

**Mundelein Consolidated High School
District 120**

Annual Financial Report

Year Ended June 30, 2018

Mundelein Consolidated High School District 120
 ANNUAL FINANCIAL REPORT
 For the Year Ended June 30, 2018

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 4
Management's Discussion and Analysis (Unaudited)	5 - 13
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position - Governmental Activities	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet - Governmental Funds	16 - 17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) - Governmental Funds	19 - 20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) of Governmental Funds to the Statement of Activities	21
Statement of Fiduciary Assets and Liabilities - Agency Fund	22
Notes to the Financial Statements	23 - 69
Required Supplementary Information (Unaudited)	
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund	70
Multiyear Schedule of Contributions - Illinois Municipal Retirement Fund	71
Multiyear Schedule of the District's Proportionate Share of Net Pension Liability - Teachers' Retirement System of the State of Illinois	72
Multiyear Schedule of District Contributions - Teachers' Retirement System of the State of Illinois	73
Schedule of Changes in Total Other Postemployment Benefits (OPEB) liability and Related Ratios Retiree Health Plan	74
Schedule of the District's Proportionate Share of the Net Other Postemployment Benefit (OPEB) Liability - Teachers' Health Insurance Security Fund	75
Schedule of District Contributions - Teachers' Health Insurance Security Fund	76
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund - Budgetary Basis	77 - 89
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Operations and Maintenance Fund	90 - 91

(Continued)

Mundelein Consolidated High School District 120
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2018

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information (Unaudited) (Continued)	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Transportation Fund	92 - 93
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Municipal Retirement/Social Security Fund	94 - 96
Notes to the Required Supplementary Information	97 - 99
 Supplementary Financial Information	
General Fund	
Combining Balance Sheet	100
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	101
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Debt Service Fund	102 - 103
Schedule of Revenues, Expenditures, and Changes in Fund Deficits - Budget and Actual - Capital Projects Fund	104 - 105
Statement of Changes in Assets and Liabilities - Agency Fund - Student Activity Funds	106 - 110
 Other Supplemental Information (Unaudited)	
Operating Costs and Tuition Charge	111

(Concluded)

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mundelein Consolidated High School District 120, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Mundelein Consolidated High School District 120's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

(Continued)

Auditors' Responsibility (Continued)

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mundelein Consolidated High School District 120, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note P to the financial statements, deferred outflows, long-term liabilities, and net position as of July 1, 2017 have been restated as a result of an adjustment due to the implementation of the Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois pension data on pages 70 through 73, the other postemployment benefits data on page 74 through 76, budgetary comparison schedules and notes to the required supplementary information on pages 77 through 99 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Other Information

Our audit for the year ended June 30, 2018 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mundelein Consolidated High School District 120's basic financial statements. The other schedules listed in the table of contents as supplementary financial information and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information for the year ended June 30, 2018 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2018 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial information for the year ended June 30, 2018, is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2018.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Mundelein Consolidated High School District 120, as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated November 2, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The audit was conducted for the purpose of forming audit opinions on the financial statements that collectively comprise the Mundelein Consolidated High School District 120's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund and Debt Service Fund with comparative amounts for the year ended June 30, 2017 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 2017 basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund and Debt Service Fund have been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund and Debt Service Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

Other Information (Continued)

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2019 on our consideration of Mundelein Consolidated High School District 120's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mundelein Consolidated High School District 120's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
January 16, 2019

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

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, 2018. 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, 2018, the total assets and deferred outflows of the District exceeded its total liabilities and deferred inflows, resulting in a net position balance of \$22,776,243.
- The District's net position was \$22,609,865 as of June 30, 2017, as restated for the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). The difference between the prior year balance of \$22,609,865 and the current net position balance at June 30, 2018, of \$22,776,243 is \$166,378.
- At the close of the 2017-18 fiscal year, the District's governmental funds reported a combined ending fund balance of \$16,463,994, which reflects an increase of \$488,239 in comparison with the prior year. The combined fund balance was \$15,975,755, as of June 30, 2017.

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.

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.

Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018

Overview of the Financial Statements (Continued)

Government-wide financial statements (Continued)

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.

The beginning net position was significantly impacted by the District's implementation of GASB 75. The implementation required the District to report its proportionate share of the net other postemployment benefit liability related to its unfunded retiree health plan (RHP). As a result of this implementation as of July 1, 2017, net position decreased by \$18,380,558, OPEB liabilities (included in long-term liabilities) increased by \$18,514,629, and deferred outflows increased by \$134,071. For more detailed information, see Note P in the footnotes to the financial statements.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds (the District maintains no proprietary funds).

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a school district's near-term financing requirements.

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, 2018**

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 Funds, all of which are considered to be major funds. The District adopts an annual budget for each of the funds listed above. Budgetary comparison schedules have been provided for each fund to demonstrate compliance with this budget.

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

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a better understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in meeting its obligation to provide as fully adequate as possible educational services and extracurricular activities to all of its residents' students.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the Mundelein Consolidated High School District 120, total assets and deferred outflows exceeded total liabilities and deferred inflows by \$22,776,243 at the close of the most recent fiscal year. The unrestricted net deficit at June 30, 2018 was (\$13,274,248). This figure is \$18,749,484 less than the prior year unrestricted net position of \$5,475,236. The large decrease in total net position is due to the implementation of GASB 75 requiring the District to report its proportionate share related to the state's Teacher Health Insurance Security plan (see Note P).

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

Government-Wide Financial Analysis (Continued)

Total revenues for the District were \$53,346,025 in fiscal year 2018 (full accrual), a decrease of \$5,744,781 from the prior fiscal year. The net decrease results primarily from the completion of the new addition and the District no longer receiving revenue from the Capital Development Board grant.

Total expenditures on governmental activities for the District were \$53,179,647 in fiscal year 2018 (full accrual), an increase of \$3,528,180 from the prior fiscal year. This reflects a percentage decrease of 7.1%. This increase was due to a large reduction in expenses related to completing the new 2017 addition project.

Statement of Net Position

(Millions of dollars)

	<u>2018</u>	<u>2017*</u>
Current Assets	\$ 51.902	\$ 51.265
Capital Assets, net	50.765	52.810
Total Assets	102.667	104.075
Deferred outflows related to pensions	2.076	1.390
Total Deferred Outflows	2.076	1.390
Current Liabilities	1.278	1.999
Long-term Liabilities	42.818	29.035
Total Liabilities	44.096	31.034
Property taxes levied for a future period	33.998	33.256
Deferred inflows related to pensions	3.873	0.185
Total Deferred Inflows	37.871	33.441
Net investment in capital assets	32.472	32.117
Restricted	3.578	3.398
Unrestricted	(13.274)	5.475
Total Net Position	\$ 22.776	\$ 40.990

*Amounts presented as originally reported and not restated due to the implementation of GASB Statement No. 75.

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

Government-Wide Financial Analysis (Continued)

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

	<u>2018</u>	<u>2017</u>
Revenues		
Program Revenues		
Charges for Services	\$ 0.798	\$ 0.784
Capital, Operating Grants and Contributions	15.942	22.858
Total Program Revenues	<u>16.740</u>	<u>23.642</u>
General Revenues		
Property Taxes	33.468	33.095
Replacement Taxes	0.292	0.395
Operating grants and contributions not restricted	1.970	1.344
Investment earnings	0.453	0.205
Miscellaneous	0.423	0.409
Total General Revenues	<u>36.606</u>	<u>35.448</u>
 Total Revenue	 <u>53.346</u>	 <u>59.090</u>
 Expenses		
Instruction	37.322	33.992
Support Services	14.656	14.454
Community Services	0.054	0.033
Nonprogrammed Charges	0.514	0.531
Interest and Fees	0.634	0.641
Total Expenses	<u>53.180</u>	<u>49.651</u>
 Change in Net Position	 <u>\$.166</u>	 <u>\$ 9.439</u>

Financial Analysis of the District's Funds

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

At the end of the most recent fiscal year, the District's governmental funds reported a total combined ending fund balance of \$16,463,994. The unassigned fund balance component is \$12,827,406 and the restricted fund balance component is \$3,636,588.

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

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 2018, the Educational Account had a fund balance of \$13,605,031. The fund balance as of June 30, 2017 was \$13,281,724. This difference reflects an increase in the fund balance of \$323,307.

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 2018, the Working Cash Account had a fund balance of \$712,790. The fund balance as of June 30, 2017 was \$693,241. This difference reflects an increase in the fund balance of \$19,549.

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 2018, the Tort Immunity and Judgment Account had a fund balance of \$97,704. The fund balance as of June 30, 2017 was \$223,251. The difference reflects a decrease in the fund balance of \$125,547.

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 2018, the Operations and Maintenance Fund had a fund balance of \$2,374,135. The fund balance as of June 30, 2017 was \$1,948,828. This difference reflects an increase in the fund balance of \$425,307.

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

Financial Analysis of the District's Funds (Continued)

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

- At the end of fiscal year 2018, the Transportation Fund had a fund balance of \$973,413. The fund balance as of June 30, 2017 was \$975,048. This difference reflects a decrease in the fund balance of \$1,635.

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 2018, the Municipal Retirement/Social Security Fund had a fund balance of \$92,689. The fund balance as of June 30, 2017 was \$251,415. The difference reflects a decrease in the fund balance of \$158,726.

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

- At the end of fiscal year 2018, the Debt Service Fund had a fund balance of \$98,647. The fund balance as of June 30, 2017 was \$37,999. This difference reflects an increase in the fund balance of \$60,648. This fund balance may only be used to pay the principal and interest on the District's outstanding bonded debt.

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

- At the end of fiscal year 2018, the Capital Projects Fund had a fund deficit balance of \$1,490,415. The fund balance as of June 30, 2017 was a deficit of \$1,435,751. The District expects to receive the final grant payment from the Illinois Capital Development Board in fiscal year 2018-19. For more detailed information, see Note O – Deficit Fund Balance.

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

Financial Analysis of the District's Funds (Continued)

The District's total revenues were \$53,223,325 (modified accrual). Approximately 66.3% of total governmental fund revenues come from local sources (property taxes, replacement taxes, interest, and other), 2.4% from federal sources, 6.4% from state sources, excluding TRS on-behalf contributions, and 24.9% of revenues are calculated to be paid directly to TRS by the state (for more detailed information see Note E, Pension Liabilities – Teachers' Retirement System of the State of Illinois).

