

**Mundelein Consolidated High School  
District 120**

**ANNUAL FINANCIAL REPORT**

**Year Ended June 30, 2022**

# Mundelein Consolidated High School District 120

## ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2022

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# Mundelein Consolidated High School District 120

## ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2022

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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 Audit of the Financial Statements**

#### **Opinions**

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2022, 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.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

(Continued)



### **Responsibilities of Management for the Financial Statements (Continued)**

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

(Continued)

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### **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 69 through 75, the other postemployment benefits data on pages 76 through 79, and the budgetary comparison schedules and notes to the required supplementary information on pages 82 through 102 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### **Supplementary Information**

Our audit for the year ended June 30, 2022 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary financial information, as listed in the table of contents, for the year ended June 30, 2022 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2022 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 accompanying supplementary financial information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2022.

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**Supplementary Information** (Continued)

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of District as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated December 1, 2021 which contained unmodified opinions on the respective financial statements of the governmental activities and each major fund. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Debt Service Fund with comparative actual amounts for the year ended June 30, 2021 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 2021 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Debt Service Fund were subjected to the auditing procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those 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, 2021.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2023, on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



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Certified Public Accountants

Deerfield, Illinois  
January 17, 2023

**Mundelein Consolidated High School District 120  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2022**

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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, 2022. 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, 2022, the total assets and deferred outflows of the District exceeded its total liabilities and deferred inflows, resulting in a net position balance of \$24,368,395.
- The District's net position was \$23,676,387 as of June 30, 2021. The difference between the prior year balance and the current net position balance on June 30, 2022, of \$24,368,395 is \$692,008.
- At the close of the 2021-22 fiscal year, the District's governmental funds reported a combined ending fund balance of \$70,450,447 which reflects an increase of \$53,446,320 in comparison with the prior year. The combined fund balance was \$17,004,127 as of June 30, 2021.
- The GASB issued Statement No. 87, *Leases*, which was implemented by the District for the year ended June 30, 2022. The implementation of GASB 87 required the District to recognize a lease liability and right of use asset in the financial statements.

**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, 2022**

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**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, 2022**

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**Overview of the Financial Statements** (Continued)

***Fund financial statements*** (Continued)

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General (includes the Educational, Tort Immunity and Judgment, and Working Cash Accounts), Operations and Maintenance, Debt Service, Transportation, Municipal Retirement/Social Security, and Capital Projects, 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 \$24,368,395 at the close of the most recent fiscal year. The unrestricted net deficit on June 30, 2022 was (\$66,353,287). This figure is \$51,176,055 more than the prior year unrestricted net position of (\$15,177,232).

Total revenues for the District were \$56,900,967 in fiscal year 2022 (full accrual), a decrease of \$3,904,159 from the prior fiscal year. The decrease results primarily from state retirement on-behalf contributions and investment losses.

Total expenditures on governmental activities for the District were \$56,208,959 in fiscal year 2022 (full accrual), a decrease of \$124,639 from the prior fiscal year. This decrease was primarily due to state retirement on-behalf expenses.

**Mundelein Consolidated High School District 120  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2022**

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

*Statement of Net Position  
(Millions of dollars)*

	<u>2022</u>	<u>2021</u>
Current Assets	\$ 110.975	\$ 55.178
Capital Assets, net	43.460	44.870
Total Assets	<u>154.435</u>	<u>100.048</u>
Deferred outflows related to pensions and other postemployment benefits	4.812	4.776
Total Deferred Outflows	<u>4.812</u>	<u>4.776</u>
Current Liabilities	2.892	1.645
Long-term Liabilities	81.017	33.077
Total Liabilities	<u>84.909</u>	<u>34.722</u>
Property taxes levied for a future period	37.623	36.564
Deferred inflows related to pensions and other postemployment benefits	12.347	9.862
Total Deferred Inflows	<u>49.970</u>	<u>46.426</u>
Net investment in capital assets	34.284	34.422
Restricted	56.437	4.431
Unrestricted	(66.353)	(15.177)
Total Net Position	<u>\$ 24.368</u>	<u>\$ 23.676</u>

**Mundelein Consolidated High School District 120  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2022**

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

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

	<u>2022</u>	<u>2021</u>
Revenues		
Program Revenues		
Charges for Services	\$ 2.424	\$ 1.805
Capital, Operating Grants and Contributions	14.450	20.164
<b>Total Program Revenues</b>	<b>16.874</b>	<b>21.969</b>
General Revenues		
Property Taxes	36.864	36.000
Replacement Taxes	1.057	0.489
Operating grants and contributions not restricted	2.175	2.091
Investment (losses) earnings	(0.312)	0.107
Miscellaneous	0.243	0.149
<b>Total General Revenues</b>	<b>40.027</b>	<b>38.836</b>
 <b>Total Revenue</b>	 <b>56.901</b>	 <b>60.805</b>
 Expenses		
Instruction	37.480	42.824
Support Services	16.916	15.512
Community Services	0.047	0.086
Nonprogrammed Charges	0.489	0.648
Interest and Fees	1.277	0.264
<b>Total Expenses</b>	<b>56.209</b>	<b>59.334</b>
 <b>Change in Net Position</b>	 <b>\$ .692</b>	 <b>\$ 1.471</b>

**Financial Analysis of the District's Funds**

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

At the end of the most recent fiscal year, the District's governmental funds reported a total combined ending fund balance of \$70,450,447. The unassigned fund balance component is \$13,471,537, the restricted fund balance component is \$56,457,134, and the assigned fund balance component is \$521,776.

**Mundelein Consolidated High School District 120**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2022**

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**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 2022, the Educational Account had a fund balance of \$13,242,296. The fund balance as of June 30, 2021 was \$11,848,760. This difference reflects an increase in the fund balance of \$1,393,536.

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 2022, the Working Cash Account had a fund balance of \$751,017. The fund balance as of June 30, 2021 was \$752,420. This difference reflects a decrease in the fund balance of \$1,403.

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 2022, the Tort Immunity and Judgment Account had a fund balance of \$48,967. The fund balance as of June 30, 2021 was a deficit of \$4,543. The difference reflects an increase in the fund balance of \$53,510.

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 2022, the Operations and Maintenance Fund had a fund balance of \$973,952. The fund balance as of June 30, 2021 was \$2,256,839. This difference reflects a decrease in the fund balance of \$1,282,887.

**Mundelein Consolidated High School District 120**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2022**

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**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 2022, the Transportation Fund had a fund balance of \$1,452,880. The fund balance as of June 30, 2021 was \$1,912,285. This difference reflects a decrease in the fund balance of \$459,405.

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 2022, the Municipal Retirement/Social Security Fund had a fund balance of \$60,040. The fund balance as of June 30, 2021 was a deficit of \$57,970. The difference reflects an increase in the fund balance of \$118,010.

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. Lease payments are also made from this fund with monies transferred from the Educational Fund.

- At the end of fiscal year 2022, the Debt Service Fund had a fund balance of \$4,912,357. The fund balance as of June 30, 2021 was \$296,336. This difference reflects an increase in the fund balance of \$4,616,021. This fund balance may only be used to pay the principal and interest on the District's outstanding debt and leases.

Capital Projects Fund – This fund is required to account for costs associated with large building projects, including the architectural and construction management expenses associated with these projects. The District issued debt in the current year for future projects.

- At the end of fiscal year 2022, the Capital Projects Fund had a fund balance of \$49,008,938. The fund balance as of June 30, 2021 was \$0. The difference reflects an increase in the fund balance of \$49,008,938.

The District's total revenues were \$57,004,368 (modified accrual). Approximately 70.6% of total governmental fund revenues come from local sources (property taxes, replacement taxes, interest, and other), 5.5% from federal sources, 6% from state sources, excluding TRS / THIS on-behalf contributions, and 17.9% of revenues are calculated to be paid directly to TRS by the state (for more detailed information see Note F, 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, 2022**

**2021-22 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 2021-22 budget was influenced most significantly by the sale of bonds for future capital projects over the next several years.

**Capital Assets and Debt Administration**

*Capital assets*

As of June 30, 2022, the District had \$43.460 million invested in capital assets (net of depreciation), including land, buildings, improvements, and equipment. As of June 30, 2021, the District had \$44.869 million invested in capital assets. Additional information on the District’s capital assets can be found in the notes to the financial statements (Note D).

<b>Capital Assets (net of depreciation)</b> <i>(in thousands of dollars)</i>		
	<u><b>2022</b></u>	<u><b>2021</b></u>
Land	\$10.558	\$10.558
Construction in Progress	0.195	-
Buildings	29.650	31.364
Improvements Other Than Buildings	1.238	1.353
Right to use Assets	0.376	-
Equipment and Transportation		
Equipment	1.452	1.595
<b>Total</b>	<u><b>\$43.460</b></u>	<u><b>\$44.870</b></u>

**Mundelein Consolidated High School District 120  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2022**

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

Long-term debt

As of June 30, 2022, the District had \$82.017 million in total long-term debt. This is an increase of \$48.94 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 E). A summary of long-term debt is listed below:

<b>Outstanding Long-Term Debt</b> <i>(in thousands of dollars)</i>		
	<u>2022</u>	<u>2021</u>
General obligation and capital appreciation bonds (including unamortized premiums)	\$62.305	\$10.577
Debt Certificates	0.480	0.705
Lease Liabilities	0.381	-
Other Postemployment Benefits	16.691	18.344
Compensated Absences	0.040	0.042
IMRF Net Pension Obligation	0.437	1.513
TRS Net Pension Obligation	<u>1.683</u>	<u>1.896</u>
<b>TOTAL</b>	<b><u>\$82.017</u></b>	<b><u>\$33.077</u></b>

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

A large increase to the Consumer Price Index will allow greater property tax revenues in at least the next two property tax levy cycles. This increase should help stabilize the financial picture for the district in the near future. Capital projects will also be a large budget fixture for several years and may expand depending on whether or not a referendum is placed on the ballot.

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, 2022

ASSETS

Cash and investments	\$	88,397,592
Receivables (net of allowance for uncollectibles)		
Interest		37,910
Property taxes		20,507,440
Replacement taxes		173,131
Intergovernmental		1,857,454
Other		1,296
Capital assets:		
Land		10,557,916
Construction in progress		195,000
Depreciable buildings, property, and equipment, net		32,340,361
Right to use leased assets, net		366,948
Total assets		154,435,048

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions		782,970
Deferred outflows related to other postemployment benefits		4,028,697
Total deferred outflows		4,811,667

LIABILITIES

Accounts payable		1,774,358
Salaries and wages payable		974,645
Other current liabilities		94,406
Interest payable		27,754
Unearned revenue		20,357
Long-term liabilities:		
Due within one year		3,541,567
Due after one year		78,475,639
Total liabilities		84,908,726

DEFERRED INFLOWS OF RESOURCES

Property taxes levied for a future period		37,622,700
Deferred inflows related to pensions		2,103,141
Deferred inflows related to other postemployment benefits		10,243,753
Total deferred inflows		49,969,594

NET POSITION

Net investment in capital assets		34,284,644
Restricted for:		
Tort immunity		49,072
Operations and maintenance		977,173
Debt service		4,885,235
Retirement benefits		60,380
Student transportation		1,456,240
Capital projects		49,008,938
Unrestricted		(66,353,287)
Total net position	\$	24,368,395

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, 2022

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental activities				
Instruction:				
Regular programs	\$ 16,602,058	\$ 1,507,224	\$ 1,331,184	\$ (13,763,650)
Special programs	7,220,660	8,213	1,240,036	(5,972,411)
Other instructional programs	3,599,835	65,040	573,112	(2,961,683)
State retirement contributions	10,057,207	-	10,057,207	-
Support services:				
Pupils	3,208,482	-	14,428	(3,194,054)
Instructional staff	841,697	-	50,207	(791,490)
General administration	898,550	-	-	(898,550)
School administration	2,005,572	-	-	(2,005,572)
Business	2,023,396	799,195	784,728	(439,473)
Transportation	2,357,335	-	398,998	(1,958,337)
Operations and maintenance	3,984,294	44,051	-	(3,940,243)
Central	1,596,237	-	-	(1,596,237)
Other supporting services	200	-	-	(200)
Community services	47,452	-	-	(47,452)
Nonprogrammed charges	489,216	-	-	(489,216)
Interest and fees	1,276,768	-	-	(1,276,768)
Total governmental activities	<u>\$ 56,208,959</u>	<u>\$ 2,423,723</u>	<u>\$ 14,449,900</u>	<u>(39,335,336)</u>
General revenues:				
Taxes:				
				28,496,903
				4,964,773
				3,402,521
				1,056,715
				2,175,380
				(312,099)
				243,151
				<u>40,027,344</u>
				692,008
				<u>23,676,387</u>
				<u>\$ 24,368,395</u>

The accompanying notes are an integral part of this statement.

