pension liability	28,812	-	28,812
Changes of assumptions	361,967	-	361,967
Contributions - employer	-	508,286	(508,286)
Contributions - employees	-	193,151	(193,151)
Net investment income (loss)	-	(590,867)	590,867
Benefit payments, including refunds of employee contributions	(711,966)	(711,966)	-
Other (net transfer)	-	(31,956)	31,956
Net changes	<u>999,982</u>	<u>(633,352)</u>	<u>1,633,334</u>
Balances at December 31, 2018	\$ <u>13,830,798</u>	\$ <u>10,383,209</u>	\$ <u>3,447,589</u>

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, 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 (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net pension liability	\$ <u>5,080,461</u>	\$ <u>3,447,589</u>	\$ <u>2,092,778</u>

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### 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, 2019 the District recognized pension expense of \$589,545. At June 30, 2019, the District reported, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension		
Expense in Future Periods		
Differences between expected and actual experience	\$ 84,446	\$ -
Change of assumptions	244,575	160,003
Net difference between projected and actual earnings on pension plan investments	<u>1,277,822</u>	<u>594,151</u>
 Total deferred amounts to be recognized in pension expense in the future periods	 <u>1,606,843</u>	 <u>754,154</u>
 Pension contributions made subsequent to the measurement date	 <u>268,128</u>	 <u>-</u>
 Total deferred amounts related to pensions	 <u>\$ 1,874,971</u>	 <u>\$ 754,154</u>

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### 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** (Continued)

The District reported \$268,128 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020.

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>
2020	\$ 262,933
2021	211,029
2022	95,623
2023	283,104
2024	<u>-</u>
Total	<u>\$ 852,689</u>

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

### 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	\$ 102,557	\$ 268,128	\$ 370,685
Experience	38,108	84,446	122,554
Assumptions	83,162	244,575	327,737
Proportionate share	239,072	-	239,072
Investments	-	1,277,822	1,277,822
	<u>\$ 462,899</u>	<u>\$ 1,874,971</u>	<u>\$ 2,337,870</u>
Net pension liability	<u>\$ 1,896,088</u>	<u>\$ 3,447,589</u>	<u>\$ 5,343,677</u>
Pension expense	<u>\$ 12,309,570</u>	<u>\$ 589,545</u>	<u>\$ 12,899,115</u>
Deferred inflows of resources:			
Investments	\$ 5,806	\$ 594,151	\$ 599,957
Experience	413	-	413
Assumptions	53,739	160,003	213,742
Proportionate share	338,645	-	338,645
	<u>\$ 398,603</u>	<u>\$ 754,154</u>	<u>\$ 1,152,757</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, 2019

---

### NOTE F - OTHER POSTEMPLOYMENT BENEFITS

#### 1. Teachers' Health Insurance Security (THIS)

##### **General Information about the Other Postemployment Plan**

###### *Plan Description*

The District participates in the Teacher Health Insurance Security Fund (THIS), 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 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 publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

###### *Benefits Provided*

The 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.

###### *Contributions*

###### On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. In the fund financial statements, the State contributions are intended to match contributions to the THIS Fund from active members, which were 1.24 percent of pay during the year ended June 30, 2019. In the government-wide financial statements, State of Illinois contributions also include a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate). For the year ended June 30, 2019, the District recognized revenue and expenses of \$580,724 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$219,260 in the General Fund based on the current financial resources measurement basis for State of Illinois contributions on behalf of the District's employees.



# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### 1. Teachers' Health Insurance Security (THIS) (Continued)

##### **General Information about the Other Postemployment Plan** (Continued)

##### *Contributions* (Continued)

##### District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the District paid \$162,677 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2018 measurement date.

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.

##### **Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2019, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state OPEB 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 OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 17,970,640
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>24,130,694</u>
Total	<u><u>\$ 42,101,334</u></u>

\* The State's proportionate share of the net OPEB liability (NOL) associated with the District is not available in the actuarial report and therefore the amount reported above is an estimate calculated by allocating the State's total NOL for the entire plan (per the actuary) based on the District's proportionate share of the NOL to all the school districts participating in the Plan. Additionally, the amounts included below related to sensitivity of the healthcare rate, discount rate and amortization of deferred inflows and outflows are based on a similar allocation methodology.

**Mundelein Consolidated High School District 120**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

**Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2018, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2018, the District's proportion was 0.068210 percent, which was a decrease of 0.018051 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contributions - OPEB revenue and expense/expenditure	\$ 580,724	\$ 219,260
District OPEB pension expense	<u>467,523</u>	<u>162,677</u>
Total OPEB expense/expenditure	<u>\$ 1,048,247</u>	<u>\$ 381,937</u>

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

**NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

1. **Teachers' Health Insurance Security (THIS) (Continued)**

**Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 64,479
Change of assumptions	-	2,616,827
Net difference between projected and actual earnings on OPEB plan investments	-	552
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>692,043</u>	<u>4,111,063</u>
Total deferred amounts to be recognized in OPEB expense in future periods	<u>692,043</u>	<u>6,792,921</u>
District contributions subsequent to the measurement date	<u>162,677</u>	<u>-</u>
Total deferred amounts related to OPEB	<u>\$ 854,720</u>	<u>\$ 6,792,921</u>

The District reported \$162,677 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2020. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending June 30:</u>	<u>Net Deferred Inflows of Resources</u>
2020	\$ 974,127
2021	974,127
2022	974,127
2023	974,078
2024	973,977
Thereafter	<u>1,230,442</u>
Total	<u>\$ 6,100,878</u>

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### 1. Teachers' Health Insurance Security (THIS) (Continued)

#### **Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

##### Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you basis. Contribution rates are defined by statute. For fiscal year end June 30, 2018, contribution rates are 1.18% of pay for active members, 0.88% of pay for school districts, and 1.18% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Model	Market Value
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.75 percent
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP- 2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### 1. Teachers' Health Insurance Security (THIS) (Continued)

#### **Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

##### Actuarial Assumptions (Continued)

Healthcare Trend Rate	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

##### Discount Rate

The State, the District and active members contribute 1.18 percent, 0.88 percent, 1.18 percent of pay, respectively for fiscal year 2018. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.56 percent at June 30, 2017, and 3.62 percent at June 30, 2018, was used to measure the total OPEB liability. The increase in the single discount rate, from 3.56 percent to 3.62 percent, caused the total OPEB liability for the entire plan to decrease by approximately \$285 million as of June 30, 2018.

##### Investment Return

During plan year end June 30, 2018, the trust earned \$743,000 in interest, and due to benefit payables, the market value of assets at June 30, 2018, is a negative \$9.23 million. Given the benefit payable, negative asset value and pay-as-you-go funding policy, the investment return assumption was set to zero.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

**NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

1. **Teachers' Health Insurance Security (THIS) (Continued)**

**Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Money-Weighted Rate of Return

The annual money-weighted rate of return was estimated based on monthly investment performance, net of investment expenses, adjusted for changing amounts actually invested. The annual money-weighted rate of return was 1.301% for plan year end June 30, 2018, and 0.678% for plan year end June 30, 2017.

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.62 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current rate:

	1% Decrease (2.62%)	Current Discount (3.62%)	1% Increase (4.62%)
District's proportionate share of the net OPEB liability	\$ 21,607,639	\$ 17,970,640	\$ 15,099,538

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Trend Rate

The following table shows the District's net OPEB liability as of June 30, 2018, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.86% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

	1% Decrease*	Current Healthcare Trend Rate	1% Increase**
District's proportionate share of the net OPEB liability	\$ 14,571,279	\$ 17,970,640	\$ 22,550,395

\* One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate trend rate of 3.86% in 2026, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### 1. Teachers' Health Insurance Security (THIS) (Continued)

#### **Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

#### Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Trend Rate (Continued)

\*\* One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.86% in 2026, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

#### 2. Retiree Health Plan (RHP)

##### **Plan Description**

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The benefits, benefit levels, employee contributions and employer contributions are governed by the District and may be amended by the District through its employment contracts. The plan does not issue a separate financial report.

##### **Benefits Provided**

The plan provides the ability for retirees and their spouses to access the District's group health insurance plan during retirement, provided they are on the group health insurance plan at the time of retirement. To be eligible, certified employees and administrators must have at least 20 years of service with the District. For medical coverage, employees receive a reimbursement for their Teachers' Retirement Insurance Program ("TRIP") health insurance premium for the first two years following retirement. In order to receive the bonus, a receipt of the premium payments must be provided to the District for reimbursement up to \$2,750 per year. To be eligible, IMRF employees must meet the IMRF requirements for participation. For medical coverage, employees and dependents may continue coverage into retirement on the District medical plan on a pay-all basis.

**Mundelein Consolidated High School District 120**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

**NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

2. Retiree Health Plan (RHP) (Continued)

**Employees Covered by Benefit Terms**

As of June 30, 2018 (most recent information available), the following employees were covered by the benefit terms:

Actives fully eligible to retire	246
Actives not yet fully eligible to retire	-
Retirees	<u>5</u>
 Total	 <u><u>251</u></u>

**Contributions**

Retirees under the age of 65 contribute the full active employee equivalent rate. Retirees have the option of choosing from an HMO or PPO plan through the District. Premiums for the plan are set by the Board of Education. Currently, the District contributes 0 percent to 100 percent to postemployment benefits, which varies for different employee groups. For fiscal year 2019, the District contributed \$0 toward the cost of the postemployment benefits for retirees, which was 0.0% of covered payroll.

**Total OPEB Liability**

The District's total OPEB liability was measured as of June 29, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The total OPEB liability, after considering the share of benefit-related costs with inactive Plan members, was determined by an actuarial valuation performed as of July 1, 2017 using the following actuarial methods and assumptions:

Actuarial valuation date	July 1, 2017
Measurement date	June 29, 2018
Actuarial cost method	Entry Age Normal
 Actuarial assumptions:	
Inflation	3.00%
Discount rate	2.98%
Salary rate increase	4.00%
Healthcare trend rate	4.50% for all years - HMO 5.00% initial - PPO 4.50% ultimate - PPO



# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### 2. Retiree Health Plan (RHP) (Continued)

##### **Total OPEB Liability** (Continued)

Mortality rates	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.
Election at retirement	100% of Certified Employees & Administrators are assumed to elect the District's TRIP contribution at retirement. 20% of IMRF employees are assumed to elect coverage continuation on the District plans at retirement.
Marital status	40% of IMRF employees electing coverage continuation are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.

