

**Mundelein Consolidated High School
District 120**

ANNUAL FINANCIAL REPORT

Year Ended June 30, 2021

Mundelein Consolidated High School District 120
 ANNUAL FINANCIAL REPORT
 For the Year Ended June 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 4
Management's Discussion and Analysis (Unaudited)	5 - 13
Basic Financial Statements	
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
Notes to the Financial Statements	22 - 67
Required Supplementary Information (Unaudited)	
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios Most Recent Calendar Years - Illinois Municipal Retirement Fund	68 - 69
Multiyear Schedule of Contributions - Illinois Municipal Retirement Fund	70
Multiyear Schedule of the District's Proportionate Share of Net Pension Liability - Teachers' Retirement System of the State of Illinois	71 -72
Multiyear Schedule of District Contributions - Teachers' Retirement System of the State of Illinois	73 -74
Multiyear Schedule of Changes in Total Other Postemployment Benefits (OPEB) Liability and Related Ratios - Retiree Health Plan	75
Multiyear Schedule of the District's Proportionate Share of the Net Other Postemployment Benefit (OPEB) Liability - Teachers' Health Insurance Security Fund	76
Multiyear Schedule of District Contributions - Teachers' Health Insurance Security Fund	77
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund - Budgetary Basis	78 - 87

(Continued)

Mundelein Consolidated High School District 120
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information (Unaudited) (Continued)	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Operations and Maintenance Fund	88 - 89
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Transportation Fund	90
Schedule of Revenues, Expenditures, and Changes in Fund Balances (Deficits) - Budget and Actual - Municipal Retirement/Social Security Fund	91 - 93
Notes to the Required Supplementary Information	94 - 100
 Supplementary Financial Information	
General Fund	
Combining Balance Sheet	101
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	102
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Debt Service Fund	103

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Mundelein Consolidated High School District 120, as of and for the year ended June 30, 2021, 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 and each major fund of Mundelein Consolidated High School District 120, as of June 30, 2021, 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.

Emphasis of a Matter

As discussed in Note A-2 to the financial statements, assets and fund balance/net position as of July 1, 2020 have been restated as a result of an adjustment due to the implementation of the Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

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 68 through 74, the other postemployment benefits data on page 75 through 77, budgetary comparison schedules and notes to the required supplementary information on pages 78 through 100 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, 2021 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.

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, 2021 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2021 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, 2021, is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2021.

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, 2020 (not presented herein), and have issued our report thereon dated January 20, 2021, 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 Debt Service Fund with comparative amounts for the year ended June 30, 2020 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 2020 basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Debt Service Fund have been subjected to the auditing procedures applied in the audit of the 2020 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 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, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2021 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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mundelein Consolidated High School District 120's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
December 1, 2021

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021**

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, 2021. 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, 2021, the total assets and deferred outflows of the District exceeded its total liabilities and deferred inflows, resulting in a net position balance of \$23,676,387.
- The District's net position was \$22,204,859 (as restated) as of June 30, 2020. The difference between the prior year balance and the current net position balance on June 30, 2021, of \$23,676,387 is \$1,471,528.
- At the close of the 2020-21 fiscal year, the District's governmental funds reported a combined ending fund balance of \$17,004,127 which reflects an increase of \$858,923 in comparison with the prior year. The combined fund balance was \$16,145,204 (as restated) as of June 30, 2020.
- The GASB has issued Statement No. 84, *Fiduciary Activities*, which was implemented by the District for the year ended June 30, 2021. The implementation of GASB 84 required the District to report its student activity fund as part of the General Fund. As a result of this implementation as of July 1, 2020, net position and fund balance increased by \$387,686 and cash and investments increased by \$387,686.

Overview of the Financial Statements

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

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

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

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The 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.

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021**

Overview of the Financial Statements (Continued)

Government-wide financial statements (Continued)

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 categorized as governmental 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.

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.

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021**

Overview of the Financial Statements (Continued)

Fund financial statements (Continued)

The District maintains five 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, and Municipal Retirement/Social Security, 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.

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 \$23,676,387 at the close of the most recent fiscal year. The unrestricted net deficit on June 30, 2021 was (\$15,177,232). This figure is \$886,991 more than the prior year unrestricted net position of (\$14,290,241).

Total revenues for the District were \$60,805,126 in fiscal year 2021 (full accrual), an increase of \$3,257,905 from the prior fiscal year. The increase results primarily from state retirement on-behalf contributions, property taxes, and federal emergency funding.

Total expenditures on governmental activities for the District were \$59,333,598 in fiscal year 2021 (full accrual), an increase of \$4,501,262 from the prior fiscal year. This increase was primarily due to increases in state retirement contributions in the current year.

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021**

Government-Wide Financial Analysis (Continued)

*Statement of Net Position
(Millions of dollars)*

	<u>2021</u>	<u>2020*</u>
Current Assets	\$ 55.178	\$ 53.806
Capital Assets, net	44.870	46.783
Total Assets	100.048	100.589
Deferred outflows related to pensions and other postemployment benefits	4.776	6.220
Total Deferred Outflows	4.776	6.220
Current Liabilities	1.645	1.862
Long-term Liabilities	33.077	39.101
Total Liabilities	34.722	40.963
Property taxes levied for a future period	36.564	35.758
Deferred inflows related to pensions and other postemployment benefits	9.862	8.271
Total Deferred Inflows	46.426	44.029
Net investment in capital assets	34.422	33.032
Restricted	4.431	3.075
Unrestricted	(15.177)	(14.290)
Total Net Position	\$ 23.676	\$ 21.817

** Not updated to reflect restatement as a result of adoption of GASB 84*

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021**

Government-Wide Financial Analysis (Continued)

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

	<u>2021</u>	<u>2020*</u>
Revenues		
Program Revenues		
Charges for Services	\$ 1.805	\$ 1.356
Capital, Operating Grants and Contributions	20.164	17.690
Total Program Revenues	21.969	19.046
General Revenues		
Property Taxes	36.000	35.257
Replacement Taxes	0.489	0.351
Operating grants and contributions not restricted	2.091	2.089
Investment earnings	0.107	0.678
Miscellaneous	0.149	0.126
Total General Revenues	38.836	38.501
 Total Revenue	 60.805	 57.547
 Expenses		
Instruction	42.824	38.773
Support Services	15.512	14.962
Community Services	0.086	0.035
Nonprogrammed Charges	0.648	0.663
Interest and Fees	0.264	0.399
Total Expenses	59.334	54.832
 Change in Net Position	 \$ 1.471	 \$ 2.715

** Not updated to reflect restatement as a result of adoption of GASB 84*

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 \$17,004,127. The unassigned fund balance component is \$12,146,230, the restricted fund balance component is \$4,465,460, and the assigned fund balance component is \$392,437.

Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

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 2021, the Educational Account had a fund balance of \$11,848,760. The fund balance as of June 30, 2020 was \$12,392,860 (as restated). This difference reflects a decrease in the fund balance of \$544,100.

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 2021, the Working Cash Account had a fund balance of \$752,420. The fund balance as of June 30, 2020 was \$752,433. This difference reflects a decrease in the fund balance of \$13.

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 2021, the Tort Immunity and Judgment Account had a deficit fund balance of \$4,543. The fund balance as of June 30, 2020 was \$48,091. The difference reflects a decrease in the fund balance of \$52,634.

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 2021, the Operations and Maintenance Fund had a fund balance of \$2,256,839. The fund balance as of June 30, 2020 was \$2,059,463. This difference reflects an increase in the fund balance of \$197,376.

Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

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 and special education routes, field trips, and 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 2021, the Transportation Fund had a fund balance of \$1,912,285. The fund balance as of June 30, 2020 was \$779,619. This difference reflects an increase in the fund balance of \$1,132,666.

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 2021, the Municipal Retirement/Social Security Fund had a deficit fund balance of \$57,970. The fund balance as of June 30, 2020 was a deficit of \$74,416. The difference reflects an increase in the fund balance of \$16,446.

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 2021, the Debt Service Fund had a fund balance of \$296,336. The fund balance as of June 30, 2020 was \$187,154. This difference reflects an increase in the fund balance of \$109,182. This fund balance may only be used to pay the principal and interest on the District's outstanding bonded debt.

The District's total revenues were \$53,739,559 (modified accrual). Approximately 72% of total governmental fund revenues come from local sources (property taxes, replacement taxes, interest, and other), 4.6% from federal sources, 6.3% from state sources, excluding TRS / THIS on-behalf contributions, and 17.1% of revenues are calculated to be paid directly to TRS by the state (for more detailed information see Note D, Pension Liabilities – Teachers' Retirement System of the State of Illinois).

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021**

2020-21 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.

The 2010-21 budget was significantly influenced by the pandemic both in revenues, as well as expenditures. The greatest change in revenues was an increase in federal funding through Emergency Relief grants as well as free meals. The greatest change in expenditures was a decrease in transportation costs due to the district using a remote schedule for about half the year as well as increases for technology, providing a safe learning environment, and for food services.

Capital Assets and Debt Administration

Capital assets

As of June 30, 2021, the District had \$44.870 million invested in capital assets (net of depreciation), including land, buildings, improvements, and equipment. As of June 30, 2020, the District had \$46.782 million invested in capital assets. Additional information on the District’s capital assets can be found in the notes to the financial statements (Note F).

Capital Assets (net of depreciation) <i>(in thousands of dollars)</i>		
	<u>2021</u>	<u>2020</u>
Land	\$10.558	\$10.558
Buildings	31.364	33.101
Improvements Other Than Buildings	1.353	1.457
Equipment and Transportation		
Equipment	1.595	1.666
Total	<u>\$44.870</u>	<u>\$46.782</u>

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021**

Capital Assets and Debt Administration (Continued)

Long-term debt

As of June 30, 2021, the District had \$33.077 million in total long-term debt. This is a decrease of \$6.024 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 G). A summary of long-term debt is listed below:

Outstanding Long-Term Debt <i>(in thousands of dollars)</i>		
	<u>2021</u>	<u>2020</u>
General obligation and capital appreciation bonds (including unamortized premiums)	\$10.577	\$13.650
Debt Certificates	0.705	.920
Other Postemployment Benefits	18.344	20.098
Compensated Absences	0.042	0.028
IMRF Net Pension Obligation	1.513	2.598
TRS Net Pension Obligation	<u>1.896</u>	<u>1.807</u>
TOTAL	<u>\$33.077</u>	<u>\$39.101</u>

Factors Bearing on the District's Future

The large influx of federal funding has been helpful to the District to offset costs related to the pandemic, and it has been very helpful to stabilize state funding for education as well. Longer term, though, the state has not addressed its serious financial issues that existed before the pandemic. Our concern is the potential for state funding cuts once the federal emergency funds have been spent. This scenario was the case for several years after the last recession.