# Mundelein Consolidated High School District 120

Governmental Funds

BALANCE SHEET

June 30, 2022

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
<b>ASSETS</b>				
Cash and investments	\$ 28,165,950	\$ 2,040,242	\$ 1,881,194	\$ 853,661
Receivables (net of allowance for uncollectibles):				
Interest	30,357	3,221	3,360	340
Property taxes	16,449,555	910,717	500,902	806,736
Replacement taxes	173,131	-	-	-
Intergovernmental	1,757,697	-	99,757	-
Other	452	452	-	392
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 46,577,142</u>	<u>\$ 2,954,632</u>	<u>\$ 2,485,213</u>	<u>\$ 1,661,129</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 1,236,944	\$ 306,669	\$ 110,025	\$ 120,720
Salaries and wages payable	974,645	-	-	-
Other current liabilities	94,406	-	-	-
Unearned revenue	20,357	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>2,326,352</u>	<u>306,669</u>	<u>110,025</u>	<u>120,720</u>
<b>DEFERRED INFLOWS</b>				
Unavailable interest revenue	30,357	3,221	3,360	340
Property taxes levied for a future period	30,178,153	1,670,790	918,948	1,480,029
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total deferred inflows	<u>30,208,510</u>	<u>1,674,011</u>	<u>922,308</u>	<u>1,480,369</u>
<b>FUND BALANCES</b>				
Restricted	48,967	973,952	1,452,880	60,040
Assigned	521,776	-	-	-
Unassigned	13,471,537	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	<u>14,042,280</u>	<u>973,952</u>	<u>1,452,880</u>	<u>60,040</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 46,577,142</u>	<u>\$ 2,954,632</u>	<u>\$ 2,485,213</u>	<u>\$ 1,661,129</u>

The accompanying notes are an integral part of this statement.

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Debt Service	Capital Projects	Total
\$ 6,447,607	\$ 49,008,938	\$ 88,397,592
632	-	37,910
1,839,530	-	20,507,440
-	-	173,131
-	-	1,857,454
-	-	1,296
<u>\$ 8,287,769</u>	<u>\$ 49,008,938</u>	<u>\$ 110,974,823</u>
\$ -	\$ -	\$ 1,774,358
-	-	974,645
-	-	94,406
-	-	20,357
<u>-</u>	<u>-</u>	<u>2,863,766</u>
632	-	37,910
<u>3,374,780</u>	<u>-</u>	<u>37,622,700</u>
<u>3,375,412</u>	<u>-</u>	<u>37,660,610</u>
4,912,357	49,008,938	56,457,134
-	-	521,776
-	-	13,471,537
<u>4,912,357</u>	<u>49,008,938</u>	<u>70,450,447</u>
<u>\$ 8,287,769</u>	<u>\$ 49,008,938</u>	<u>\$ 110,974,823</u>

**Mundelein Consolidated High School District 120**  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION  
June 30, 2022

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Total fund balances - total governmental funds \$ 70,450,447

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. 43,460,225

Certain revenues receivable by the District and recognized in the statement of net position do not provide current financial resources and are included as deferred inflows of resources in the governmental funds. 37,910

Deferred outflows and inflows of resources related to pensions and other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to pensions	782,970	
Deferred inflows of resources related to pensions	(2,103,141)	
Deferred outflows of resources related to OPEB	4,028,697	
Deferred inflows of resources related to OPEB	(10,243,753)	

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	\$ (56,455,000)	
Debt certificates	(480,000)	
Lease liabilities	(381,237)	
Unamortized bond and debt certificate premiums	(5,849,881)	
Compensated absences	(39,779)	
IMRF net pension liability	(436,718)	
TRS net pension liability	(1,683,448)	
RHP total other postemployment benefit liability	(902,977)	
THIS net other postemployment benefit liability	<u>(15,788,166)</u>	(82,017,206)

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. (27,754)

Net position of governmental activities \$ 24,368,395

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, 2022

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
<b>Revenues</b>				
Property taxes	\$ 28,746,446	\$ 1,810,987	\$ 1,497,213	\$ 1,407,030
Replacement taxes	1,032,137	-	-	24,578
State aid	13,193,000	-	398,998	39,500
Federal aid	3,129,593	-	-	5,500
Interest income and investment losses	(78,701)	(3,598)	(2,838)	(3,207)
Other	2,398,757	268,117	-	-
<b>Total revenues</b>	<b>48,421,232</b>	<b>2,075,506</b>	<b>1,893,373</b>	<b>1,473,401</b>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular programs	14,732,685	-	-	226,878
Special programs	5,371,043	-	-	238,535
Other instructional programs	3,375,891	-	-	212,615
State retirement contributions	10,198,518	-	-	-
<b>Support services:</b>				
Pupils	3,234,752	-	-	92,911
Instructional staff	873,097	-	-	25,080
General administration	828,213	-	-	84,238
School administration	2,051,799	-	-	75,001
Business	1,918,556	102,872	-	109,406
Transportation	4,557	-	2,352,778	-
Operations and maintenance	840,961	2,748,564	-	160,846
Central	1,257,969	-	-	129,799
Other supporting services	200	-	-	-
Community services	49,933	-	-	82
Nonprogrammed charges	2,081,854	-	-	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	521,165	258,257	-	-
<b>Total expenditures</b>	<b>47,341,193</b>	<b>3,109,693</b>	<b>2,352,778</b>	<b>1,355,391</b>
Excess (deficiency) of revenues over expenditures	1,080,039	(1,034,187)	(459,405)	118,010
<b>Other financing sources (uses)</b>				
Trans - in	-	-	-	-
Trans - out	(71,883)	(248,700)	-	-
Proceeds from issuance of debt	437,487	-	-	-
<b>Total other financing sources (uses)</b>	<b>365,604</b>	<b>(248,700)</b>	<b>-</b>	<b>-</b>
Net change in fund balance (deficits)	1,445,643	(1,282,887)	(459,405)	118,010
Fund balance (deficits), beginning of year	12,596,637	2,256,839	1,912,285	(57,970)
Fund balance, end of year	\$ 14,042,280	\$ 973,952	\$ 1,452,880	\$ 60,040

The accompanying notes are an integral part of this statement.

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	Debt Service	Capital Projects	Total
\$	3,402,521	\$ -	\$ 36,864,197
	-	-	1,056,715
	-	-	13,631,498
	-	-	3,135,093
	(8,310)	(253,355)	(350,009)
	-	-	2,666,874
	<u>3,394,211</u>	<u>(253,355)</u>	<u>57,004,368</u>
	-	-	14,959,563
	-	-	5,609,578
	-	-	3,588,506
	-	-	10,198,518
	-	-	3,327,663
	-	-	898,177
	-	-	912,451
	-	-	2,126,800
	-	-	2,130,834
	-	-	2,357,335
	-	-	3,750,371
	-	-	1,387,768
	-	-	200
	-	-	50,015
	-	-	2,081,854
	53,311,250	-	53,311,250
	1,151,965	291,707	1,443,672
	-	-	779,422
	<u>54,463,215</u>	<u>291,707</u>	<u>108,913,977</u>
	(51,069,004)	(545,062)	(51,909,609)
	320,583	-	320,583
	-	-	(320,583)
	<u>49,736,000</u>	<u>49,554,000</u>	<u>99,727,487</u>
	<u>55,685,025</u>	<u>49,554,000</u>	<u>105,355,929</u>
	4,616,021	49,008,938	53,446,320
	296,336	-	17,004,127
\$	<u>4,912,357</u>	<u>\$ 49,008,938</u>	<u>\$ 70,450,447</u>

## Mundelein Consolidated High School District 120

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2022

Net change in fund balances (deficit) - total governmental funds. \$ 53,446,320

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 and amortization expense. This is the amount by which capital outlay exceeded depreciation and amortization expense.

Capital outlay	\$ 714,370	
Depreciation and amortization expense	<u>(2,123,659)</u>	(1,409,289)

Certain revenues receivable by the District and recognized in the statement of net position do not provide current financial resources and are included as deferred inflows of resources in the governmental funds. 37,910

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

Deferred outflows and inflows of resources related to IMRF pension		(427,723)
Deferred outflows and inflows of resources related to TRS pension		(98,958)
Deferred outflows and inflows of resources related to RHP		830
Deferred outflows and inflows of resources related to THIS		(1,923,126)

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. 6,467

Governmental funds report the effect of premiums and discounts when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year, net effect of these differences. (5,450,042)

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:

Issuance of general obligation bonds and debt certificates	\$ (99,290,000)	
Lease proceeds	(437,487)	
Principal repayments - general obligation bonds		
General obligation bonds	2,320,000	
Capital appreciation bonds	710,000	
Debt certificates	50,225,000	
Lease liabilities	56,250	
Accretion on capital appreciation bonds	(17,963)	
Compensated absences, net	2,117	
IMRF pension liability, net	1,075,991	
TRS pension liability, net	212,771	
RHP other postemployment benefit liability, net	(432,880)	
THIS other postemployment benefit liability, net	<u>2,085,820</u>	<u>(43,490,381)</u>

Change in net position of governmental activities \$ 692,008

The accompanying notes are an integral part of this statement.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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### 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. 87, *Leases*, which was implemented by the District for the year ended June 30, 2022. This statement will require recognition of certain right to use lease assets, liabilities, and a deferred inflow of resources related to certain leases that were previously classified as operating leases.

Specific changes to the District's financial statements relate to the recording of right to use assets and lease liabilities on the statement of net position. There were no effects as of the date of the adoption on July 1, 2021. The effect of implementation was recorded on July 1, 2021, as a current year transaction. See Notes A-9, D

#### 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, 2022

---

### 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, 2022

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### 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 bond proceeds, and transfers from other funds.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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

#### 5. Measurement Focus, Basis of Accounting, and Basis of Presentation

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

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

Property 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, 2022

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

#### 6. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period. At June 30, 2022, 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 net assets that is applicable to a future reporting period. At June 30, 2022, the District reported deferred inflows related to property taxes levied for a future period, pension liabilities, and other postemployment benefits.

#### 7. 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.

#### 8. Deposits and Investments

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

#### 9. Capital Assets and Right to Use 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 District has recorded right to use assets as a result of implementing GASB 87. The District's right to use assets were initially recorded at an amount equal to the related lease liability (Note E). The right to use assets are amortized on a straight-line basis over the remaining term of the related lease.

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, 2022

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

#### 9. Capital Assets and Right to Use Assets (Continued)

Depreciation of capital assets and amortization of right of use leased 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
Right of use assets	5

#### 10. 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, 2022, accumulated unpaid vacation pay was \$39,779. 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.

#### 11. 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, including leases 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, 2022

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

#### 12. 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.

#### 13. Pensions and Other Postemployment Benefits

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

#### 14. 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.

#### 15. Fund Balance

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

a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items or inventories.

b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, 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. The District has \$48,967 restricted in the General Fund, which represents the fund balance of the tort immunity and judgment account at June 30, 2022.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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

#### 15. Fund Balance (Continued)

- 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 had no committed fund balance at June 30, 2022.
- 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 balance of \$521,776 has been assigned at June 30, 2022.
- 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.

#### 16. Use of Estimates

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

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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### 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.

At June 30, 2022, for disclosure purposes, the District's cash and investments are classified into components as follows:

	<u>Total</u>
Cash on hand	\$ 1,625
Deposits with financial institutions*	747,300
Illinois School District Liquid Asset Fund Plus (ISDLAF+)	68,847,625
Other investments	<u>18,801,042</u>
	<u>\$ 88,397,592</u>

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

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

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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

#### 1. Interest Rate Risk

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

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
Negotiable of deposit*	\$ 1,189,397	\$ -	\$ 1,189,397	\$ -	\$ -
U.S. Treasury Securities*	<u>17,611,645</u>	<u>11,457,649</u>	<u>6,153,996</u>	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<b><u>\$ 18,801,042</u></b>	<b><u>\$ 11,457,649</u></b>	<b><u>\$ 7,343,393</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

Valued at closing price of similar instruments with comparable durations reported on the active market on which the investment is traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
ISDLAF+	<u>\$ 68,847,625</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.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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

#### 3. Concentration of Credit Risk

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

#### 4. Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the 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, 2022, 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.

### 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 7, 2021. 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 2021 tax levy was \$1,539,761,538.

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.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

### NOTE C - PROPERTY TAXES RECEIVABLE (Continued)

The portion of the 2021 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 2021 levy is to be used to finance operations in fiscal 2023. Therefore, the entire 2021 levy, including amounts collected in fiscal 2022, has been reported as deferred inflow of resources - property taxes levied for a future period.

### NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets, not being depreciated				
Land	\$ 10,557,916	\$ -	\$ -	\$ 10,557,916
Construction in progress	-	195,000	-	195,000
Total capital assets, not being depreciated	10,557,916	195,000	-	10,752,916
Capital assets, being depreciated				
Buildings	63,680,824	-	-	63,680,824
Improvements other than buildings	3,305,279	-	-	3,305,279
Equipment	8,327,185	83,182	-	8,410,367
Transportation equipment	350,575	-	-	350,575
Total capital assets, being depreciated	75,663,863	83,182	-	75,747,045
Less accumulated depreciation for:				
Buildings	32,316,846	1,714,290	-	34,031,136
Improvements other than buildings	1,952,672	114,503	-	2,067,175
Equipment	6,782,416	220,544	-	7,002,960
Transportation equipment	300,331	5,082	-	305,413
Total accumulated depreciation	41,352,265	2,054,419	-	43,406,684
Total capital assets being depreciated, net	34,311,598	(1,971,237)	-	32,340,361
Right to use assets				
Leased equipment	-	436,188	-	436,188
Less accumulated amortization				
Leased equipment	-	69,240	-	69,240
Total right to use assets, net	-	366,948	-	366,948
Governmental activities capital assets, net	\$ 44,869,514	\$ (1,409,289)	\$ -	\$ 43,460,225

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE D - CAPITAL ASSETS (Continued)

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

Governmental activities		
General Government		
Regular programs	\$	1,592,743
Business services		21,236
Operations and maintenance		169,890
Central		<u>339,790</u>
	\$	<u><u>2,123,659</u></u>

NOTE E - LONG-TERM LIABILITIES

1. Changes in General Long-term Liabilities

During the year ended June 30, 2022, changes in long-term liabilities were as follows:

	Balance July 1, 2021	Accretion / Additions	Reductions	Balance June 30, 2022
Bonds payable:				
General obligation bonds	\$ 9,485,000	\$ 49,290,000	\$ 2,320,000	\$ 56,455,000
Capital appreciation bonds	692,037	17,963	710,000	-
Add unamortized premium	399,839	5,628,442	178,400	5,849,881
Debt certificates	705,000	50,000,000	50,225,000	480,000
Lease liabilities	-	437,487	56,250	381,237
IMRF net pension liability	1,512,709	2,025,576	3,101,567	436,718
TRS net pension liability	1,896,219	124,630	337,401	1,683,448
RHP total other postemployment benefit liability	470,097	519,321	86,441	902,977
THIS net other postemployment benefit liability	17,873,986	1,347,855	3,433,675	15,788,166
Compensated absences	<u>41,896</u>	<u>48,483</u>	<u>50,600</u>	<u>39,779</u>
 Total long-term liabilities- governmental activities	 <u>\$ 33,076,783</u>	 <u>\$ 109,439,757</u>	 <u>\$ 60,499,334</u>	 <u>\$ 82,017,206</u>

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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

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

	Due Within One Year
Bonds payable:	
General obligation bonds	\$ 3,190,000
Debt certificates	235,000
Compensated absences	39,779
Lease liabilities	76,788
Total long-term liabilities - governmental activities	\$ 3,541,567

#### 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>Amount</u>
2014 General Obligation Limited School Bonds	3.00% - 5.00%	\$ 350,000
2015 General Obligation Limited School Bonds	3.00% - 5.00%	6,815,000
2022 General Obligation Limited School Bonds	5.50%	49,290,000
		\$ 56,455,000

During the fiscal year ended June 30, 2022, the District issued \$50,000,000 of Series 2022 Debt Certificates and \$49,290,000 of Series 2022A General Obligation Limited Tax School Bonds. The Series 2022 Debt Certificates, issued during March 2022, were used to fund upcoming capital projects for the District. Subsequent to the issuance, proceeds (net of issuance costs) were deposited into a separate, District-controlled escrow account. The 2022A General Obligation Limited Tax School Bonds, issued during June 2022, were used to fully pay the aggregate (principal and interest) balance of the Series 2022 Debt Certificates (debt refunding event). The debt refunding event, including the premium associated with the Series 2022A General Obligation Limited Tax School Bonds, resulted in an additional \$4,155,085 in proceeds after the debt certificate and associated debt issuance costs were fully paid. On June 29, 2022, the escrow account transferred the cash to the District's Capital Project fund's operating cash account to fund future, upcoming capital projects.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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

#### 2. Bonds Payable (Continued)

At June 30, 2022, the District's future cash flow requirements for retirement of bond principal and interest was as follows:

Year ending June 30,	Principal	Interest	Total
2023	\$ 3,190,000	\$ 156,925	\$ 3,346,925
2024	3,975,000	818,714	4,793,714
2025	85,000	2,708,613	2,793,613
2026	1,210,000	2,673,000	3,883,000
2027	1,360,000	2,602,325	3,962,325
Thereafter	46,635,000	23,240,938	69,875,938
	\$ 56,455,000	\$ 32,200,515	\$ 88,655,515

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$4,912,357 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, 2022, the statutory debt limit for the District was \$106,243,546, of which \$48,927,309 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%	\$ 480,000

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

Year ending June 30,	Principal	Interest	Total
2023	\$ 235,000	\$ 14,500	\$ 249,500
2024	245,000	4,900	249,900
	\$ 480,000	\$ 19,400	\$ 499,400

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, 2022

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

#### 4. Lease Liabilities

The District currently has a lease agreement for copiers. The lease agreement qualifies as other than short-term leases under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments upon inception of the agreement (September 2021). The lease requires aggregate annual payments of \$95,844 until December 2026.

The lease liabilities are measured at an incremental borrowing rate of 5.50%. The District's total future minimum lease obligations paid during the year ending June 30, 2022, totaled \$71,883, which included principal of \$56,250 and interest of \$15,633. As a result of the lease, the District has recorded right to use assets (Note A-9) with a net book value of \$366,948 as of June 30, 2022 (Note D). The obligations for this lease will be repaid from the Debt Service Fund with transfer from the General Fund (Educational Account).

At June 30, 2022, the District's future cash flow requirements for retirement of lease principal and interest we as follows:

Year ending June 30,	Principal	Interest	Total
2023	\$ 76,788	\$ 19,056	\$ 95,844
2024	81,082	14,762	95,844
2025	85,694	10,150	95,844
2026	90,527	5,317	95,844
2027	47,146	776	47,922
	<u>\$ 381,237</u>	<u>\$ 50,061</u>	<u>\$ 431,298</u>

#### 5. Compensated Absences

At June 30, 2022 compensated absences amounted to \$39,779. Future payments will be made from the same fund where the employee's salary is recorded.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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### NOTE F - PENSION LIABILITIES

#### 1. Teachers' Retirement System of the State of Illinois

##### **General Information About the Pension Plan**

###### *Plan Description*

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

TRS issues a publicly available financial report that can be obtained at [www.trsil.org/financial/acfrs/fy2021](http://www.trsil.org/financial/acfrs/fy2021); by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

As a multi-employer cost sharing pension plan, TRS employs a methodology to allocate the pension liabilities to each individual district based off of the actual contributions a District makes to the plan in a fiscal year and is re-measured annually, and thus the timing of receipt of contribution payments from the District's or refunds made by TRS to the District can have a significant impact on the District's allocation of the net pension liability that may not be reflective of the District's portion of the total contractual contribution to the Plan. The net pension liability as a whole is a significant accounting estimate that takes into account several assumptions and allocations.

###### *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.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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### NOTE F - PENSION LIABILITIES (Continued)

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

##### **General Information About the Pension Plan** (Continued)

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

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.

###### *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, 2021, 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, 2022, 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 \$10,119,879 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$10,017,161 in the General Fund based on the current financial resources measurement basis.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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### NOTE F - PENSION LIABILITIES (Continued)

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

##### **General Information About the Pension Plan** (Continued)

###### *Contributions* (Continued)

###### 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, 2022, were \$116,874, and are deferred because they were paid after the June 30, 2021 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.

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, 2022, the employer pension contribution was 10.31 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2022, salaries totaling \$60,759 were paid from federal and special trust funds that required employer contributions of \$6,264.

###### 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, 2022, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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### NOTE F - 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, 2022, 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	\$	1,683,448
State's proportionate share of the net pension liability associated with the District		<u>141,090,845</u>
Total	\$	<u><u>142,774,293</u></u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, and rolled forward to June 30, 2021. 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, 2021, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2021, the District's proportion was 0.0021579544 percent, which was a decrease of 0.0000414466 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, 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</u>	<u>General</u>
	<u>Activities</u>	<u>Fund</u>
State on-behalf contributions - revenue	\$ 10,119,879	\$ 10,017,161
and expense/expenditure		
District TRS pension expense	<u>3,058</u>	<u>116,874</u>
Total TRS expense/expenditure	<u><u>\$ 10,122,937</u></u>	<u><u>\$ 10,134,035</u></u>

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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### NOTE F - 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, 2022, 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	\$ 9,657	\$ 6,941
Net difference between projected and actual earnings on pension plan investments	-	112,920
Change of assumptions	746	8,319
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>34,566</u>	<u>126,482</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>44,969</u>	<u>254,662</u>
District contributions subsequent to the measurement date	<u>116,874</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 161,843</u>	<u>\$ 254,662</u>

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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### NOTE F - 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 \$116,874 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, 2023. 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
2023	\$ 54,570
2024	49,576
2025	50,162
2026	50,745
2027	4,640
	<u>\$ 209,693</u>

#### Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 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, 2021 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2020. 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.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

### NOTE F - 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	16.7 %	6.2 %
U.S. equities small/mid cap	2.2	7.4
International equities developed	10.6	6.9
Emerging market equities	4.5	9.2
U.S. bonds core	3.0	1.6
International debt developed	1.0	0.4
Emerging international debt	4.0	4.4
Cash equivalents	2.0	0.1
TIPS	1.0	0.8
Real estate	16.0	5.8
Hedge funds	10.0	3.9
Infrastructure	4.0	6.3
Private equity	15.0	10.4
Private debt	10.0	6.5
Total	<u>100.00 %</u>	

#### Discount Rate

At June 30, 2021, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2020 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, 2022

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### NOTE F - 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, 2021 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</u> <u>(6.00%)</u>	<u>Current</u> <u>Discount</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ <u>2,084,916</u>	\$ <u>1,683,448</u>	\$ <u>1,349,976</u>

##### TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2021 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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### NOTE F - 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](http://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, 2022

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### NOTE F - PENSION LIABILITIES (Continued)

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

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

As of December 31, 2021, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	100
Inactive plan members entitled to but not yet receiving benefits	119
Active plan members	<u>109</u>
Total	<u><u>328</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 2021 was 10.64%. For the fiscal year ended June 30, 2022 the District contributed \$564,540 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, 2021. 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, 2021:

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%
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.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

**Actuarial Assumptions** (Continued)

**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.

**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 as of December 31, 2021:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equities	39	% 1.90%
International equities	15	3.15%
Fixed income	25	(0.60%)
Real estate	10	3.30%
Alternative investments	10	1.70% - 5.50%
Cash	1	(0.90%)
Total	100	%

Other information:  
Notes

There were no benefit changes during the year.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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### NOTE F - PENSION LIABILITIES (Continued)

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

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

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 1.84% and the resulting single discount rate is 7.25%.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

### NOTE F - PENSION LIABILITIES (Continued)

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

##### **Changes in Net Pension Liability**

The following table shows the components of the change in the District's net pension liability for the calendar year ended December 31, 2021:

	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability (A) - (B)</u>
Balances at December 31, 2020	\$ 15,427,135	\$ 13,914,426	\$ 1,512,709
Changes for the year:			
Service cost	487,509	-	487,509
Interest on the total pension liability	1,108,354	-	1,108,354
Difference between expected and actual experience of the total pension liability	429,713	-	429,713
Contributions - employer	-	553,769	(553,769)
Contributions - employees	-	234,825	(234,825)
Net investment income	-	2,294,152	(2,294,152)
Benefit payments, including refunds of employee contributions	(766,485)	(766,485)	-
Other (net transfer)	-	18,821	(18,821)
Net changes	<u>1,259,091</u>	<u>2,335,082</u>	<u>(1,075,991)</u>
Balances at December 31, 2021	<u>\$ 16,686,226</u>	<u>\$ 16,249,508</u>	<u>\$ 436,718</u>

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability (asset) 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 (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Higher (8.25%)</u>
Net pension liability (asset)	\$ 2,364,076	\$ 436,718	\$ (1,105,707)

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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### NOTE F - PENSION LIABILITIES (Continued)

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

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

For the year ended June 30, 2022 the District recognized pension income of \$83,727. At June 30, 2022, the District reported, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 328,481	\$ 43,007
Change of assumptions	-	82,020
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>1,723,452</u>
 Total deferred amounts to be recognized in pension expense in the future periods	 <u>328,481</u>	 <u>1,848,479</u>
 Pension contributions made subsequent to the measurement date	 <u>292,646</u>	 <u>-</u>
 Total deferred amounts related to pensions	 <u>\$ 621,127</u>	 <u>\$ 1,848,479</u>

The District reported \$292,646 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, 2023.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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### NOTE F - 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)

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
2023	\$ 314,654
2024	580,340
2025	368,228
2026	256,776
2027	-
Total	\$ <u>1,519,998</u>

#### 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	\$ 116,874	\$ 292,646	\$ 409,520
Experience	9,657	328,481	338,138
Assumptions	746	-	746
Proportionate share	34,566	-	34,566
	\$ <u>161,843</u>	\$ <u>621,127</u>	\$ <u>782,970</u>
Net pension liability	\$ <u>1,683,448</u>	\$ <u>436,718</u>	\$ <u>2,120,166</u>
Pension expense (income)	\$ <u>10,122,937</u>	\$ <u>(83,727)</u>	\$ <u>10,039,210</u>

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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### NOTE F - PENSION LIABILITIES (Continued)

#### 3. Summary of Pension Items (Continued)

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred inflows of resources:			
Investments	\$ 112,920	\$ 1,723,452	\$ 1,836,372
Assumptions	8,319	82,020	90,339
Experience	6,941	43,007	49,948
Proportionate share	126,482	-	126,482
	<u>\$ 254,662</u>	<u>\$ 1,848,479</u>	<u>\$ 2,103,141</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.