##### **Discount Rate**

The District does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 2.79% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2019.

##### **Changes in the Total OPEB Liability**

The following table shows the components of the change in the District's net OPEB liability for the fiscal year ended June 30, 2019 based upon a rollforward actuarial valuation from the actuarial valuation performed July 1, 2017 to the fiscal year end:

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

### NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### 2. Retiree Health Plan (RHP) (Continued)

#### Changes in the Total OPEB Liability (Continued)

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2018	\$ 409,444	\$ -	\$ 409,444
Changes for the year:			
Service cost	22,726	-	22,726
Interest on the total OPEB liability	11,479	-	11,479
Difference between the expected and actual experience of the total OPEB liability	-	-	-
Changes of assumptions and other inputs	5,133	-	5,133
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including the implicit rate subsidy	(48,469)	-	(48,469)
Other changes	(205)	-	(205)
Net changes	<u>(9,336)</u>	<u>-</u>	<u>(9,336)</u>
Balance at June 30, 2019	<u>\$ 400,108</u>	<u>\$ -</u>	<u>\$ 400,108</u>

In 2019 changes in assumptions related to the discount rate changed from 2.98% to 2.79% and changes to the healthcare trend rate to reflect recent healthcare trend rate surveys, blended with the long-term rates from the Getzen model published by the Society of Actuaries.

#### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 2.79%, as well as what the plan's total OPEB 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 (1.79%)	Current Discount Rate (2.79%)	1% Higher (3.79%)
Total OPEB liability	\$ 428,239	\$ 400,108	\$ 373,886

**Mundelein Consolidated High School District 120**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

**NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

2. **Retiree Health Plan (RHP) (Continued)**

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate**

The following presents the plan's net OPEB liability, calculated using a Healthcare Trend Rate range of 4.50%-5.00%, as well as what the plan's net OPEB liability would be if it were calculated using a Healthcare Trend Rate range that is 1% lower or 1% higher than the current range:

	1% Lower <u>(3.50%-4.00%)</u>	Current Healthcare Rate <u>(4.50%-5.00%)</u>	1% Higher <u>(5.50%-6.00%)</u>
Total OPEB liability	\$ 381,197	\$ 400,108	\$ 422,480

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019 the District recognized OPEB expense of \$30,922. At June 30, 2019, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

Deferred Amounts Related to OPEB	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ -
Change in assumptions	7,535	39,726
Net difference between projected and actual earnings on OPEB plan investments	<u>-</u>	<u>-</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	\$ <u>7,535</u>	\$ <u>39,726</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

**NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

2. **Retiree Health Plan (RHP) (Continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Year Ended June 30,	Net Deferred Inflows of Resources
2020	\$ 3,283
2021	3,283
2022	3,283
2023	3,283
2024	3,283
Thereafter	15,776
Total	\$ 32,191

3. **Summary of OPEB Items**

Below is a summary of the various OPEB items at June 30, 2019:

	THIS	RHP	Total
Deferred outflows of resources			
Employer contributions	\$ 162,677	\$ -	\$ 162,677
Assumptions	-	7,535	7,535
Proportionate share	692,043	-	692,043
	\$ 854,720	\$ 7,535	\$ 862,255
OPEB liability	\$ 17,970,640	\$ 400,108	\$ 18,370,748
Deferred inflows of resources:			
Assumptions	\$ 2,616,827	\$ 39,726	\$ 2,656,553
Experience	64,479	-	64,479
Investments	552	-	552
Proportionate share	4,111,063	-	4,111,063
	\$ 6,792,921	\$ 39,726	\$ 6,832,647

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

### NOTE G - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Increases / Transfers	Decreases / Transfers	Balance June 30, 2019
Capital assets, not being depreciated				
Land	\$ 10,557,916	\$ -	\$ -	\$ 10,557,916
Capital assets, being depreciated				
Buildings	63,670,324	-	-	63,670,324
Improvements other than buildings	3,278,277	-	-	3,278,277
Equipment	7,657,404	106,136	-	7,763,540
Transportation equipment	308,822	-	-	308,822
Total capital assets, being depreciated	74,914,827	106,136	-	75,020,963
Less accumulated depreciation for:				
Buildings	26,890,708	1,873,955	-	28,764,663
Improvements other than buildings	1,598,880	122,726	-	1,721,606
Equipment	5,938,622	295,728	-	6,234,350
Transportation equipment	279,727	7,831	-	287,558
Total accumulated depreciation	34,707,937	2,300,240	-	37,008,177
Total capital assets being depreciated, net	40,206,890	(2,194,104)	-	38,012,786
Governmental activities capital assets, net	\$ 50,764,806	\$ (2,194,104)	\$ -	\$ 48,570,702

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

Governmental activities	
General Government	
Regular programs	\$ 1,725,179
Business services	23,001
Operations and maintenance	184,017
Central	368,043
	\$ 2,300,240

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

### NOTE H - LONG-TERM LIABILITIES

#### 1. Changes in General Long-term Liabilities

During the year ended June 30, 2019, changes in long-term liabilities were as follows:

	<u>Balance</u> <u>July 1, 2018</u>		<u>Accretion /</u> <u>Additions</u>		<u>Reductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Bonds payable:						
General obligation bonds	\$ 15,830,000	\$	-	\$	2,000,000	\$ 13,830,000
Capital appreciation bonds	2,569,624		115,205		710,000	1,974,829
Add unamortized premium	1,122,758		-		240,973	881,785
Debt certificates	1,335,000		-		205,000	1,130,000
IMRF net pension liability	1,814,255		2,334,771		701,437	3,447,589
TRS net pension liability	1,722,522		317,673		144,107	1,896,088
RHP total other postemployment benefit liability	409,444		39,338		48,674	400,108
THIS net other postemployment benefit liability	18,004,087		499,242		532,689	17,970,640
Compensated absences	10,646		50,447		56,422	4,671
	<u>42,818,336</u>		<u>3,356,676</u>		<u>4,639,302</u>	<u>41,535,710</u>
Total long-term liabilities - governmental activities	<u>\$ 42,818,336</u>	<u>\$</u>	<u>3,356,676</u>	<u>\$</u>	<u>4,639,302</u>	<u>\$ 41,535,710</u>

			<u>Due Within</u> <u>One Year</u>
Bonds payable:			
General obligation bonds	\$ 2,880,000	\$	2,880,000
Debt certificates	210,000		210,000
Compensated absences	4,671		4,671
	<u>3,094,671</u>		<u>3,094,671</u>
Total long-term liabilities - governmental activities	<u>\$ 3,094,671</u>	<u>\$</u>	<u>3,094,671</u>

#### 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:

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

**NOTE H - LONG-TERM LIABILITIES (Continued)**

**2. General Obligation Bonds Payable (Continued)**

<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%	\$ 1,974,829	\$ 2,130,000
2011 General Obligation Limited School Bonds	2.00% - 4.00%	575,000	575,000
2014 General Obligation Limited School Bonds	3.00% - 5.00%	5,845,000	5,845,000
2015 General Obligation Limited School Bonds	3.00% - 5.00%	7,410,000	7,410,000
		<u>\$ 15,804,829</u>	<u>\$ 15,960,000</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>
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	3,190,000	156,925	3,346,925
2024	3,975,000	208,750	4,183,750
	<u>\$ 15,960,000</u>	<u>\$ 1,664,975</u>	<u>\$ 17,624,975</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$132,086 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, 2019, the statutory debt limit for the District was \$95,929,647, providing a debt margin of \$78,994,818.

**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>1,130,000</u>

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### NOTE H - LONG-TERM LIABILITIES (Continued)

#### 3. Debt Certificates (Continued)

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

Year ending June 30,	Principal	Interest	Total
2020	\$ 210,000	\$ 37,800	\$ 247,800
2021	215,000	31,425	246,425
2022	225,000	23,700	248,700
2023	235,000	14,500	249,500
2024	245,000	4,900	249,900
	<u>\$ 1,130,000</u>	<u>\$ 112,325</u>	<u>\$ 1,242,325</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 \$25,120 for the year ended June 30, 2019. Future lease payments are as follows:

Year Ending June 30,	Total
2020	\$ 6,399
2021	3,264
2022	1,088
	<u>\$ 10,751</u>



# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

---

### 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

#### 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 \$206,000. The District believes that, because it does not control the selection of the governing authority and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not required to be included as component units of the District.

#### 2. Lake County Area Vocational System (LCAVS)

The District and other districts within Lake and McHenry Counties have entered into a joint agreement to provide vocational programs for member districts that are not offering these services individually. Each member district has a financial responsibility for annual and special assessments, as established by the management council. Total amounts paid under the terms of the joint agreement were approximately \$279,000 for the year ended June 30, 2019. 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, 2019

---

### NOTE L - INTERFUND TRANSFERS

The District transferred \$265,000 from the Operations and Maintenance Fund to the Debt Service Fund. The amounts transferred represent funds transferred to pay principal on the District's debt certificates.

The District transferred \$44,025 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 \$656,023 from the Operations and Maintenance Fund to the Capital Projects Fund. The amount transferred represents funds transferred to pay for capital projects.

### NOTE M - CONTINGENCIES

#### 1. Litigation

The District, in the normal course of business, is subject to various ongoing property tax appeals and objections, and general litigation. Although the outcome of these matters is not presently determinable, the resolution of these matters, should the outcome be unfavorable, could have a significant impact on future tax revenues and expenditures.

#### 2. Grants

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

### NOTE N - DEFICIT FUND BALANCE

At June 30, 2019, the Municipal Retirement/Social Security Fund has a deficit fund balance of \$7,394. District management expects to fund this deficit through future property tax revenues.