2017-18 Budgetary Highlights

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

- In September 2017, the Board adopted the 2017-18 Annual Budget (which was amended in June 2018). This was the eleventh straight year with a balanced or surplus budget.
- The 2017-18 budget included the implementation of the new state Evidence Based Funding model. The District received approximately \$50,000 more in state funding through the new funding model.

Capital Assets and Debt Administration

Capital assets

As of June 30, 2018, the District had \$50.765 million invested in capital assets (net of depreciation), including land, construction in progress, buildings, improvements, and equipment. As of June 30, 2017, the District had \$52.811 million invested in capital assets. Additional information on the District's capital assets can be found in the notes to the financial statements (Note G).

Capital Assets (net of depreciation) <i>(in thousands of dollars)</i>		
	<u>2018</u>	<u>2017</u>
Land & Construction in Progress	\$10.558	\$10.558
Buildings	36.780	38.481
Improvements Other Than Buildings	1.679	1.810
Equipment and Transportation		
Equipment	1.748	1.961
Total	<u>\$50.765</u>	<u>\$52.811</u>

**Mundelein Consolidated High School District 120
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

Capital Assets and Debt Administration (Continued)

Long-term debt

As of June 30, 2018, the District had \$42.818 million in total long-term debt. This is a decrease of \$4.732 million compared to the previous fiscal year. Additional information regarding the District's long-term liabilities can be found in the notes to the financial statements (Note H). A summary of long-term debt is listed below:

Outstanding Long-Term Debt <i>(in thousands of dollars)</i>		
	<u>2018</u>	<u>2017*</u>
General obligation bonds (including unamortized premiums)	\$19.522	\$22.204
Debt Certificates	1.335	1.535
Other Postemployment Benefits	18.414	18.517
Compensated Absences	0.011	0.010
IMRF Net Pension Obligation	1.814	2.886
TRS Net Pension Obligation	<u>1.722</u>	<u>2.398</u>
TOTAL	<u>\$42.818</u>	<u>\$47.550</u>

*Presented as restated due to the implementation of GASB Statement No. 75.

Factors Bearing on the District's Future

The District continues to enjoy excellent financial results. We are cautiously optimistic regarding the new state funding formula. The District did receive additional revenue of \$50,000 and appreciates the evidence-based formula and the commitment the state has shown to increase educational funding through this model.

The District continues to bring most of the District's special education students back in-house with its Transition program beginning its first year at MHS in FY2019. The District anticipates receiving more in federal IDEA grant dollars in FY2020 or FY2021 to help support our in-house special education programs.

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, 2018

ASSETS

Cash and investments	\$ 35,690,627
Receivables (net of allowance for uncollectibles):	
Interest	154,734
Property taxes	14,982,743
Replacement taxes	49,671
Intergovernmental	847,843
Other current assets	176,762
Capital assets:	
Land	10,557,916
Depreciable buildings, property, and equipment, net	<u>40,206,890</u>
Total assets	<u>102,667,186</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows related to pensions	1,121,348
Deferred outflows related to other postemployment benefits	<u>954,983</u>
Total deferred outflows	<u>2,076,331</u>

LIABILITIES

Accounts payable	380,463
Salaries and wages payable	684,505
Interest payable	58,409
Unearned revenue	153,925
Long-term liabilities:	
Due within one year	2,925,646
Due after one year	<u>39,892,690</u>
Total liabilities	<u>44,095,638</u>

DEFERRED INFLOW OF RESOURCES

Property taxes levied for a future period	33,997,960
Deferred inflows related to pensions	1,676,153
Deferred inflows related to other postemployment benefits	<u>2,197,523</u>
Total deferred inflows	<u>37,871,636</u>

NET POSITION

Net investment in capital assets	32,472,312
Restricted For:	
Operations and maintenance	2,374,135
Debt service	40,238
Student transportation	973,413
Retirement benefits	92,689
Tort immunity	97,704
Unrestricted	<u>(13,274,248)</u>
Total net position	<u>\$ 22,776,243</u>

The accompanying notes are an integral part of this statement.

Mundelein Consolidated High School District 120

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2018

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses)
		Charges for	Operating	Revenue and
		Services	Grants and	Changes in
			Contributions	Net Position
Governmental activities				
Instruction:				
Regular programs	\$ 15,189,829	\$ 676,041	\$ 799,614	\$ (13,714,174)
Special programs	5,507,958	-	872,021	(4,635,937)
Other instructional programs	3,397,111	43,015	320,786	(3,033,310)
State retirement contributions	13,227,439	-	13,227,439	-
Support services:				
Pupils	2,613,746	-	906	(2,612,840)
Instructional staff	952,064	-	137,441	(814,623)
General administration	993,802	-	-	(993,802)
School administration	1,939,415	-	-	(1,939,415)
Business	1,331,040	-	17,375	(1,313,665)
Transportation	1,677,849	-	567,062	(1,110,787)
Operations and maintenance	3,477,957	78,750	-	(3,399,207)
Central	1,669,721	-	-	(1,669,721)
Community services	53,994	-	-	(53,994)
Nonprogrammed charges - excluding special education	513,641	-	-	(513,641)
Interest and fees	634,081	-	-	(634,081)
Total governmental activities	\$ 53,179,647	\$ 797,806	\$ 15,942,644	(36,439,197)
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				24,853,369
Real estate taxes, levied for specific purposes				5,379,871
Real estate taxes, levied for debt service				3,234,715
Personal property replacement taxes				291,518
State aid-formula grants				1,970,146
Investment earnings				452,579
Miscellaneous				423,377
Total general revenues				36,605,575
Change in net position				166,378
Net position, beginning of year, as restated (See Note P)				22,609,865
Net position, end of year				\$ 22,776,243

The accompanying notes are an integral part of this statement.

Mundelein Consolidated High School District 120

Governmental Funds

BALANCE SHEET

June 30, 2018

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 28,968,015	\$ 2,706,176	\$ 1,417,112	\$ 703,874
Receivables (net of allowance for uncollectibles):				
Interest	117,089	13,362	6,732	3,759
Property taxes	11,278,372	1,386,757	410,905	489,933
Replacement taxes	49,671	-	-	-
Intergovernmental	705,831	-	142,012	-
Loan to capital projects fund	-	1,490,415	-	-
Other current assets	166,503	-	-	10,259
Total assets	<u>\$ 41,285,481</u>	<u>\$ 5,596,710</u>	<u>\$ 1,976,761</u>	<u>\$ 1,207,825</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 251,908	\$ 63,712	\$ 64,843	\$ -
Salaries and wages payable	684,505	-	-	-
Loan from operations and maintenance fund	-	-	-	-
Unearned school fees	153,925	-	-	-
Total liabilities	<u>1,090,338</u>	<u>63,712</u>	<u>64,843</u>	<u>-</u>
DEFERRED INFLOWS				
Unavailable interest revenue	106,174	12,116	6,104	3,408
Unavailable grant revenue	81,225	-	-	-
Property taxes levied for a future period	25,592,219	3,146,747	932,401	1,111,728
Total deferred inflows	<u>25,779,618</u>	<u>3,158,863</u>	<u>938,505</u>	<u>1,115,136</u>
FUND BALANCES				
Restricted	97,704	2,374,135	973,413	92,689
Unassigned	14,317,821	-	-	-
Total fund balance	<u>14,415,525</u>	<u>2,374,135</u>	<u>973,413</u>	<u>92,689</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 41,285,481</u>	<u>\$ 5,596,710</u>	<u>\$ 1,976,761</u>	<u>\$ 1,207,825</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total
\$ 1,895,450	\$ -	\$ 35,690,627
13,792	-	154,734
1,416,776	-	14,982,743
-	-	49,671
-	-	847,843
-	-	1,490,415
-	-	176,762
<u>\$ 3,326,018</u>	<u>\$ -</u>	<u>\$ 53,392,795</u>
\$ -	\$ -	\$ 380,463
-	-	684,505
-	1,490,415	1,490,415
-	-	153,925
<u>-</u>	<u>1,490,415</u>	<u>2,709,308</u>
12,506	-	140,308
-	-	81,225
<u>3,214,865</u>	<u>-</u>	<u>33,997,960</u>
<u>3,227,371</u>	<u>-</u>	<u>34,219,493</u>
98,647	-	3,636,588
-	(1,490,415)	12,827,406
<u>98,647</u>	<u>(1,490,415)</u>	<u>16,463,994</u>
<u>\$ 3,326,018</u>	<u>\$ -</u>	<u>\$ 53,392,795</u>

Mundelein Consolidated High School District 120
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2018

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

Total fund balances - governmental funds	\$	16,463,994
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Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.		50,764,806
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to pensions	\$	774,626	
Deferred outflows of 2018 employer contributions related to pensions		346,722	1,121,348

Deferred inflows of resources related to pensions		(1,676,153)
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Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to OPEB	\$	807,827	
Deferred outflows of 2018 employer contributions related to OPEB		147,156	954,983

Deferred inflows of resources related to pensions		(2,197,523)
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Interest on long-term liabilities accrued in the statement of net position will not be paid with current financial resources and, therefore, is not recognized in the governmental funds balance sheet.		(58,409)
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Certain interest and grant receivables are not available to pay for current expenditures and are unavailable in the governmental funds		221,533
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Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet.		(42,818,336)
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Net position - governmental activities	\$	22,776,243
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The accompanying notes are an integral part of this statement.