#### 5. 457(b) Retirement Plan

On October 21, 2021 the Board of Education approved the establishment of a 457(b) Retirement Plan, which is a defined contribution plan, for District employees. The plan is held in a trust and administered by a third party serving as the plan's trustee. The number of employees participating in the plan on June 30, 2022 was 4. The plan allows for both employee and the District to make optional contributions to the plan. For the fiscal year ended June 30, 2022, the District did not make any contributions to the plan.

#### 6. 403(b) Retirement Plan

The District also has a 403(b) Salary Reduction plan, that also contains a Roth option, which is a defined contribution plan, for District employees. The plan is held in a trust and administered by a third party serving as the plan's trustee. The number of employees participating in the plan on June 30, 2022 was 118. The plan allows for both employee and the District to make contributions to the plan. For the fiscal year ended June 30, 2022, the District did not make any contributions to the plan.

#### 7. TRS Supplemental Savings Plan

Illinois Teachers' Retirement System established a Supplemental Savings Plan that is available to Illinois public school teachers employed outside the city of Chicago that is required to be adopted by all public-school districts in Illinois by September 30, 2022. The Board of Education voted to adopt this plan on September 14, 2022. The Supplemental Savings Plan is a of a 457(b) Retirement Plan, which is a defined contribution plan. The plan assets are held in a trust and is administered by a third party serving as the plan's trustee. There were no employees participating in the plan on June 30, 2022. The plan allows for both employee and the District to make contributions to the plan.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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### NOTE G - 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 0.90 percent of pay during the year ended June 30, 2022. 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, 2022, the District recognized revenue and expenses of (\$62,672) in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$181,357 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, 2022

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### NOTE G - 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 0.67 percent during the year ended June 30, 2022. For the year ended June 30, 2022, the District paid \$135,010 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2021 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, 2022, 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**	\$ 15,788,166
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>21,406,449</u>
Total	<u>\$ 37,194,615</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, 2022

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### NOTE G - 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, 2021. 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, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020, and rolled forward to June 30, 2021. 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, 2021, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2021, the District's proportion was 0.071584 percent, which was an increase of 0.004730 percent from its proportion measured as of June 30, 2020.

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	\$ (62,672)	\$ 181,357
District OPEB pension expense (income)	<u>(34,808)</u>	<u>135,010</u>
Total OPEB expense/expenditure (benefit)	<u>\$ (97,480)</u>	<u>\$ 316,367</u>

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

**NOTE G - 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, 2022, 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	\$ -	\$ 738,551
Change of assumptions	5,451	5,911,957
Net difference between projected and actual earnings on OPEB plan investments	-	54
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>3,729,286</u>	<u>3,440,859</u>
Total deferred amounts to be recognized in OPEB expense in future periods	<u>3,734,737</u>	<u>10,091,421</u>
District contributions subsequent to the measurement date	<u>135,010</u>	<u>-</u>
Total deferred amounts related to OPEB	<u>\$ 3,869,747</u>	<u>\$ 10,091,421</u>

The District reported \$135,010 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, 2023. 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 of Resources</u>
2023	\$ 1,060,198
2024	1,060,091
2025	2,315,567
2026	763,492
2027	355,938
Thereafter	<u>801,398</u>
Total	<u>\$ 6,356,684</u>

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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### NOTE G - 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, 2021 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, 2021, 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	2.75%, 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, 2022

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### NOTE G - 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	Trend for fiscal year ending 2022 based on expected increases used to develop average costs. For fiscal years on and after 2023, trend starts at 8.00% gradually decreases to an ultimate trend of 4.25%.
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, school districts and active members contribute 1.24 percent, 0.92 percent, 1.24 percent of pay, respectively for fiscal year 2021. 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 2.45 percent at June 30, 2020, and 1.92 percent at June 30, 2021, was used to measure the total OPEB liability. The decrease in the single discount rate, from 2.45 percent to 1.92 percent, caused the total OPEB liability to increase by approximately \$1,965 million as of June 30, 2021.

##### Investment Return

During plan year end June 30, 2021, the trust earned \$51,000 in interest, and the market value of assets at June 30, 2021, is \$313.2 million. The long-term investment return was assumed to be 2.75 percent.

##### 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 0.320% for plan year end June 30, 2021, and 1.732% for plan year end June 30, 2020.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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

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

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

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 1.92 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 (0.92 percent) or 1-percentage-point higher (2.92 percent) than the current rate:

	1% Decrease (0.92%)	Current Discount (1.92%)	1% Increase (2.92%)
District's proportionate share of the net OPEB liability	\$ 18,966,237	\$ 15,788,166	\$ 13,269,113

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

The following table shows the plan's net OPEB liability as of June 30, 2021, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key trend rates are 8.00 percent in 2022 decreasing to an ultimate trend rate of 4.25 percent in 2038.

	1% Decrease*	Current Healthcare Trend Rate	1% Increase**
District's proportionate share of the net OPEB liability	\$ 12,639,222	\$ 15,788,166	\$ 20,065,775

\*One percentage point decrease in healthcare trend rates are 7.00% in 2022 decreasing to an ultimate trend rate of 3.25% in 2038.

\*\* One percentage point increase in healthcare trend rates are 9.00% in 2022 decreasing to an ultimate trend rate of 5.25% in 2038.

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.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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

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

##### **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, 2022, the following employees were covered by the benefit terms:

Active employees	266
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	<u>5</u>
Total	<u><u>271</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 2022, 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, 2022

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

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

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

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, 2021	\$ 470,097	\$ -	\$ 470,097
Changes for the year:			
Service cost	71,963	-	71,963
Interest on the total OPEB liability	10,151	-	10,151
Changes of benefit terms*	358,854	-	358,854
Difference between the expected and actual experience of the total OPEB liability	78,353	-	78,353
Changes of assumptions and other inputs	(77,545)	-	(77,545)
Benefit payments, including the implicit rate subsidy	(8,896)	-	(8,896)
Net changes	432,880	-	432,880
Balance at June 30, 2022	\$ 902,977	\$ -	\$ 902,977

\* The benefit for Certified Employees and Administrators was changed as follows:  
Under the previous benefit, Employees receive a reimbursement for their Teachers' Retirement Insurance Program health insurance premium for the first two years following retirement. In order to receive the bonus, they must send a receipt of the payment of premiums and then the District reimburses up to \$2,750 per year. Under the new benefit Following retirement, employees receive a payment of \$3,000 per year toward their Teachers' Retirement Insurance Program health insurance premiums up to age 65.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

### NOTE G - 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 4.09%, 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 (3.09%)</u>	<u>Current Discount Rate (4.09%)</u>	<u>1% Higher (5.09%)</u>
Total OPEB liability	\$ <u>971,752</u>	\$ <u>902,977</u>	\$ <u>838,661</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 4.50%-5.50%, 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>874,268</u>	\$ <u>902,977</u>	\$ <u>935,896</u>

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

For the year ended June 30, 2022 the District recognized OPEB expense of \$440,948. At June 30, 2022, 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	\$ 71,494	\$ 35,608
Change in assumptions	<u>87,456</u>	<u>116,724</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	<u>\$ 158,950</u>	<u>\$ 152,332</u>

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE G - 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
2023	\$ 21
2024	21
2025	21
2026	21
2027	21
Thereafter	(6,723)
Total	\$ (6,618)

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2022:

	THIS	RHP	Total
Deferred outflows of resources			
Employer contributions	\$ 135,010	\$ -	\$ 135,010
Assumptions	5,451	87,456	92,907
Experience	-	71,494	71,494
Proportionate share	3,729,286	-	3,729,286
	\$ 3,869,747	\$ 158,950	\$ 4,028,697
OPEB liability	\$ 15,788,166	\$ 902,977	\$ 16,691,143
OPEB expense (benefit)	\$ (97,480)	\$ 440,948	\$ 343,468

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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

#### 3. Summary of OPEB Items (Continued)

Deferred inflows of resources:

Assumptions	\$ 5,911,957	\$ 116,724	\$ 6,028,681
Experience	738,551	35,608	774,159
Investments	54	-	54
Proportionate share	<u>3,440,859</u>	<u>-</u>	<u>3,440,859</u>
	<u>\$ 10,091,421</u>	<u>\$ 152,332</u>	<u>\$ 10,243,753</u>

### NOTE H - INTERFUND TRANSFERS

The District transferred \$225,000 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 \$23,700 from the Operations and Maintenance Fund to the Debt Service Fund. The amount transferred represents funds transferred to pay interest on the District's debt certificates.

The District transferred \$56,250 from the General Fund (Educational Account) to the Debt Service Fund. The amounts transferred represent funds transferred to pay principal on the District's lease liabilities.

The District transferred \$15,633 from the General Fund (Educational Account) to the Debt Service Fund. The amount transferred represents funds transferred to pay interest on the District's lease liabilities.

### 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, 2022

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### 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 \$194,000. 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 \$304,000 for the year ended June 30, 2022. 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 - CONTINGENCIES

#### 1. Litigation

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

#### 2. 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.

# Mundelein Consolidated High School District 120

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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### NOTE K - CONTINGENCIES (Continued)

#### 3. Grants

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

### NOTE L - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 17, 2023, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than disclosed in below, have occurred subsequent to the statement of net position / balance sheet date that require disclosure in the financial statements.

Subsequent to June 30, 2022, the District entered into a lessor lease agreement. Commencing July 1, 2022, the District entered into a lessor agreement with the swim club. The least term is for 3 years, with annual rent payments ranging from \$14,350 to \$15,050.

**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  
Eight Most Recent Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability			
Service cost	\$ 487,509	\$ 510,280	\$ 466,582
Interest on the total pension liability	1,108,354	1,070,996	992,764
Benefit changes	-	-	-
Difference between expected and actual experience of the total pension liability	429,713	(99,789)	349,917
Assumption changes	-	(190,310)	-
Benefit payments and refunds	(766,485)	(762,526)	(741,577)
Net change in total pension liability	1,259,091	528,651	1,067,686
Total pension liability, beginning	15,427,135	14,898,484	13,830,798
Total pension liability, ending	<u>\$ 16,686,226</u>	<u>\$ 15,427,135</u>	<u>\$ 14,898,484</u>
Plan fiduciary net position			
Contributions, employer	\$ 553,769	\$ 551,785	\$ 519,917
Contributions, employee	234,825	229,485	218,657
Net investment income (loss)	2,294,152	1,735,369	1,929,063
Benefit payments, including refunds of employee contributions	(766,485)	(762,526)	(741,577)
Other (net transfer)	18,821	(140,626)	(8,330)
Net change in plan fiduciary net position	2,335,082	1,613,487	1,917,730
Plan fiduciary net position, beginning	13,914,426	12,300,939	10,383,209
Plan fiduciary net position, ending	<u>\$ 16,249,508</u>	<u>\$ 13,914,426</u>	<u>\$ 12,300,939</u>
Net pension liability	<u>\$ 436,718</u>	<u>\$ 1,512,709</u>	<u>\$ 2,597,545</u>
Plan fiduciary net position as a percentage of the total pension liability	97.38 %	90.19 %	82.57 %
Covered valuation payroll	\$ 5,204,594	\$ 5,099,676	\$ 4,859,042
Net pension liability as a percentage of covered valuation payroll	8.39 %	29.66 %	53.46 %

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	371,621	\$ 362,082	\$ 338,908	\$ 296,366	\$ 280,125
	949,548	925,299	886,375	847,384	762,877
	-	-	-	-	-
	28,812	179,894	(44,600)	17,611	197,812
	361,967	(442,971)	(55,271)	-	539,198
	<u>(711,966)</u>	<u>(699,546)</u>	<u>(663,202)</u>	<u>(656,739)</u>	<u>(599,238)</u>
	999,982	324,758	462,210	504,622	1,180,774
	12,830,816	12,506,058	12,043,848	11,539,226	10,358,452
\$	<u><u>13,830,798</u></u>	<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>
\$	508,286	\$ 449,714	\$ 473,129	\$ 411,553	\$ 373,732
	193,151	158,474	144,639	124,629	114,338
	(590,867)	1,700,367	626,686	43,602	503,925
	(711,966)	(699,546)	(663,202)	(656,739)	(599,238)
	<u>(31,956)</u>	<u>(212,677)</u>	<u>(44,207)</u>	<u>379,408</u>	<u>71,319</u>
	<u>(633,352)</u>	<u>1,396,332</u>	<u>537,045</u>	<u>302,453</u>	<u>464,076</u>
	11,016,561	9,620,229	9,083,184	8,780,731	8,316,655
\$	<u><u>10,383,209</u></u>	<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>3,447,589</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>
	75.07 %	85.86 %	76.92 %	75.42 %	76.09 %
\$	4,109,182	\$ 3,521,649	\$ 3,214,399	\$ 2,769,534	\$ 2,535,128
	83.90 %	51.52 %	89.78 %	106.90 %	108.81 %

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

Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2022	\$ 553,769	* \$ 553,769	\$ -	\$ 5,204,594	10.64 %
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	381,030	373,732	7,298	2,535,128	14.74

\* Estimated based on contribution rate of 10.64% and covered valuation payroll of \$5,204,594.