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, 2021

ASSETS

Cash and investments	\$	35,148,069
Receivables (net of allowance for uncollectibles)		
Interest		9,601
Property taxes		19,141,849
Replacement taxes		91,433
Intergovernmental		718,663
Other		68,922
Capital assets:		
Land		10,557,916
Depreciable buildings, property, and equipment, net		<u>34,311,598</u>
Total assets		<u>100,048,051</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions		1,253,393
Deferred outflows related to other postemployment benefits		<u>3,522,563</u>
Total deferred outflows		<u>4,775,956</u>

LIABILITIES

Accounts payable		671,614
Salaries and wages payable		925,411
Interest payable		34,221
Unearned revenue		13,808
Long-term liabilities:		
Due within one year		3,296,896
Due after one year		<u>29,779,887</u>
Total liabilities		<u>34,721,837</u>

DEFERRED INFLOWS OF RESOURCES

Property taxes levied for a future period		36,563,577
Deferred inflows related to pensions		2,046,883
Deferred inflows related to other postemployment benefits		<u>7,815,323</u>
Total deferred inflows		<u>46,425,783</u>

NET POSITION

Net investment in capital assets		34,422,380
Restricted for:		
Operations and maintenance		2,256,839
Debt service		262,115
Student transportation		1,912,285
Unrestricted		<u>(15,177,232)</u>
Total net position	\$	<u>23,676,387</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, 2021

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses)
		Charges for	Operating	Revenue and
		Services	Grants and	Changes in
			Contributions	Net Position
Governmental activities				
Instruction:				
Regular programs	\$ 15,532,537	\$ 870,466	\$ 831,825	\$ (13,830,246)
Special programs	7,062,809	-	1,112,882	(5,949,927)
Other instructional programs	3,797,770	77,945	235,995	(3,483,830)
State retirement contributions	16,430,828	-	16,430,828	-
Support services:				
Pupils	3,040,010	-	9,848	(3,030,162)
Instructional staff	917,368	-	50,146	(867,222)
General administration	994,436	-	-	(994,436)
School administration	2,089,525	-	-	(2,089,525)
Business	2,223,128	811,654	971,130	(440,344)
Transportation	974,350	-	520,923	(453,427)
Operations and maintenance	3,361,271	45,400	-	(3,315,871)
Central	1,910,906	-	-	(1,910,906)
Other supporting services	979	-	-	(979)
Community services	85,546	-	-	(85,546)
Nonprogrammed charges	647,750	-	-	(647,750)
Interest and fees	264,385	-	-	(264,385)
	<u>\$ 59,333,598</u>	<u>\$ 1,805,465</u>	<u>\$ 20,163,577</u>	<u>(37,364,556)</u>
Total governmental activities				
General revenues:				
Taxes:				
				26,755,295
				5,846,755
				3,397,625
				488,726
				2,091,299
				107,103
				149,281
				<u>38,836,084</u>
				1,471,528
				<u>22,204,859</u>
				\$ <u>23,676,387</u>

The accompanying notes are an integral part of this statement.

Mundelein Consolidated High School District 120

Governmental Funds

BALANCE SHEET

June 30, 2021

	General	Operations and Maintenance	Transportation
ASSETS			
Cash and investments	\$ 26,767,530	\$ 3,261,244	\$ 2,566,352
Receivables (net of allowance for uncollectibles):			
Interest	7,355	670	465
Property taxes	14,926,682	940,360	777,432
Replacement taxes	91,433	-	-
Intergovernmental	586,779	-	131,884
Other	68,076	452	-
Total assets	<u>\$ 42,447,855</u>	<u>\$ 4,202,726</u>	<u>\$ 3,476,133</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 399,974	149,669	78,845
Salaries and wages payable	925,411	-	-
Unearned revenue	13,808	-	-
Total liabilities	<u>1,339,193</u>	<u>149,669</u>	<u>78,845</u>
DEFERRED INFLOWS			
Property taxes levied for a future period	<u>28,512,025</u>	<u>1,796,218</u>	<u>1,485,003</u>
Total deferred inflows	<u>28,512,025</u>	<u>1,796,218</u>	<u>1,485,003</u>
FUND BALANCES			
Restricted	-	2,256,839	1,912,285
Assigned	392,437	-	-
Unassigned	12,204,200	-	-
Total fund balance (deficit)	<u>12,596,637</u>	<u>2,256,839</u>	<u>1,912,285</u>
Total liabilities, deferred inflows, and fund balance (deficit)	<u>\$ 42,447,855</u>	<u>\$ 4,202,726</u>	<u>\$ 3,476,133</u>

The accompanying notes are an integral part of this statement.

Municipal Retirement / Soc. Sec.	Debt Service	Total
\$ 649,214	\$ 1,903,729	\$ 35,148,069
299	812	9,601
730,606	1,766,769	19,141,849
-	-	91,433
-	-	718,663
394	-	68,922
<u>\$ 1,380,513</u>	<u>\$ 3,671,310</u>	<u>\$ 55,178,537</u>
42,926	200	\$ 671,614
-	-	925,411
-	-	13,808
<u>42,926</u>	<u>200</u>	<u>1,610,833</u>
<u>1,395,557</u>	<u>3,374,774</u>	<u>36,563,577</u>
<u>1,395,557</u>	<u>3,374,774</u>	<u>36,563,577</u>
-	296,336	4,465,460
-	-	392,437
(57,970)	-	12,146,230
<u>(57,970)</u>	<u>296,336</u>	<u>17,004,127</u>
<u>\$ 1,380,513</u>	<u>\$ 3,671,310</u>	<u>\$ 55,178,537</u>

Mundelein Consolidated High School District 120
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2021

Total fund balances - total governmental funds	\$	17,004,127
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Amounts reported for governmental activities in the statement of net position are different because:

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.		44,869,514
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to pensions		1,253,393
Deferred inflows of resources related to pensions		(2,046,883)

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

Deferred outflows of resources related to OPEB		3,522,563
Deferred inflows of resources related to OPEB		(7,815,323)

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:

General obligation bonds	\$	(9,485,000)	
Debt certificates		(705,000)	
Capital appreciation bonds		(692,037)	
Unamortized bond premiums		(399,839)	
Compensated absences		(41,896)	
IMRF net pension liability		(1,512,709)	
TRS net pension liability		(1,896,219)	
RHP total other postemployment benefit liability		(470,097)	
THIS net other postemployment benefit liability		<u>(17,873,986)</u>	(33,076,783)

Interest on long-term liabilities (interest payable) 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.		<u>(34,221)</u>
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Net position of governmental activities	\$	<u><u>23,676,387</u></u>
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The accompanying notes are an integral part of this statement.

Mundelein Consolidated High School District 120

Governmental Funds

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

For the Year Ended June 30, 2021

	<u>General</u>	<u>Operations and Maintenance</u>	<u>Transportation</u>
Revenues			
Property taxes	\$ 26,939,818	\$ 2,784,414	\$ 1,553,853
Replacement taxes	466,691	-	-
State aid	11,991,872	-	520,923
Federal aid	2,428,143	-	-
Interest	237,991	21,303	15,281
Other	<u>1,772,941</u>	<u>164,846</u>	<u>16,959</u>
Total revenues	<u>43,837,456</u>	<u>2,970,563</u>	<u>2,107,016</u>
Expenditures			
Current:			
Instruction:			
Regular programs	13,537,517	-	-
Special programs	5,148,961	-	-
Other instructional programs	3,268,241	-	-
State retirement contributions	9,161,890	-	-
Support services:			
Pupils	2,929,955	-	-
Instructional staff	886,871	-	-
General administration	833,811	-	-
School administration	2,017,347	-	-
Business	2,003,835	104,060	-
Transportation	-	-	974,350
Operations and maintenance	697,633	2,294,055	-
Central	1,463,844	-	-
Other supporting services	979	-	-
Community services	85,730	-	-
Nonprogrammed charges	2,287,064	-	-
Debt service:			
Principal	-	-	-
Interest and other	-	-	-
Capital outlay	<u>110,525</u>	<u>128,647</u>	<u>-</u>
Total expenditures	<u>44,434,203</u>	<u>2,526,762</u>	<u>974,350</u>
Excess (deficiency) of revenues over expenditures	(596,747)	443,801	1,132,666
Other financing sources (uses)			
Trans - in	-	-	-
Trans - out	<u>-</u>	<u>(246,425)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(246,425)</u>	<u>-</u>
Net change in fund balance (deficit)	(596,747)	197,376	1,132,666
Fund balance (deficit), beginning of year, as restated (Note M)	<u>13,193,384</u>	<u>2,059,463</u>	<u>779,619</u>
Fund balance (deficit), end of year	<u>\$ 12,596,637</u>	<u>\$ 2,256,839</u>	<u>\$ 1,912,285</u>

The accompanying notes are an integral part of this statement.

Municipal Retirement / Soc. Sec.	Debt Service	Total
\$ 1,323,965	\$ 3,397,625	\$ 35,999,675
22,035	-	488,726
39,500	-	12,552,295
5,500	-	2,433,643
9,742	26,157	310,474
-	-	1,954,746
<u>1,400,742</u>	<u>3,423,782</u>	<u>53,739,559</u>
221,186	-	13,758,703
203,056	-	5,352,017
218,656	-	3,486,897
-	-	9,161,890
90,844	-	3,020,799
32,707	-	919,578
155,674	-	989,485
76,454	-	2,093,801
105,406	-	2,213,301
-	-	974,350
146,521	-	3,138,209
133,764	-	1,597,608
-	-	979
28	-	85,758
-	-	2,287,064
-	3,100,000	3,100,000
-	461,025	461,025
-	-	239,172
<u>1,384,296</u>	<u>3,561,025</u>	<u>52,880,636</u>
16,446	(137,243)	858,923
-	246,425	246,425
-	-	(246,425)
-	246,425	-
16,446	109,182	858,923
(74,416)	187,154	16,145,204
<u>\$ (57,970)</u>	<u>\$ 296,336</u>	<u>\$ 17,004,127</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, 2021

Net change in fund balances (deficits) - total governmental funds.	\$	858,923
Amounts reported for governmental activities in the statement of activities are different because:		
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.		
Capital outlay	\$ 183,852	
Depreciation expense	<u>(2,096,843)</u>	(1,912,991)
Certain interest and grant revenues included in the statement of activities do not provide current financial resources and, therefore, are deferred in the governmental funds		(472,166)
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		(985,897)
Deferred outflows and inflows of resources related to TRS pension		72,707
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		13,605
Deferred outflows and inflows of resources related to THIS		(2,135,074)
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.		8,058
The issuance of long-term debt 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. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:		
Principal repayments		
General obligation bonds	\$ 2,175,000	
Capital appreciation bonds	710,000	
Debt certificates	215,000	
Accretion on capital appreciation bonds	(52,391)	
Amortization of bond premiums	240,973	
Compensated absences, net	(14,345)	
IMRF pension liability, net	1,084,836	
TRS pension liability, net	(89,377)	
RHP other postemployment benefit liability, net	(40,241)	
THIS other postemployment benefit liability, net	<u>1,794,908</u>	<u>6,024,363</u>
Change in net position of governmental activities	\$	<u><u>1,471,528</u></u>

The accompanying notes are an integral part of this statement.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

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. New Accounting Pronouncement

The GASB has issued Statement No. 84, *Fiduciary Activities*, which was implemented by the District for the year ended June 30, 2021. This Statement established guidance for identifying fiduciary activities and resulted in a change to accounting and financial reporting requirements.

Specific changes to the District's financial statements relate to the inclusion of the student activity funds within the District's General Fund. See Note M for the effects of this restatement.

3. Fund Accounting

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting (Continued)

Governmental funds are used to account for the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (debt service funds), and the acquisition or construction of major capital facilities (capital 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.

4. Government-Wide and Fund Financial Statements

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

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.

The Student Activity balance is accounted for in the Educational Account. The balance accounts for activities such as student yearbooks, student clubs and councils and scholarships.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b. Special Revenue Funds

The special revenue funds are used to account for and report the proceeds of specific revenue sources (other than those accounted for in the Debt Service or Capital Projects) 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. The District had no activity in its Capital Projects Fund for the year ended June 30, 2021.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Fund Balance

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

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items or inventories. The District has no nonspendable fund balance at June 30, 2021.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds, as well as debt service 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. The District has no committed fund balance at June 30, 2021.
- 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 delegated the authority to assign amounts to be used for specific purposes. The Board of Education has declared that the Business Manager may assign amounts for a specific purpose. The District student activity balances of \$392,437 has been assigned at June 30, 2021.
- 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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Property 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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to a future period. At June 30, 2021, 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, 2021, the District reported deferred inflows related to property taxes levied for a future period, pensions, and other postemployment benefits.

8. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that the District does not budget for on-behalf contributions from the State of Illinois for the employer's share of the Teachers' Retirement System Pension and Teachers' Health Insurance Security Fund (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.

9. Deposits and Investments

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

10. Personal Property Replacement Taxes

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

11. 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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Capital Assets (Continued)

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

12. 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, 2021, accumulated unpaid vacation pay was \$41,896. 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.