### NOTE O - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 15, 2019, the date that these financial statements were available to be issued. Management has determined that no events or transactions 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 Five Most Recent Fiscal Years

	2019	2018	2017
Total pension liability			
Service cost	\$ 371,621	\$ 362,082	\$ 338,908
Interest on the total pension liability	949,548	925,299	886,375
Benefit changes	-	-	-
Difference between expected and actual experience of the total pension liability	28,812	179,894	(44,600)
Assumption changes	361,967	(442,971)	(55,271)
Benefit payments and refunds	(711,966)	(699,546)	(663,202)
Net change in total pension liability	999,982	324,758	462,210
Total pension liability, beginning	12,830,816	12,506,058	12,043,848
Total pension liability, ending	<u>\$ 13,830,798</u>	<u>\$ 12,830,816</u>	<u>\$ 12,506,058</u>
Plan fiduciary net position			
Contributions, employer	\$ 508,286	\$ 449,714	\$ 473,129
Contributions, employee	193,151	158,474	144,639
Net investment income	(590,867)	1,700,367	626,686
Benefit payments, including refunds of employee contributions	(711,966)	(699,546)	(663,202)
Other (net transfer)	(31,956)	(212,677)	(44,207)
Net change in plan fiduciary net position	(633,352)	1,396,332	537,045
Plan fiduciary net position, beginning	11,016,561	9,620,229	9,083,184
Plan fiduciary net position, ending	<u>\$ 10,383,209</u>	<u>\$ 11,016,561</u>	<u>\$ 9,620,229</u>
Net pension liability	<u>\$ 3,447,589</u>	<u>\$ 1,814,255</u>	<u>\$ 2,885,829</u>
Plan fiduciary net position as a percentage of the total pension liability	75.07 %	85.86 %	76.92 %
Covered valuation payroll	\$ 4,109,182	\$ 3,521,649	\$ 3,214,399
Net pension liability as a percentage of covered valuation payroll	83.90 %	51.52 %	89.78 %

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

Note: Actuarial valuations are as of December 31, which is six months prior to the end of the fiscal year.

	2016		2015
\$	296,366	\$	280,125
	847,384		762,877
	-		-
	17,611		197,812
	-		539,198
	(656,739)		(599,238)
	<u>504,622</u>		<u>1,180,774</u>
	11,539,226		10,358,452
\$	<u><u>12,043,848</u></u>	\$	<u><u>11,539,226</u></u>

\$	411,553	\$	373,732
	124,629		114,338
	43,602		503,925
	(656,739)		(599,238)
	<u>379,408</u>		<u>71,319</u>
	302,453		464,076
	8,780,731		8,316,655
\$	<u><u>9,083,184</u></u>	\$	<u><u>8,780,731</u></u>

\$	<u><u>2,960,664</u></u>	\$	<u><u>2,758,495</u></u>
----	-------------------------	----	-------------------------

75.42 %                      76.09 %

\$	2,769,534	\$	2,535,128
----	-----------	----	-----------

106.90 %                      108.81 %

# Mundelein Consolidated High School District 120

## MULTIYEAR SCHEDULE OF CONTRIBUTIONS

Illinois Municipal Retirement Fund

Five Most Recent Fiscal Years

---

<u>Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2019	\$ 499,266 *	\$ 508,286	\$ (9,020)	\$ 4,109,182	12.37 %
2018	449,715	449,714	\$ 1	\$ 3,521,649	12.77
2017	473,160	473,129	31	3,214,399	14.72
2016	411,553	411,553	-	2,769,534	14.86
2015	373,733	373,732	1	2,535,128	14.74

\* Estimated based on contribution rate of 12.15% and covered valuation payroll of \$4,109,182.

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

**Mundelein Consolidated High School District 120**  
**MULTIYEAR SCHEDULE OF DISTRICT'S PROPORTIONATE**  
**SHARE OF THE NET PENSION LIABILITY**  
**Teachers' Retirement System of the State of Illinois**  
**Five Most Recent Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.0024326027 %	0.0022546649 %	0.0030377837 %
District's proportionate share of the net pension liability	\$ 1,896,088	\$ 1,722,522	\$ 2,397,906
State's proportionate share of the net pension liability associated with the District	<u>129,889,990</u>	<u>118,581,962</u>	<u>122,138,379</u>
Total	<u>\$ 131,786,078</u>	<u>\$ 120,304,484</u>	<u>\$ 124,536,285</u>
District's covered-employee payroll	\$ 16,722,270	\$ 15,960,786	\$ 15,372,024
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	11.34 %	10.79 %	15.60 %
Plan fiduciary net position as a percentage of the total pension liability	40.00 %	39.30 %	36.40 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

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

---

<u>2016</u>	<u>2015</u>
0.0026692237 %	0.0024132573 %

\$ 1,748,610 \$ 1,468,667

<u>93,420,818</u>	<u>87,487,936</u>
<u>\$ 95,169,428</u>	<u>\$ 88,956,603</u>

\$ 14,543,792 \$ 14,095,401

12.02 % 10.42 %

41.50 % 43.00 %



**Mundelein Consolidated High School District 120**  
**MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS**  
 Teachers' Retirement System of the State of Illinois  
 Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 102,557	\$ 98,978	\$ 102,501
Contributions in relation to the contractually required contribution	<u>101,072</u>	<u>92,891</u>	<u>117,644</u>
Contribution deficiency (excess)	<u>\$ 1,485</u>	<u>\$ 6,087</u>	<u>\$ (15,143)</u>
District's covered-employee payroll	\$ 17,682,281	\$ 16,722,270	\$ 15,960,786
Contributions as a percentage of covered-employee payroll	0.57 %	0.56 %	0.74 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

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

<hr/>	
<u>2016</u>	<u>2015</u>
\$ 100,343	\$ 91,601
<u>93,529</u>	<u>86,104</u>
\$ <u><u>6,814</u></u>	\$ <u><u>5,497</u></u>
\$ 15,372,024	\$ 14,543,792
0.61 %	0.59 %

**Mundelein Consolidated High School District 120**  
**MULTIYEAR SCHEDULE OF CHANGES IN TOTAL OTHER POST RETIREMENT BENEFITS**  
**(OPEB) LIABILITY AND RELATED RATIOS**  
Retiree Health Plan  
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 22,726	\$ 22,110
Interest on the total OPEB liability	11,479	11,364
Difference between expected and actual experience of the total OPEB liability	0	-
Assumption changes	5,133	(32,173)
Benefit payments and refunds	(48,469)	(56,234)
Other (net transfer)	(205)	(11,912)
Net change in total OPEB liability	<u>(9,336)</u>	<u>(66,845)</u>
Total OPEB liability, beginning	409,444	476,289
Total OPEB liability, ending	<u><u>\$ 400,108</u></u>	<u><u>\$ 409,444</u></u>
Plan fiduciary net position		
Contributions, employer	\$ -	\$ -
Contributions, employee	-	-
Net investment income	-	-
Benefit payments, including refunds of employee contributions	-	-
Other (net transfer)	-	-
Net change in plan fiduciary net position	<u>-</u>	<u>-</u>
Plan fiduciary net position, beginning	-	-
Plan fiduciary net position, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Net OPEB liability	<u><u>\$ 400,108</u></u>	<u><u>\$ 409,444</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %
Covered valuation payroll	\$ 18,976,596	\$ 18,976,596
Net OPEB liability as a percentage of covered valuation payroll	2.11 %	2.16 %

Note: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018; 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 OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY  
Teachers' Health Insurance Security Fund  
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.0682110 %	0.0693810 %
District's proportionate share of the net OPEB liability	\$ 17,970,640	\$ 18,004,087
State's proportionate share of the net OPEB liability associated with the District	<u>24,130,694</u>	<u>23,643,840</u>
Total	<u>\$ 42,101,334</u>	<u>\$ 41,647,927</u>
District's covered-employee payroll	\$ 16,722,270	\$ 15,960,786
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	1.075 %	1.128 %
Plan fiduciary net position as a percentage of the total OPEB liability	-0.07 %	-0.17 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

**Mundelein Consolidated High School District 120**  
**MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**Teachers' Health Insurance Security Fund**  
**Two Most Recent Fiscal Years**

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 147,156	\$ 134,071
Contributions in relation to the contractually required contribution	<u>147,156</u>	<u>134,071</u>
Contribution excess	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
District's covered-employee payroll	\$ 17,682,281	\$ 16,722,270
Contributions as a percentage of covered-employee payroll	0.01	% 0.01 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

**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, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Actual	Variance	2018 Actual
	Original Budget	Final Budget		From Final Budget	
Revenues					
Local sources					
General levy	\$25,186,250	\$ 25,301,862	\$25,318,378	\$ 16,516	\$24,381,290
Special education levy	535,223	535,223	537,689	2,466	521,901
Corporate personal property replacement taxes	286,313	270,000	307,112	37,112	274,518
Summer school tuition from pupils or parents	43,000	43,000	93,380	50,380	43,015
Interest on investments	250,450	250,450	479,667	229,217	236,234
Admissions - athletic	23,000	23,000	27,328	4,328	22,763
Fees	422,000	422,000	455,732	33,732	476,072
Book store sales	5,000	5,000	1,460	(3,540)	3,830
Other district/school activity revenue	176,500	176,500	173,169	(3,331)	168,541
Other - textbooks	5,000	5,000	4,907	(93)	4,835
Services provided other districts	-	123,553	111,145	(12,408)	-
Other	110,553	5,000	10,579	5,579	146,563
Total local sources	<u>27,043,289</u>	<u>27,160,588</u>	<u>27,520,546</u>	<u>359,958</u>	<u>26,279,562</u>
State sources					
Evidenced Based Funding	2,017,974	2,017,974	2,024,787	6,813	1,970,146
Special Education - Private Facility Tuition	300,000	300,000	225,853	(74,147)	204,695
Special Education - Orphanage - Individual	-	-	166,672	166,672	-
Special Education - Summer School	1,250	1,250	-	(1,250)	-

(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, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
State sources (Continued)					
CTE - Secondary Program Improvement (CTEI)	\$ 28,983	\$ 31,364	\$ 54,757	\$ 23,393	\$ 31,938
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	-	-	-	-	8,634
Driver Education	45,000	45,000	51,923	6,923	43,768
Adult Education (from ICCB)	510,895	510,895	398,301	(112,594)	504,958
Other state sources	<u>1,600</u>	<u>1,600</u>	<u>1,484</u>	<u>(116)</u>	<u>78,260</u>
Total state sources	<u>2,905,702</u>	<u>2,908,083</u>	<u>2,923,777</u>	<u>15,694</u>	<u>2,842,399</u>
Federal sources					
Special Milk Program	17,000	17,000	15,419	(1,581)	17,375
Title I - Low Income	234,302	266,706	226,686	(40,020)	268,496
Safe and Drug Free Schools - Formula	20,834	33,190	16,486	(16,704)	906
Federal - Special Education - I.D.E.A. - Flow Through	329,262	360,201	341,942	(18,259)	387,941
Federal - Special Education - I.D.E.A. - Room and Board	150,000	150,000	54,007	(95,993)	226,522
CTE - Perkins - Title III Technical Prep	16,902	16,902	16,902	-	16,902
Federal - Adult Education	196,178	196,178	187,675	(8,503)	256,715
Title III - Immigrant Education Program	-	-	524	524	-
Title III - Language Inst. Program - Limited Eng (LIPLEP)	11,500	11,500	6,671	(4,829)	6,597
Title II - Teacher Quality	53,068	58,146	49,509	(8,637)	59,181
Medicaid Matching Funds - Administrative Outreach	-	-	-	-	952