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**  
Eight Most Recent Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.0021579544 %	0.0021994010 %	0.0022276941 %
District's proportionate share of the net pension liability	\$ 1,683,448	\$ 1,896,219	\$ 1,806,842
State's proportionate share of the net pension liability associated with the District	<u>141,090,845</u>	<u>148,521,738</u>	<u>128,590,958</u>
Total	<u>\$ 142,774,293</u>	<u>\$ 150,417,957</u>	<u>\$ 130,397,800</u>
District's covered-employee payroll	\$ 19,355,051	\$ 18,859,093	\$ 17,682,281
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	8.70 %	10.05 %	10.22 %
Plan fiduciary net position as a percentage of the total pension liability	45.10 %	37.80 %	39.60 %

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.

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<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0024326027 %	0.0022546649 %	0.0030377837 %	0.0026692237 %	0.0024132573 %
\$ 1,896,088	\$ 1,722,522	\$ 2,397,906	\$ 1,748,610	\$ 1,468,667
<u>129,889,990</u>	<u>118,581,962</u>	<u>122,138,379</u>	<u>93,420,818</u>	<u>87,487,936</u>
<u>\$ 131,786,078</u>	<u>\$ 120,304,484</u>	<u>\$ 124,536,285</u>	<u>\$ 95,169,428</u>	<u>\$ 88,956,603</u>
\$ 16,722,270	\$ 15,960,786	\$ 15,372,024	\$ 14,543,792	\$ 14,095,401
11.34 %	10.79 %	15.60 %	12.02 %	10.42 %
40.00 %	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  
Eight Most Recent Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 112,259	\$ 109,383	\$ 102,557
Contributions in relation to the contractually required contribution	<u>112,256</u>	<u>107,219</u>	<u>100,887</u>
Contribution deficiency (excess)	<u>\$ 3</u>	<u>\$ 2,164</u>	<u>\$ 1,670</u>
District's covered-employee payroll	\$ 20,150,756	\$ 19,355,051	\$ 18,859,093
Contributions as a percentage of covered-employee payroll	0.56 %	0.55 %	0.53 %

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.

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<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 96,989	\$ 98,978	\$ 102,501	\$ 100,343	\$ 91,601
<u>101,072</u>	<u>92,891</u>	<u>117,644</u>	<u>93,529</u>	<u>86,104</u>
<u><u>\$ (4,083)</u></u>	<u><u>\$ 6,087</u></u>	<u><u>\$ (15,143)</u></u>	<u><u>\$ 6,814</u></u>	<u><u>\$ 5,497</u></u>
\$ 17,682,281	\$ 16,722,270	\$ 15,960,786	\$ 15,372,024	\$ 14,543,792
0.57 %	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  
Five Most Recent Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB liability			
Service cost	\$ 71,963	\$ 29,313	\$ 28,758
Interest on the total OPEB liability	10,151	11,250	10,705
Changes of benefit terms	358,854	-	-
Difference between expected and actual experience of the total OPEB liability	78,353	-	(48,198)
Assumption changes	(77,545)	13,515	12,401
Benefit payments and refunds	(8,896)	(13,837)	(32,817)
Other (net transfer)	-	-	58,899
Net change in total OPEB liability	<u>432,880</u>	<u>40,241</u>	<u>29,748</u>
Total OPEB liability, beginning	<u>470,097</u>	<u>429,856</u>	<u>400,108</u>
Total OPEB liability, ending	<u>\$ 902,977</u>	<u>\$ 470,097</u>	<u>\$ 429,856</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>
Plan fiduciary net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability	<u>\$ 902,977</u>	<u>\$ 470,097</u>	<u>\$ 429,856</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %	0.00 %
Covered valuation payroll	Not Available	\$ 21,646,801	\$ 21,646,801
Net OPEB liability as a percentage of covered valuation payroll	Not Available	2.17 %	1.99 %

Note: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018; therefore 10 years of information is not available.

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<u>2019</u>	<u>2018</u>
\$ 22,726	\$ 22,110
11,479	11,364
-	-
-	-
5,133	(32,173)
(48,469)	(56,234)
(205)	(11,912)
<u>(9,336)</u>	<u>(66,845)</u>
409,444	476,289
<u>\$ 400,108</u>	<u>\$ 409,444</u>
\$ -	\$ -
-	-
-	-
-	-
-	-
<u>-</u>	<u>-</u>
-	-
<u>\$ -</u>	<u>\$ -</u>
\$ 400,108	\$ 409,444
0.00 %	0.00 %
\$ 18,976,596	\$ 18,976,596
2.11 %	2.16 %

**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  
Five Most Recent Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability	0.0715840 %	0.0668540 %	0.0710650 %
District's proportionate share of the net OPEB liability	\$ 15,788,166	\$ 17,873,986	\$ 19,668,894
State's proportionate share of the net OPEB liability associated with the District	<u>21,406,449</u>	<u>24,214,383</u>	<u>26,934,192</u>
Total	<u>\$ 37,194,615</u>	<u>\$ 42,088,369</u>	<u>\$ 46,603,086</u>
District's covered-employee payroll	\$ 19,355,051	\$ 18,859,093	\$ 17,682,281
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	0.816 %	0.948 %	1.112 %
Plan fiduciary net position as a percentage of the total OPEB liability	1.40 %	0.70 %	0.25 %

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.

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<u>2019</u>	<u>2018</u>
0.0682110 %	0.0693810 %
\$ 17,970,640	\$ 18,004,087
<u>24,130,694</u>	<u>23,643,840</u>
<u>\$ 42,101,334</u>	<u>\$ 41,647,927</u>
\$ 16,722,270	\$ 15,960,786
1.075 %	1.128 %
-0.07 %	-0.17 %

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 178,066	\$ 173,504	\$ 162,677
Contributions in relation to the contractually required contribution	<u>170,943</u>	<u>155,590</u>	<u>160,692</u>
Contribution deficit	<u><u>\$ (7,123)</u></u>	<u><u>\$ (17,914)</u></u>	<u><u>\$ (1,985)</u></u>
District's covered-employee payroll	\$ 20,150,756	\$ 19,355,051	\$ 18,859,093
Contributions as a percentage of covered-employee payroll	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.

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<u>2019</u>	<u>2018</u>
\$ 147,156	\$ 134,071

<u>147,156</u>	<u>134,071</u>
\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

\$ 17,682,281	\$ 16,722,270
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0.01 %	0.01 %
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**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, 2022  
 With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2021 Actual
<b>Revenues</b>					
<b>Local sources</b>					
General levy	\$28,108,761	\$ 28,193,758	\$ 28,197,455	\$ 3,697	\$ 26,405,675
Special education levy	547,264	547,264	548,991	1,727	534,143
Corporate personal property replacement taxes	450,000	530,000	1,032,137	502,137	466,691
Summer school tuition from pupils or parents	85,000	85,000	65,040	(19,960)	77,945
Interest income and investment losses	150,950	150,950	(78,701)	(229,651)	237,991
Admissions - athletic	24,500	35,000	35,582	582	-
Fees	400,000	400,000	496,372	96,372	542,421
Book store sales	2,500	2,500	3,836	1,336	162
Other district/school activity revenue	167,000	167,000	171,324	4,324	59,014
Student Activity Fund Revenues	-	-	798,490	798,490	268,080
Other - textbooks	4,500	4,500	1,620	(2,880)	789
Services provided other districts	800,000	800,000	799,195	(805)	811,654
Other	<u>5,000</u>	<u>5,000</u>	<u>19,085</u>	<u>14,085</u>	<u>12,876</u>
<b>Total local sources</b>	<u>30,745,475</u>	<u>30,920,972</u>	<u>32,098,639</u>	<u>1,177,667</u>	<u>29,417,441</u>
<b>State sources</b>					
Evidence Based Funding Formula	2,146,293	2,146,293	2,175,380	29,087	2,091,299
Special Education - Private Facility Tuition	250,000	250,000	339,956	89,956	246,405
CTE - Secondary Program Improvement (CTEI)	32,651	32,651	43,751	11,100	32,651
State Free Lunch & Breakfast	-	-	7,383	7,383	-
Driver Education	45,000	45,000	18,058	(26,942)	31,949
Adult Education (from ICCB)	464,108	464,108	409,181	(54,927)	424,607
Technology - Technology for Success	1,400	1,400	-	(1,400)	-
Other restricted revenue from state sources	<u>-</u>	<u>-</u>	<u>773</u>	<u>773</u>	<u>3,071</u>
<b>Total state sources</b>	<u>2,939,452</u>	<u>2,939,452</u>	<u>2,994,482</u>	<u>55,030</u>	<u>2,829,982</u>
<b>Federal sources</b>					
Other restricted grants-in-aid received directly from the Federal Govt.	30,000	60,000	49,950	(10,050)	48,800
Special Milk Program	-	-	-	-	2,487
Summer Food Service Program	825,000	775,000	9,492	(765,508)	968,643