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.

13. 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. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as 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 actual proceeds, are reported as debt service expenditures.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. 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.

15. 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.

16. 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 - DEPOSITS AND INVESTMENTS

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2021, for disclosure purposes, the District's cash and investments are classified into components as follows:

	Total
Deposits with financial institutions*	\$ 22,480
Illinois School District Liquid Asset Fund Plus (ISDLAF+)	34,878,203
Other investments	247,386
	\$ 35,148,069

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

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

1. Interest Rate Risk

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

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
Negotiable certificates of deposit	\$ 247,386	\$ -	\$ 247,386	\$ -	\$ -

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

1. Interest Rate Risk (Continued)

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

		<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
ISDLAF+	\$ <u>34,878,203</u>	n/a	Daily	1 day

2. Credit Risk

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.

4. Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. At June 30, 2021, the bank balances of the District's deposits with financial institutions totaled \$747,300, all of which was 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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE C - 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 8, 2020. 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 2020 tax levy was \$1,470,548,222.

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 2020 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 2020 levy is to be used to finance operations in fiscal 2022. Therefore, the entire 2020 levy, including amounts collected in fiscal 2021, has been reported as property taxes levied for a future period in the accompanying financial statements.

NOTE D - 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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - PENSION LIABILITIES (Continued)

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

General Information About the Pension Plan (Continued)

Plan Description (Continued)

TRS issues a publicly available financial report that can be obtained at www.trsil.org/financial/cafrs/fy2020; 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 consecutive 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.

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 highest four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3 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.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. 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 began in 2019 and are funded by bonds issued by the state of Illinois.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - PENSION LIABILITIES (Continued)

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

General Information About the Pension Plan (Continued)

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2020, 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, 2021, 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 \$15,817,662 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$8,921,887 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, 2021, were \$112,259, and are deferred because they were paid after the June 30, 2020 measurement date.

Federal and Special Trust Fund Contributions

When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under 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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - PENSION LIABILITIES (Continued)

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

General Information About the Pension Plan (Continued)

Contributions (Continued)

Federal and Special Trust Fund Contributions (Continued)

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, 2021, the employer pension contribution was 10.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, salaries totaling \$33,018 were paid from federal and special trust funds that required employer contributions of \$3,437.

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.

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, 2021, the District paid \$69 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - 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, 2021, 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	\$	1,896,219
State's proportionate share of the net pension liability associated with the District		<u>148,521,738</u>
Total	\$	<u><u>150,417,957</u></u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. 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, 2020, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2020, the District's proportion was 0.0021994010 percent, which was a decrease of 0.0000282931 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized the following pension expense/expenditures and revenue for the support provided by the state pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - revenue and expense/expenditure	\$ 15,817,662	\$ 8,921,887
District TRS pension expense	<u>126,766</u>	<u>112,259</u>
Total TRS expense/expenditure	<u><u>\$ 15,944,428</u></u>	<u><u>\$ 9,034,146</u></u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - 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, 2021, 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>
Differences between expected and actual experience	\$ 18,377	\$ 506
Net difference between projected and actual earnings on pension plan investments	56,618	-
Change of assumptions	7,770	19,896
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>67,994</u>	<u>236,477</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>150,759</u>	<u>256,879</u>
District contributions subsequent to the measurement date	<u>112,259</u>	-
Total deferred amounts related to pensions	<u>\$ 263,018</u>	<u>\$ 256,879</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - PENSION LIABILITIES (Continued)

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

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

The District reported \$112,259 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year ended June 30:	Net Deferred Inflows of Resources
2022	\$ 97,941
2023	5,265
2024	213
2025	913
2026	1,788
	<u>\$ 106,120</u>

Actuarial Assumptions

The total pension liability in the June 30, 2020 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, 2020 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, 2019 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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - PENSION LIABILITIES (Continued)

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

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

Actuarial Assumptions (Continued)

The long-term (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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	16.5 %	6.1 %
U.S. equities small/mid cap	2.3	7.2
International equities developed	12.2	7.0
Emerging market equities	3.0	9.4
U.S. bonds core	7.0	2.2
U.S. bonds high yield	2.5	4.1
International debt developed	3.1	1.5
Emerging international debt	3.2	4.5
Real estate	16.0	5.7
Commodities (real return)	5.2	6.3
Hedge funds (absolute return)	10.0	4.3
Private equity	15.0	10.5
Infrastructure	4.0	6.2
Total	<u>100.00 %</u>	

Discount Rate

At June 30, 2020, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2019 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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - PENSION LIABILITIES (Continued)

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

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

Discount Rate (Continued)

Based on those assumptions, TRS's fiduciary net position at June 30, 2020 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.

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>2,301,665</u>	\$ <u>1,896,219</u>	\$ <u>1,562,420</u>

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2020 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed with the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the Benefits Provided section below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at www.imrf.org.

Benefits Provided

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

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	98
Inactive plan members entitled to but not yet receiving benefits	109
Active plan members	<u>102</u>
Total	<u><u>309</u></u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2020 was 10.82%. For the fiscal year ended June 30, 2021 the District contributed \$536,614 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, 2020. 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, 2020:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study from years 2017 to 2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Long-term Expected Rate of Return

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equities	37%	5.00%
International equities	18%	6.00%
Fixed income	28%	1.30%
Real estate	9%	6.20%
Alternative investments	7%	2.85% - 6.95%
Cash	1%	0.70%
Total	100%	

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:

- 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
- 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).

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Single Discount Rate (Continued)

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 2.00% (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%.

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, 2020:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	<u>(A)</u>	<u>(B)</u>	<u>(A) - (B)</u>
Balances at December 31, 2019	\$ 14,898,484	\$ 12,300,939	\$ 2,597,545
Changes for the year:			
Service cost	510,280	-	510,280
Interest on the total pension liability	1,070,996	-	1,070,996
Difference between expected and actual experience of the total pension liability	(99,789)	-	(99,789)
Changes of assumptions	(190,310)	-	(190,310)
Contributions - employer	-	551,785	(551,785)
Contributions - employees	-	229,485	(229,485)
Net investment income	-	1,735,369	(1,735,369)
Benefit payments, including refunds of employee contributions	(762,526)	(762,526)	-
Other (net transfer)	-	(140,626)	140,626
Net changes	<u>528,651</u>	<u>1,613,487</u>	<u>(1,084,836)</u>
Balances at December 31, 2020	<u>\$ 15,427,135</u>	<u>\$ 13,914,426</u>	<u>\$ 1,512,709</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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	\$ 3,327,477	\$ 1,512,709	\$ 75,711

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

For the year ended June 30, 2021 the District recognized pension expense of \$437,675. At June 30, 2021, 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
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 132,503	\$ 71,398
Change of assumptions	9,791	136,165
Net difference between projected and actual earnings on pension plan investments	566,207	1,582,441
Total deferred amounts to be recognized in pension expense in the future periods	708,501	1,790,004
Pension contributions made subsequent to the measurement date	281,874	-
Total deferred amounts related to pensions	\$ 990,375	\$ 1,790,004

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - 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 \$281,874 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, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year Ended June 30,	Net Deferred Inflows of Resources
2022	\$ 282,748
2023	181,738
2024	447,424
2025	169,593
2026	-
Total	\$ <u>1,081,503</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - 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	\$ 112,259	\$ 281,874	\$ 394,133
Experience	18,377	132,503	150,880
Assumptions	7,770	9,791	17,561
Proportionate share	67,994	-	67,994
Investments	56,618	566,207	622,825
	<u>\$ 263,018</u>	<u>\$ 990,375</u>	<u>\$ 1,253,393</u>
Net pension liability	<u>\$ 1,896,219</u>	<u>\$ 1,512,709</u>	<u>\$ 3,408,928</u>
Pension expense	<u>\$ 15,944,428</u>	<u>\$ 437,675</u>	<u>\$ 16,382,103</u>
Deferred inflows of resources:			
Investments	\$ -	\$ 1,582,441	\$ 1,582,441
Assumptions	19,896	136,165	156,061
Experience	506	71,398	71,904
Proportionate share	236,477	-	236,477
	<u>\$ 256,879</u>	<u>\$ 1,790,004</u>	<u>\$ 2,046,883</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, 2021

NOTE E - 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, 2021. 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, 2021, the District recognized revenue and expenses of \$613,166 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$240,003 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, 2021

NOTE E - 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, 2021. For the year ended June 30, 2021, the District paid \$178,066 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2020 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, 2021, 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**	\$ 17,873,986
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>24,214,383</u>
Total	<u><u>\$ 42,088,369</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, 2021

NOTE E - 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 District's proportionate share of the OPEB liability is based on its contributions (on a cash basis) as a percentage of total contributions received (cash basis) by the THIS plan in the year ended June 30, 2020. This method, which was selected by the Plan, can cause fluctuations in the OPEB liability to occur due to timing difference between contributions received by the Plan during the year and the amounts contractually required to be paid to the Plan for the same year. These differences can increase/decrease the District's percentage of total plan contributions and therefore the related OPEB liability. These variance can be significant, however are mainly offset by similar variances in the related deferred inflows/outflows. Additionally, the variances are generally corrected in the following year when the related balances are adjusted to a new valuation report, for the THIS plan, is issued for the next year.

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. 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, 2020, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2020, the District's proportion was 0.066854 percent, which was an decrease of 0.004211 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - OPEB revenue and expense/expenditure	\$ 613,166	\$ 240,003
District OPEB pension expense	<u>500,319</u>	<u>178,066</u>
Total OPEB expense/expenditure	<u>\$ 1,113,485</u>	<u>\$ 418,069</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - 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)

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 474,893
Change of assumptions	6,053	2,948,292
Net difference between projected and actual earnings on OPEB plan investments	-	509
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>3,245,125</u>	<u>4,304,098</u>
Total deferred amounts to be recognized in OPEB expense in future periods	<u>3,251,178</u>	<u>7,727,792</u>
District contributions subsequent to the measurement date	<u>178,066</u>	<u>-</u>
Total deferred amounts related to OPEB	<u>\$ 3,429,244</u>	<u>\$ 7,727,792</u>

The District reported \$178,066 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, 2022. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

<u>Year ending June 30:</u>	<u>Net Deferred Inflows (Outflows) of Resources</u>
2022	\$ 687,491
2023	687,443
2024	687,343
2025	1,953,876
2026	711,202
Thereafter	<u>(250,741)</u>
Total	<u>\$ 4,476,614</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - 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, 2020 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, 2020, contribution rates are 1.24% of pay for active members, 0.92% of pay for school districts, and 1.24% 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	2.50%
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% 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, 2018, 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-2017.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - 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 2020. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional rate adjustment due to the repeal of 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 1.24 percent, 0.92 percent, 1.24 percent of pay, respectively for fiscal year 2020. 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 3.13 percent at June 30, 2019, and 2.45 percent at June 30, 2020, was used to measure the total OPEB liability. The decrease in the single discount rate, from 3.13 percent to 3.45 percent, caused the total OPEB liability for the entire plan to increase by approximately \$3,012 million as of June 30, 2020.

Investment Return

During plan year end June 30, 2020, the trust earned \$193,000 in interest, and the market value of assets at June 30, 2020, is \$189 million. Given the low asset value and pay-as-you-go funding policy, the long-term expected rate of return assumption was set to zero.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - 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 1.732% for plan year end June 30, 2020, and 2.038% for plan year end June 30, 2019.

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 2.45 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 (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current rate:

	<u>1% Decrease</u> <u>(1.45%)</u>	<u>Current</u> <u>Discount</u> <u>(2.45%)</u>	<u>1% Increase</u> <u>(3.45%)</u>
District's proportionate share of the net OPEB liability	\$ <u>21,482,000</u>	\$ <u>17,873,986</u>	\$ <u>15,015,530</u>

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

The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates as well as what the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

	<u>1% Decrease*</u>	<u>Current</u> <u>Healthcare</u> <u>Trend Rate</u>	<u>1% Increase**</u>
District's proportionate share of the net OPEB liability	\$ <u>14,376,129</u>	\$ <u>17,873,986</u>	\$ <u>22,602,429</u>

*One percentage point decrease in healthcare trend rates are 7.25% in 2021 decreasing to an ultimate trend rate of 3.25% in 2037.