(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, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Actual	Variance	2018 Actual
	Original Budget	Final Budget		From Final Budget	
Federal sources (Continued)					
Medicaid Matching Funds -					
Fee-For-Service-Program	\$ 50,000	\$ 50,000	\$ 19,496	\$ (30,504)	\$ 51,911
Total federal sources	<u>1,079,046</u>	<u>1,159,823</u>	<u>935,317</u>	<u>(224,506)</u>	<u>1,293,498</u>
Total revenues	<u>31,028,037</u>	<u>31,228,494</u>	<u>31,379,640</u>	<u>151,146</u>	<u>30,415,459</u>
Expenditures					
Instruction					
Regular programs					
Salaries	10,543,692	10,565,292	10,543,899	21,393	10,006,023
Employee benefits	1,768,000	1,768,000	1,662,572	105,428	1,751,203
Purchased services	92,350	91,150	71,233	19,917	59,233
Supplies and materials	507,463	510,855	422,117	88,738	446,986
Capital outlay	45,000	45,000	32,239	12,761	58,491
Other objects	15,000	15,000	7,158	7,842	8,433
Non-capitalized equipment	<u>171,000</u>	<u>181,000</u>	<u>217,882</u>	<u>(36,882)</u>	<u>249,625</u>
Total	<u>13,142,505</u>	<u>13,176,297</u>	<u>12,957,100</u>	<u>219,197</u>	<u>12,579,994</u>
Special education programs					
Salaries	3,466,332	3,485,214	3,685,139	(199,925)	2,804,902
Employee benefits	630,100	630,100	599,757	30,343	547,399
Purchased services	155,500	155,500	99,056	56,444	33,916
Supplies and materials	46,950	46,950	87,780	(40,830)	44,804
Non-capitalized equipment	<u>7,306</u>	<u>6,880</u>	<u>2,108</u>	<u>4,772</u>	<u>598</u>
Total	<u>4,306,188</u>	<u>4,324,644</u>	<u>4,473,840</u>	<u>(149,196)</u>	<u>3,433,485</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, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Actual	Variance	2018 Actual
	Original Budget	Final Budget		From Final Budget	
<b>Remedial and Supplemental programs K-12</b>					
Salaries	\$ 4,000	\$ 4,000	\$ 3,880	\$ 120	\$ 1,490
Employee benefits	-	-	389	(389)	163
<b>Total</b>	<u>4,000</u>	<u>4,000</u>	<u>4,269</u>	<u>(269)</u>	<u>1,653</u>
<b>Adult/continuing education programs</b>					
Salaries	476,715	570,011	409,008	161,003	410,436
Employee benefits	25,300	7,606	20,677	(13,071)	23,958
Purchased services	-	-	1,450	(1,450)	220
Supplies and materials	204,000	113,493	153,831	(40,338)	274,936
<b>Total</b>	<u>706,015</u>	<u>691,110</u>	<u>584,966</u>	<u>106,144</u>	<u>709,550</u>
<b>CTE programs</b>					
Supplies and materials	-	1,302	1,086	216	-
Capital outlay	45,885	46,964	47,926	(962)	45,885
<b>Total</b>	<u>45,885</u>	<u>48,266</u>	<u>49,012</u>	<u>(746)</u>	<u>45,885</u>
<b>Interscholastic programs</b>					
Salaries	1,397,810	1,397,810	1,519,097	(121,287)	1,453,027
Employee benefits	74,800	74,800	79,519	(4,719)	83,342
Purchased services	178,000	178,000	178,626	(626)	133,085
Supplies and materials	121,000	121,000	117,123	3,877	112,632
Other objects	54,850	54,850	56,684	(1,834)	50,129
Non-capitalized equipment	25,000	25,000	22,122	2,878	18,747
<b>Total</b>	<u>1,851,460</u>	<u>1,851,460</u>	<u>1,973,171</u>	<u>(121,711)</u>	<u>1,850,962</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, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
Summer school programs					
Salaries	\$ 104,000	\$ 104,000	\$ 139,488	\$ (35,488)	\$ 104,926
Employee benefits	1,650	1,650	8,797	(7,147)	6,889
Purchased services	2,000	2,000	8,505	(6,505)	-
Supplies and materials	<u>5,500</u>	<u>5,500</u>	<u>9,037</u>	<u>(3,537)</u>	<u>2,133</u>
Total	<u>113,150</u>	<u>113,150</u>	<u>165,827</u>	<u>(52,677)</u>	<u>113,948</u>
Bilingual programs					
Salaries	348,205	348,205	385,297	(37,092)	340,476
Employee benefits	46,400	46,400	45,203	1,197	46,240
Purchased services	500	1,500	2,468	(968)	303
Supplies and materials	<u>16,092</u>	<u>16,000</u>	<u>16,106</u>	<u>(106)</u>	<u>16,824</u>
Total	<u>411,197</u>	<u>412,105</u>	<u>449,074</u>	<u>(36,969)</u>	<u>403,843</u>
Total instruction	<u>20,580,400</u>	<u>20,621,032</u>	<u>20,657,259</u>	<u>(36,227)</u>	<u>19,139,320</u>
Support services					
Pupils					
Attendance and social work services					
Salaries	539,945	539,945	541,147	(1,202)	514,571
Employee benefits	50,250	50,250	50,419	(169)	51,968
Supplies and materials	<u>600</u>	<u>600</u>	<u>136</u>	<u>464</u>	<u>195</u>
Total	<u>590,795</u>	<u>590,795</u>	<u>591,702</u>	<u>(907)</u>	<u>566,734</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, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
Guidance services					
Salaries	\$ 1,046,360	\$ 1,046,360	\$ 1,070,808	\$ (24,448)	\$ 1,061,124
Employee benefits	165,100	165,100	160,987	4,113	168,403
Purchased services	61,000	62,500	39,519	22,981	4,480
Supplies and materials	36,000	36,000	25,453	10,547	29,193
Other objects	1,000	1,000	525	475	1,135
Total	<u>1,309,460</u>	<u>1,310,960</u>	<u>1,297,292</u>	<u>13,668</u>	<u>1,264,335</u>
Health services					
Salaries	201,780	201,780	206,620	(4,840)	143,030
Employee benefits	52,300	52,300	28,114	24,186	23,987
Purchased services	3,250	3,250	7,775	(4,525)	1,322
Supplies and materials	4,000	4,000	2,844	1,156	2,613
Total	<u>261,330</u>	<u>261,330</u>	<u>245,353</u>	<u>15,977</u>	<u>170,952</u>
Psychological services					
Salaries	315,000	315,000	223,699	91,301	236,223
Employee benefits	48,550	48,550	35,766	12,784	41,019
Purchased services	25,000	25,000	30,048	(5,048)	6,882
Total	<u>388,550</u>	<u>388,550</u>	<u>289,513</u>	<u>99,037</u>	<u>284,124</u>
Speech pathology and audiology services					
Salaries	150,000	150,000	127,203	22,797	102,841
Employee benefits	25,700	25,700	21,773	3,927	24,165
Purchased services	2,000	2,000	44,341	(42,341)	-
Total	<u>177,700</u>	<u>177,700</u>	<u>193,317</u>	<u>(15,617)</u>	<u>127,006</u>
Total pupils	<u>2,727,835</u>	<u>2,729,335</u>	<u>2,617,177</u>	<u>112,158</u>	<u>2,413,151</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, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Actual	Variance	2018 Actual
	Original Budget	Final Budget		From Final Budget	
Instructional staff					
Improvement of instruction services					
Salaries	\$ 379,578	\$ 385,003	\$ 371,610	\$ 13,393	\$ 347,700
Employee benefits	28,150	28,150	57,960	(29,810)	62,846
Purchased services	82,763	110,726	105,110	5,616	82,918
Supplies and materials	20,764	23,976	16,275	7,701	20,131
Other objects	10,300	9,800	8,287	1,513	9,037
Non-capitalized equipment	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>
Total	<u>523,055</u>	<u>559,155</u>	<u>559,242</u>	<u>(87)</u>	<u>522,632</u>
Educational media services					
Salaries	281,235	281,235	271,834	9,401	271,165
Employee benefits	21,975	21,975	29,647	(7,672)	25,311
Supplies and materials	<u>38,100</u>	<u>38,100</u>	<u>34,885</u>	<u>3,215</u>	<u>35,592</u>
Total	<u>341,310</u>	<u>341,310</u>	<u>336,366</u>	<u>4,944</u>	<u>332,068</u>
Assessment and testing					
Salaries	15,000	15,000	15,584	(584)	20,220
Purchased services	30,000	30,000	18,408	11,592	12,420
Supplies and materials	<u>2,000</u>	<u>2,000</u>	<u>1,790</u>	<u>210</u>	<u>2,878</u>
Total	<u>47,000</u>	<u>47,000</u>	<u>35,978</u>	<u>11,022</u>	<u>36,500</u>
Total instructional staff	<u>911,365</u>	<u>947,465</u>	<u>931,586</u>	<u>15,879</u>	<u>891,200</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, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
General administration					
Board of education services					
Salaries	\$ 60,231	\$ 60,231	\$ 60,231	\$ -	\$ 58,477
Employee benefits	7,125	7,125	7,936	(811)	8,014
Purchased services	192,000	232,000	262,397	(30,397)	276,641
Supplies and materials	14,000	14,000	11,234	2,766	22,237
Other objects	10,000	10,000	12,382	(2,382)	8,411
Total	<u>283,356</u>	<u>323,356</u>	<u>354,180</u>	<u>(30,824)</u>	<u>373,780</u>
Executive administration services					
Salaries	292,591	292,591	296,461	(3,870)	288,174
Employee benefits	55,100	55,100	54,900	200	55,084
Purchased services	5,000	5,000	2,647	2,353	4,451
Supplies and materials	5,000	5,000	4,860	140	5,679
Other objects	3,000	3,000	1,701	1,299	200
Non-capitalized equipment	2,500	2,500	5,819	(3,319)	10,964
Total	<u>363,191</u>	<u>363,191</u>	<u>366,388</u>	<u>(3,197)</u>	<u>364,552</u>
Tort immunity services					
Purchased services	<u>155,886</u>	<u>155,886</u>	<u>161,893</u>	<u>(6,007)</u>	<u>181,911</u>
Total	<u>155,886</u>	<u>155,886</u>	<u>161,893</u>	<u>(6,007)</u>	<u>181,911</u>
Total general administration	<u>802,433</u>	<u>842,433</u>	<u>882,461</u>	<u>(40,028)</u>	<u>920,243</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, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
School administration					
Office of the principal services					
Salaries	\$ 931,797	\$ 931,797	\$ 958,971	\$ (27,174)	\$ 797,166
Employee benefits	160,750	160,750	154,781	5,969	142,996
Purchased services	111,000	111,000	99,046	11,954	106,126
Supplies and materials	59,500	59,500	79,899	(20,399)	68,926
Other objects	<u>16,000</u>	<u>16,000</u>	<u>9,691</u>	<u>6,309</u>	<u>15,217</u>
Total	<u>1,279,047</u>	<u>1,279,047</u>	<u>1,302,388</u>	<u>(23,341)</u>	<u>1,130,431</u>
Other support services - school administration					
Salaries	630,000	630,000	630,305	(305)	572,993
Employee benefits	103,950	103,950	102,183	1,767	102,870
Purchased services	4,500	4,500	2,587	1,913	4,283
Other objects	<u>500</u>	<u>500</u>	<u>89</u>	<u>411</u>	<u>-</u>
Total	<u>738,950</u>	<u>738,950</u>	<u>735,164</u>	<u>3,786</u>	<u>680,146</u>
Total school administration	<u>2,017,997</u>	<u>2,017,997</u>	<u>2,037,552</u>	<u>(19,555)</u>	<u>1,810,577</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, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
<b>Business</b>					
Direction of business support services					
Salaries	\$ 194,495	\$ 194,495	\$ 194,495	\$ -	\$ 188,958
Employee benefits	35,400	35,400	36,351	(951)	35,912
Purchased services	81,500	81,500	93,502	(12,002)	97,472
Supplies and materials	1,000	1,000	3,114	(2,114)	797
Other objects	1,200	1,200	1,345	(145)	195
Non-capitalized equipment	<u>1,500</u>	<u>1,500</u>	<u>6,644</u>	<u>(5,144)</u>	<u>9,906</u>
Total	<u>315,095</u>	<u>315,095</u>	<u>335,451</u>	<u>(20,356)</u>	<u>333,240</u>
Fiscal services					
Salaries	442,507	442,507	445,704	(3,197)	216,364
Employee benefits	128,700	128,700	100,083	28,617	90,554
Purchased services	2,750	2,750	3,251	(501)	1,677
Supplies and materials	5,000	5,000	4,278	722	3,021
Other objects	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total	<u>579,457</u>	<u>579,457</u>	<u>553,316</u>	<u>26,141</u>	<u>311,616</u>
Operation and maintenance of plant services					
Salaries	418,745	418,745	434,128	(15,383)	397,297
Employee benefits	80,700	80,700	75,724	4,976	79,690
Purchased services	145,000	146,000	143,599	2,401	144,655
Supplies and materials	7,000	7,000	6,714	286	9,661
Non-capitalized equipment	<u>12,000</u>	<u>12,000</u>	<u>15,189</u>	<u>(3,189)</u>	<u>11,438</u>
Total	<u>663,445</u>	<u>664,445</u>	<u>675,354</u>	<u>(10,909)</u>	<u>642,741</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, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
Pupil transportation services					
Purchased services	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -
Total	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Food services					
Purchased services	2,000	2,000	1,865	135	1,582
Supplies and materials	600	600	-	600	580
Non-capitalized equipment	<u>10,000</u>	<u>10,000</u>	<u>650</u>	<u>9,350</u>	<u>5,687</u>
Total	<u>12,600</u>	<u>12,600</u>	<u>2,515</u>	<u>10,085</u>	<u>7,849</u>
Internal services					
Salaries	38,800	38,800	38,802	(2)	36,589
Employee benefits	7,580	7,580	6,592	988	7,542
Purchased services	140,000	140,000	174,059	(34,059)	157,403
Supplies and materials	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>26,863</u>
Total	<u>221,380</u>	<u>221,380</u>	<u>219,453</u>	<u>1,927</u>	<u>228,397</u>
Total business	<u>1,792,977</u>	<u>1,793,977</u>	<u>1,786,089</u>	<u>7,888</u>	<u>1,523,843</u>
Staff services					
Employee benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</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, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Data processing services					
Salaries	\$ 494,305	\$ 494,305	\$ 485,820	\$ 8,485	\$ 499,954
Employee benefits	71,000	71,000	67,225	3,775	70,774
Purchased services	206,120	197,000	154,678	42,322	159,205
Supplies and materials	105,000	105,000	60,590	44,410	114,110
Capital outlay	50,000	50,000	17,508	32,492	13,116
Non-capitalized equipment	<u>350,000</u>	<u>350,000</u>	<u>376,175</u>	<u>(26,175)</u>	<u>347,107</u>
Total	<u>1,276,425</u>	<u>1,267,305</u>	<u>1,161,996</u>	<u>105,309</u>	<u>1,204,266</u>
Total central	<u>1,276,425</u>	<u>1,267,305</u>	<u>1,161,996</u>	<u>105,309</u>	<u>1,204,268</u>
Other supporting services					
Supplies and materials	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total support services	<u>9,529,532</u>	<u>9,599,012</u>	<u>9,416,861</u>	<u>182,151</u>	<u>8,763,282</u>
Community services					
Salaries	14,486	16,310	9,703	6,607	28,762
Purchased services	35,500	43,112	22,591	20,521	12,392
Supplies and materials	16,625	26,968	9,237	17,731	7,765
Non-capitalized equipment	<u>5,600</u>	<u>2,400</u>	<u>-</u>	<u>2,400</u>	<u>-</u>
Total	<u>72,211</u>	<u>88,790</u>	<u>42,319</u>	<u>46,471</u>	<u>52,912</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, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
Payments to other districts and government units					
Payments for regular programs					
Other objects	\$ 30,000	\$ 30,000	\$ 53,625	\$ (23,625)	\$ 53,840
Total	<u>30,000</u>	<u>30,000</u>	<u>53,625</u>	<u>(23,625)</u>	<u>53,840</u>
Payments for special education programs					
Other objects	<u>650,000</u>	<u>950,000</u>	<u>1,357,655</u>	<u>(407,655)</u>	<u>1,728,995</u>
Total	<u>650,000</u>	<u>950,000</u>	<u>1,357,655</u>	<u>(407,655)</u>	<u>1,728,995</u>
Payments for CTE education programs					
Other objects	<u>275,000</u>	<u>275,000</u>	<u>278,775</u>	<u>(3,775)</u>	<u>223,515</u>
Total	<u>275,000</u>	<u>275,000</u>	<u>278,775</u>	<u>(3,775)</u>	<u>223,515</u>
Payments for regular programs - tuition					
Other objects	<u>105,000</u>	<u>105,000</u>	<u>132,932</u>	<u>(27,932)</u>	<u>236,286</u>
Total payments to other districts and other government units	<u>1,060,000</u>	<u>1,360,000</u>	<u>1,822,987</u>	<u>(462,987)</u>	<u>2,242,636</u>
Total expenditures	<u>31,242,143</u>	<u>31,668,834</u>	<u>31,939,426</u>	<u>(270,592)</u>	<u>30,198,150</u>
Net change to fund balance	<u>\$ (214,106)</u>	<u>\$ (440,340)</u>	(559,786)	<u>\$ (119,446)</u>	217,309
Fund balance, beginning of year			<u>14,415,525</u>		<u>14,198,216</u>
Fund balance, end of year			<u>\$13,855,739</u>		<u>\$14,415,525</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, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$3,162,639	\$3,162,639	\$3,177,206	\$ 14,567	\$ 3,292,290
Interest on investments	27,000	27,000	52,615	25,615	27,094
Rentals	68,250	68,250	29,940	(38,310)	78,750
Contributions and donations from private sources	125,000	125,000	188,160	63,160	177,528
Other	20,000	20,000	19,353	(647)	32,628
Total local sources	<u>3,402,889</u>	<u>3,402,889</u>	<u>3,467,274</u>	<u>64,385</u>	<u>3,608,290</u>
State sources					
Other	-	-	26,999	26,999	-
Total revenues	<u>3,402,889</u>	<u>3,402,889</u>	<u>3,494,273</u>	<u>91,384</u>	<u>3,608,290</u>
Expenditures					
Facilities acquisition and construction services					
Capital outlay	25,000	25,000	1,212	23,788	-
Other objects	103,511	103,511	103,511	-	103,073
Total	<u>128,511</u>	<u>128,511</u>	<u>104,723</u>	<u>23,788</u>	<u>103,073</u>
Operation and maintenance of plant services					
Salaries	322,000	322,000	345,897	(23,897)	286,877
Employee benefits	70,450	70,450	64,934	5,516	60,495
Purchased services	1,235,700	1,235,700	1,672,528	(436,828)	1,138,505
Supplies and materials	691,500	666,500	588,766	77,734	646,504