Mundelein Consolidated High School District 120

Governmental Funds

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

For the Year Ended June 30, 2018

	General	Operations and Maintenance	Transportation	Municipal Retirement / SOC. SEC.
Revenues				
Property taxes	\$ 24,903,191	\$ 3,292,290	\$ 1,095,639	\$ 942,120
Replacement taxes	274,518	-	-	17,000
State aid	16,069,838	-	567,062	-
Federal aid	1,293,498	-	-	-
Interest	236,234	27,094	13,513	7,564
Other	865,619	288,906	-	-
Total revenues	<u>43,642,898</u>	<u>3,608,290</u>	<u>1,676,214</u>	<u>966,684</u>
Expenditures				
Current:				
Instruction:				
Regular programs	12,521,503	-	-	219,859
Special programs	3,433,272	-	-	155,349
Other instructional programs	3,078,303	-	-	168,617
State retirement contributions	13,227,439	-	-	-
Support services:				
Pupils	2,413,151	-	-	69,583
Instructional staff	891,200	-	-	31,924
General administration	845,673	-	-	127,371
School administration	1,810,577	-	-	69,627
Business	881,102	103,073	-	52,241
Transportation	-	-	1,677,849	-
Operations and maintenance	717,311	2,438,744	-	131,691
Central	1,191,152	-	-	98,223
Community services	52,912	-	-	925
Nonprogrammed charges	2,242,636	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	119,358	21,066	-	-
Total expenditures	<u>43,425,589</u>	<u>2,562,883</u>	<u>1,677,849</u>	<u>1,125,410</u>
Excess (deficiency) of revenues over expenditures	217,309	1,045,407	(1,635)	(158,726)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	(620,100)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(620,100)</u>	<u>-</u>	<u>-</u>
Net change in fund balance (deficit)	217,309	425,307	(1,635)	(158,726)
Fund balance (deficit), beginning of year	<u>14,198,216</u>	<u>1,948,828</u>	<u>975,048</u>	<u>251,415</u>
Fund balance (deficit), end of year	<u>\$ 14,415,525</u>	<u>\$ 2,374,135</u>	<u>\$ 973,413</u>	<u>\$ 92,689</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total
\$ 3,234,715	\$ -	\$ 33,467,955
-	-	291,518
-	-	16,636,900
-	-	1,293,498
27,866	-	312,271
-	66,658	1,221,183
<u>3,262,581</u>	<u>66,658</u>	<u>53,223,325</u>
-	-	12,741,362
-	-	3,588,621
-	-	3,246,920
-	-	13,227,439
-	-	2,482,734
-	-	923,124
-	-	973,044
-	-	1,880,204
-	145,466	1,181,882
-	-	1,677,849
-	-	3,287,746
-	-	1,289,375
-	-	53,837
-	-	2,242,636
2,785,000	-	2,785,000
737,033	-	737,033
-	275,856	416,280
<u>3,522,033</u>	<u>421,322</u>	<u>52,735,086</u>
(259,452)	(354,664)	488,239
320,100	300,000	620,100
-	-	(620,100)
<u>320,100</u>	<u>300,000</u>	<u>-</u>
60,648	(54,664)	488,239
37,999	(1,435,751)	15,975,755
<u>\$ 98,647</u>	<u>\$ (1,490,415)</u>	<u>\$ 16,463,994</u>

Mundelein Consolidated High School District 120

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds	\$ 488,239
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay and loss on disposals in the current period.	(2,045,855)
Changes in deferred outflows and inflows of resources related to other postemployment benefits are reported only in the statement of activities:	
Deferred outflow and inflows of resources related to RHP OPEB	(40,402)
Deferred outflow and inflows of resources related to THIS OPEB	(1,336,209)
Changes in deferred outflows and inflows or resources related to pensions are reported only in the statement of activities:	
Deferred outflow and inflows of resources related to IMRF pension	(1,088,840)
Deferred outflow and inflows of resources related to TRS pension	(670,668)
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.	5,676
Certain interest and grant revenues included in the statement of activities do not provide current financial resources and, therefore, are deferred in the fund statements.	122,700
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and compensated absences consume the current financial resources of the governmental funds.	<u>4,731,737</u>
Change in net position - governmental activities	<u>\$ 166,378</u>

The accompanying notes are an integral part of this statement.

Mundelein Consolidated High School District 120

Agency Fund

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

June 30, 2018

	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	<u>\$ 458,524</u>
LIABILITIES	
Due to student groups	<u>\$ 458,524</u>

The accompanying notes are an integral part of this statement.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which was implemented by the District during the fiscal year ended June 30, 2018. This Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses on the government-wide financial statements.

Specific changes to the District's financial statements relate to the recognition of a net other postemployment benefit (OPEB) liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense. See Note H and Note P for the effects of this restatement.

3. Fund Accounting

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting (Continued)

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

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

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

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.

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

a. General Fund

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

b. Special Revenue Funds

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

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

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

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

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

c. Debt Service Fund

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

d. Capital Projects Fund

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

e. Fiduciary Fund

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

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

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

5. Fund Balance

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

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Fund Balance (Continued)

- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, or laws and regulations of other governments, or are imposed by law through enabling legislation. Special revenue funds, as well as debt service funds and capital projects funds are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. As of June 30, 2018, the District has no committed fund balance.
- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegates the authority to assign amounts to be used for specific purposes. The Board of Education delegated this authority to the Business Manager. As of June 30, 2018, the District has no assigned fund balance.
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

Governmental fund balances reported on the fund financial statements at June 30, 2018 are as follows:

The restricted fund balance in the General Fund is comprised of \$97,704, representing the remaining unspent portion of the restricted tort immunity levy. The remaining restricted fund balances are for the purpose of the restricted funds as described in Note A-4.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to a future period. At June 30, 2018, the District has deferred outflows of resources related to pensions and other postemployment benefits. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period. At June 30, 2018, the District reported deferred inflows of resources related to pensions, other postemployment benefits, property taxes levied for a future period, and unavailable grant and interest revenue.

8. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the General Fund which does not budget for on-behalf contributions from the State of Illinois for the employer's share of the Teacher's Retirement System Pension (see budget reconciliation in the Notes to the Required Supplementary Information). Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

9. Deposits and Investments

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

10. Personal Property Replacement Taxes

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

11. Capital Assets

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

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

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Capital Assets (Continued)

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

12. Accumulated Unpaid Vacation and Sick Pay

Vacation benefits are granted to employees in varying amounts to specified maximums depending on tenure with the District. Vacation can accumulate for carryover up to 20 days. At June 30, 2018, accumulated unpaid vacation pay was \$10,646.

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

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

13. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, and losses on refunding of bonds are deferred and amortized over the life of the applicable bonds. Bonds payable are reported net of the applicable bond premium or discount or loss on refunding. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, losses on refunding, and bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance cost and losses on refunding are reported as debt service expenditures.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Pensions and Other Postemployment Benefits

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

15. Use of Estimates

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

16. Restricted Net Position

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

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

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

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

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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

(Continued)

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

General obligation bonds	\$ (15,830,000)
Capital appreciation bonds	(2,569,624)
Unamortized premium	(1,122,758)
Debt certificates	(1,335,000)
IMRF net pension liability	(1,814,255)
TRS net pension liability	(1,722,522)
RHP total other postemployment benefit	(409,444)
THIS net other postemployment benefit liability	(18,004,087)
Compensated absences	<u>(10,646)</u>
Net adjustment to decrease total fund balances - governmental funds to arrive at net position - governmental activities	<u>\$ (42,818,336)</u>

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

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

Capital outlay	\$ 317,828
Depreciation expense	(2,359,446)
Loss on disposal of assets	<u>(4,237)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	<u>\$ (2,045,855)</u>

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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

(Continued)

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

Principal repayments		
General obligation bonds	\$	2,585,000
Debt certificates		200,000
Accretion on general obligation bonds		(143,697)
Amortization of bond premium		240,973
IMRF pension expense (net change)		1,071,574
TRS pension expense (net change)		675,384
RHP total other postemployment benefit liability, net		66,845
THIS net other postemployment benefit liability, net		36,653
Compensated absences (net change)		<u>(995)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	\$	<u><u>4,731,737</u></u>

NOTE C - DEPOSITS AND INVESTMENTS

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

At June 30, 2018, the District's cash and investments consisted of the following:

	<u>Government- wide</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ <u>35,690,627</u>	\$ <u>458,524</u>	\$ <u>36,149,151</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2018, the District's cash and investments consisted of the following:

	Total
Deposits with financial institutions*	\$ 20,260,884
Illinois School District Liquid Asset Fund Plus (ISDLAF+)	8,161,593
Other investments	7,726,674
	\$ 36,149,151

*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.

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
ISDLAF+ Term					
Series	\$ 5,500,000	\$ 5,500,000	\$ -	\$ -	\$ -
Negotiable certificates of deposit	2,226,674	-	2,226,674	-	-
TOTAL	\$ 7,726,674	\$ 5,500,000	\$ 2,226,674	\$ -	\$ -

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Interest Rate Risk

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

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

			Unfunded Commitments	Redemption Frequency	Redemption Notice Period
ISDLAF+	\$	8,161,593	n/a	Daily	1 day

2. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The District's investments in negotiable certificates of deposits and ISDLAF+ Term Series are unrated.

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

3. Concentration of Credit Risk

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

4. Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by providing that all deposits in excess of FDIC insurable limits may be secured by collateral to protect against an event of default or failure of the financial institution holding the funds. At June 30, 2018, the bank balances of the District's deposits with financial institutions totaling \$21,517,859 were fully insured or collateralized. The District's investment instruments are either held by the District or by the District's agent.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

4. Custodial Credit Risk (Continued)

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

NOTE D - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on December 12, 2017. 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 2017 tax levy was \$1,345,455,833.

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

The portion of the 2017 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 2017 levy is to be used to finance operations in fiscal 2018. Therefore, the entire 2017 levy, including amounts collected in fiscal 2018, has been reported as property taxes levied for a future period in the accompanying financial statements.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES

1. Teachers' Retirement System of the State of Illinois

General Information About the Pension Plan

Plan Description

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

TRS issues a publicly available financial report that can be obtained at www.trsil.org/financial/cafrs/fy2017; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

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

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2017, 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, 2018, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$11,670,269 in pension contributions from the state of Illinois.

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2018, were \$96,989, and are deferred because they were paid after the June 30, 2017 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. Public Act 98-0674 now requires the two rates to be the same.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

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

Contributions (Continued)

Federal and Special Trust Fund Contributions (Continued)

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$19,697 were paid from federal and special trust funds that required employer contributions of \$1,989. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

Early Retirement Cost Contributions

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the District paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2018, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2018, 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:

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

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

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

District's proportionate share of the net pension liability	\$	1,722,522
State's proportionate share of the net pension liability associated with the District		<u>118,581,962</u>
Total	\$	<u><u>120,304,484</u></u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. 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, 2017, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.0022546649 percent, which was a decrease of 0.0007831188 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$11,754,922 and revenue of \$11,670,269 for support provided by the state. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 18,708	\$ 795
Change of assumptions	114,966	49,497
Net difference between projected and actual earnings on pension plan investments	1,182	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>213,089</u>	<u>499,794</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>347,945</u>	<u>550,086</u>
District contributions subsequent to the measurement date	<u>98,978</u>	<u>-</u>
	<u>\$ 446,923</u>	<u>\$ 550,086</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

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

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

The District reported \$98,978 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Net Deferred Inflows (Outflows) of Resources
2019	\$ 55,743
2020	(7,454)
2021	28,527
2022	109,145
2023	16,180
	<u>\$ 202,141</u>

Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	Varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014. The same assumptions were used in the June 30, 2016 actuarial valuation.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

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

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

Actuarial Assumptions (Continued)

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

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

Discount Rate

At June 30, 2017, the discount rate used to measure the total pension liability was 7.00 percent, which was a change from the June 30, 2016 rate of 6.83 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

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

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

Discount Rate (Continued)

Based on those assumptions, TRS's fiduciary net position at June 30, 2017 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.