** One percentage point increase in healthcare trend rates are 9.25% in 2021 decreasing to an ultimate trend rate of 5.25% in 2037.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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. Administrators and Certified retirees are reimbursed a part of the premium toward the cost of their insurance, which is determined by the Board. The remainder of the premium is the responsibility of the retiree. IMRF retirees are eligible to participate in the plan, provided they pay the entire premium. Retirees that were part of the Voluntary Separation Program are reimbursed a part of the premium toward the cost of their insurance, which is determined by the Board, for five years beyond the retirement date or until the retiree is Medicare eligible (whichever occurs first). The remainder of the premium is the responsibility of the retiree.

Employees Covered by Benefit Terms

As of June 30, 2020 (most recent information available), the following employees were covered by the benefit terms:

Actives fully eligible to retire	277
Actives not yet fully eligible to retire	-
Retirees	<u>3</u>
Total	<u><u>280</u></u>

Contributions

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 2020, the District contributed \$0 toward the cost of the postemployment benefits for retirees, which was 0% of covered payroll.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

Total OPEB Liability (Continued)

Mortality rates (Continued)	<p><u>Active Employees</u> - RP-2014 White Collar Employee Tables projected generationally with Scale MP-2017, with female and male rates multiplied by 104% for all ages.</p> <p><u>Retirees</u> - RP-2014 White Collar Annuitant Tables projected generationally with Scale MP-2017, with female rates multiplied by 70% for ages under 78 and 110% for ages 78 to 114, and male rates multiplied by 94% for ages under 81 and 110% for ages 81 to 114.</p>
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.

Changes in the Total OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2020	\$ 429,856	\$ -	\$ 429,856
Changes for the year:			
Service cost	29,313	-	29,313
Interest on the total OPEB liability	11,250	-	11,250
Difference between the expected and actual experience of the total OPEB liability	-	-	-
Changes of assumptions and other inputs	13,515	-	13,515
Benefit payments, including the implicit rate subsidy	(13,837)	-	(13,837)
Other changes	-	-	-
Net changes	40,241	-	40,241
Balance at June 30, 2021	\$ 470,097	\$ -	\$ 470,097

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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 2.18%, 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:

	<u>1% Lower (1.18%)</u>	<u>Current Discount Rate (2.18%)</u>	<u>1% Higher (3.18%)</u>
Total OPEB liability	\$ <u>498,229</u>	\$ <u>470,097</u>	\$ <u>443,347</u>

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 2.39%-4.50%, 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:

	<u>1% Lower (3.50%-4.50%)</u>	<u>Current Healthcare Rate (4.50%-5.50%)</u>	<u>1% Higher (5.50%-6.50%)</u>
Total OPEB liability	\$ <u>446,930</u>	\$ <u>470,097</u>	\$ <u>498,229</u>

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

For the year ended June 30, 2021 the District recognized OPEB expense of \$40,471. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<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	\$ -	\$ 39,805
Change in assumptions	<u>93,319</u>	<u>47,726</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	<u>\$ 93,319</u>	<u>\$ 87,531</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - 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)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

Year Ended June 30,	Net Deferred Inflows (Outflows) of Resources
2022	\$ 91
2023	91
2024	91
2025	91
2026	91
Thereafter	<u>(6,243)</u>
Total	<u>\$ (5,788)</u>

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2021:

	<u>THIS</u>	<u>RHP</u>	<u>Total</u>
Deferred outflows of resources			
Employer contributions	\$ 178,066	\$ -	\$ 178,066
Assumptions	6,053	93,319	99,372
Proportionate share	<u>3,245,125</u>	<u>-</u>	<u>3,245,125</u>
	<u>\$ 3,429,244</u>	<u>\$ 93,319</u>	<u>\$ 3,522,563</u>
OPEB liability	<u>\$ 17,873,986</u>	<u>\$ 470,097</u>	<u>\$ 18,344,083</u>
OPEB expense	<u>\$ 1,113,485</u>	<u>\$ 40,471</u>	<u>\$ 1,153,956</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Summary of OPEB Items (Continued)

Deferred inflows of resources:

Assumptions	\$ 2,948,292	\$ 47,726	\$ 2,996,018
Experience	474,893	39,805	514,698
Investments	509	-	509
Proportionate share	4,304,098	-	4,304,098
	<u>\$ 7,727,792</u>	<u>\$ 87,531</u>	<u>\$ 7,815,323</u>

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>
Capital assets, not being depreciated				
Land	\$ 10,557,916	\$ -	\$ -	\$ 10,557,916
Capital assets, being depreciated				
Buildings	63,680,824	-	-	63,680,824
Improvements other than buildings	3,295,794	9,485	-	3,305,279
Equipment	8,152,818	174,367	-	8,327,185
Transportation equipment	350,575	-	-	350,575
Total capital assets, being depreciated	<u>75,480,011</u>	<u>183,852</u>	<u>-</u>	<u>75,663,863</u>
Less accumulated depreciation for:				
Buildings	30,579,831	1,737,015	-	32,316,846
Improvements other than buildings	1,838,406	114,266	-	1,952,672
Equipment	6,541,936	240,480	-	6,782,416
Transportation equipment	295,249	5,082	-	300,331
Total accumulated depreciation	<u>39,255,422</u>	<u>2,096,843</u>	<u>-</u>	<u>41,352,265</u>
Total capital assets being depreciated, net	<u>36,224,589</u>	<u>(1,912,991)</u>	<u>-</u>	<u>34,311,598</u>
Governmental activities capital assets, net	<u>\$ 46,782,505</u>	<u>\$ (1,912,991)</u>	<u>\$ -</u>	<u>\$ 44,869,514</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE F - CAPITAL ASSETS (Continued)

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

Governmental activities	
General Government	
Regular programs	\$ 1,572,631
Business services	20,968
Operations and maintenance	167,745
Central	335,499
	<u>\$ 2,096,843</u>

NOTE G - LONG-TERM LIABILITIES

1. Changes in General Long-term Liabilities

During the year ended June 30, 2021, changes in long-term liabilities were as follows:

	Balance July 1, 2020	Accretion / Additions	Reductions	Balance June 30, 2021
Bonds payable:				
General obligation bonds	\$ 11,660,000	\$ -	\$ 2,175,000	\$ 9,485,000
Capital appreciation bonds	1,349,646	52,391	710,000	692,037
Add unamortized premium	640,812	-	240,973	399,839
Debt certificates	920,000	-	215,000	705,000
IMRF net pension liability	2,597,545	1,721,902	2,806,738	1,512,709
TRS net pension liability	1,806,842	311,184	221,807	1,896,219
RHP total other postemployment benefit liability	429,856	54,078	13,837	470,097
THIS net other postemployment benefit liability	19,668,894	522,161	2,317,069	17,873,986
Compensated absences	27,551	60,005	45,660	41,896
	<u>\$ 39,101,146</u>	<u>\$ 2,721,721</u>	<u>\$ 8,746,084</u>	<u>\$ 33,076,783</u>
Total long-term liabilities-governmental activities	<u>\$ 39,101,146</u>	<u>\$ 2,721,721</u>	<u>\$ 8,746,084</u>	<u>\$ 33,076,783</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - LONG-TERM LIABILITIES (Continued)

1. Changes in General Long-term Liabilities (Continued)

	Due Within One Year
Bonds payable:	
General obligation bonds	\$ 2,320,000
Capital appreciation bonds	710,000
Debt certificates	225,000
Compensated absences	41,896
 Total long-term liabilities - governmental activities	 \$ 3,296,896

2. Bonds Payable

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Carrying Amount</u>	<u>Face Amount</u>
2002 Limited Tax Capital Appreciation School Bonds	3.60% - 5.19%	\$ 692,037	\$ 710,000
2014 General Obligation Limited School Bonds	3.00% - 5.00%	2,300,000	2,300,000
2015 General Obligation Limited School Bonds	3.00% - 5.00%	7,185,000	7,185,000
		\$ 10,177,037	\$ 10,195,000

At June 30, 2021, the District's future cash flow requirements for retirement of bond principal and interest was as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	\$ 10,195,000	\$ 713,325	\$ 10,908,325

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - LONG-TERM LIABILITIES (Continued)

2. Bonds Payable (Continued)

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$296,336 in the Debt Service Fund to service the outstanding bonds payable.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2021, the statutory debt limit for the District was \$101,467,827, of which \$90,585,791 is fully available.

3. Debt Certificates

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
2014 General Obligation Limited Tax Refunding Debt Certificates	3.00% - 4.00%	\$ <u><u>705,000</u></u>

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 225,000	\$ 23,700	\$ 248,700
2023	235,000	14,500	249,500
2024	<u>245,000</u>	<u>4,900</u>	<u>249,900</u>
	<u>\$ 705,000</u>	<u>\$ 43,100</u>	<u>\$ 748,100</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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE H - OPERATING LEASES

The District is entered into a lease agreement for a copier with a term of 60 months with payments of \$272 per month through October 2021. Total costs for the lease was \$3,264 for the year ended June 30, 2021. Subsequent to year end, the District entered into a lease agreement for copiers with a term of 63 months with payments of \$7,987 per month through December 2026. Future lease payments, including the lease entered into subsequent to year end, are as follows:

Year Ending June 30,	Total
2022	\$ 72,971
2023	95,844
2024	95,844
2025	95,844
2026	95,844
Thereafter	<u>47,922</u>
	<u>\$ 504,269</u>

NOTE I - 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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE J - 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 I). Total amounts paid under the terms of the joint agreement and for services provided were approximately \$188,000. 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 \$342,000 for the year ended June 30, 2021. 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.

NOTE K - INTERFUND TRANSFERS

The District transferred \$215,000 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 \$31,425 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.

NOTE L - 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.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE L - CONTINGENCIES (Continued)

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.

3. COVID-19

The long-term direct and indirect impacts of the COVID-19 pandemic on the District's enrollment, vendors, operations, and financing arrangements are currently unknown, as is the duration and severity of any impacts that the District may experience. The District continues to monitor investment values and returns, tax revenues, and state and federal funding, which could be impacted. While the District's evaluation is ongoing, management is currently unable to quantify the full effects that the pandemic will have on its operations, cash flows, and financial position; however, they may be significant.

NOTE M - CHANGE IN ACCOUNTING PRINCIPLE - RESTATEMENT

The implementation of GASB 84 (Note A-2) required the District to report its student activity fund as part of the General Fund. As a result of this implementation as of July 1, 2020, net position and fund balance increased by \$387,686 and cash and investments increased by \$387,686.

NOTE N - DEFICIT FUND BALANCES

At June 30, 2021, the Municipal Retirement/Social Security Fund and the Tort Immunity Fund have a deficit fund balances of \$57,970 and \$4,543, respectively. District management expects to fund these deficits through future property tax revenues.