(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, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
Operation and maintenance of plant services (continued)					
Capital outlay	\$ 30,000	\$ 30,000	\$ 22,973	\$ 7,027	\$ 21,066
Other objects	137,500	137,500	145,125	(7,625)	165,924
Non-capitalized equipment	<u>125,000</u>	<u>125,000</u>	<u>118,343</u>	<u>6,657</u>	<u>140,439</u>
Total	<u>2,612,150</u>	<u>2,587,150</u>	<u>2,958,566</u>	<u>(371,416)</u>	<u>2,459,810</u>
Total business	<u>2,740,661</u>	<u>2,715,661</u>	<u>3,063,289</u>	<u>(347,628)</u>	<u>2,562,883</u>
Total support services	<u>2,740,661</u>	<u>2,715,661</u>	<u>3,063,289</u>	<u>(347,628)</u>	<u>2,562,883</u>
Total expenditures	<u>2,740,661</u>	<u>2,715,661</u>	<u>3,063,289</u>	<u>(347,628)</u>	<u>2,562,883</u>
Excess (deficiency) of revenues over expenditures	<u>662,228</u>	<u>687,228</u>	<u>430,984</u>	<u>(256,244)</u>	<u>1,045,407</u>
Other financing uses					
Transfer to Debt Service Fund for principal on debt certificates	(265,000)	(265,000)	(265,000)	-	(270,000)
Transfer to Debt Service Fund for interest on debt certificates	(44,025)	(44,025)	(44,025)	-	(50,100)
Transfer to Capital Projects Fund	<u>(250,000)</u>	<u>(505,000)</u>	<u>(656,023)</u>	<u>(151,023)</u>	<u>(300,000)</u>
Total other financing uses	<u>(559,025)</u>	<u>(814,025)</u>	<u>(965,048)</u>	<u>(151,023)</u>	<u>(620,100)</u>
Net change in fund balance	<u>\$ 103,203</u>	<u>\$ (126,797)</u>	(534,064)	<u>\$ (407,267)</u>	425,307
Fund balance, beginning of year			<u>2,374,135</u>		<u>1,948,828</u>
Fund balance, end of year			<u>\$1,840,071</u>		<u>\$ 2,374,135</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, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Actual	Variance	2018 Actual
	Original Budget	Final Budget		From Final Budget	
Revenues					
Local sources					
General levy	\$ 937,110	\$ 937,110	\$ 941,426	\$ 4,316	\$ 1,095,639
Interest on investments	<u>13,000</u>	<u>13,000</u>	<u>24,983</u>	<u>11,983</u>	<u>13,513</u>
Total local sources	<u>950,110</u>	<u>950,110</u>	<u>966,409</u>	<u>16,299</u>	<u>1,109,152</u>
State sources					
Transportation - Regular/Vocational	120,000	120,000	48,224	(71,776)	71,218
Transportation - Special Education	<u>565,000</u>	<u>565,000</u>	<u>504,266</u>	<u>(60,734)</u>	<u>495,844</u>
Total state sources	<u>685,000</u>	<u>685,000</u>	<u>552,490</u>	<u>(132,510)</u>	<u>567,062</u>
Total revenues	<u>1,635,110</u>	<u>1,635,110</u>	<u>1,518,899</u>	<u>(116,211)</u>	<u>1,676,214</u>
Expenditures					
Support services					
Business					
Pupil transportation services					
Purchased services	1,678,500	1,678,500	1,628,714	49,786	1,581,990
Supplies and materials	<u>90,000</u>	<u>90,000</u>	<u>103,116</u>	<u>(13,116)</u>	<u>95,859</u>
Total	<u>1,768,500</u>	<u>1,768,500</u>	<u>1,731,830</u>	<u>36,670</u>	<u>1,677,849</u>
Total support services	<u>1,768,500</u>	<u>1,768,500</u>	<u>1,731,830</u>	<u>36,670</u>	<u>1,677,849</u>
Total expenditures	<u>1,768,500</u>	<u>1,768,500</u>	<u>1,731,830</u>	<u>36,670</u>	<u>1,677,849</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, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
Net change in fund balance	<u>\$ (133,390)</u>	<u>\$ (133,390)</u>	\$ (212,931)	<u>\$ (79,541)</u>	\$ (1,635)
Fund balance, beginning of year			<u>973,413</u>		<u>975,048</u>
Fund balance, end of year			<u>\$ 760,482</u>		<u>\$ 973,413</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, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
<b>Local sources</b>					
General levy	\$ -	\$ -	\$ 488,815	\$ 488,815	\$ 448,242
Special education levy	-	-	95,985	95,985	95,440
Social security/Medicare only levy	1,117,342	1,117,342	537,689	(579,653)	398,438
replacement taxes	17,000	17,000	17,289	289	17,000
Interest on investments	<u>7,000</u>	<u>7,000</u>	<u>17,721</u>	<u>10,721</u>	<u>7,564</u>
Total local sources	<u>1,141,342</u>	<u>1,141,342</u>	<u>1,157,499</u>	<u>16,157</u>	<u>966,684</u>
Total revenues	<u>1,141,342</u>	<u>1,141,342</u>	<u>1,157,499</u>	<u>16,157</u>	<u>966,684</u>
<b>Expenditures</b>					
<b>Instruction</b>					
Regular programs	230,000	230,000	230,469	(469)	219,859
Special education programs	152,600	152,600	224,139	(71,539)	155,321
Remedial and supplemental programs K-12	-	-	209	(209)	28
Adult/continuing education programs	54,600	54,600	56,089	(1,489)	60,126
Interscholastic programs	88,700	88,700	82,270	6,430	87,917
Summer school programs	3,000	3,000	4,462	(1,462)	2,985
Bilingual programs	<u>17,600</u>	<u>17,600</u>	<u>18,110</u>	<u>(510)</u>	<u>17,589</u>
Total instruction	<u>546,500</u>	<u>546,500</u>	<u>615,748</u>	<u>(69,248)</u>	<u>543,825</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, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
Support services					
Pupils					
Attendance and social work services	\$ 25,300	\$ 25,300	\$ 24,594	\$ 706	\$ 24,589
Guidance services	26,200	26,200	25,056	1,144	25,029
Health services	15,900	15,900	24,799	(8,899)	15,406
Psychological services	3,500	3,500	3,088	412	3,250
Speech pathology and audiology services	<u>1,500</u>	<u>1,500</u>	<u>1,736</u>	<u>(236)</u>	<u>1,309</u>
Total pupils	<u>72,400</u>	<u>72,400</u>	<u>79,273</u>	<u>(6,873)</u>	<u>69,583</u>
Instructional staff					
Improvement of instruction services	9,500	9,500	15,291	(5,791)	14,951
Educational media services	7,350	7,350	17,661	(10,311)	16,245
Assessment and testing	<u>-</u>	<u>-</u>	<u>625</u>	<u>(625)</u>	<u>728</u>
Total instructional staff	<u>16,850</u>	<u>16,850</u>	<u>33,577</u>	<u>(16,727)</u>	<u>31,924</u>
General administration					
Board of education services	107,813	107,813	109,087	(1,274)	107,853
Executive administration services	14,900	14,900	18,348	(3,448)	18,326
Special area administrative services	<u>-</u>	<u>-</u>	<u>462</u>	<u>(462)</u>	<u>1,192</u>
Total general administration	<u>122,713</u>	<u>122,713</u>	<u>127,897</u>	<u>(5,184)</u>	<u>127,371</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, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
School administration					
Office of the principal services	\$ 62,800	\$ 62,800	\$ 69,753	\$ (6,953)	\$ 61,821
Other support services - school administration	8,000	8,000	8,690	(690)	7,806
Total school administration	<u>70,800</u>	<u>70,800</u>	<u>78,443</u>	<u>(7,643)</u>	<u>69,627</u>
Business					
Direction of business support services	2,800	2,800	2,816	(16)	2,736
Fiscal services	43,750	43,750	81,665	(37,915)	42,619
Operation and maintenance of plant services	132,000	132,000	142,144	(10,144)	131,691
Internal services	<u>7,000</u>	<u>7,000</u>	<u>7,289</u>	<u>(289)</u>	<u>6,886</u>
Total business	<u>185,550</u>	<u>185,550</u>	<u>233,914</u>	<u>(48,364)</u>	<u>183,932</u>
Central					
Staff services	-	-	-	-	2
Data processing services	<u>95,000</u>	<u>95,000</u>	<u>88,590</u>	<u>6,410</u>	<u>98,221</u>
Total central	<u>95,000</u>	<u>95,000</u>	<u>88,590</u>	<u>6,410</u>	<u>98,223</u>
Other support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support services	<u>563,313</u>	<u>563,313</u>	<u>641,694</u>	<u>(78,381)</u>	<u>580,660</u>
Community services	<u>85</u>	<u>85</u>	<u>140</u>	<u>(55)</u>	<u>925</u>
Total expenditures	<u>1,109,898</u>	<u>1,109,898</u>	<u>1,257,582</u>	<u>(147,684)</u>	<u>1,125,410</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, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Net change in fund balance	<u>\$ 31,444</u>	<u>\$ 31,444</u>	\$ (100,083)	<u>\$ (131,527)</u>	\$ (158,726)
Fund balance, beginning of year			<u>92,689</u>		<u>251,415</u>
Fund balance (deficit), end of year			<u>\$ (7,394)</u>		<u>\$ 92,689</u>