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier 2 were not sufficient to cover all projected benefit payments.

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

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the net pension liability	\$ 2,116,343	\$ 1,722,522	\$ 1,399,950

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2017 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund

Plan Description

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

Benefits Provided

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

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

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

As of December 31, 2017, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	89
Inactive plan members entitled to but not yet receiving benefits	97
Active plan members	<u>86</u>
Total	<u><u>272</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 2017 was 12.77%. For the fiscal year ended June 30, 2018 the District contributed \$462,991 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, 2017. 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, 2017:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

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

Actuarial Assumptions (Continued)

Mortality

For non-disabled retirees, the IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projections scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-term Expected Rate of Return

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	6.85%
International Equity	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	2.65% - 7.35%
Cash Equivalents	1%	2.25%
Total	100%	

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Liability

The following table shows the components of the change in the District's net pension liability for the calendar year ended December 31, 2017:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 12,506,058	\$ 9,620,229	\$ 2,885,829
Changes for the year:			
Service cost	362,082	-	362,082
Interest on the total pension liability	925,299	-	925,299
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the total pension liability	179,894	-	179,894
Changes of assumptions	(442,971)	-	(442,971)
Contributions - employer	-	449,714	(449,714)
Contributions - employees	-	158,474	(158,474)
Net investment income	-	1,700,367	(1,700,367)
Benefit payments, including refunds of employee contributions	(699,546)	(699,546)	-
Other (net transfer)	-	(212,677)	212,677
Net changes	324,758	1,396,332	(1,071,574)
Balances at December 31, 2017	\$ 12,830,816	\$ 11,016,561	\$ 1,814,255

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (6.50%)	Current Discount Rate (7.50%)	1% Higher (8.50%)
Net pension liability	\$ 3,302,363	\$ 1,814,255	\$ 579,656

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

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

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

For the year ended June 30, 2018 the District recognized pension expense of \$480,258. At June 30, 2018, the District reported deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 122,436	\$ 14,460
Change of assumptions	-	319,406
Net difference between projected and actual earnings on pension plan investments	304,245	792,201
Total deferred amounts to be recognized in pension expense in the future periods	426,681	1,126,067
Pension contributions made subsequent to the measurement date	247,744	-
Total deferred amounts related to pensions	\$ 674,425	\$ 1,126,067

The District reported \$247,744 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, 2019.

Amounts reported as net deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Net Deferred Inflows of Resources
2019	\$ 155,619
2020	146,906
2021	198,810
2022	198,051
2023	-
Total	\$ 699,386

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

3. Summary of Pension Items

Below is a summary of the various pension items:

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 98,978	\$ 247,744	\$ 346,722
Experience	18,708	122,436	141,144
Assumptions	114,966	-	114,966
Proportionate share	213,089	-	213,089
Investments	1,182	304,245	305,427
	<u>\$ 446,923</u>	<u>\$ 674,425</u>	<u>\$ 1,121,348</u>
Net pension liability	<u>\$ 1,722,522</u>	<u>\$ 1,814,255</u>	<u>\$ 3,536,777</u>
Pension expense	<u>\$ 11,754,922</u>	<u>\$ 480,258</u>	<u>\$ 12,235,180</u>
Deferred inflows of resources:			
Investments	\$ -	\$ 792,201	\$ 792,201
Experience	795	14,460	15,255
Assumptions	49,497	319,406	368,903
Proportionate share	499,794	-	499,794
	<u>\$ 550,086</u>	<u>\$ 1,126,067</u>	<u>\$ 1,676,153</u>

4. Social Security/Medicare

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE F - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

General Information about the Other Postemployment Plan

Plan Description

The District participates in the Teacher Health Insurance Security Fund (THIS), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago.

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

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

Benefits Provided

The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

Contributions

On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.18 percent of pay during the year ended June 30, 2018. State of Illinois contributions, including 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), were \$1,557,170 and the District recognized revenue and expenditures of this amount during the year.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

General Information about the Other Postemployment Plan (Continued)

Contributions (Continued)

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.88 percent during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$147,156 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2017 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, 2018, 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	\$ 18,004,087
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>23,643,840</u>
Total	<u><u>\$ 41,647,927</u></u>

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. 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, 2017, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2017, the District's proportion was 0.0693811 percent, which was an increase of 0.0033843 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$2,869,811 and revenue of \$1,557,170, which represents support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 10,198
Change of assumptions	-	2,143,624
Net difference between projected and actual earnings on OPEB plan investments	-	198
Changes in proportion and differences between District contributions and proportionate share of contributions	804,726	-
Total deferred amounts to be recognized in OPEB expense in future periods	804,726	2,154,020
District contributions subsequent to the measurement date	147,156	-
Total deferred amounts related to OPEB	\$ 951,882	\$ 2,154,020

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

The District reported \$147,156 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, 2019. Other amounts reported as net deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	Net Deferred Inflows of Resources
2019	\$ 207,284
2020	207,284
2021	207,284
2022	207,284
2023	207,234
Thereafter	312,924
Total	\$ 1,349,294

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 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, 2017, contribution rates are 1.12% of pay for active members, 0.84% of pay for school districts, and 1.12% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Model	Market Value
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Actuarial Assumptions (Continued)

Inflation	2.75 percent
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP- 2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.
Healthcare Trend Rate	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare cost and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare cost on and after 2020 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Discount Rate

The State, the District and active members contribute 1.12 percent, 0.84 percent, 1.12 percent of pay, respectively for fiscal year 2017. 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 2.85 percent at June 30, 2016, and 3.56 percent at June 30, 2017, was used to measure the total OPEB liability. The increase in the single discount rate, from 2.85 percent to 3.56 percent, caused the total OPEB liability for the entire plan to decrease by approximately \$3.564 billion.

Investment Return

During the plan year ended June 30, 2017, the trust earned \$357,000 in interest, and due to a significant benefit payable, the plan fiduciary net position at June 30, 2017, is a negative \$45 million. Given the significant benefit payable, negative plan fiduciary net position, and pay-as-you-go funding policy, the investment return assumption was set to zero.

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 0.678% for plan year end June 30, 2017, and 0.382% for plan year end June 30, 2016.

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 pension liability calculated using the discount rate of 3.56 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current rate:

	<u>1% Decrease</u> <u>(2.56%)</u>	<u>Current</u> <u>Discount</u> <u>(3.56%)</u>	<u>1% Increase</u> <u>(4.56%)</u>
District's proportionate share of the net OPEB liability	\$ 21,604,810	\$ 18,004,087	\$ 15,122,938

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

The following table shows the District's net OPEB liability as of June 30, 2017, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.09% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	<u>1% Decrease*</u>	<u>Current Healthcare Trend Rate</u>	<u>1% Increase**</u>
District's proportionate share of the net OPEB liability	\$ <u>14,531,142</u>	\$ <u>18,004,087</u>	\$ <u>22,988,912</u>

* One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.09% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

** One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

2. Retiree Health Plan (RHP)

Plan Description

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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

Employees Covered by Benefit Terms

As of June 30, 2018 the following employees were covered by the benefit terms:

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

Contributions

Retirees under the age of 65 contribute the full active employee equivalent rate. Retirees have the option of choosing from an HMO or PPO plan through the District. Premiums for the plan are set by the Board of Education. Currently, the District contributes 0 percent to 100 percent to postemployment benefits, which varies for different employee groups. For fiscal year 2018, the District contributed \$0 toward the cost of the postemployment benefits for retirees, which was 0.0% of covered payroll.

Total OPEB Liability

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

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

Total OPEB Liability (Continued)

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

Mortality rates	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for experience. Disabled Annuitants: RP- 2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.
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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.
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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.
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Discount Rate

The District does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 2.98% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 29, 2018.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2017	\$ 476,289	\$ -	\$ 476,289
Changes for the year:			
Service cost	22,110	-	22,110
Interest on the total OPEB liability	11,364	-	11,364
Difference between the expected and actual experience of the total OPEB liability	-	-	-
Changes of assumptions and other inputs	(32,173)	-	(32,173)
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including the implicit rate subsidy	(56,234)	-	(56,234)
Other changes	(11,912)	-	(11,912)
Net changes	<u>(66,845)</u>	<u>-</u>	<u>(66,845)</u>
Balance at June 30, 2018	<u>\$ 409,444</u>	<u>\$ -</u>	<u>\$ 409,444</u>

In 2018, changes in assumptions related to the discount rate changed from 3.13% to 2.98% and changes to the healthcare trend rate to reflect recent healthcare trend rate surveys, blended with the long-term rates from the Getzen model published by the Society of Actuaries.