NOTE O - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 1, 2021, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than those described in Note H, have occurred subsequent to the statement of net position / balance sheet date that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

Seven Most Recent Fiscal Years

	2021	2020	2019
Total pension liability			
Service cost	\$ 510,280	\$ 466,582	\$ 371,621
Interest on the total pension liability	1,070,996	992,764	949,548
Benefit changes	-	-	-
Difference between expected and actual experience of the total pension liability	(99,789)	349,917	28,812
Assumption changes	(190,310)	-	361,967
Benefit payments and refunds	(762,526)	(741,577)	(711,966)
Net change in total pension liability	528,651	1,067,686	999,982
Total pension liability, beginning	14,898,484	13,830,798	12,830,816
Total pension liability, ending	\$ 15,427,135	\$ 14,898,484	\$ 13,830,798
 Plan fiduciary net position			
Contributions, employer	\$ 551,785	\$ 519,917	\$ 508,286
Contributions, employee	229,485	218,657	193,151
Net investment income (loss)	1,735,369	1,929,063	(590,867)
Benefit payments, including refunds of employee contributions	(762,526)	(741,577)	(711,966)
Other (net transfer)	(140,626)	(8,330)	(31,956)
Net change in plan fiduciary net position	1,613,487	1,917,730	(633,352)
Plan fiduciary net position, beginning	12,300,939	10,383,209	11,016,561
Plan fiduciary net position, ending	\$ 13,914,426	\$ 12,300,939	\$ 10,383,209
 Net pension liability	\$ 1,512,709	\$ 2,597,545	\$ 3,447,589
 Plan fiduciary net position as a percentage of the total pension liability	90.19 %	82.57 %	75.07 %
 Covered valuation payroll	\$ 5,099,676	\$ 4,859,042	\$ 4,109,182
 Net pension liability as a percentage of covered valuation payroll	29.66 %	53.46 %	83.90 %

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 seven months prior to the end of the fiscal year.

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	362,082	\$ 338,908	\$ 296,366	\$ 280,125
	925,299	886,375	847,384	762,877
	-	-	-	-
	179,894	(44,600)	17,611	197,812
	(442,971)	(55,271)	-	539,198
	(699,546)	(663,202)	(656,739)	(599,238)
	<u>324,758</u>	<u>462,210</u>	<u>504,622</u>	<u>1,180,774</u>
	12,506,058	12,043,848	11,539,226	10,358,452
\$	<u><u>12,830,816</u></u>	<u><u>12,506,058</u></u>	<u><u>12,043,848</u></u>	<u><u>11,539,226</u></u>
\$	449,714	\$ 473,129	\$ 411,553	\$ 373,732
	158,474	144,639	124,629	114,338
	1,700,367	626,686	43,602	503,925
	(699,546)	(663,202)	(656,739)	(599,238)
	(212,677)	(44,207)	379,408	71,319
	<u>1,396,332</u>	<u>537,045</u>	<u>302,453</u>	<u>464,076</u>
	9,620,229	9,083,184	8,780,731	8,316,655
\$	<u><u>11,016,561</u></u>	<u><u>9,620,229</u></u>	<u><u>9,083,184</u></u>	<u><u>8,780,731</u></u>
\$	<u><u>1,814,255</u></u>	<u><u>2,885,829</u></u>	<u><u>2,960,664</u></u>	<u><u>2,758,495</u></u>
	85.86 %	76.92 %	75.42 %	76.09 %
\$	3,521,649	\$ 3,214,399	\$ 2,769,534	\$ 2,535,128
	51.52 %	89.78 %	106.90 %	108.81 %

Mundelein Consolidated High School District 120
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
Seven Most Recent Fiscal Years

Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2021	\$ 551,785	* \$ 551,785	\$ -	\$ 5,099,676	10.82 %
2020	519,917	519,917	-	4,859,042	10.70
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 10.82% and covered valuation payroll of \$5,099,676.

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
Seven Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.0021994010 %	0.0022276941 %	0.0024326027 %
District's proportionate share of the net pension liability	\$ 1,896,219	\$ 1,806,842	\$ 1,896,088
State's proportionate share of the net pension liability associated with the District	<u>148,521,738</u>	<u>128,590,958</u>	<u>129,889,990</u>
Total	<u>\$ 150,417,957</u>	<u>\$ 130,397,800</u>	<u>\$ 131,786,078</u>
District's covered-employee payroll	\$ 18,859,093	\$ 17,682,281	\$ 16,722,270
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.05 %	10.22 %	11.34 %
Plan fiduciary net position as a percentage of the total pension liability	37.80 %	39.60 %	40.00 %

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0022546649 %	0.0030377837 %	0.0026692237 %	0.0024132573 %
\$ 1,722,522	\$ 2,397,906	\$ 1,748,610	\$ 1,468,667
<u>118,581,962</u>	<u>122,138,379</u>	<u>93,420,818</u>	<u>87,487,936</u>
<u>\$ 120,304,484</u>	<u>\$ 124,536,285</u>	<u>\$ 95,169,428</u>	<u>\$ 88,956,603</u>
\$ 15,960,786	\$ 15,372,024	\$ 14,543,792	\$ 14,095,401
10.79 %	15.60 %	12.02 %	10.42 %
39.30 %	36.40 %	41.50 %	43.00 %

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 109,383	\$ 102,557	\$ 96,989
Contributions in relation to the contractually required contribution	<u>107,219</u>	<u>100,887</u>	<u>101,072</u>
Contribution deficiency (excess)	<u>\$ 2,164</u>	<u>\$ 1,670</u>	<u>\$ (4,083)</u>
District's covered-employee payroll	\$ 19,355,051	\$ 18,859,093	\$ 17,682,281
Contributions as a percentage of covered-employee payroll	0.55 %	0.53 %	0.57 %

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 98,978	\$ 102,501	\$ 100,343	\$ 91,601
<u>92,891</u>	<u>117,644</u>	<u>93,529</u>	<u>86,104</u>
<u>\$ 6,087</u>	<u>\$ (15,143)</u>	<u>\$ 6,814</u>	<u>\$ 5,497</u>
\$ 16,722,270	\$ 15,960,786	\$ 15,372,024	\$ 14,543,792
0.56 %	0.74 %	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
Four Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 29,313	\$ 28,758	\$ 22,726	\$ 22,110
Interest on the total OPEB liability	11,250	10,705	11,479	11,364
Difference between expected and actual experience of the total OPEB liability	-	(48,198)	-	-
Assumption changes	13,515	12,401	5,133	(32,173)
Benefit payments and refunds	(13,837)	(32,817)	(48,469)	(56,234)
Other (net transfer)	-	58,899	(205)	(11,912)
Net change in total OPEB liability	<u>40,241</u>	<u>29,748</u>	<u>(9,336)</u>	<u>(66,845)</u>
Total OPEB liability, beginning	429,856	400,108	409,444	476,289
Total OPEB liability, ending	<u>\$ 470,097</u>	<u>\$ 429,856</u>	<u>\$ 400,108</u>	<u>\$ 409,444</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>	<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>\$ 470,097</u>	<u>\$ 429,856</u>	<u>\$ 400,108</u>	<u>\$ 409,444</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %	0.00 %	0.00 %
Covered valuation payroll	\$ 21,646,801	\$ 21,646,801	\$ 18,976,596	\$ 18,976,596
Net OPEB liability as a percentage of covered valuation payroll	2.17 %	1.99 %	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
Four Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.0668540 %	0.0710650 %	0.0682110 %	0.0693810 %
District's proportionate share of the net OPEB liability	\$ 17,873,986	\$ 19,668,894	\$ 17,970,640	\$ 18,004,087
State's proportionate share of the net OPEB liability associated with the District	<u>24,214,383</u>	<u>26,934,192</u>	<u>24,130,694</u>	<u>23,643,840</u>
Total	<u>\$ 42,088,369</u>	<u>\$ 46,603,086</u>	<u>\$ 42,101,334</u>	<u>\$ 41,647,927</u>
District's covered-employee payroll	\$ 18,859,093	\$ 17,682,281	\$ 16,722,270	\$ 15,960,786
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	0.948 %	1.112 %	1.075 %	1.128 %
Plan fiduciary net position as a percentage of the total OPEB liability	0.70 %	0.25 %	-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
Four Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 173,504	\$ 162,677	\$ 147,156	\$ 134,071
Contributions in relation to the contractually required contribution	<u>155,590</u>	<u>160,692</u>	<u>147,156</u>	<u>134,071</u>
Contribution deficit	<u><u>\$ (17,914)</u></u>	<u><u>\$ (1,985)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
District's covered-employee payroll	\$ 19,355,051	\$ 18,859,093	\$ 17,682,281	\$ 16,722,270
Contributions as a percentage of covered-employee payroll	0.01 %	0.01 %	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, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	(Restated - Note M) 2020 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$26,228,104	\$ 26,228,104	\$ 26,405,675	\$ 177,571	\$ 25,977,981
Special education levy	530,551	530,551	534,143	3,592	510,588
Corporate personal property replacement taxes	280,000	280,000	466,691	186,691	330,431
Summer school tuition from pupils or parents	55,000	55,000	77,945	22,945	37,705
Interest on investments	326,200	301,200	237,991	(63,209)	542,007
Admissions - athletic	-	-	-	-	32,520
Fees	375,000	375,000	542,421	167,421	426,011
Book store sales	2,500	2,500	162	(2,338)	1,071
Other district/school activity revenue	113,500	113,500	59,014	(54,486)	138,055
Student Activity Fund Revenues	-	-	268,080	268,080	547,712
Other - textbooks	4,500	4,500	789	(3,711)	1,567
Services provided other districts	700,000	775,000	811,654	36,654	683,938
Other	5,000	5,000	12,876	7,876	22,014
Total local sources	28,620,355	28,670,355	29,417,441	747,086	29,251,600
State sources					
Evidence Based Funding Formula	2,089,471	2,089,471	2,091,299	1,828	2,089,471
Special Education - Private Facility Tuition	327,650	327,650	246,405	(81,245)	362,839
Special Education - Summer School	1,250	1,250	-	(1,250)	-
CTE - Secondary Program Improvement (CTED)	32,651	32,651	32,651	-	32,651
Driver Education	35,000	35,000	31,949	(3,051)	37,458
Adult Education (from ICCB)	445,760	445,760	424,607	(21,153)	474,603
Other restricted revenue from state sources	1,400	1,400	3,071	1,671	-
Total state sources	2,933,182	2,933,182	2,829,982	(103,200)	2,997,022
Federal sources					
Other restricted grants-in-aid received directly from the Federal Govt.	30,000	30,000	48,800	18,800	49,072
Special Milk Program	5,000	-	2,487	2,487	12,120
Summer Food Service Program	-	800,000	968,643	168,643	-
Title I - Low Income	258,223	261,394	172,518	(88,876)	215,975
Title IV - Student Support & Academic Enrichment Grant	32,753	26,521	9,848	(16,673)	21,964

(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, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				(Restated - Note M)
	Original Budget	Final Budget	Actual	Variance From Final Budget	2020 Actual
Federal sources (Continued)					
Federal Special Education - IDEA Flow Through	\$ 584,855	\$ 584,855	\$ 498,254	\$ (86,601)	\$ 330,730
Federal Special Education - IDEA Room & Board	50,000	179,667	346,816	167,149	28,786
CTE - Perkins-Title III Tech Prep	16,902	-	-	-	-
CTE - Other	-	16,902	16,902	-	16,902
Federal - Adult Education	218,795	218,795	180,942	(37,853)	-
Title III - English Language Acquisition	14,200	-	-	-	5,199
Title II - Teacher Quality	54,977	77,421	47,075	(30,346)	22,276
Medicaid Matching Funds - Administrative Outreach	-	-	-	-	12,571
Medicaid Matching Funds - Fee-For-Service Program	50,000	50,000	21,407	(28,593)	-
Other restricted revenue from Federal Sources	-	520,550	114,451	(406,099)	-
Total federal sources	1,315,705	2,766,105	2,428,143	(337,962)	715,595
Total revenues	32,869,242	34,369,642	34,675,566	305,924	32,964,217
Expenditures					
Instruction					
Regular programs					
Salaries	10,889,039	10,945,992	10,776,132	169,860	10,563,720
Employee benefits	1,801,500	1,801,500	1,968,205	(166,705)	1,978,236
Purchased services	66,250	66,250	37,368	28,882	80,222
Supplies and materials	440,272	433,231	270,102	163,129	382,283
Capital outlay	30,000	30,000	13,438	16,562	17,561
Other objects	12,500	12,500	1,916	10,584	16,137
Non-capitalized equipment	123,500	123,500	220,465	(96,965)	116,316
Total	13,363,061	13,412,973	13,287,626	125,347	13,154,475