(Concluded)

# Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2019

---

## 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 11, 2018, and as amended by the Board of Education on June 18, 2019.
- 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 and the Teachers' Health Insurance Security Fund OPEB. The District does not budget for these amounts. The differences between the budget and GAAP basis are as follows:

	<u>Revenues</u>	<u>Expenditures</u>
General fund - budgetary basis	\$ 31,379,640	\$ 31,939,426
To adjust for on-behalf payments received	7,836,723	-
To adjust for on-behalf payments made	-	7,836,723
	<u>\$ 39,216,363</u>	<u>\$ 39,776,149</u>

# Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2019

### 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>
General	\$ 270,592
Operations and Maintenance Fund	347,628
Municipal Retirement / Social Security	147,684
Debt Service Fund	50

### 4. CHANGES OF ASSUMPTIONS - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

For the 2018, 2017, and 2016 measurement years, 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, but the rates of increase in the 2018 measurement year were slightly higher.

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.

### 5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 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.



# Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2019

---

## 5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 IMRF CONTRIBUTION RATE\* (Continued)

### **Change in Assumptions:**

For the 2018 measurement year, the assumed investment rate of return was 7.25 percent, including an inflation rate of 2.50 percent and a real return of 4.75%.

For the 2017, 2016, 2015 and 2014 measurement years, the assumed investment rate of return was 7.50 percent, including an inflation rate of 2.50 percent and a real return of 5.00%.

## 6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 THIS CONTRIBUTION RATE

### **Valuation Date:**

Notes	Actuarially determined contribution rates are calculated as of June 30 each year, 12 months prior to the fiscal year in which contributions are reported.
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Fiscal Year End	June 30, 2019

### **Methods and Assumptions Used to Determine the 2018 Contribution Rate:**

Actuarial Cost Method	Aggregate Entry Age Normal
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Single equivalent discount rate	3.62%
Price Inflation	2.75%
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.