(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, 2022  
 With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2021 Actual
Federal sources (Continued)					
Title I - Low Income	\$ 172,456	\$ 291,326	\$ 269,214	\$ (22,112)	\$ 172,518
Title IV - Student Support & Academic Enrichment Grant	11,608	30,553	14,428	(16,125)	9,848
Federal Special Education - IDEA Flow Through	566,000	790,172	621,136	(169,036)	498,254
Federal Special Education - IDEA Room & Board	150,000	280,000	129,330	(150,670)	346,816
CTE - Perkins-Title IIIE Tech Prep	16,902	16,902	-	(16,902)	-
CTE - Other	-	-	9,573	9,573	16,902
Federal - Adult Education	264,992	264,992	492,568	227,576	180,942
Title III - English Language Acquisition	-	15,215	21,720	6,505	-
Title II - Teacher Quality	41,121	75,980	49,434	(26,546)	47,075
Medicaid Matching Funds - Administrative Outreach	-	-	127,500	127,500	-
Medicaid Matching Funds - Fee-For-Service Program	100,000	100,000	22,114	(77,886)	21,407
Other Restricted Grants Received from Federal Government	<u>1,170,000</u>	<u>670,000</u>	<u>545,281</u>	<u>(124,719)</u>	<u>114,451</u>
Total federal sources	<u>3,348,079</u>	<u>3,420,140</u>	<u>3,129,593</u>	<u>(290,547)</u>	<u>2,428,143</u>
Total revenues	<u>37,033,006</u>	<u>37,280,564</u>	<u>38,222,714</u>	<u>942,150</u>	<u>34,675,566</u>
Expenditures					
Instruction					
Regular programs					
Salaries	11,596,400	11,637,780	11,434,764	203,016	10,776,132
Employee benefits	1,956,500	1,956,500	2,281,655	(325,155)	1,968,205
Purchased services	52,500	75,210	65,120	10,090	37,368
Supplies and materials	402,316	435,897	295,336	140,561	270,102
Capital outlay	28,500	28,500	20,067	8,433	13,438
Other objects	12,500	12,500	10,615	1,885	1,916
Non-capitalized equipment	<u>90,400</u>	<u>90,400</u>	<u>42,562</u>	<u>47,838</u>	<u>220,465</u>
Total	<u>14,139,116</u>	<u>14,236,787</u>	<u>14,150,119</u>	<u>86,668</u>	<u>13,287,626</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, 2022  
 With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2021 Actual
<b>Special education programs</b>					
Salaries	\$ 4,201,506	\$ 4,138,506	\$ 4,379,385	\$ (240,879)	\$ 4,225,773
Employee benefits	731,450	731,450	841,368	(109,918)	760,547
Purchased services	129,000	129,000	117,734	11,266	112,468
Supplies and materials	48,760	157,550	24,596	132,954	49,355
Capital outlay	-	4,500	1,088	3,412	-
Other objects	<u>2,000</u>	<u>-</u>	<u>1,004</u>	<u>(1,004)</u>	<u>818</u>
Total	<u>5,112,716</u>	<u>5,168,006</u>	<u>5,371,756</u>	<u>(203,750)</u>	<u>5,148,961</u>
<b>Remedial and Supplemental programs K-12</b>					
Salaries	-	-	345	(345)	-
Employee benefits	<u>-</u>	<u>-</u>	<u>30</u>	<u>(30)</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>375</u>	<u>(375)</u>	<u>-</u>
<b>Adult/continuing education programs</b>					
Salaries	445,615	456,709	435,035	21,674	451,041
Employee benefits	73,769	33,670	2,833	30,837	18,039
Purchased services	3,000	3,000	3,000	-	3,000
Supplies and materials	<u>204,218</u>	<u>190,733</u>	<u>156,830</u>	<u>33,903</u>	<u>247,429</u>
Total	<u>726,602</u>	<u>684,112</u>	<u>597,698</u>	<u>86,414</u>	<u>719,509</u>
<b>CTE programs</b>					
Supplies and materials	5,230	3,434	3,099	335	-
Capital outlay	<u>44,323</u>	<u>40,749</u>	<u>43,867</u>	<u>(3,118)</u>	<u>50,942</u>
Total	<u>49,553</u>	<u>44,183</u>	<u>61,810</u>	<u>(17,627)</u>	<u>50,942</u>
<b>Interscholastic programs</b>					
Salaries	1,535,275	1,535,275	1,668,506	(133,231)	1,543,666
Employee benefits	64,350	64,350	72,965	(8,615)	76,904
Purchased services	179,500	179,500	152,446	27,054	147,210
Supplies and materials	123,000	123,000	92,648	30,352	74,228
Other objects	59,500	59,500	50,357	9,143	16,805
Non-capitalized equipment	<u>25,000</u>	<u>25,000</u>	<u>4,211</u>	<u>20,789</u>	<u>17,346</u>
Total	<u>1,986,625</u>	<u>1,986,625</u>	<u>2,041,133</u>	<u>(54,508)</u>	<u>1,876,159</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, 2022  
 With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2021 Actual
Summer school programs					
Salaries	\$ 140,000	\$ 142,925	\$ 180,310	\$ (37,385)	\$ 164,521
Employee benefits	2,250	2,250	12,141	(9,891)	8,729
Purchased services	1,000	1,000	372	628	(4,200)
Supplies and materials	<u>7,300</u>	<u>7,300</u>	<u>11,940</u>	<u>(4,640)</u>	<u>4,995</u>
Total	<u>150,550</u>	<u>153,475</u>	<u>204,763</u>	<u>(51,288)</u>	<u>174,045</u>
Bilingual programs					
Salaries	399,500	407,000	372,519	34,481	430,108
Employee benefits	66,850	66,850	70,509	(3,659)	64,169
Supplies and materials	<u>10,000</u>	<u>11,000</u>	<u>4,808</u>	<u>6,192</u>	<u>4,251</u>
Total	<u>476,350</u>	<u>484,850</u>	<u>447,836</u>	<u>37,014</u>	<u>498,528</u>
Student Activity Fund Expenditures	<u>-</u>	<u>-</u>	<u>669,151</u>	<u>(669,151)</u>	<u>263,329</u>
Total instruction	<u>22,641,512</u>	<u>22,758,038</u>	<u>23,544,641</u>	<u>(786,603)</u>	<u>22,019,099</u>
Support services					
Pupils					
Attendance and social work services					
Salaries	638,050	638,050	613,097	24,953	596,141
Employee benefits	75,185	75,185	82,066	(6,881)	54,212
Supplies and materials	<u>250</u>	<u>250</u>	<u>108</u>	<u>142</u>	<u>213</u>
Total	<u>713,485</u>	<u>713,485</u>	<u>695,271</u>	<u>18,214</u>	<u>650,566</u>
Guidance services					
Salaries	1,145,700	1,145,700	1,110,707	34,993	1,132,156
Employee benefits	175,650	175,650	195,113	(19,463)	164,835
Purchased services	27,650	27,650	28,900	(1,250)	17,011
Supplies and materials	27,830	27,830	35,382	(7,552)	14,260
Other objects	<u>1,000</u>	<u>1,000</u>	<u>869</u>	<u>131</u>	<u>885</u>
Total	<u>1,377,830</u>	<u>1,377,830</u>	<u>1,370,971</u>	<u>6,859</u>	<u>1,329,147</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, 2022

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

	2022					2021 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget		
Health services						
Salaries	\$ 317,675	\$ 294,675	\$ 360,909	\$ (66,234)	\$ 227,756	
Employee benefits	46,550	46,550	45,911	639	38,574	
Purchased services	20,250	20,250	4,434	15,816	19,084	
Supplies and materials	<u>4,000</u>	<u>4,000</u>	<u>2,850</u>	<u>1,150</u>	<u>7,384</u>	
Total	<u>388,475</u>	<u>365,475</u>	<u>414,104</u>	<u>(48,629)</u>	<u>292,798</u>	
Psychological services						
Salaries	345,500	345,500	373,442	(27,942)	289,714	
Employee benefits	45,705	45,705	47,402	(1,697)	43,484	
Purchased services	<u>5,000</u>	<u>5,000</u>	<u>1,627</u>	<u>3,373</u>	<u>9,323</u>	
Total	<u>396,205</u>	<u>396,205</u>	<u>422,471</u>	<u>(26,266)</u>	<u>342,521</u>	
Speech pathology and audiology services						
Salaries	283,200	283,200	283,873	(673)	272,031	
Employee benefits	44,550	44,550	47,920	(3,370)	42,892	
Purchased services	<u>1,000</u>	<u>1,000</u>	<u>500</u>	<u>500</u>	<u>-</u>	
Total	<u>328,750</u>	<u>328,750</u>	<u>332,293</u>	<u>(3,543)</u>	<u>314,923</u>	
Total pupils	<u>3,204,745</u>	<u>3,181,745</u>	<u>3,235,110</u>	<u>(53,365)</u>	<u>2,929,955</u>	
Instructional staff						
Improvement of instruction services						
Salaries	374,703	383,355	384,510	(1,155)	406,388	
Employee benefits	62,750	62,750	64,684	(1,934)	68,362	
Purchased services	80,970	106,660	70,209	36,451	33,113	
Supplies and materials	10,288	14,006	9,341	4,665	15,986	
Other objects	9,500	9,500	239	9,261	4,879	
Non-capitalized equipment	<u>800</u>	<u>800</u>	<u>-</u>	<u>800</u>	<u>-</u>	
Total	<u>539,011</u>	<u>577,071</u>	<u>528,983</u>	<u>48,088</u>	<u>528,728</u>	
Educational media services						
Salaries	313,455	313,455	267,025	46,430	296,487	
Employee benefits	28,905	28,905	23,254	5,651	27,980	
Supplies and materials	<u>34,190</u>	<u>36,690</u>	<u>34,405</u>	<u>2,285</u>	<u>32,009</u>	
Total	<u>376,550</u>	<u>379,050</u>	<u>329,179</u>	<u>49,871</u>	<u>356,476</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, 2022  
 With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2021 Actual
Assessment and testing					
Salaries	\$ 7,500	\$ 5,000	\$ 8,627	\$ (3,627)	\$ 1,448
Employee benefits	-	-	-	-	26
Purchased services	20,000	8,000	5,950	2,050	-
Supplies and materials	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>193</u>
Total	<u>29,500</u>	<u>15,000</u>	<u>14,577</u>	<u>423</u>	<u>1,667</u>
Total instructional staff	<u>945,061</u>	<u>971,121</u>	<u>872,739</u>	<u>98,382</u>	<u>886,871</u>
General administration					
Board of education services					
Salaries	85,000	85,000	99,343	(14,343)	62,658
Employee benefits	22,150	22,150	(5,007)	27,157	8,568
Purchased services	135,750	135,750	138,646	(2,896)	119,732
Supplies and materials	3,800	3,800	3,463	337	5,557
Other objects	<u>10,000</u>	<u>10,000</u>	<u>21,660</u>	<u>(11,660)</u>	<u>12,411</u>
Total	<u>256,700</u>	<u>256,700</u>	<u>258,105</u>	<u>(1,405)</u>	<u>208,926</u>
Executive administration services					
Salaries	422,755	422,755	416,526	6,229	405,602
Employee benefits	70,850	70,850	68,300	2,550	68,681
Purchased services	500	500	55	445	6,226
Supplies and materials	2,000	2,000	2,464	(464)	3,757
Other objects	2,000	2,000	1,169	831	1,738
Non-capitalized equipment	<u>250</u>	<u>250</u>	<u>-</u>	<u>250</u>	<u>-</u>
Total	<u>498,355</u>	<u>498,355</u>	<u>488,514</u>	<u>9,841</u>	<u>486,004</u>
Tort immunity services					
Purchased services	<u>-</u>	<u>-</u>	<u>209,318</u>	<u>(209,318)</u>	<u>238,474</u>
Total	<u>227,103</u>	<u>227,103</u>	<u>209,318</u>	<u>17,785</u>	<u>238,474</u>
Total general administration	<u>982,158</u>	<u>982,158</u>	<u>955,937</u>	<u>26,221</u>	<u>933,404</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, 2022

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

	2022				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2021 Actual
School administration					
Office of the principal services					
Salaries	\$ 997,142	\$ 997,142	\$ 983,550	\$ 13,592	\$ 958,836
Employee benefits	195,700	195,700	186,946	8,754	191,728
Purchased services	105,150	105,150	45,914	59,236	30,839
Supplies and materials	67,300	67,300	62,012	5,288	49,582
Other objects	<u>13,800</u>	<u>13,800</u>	<u>13,053</u>	<u>747</u>	<u>11,646</u>
Total	<u>1,379,092</u>	<u>1,379,092</u>	<u>1,291,475</u>	<u>87,617</u>	<u>1,242,631</u>
Other support services - school administration					
Salaries	676,725	676,725	663,376	13,349	666,628
Employee benefits	110,500	110,500	95,899	14,601	108,088
Purchased services	4,500	4,500	750	3,750	-
Other objects	<u>500</u>	<u>500</u>	<u>299</u>	<u>201</u>	<u>-</u>
Total	<u>792,225</u>	<u>792,225</u>	<u>760,324</u>	<u>31,901</u>	<u>774,716</u>
Total school administration	<u>2,171,317</u>	<u>2,171,317</u>	<u>2,051,799</u>	<u>119,518</u>	<u>2,017,347</u>
Business					
Direction of business support services					
Salaries	207,993	207,993	207,993	-	204,001
Employee benefits	27,150	27,150	24,488	2,662	25,584
Purchased services	86,500	86,500	111,179	(24,679)	88,923
Supplies and materials	750	750	715	35	105
Other objects	1,200	1,200	855	345	12
Non-capitalized equipment	<u>500</u>	<u>500</u>	<u>39</u>	<u>461</u>	<u>-</u>
Total	<u>324,093</u>	<u>324,093</u>	<u>345,269</u>	<u>(21,176)</u>	<u>318,625</u>
Fiscal services					
Salaries	529,154	529,154	528,547	607	510,545
Employee benefits	126,200	126,200	121,917	4,283	125,046
Purchased services	2,000	2,000	50	1,950	524
Supplies and materials	<u>4,000</u>	<u>4,000</u>	<u>3,690</u>	<u>310</u>	<u>989</u>
Total	<u>661,354</u>	<u>661,354</u>	<u>654,254</u>	<u>7,100</u>	<u>637,104</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, 2022  
 With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2021 Actual
Operation and maintenance of plant services					
Salaries	\$ 455,500	\$ 455,500	\$ 521,372	\$ (65,872)	\$ 430,286
Employee benefits	85,900	85,900	96,129	(10,229)	85,234
Purchased services	102,000	102,000	87,834	14,166	72,270
Supplies and materials	5,000	5,000	5,120	(120)	3,202
Other objects	-	-	-	-	-
Non-capitalized equipment	<u>10,000</u>	<u>10,000</u>	<u>2,782</u>	<u>7,218</u>	<u>7,048</u>
Total	<u>658,400</u>	<u>658,400</u>	<u>713,237</u>	<u>(54,837)</u>	<u>598,040</u>
Pupil transportation services					
Purchased services	<u>-</u>	<u>6,000</u>	<u>4,557</u>	<u>1,443</u>	<u>-</u>
Total	<u>-</u>	<u>6,000</u>	<u>4,557</u>	<u>1,443</u>	<u>-</u>
Food services					
Purchased services	702,000	702,000	728,346	(26,346)	873,872
Supplies and materials	500	500	-	500	-
Non-capitalized equipment	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
Total	<u>704,500</u>	<u>704,500</u>	<u>728,346</u>	<u>(23,846)</u>	<u>873,872</u>
Internal services					
Salaries	42,100	42,100	32,709	9,391	47,286
Employee benefits	8,015	8,015	14,830	(6,815)	9,554
Purchased services	170,000	170,000	115,723	54,277	109,754
Supplies and materials	<u>15,000</u>	<u>15,000</u>	<u>27,425</u>	<u>(12,425)</u>	<u>7,640</u>
Total	<u>235,115</u>	<u>235,115</u>	<u>190,687</u>	<u>44,428</u>	<u>174,234</u>
Total business	<u>2,583,462</u>	<u>2,589,462</u>	<u>2,636,350</u>	<u>(46,888)</u>	<u>2,601,875</u>
Central					
Data processing services					
Salaries	712,635	712,635	738,014	(25,379)	739,940
Employee benefits	126,500	126,500	120,090	6,410	129,544
Purchased services	170,000	170,000	28,328	141,672	126,197
Supplies and materials	85,000	98,975	112,510	(13,535)	150,243
Capital outlay	50,000	50,000	456,423	(406,423)	46,145
Non-capitalized equipment	<u>395,000</u>	<u>395,000</u>	<u>258,747</u>	<u>136,253</u>	<u>317,920</u>
Total central	<u>1,539,135</u>	<u>1,553,110</u>	<u>1,714,112</u>	<u>(161,002)</u>	<u>1,509,989</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, 2022