(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, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	(Restated - Note M)
	Original Budget	Final Budget	Actual		2020 Actual
Special education programs					
Salaries	\$ 4,183,146	\$ 4,183,146	\$ 4,225,773	\$ (42,627)	\$ 4,116,638
Employee benefits	711,211	711,211	760,547	(49,336)	640,690
Purchased services	134,500	134,500	112,468	22,032	105,761
Supplies and materials	27,280	27,280	49,355	(22,075)	48,126
Capital outlay	11,900	11,900	-	11,900	7,897
Other objects	<u>2,000</u>	<u>2,000</u>	<u>818</u>	<u>1,182</u>	<u>-</u>
Total	<u>5,070,037</u>	<u>5,070,037</u>	<u>5,148,961</u>	<u>(78,924)</u>	<u>4,919,112</u>
Remedial and Supplemental programs K-12					
Salaries	4,000	4,000	-	4,000	1,331
Employee benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146</u>
Total	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>1,477</u>
Adult/continuing education programs					
Salaries	378,000	512,439	451,041	61,398	411,127
Employee benefits	29,500	73,769	18,039	55,730	16,171
Purchased services	3,500	3,500	3,000	500	2,600
Supplies and materials	<u>240,555</u>	<u>332,091</u>	<u>247,429</u>	<u>84,662</u>	<u>171,461</u>
Total	<u>651,555</u>	<u>921,799</u>	<u>719,509</u>	<u>202,290</u>	<u>601,359</u>
CTE programs					
Supplies and materials	5,230	5,230	-	5,230	5,230
Capital outlay	<u>44,323</u>	<u>44,323</u>	<u>50,942</u>	<u>(6,619)</u>	<u>45,081</u>
Total	<u>49,553</u>	<u>49,553</u>	<u>50,942</u>	<u>(1,389)</u>	<u>50,311</u>
Interscholastic programs					
Salaries	1,457,620	1,457,620	1,543,666	(86,046)	1,525,933
Employee benefits	60,750	60,750	76,904	(16,154)	66,751
Purchased services	133,500	133,500	147,210	(13,710)	172,222
Supplies and materials	88,000	88,000	74,228	13,772	108,197
Other objects	38,500	38,500	16,805	21,695	52,467
Non-capitalized equipment	<u>20,000</u>	<u>20,000</u>	<u>17,346</u>	<u>2,654</u>	<u>24,442</u>
Total	<u>1,798,370</u>	<u>1,798,370</u>	<u>1,876,159</u>	<u>(77,789)</u>	<u>1,950,012</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, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	(Restated - Note M)
	Original Budget	Final Budget	Actual		2020 Actual
Summer school programs					
Salaries	\$ 120,000	\$ 113,000	\$ 164,521	\$ (51,521)	\$ 89,741
Employee benefits	2,250	2,250	8,729	(6,479)	5,162
Purchased services	2,200	1,000	(4,200)	5,200	12,600
Supplies and materials	<u>7,300</u>	<u>7,300</u>	<u>4,995</u>	<u>2,305</u>	<u>11,389</u>
Total	<u>131,750</u>	<u>123,550</u>	<u>174,045</u>	<u>(50,495)</u>	<u>118,892</u>
Bilingual programs					
Salaries	389,855	381,855	430,108	(48,253)	410,752
Employee benefits	66,850	66,850	64,169	2,681	52,996
Supplies and materials	<u>10,000</u>	<u>10,000</u>	<u>4,251</u>	<u>5,749</u>	<u>10,854</u>
Total	<u>466,705</u>	<u>458,705</u>	<u>498,528</u>	<u>(39,823)</u>	<u>474,602</u>
Student Activity Fund Expenditures	<u>-</u>	<u>-</u>	<u>263,329</u>	<u>(263,329)</u>	<u>569,134</u>
Total instruction	<u>21,535,031</u>	<u>21,838,987</u>	<u>22,019,099</u>	<u>(180,112)</u>	<u>21,839,374</u>
Support services					
Pupils					
Attendance and social work services					
Salaries	602,070	602,070	596,141	5,929	573,160
Employee benefits	74,375	74,375	54,212	20,163	70,022
Supplies and materials	<u>350</u>	<u>350</u>	<u>213</u>	<u>137</u>	<u>45</u>
Total	<u>676,795</u>	<u>676,795</u>	<u>650,566</u>	<u>26,229</u>	<u>643,227</u>
Guidance services					
Salaries	1,102,355	1,102,355	1,132,156	(29,801)	1,082,336
Employee benefits	174,925	174,925	164,835	10,090	141,111
Purchased services	41,000	36,500	17,011	19,489	34,242
Supplies and materials	24,000	24,000	14,260	9,740	19,135
Other objects	<u>1,000</u>	<u>1,000</u>	<u>885</u>	<u>115</u>	<u>685</u>
Total	<u>1,343,280</u>	<u>1,338,780</u>	<u>1,329,147</u>	<u>9,633</u>	<u>1,277,509</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, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	(Restated - Note M)
	Original Budget	Final Budget	Actual		2020 Actual
Health services					
Salaries	\$ 245,602	\$ 245,602	\$ 227,756	\$ 17,846	\$ 235,141
Employee benefits	41,550	41,550	38,574	2,976	35,835
Purchased services	5,250	5,250	19,084	(13,834)	1,395
Supplies and materials	<u>12,000</u>	<u>12,000</u>	<u>7,384</u>	<u>4,616</u>	<u>1,091</u>
Total	<u>304,402</u>	<u>304,402</u>	<u>292,798</u>	<u>11,604</u>	<u>273,462</u>
Psychological services					
Salaries	342,235	342,235	289,714	52,521	261,754
Employee benefits	45,705	45,705	43,484	2,221	36,784
Purchased services	<u>5,000</u>	<u>5,000</u>	<u>9,323</u>	<u>(4,323)</u>	<u>-</u>
Total	<u>392,940</u>	<u>392,940</u>	<u>342,521</u>	<u>50,419</u>	<u>298,538</u>
Speech pathology and audiology services					
Salaries	270,835	270,835	272,031	(1,196)	260,835
Employee benefits	44,550	44,550	42,892	1,658	37,573
Purchased services	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>250</u>
Total	<u>316,385</u>	<u>316,385</u>	<u>314,923</u>	<u>1,462</u>	<u>298,658</u>
Total pupils	<u>3,033,802</u>	<u>3,029,302</u>	<u>2,929,955</u>	<u>99,347</u>	<u>2,791,394</u>
Instructional staff					
Improvement of instruction services					
Salaries	381,919	420,889	406,388	14,501	370,234
Employee benefits	62,750	62,750	68,362	(5,612)	61,093
Purchased services	104,428	117,648	33,113	84,535	68,659
Supplies and materials	22,483	25,778	15,986	9,792	10,783
Other objects	9,500	11,500	4,879	6,621	6,193
Non-capitalized equipment	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>582,080</u>	<u>638,565</u>	<u>528,728</u>	<u>109,837</u>	<u>516,962</u>
Educational media services					
Salaries	299,735	299,735	296,487	3,248	284,574
Employee benefits	29,105	29,105	27,980	1,125	24,156
Supplies and materials	<u>38,100</u>	<u>38,100</u>	<u>32,009</u>	<u>6,091</u>	<u>36,836</u>
Total	<u>366,940</u>	<u>366,940</u>	<u>356,476</u>	<u>10,464</u>	<u>345,566</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, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	(Restated - Note M)
	Original Budget	Final Budget	Actual		2020 Actual
Assessment and testing					
Salaries	\$ 7,500	\$ 7,500	\$ 1,448	\$ 6,052	\$ 214
Employee benefits	-	-	26	(26)	-
Purchased services	20,000	20,000	-	20,000	32,767
Supplies and materials	<u>2,000</u>	<u>2,000</u>	<u>193</u>	<u>1,807</u>	<u>-</u>
Total	<u>29,500</u>	<u>29,500</u>	<u>1,667</u>	<u>27,833</u>	<u>32,981</u>
Total instructional staff	<u>978,520</u>	<u>1,035,005</u>	<u>886,871</u>	<u>148,134</u>	<u>895,509</u>
General administration					
Board of education services					
Salaries	62,660	62,660	62,658	2	64,418
Employee benefits	7,130	7,130	8,568	(1,438)	8,206
Purchased services	162,000	162,000	119,732	42,268	224,810
Supplies and materials	11,500	11,500	5,557	5,943	7,846
Other objects	<u>10,000</u>	<u>10,000</u>	<u>12,411</u>	<u>(2,411)</u>	<u>8,261</u>
Total	<u>253,290</u>	<u>253,290</u>	<u>208,926</u>	<u>44,364</u>	<u>313,541</u>
Executive administration services					
Salaries	406,702	406,702	405,602	1,100	406,216
Employee benefits	63,850	63,850	68,681	(4,831)	54,046
Purchased services	4,000	4,000	6,226	(2,226)	249
Supplies and materials	5,000	5,000	3,757	1,243	1,753
Other objects	3,000	3,000	1,738	1,262	2,716
Non-capitalized equipment	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>
Total	<u>484,052</u>	<u>484,052</u>	<u>486,004</u>	<u>(1,952)</u>	<u>464,980</u>
Tort immunity services					
Purchased services	<u>215,006</u>	<u>215,006</u>	<u>238,474</u>	<u>(23,468)</u>	<u>146,875</u>
Total	<u>215,006</u>	<u>215,006</u>	<u>238,474</u>	<u>(23,468)</u>	<u>146,875</u>
Total general administration	<u>952,348</u>	<u>952,348</u>	<u>933,404</u>	<u>18,944</u>	<u>925,396</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, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	(Restated - Note M)
	Original Budget	Final Budget	Actual		2020 Actual
School administration					
Office of the principal services					
Salaries	\$ 968,939	\$ 968,939	\$ 958,836	\$ 10,103	\$ 985,675
Employee benefits	180,300	180,300	191,728	(11,428)	165,944
Purchased services	98,866	98,866	30,839	68,027	73,933
Supplies and materials	68,500	68,500	49,582	18,918	63,496
Other objects	<u>16,000</u>	<u>16,000</u>	<u>11,646</u>	<u>4,354</u>	<u>12,047</u>
Total	<u>1,332,605</u>	<u>1,332,605</u>	<u>1,242,631</u>	<u>89,974</u>	<u>1,301,095</u>
Other support services - school administration					
Salaries	655,176	655,176	666,628	(11,452)	655,176
Employee benefits	113,500	113,500	108,088	5,412	99,355
Purchased services	4,500	4,500	-	4,500	4,231
Other objects	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>	<u>164</u>
Total	<u>773,676</u>	<u>773,676</u>	<u>774,716</u>	<u>(1,040)</u>	<u>758,926</u>
Total school administration	<u>2,106,281</u>	<u>2,106,281</u>	<u>2,017,347</u>	<u>88,934</u>	<u>2,060,021</u>
Business					
Direction of business support services					
Salaries	204,001	204,001	204,001	-	204,001
Employee benefits	26,925	26,925	25,584	1,341	27,365
Purchased services	86,500	86,500	88,923	(2,423)	90,911
Supplies and materials	1,000	1,000	105	895	516
Other objects	1,200	1,200	12	1,188	615
Non-capitalized equipment	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total	<u>320,126</u>	<u>320,126</u>	<u>318,625</u>	<u>1,501</u>	<u>323,408</u>
Fiscal services					
Salaries	558,010	558,010	510,545	47,465	513,892
Employee benefits	111,000	111,000	125,046	(14,046)	107,604
Purchased services	3,000	3,000	524	2,476	2,676
Supplies and materials	<u>4,000</u>	<u>4,000</u>	<u>989</u>	<u>3,011</u>	<u>3,320</u>
Total	<u>676,010</u>	<u>676,010</u>	<u>637,104</u>	<u>38,906</u>	<u>627,492</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, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	(Restated - Note M)
	Original Budget	Final Budget	Actual		2020 Actual
Operation and maintenance of plant services					
Salaries	\$ 410,500	\$ 410,500	\$ 430,286	\$ (19,786)	\$ 442,590
Employee benefits	85,800	85,800	85,234	566	74,374
Purchased services	92,000	92,000	72,270	19,730	61,408
Supplies and materials	5,000	5,000	3,202	1,798	3,921
Other objects	10,000	10,000	-	10,000	-
Non-capitalized equipment	-	-	7,048	(7,048)	5,012
Total	603,300	603,300	598,040	5,260	587,305
Pupil transportation services					
Purchased services	1,500	-	-	-	-
Total	1,500	-	-	-	-
Food services					
Purchased services	82,000	552,000	873,872	(321,872)	44,384
Supplies and materials	500	500	-	500	1,747
Non-capitalized equipment	2,000	2,000	-	2,000	-
Total	84,500	554,500	873,872	(319,372)	46,131
Internal services					
Salaries	36,000	36,000	47,286	(11,286)	41,069
Employee benefits	7,785	7,785	9,554	(1,769)	543
Purchased services	170,000	170,000	109,754	60,246	188,264
Supplies and materials	5,000	5,000	7,640	(2,640)	24,746
Total	218,785	218,785	174,234	44,551	254,622
Total business	1,904,221	2,372,721	2,601,875	(229,154)	1,838,958
Central					
Data processing services					
Salaries	698,760	698,760	739,940	(41,180)	644,473
Employee benefits	126,350	126,350	129,544	(3,194)	93,608
Purchased services	186,000	170,000	126,197	43,803	137,058
Supplies and materials	131,000	142,000	150,243	(8,243)	82,487
Capital outlay	50,000	50,000	46,145	3,855	41,179
Non-capitalized equipment	420,000	566,650	317,920	248,730	408,242
Total central	1,612,110	1,753,760	1,509,989	243,771	1,407,047