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

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 2.98%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (1.98%)	Current Discount Rate (2.98%)	1% Higher (3.98%)
Total OPEB liability	\$ 432,717	\$ 409,444	\$ 387,458

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

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

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

	1% Lower <u>(3.50%-4.00%)</u>	Current Healthcare Rate <u>(4.50%-5.00%)</u>	1% Higher <u>(5.50%-6.00%)</u>
Total OPEB liability	\$ 392,116	\$ 409,444	\$ 429,623

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

For the year ended June 30, 2018 the District recognized OPEB expense of \$29,791. At June 30, 2018, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

Deferred Amounts Related to OPEB	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ -
Change in assumptions	3,101	43,503
Net difference between projected and actual earnings on OPEB plan investments	<u>-</u>	<u>-</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	\$ <u>3,101</u>	\$ <u>43,503</u>

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

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

Year Ended June 30,	Net Deferred Inflows of Resources
2019	\$ 3,682
2020	3,682
2021	3,682
2022	3,682
2023	3,682
Thereafter	<u>21,992</u>
Total	<u>\$ 40,402</u>

3. Summary of OPEB Items

Below is a summary of the various pension items at June 30, 2018:

	<u>THIS</u>	<u>RHP</u>	<u>Total</u>
Deferred outflows of resources			
Employer contributions	\$ 147,156	\$ -	\$ 147,156
Assumptions	-	3,101	3,101
Proportionate share	<u>804,726</u>	<u>-</u>	<u>804,726</u>
	<u>\$ 951,882</u>	<u>\$ 3,101</u>	<u>\$ 954,983</u>
OPEB liability	<u>\$ 18,004,087</u>	<u>\$ 409,444</u>	<u>\$ 18,413,531</u>
Deferred inflows of resources:			
Assumptions	\$ 2,143,624	\$ 43,503	\$ 2,187,127
Experience	10,198	-	10,198
Investments	<u>198</u>	<u>-</u>	<u>198</u>
	<u>\$ 2,154,020</u>	<u>\$ 43,503</u>	<u>\$ 2,197,523</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE G - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Increases /</u> <u>Transfers</u>	<u>Decreases /</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2018</u>
Capital assets, not being depreciated				
Land	\$ 10,557,916	\$ -	\$ -	\$ 10,557,916
Capital assets, being depreciated				
Buildings	63,495,090	175,234	-	63,670,324
Improvements other than buildings	3,278,277	-	-	3,278,277
Equipment	7,780,343	142,594	265,533	7,657,404
Transportation equipment	308,822	-	-	308,822
Total capital assets, being depreciated	<u>74,862,532</u>	<u>317,828</u>	<u>265,533</u>	<u>74,914,827</u>
Less accumulated depreciation for:				
Buildings	25,014,121	1,876,587	-	26,890,708
Improvements other than buildings	1,467,745	131,135	-	1,598,880
Equipment	5,866,229	333,689	261,296	5,938,622
Transportation equipment	261,692	18,035	-	279,727
Total accumulated depreciation	<u>32,609,787</u>	<u>2,359,446</u>	<u>261,296</u>	<u>34,707,937</u>
Total capital assets being depreciated, net	<u>42,252,745</u>	<u>(2,041,618)</u>	<u>4,237</u>	<u>40,206,890</u>
Governmental activities capital assets, net	<u>\$ 52,810,661</u>	<u>\$ (2,041,618)</u>	<u>\$ 4,237</u>	<u>\$ 50,764,806</u>

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

Governmental activities	
General Government	
Regular programs	\$ 1,769,584
Business services	23,593
Operations and maintenance	188,753
Central	<u>377,516</u>
	<u>\$ 2,359,446</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE H - LONG-TERM LIABILITIES

1. Changes in General Long-term Liabilities

During the year ended June 30, 2018, the following is the long-term liability activity for the District:

	Balance July 1, 2017 (as restated)	Accretion / Additions	Defeased / Reductions	Balance June 30, 2018
Bonds payable:				
General obligation bonds	\$ 17,705,000	\$ -	\$ 1,875,000	\$ 15,830,000
Capital appreciation bonds	3,135,927	143,697	710,000	2,569,624
Add unamortized premium	1,363,731	-	240,973	1,122,758
Debt certificates	1,535,000	-	200,000	1,335,000
IMRF net pension liability	2,885,829	1,679,952	2,751,526	1,814,255
TRS net pension liability	2,397,906	86,462	761,846	1,722,522
RHP total other postemployment benefit liability**	476,289	33,474	100,319	409,444
THIS net other postemployment benefit liability**	18,040,740	2,117,367	2,154,020	18,004,087
Compensated absences	9,651	49,880	48,885	10,646
	<u>9,651</u>	<u>49,880</u>	<u>48,885</u>	<u>10,646</u>
 Total long-term liabilities- governmental activities	 \$ 47,550,073	 \$ 4,110,832	 \$ 8,842,569	 \$ 42,818,336

** The beginning balance as of July 1, 2017 is restated due to the implementation of GASB 75 (Note P).

Bonds payable:	
General obligation bonds	\$ 2,710,000
Debt certificates	205,000
Compensated absences	<u>10,646</u>
Total long-term liabilities - governmental activities	<u>\$ 2,925,646</u>

2. General Obligation Bonds Payable

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

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE H - LONG-TERM LIABILITIES (Continued)

2. General Obligation Bonds Payable (Continued)

<u>Purpose</u>	<u>Interest Rates</u>	<u>Carrying Amount</u>	<u>Face Amount</u>
2002 Limited Tax Capital Appreciation School Bonds	3.60% - 5.19%	\$ 2,569,624	\$ 2,840,000
2011 General Obligation Limited School Bonds	2.00% - 4.00%	1,655,000	1,655,000
2014 General Obligation Limited School Bonds	3.00% - 5.00%	6,765,000	6,765,000
2015 General Obligation Limited School Bonds	3.00% - 5.00%	7,410,000	7,410,000
		\$ 18,399,624	\$ 18,670,000

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,710,000	\$ 614,625	\$ 3,324,625
2020	2,880,000	524,075	3,404,075
2021	2,885,000	427,575	3,312,575
2022	3,030,000	347,650	3,377,650
2023	3,190,000	156,925	3,346,925
2024	3,975,000	208,750	4,183,750
	\$ 18,670,000	\$ 2,279,600	\$ 20,949,600

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$98,647 in the Debt Service Fund to service the outstanding bond payable.

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2018, the statutory debt limit for the District was \$92,836,452, providing a debt margin of \$73,101,828.

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
2014 General Obligation Limited Tax Refunding Debt Certificates	3.00% - 4.00%	\$ 1,335,000

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE H - LONG-TERM LIABILITIES (Continued)

3. Debt Certificates (Continued)

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 205,000	\$ 44,025	\$ 249,025
2020	210,000	37,800	247,800
2021	215,000	31,425	246,425
2022	225,000	23,700	248,700
2023	235,000	14,500	249,500
2024	245,000	4,900	249,900
	<u>\$ 1,335,000</u>	<u>\$ 156,350</u>	<u>\$ 1,491,350</u>

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

NOTE I - OPERATING LEASES

The District is entered into various lease agreements (copiers and vehicles) with terms of 3 to 5 years with payments ranging from \$272 - \$2,404 per month through October 2021. Total costs for such leases was \$51,564 for the year ended June 30, 2018. Future lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2019	\$ 25,120
2020	6,399
2021	3,264
2022	1,088
	<u>\$ 35,871</u>

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE J - RISK MANAGEMENT

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

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

NOTE K - JOINT AGREEMENTS

1. Special Education District of Lake County (SEDOL)

The District is a member of the Special Education District of Lake County (SEDOL) joint agreement that provides certain special education services to residents of many school districts. It is also a member of the risk management pool listed above (Note J). Total amounts paid under the terms of the joint agreement and for services provided were approximately \$422,000. 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 \$224,000 for the year ended June 30, 2018. The District believes that, because it does not control the selection the governing authority and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing board, this joint agreement is not required to be included as a component unit of the District.

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE L - INTERFUND LOANS

As of June 30, 2018, the District has a loan balance of \$1,490,415 in the Capital Projects Fund due to the Operations and Maintenance Fund. Amounts are expected to be repaid in fiscal year 2019.

NOTE M - INTERFUND TRANSFERS

The District transferred \$270,000 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 \$50,100 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 \$300,000 from the Operations and Maintenance Fund to the Capital Projects Fund. The amount transferred represents funds transferred to pay for capital projects.

NOTE N - CONTINGENCIES

1. Litigation

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

2. Grants

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

NOTE O - DEFICIT FUND BALANCE

At June 30, 2018, the following fund has a deficit fund balance.

<u>Fund</u>	<u>Deficit</u>
Capital Projects Fund	\$ 1,490,415

Mundelein Consolidated High School District 120

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE O - DEFICIT FUND BALANCE (Continued)

District management expects to fund this deficit through future fund transfers and amounts owed on a previously awarded 2014 state grant approximating \$8.3 million from the Illinois Capital Development Board (ICDB). The agency works with the Illinois State Board of Education (ISBE) to administer grants to local school districts for construction and renovation through the School Construction Program. As of June 30, 2018, the District was owed approximately \$1 million of the awarded grant funds, which are expected to be paid during fiscal year 2019.

NOTE P - PRIOR PERIOD ADJUSTMENT

The implementation of GASB 75 (Note A-2) required the District to report its proportionate share of the net other postemployment benefit liability related to the Teacher Health Insurance Security plan and the total other postemployment benefit liability related to its unfunded retiree health plan. As a result of this implementation as of July 1, 2017, net position decreased by \$18,380,558, OPEB liabilities (included in long-term liabilities) increased by \$18,514,629, and deferred outflows increased by \$134,071.

NOTE Q - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 16, 2019, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the statement of net position / balance sheet date that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Mundelein Consolidated High School District 120

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

MOST RECENT CALENDAR YEARS

Illinois Municipal Retirement Fund

June 30, 2018

Calendar year ended December 31,

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 362,082	\$ 338,908	\$ 296,366	\$ 280,125
Interest on the total pension liability	925,299	886,375	847,384	762,877
Benefit changes	-	-	-	-
Difference between expected and actual experience of the total pension liability	179,894	(44,600)	17,611	197,812
Assumption changes	(442,971)	(55,271)	-	539,198
Benefit payments and refunds	(699,546)	(663,202)	(656,739)	(599,238)
Net change in total pension liability	324,758	462,210	504,622	1,180,774
Total pension liability, beginning	12,506,058	12,043,848	11,539,226	10,358,452
Total pension liability, ending	\$ 12,830,816	\$ 12,506,058	\$ 12,043,848	\$ 11,539,226
Plan fiduciary net position				
Contributions, employer	\$ 449,714	\$ 473,129	\$ 411,553	\$ 373,732
Contributions, employee	158,474	144,639	124,629	114,338
Net investment income	1,700,367	626,686	43,602	503,925
Benefit payments, including refunds of employee contributions	(699,546)	(663,202)	(656,739)	(599,238)
Other (net transfer)	(212,677)	(44,207)	379,408	71,319
Net change in plan fiduciary net position	1,396,332	537,045	302,453	464,076
Plan fiduciary net position, beginning	9,620,229	9,083,184	8,780,731	8,316,655
Plan fiduciary net position, ending	\$ 11,016,561	\$ 9,620,229	\$ 9,083,184	\$ 8,780,731
Net pension liability	\$ 1,814,255	\$ 2,885,829	\$ 2,960,664	\$ 2,758,495
Plan fiduciary net position as a percentage of the total pension liability	85.86 %	76.92 %	75.42 %	76.09 %
Covered valuation payroll	\$ 3,521,649	\$ 3,214,399	\$ 2,769,534	\$ 2,535,128
Net pension liability as a percentage of covered valuation payroll	51.52 %	89.78 %	106.90 %	108.81 %

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

Mundelein Consolidated High School District 120
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
June 30, 2018

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2017	\$ 449,715 *	\$ 449,714	\$ 1	\$ 3,521,649	12.77 %
2016	473,160	473,129	31	3,214,399	14.72
2015	411,553	411,553	-	2,769,534	14.86
2014	373,733	373,732	1	2,486,576	15.03

* Estimated based on contribution rate of 12.77% and covered valuation payroll of \$3,521,649.