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

	2022				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2021 Actual
Other supporting services					
Supplies and materials	\$ 1,000	\$ 1,500	\$ 200	\$ 1,300	\$ 979
Total	<u>1,000</u>	<u>1,500</u>	<u>200</u>	<u>1,300</u>	<u>979</u>
Total support services	<u>11,426,878</u>	<u>11,450,413</u>	<u>11,466,247</u>	<u>(15,834)</u>	<u>10,880,420</u>
Community services					
Salaries	6,096	13,798	11,915	1,883	4,195
Employee benefits	-	-	1,574	(1,574)	1,596
Purchased services	52,050	44,352	21,133	23,219	12,649
Supplies and materials	6,787	14,336	15,311	(975)	5,663
Capital outlay	-	-	-	-	-
Non-capitalized equipment	-	9,500	-	9,500	61,627
Total	<u>64,933</u>	<u>81,986</u>	<u>49,933</u>	<u>32,053</u>	<u>85,730</u>
Payments to other districts and government units					
Other objects	<u>50,000</u>	<u>50,000</u>	<u>13,110</u>	<u>36,890</u>	<u>-</u>
Total	<u>59,600</u>	<u>50,000</u>	<u>13,110</u>	<u>36,890</u>	<u>-</u>
Payments for special education programs					
Purchased services	-	20,000	10,755	9,245	9,493
Other objects	<u>1,708,000</u>	<u>1,708,000</u>	<u>1,581,883</u>	<u>126,117</u>	<u>1,629,821</u>
Total	<u>1,708,000</u>	<u>1,728,000</u>	<u>1,592,638</u>	<u>135,362</u>	<u>1,639,314</u>
Payments for CTE education programs					
Other objects	<u>-</u>	<u>-</u>	<u>304,478</u>	<u>(304,478)</u>	<u>329,788</u>
Total	<u>-</u>	<u>-</u>	<u>304,478</u>	<u>(304,478)</u>	<u>329,788</u>
Payments for regular programs - tuition					
Other objects	<u>-</u>	<u>-</u>	<u>171,628</u>	<u>(171,628)</u>	<u>317,962</u>
Total payments to other districts and other government units	<u>2,289,350</u>	<u>2,299,750</u>	<u>2,081,854</u>	<u>217,896</u>	<u>2,287,064</u>
Total expenditures	<u>36,422,673</u>	<u>36,590,187</u>	<u>37,142,675</u>	<u>(552,488)</u>	<u>35,272,313</u>
Excess (deficiency) of revenues over expenditures	<u>610,333</u>	<u>690,377</u>	<u>1,080,039</u>	<u>389,662</u>	<u>(596,747)</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, 2022  
 With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2021 Actual
Other financing sources (uses)					
Principal on bonds sold	\$ -	\$ -	\$ 437,487	\$ (437,487)	\$ -
Transfer to debt service fund for principal on capital leases	-	-	(56,250)	(56,250)	-
Transfer to debt service fund for interest on capital leases	-	-	(15,633)	(15,633)	-
Total other financing sources (uses)	-	-	365,604	(509,370)	-
Net change to fund balance (deficit)	<u>\$ 610,333</u>	<u>\$ 690,377</u>	1,445,643	<u>\$ 755,266</u>	(596,747)
Fund balance, beginning of year			<u>12,596,637</u>		<u>13,193,384</u>
Fund balance, end of year			<u>\$ 14,042,280</u>		<u>\$ 12,596,637</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, 2022  
 With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2021 Actual
Revenues					
Local sources					
General levy	\$1,805,290	\$ 1,805,290	\$ 1,810,987	\$ 5,697	\$ 2,784,414
Interest income and investment losses	15,000	15,000	(3,598)	(18,598)	21,303
Rentals	63,750	63,750	44,051	(19,699)	45,400
Contributions and donations from private sources	125,000	125,000	220,256	95,256	113,951
Other	<u>5,000</u>	<u>5,000</u>	<u>3,810</u>	<u>(1,190)</u>	<u>5,495</u>
Total revenues	<u>2,014,040</u>	<u>2,014,040</u>	<u>2,075,506</u>	<u>61,466</u>	<u>2,970,563</u>
Expenditures					
Support services					
Facilities acquisition and construction services					
Capital outlay	100,000	-	219,297	(219,297)	72,648
Other objects	<u>102,872</u>	<u>102,872</u>	<u>102,872</u>	<u>-</u>	<u>104,060</u>
Total	<u>202,872</u>	<u>102,872</u>	<u>322,169</u>	<u>(219,297)</u>	<u>176,708</u>
Operation and maintenance of plant services					
Salaries	405,000	405,000	415,202	(10,202)	394,197
Employee benefits	80,700	80,700	81,505	(805)	81,413
Purchased services	934,700	934,700	1,317,515	(382,815)	1,019,489
Supplies and materials	657,500	657,500	724,869	(67,369)	678,090
Capital outlay	10,000	10,000	38,960	(28,960)	55,999
Other objects	126,496	126,496	133,057	(6,561)	109,183
Non-capitalized equipment	<u>120,000</u>	<u>100,000</u>	<u>76,416</u>	<u>23,584</u>	<u>11,683</u>
Total	<u>2,334,396</u>	<u>2,314,396</u>	<u>2,787,524</u>	<u>(473,128)</u>	<u>2,350,054</u>
Total expenditures	<u>2,537,268</u>	<u>2,417,268</u>	<u>3,109,693</u>	<u>(692,425)</u>	<u>2,526,762</u>
Excess (deficiency) of revenues over expenditures	<u>(523,228)</u>	<u>(403,228)</u>	<u>(1,034,187)</u>	<u>(630,959)</u>	<u>443,801</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, 2022  
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				2021 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Other financing uses					
Transfer to debt service fund for principal on debt certificates	\$ (225,000)	\$ (225,000)	\$ (225,000)	\$ -	\$ (215,000)
Transfer to debt service fund for interest on debt certificates	<u>(23,700)</u>	<u>(23,700)</u>	<u>(23,700)</u>	<u>-</u>	<u>(31,425)</u>
Total other financing uses	<u>(248,700)</u>	<u>(248,700)</u>	<u>(248,700)</u>	<u>-</u>	<u>(246,425)</u>
Net change in fund balance	<u>\$ (771,928)</u>	<u>\$ (651,928)</u>	(1,282,887)	<u>\$ (630,959)</u>	197,376
Fund balance, beginning of year			<u>2,256,839</u>		<u>2,059,463</u>
Fund balance, end of year			<u>\$ 973,952</u>		<u>\$ 2,256,839</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, 2022

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

	2022				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2021 Actual
Revenues					
Local sources					
General levy	\$ 1,492,503	\$ 1,492,503	\$ 1,497,213	\$ 4,710	\$ 1,553,853
Interest income and investment losses	8,000	8,000	(2,838)	(10,838)	15,281
Other	-	-	-	-	16,959
Total local sources	<u>1,500,503</u>	<u>1,500,503</u>	<u>1,494,375</u>	<u>(6,128)</u>	<u>1,586,093</u>
State sources					
Transportation - Regular and Vocational	79,872	79,872	11,094	(68,778)	127,044
Transportation - Special Education	<u>325,000</u>	<u>325,000</u>	<u>387,904</u>	<u>62,904</u>	<u>393,879</u>
Total state sources	<u>404,872</u>	<u>404,872</u>	<u>398,998</u>	<u>(5,874)</u>	<u>520,923</u>
Total revenues	<u>1,905,375</u>	<u>1,905,375</u>	<u>1,893,373</u>	<u>(12,002)</u>	<u>2,107,016</u>
Expenditures					
Support services					
Business					
Pupil transportation services					
Purchased services	1,767,000	1,919,000	2,252,075	(333,075)	953,885
Supplies and materials	<u>115,000</u>	<u>95,000</u>	<u>100,703</u>	<u>(5,703)</u>	<u>20,465</u>
Total expenditures	<u>1,882,000</u>	<u>2,014,000</u>	<u>2,352,778</u>	<u>(338,778)</u>	<u>974,350</u>
Net change in fund balance	<u>\$ 23,375</u>	<u>\$ (108,625)</u>	(459,405)	<u>\$ (350,780)</u>	1,132,666
Fund balance, beginning of year			<u>1,912,285</u>		<u>779,619</u>
Fund balance, end of year			<u>\$ 1,452,880</u>		<u>\$ 1,912,285</u>

**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, 2022  
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2021 Actual
<b>Revenues</b>					
<b>Local sources</b>					
General levy	\$ 730,969	\$ 730,969	\$ 648,802	\$ (82,167)	\$ 598,023
Special education levy	-	-	89,117	89,117	78,085
Social security/Medicare only levy	671,636	671,636	669,111	(2,525)	647,857
Corporate personal property replacement taxes	20,000	20,000	24,578	4,578	22,035
Interest income and investment losses	<u>5,000</u>	<u>5,000</u>	<u>(3,207)</u>	<u>(8,207)</u>	<u>9,742</u>
Total local sources	<u>1,427,605</u>	<u>1,427,605</u>	<u>1,428,401</u>	<u>796</u>	<u>1,355,742</u>
<b>State sources</b>					
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>
<b>Federal sources</b>					
Federal - Adult Education	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>	<u>-</u>	<u>5,500</u>
Total federal sources	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>	<u>-</u>	<u>5,500</u>
Total revenues	<u>1,472,605</u>	<u>1,472,605</u>	<u>1,473,401</u>	<u>796</u>	<u>1,400,742</u>
<b>Expenditures</b>					
<b>Instruction</b>					
Regular programs	235,000	235,000	255,198	(20,198)	221,186
Special education programs	270,600	270,600	254,246	16,354	256,844
Remedial and supplemental programs K-12	-	-	5	(5)	-
Adult/continuing education programs	52,150	52,150	51,124	1,026	56,818
Interscholastic programs	87,000	87,000	91,538	(4,538)	81,949
Summer school programs	6,640	6,640	7,580	(940)	6,741
Bilingual programs	<u>19,700</u>	<u>19,700</u>	<u>18,337</u>	<u>1,363</u>	<u>19,360</u>
Total instruction	<u>671,090</u>	<u>671,090</u>	<u>678,028</u>	<u>(6,938)</u>	<u>642,898</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, 2022  
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2021 Actual
Support services					
Pupils					
Attendance and social work services	\$ 26,700	\$ 26,700	\$ 23,638	\$ 3,062	\$ 26,240
Guidance services	26,000	26,000	16,605	9,395	25,979
Health services	31,450	31,450	43,543	(12,093)	29,820
Psychological services	3,700	3,700	5,224	(1,524)	5,004
Speech pathology and audiology services	<u>3,900</u>	<u>3,900</u>	<u>3,901</u>	<u>(1)</u>	<u>3,801</u>
Total pupils	<u>91,750</u>	<u>91,750</u>	<u>92,911</u>	<u>(1,161)</u>	<u>90,844</u>
Instructional staff					
Improvement of instruction services	16,500	16,500	15,972	528	17,269
Educational media services	15,700	15,700	8,864	6,836	15,395
Assessment and testing	<u>900</u>	<u>900</u>	<u>244</u>	<u>656</u>	<u>43</u>
Total instructional staff	<u>33,100</u>	<u>33,100</u>	<u>25,080</u>	<u>8,020</u>	<u>32,707</u>
General administration					
Board of education services	96,207	96,207	59,634	36,573	132,165
Executive administration services	23,700	23,700	24,604	(904)	23,509
Special area administrative services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general administration	<u>119,907</u>	<u>119,907</u>	<u>84,238</u>	<u>35,669</u>	<u>155,674</u>
School administration					
Office of the principal services	70,750	70,750	65,679	5,071	67,207
Other support services - school administration	<u>9,300</u>	<u>9,300</u>	<u>9,322</u>	<u>(22)</u>	<u>9,247</u>
Total school administration	<u>80,050</u>	<u>80,050</u>	<u>75,001</u>	<u>5,049</u>	<u>76,454</u>
Business					
Direction of business support services	3,000	3,000	3,013	(13)	2,955
Fiscal services	97,000	97,000	93,661	3,339	93,769
Operation and maintenance of plant services	155,000	155,000	160,846	(5,846)	146,521
Internal services	<u>7,500</u>	<u>7,500</u>	<u>12,732</u>	<u>(5,232)</u>	<u>8,682</u>
Total business	<u>262,500</u>	<u>262,500</u>	<u>270,252</u>	<u>(7,752)</u>	<u>251,927</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, 2022  
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2021 Actual
Central					
Data processing services	\$ 135,000	\$ 135,000	\$ 129,799	\$ 5,201	\$ 133,764
Total central	<u>135,000</u>	<u>135,000</u>	<u>129,799</u>	<u>5,201</u>	<u>133,764</u>
Total support services	<u>722,307</u>	<u>722,307</u>	<u>677,281</u>	<u>45,026</u>	<u>741,370</u>
Community services	<u>-</u>	<u>-</u>	<u>82</u>	<u>(82)</u>	<u>28</u>
Total expenditures	<u>1,393,397</u>	<u>1,393,397</u>	<u>1,355,391</u>	<u>38,006</u>	<u>1,384,296</u>
Net change in fund balance	<u>\$ 79,208</u>	<u>\$ 79,208</u>	118,010	<u>\$ 38,802</u>	16,446
Fund deficit, beginning of year			<u>(57,970)</u>		<u>(74,416)</u>
Fund balance (deficit), end of year			<u>\$ 60,040</u>		<u>\$ (57,970)</u>