(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, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	(Restated - Note M)
	Original Budget	Final Budget	Actual		2020 Actual
Other supporting services					
Supplies and materials	\$ 500	\$ 1,000	\$ 979	\$ 21	\$ 52
Total	<u>500</u>	<u>1,000</u>	<u>979</u>	<u>21</u>	<u>52</u>
Total support services	<u>10,587,782</u>	<u>11,250,417</u>	<u>10,880,420</u>	<u>369,997</u>	<u>9,918,377</u>
Community services					
Salaries	7,915	6,700	4,195	2,505	4,344
Employee benefits	-	-	1,596	(1,596)	685
Purchased services	55,595	46,895	12,649	34,246	17,471
Supplies and materials	18,100	12,487	5,663	6,824	12,006
Capital outlay	900	-	-	-	864
Non-capitalized equipment	-	61,000	61,627	(627)	-
Total	<u>82,510</u>	<u>127,082</u>	<u>85,730</u>	<u>41,352</u>	<u>35,370</u>
Payments to other districts and government units					
Other objects	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>	<u>78,930</u>
Total	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>	<u>78,930</u>
Payments for special education programs					
Purchased services	-	-	9,493	(9,493)	-
Other objects	<u>1,453,000</u>	<u>1,453,000</u>	<u>1,629,821</u>	<u>(176,821)</u>	<u>1,579,205</u>
Total	<u>1,453,000</u>	<u>1,453,000</u>	<u>1,639,314</u>	<u>(186,314)</u>	<u>1,579,205</u>
Payments for CTE education programs					
Other objects	<u>325,000</u>	<u>325,000</u>	<u>329,788</u>	<u>(4,788)</u>	<u>355,702</u>
Total	<u>325,000</u>	<u>325,000</u>	<u>329,788</u>	<u>(4,788)</u>	<u>355,702</u>
Payments for regular programs - tuition					
Other objects	<u>200,000</u>	<u>200,000</u>	<u>317,962</u>	<u>(117,962)</u>	<u>228,722</u>
Total payments to other districts and other government units	<u>2,038,000</u>	<u>2,038,000</u>	<u>2,287,064</u>	<u>(249,064)</u>	<u>2,242,559</u>
Total expenditures	<u>34,243,323</u>	<u>35,254,486</u>	<u>35,272,313</u>	<u>(17,827)</u>	<u>34,035,680</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, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	(Restated - Note M)
	Original Budget	Final Budget	Actual		2020 Actual
Net change to fund balance	<u>\$ (1,374,081)</u>	<u>\$ (884,844)</u>	(596,747)	<u>\$ 288,097</u>	(1,071,463)
Fund balance, beginning of year, as restated (Note M)			<u>13,193,384</u>		<u>14,264,847</u>
Fund balance, end of year			<u>\$ 12,596,637</u>		<u>\$ 13,193,384</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, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Revenues					
Local sources					
General levy	\$ 2,765,689	\$ 2,765,689	\$ 2,784,414	\$ 18,725	\$ 3,085,347
Interest on investments	45,000	30,000	21,303	(8,697)	57,829
Rentals	68,750	48,750	45,400	(3,350)	34,756
Contributions and donations from private sources	125,000	125,000	113,951	(11,049)	98,691
Other	15,000	15,000	5,495	(9,505)	5,634
Total local sources	<u>3,019,439</u>	<u>2,984,439</u>	<u>2,970,563</u>	<u>(13,876)</u>	<u>3,282,257</u>
State sources					
Other restricted revenue from state sources	-	-	-	-	40,016
Total revenues	<u>3,019,439</u>	<u>2,984,439</u>	<u>2,970,563</u>	<u>(13,876)</u>	<u>3,322,273</u>
Expenditures					
Support services					
Facilities acquisition and construction services					
Capital outlay	65,000	65,000	72,648	(7,648)	-
Other objects	104,060	104,060	104,060	-	103,852
Total	<u>169,060</u>	<u>169,060</u>	<u>176,708</u>	<u>(7,648)</u>	<u>103,852</u>
Operation and maintenance of plant services					
Salaries	395,000	395,000	394,197	803	393,235
Employee benefits	80,800	80,800	191,121	(110,321)	78,312
Purchased services	904,200	904,200	909,781	(5,581)	1,127,447
Supplies and materials	657,500	727,500	678,090	49,410	599,263
Capital outlay	10,000	55,000	55,999	(999)	320,475
Other objects	115,000	115,000	109,183	5,817	150,983
Non-capitalized equipment	125,000	25,000	11,683	13,317	81,514
Total	<u>2,287,500</u>	<u>2,302,500</u>	<u>2,350,054</u>	<u>(47,554)</u>	<u>2,751,229</u>
Total expenditures	<u>2,456,560</u>	<u>2,471,560</u>	<u>2,526,762</u>	<u>(55,202)</u>	<u>2,855,081</u>
Excess of revenues over expenditures	<u>562,879</u>	<u>512,879</u>	<u>443,801</u>	<u>(69,078)</u>	<u>467,192</u>

(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, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Other financing uses					
Transfer to debt service fund for principal on debt certificates	\$ -	\$ -	\$ (215,000)	\$ (215,000)	\$ (210,000)
Transfer to debt service fund for interest on debt certificates	<u>-</u>	<u>-</u>	<u>(31,425)</u>	<u>(31,425)</u>	<u>(37,800)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(246,425)</u>	<u>(246,425)</u>	<u>(247,800)</u>
Net change in fund balance	<u>\$ 562,879</u>	<u>\$ 512,879</u>	197,376	<u>\$ (315,503)</u>	219,392
Fund balance, beginning of year			<u>2,059,463</u>		<u>1,840,071</u>
Fund balance, end of year			<u>\$ 2,256,839</u>		<u>\$ 2,059,463</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, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2020 Actual
Revenues					
Local sources					
General levy	\$ 1,543,403	\$ 1,543,403	\$ 1,553,853	\$ 10,450	\$ 1,118,397
Interest on investments	15,000	15,000	15,281	281	28,583
Other	-	-	16,959	16,959	-
Total local sources	<u>1,558,403</u>	<u>1,558,403</u>	<u>1,586,093</u>	<u>27,690</u>	<u>1,146,980</u>
State sources					
Transportation - Regular and Vocational	79,872	79,872	127,044	47,172	80,251
Transportation - Special Education	<u>457,832</u>	<u>457,832</u>	<u>393,879</u>	<u>(63,953)</u>	<u>462,645</u>
Total state sources	<u>537,704</u>	<u>537,704</u>	<u>520,923</u>	<u>(16,781)</u>	<u>542,896</u>
Total revenues	<u>2,096,107</u>	<u>2,096,107</u>	<u>2,107,016</u>	<u>10,909</u>	<u>1,689,876</u>
Expenditures					
Support services					
Business					
Pupil transportation services					
Purchased services	1,504,500	1,209,500	953,885	255,615	1,569,194
Supplies and materials	50,000	30,000	20,465	9,535	59,792
Capital outlay	-	-	-	-	41,753
Total expenditures	<u>1,554,500</u>	<u>1,239,500</u>	<u>974,350</u>	<u>265,150</u>	<u>1,670,739</u>
Net change in fund balance	<u>\$ 541,607</u>	<u>\$ 856,607</u>	1,132,666	<u>\$ 276,059</u>	19,137
Fund balance, beginning of year			<u>779,619</u>		<u>760,482</u>
Fund balance, end of year			<u>\$ 1,912,285</u>		<u>\$ 779,619</u>

(Concluded)

Mundelein Consolidated High School District 120
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Revenues					
Local sources					
General levy	\$ 671,562	\$ 671,562	\$ 598,023	\$ (73,539)	\$ 508,550
Special education levy	-	-	78,085	78,085	84,024
Social security/Medicare only levy	643,500	643,500	647,857	4,357	573,359
Corporate personal property replacement taxes	20,000	20,000	22,035	2,035	20,340
Interest on investments	<u>12,000</u>	<u>10,000</u>	<u>9,742</u>	<u>(258)</u>	<u>20,220</u>
Total local sources	<u>1,347,062</u>	<u>1,345,062</u>	<u>1,355,742</u>	<u>10,680</u>	<u>1,206,493</u>
State sources					
Adult Education (from ICCB)	<u>39,500</u>	<u>39,500</u>	<u>39,500</u>	<u>-</u>	<u>39,500</u>
Total state sources	<u>39,500</u>	<u>39,500</u>	<u>39,500</u>	<u>-</u>	<u>39,500</u>
Federal sources					
Federal - Adult Education	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>	<u>-</u>	<u>-</u>
Total federal sources	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,392,062</u>	<u>1,390,062</u>	<u>1,400,742</u>	<u>10,680</u>	<u>1,245,993</u>
Expenditures					
Instruction					
Regular programs	232,000	232,000	221,186	10,814	220,132
Special education programs	215,900	264,900	256,844	8,056	259,050
Remedial and supplemental programs K-12	-	-	-	-	35
Adult/continuing education programs	52,150	52,150	56,818	(4,668)	52,293
Interscholastic programs	88,000	88,000	81,949	6,051	74,066
Summer school programs	3,000	3,000	6,741	(3,741)	1,659
Bilingual programs	<u>17,200</u>	<u>17,200</u>	<u>19,360</u>	<u>(2,160)</u>	<u>18,637</u>
Total instruction	<u>608,250</u>	<u>657,250</u>	<u>642,898</u>	<u>14,352</u>	<u>625,872</u>

(Continued)