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
June 30, 2018

Fiscal year ended June 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.0022546649 %	0.0030377837 %	0.0026692237 %	0.0024132573 %
District's proportionate share of the net pension liability	\$ 1,722,522	\$ 2,397,906	\$ 1,748,610	\$ 1,468,667
State's proportionate share of the net pension liability associated with the District	<u>118,581,962</u>	<u>122,138,379</u>	<u>93,420,818</u>	<u>87,487,936</u>
Total	<u>\$ 120,304,484</u>	<u>\$ 124,536,285</u>	<u>95,169,428</u>	<u>88,956,603</u>
District's covered-employee payroll	15,960,786	15,372,024	14,543,792	14,095,401
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.79 %	15.60 %	12.02 %	10.42 %
Plan fiduciary net position as a percentage of the total pension liability	39.30 %	36.40 %	41.50 %	43.00 %

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

Note 2: The District implemented GASB 68 beginning with 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 CONTRIBUTIONS
 Teachers' Retirement System of the State of Illinois
June 30, 2018

Fiscal year ended June 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 98,978	\$ 102,501	\$ 100,343	\$ 91,601
Contributions in relation to the contractually required contribution	<u>92,891</u>	<u>117,644</u>	<u>93,529</u>	<u>86,104</u>
Contribution deficiency (excess)	<u>\$ 6,087</u>	<u>\$ (15,143)</u>	<u>\$ 6,814</u>	<u>\$ 5,497</u>
District's covered-employee payroll	\$ 16,722,270	\$ 15,960,786	\$ 15,372,024	\$ 14,543,792
Contributions as a percentage of covered-employee payroll	0.56 %	0.74 %	0.61 %	0.59 %

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

SCHEDULE OF CHANGES IN TOTAL OTHER POST RETIREMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS Retiree Health Plan June 30, 2018

Fiscal year ended December 31,	<u>2018</u>
Total OPEB liability	
Service cost	\$ 22,110
Interest on the total OPEB liability	11,364
Difference between expected and actual experience of the total OPEB liability	-
Assumption changes	(32,173)
Benefit payments and refunds	(56,234)
Other (net transfer)	(11,912)
Net change in total OPEB liability	<u>(66,845)</u>
Total OPEB liability, beginning	476,289
Total OPEB liability, ending	<u><u>\$ 409,444</u></u>
Plan fiduciary net position	
Contributions, employer	\$ -
Contributions, employee	-
Net investment income	-
Benefit payments, including refunds of employee contributions	-
Other (net transfer)	-
Net change in plan fiduciary net position	<u>-</u>
Plan fiduciary net position, beginning	-
Plan fiduciary net position, ending	<u><u>\$ -</u></u>
Net OPEB liability	<u><u>\$ 409,444</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %
Covered valuation payroll	\$ 18,976,596
Net OPEB liability as a percentage of covered valuation payroll	2.16 %

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

Mundelein Consolidated High School District 120
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
 Teachers' Health Insurance Security Fund
June 30, 2018

	2017
Fiscal year ended June 30,	
District's proportion of the net OPEB liability	0.0693810 %
District's proportionate share of the net OPEB liability	\$ 18,004,087
State's proportionate share of the net OPEB liability associated with the District	23,643,840
Total	\$ 41,647,927
District's covered-employee payroll	15,960,786
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	1.128 %
Plan fiduciary net position as a percentage of the total OPEB liability	-0.17 %

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

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

Mundelein Consolidated High School District 120
SCHEDULE OF DISTRICT CONTRIBUTIONS
 Teachers' Health Insurance Security Fund
June 30, 2018

Fiscal year ended June 30,	<u>2017</u>
Contractually required contribution	\$ 134,071
Contributions in relation to the contractually required contribution	<u>134,071</u>
Contribution excess	\$ <u><u>-</u></u>
District's covered-employee payroll	\$ 16,722,270
Contributions as a percentage of covered-employee payroll	(0.01) %

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

Mundelein Consolidated High School District 120
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$24,224,812	\$24,224,812	\$24,381,290	\$ 156,478	\$23,921,798
Special education levy	518,709	518,709	521,901	3,192	484,979
replacement taxes	270,000	270,000	274,518	4,518	377,917
Summer school tuition from pupils or parents	43,000	43,000	43,015	15	45,104
Interest on investments	130,450	130,450	236,234	105,784	152,916
Admissions - athletic	23,000	23,000	22,763	(237)	24,570
Fees	447,000	447,000	476,072	29,072	477,521
Book store sales	7,500	7,500	3,830	(3,670)	2,959
Other district/school activity revenue	181,500	181,500	168,541	(12,959)	178,827
Other - textbooks	5,000	5,000	4,835	(165)	4,977
Other	<u>100,000</u>	<u>100,000</u>	<u>146,563</u>	<u>46,563</u>	<u>99,145</u>
Total local sources	<u>25,950,971</u>	<u>25,950,971</u>	<u>26,279,562</u>	<u>328,591</u>	<u>25,770,713</u>
State sources					
General State Aid	1,338,276	1,952,853	1,970,146	17,293	1,343,766
Special Education - Private Facility Tuition	375,000	310,000	204,695	(105,305)	419,994
Special Education - Funding for Children Requiring Sp Ed Services	270,000	133,751	-	(133,751)	267,502
Special Education - Personnel	280,000	142,734	-	(142,734)	285,468
Special Education - Summer School	1,250	2,075	-	(2,075)	2,075

(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, 2018

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

	2018				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2017 Actual
State sources (Continued)					
CTE - Secondary Program Improvement (CTEI)	\$ 24,000	\$ 28,983	\$ 31,938	\$ 2,955	\$ 23,953
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	36,068	10,316	8,634	(1,682)	1,682
Driver Education	45,000	45,000	43,768	(1,232)	49,023
Adult Education (from ICCB)	415,987	492,440	504,958	12,518	810,754
Other state sources	<u>1,600</u>	<u>1,600</u>	<u>78,260</u>	<u>76,660</u>	<u>-</u>
Total state sources	<u>2,787,181</u>	<u>3,119,752</u>	<u>2,842,399</u>	<u>(277,353)</u>	<u>3,204,217</u>
Federal sources					
Special Milk Program	18,000	18,000	17,375	(625)	18,200
Title I - Low Income	356,510	303,359	268,496	(34,863)	264,770
Safe and Drug Free Schools - Formula	-	-	906	906	-
Federal - Special Education - I.D.E.A. - Flow Through	325,683	419,334	387,941	(31,393)	330,840
Federal - Special Education - I.D.E.A. - Room and Board	15,000	15,000	226,522	211,522	14,264
CTE - Perkins - Title III Technical Prep	16,902	16,902	16,902	-	16,902
Federal - Adult Education	196,178	196,178	256,715	60,537	274,535
Title III - English Language Acquisition	10,992	10,992	6,597	(4,395)	3,613
Title II - Teacher Quality	80,752	66,045	59,181	(6,864)	70,003
Medicaid Matching Funds - Administrative Outreach	5,000	5,000	952	(4,048)	-
Medicaid Matching Funds - Fee-For-Service-Program	<u>50,000</u>	<u>50,000</u>	<u>51,911</u>	<u>1,911</u>	<u>57,822</u>
Total federal sources	<u>1,075,017</u>	<u>1,100,810</u>	<u>1,293,498</u>	<u>192,688</u>	<u>1,050,949</u>
Total revenues	<u>29,813,169</u>	<u>30,171,533</u>	<u>30,415,459</u>	<u>243,926</u>	<u>30,025,879</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, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Expenditures					
Instruction					
Regular programs					
Salaries	\$ 9,851,148	\$ 9,876,578	\$10,006,023	\$ (129,445)	\$ 9,619,287
Employee benefits	1,777,000	1,777,000	1,751,203	25,797	1,647,353
Purchased services	111,100	92,350	59,233	33,117	102,783
Supplies and materials	546,699	518,567	446,986	71,581	305,405
Capital outlay	45,000	75,000	58,491	16,509	290,716
Other objects	13,500	13,500	8,433	5,067	6,459
Non-capitalized equipment	<u>158,000</u>	<u>232,000</u>	<u>249,625</u>	<u>(17,625)</u>	<u>131,631</u>
Total	<u>12,502,447</u>	<u>12,584,995</u>	<u>12,579,994</u>	<u>5,001</u>	<u>12,103,634</u>
Special education programs					
Salaries	2,737,153	2,765,153	2,804,902	(39,749)	2,625,920
Employee benefits	469,400	469,400	547,399	(77,999)	463,327
Purchased services	11,300	31,300	33,916	(2,616)	1,142
Supplies and materials	11,049	12,750	44,804	(32,054)	32,679
Capital outlay	5,800	4,800	1,866	2,934	100
Non-capitalized equipment	<u>-</u>	<u>9,481</u>	<u>598</u>	<u>8,883</u>	<u>1,307</u>
Total	<u>3,234,702</u>	<u>3,292,884</u>	<u>3,433,485</u>	<u>(140,601)</u>	<u>3,124,475</u>
Remedial and Supplemental programs K-12					
Salaries	4,000	4,000	1,490	2,510	6,915
Employee benefits	<u>-</u>	<u>-</u>	<u>163</u>	<u>(163)</u>	<u>364</u>
Total	<u>4,000</u>	<u>4,000</u>	<u>1,653</u>	<u>2,347</u>	<u>7,279</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, 2018