(Concluded)

# Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2022

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## 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) 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.
- e) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- f) The Board of Education may amend the budget by the same procedures required of its original adoption.
- g) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 7, 2021, and as amended by the Board of Education on June 7, 2022.
- h) All budget appropriations lapse at the end of the fiscal year.

## 2. EXPENDITURES IN EXCESS OF FINAL BUDGETS

The following funds had expenditures in excess of budgets at June 30, 2022:

Fund	Variance
General	\$ 552,488
Operations and Maintenance	692,425
Transportation	338,778
Debt Service*	55,436,325
Capital Projects	291,707

\* The expenditures in excess of budget in the debt service fund is primarily related to the repayment of the debt certificates issued in 2022 with the proceeds of the 2022 bonds issued.

# Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2022

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### 3. 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 pension. 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	\$ 38,222,714	\$ 37,142,675
To adjust for on-behalf payments received	10,198,518	-
To adjust for on-behalf payments made	<u>-</u>	<u>10,198,518</u>
	<u>\$ 48,421,232</u>	<u>\$ 47,341,193</u>

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

For the 2020 - 2021 measurement year, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit and were consistent in 2020 and 2021. These actuarial assumptions were based on an experience study dated September 30, 2021.

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. The assumptions used for the 2020 - 2018 and 2017 - 2016 measurement years were based on an experience study dated September 30, 2018 and August 13, 2015, respectively.

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, 2022

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## 5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2021 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 2021 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): 22-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 17 years for most employers (five employers were financed over 18 years; one employer was financed over 19 years; two employers were financed over 20 years; three employers were financed over 26 years; four employers were financed over 27 years and one employer was 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 rates were 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, IMRF specific mortality rates were used with fully generational projections scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, IMRF specific mortality rates were 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, 2022

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## 5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2021 IMRF CONTRIBUTION RATE\* (Continued)

### Other Information:

Notes There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2019 actuarial valuation.

### Change in Assumptions:

For the 2021, 2020, 2019 and 2018 measurement years, the assumed investment rate of return was 7.25 percent, including an inflation rate of 2.50 percent and a real return of 4.75%.

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

## 6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2021 THIS CONTRIBUTION RATE

### Valuation Date:

Notes Actuarially determined contribution rates are calculated as of June 30 each year, 12 months prior to the fiscal year in which contributions are reported.

Valuation Date June 30, 2020

Measurement Date June 30, 2021

Fiscal Year End June 30, 2022

### Methods and Assumptions Used to Determine the 2021 Contribution Rate:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Asset Valuation Method	Market value
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation, for all plan year
Single equivalent discount rate	1.92%
Price 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
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.

# Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2022

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## 6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2021 THIS CONTRIBUTION RATE (Continued)

### **Methods and Assumptions Used to Determine the 2021 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 2022 based on expected increases used to develop average costs. For fiscal years on and after 2023, trend starts at 8.00% gradually decreases to an ultimate trend of 4.25%.
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 2.45% used in the Fiscal Year 2021 valuation to 1.92%, 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 3.13% 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".

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

**SUPPLEMENTARY FINANCIAL INFORMATION**

# Mundelein Consolidated High School District 120

General Fund

COMBINING BALANCE SHEET

June 30, 2022

	Educational Account	Tort Immunity and Judgment	Working Cash Account	Total
<b>ASSETS</b>				
Cash and investments	\$ 27,264,627	\$ 150,306	\$ 751,017	\$ 28,165,950
Receivables (net of allowance for uncollectibles):				
Interest	28,905	105	1,347	30,357
Property taxes	16,328,131	121,424	-	16,449,555
Replacement taxes	173,131	-	-	173,131
Intergovernmental	1,757,697	-	-	1,757,697
Other	452	-	-	452
	<u>\$ 45,552,943</u>	<u>\$ 271,835</u>	<u>\$ 752,364</u>	<u>\$ 46,577,142</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 1,236,944	\$ -	\$ -	\$ 1,236,944
Salaries and wages payable	974,645	-	-	974,645
Other current liabilities	94,406	-	-	94,406
Unearned revenue	20,357	-	-	20,357
	<u>2,326,352</u>	<u>-</u>	<u>-</u>	<u>2,326,352</u>
<b>DEFERRED INFLOWS</b>				
Unavailable interest revenue	28,905	105	1,347	30,357
Property taxes levied for a future period	29,955,390	222,763	-	30,178,153
	<u>29,984,295</u>	<u>222,868</u>	<u>1,347</u>	<u>30,208,510</u>
<b>FUND BALANCES</b>				
Restricted	-	48,967	-	48,967
Assigned	521,776	-	-	521,776
Unassigned	12,720,520	-	751,017	13,471,537
	<u>13,242,296</u>	<u>48,967</u>	<u>751,017</u>	<u>14,042,280</u>
Total fund balance	<u>13,242,296</u>	<u>48,967</u>	<u>751,017</u>	<u>14,042,280</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 45,552,943</u>	<u>\$ 271,835</u>	<u>\$ 752,364</u>	<u>\$ 46,577,142</u>

## Mundelein Consolidated High School District 120

### General Fund

#### COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) For the Year Ended June 30, 2022

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
<b>Revenues</b>				
Property taxes	\$ 28,496,903	\$ 249,543	\$ -	\$ 28,746,446
Replacement taxes	1,032,137	-	-	1,032,137
State aid	13,193,000	-	-	13,193,000
Federal aid	3,129,593	-	-	3,129,593
Interest income and investment losses	(76,649)	(649)	(1,403)	(78,701)
Other	2,384,823	13,934	-	2,398,757
Total revenues	48,159,807	262,828	(1,403)	48,421,232
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	14,732,685	-	-	14,732,685
Special programs	5,371,043	-	-	5,371,043
Other instructional programs	3,375,891	-	-	3,375,891
State retirement contributions	10,198,518	-	-	10,198,518
Support services:				
Pupils	3,234,752	-	-	3,234,752
Instructional staff	873,097	-	-	873,097
General administration	746,619	81,594	-	828,213
School administration	2,051,799	-	-	2,051,799
Business	1,918,556	-	-	1,918,556
Transportation	4,557	-	-	4,557
Operations and maintenance	713,237	127,724	-	840,961
Central	1,257,969	-	-	1,257,969
Other supporting services	200	-	-	200
Community services	49,933	-	-	49,933
Nonprogrammed charges	2,081,854	-	-	2,081,854
Capital outlay	521,165	-	-	521,165
Total expenditures	47,131,875	209,318	-	47,341,193
Excess of revenues over expenditures	1,027,932	53,510	(1,403)	1,080,039
<b>Other financing sources (uses)</b>				
Transfers (out)	(71,883)	-	-	(71,883)
Proceeds from issuance of debt	437,487	-	-	437,487
Total other financing sources (uses)	365,604	-	-	365,604
Net change in fund balance	1,393,536	53,510	(1,403)	1,445,643
Fund balance (deficit), beginning of year	11,848,760	(4,543)	752,420	12,596,637
Fund balance, end of year	\$ 13,242,296	\$ 48,967	\$ 751,017	\$ 14,042,280

# 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, 2022

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

	2022				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2021 Actual
Revenues					
Local sources					
General levy	\$3,391,819	\$3,391,819	\$ 3,402,521	\$ 10,702	\$ 3,397,625
Interest on investments	<u>15,000</u>	<u>15,000</u>	<u>(8,310)</u>	<u>(23,310)</u>	<u>26,157</u>
Total revenues	<u>3,406,819</u>	<u>3,406,819</u>	<u>3,394,211</u>	<u>(12,608)</u>	<u>3,423,782</u>
Expenditures					
Debt services - interest					
Bonds and other - interest	<u>643,997</u>	<u>643,997</u>	<u>554,330</u>	<u>89,667</u>	<u>459,000</u>
Principal payments on long-term debt	<u>2,982,353</u>	<u>2,982,353</u>	<u>53,311,250</u>	<u>50,328,897</u>	<u>3,100,000</u>
Other debt service					
Other objects	<u>1,825</u>	<u>1,825</u>	<u>1,625</u>	<u>200</u>	<u>2,025</u>
Total expenditures	<u>3,628,175</u>	<u>3,628,175</u>	<u>54,463,215</u>	<u>(50,835,040)</u>	<u>3,561,025</u>
Deficiency of revenues over expenditures	<u>(221,356)</u>	<u>(221,356)</u>	<u>(51,069,004)</u>	<u>(50,847,648)</u>	<u>(137,243)</u>
Other financing sources					
Principal on bonds sold	-	-	49,736,000	(49,736,000)	-
Premium on bonds sold	-	-	5,628,442	(5,628,442)	-
Transfer to pay principal on capital leases	-	-	56,250	(56,250)	-
Transfer to pay interest on capital leases	-	-	15,633	(15,633)	-
Transfer to pay principal on debt certificates	225,000	225,000	225,000	-	215,000
Transfer to pay interest on debt certificates	<u>23,700</u>	<u>23,700</u>	<u>23,700</u>	<u>-</u>	<u>31,425</u>
Total other financing sources	<u>248,700</u>	<u>248,700</u>	<u>55,685,025</u>	<u>(55,436,325)</u>	<u>246,425</u>
Net change in fund balance	<u>\$ 27,344</u>	<u>\$ 27,344</u>	4,616,021	<u>\$ 4,588,677</u>	109,182
Fund balance, beginning of year			<u>296,336</u>		<u>187,154</u>
Fund balance, end of year			<u>\$ 4,912,357</u>		<u>\$ 296,336</u>

**Mundelein Consolidated High School District 120**  
 Capital Projects Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2022  
 With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Actual	Variance From Final Budget	2021 Actual
	Original Budget	Final Budget			
Revenues					
Local sources					
Interest on investments	\$ -	\$ -	\$ (253,355)	\$ (253,355)	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>(253,355)</u>	<u>253,355</u>	<u>-</u>
Expenditures					
Other debt service					
Purchased services	<u>-</u>	<u>-</u>	<u>291,707</u>	<u>291,707</u>	<u>-</u>
Provision for contingencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>291,707</u>	<u>(291,707)</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(545,062)</u>	<u>(38,352)</u>	<u>-</u>
Other financing sources					
Principal on bonds sold	-	-	49,554,000	(49,554,000)	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>49,554,000</u>	<u>(49,554,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	49,008,938	<u>\$ 49,008,938</u>	-
Fund balance, beginning of year			<u>-</u>		<u>-</u>
Fund balance, end of year			<u>\$ 49,008,938</u>		<u>\$ -</u>