Mundelein Consolidated High School District 120
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2020 Actual
Support services					
Pupils					
Attendance and social work services	\$ 26,450	\$ 26,450	\$ 26,240	\$ 210	\$ 25,140
Guidance services	26,500	26,500	25,979	521	24,769
Health services	32,000	32,000	29,820	2,180	29,507
Psychological services	3,700	3,700	5,004	(1,304)	3,637
Speech pathology and audiology services	<u>3,700</u>	<u>3,700</u>	<u>3,801</u>	<u>(101)</u>	<u>3,587</u>
Total pupils	<u>92,350</u>	<u>92,350</u>	<u>90,844</u>	<u>1,506</u>	<u>86,640</u>
Instructional staff					
Improvement of instruction services	15,200	15,200	17,269	(2,069)	15,532
Educational media services	16,000	16,000	15,395	605	15,424
Assessment and testing	<u>-</u>	<u>-</u>	<u>43</u>	<u>(43)</u>	<u>16</u>
Total instructional staff	<u>31,200</u>	<u>31,200</u>	<u>32,707</u>	<u>(1,507)</u>	<u>30,972</u>
General administration					
Board of education services	89,261	89,261	132,165	(42,904)	95,711
Executive administration services	23,500	23,500	23,509	(9)	23,357
Special area administrative services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87</u>
Total general administration	<u>112,761</u>	<u>112,761</u>	<u>155,674</u>	<u>(42,913)</u>	<u>119,155</u>
School administration					
Office of the principal services	65,400	65,400	67,207	(1,807)	70,329
Other support services - school administration	<u>9,000</u>	<u>9,000</u>	<u>9,247</u>	<u>(247)</u>	<u>9,091</u>
Total school administration	<u>74,400</u>	<u>74,400</u>	<u>76,454</u>	<u>(2,054)</u>	<u>79,420</u>
Business					
Direction of business support services	3,000	3,000	2,955	45	2,955
Fiscal services	95,000	95,000	93,769	1,231	93,829
Operation and maintenance of plant services	155,000	155,000	146,521	8,479	149,569
Internal services	<u>7,000</u>	<u>7,000</u>	<u>8,682</u>	<u>(1,682)</u>	<u>7,518</u>
Total business	<u>260,000</u>	<u>260,000</u>	<u>251,927</u>	<u>8,073</u>	<u>253,871</u>

(Continued)

Mundelein Consolidated High School District 120
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2020 Actual
Central					
Data processing services	\$ 120,000	\$ 120,000	\$ 133,764	\$ (13,764)	\$ 116,639
Total central	<u>120,000</u>	<u>120,000</u>	<u>133,764</u>	<u>(13,764)</u>	<u>116,639</u>
Total support services	<u>690,711</u>	<u>690,711</u>	<u>741,370</u>	<u>(50,659)</u>	<u>686,697</u>
Community services	<u>85</u>	<u>85</u>	<u>28</u>	<u>57</u>	<u>446</u>
Total expenditures	<u>1,299,046</u>	<u>1,348,046</u>	<u>1,384,296</u>	<u>(36,250)</u>	<u>1,313,015</u>
Net change in fund balance	<u>\$ 93,016</u>	<u>\$ 42,016</u>	16,446	<u>\$ (25,570)</u>	(67,022)
Fund deficit, beginning of year			<u>(74,416)</u>		<u>(7,394)</u>
Fund deficit, end of year			<u>\$ (57,970)</u>		<u>\$ (74,416)</u>

(Concluded)

Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2021

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 18, 2020, and as amended by the Board of Education on June 8, 2021.
- h) All budget appropriations lapse at the end of the fiscal year.

Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2021

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	\$ 34,675,566	\$ 35,272,313
To adjust for on-behalf payments received	9,161,890	-
To adjust for on-behalf payments made	-	9,161,890
	<u>\$ 43,837,456</u>	<u>\$ 44,434,203</u>

3. EXPENDITURES IN EXCESS OF FINAL BUDGETS

The following funds had expenditures in excess of budgets at June 30, 2021:

<u>Fund</u>	<u>Variance</u>
General	\$ 17,827
Operations and Maintenance	55,202
Municipal Retirement / Social Security	36,250
Debt Service	200

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

For the 2020 - 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 percent. Salary increases were assumed to vary by service credit and were consistent in 2019 and 2020. These actuarial assumptions were based on an experience study dated September 18, 2018.

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.

Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2021

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 IMRF CONTRIBUTION RATE*

Valuation Date:

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

Methods and Assumptions Used to Determine the 2020 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period Taxing bodies (Regular, SLEP, and ECO groups): 23-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%, including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-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 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2021

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 THIS CONTRIBUTION RATE (Continued)

Methods and Assumptions Used to Determine the 2020 Contribution Rate: (Continued)

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-2017.
Healthcare Cost Trend Rates	Trend for fiscal year 2020 based on expected increases used to develop average costs. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of 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 3.13% used in the Fiscal Year 2020 valuation to 2.45%, 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".

The Discount Rate was changed from 3.62% used in the Fiscal Year 2019 valuation to 3.13%, 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 2020 RHP CONTRIBUTION RATE

Valuation Date:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Fiscal Year End	June 30, 2020

Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2021

7. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 RHP CONTRIBUTION RATE (Continued)

Methods and Assumptions Used to Determine the 2020 Contribution Rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-line
Remaining Amortization Period	11.49 years
Municipal Bond Index	2.18%
Asset Valuation Method	Market value
Investment Rate of Return	Not applicable
Price Inflation	3.00%
Salary Increases	4.00%
Retirement Rates	IMRF Employees: Rates from the December 31, 2019 IMRF Actuarial Valuation Report. TRS Employees: Rates from the June 30, 2019 Teachers' Retirement System Actuarial Valuation Report.
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	<p>IMRF Employees and Retirees: Rates from the December 31, 2019 IMRF Actuarial Valuation Report.</p> <p><u>Active Employees</u> - RP 2014 Employee Mortality Table for both males and females with 2-dimensional, fully generational improvements using the MP-2017 Mortality Improvement Scale.</p> <p><u>Retirees</u> - IMRF-specific mortality rates with 2-dimensional, fully generational improvements using the MP-2017 Mortality Improvement Scale projected from 2015. The rates were developed from the RP-2014 Blue Collar Mortality Table with adjustments to match current IMRF experience.</p> <p>TRS Employees and Retirees: Rates from the June 30, 2019 Teachers' Retirement System Actuarial Valuation Report.</p> <p><u>Active Employees</u> - RP-2014 White Collar Employee Tables projected generationally with Scale MP-2017, with female and male rates multiplied by 104% for all ages.</p> <p><u>Retirees</u> - RP-2014 White Collar Annuitant Tables projected generationally with Scale MP-2017, with female rates multiplied by 70% for ages under 78 and 110% for ages 78 to 114, and male rates multiplied by 94% for ages under 81 and 110% for ages 81 to 114.</p>
Healthcare Cost Trend Rates	2.39, Initial 4.50, Ultimate

Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2021

7. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 RHP CONTRIBUTION RATE (Continued)

Change in Assumptions:

The Discount Rate was changed from 2.66% used in the Fiscal Year 2020 valuation to 2.18%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2021.

The Discount Rate was changed from 2.79% used in the Fiscal Year 2019 valuation to 2.66%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2020.

SUPPLEMENTARY FINANCIAL INFORMATION

Mundelein Consolidated High School District 120

General Fund

COMBINING BALANCE SHEET

June 30, 2021

	Educational Account	Tort Immunity and Judgment	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 25,901,762	\$ 113,348	\$ 752,420	\$ 26,767,530
Receivables (net of allowance for uncollectibles):				
Interest	7,314	41	-	7,355
Property taxes	14,797,106	129,576	-	14,926,682
Replacement taxes	91,433	-	-	91,433
Intergovernmental	586,779	-	-	586,779
Other	<u>68,076</u>	<u>-</u>	<u>-</u>	<u>68,076</u>
Total assets	<u>\$ 41,452,470</u>	<u>\$ 242,965</u>	<u>\$ 752,420</u>	<u>\$ 42,447,855</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 399,974	\$ -	\$ -	\$ 399,974
Salaries and wages payable	925,411	-	-	925,411
Unearned revenue	<u>13,808</u>	<u>-</u>	<u>-</u>	<u>13,808</u>
Total liabilities	<u>1,339,193</u>	<u>-</u>	<u>-</u>	<u>1,339,193</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>28,264,517</u>	<u>247,508</u>	<u>-</u>	<u>28,512,025</u>
Total deferred inflows	<u>28,264,517</u>	<u>247,508</u>	<u>-</u>	<u>28,512,025</u>
FUND BALANCES				
Assigned	392,437	-	-	392,437
Unassigned	<u>11,456,323</u>	<u>(4,543)</u>	<u>752,420</u>	<u>12,204,200</u>
Total fund balance (deficit)	<u>11,848,760</u>	<u>(4,543)</u>	<u>752,420</u>	<u>12,596,637</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 41,452,470</u>	<u>\$ 242,965</u>	<u>\$ 752,420</u>	<u>\$ 42,447,855</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, 2021

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 26,755,295	\$ 184,523	\$ -	\$ 26,939,818
Replacement taxes	466,691	-	-	466,691
State aid	11,991,872	-	-	11,991,872
Federal aid	2,428,143	-	-	2,428,143
Interest	236,687	1,317	(13)	237,991
Other	1,772,941	-	-	1,772,941
Total revenues	<u>43,651,629</u>	<u>185,840</u>	<u>(13)</u>	<u>43,837,456</u>
Expenditures				
Current:				
Instruction:				
Regular programs	13,537,517	-	-	13,537,517
Special programs	5,148,961	-	-	5,148,961
Other instructional programs	3,268,241	-	-	3,268,241
State retirement contributions	9,161,890	-	-	9,161,890
Support services:				
Pupils	2,929,955	-	-	2,929,955
Instructional staff	886,871	-	-	886,871
General administration	694,930	138,881	-	833,811
School administration	2,017,347	-	-	2,017,347
Business	2,003,835	-	-	2,003,835
Operations and maintenance	598,040	99,593	-	697,633
Central	1,463,844	-	-	1,463,844
Other supporting services	979	-	-	979
Community services	85,730	-	-	85,730
Nonprogrammed charges	2,287,064	-	-	2,287,064
Debt service:				
Capital outlay	110,525	-	-	110,525
Total expenditures	<u>44,195,729</u>	<u>238,474</u>	<u>-</u>	<u>44,434,203</u>
Net change in fund balance	(544,100)	(52,634)	(13)	(596,747)
Fund balance, beginning of year, as restated	<u>12,392,860</u>	<u>48,091</u>	<u>752,433</u>	<u>13,193,384</u>
Fund balance (deficit), end of year	<u>\$ 11,848,760</u>	<u>\$ (4,543)</u>	<u>\$ 752,420</u>	<u>\$ 12,596,637</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, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2020 Actual
Revenues					
Local sources					
General levy	\$ 3,374,777	\$ 3,374,777	\$ 3,397,625	\$ 22,848	\$ 3,399,094
Interest on investments	40,000	30,000	26,157	(3,843)	62,374
Total revenues	3,414,777	3,404,777	3,423,782	19,005	3,461,468
Expenditures					
Debt services - interest					
Bonds and other - interest	731,647	731,647	459,000	272,647	561,875
Total debt service - interest	731,647	731,647	459,000	272,647	561,875
Principal payments on long-term debt	2,827,353	2,827,353	3,100,000	272,647	3,090,000
Other debt service					
Other objects	-	-	2,025	(2,025)	2,325
Total	-	-	2,025	(2,025)	2,325
Total debt service	3,559,000	3,559,000	3,561,025	(2,025)	3,654,200
Provision for contingencies	1,825	1,825	-	1,825	-
Total expenditures	3,560,825	3,560,825	3,561,025	(200)	3,654,200
Deficiency of revenues over expenditures	(146,048)	(156,048)	(137,243)	18,805	(192,732)
Other financing sources					
Transfer to pay principal on debt certificates	215,000	215,000	215,000	-	37,800
Transfer to pay interest on debt certificates	31,425	31,425	31,425	-	210,000
Total other financing sources	246,425	246,425	246,425	-	247,800
Net change in fund balance	\$ 100,377	\$ 90,377	109,182	\$ 18,805	55,068
Fund balance, beginning of year			187,154		132,086
Fund balance, end of year			\$ 296,336		\$ 187,154