<b>Mortality</b>	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.
------------------	---

# Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2019

---

## 6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 THIS CONTRIBUTION RATE (Continued)

### **Methods and Assumptions Used to Determine the 2018 Contribution Rate:** (Continued)

Healthcare Cost Trend Rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

### **Change in Assumptions:**

The Discount Rate was changed from 3.56% used in the Fiscal Year 2018 valuation to 3.62%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

## 7. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 RHP CONTRIBUTION RATE

### **Valuation Date:**

Valuation Date	July 1, 2017
Measurement Date	June 29, 2018
Fiscal Year End	June 30, 2019

### **Methods and Assumptions Used to Determine the 2019 Contribution Rate:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-line
Remaining Amortization Period	11.97 years
Municipal Bond Index	2.79%
Asset Valuation Method	Market value

# Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2019

---

## 7. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 RHP CONTRIBUTION RATE (Continued)

### **Methods and Assumptions Used to Determine the 2019 Contribution Rate:** (Continued)

Investment Rate of Return	Not applicable
Price Inflation	3.00%
Salary Increases	4.00%
Retirement Rates	IMRF Employees: Rates from the December 31, 2017 IMRF Actuarial Valuation Report. No Early Retirement Rates assumed.
Election at Retirement	100% of Certified Employees & Administrators are assumed to elect the District's TRIP contribution at retirement. 20% of IMRF employees are assumed to elect coverage continuation on the District plans at retirement.
Mortality	IMRF Employees and Retirees: Rates from the December 31, 2017 IMRF Actuarial Valuation Report.
Healthcare Cost Trend Rates	(1.10), Initial 4.50, Ultimate

### **Change in Assumptions:**

The Discount Rate was changed from 2.98% used in the Fiscal Year 2018 valuation to 2.79%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2019.



**SUPPLEMENTARY FINANCIAL INFORMATION**

# Mundelein Consolidated High School District 120

General Fund

## COMBINING BALANCE SHEET

June 30, 2019

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
<b>ASSETS</b>				
Cash and investments	\$ 26,819,366	\$ 99,102	\$ 742,326	\$ 27,660,794
Receivables (net of allowance for uncollectibles):				
Interest	197,305	430	125	197,860
Property taxes	13,003,015	91,425	9,623	13,104,063
Replacement taxes	51,902	-	-	51,902
Intergovernmental	519,714	-	-	519,714
Other current assets	<u>38,704</u>	<u>-</u>	<u>-</u>	<u>38,704</u>
Total assets	<u>\$ 40,630,006</u>	<u>\$ 190,957</u>	<u>\$ 752,074</u>	<u>\$ 41,573,037</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 167,483	\$ -	\$ -	\$ 167,483
Salaries and wages payable	834,125	-	-	834,125
Unearned school fees	<u>151,926</u>	<u>-</u>	<u>-</u>	<u>151,926</u>
Total liabilities	<u>1,153,534</u>	<u>-</u>	<u>-</u>	<u>1,153,534</u>
<b>DEFERRED INFLOWS</b>				
Unavailable interest revenue	179,777	392	114	180,283
Unavailable grant revenue	86,343	-	-	86,343
Property taxes levied for a future period	<u>26,094,356</u>	<u>183,472</u>	<u>19,310</u>	<u>26,297,138</u>
Total deferred inflows	<u>26,360,476</u>	<u>183,864</u>	<u>19,424</u>	<u>26,563,764</u>
<b>FUND BALANCES</b>				
Restricted	-	7,093	-	7,093
Unassigned	<u>13,115,996</u>	<u>-</u>	<u>732,650</u>	<u>13,848,646</u>
Total fund balance	<u>13,115,996</u>	<u>7,093</u>	<u>732,650</u>	<u>13,855,739</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 40,630,006</u>	<u>\$ 190,957</u>	<u>\$ 752,074</u>	<u>\$ 41,573,037</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, 2019

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
<b>Revenues</b>				
Property taxes	\$ 25,769,267	\$ 67,245	\$ 19,555	\$ 25,856,067
Replacement taxes	307,112	-	-	307,112
State aid	10,760,500	-	-	10,760,500
Federal aid	935,317	-	-	935,317
Interest	478,314	1,048	305	479,667
Other	874,711	2,989	-	877,700
<b>Total revenues</b>	<u>39,125,221</u>	<u>71,282</u>	<u>19,860</u>	<u>39,216,363</u>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular programs	12,924,861	-	-	12,924,861
Special programs	4,478,109	-	-	4,478,109
Other instructional programs	3,174,124	-	-	3,174,124
State retirement contributions	7,836,723	-	-	7,836,723
<b>Support services:</b>				
Pupils	2,617,177	-	-	2,617,177
Instructional staff	931,586	-	-	931,586
General administration	720,568	83,552	-	804,120
School administration	2,037,552	-	-	2,037,552
Business	1,110,735	-	-	1,110,735
Operations and maintenance	675,354	78,341	-	753,695
Central	1,144,488	-	-	1,144,488
Community services	42,319	-	-	42,319
Nonprogrammed charges	1,822,987	-	-	1,822,987
<b>Debt service:</b>				
Capital outlay	97,673	-	-	97,673
<b>Total expenditures</b>	<u>39,614,256</u>	<u>161,893</u>	<u>-</u>	<u>39,776,149</u>
<b>Net change in fund balance</b>	(489,035)	(90,611)	19,860	(559,786)
<b>Fund balance, beginning of year</b>	<u>13,605,031</u>	<u>97,704</u>	<u>712,790</u>	<u>14,415,525</u>
<b>Fund balance, end of year</b>	<u>\$ 13,115,996</u>	<u>\$ 7,093</u>	<u>\$ 732,650</u>	<u>\$ 13,855,739</u>

**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, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$3,247,338	\$ 3,247,338	\$3,245,984	\$ (1,354)	\$ 3,234,715
Interest on investments	<u>20,000</u>	<u>20,000</u>	<u>54,405</u>	<u>34,405</u>	<u>27,866</u>
Total local sources	<u>3,267,338</u>	<u>3,267,338</u>	<u>3,300,389</u>	<u>33,051</u>	<u>3,262,581</u>
Total revenues	<u>3,267,338</u>	<u>3,267,338</u>	<u>3,300,389</u>	<u>33,051</u>	<u>3,262,581</u>
Expenditures					
Debt service					
Debt services - interest					
Bonds and other - interest	<u>966,989</u>	<u>966,989</u>	<u>658,650</u>	<u>308,339</u>	<u>734,958</u>
Total debt service - interest	<u>966,989</u>	<u>966,989</u>	<u>658,650</u>	<u>308,339</u>	<u>734,958</u>
Principal payments on long-term debt	<u>2,606,661</u>	<u>2,606,661</u>	<u>2,915,000</u>	<u>(308,339)</u>	<u>2,785,000</u>
Other debt service					
Other objects	<u>2,275</u>	<u>2,275</u>	<u>2,325</u>	<u>(50)</u>	<u>2,075</u>
Total	<u>2,275</u>	<u>2,275</u>	<u>2,325</u>	<u>(50)</u>	<u>2,075</u>
Total debt service	<u>3,575,925</u>	<u>3,575,925</u>	<u>3,575,975</u>	<u>(50)</u>	<u>3,522,033</u>
Total expenditures	<u>3,575,925</u>	<u>3,575,925</u>	<u>3,575,975</u>	<u>(50)</u>	<u>3,522,033</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, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
Excess (deficiency) of revenues over expenditures	\$ (308,587)	\$ (308,587)	\$ (275,586)	\$ 33,001	\$ (259,452)
Other financing sources					
Transfer to pay for principal on debt certificates	265,000	265,000	44,025	(220,975)	50,100
Transfer to pay for interest on debt certificates	<u>44,025</u>	<u>44,025</u>	<u>265,000</u>	<u>220,975</u>	<u>270,000</u>
Total other financing sources	<u>309,025</u>	<u>309,025</u>	<u>309,025</u>	<u>-</u>	<u>320,100</u>
Net change in fund balance	<u>\$ 438</u>	<u>\$ 438</u>	33,439	<u>\$ 33,001</u>	60,648
Fund balance, beginning of year			<u>98,647</u>		<u>37,999</u>
Fund balance, end of year			<u>\$ 132,086</u>		<u>\$ 98,647</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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
Other	\$ -	\$ -	\$ -	\$ -	\$ 66,658
Total local sources	-	-	-	-	66,658
State sources					
Infrastructure Improvements - Construction	800,000	800,000	838,544	38,544	-
Total state sources	800,000	800,000	838,544	38,544	-
Total revenues	800,000	800,000	838,544	38,544	66,658
Expenditures					
Support services					
Facilities acquisition and construction services					
Purchased services	50,000	5,000	4,152	848	145,466
Capital outlay	200,000	-	-	-	275,856
Total	250,000	5,000	4,152	848	421,322
Total support services	250,000	5,000	4,152	848	421,322
Total expenditures	250,000	5,000	4,152	848	421,322