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

	2018				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2017 Actual
Adult/continuing education programs					
Salaries	\$ 380,571	\$ 476,715	\$ 410,436	\$ 66,279	\$ 369,342
Employee benefits	25,250	12,000	23,958	(11,958)	19,251
Purchased services	3,500	-	220	(220)	400
Supplies and materials	<u>171,247</u>	<u>221,850</u>	<u>274,936</u>	<u>(53,086)</u>	<u>164,560</u>
Total	<u>580,568</u>	<u>710,565</u>	<u>709,550</u>	<u>1,015</u>	<u>553,553</u>
CTE programs					
Capital outlay	<u>43,250</u>	<u>45,885</u>	<u>45,885</u>	<u>-</u>	<u>43,250</u>
Total	<u>43,250</u>	<u>45,885</u>	<u>45,885</u>	<u>-</u>	<u>43,250</u>
Interscholastic programs					
Salaries	1,350,320	1,350,320	1,453,027	(102,707)	1,365,816
Employee benefits	72,750	72,750	83,342	(10,592)	74,659
Purchased services	144,500	144,500	133,085	11,415	114,484
Supplies and materials	116,000	116,000	112,632	3,368	103,628
Other objects	51,850	51,850	50,129	1,721	48,778
Non-capitalized equipment	<u>25,000</u>	<u>25,000</u>	<u>18,747</u>	<u>6,253</u>	<u>22,702</u>
Total	<u>1,760,420</u>	<u>1,760,420</u>	<u>1,850,962</u>	<u>(90,542)</u>	<u>1,730,067</u>
Summer school programs					
Salaries	83,500	83,500	104,926	(21,426)	80,121
Employee benefits	1,100	1,100	6,889	(5,789)	6,098
Purchased services	3,000	3,000	-	3,000	-
Supplies and materials	<u>5,000</u>	<u>5,000</u>	<u>2,133</u>	<u>2,867</u>	<u>4,266</u>
Total	<u>92,600</u>	<u>92,600</u>	<u>113,948</u>	<u>(21,348)</u>	<u>90,485</u>

(Continued)

Mundelein Consolidated High School District 120

General Fund - Budgetary Basis

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

For the Year Ended June 30, 2018

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

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Bilingual programs					
Salaries	\$ 273,875	\$ 274,475	\$ 340,476	\$ (66,001)	\$ 294,275
Employee benefits	46,100	46,100	46,240	(140)	44,589
Purchased services	5,000	6,000	303	5,697	124
Supplies and materials	<u>19,983</u>	<u>21,391</u>	<u>16,824</u>	<u>4,567</u>	<u>13,912</u>
Total	<u>344,958</u>	<u>347,966</u>	<u>403,843</u>	<u>(55,877)</u>	<u>352,900</u>
Total instruction	<u>18,562,945</u>	<u>18,839,315</u>	<u>19,139,320</u>	<u>(300,005)</u>	<u>18,005,643</u>
Support services					
Pupils					
Attendance and social work services					
Salaries	514,325	514,325	514,571	(246)	427,946
Employee benefits	21,750	21,750	51,968	(30,218)	10,788
Purchased services	5,775	5,775	-	5,775	23,446
Supplies and materials	<u>1,250</u>	<u>1,250</u>	<u>195</u>	<u>1,055</u>	<u>373</u>
Total	<u>543,100</u>	<u>543,100</u>	<u>566,734</u>	<u>(23,634)</u>	<u>462,553</u>
Guidance services					
Salaries	1,037,706	1,037,706	1,061,124	(23,418)	1,014,890
Employee benefits	151,100	151,100	168,403	(17,303)	147,360
Purchased services	61,000	61,000	4,480	56,520	31,675
Supplies and materials	35,000	35,000	29,193	5,807	35,119
Other objects	<u>1,000</u>	<u>1,000</u>	<u>1,135</u>	<u>(135)</u>	<u>900</u>
Total	<u>1,285,806</u>	<u>1,285,806</u>	<u>1,264,335</u>	<u>21,471</u>	<u>1,229,944</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, 2018

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

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Health services					
Salaries	\$ 126,605	\$ 126,605	\$ 143,030	\$ (16,425)	\$ 143,288
Employee benefits	24,140	24,140	23,987	153	22,559
Purchased services	2,250	3,250	1,322	1,928	2,119
Supplies and materials	<u>2,500</u>	<u>2,500</u>	<u>2,613</u>	<u>(113)</u>	<u>2,487</u>
Total	<u>155,495</u>	<u>156,495</u>	<u>170,952</u>	<u>(14,457)</u>	<u>170,453</u>
Psychological services					
Salaries	233,220	233,220	236,223	(3,003)	220,926
Employee benefits	39,475	39,475	41,019	(1,544)	38,604
Purchased services	<u>2,000</u>	<u>4,000</u>	<u>6,882</u>	<u>(2,882)</u>	<u>30,382</u>
Total	<u>274,695</u>	<u>276,695</u>	<u>284,124</u>	<u>(7,429)</u>	<u>289,912</u>
Speech pathology and audiology services					
Salaries	110,000	110,000	102,841	7,159	94,691
Employee benefits	24,360	24,360	24,165	195	22,753
Purchased services	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>2,976</u>
Total	<u>136,360</u>	<u>136,360</u>	<u>127,006</u>	<u>9,354</u>	<u>120,420</u>
Total pupils	<u>2,395,456</u>	<u>2,398,456</u>	<u>2,413,151</u>	<u>(14,695)</u>	<u>2,273,282</u>
Instructional staff					
Improvement of instruction services					
Salaries	382,375	377,916	347,700	30,216	244,821
Employee benefits	28,922	28,150	62,846	(34,696)	50,401
Purchased services	92,625	112,624	82,918	29,706	78,610
Supplies and materials	26,683	31,781	20,131	11,650	22,403
Other objects	1,000	9,400	9,037	363	349
Non-capitalized equipment	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>
Total	<u>533,105</u>	<u>561,371</u>	<u>522,632</u>	<u>38,739</u>	<u>396,584</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, 2018

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

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Educational media services					
Salaries	\$ 272,133	\$ 272,133	\$ 271,165	\$ 968	\$ 231,653
Employee benefits	12,800	12,800	25,311	(12,511)	13,778
Supplies and materials	<u>38,100</u>	<u>38,100</u>	<u>35,592</u>	<u>2,508</u>	<u>30,362</u>
Total	<u>323,033</u>	<u>323,033</u>	<u>332,068</u>	<u>(9,035)</u>	<u>275,793</u>
Assessment and testing					
Salaries	20,000	20,000	20,220	(220)	17,126
Employee benefits	-	-	982	(982)	559
Purchased services	52,000	33,000	12,420	20,580	4,527
Supplies and materials	<u>3,000</u>	<u>3,500</u>	<u>2,878</u>	<u>622</u>	<u>34,447</u>
Total	<u>75,000</u>	<u>56,500</u>	<u>36,500</u>	<u>20,000</u>	<u>56,659</u>
Total instructional staff	<u>931,138</u>	<u>940,904</u>	<u>891,200</u>	<u>49,704</u>	<u>729,036</u>
General administration					
Board of education services					
Salaries	93,677	58,477	58,477	-	56,774
Employee benefits	7,120	7,120	8,014	(894)	7,555
Purchased services	218,500	218,500	276,641	(58,141)	203,195
Supplies and materials	10,000	10,000	22,237	(12,237)	3,935
Other objects	<u>15,000</u>	<u>15,000</u>	<u>8,411</u>	<u>6,589</u>	<u>15,471</u>
Total	<u>344,297</u>	<u>309,097</u>	<u>373,780</u>	<u>(64,683)</u>	<u>286,930</u>
Executive administration services					
Salaries	282,554	282,554	288,174	(5,620)	277,014
Employee benefits	55,300	55,300	55,084	216	51,857
Purchased services	6,000	6,000	4,451	1,549	4,288
Supplies and materials	5,000	5,000	5,679	(679)	3,392
Other objects	3,500	3,500	200	3,300	2,594
Non-capitalized equipment	<u>2,500</u>	<u>2,500</u>	<u>10,964</u>	<u>(8,464)</u>	<u>4,156</u>
Total	<u>354,854</u>	<u>354,854</u>	<u>364,552</u>	<u>(9,698)</u>	<u>343,301</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, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Tort immunity services					
Purchased services	\$ 154,481	\$ 154,481	\$ 181,911	\$ (27,430)	\$ 174,986
Total	<u>154,481</u>	<u>154,481</u>	<u>181,911</u>	<u>(27,430)</u>	<u>174,986</u>
Total general administration	<u>853,632</u>	<u>818,432</u>	<u>920,243</u>	<u>(101,811)</u>	<u>805,217</u>
School administration					
Office of the principal services					
Salaries	810,526	810,526	797,166	13,360	781,587
Employee benefits	147,650	147,650	142,996	4,654	130,035
Purchased services	111,500	111,500	106,126	5,374	103,883
Supplies and materials	62,000	62,000	68,926	(6,926)	60,211
Other objects	<u>12,500</u>	<u>12,500</u>	<u>15,217</u>	<u>(2,717)</u>	<u>11,325</u>
Total	<u>1,144,176</u>	<u>1,144,176</u>	<u>1,130,431</u>	<u>13,745</u>	<u>1,087,041</u>
Other support services - school administration					
Salaries	600,000	600,000	572,993	27,007	556,302
Employee benefits	89,200	89,200	102,870	(13,670)	88,607
Purchased services	6,000	6,000	4,283	1,717	2,107
Other objects	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>130</u>
Total	<u>696,200</u>	<u>696,200</u>	<u>680,146</u>	<u>16,054</u>	<u>647,146</u>
Total school administration	<u>1,840,376</u>	<u>1,840,376</u>	<u>1,810,577</u>	<u>29,799</u>	<u>1,734,187</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, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Business					
Direction of business support services					
Salaries	\$ 188,958	\$ 188,958	\$ 188,958	\$ -	\$ 183,582
Employee benefits	35,437	35,437	35,912	(475)	33,769
Purchased services	76,750	76,750	97,472	(20,722)	78,776
Supplies and materials	1,500	1,500	797	703	2,968
Capital outlay	-	-	-	-	3,285
Other objects	1,200	1,200	195	1,005	735
Non-capitalized equipment	1,500	1,500	9,906	(8,406)	2,712
Total	<u>305,345</u>	<u>305,345</u>	<u>333,240</u>	<u>(27,895)</u>	<u>305,827</u>
Fiscal services					
Salaries	280,750	280,750	216,364	64,386	277,860
Employee benefits	100,475	100,475	90,554	9,921	93,701
Purchased services	750	750	1,677	(927)	812
Supplies and materials	3,000	3,000	3,021	(21)	1,220
Other objects	750	750	-	750	-
Total	<u>385,725</u>	<u>385,725</u>	<u>311,616</u>	<u>74,109</u>	<u>373,593</u>
Operation and maintenance of plant services					
Salaries	388,250	388,250	397,297	(9,047)	370,739
Employee benefits	85,700	85,700	79,690	6,010	77,182
Purchased services	160,000	160,000	144,655	15,345	110,878
Supplies and materials	7,000	7,000	9,661	(2,661)	15,539
Non-capitalized equipment	12,000	12,000	11,438	562	8,474
Total	<u>652,950</u>	<u>652,950</u>	<u>642,741</u>	<u>10,209</u>	<u>582,812</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, 2018