(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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance From Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
Excess (deficiency) of revenues over expenditures	<u>\$ 550,000</u>	<u>\$ 795,000</u>	<u>\$ 834,392</u>	<u>\$ 39,392</u>	<u>\$ (354,664)</u>
Other financing sources					
Transfer from Operations and Maintenance Fund	<u>250,000</u>	<u>505,000</u>	<u>656,023</u>	<u>151,023</u>	<u>300,000</u>
Total other financing sources	<u>250,000</u>	<u>505,000</u>	<u>656,023</u>	<u>151,023</u>	<u>300,000</u>
Net change in fund balance (deficit)	<u>\$ 800,000</u>	<u>\$ 1,300,000</u>	1,490,415	<u>\$ 190,415</u>	(54,664)
Fund deficit, beginning of year			<u>(1,490,415)</u>		<u>(1,435,751)</u>
Fund balance (deficit), end of year			<u>\$ -</u>		<u>\$ (1,490,415)</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, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 458,524	\$ 906,021	\$ 955,437	\$ 409,108
<b>Total assets</b>	<b>\$ 458,524</b>	<b>\$ 906,021</b>	<b>\$ 955,437</b>	<b>\$ 409,108</b>
<b>Liabilities</b>				
Due to student groups				
Band Camp	\$ 3,573	\$ 17,120	6,634	\$ 14,059
Baseball Camp	8,023	7,945	10,305	5,663
Basketball Camp-Boys	6,780	19,015	11,246	14,549
Cheerleading Camp	2,278	3,995	1,300	4,973
Dance Team Camp	1,781	6,345	13,957	(5,831)
Football Camp	11,438	18,750	15,447	14,741
Basketball Camp-Girls	3,383	7,243	4,682	5,944
Softball Camp	645	3,585	1,884	2,346
Gymnastics Camp-Girls	2,187	2,100	-	4,287
Lacrosse Camp - Boys	291	1,115	-	1,406
Soccer Camp-Both	2,885	8,820	7,329	4,376
Tennis Camp	2,055	3,455	2,708	2,802
Volleyball Camp-Both	4,431	10,045	5,104	9,372
Wrestling Camp	1,015	1,925	4,810	(1,870)
Swimming Camp-Both	(140)	55	-	(85)
Cross Country-Camp-Both	4,336	3,375	1,657	6,054
Diving Camp	-	220	-	220
Golf Camp-Girls	211	575	221	565
Vocal Music Camp	2,600	-	-	2,600
Throw Camp	240	-	208	32
Gymnastics Camp - Boys	200	505	2	703
Track-Speed Camp	160	360	-	520
Water Polo Camp-Boys	1,303	4,840	3,542	2,601
Water Polo Camp-Girls	390	2,370	1,245	1,515
Water Polo Camp - Youth	160	480	340	300
Guard Camp	500	60	-	560
Volleyball - Fundraiser	4,403	5,683	2,776	7,310
Lacrosse Camp - Girls	95	1,445	1,779	(239)
Strength Training Summer Camp	-	-	2,224	(2,224)
Gymnastics-Bob Bohl Invite	7,238	7,965	1,110	14,093
Soccer Sectionals-Girls	100	-	-	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, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Liabilities (Continued)				
Due to student groups (Continued)				
Basketball-Boys-Thanksgiving	\$ 7,036	\$ 5,742	\$ -	\$ 12,778
Basketball-Girls-Holiday	100	-	-	100
Basketball-Girls-Thanksgiving	2,256	4,560	364	6,452
Golf-Boys-Jv Invite	1,152	2,935	3,034	1,053
Golf-Boys-Jv Quad	1,140	800	602	1,338
Golf-Boys-Varsity Invite	660	2,940	2,580	1,020
Golf-Girls-Varsity Invite	100	460	-	560
Gymnastics-Girls-Jv Invite	722	125	-	847
Gymnastics-Girls-Lake Cou Conf	100	1,658	-	1,758
Soccer-Girls-Jv Quad	300	-	-	300
Tennis-Boys-Mustang Invite	90	155	-	245
Tennis-Girls-Jv-Quad	95	140	35	200
Nsc Tournament	1,514	482	646	1,350
Waterpolo-Both-P/L Invite	1,766	2,400	556	3,610
Waterpolo-Girls-Mini	984	1,480	79	2,385
Wrestling-Jv/V Quad	-	1,000	-	1,000
Golf-Boys-Hawthorn Invite	245	750	978	17
Ihsa Tournament - Girls	3,923	2,600	616	5,907
Ihsa Tournament - Boys	2,876	5,988	2,839	6,025
Dance Invite	7,156	7,583	7,966	6,773
Academic Scholarship	943	-	-	943
Ap Exams	13,640	72,721	76,580	9,781
Jerri Craven Memorial Fund	7,724	55	7,779	-
Student Assistance	465	1,749	2,319	(105)
Interact	805	-	-	805
Voices/Joe Flynn Memorial	73	-	100	(27)
Distinguished Alumni	-	2,746	-	2,746
Mustang Parent Club	937	3,996	2,982	1,951
Super Seniors	200	200	-	400
Interest Earned	4,410	10,452	986	13,876
Field Trips	3,129	201	2,155	1,175
Mhs Booster Club	7,492	18,279	24,224	1,547
Staff Convenience Account	4,718	625	1,101	4,242
Coke - Sponsorship Funding	9,289	343	6,556	3,076
Mhs Ceaf	1,050	5,808	2,925	3,933

(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, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Liabilities (Continued)				
Due to student groups (Continued)				
Poetry Slam Team	\$ 114	\$ -	\$ -	\$ 114
Lifesource Scholarship	376	2,750	2,504	622
Mundelein Art Fest Scholarship	500	1,000	500	1,000
Tshirt Purchase	196	720	564	352
Concession Sales	9,796	45,219	28,050	26,965
Leadercast	50	-	-	50
Wellness University	20,748	-	5,810	14,938
Stem	400	-	-	400
Fbla-Art Dept	31	47	-	78
Fbla-General	14,626	47,872	49,322	13,176
Art Club	61	-	100	(39)
Band General	13,619	28,191	30,346	11,464
Band - Fund Raiser	2,672	128,700	127,746	3,626
Broadcasting	3,430	1,810	1,501	3,739
Chess Club	22	-	-	22
French Club	-	318	-	318
Yearbook	5,488	920	2,646	3,762
Mock Trial	42	-	-	42
Nhs	1,133	617	1,285	465
Orchesis	425	1,083	946	562
Helping Heroes Of America	635	372	829	178
Sadd	336	-	-	336
Student Leadership	24,332	88,559	103,460	9,431
Thespians	21,196	34,920	25,615	30,501
Vocal Music	10,792	27,454	32,995	5,251
Activity Specials	3,208	-	138	3,070
Economics Club	2,656	8,470	8,705	2,421
Black Student Union	311	744	1,001	54
Gay-Straight Alliance	209	101	59	251
Best Buddies	637	659	1,407	(111)
Robotics Club	2,301	1,350	2,330	1,321
Temas Latinos	298	166	222	242
Puertas	1,028	4,439	3,833	1,634
Music Invite	9,016	1,025	8,829	1,212
Mundelein Superintendents	34	-	-	34

(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, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Liabilities (Continued)				
Due to student groups (Continued)				
Stand Up Coalition	\$ 132	\$ -	\$ -	\$ 132
Click, Operation	2,263	-	-	2,263
Link Crew	108	-	-	108
Mhs Drink Oasis	2,074	1,188	3,251	11
Newspaper	986	230	558	658
Wellness Club	248	-	188	60
Byte Club	117	331	375	73
Business Incubator	10,790	2,275	3,371	9,694
Asian Culture Club	112	171	56	227
Avid	-	3,065	2,912	153
Spanish Club	-	60	21	39
Athletic Special	32,047	11,667	29,636	14,078
Athletic Special-Booster Wish L	10	-	-	10
Baseball General	2,579	808	2,346	1,041
Basketball General-Boys	8,653	14,030	24,357	(1,674)
Cross Country General - Boys	3,739	1,373	6,033	(921)
Gymnastics General-Boys	(343)	90	487	(740)
Soccer General-Boys	498	906	2,263	(859)
Swimming General-Boys	122	-	206	(84)
Tennis General-Boys	870	100	1,003	(33)
Track General-Boys	9,984	2,560	13,604	(1,060)
Volleyball General-Boys	2,361	545	4,208	(1,302)
Waterpolo General-Boys	1,203	355	26	1,532
Cheerleading General	4,496	32,069	30,398	6,167
Guard-Color/Winter	1,085	1,453	2,005	533
Football General	14,419	28,021	41,959	481
Basketball General-Girls	1,587	15,001	18,238	(1,650)
Golf General-Girls	24	240	630	(366)
Gymnastics General-Girls	2,226	2,772	4,058	940
Soccer General-Girls	2,814	5,079	6,382	1,511
Softball General	7,111	9,801	15,594	1,318
Swimming General-Girls	444	-	-	444
Tennis General-Girls	2,262	-	686	1,576
Track General-Girls	990	709	1,092	607
Volleyball General-Girls	413	1,148	1,099	462

(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, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Liabilities (Continued)				
Due to student groups (Continued)				
Waterpolo General-Girls	\$ 3,369	\$ -	\$ 984	\$ 2,385
Golf General-Boys	397	-	385	12
Lacrosse General - Boys	7,917	5,995	8,071	5,841
Wrestling General	(66)	11,135	2,231	8,838
Lacrosse General - Girls	1,795	2,976	3,844	927
Swimming & Diving - Girls	353	729	-	1,082
Athletic Trainers	3,907	829	871	3,865
Pe Leadership	216	700	348	568
Swimming & Diving - Boys	1,462	399	30	1,831
Basketball - Intramural	160	200	-	360
Soccer - Intramural	1,826	-	-	1,826
Dance Team General	8,548	20,445	29,457	(464)
Triathlon Club	1,847	125	2,236	(264)
Cross Country General - Girls	-	309	683	(374)
Volleyball - Intramural	-	262	-	262
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	\$ <u>458,524</u>	\$ <u>906,021</u>	\$ <u>955,437</u>	\$ <u>409,108</u>

(Concluded)

**OTHER SUPPLEMENTAL INFORMATION**

**Mundelein Consolidated High School District 120**  
**OPERATING COSTS AND TUITION CHARGE**  
June 30, 2019 and 2018

<b>Operating costs per pupil</b>	2019	2018
Average Daily Attendance (ADA):	1,880.60	1,907.25
Operating costs:		
Educational	\$ 31,777,533	\$ 29,916,394
Operations and Maintenance	3,063,289	2,562,883
Debt Service	3,575,975	3,522,033
Transportation	1,731,830	1,677,849
Municipal Retirement/Social Security	1,257,582	1,125,410
Tort	161,893	181,911
Subtotal	41,568,102	38,986,480
Less Revenues/Expenditures of Non regular Programs:		
Payments to Other District and Govt Units	1,822,987	2,242,636
Adult education	641,055	669,831
Summer school	170,289	116,933
Community services	42,459	53,837
Capital outlay	121,858	137,139
Non-capitalized equipment	764,932	797,796
Debt principal retired	2,915,000	2,785,000
Subtotal	6,478,580	6,803,172
Operating costs	\$ 35,089,522	\$ 32,183,308
Operating costs per pupil - based on ADA	\$ 18,659	\$ 16,874
<b>Tuition Charge</b>		
Operating costs	\$ 35,089,522	\$ 32,183,308
Less - revenues from specific programs, such as special education or lunch programs	3,207,101	3,296,940
Net operating costs	31,882,421	28,886,368
Depreciation allowance	2,376,733	2,438,897
Allowance tuition costs	\$ 34,259,154	\$ 31,325,265
Tuition charge per pupil - based on ADA	\$ 18,217	\$ 16,424