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

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Pupil transportation services					
Purchased services	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -
Total	1,000	1,000	-	1,000	-
Food services					
Purchased services	2,000	2,000	1,582	418	2,599
Supplies and materials	2,000	2,000	580	1,420	73
Non-capitalized equipment	10,000	10,000	5,687	4,313	2,771
Total	14,000	14,000	7,849	6,151	5,443
Internal services					
Salaries	36,600	36,600	36,589	11	34,817
Employee benefits	8,080	8,080	7,542	538	11,420
Purchased services	125,000	125,000	157,403	(32,403)	132,259
Supplies and materials	36,000	36,000	26,863	9,137	34,658
Total	205,680	205,680	228,397	(22,717)	213,154
Total business	1,564,700	1,564,700	1,523,843	40,857	1,480,829
Staff services					
Salaries	21,375	-	-	-	19,302
Employee benefits	-	-	2	(2)	-
Purchased services	2,393	-	-	-	1,316
Supplies and materials	2,014	2,014	-	2,014	3,651
Total	25,782	2,014	2	2,012	24,269

(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, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Data processing services					
Salaries	\$ 485,204	\$ 485,204	\$ 499,954	\$ (14,750)	\$ 480,319
Employee benefits	85,925	85,925	70,774	15,151	83,092
Purchased services	196,960	196,960	159,205	37,755	174,847
Supplies and materials	105,000	105,000	114,110	(9,110)	110,704
Capital outlay	50,000	50,000	13,116	36,884	21,308
Non-capitalized equipment	<u>350,000</u>	<u>350,000</u>	<u>347,107</u>	<u>2,893</u>	<u>328,263</u>
Total	<u>1,273,089</u>	<u>1,273,089</u>	<u>1,204,266</u>	<u>68,823</u>	<u>1,198,533</u>
Total central	<u>1,298,871</u>	<u>1,275,103</u>	<u>1,204,268</u>	<u>70,835</u>	<u>1,222,802</u>
Total support services	<u>8,884,173</u>	<u>8,838,471</u>	<u>8,763,282</u>	<u>75,189</u>	<u>8,245,353</u>
Community services					
Salaries	23,250	27,214	28,762	(1,548)	15,600
Employee benefits	-	1,770	3,993	(2,223)	1,331
Purchased services	13,000	23,775	12,392	11,383	9,930
Supplies and materials	<u>18,782</u>	<u>18,385</u>	<u>7,765</u>	<u>10,620</u>	<u>1,938</u>
Total	<u>55,032</u>	<u>73,144</u>	<u>52,912</u>	<u>20,232</u>	<u>28,799</u>
Payments to other districts and government units					
Payments for regular programs					
Purchased services	10,000	-	-	-	7,415
Other objects	<u>30,000</u>	<u>30,000</u>	<u>53,840</u>	<u>(23,840)</u>	<u>6,940</u>
Total	<u>40,000</u>	<u>30,000</u>	<u>53,840</u>	<u>(23,840)</u>	<u>14,355</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, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Payments for special education programs					
Other objects	<u>\$ 1,850,000</u>	<u>\$ 1,850,000</u>	<u>\$ 1,728,995</u>	<u>\$ 121,005</u>	<u>\$ 1,731,003</u>
Total	<u>1,850,000</u>	<u>1,850,000</u>	<u>1,728,995</u>	<u>121,005</u>	<u>1,731,003</u>
Payments for CTE education programs					
Other objects	<u>350,000</u>	<u>300,000</u>	<u>223,515</u>	<u>76,485</u>	<u>261,897</u>
Total	<u>350,000</u>	<u>300,000</u>	<u>223,515</u>	<u>76,485</u>	<u>261,897</u>
Other payments to in-state governmental units					
Purchased services	<u>980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Payments for regular programs - tuition					
Other objects	<u>55,000</u>	<u>105,000</u>	<u>236,286</u>	<u>(131,286)</u>	<u>262,499</u>
Total payments to other districts and other government units	<u>2,295,980</u>	<u>2,285,000</u>	<u>2,242,636</u>	<u>42,364</u>	<u>2,269,754</u>
Total expenditures	<u>29,798,130</u>	<u>30,035,930</u>	<u>30,198,150</u>	<u>(162,220)</u>	<u>28,549,549</u>
Excess of revenues over expenditures	<u>15,039</u>	<u>135,603</u>	<u>217,309</u>	<u>81,706</u>	<u>1,476,330</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, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Other financing uses					
Transfer to Debt Service Fund for principal on debt certificates	\$ (70,000)	\$ -	\$ -	\$ -	\$ (2,855,000)
Total other financing uses	<u>(70,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,855,000)</u>
Net change to fund balance	<u>\$ (54,961)</u>	<u>\$ 135,603</u>	217,309	<u>\$ 81,706</u>	(1,378,670)
Fund balance, beginning of year			<u>14,198,216</u>		<u>15,576,886</u>
Fund balance, end of year			<u>\$14,415,525</u>		<u>\$14,198,216</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$3,271,943	\$3,271,943	\$3,292,290	\$ 20,347	\$ 3,891,004
Interest on investments	15,000	15,000	27,094	12,094	20,946
Rentals	63,000	63,000	78,750	15,750	50,504
Contributions and donations from private sources	100,000	100,000	177,528	77,528	288,173
Other	<u>20,000</u>	<u>20,000</u>	<u>32,628</u>	<u>12,628</u>	<u>21,993</u>
Total local sources	<u>3,469,943</u>	<u>3,469,943</u>	<u>3,608,290</u>	<u>138,347</u>	<u>4,272,620</u>
Total revenues	<u>3,469,943</u>	<u>3,469,943</u>	<u>3,608,290</u>	<u>138,347</u>	<u>4,272,620</u>
Expenditures					
Business					
Facilities acquisition and construction services					
Capital outlay	100,000	25,000	-	25,000	265,659
Other objects	<u>103,073</u>	<u>103,073</u>	<u>103,073</u>	<u>-</u>	<u>103,909</u>
Total	<u>203,073</u>	<u>128,073</u>	<u>103,073</u>	<u>25,000</u>	<u>369,568</u>
Operation and maintenance of plant services					
Salaries	250,000	250,000	286,877	(36,877)	179,263
Employee benefits	50,250	50,250	60,495	(10,245)	43,279
Purchased services	1,276,700	1,436,700	1,138,505	298,195	1,230,749
Supplies and materials	676,500	626,500	646,504	(20,004)	636,778

(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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Operation and maintenance of plant services (continued)					
Capital outlay	\$ 30,000	\$ 30,000	\$ 21,066	\$ 8,934	\$ 1,135
Other objects	182,660	152,500	165,924	(13,424)	152,831
Non-capitalized equipment	<u>100,000</u>	<u>125,000</u>	<u>140,439</u>	<u>(15,439)</u>	<u>104,571</u>
Total	<u>2,566,110</u>	<u>2,670,950</u>	<u>2,459,810</u>	<u>211,140</u>	<u>2,348,606</u>
 Total business	<u>2,769,183</u>	<u>2,799,023</u>	<u>2,562,883</u>	<u>236,140</u>	<u>2,718,174</u>
 Total support services	<u>2,769,183</u>	<u>2,799,023</u>	<u>2,562,883</u>	<u>236,140</u>	<u>2,718,174</u>
 Provision for contingencies	<u>30,000</u>	-	-	-	-
Total expenditures	<u>2,799,183</u>	<u>2,799,023</u>	<u>2,562,883</u>	<u>236,140</u>	<u>2,718,174</u>
 Excess of revenues over expenditures	<u>670,760</u>	<u>670,920</u>	<u>1,045,407</u>	<u>374,487</u>	<u>1,554,446</u>
Other financing uses					
Transfer to Debt Service Fund for principal on debt certificates	(200,000)	(270,000)	(270,000)	-	(255,000)
Transfer to Debt Service Fund for interest on debt certificates	(50,100)	(50,100)	(50,100)	-	(115,794)
Transfer to Capital Projects Fund	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>	<u>(711,902)</u>
Total other financing uses	<u>(550,100)</u>	<u>(620,100)</u>	<u>(620,100)</u>	<u>-</u>	<u>(1,082,696)</u>
Net change in fund balance	<u>\$ 120,660</u>	<u>\$ 50,820</u>	425,307	<u>\$ 374,487</u>	471,750
Fund balance, beginning of year			<u>1,948,828</u>		<u>1,477,078</u>
Fund balance, end of year			<u>\$2,374,135</u>		<u>\$ 1,948,828</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$ 1,089,006	\$ 1,089,006	\$1,095,639	\$ 6,633	\$ 735,233
Interest on investments	<u>4,000</u>	<u>4,000</u>	<u>13,513</u>	<u>9,513</u>	<u>7,133</u>
Total local sources	<u>1,093,006</u>	<u>1,093,006</u>	<u>1,109,152</u>	<u>16,146</u>	<u>742,366</u>
State sources					
Transportation - Regular/Vocational	70,000	70,000	71,218	1,218	56,520
Transportation - Special Education	<u>587,500</u>	<u>587,500</u>	<u>495,844</u>	<u>(91,656)</u>	<u>628,793</u>
Total state sources	<u>657,500</u>	<u>657,500</u>	<u>567,062</u>	<u>(90,438)</u>	<u>685,313</u>
Total revenues	<u>1,750,506</u>	<u>1,750,506</u>	<u>1,676,214</u>	<u>(74,292)</u>	<u>1,427,679</u>
Expenditures					
Business					
Pupil transportation services					
Purchased services	1,551,500	1,551,500	1,581,990	(30,490)	1,248,874
Supplies and materials	100,000	100,000	95,859	4,141	94,543
Capital outlay	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
Total	<u>1,691,500</u>	<u>1,691,500</u>	<u>1,677,849</u>	<u>13,651</u>	<u>1,343,417</u>
Total support services	<u>1,691,500</u>	<u>1,691,500</u>	<u>1,677,849</u>	<u>13,651</u>	<u>1,343,417</u>
Total expenditures	<u>1,691,500</u>	<u>1,691,500</u>	<u>1,677,849</u>	<u>13,651</u>	<u>1,343,417</u>

(Continued)

Mundelein Consolidated High School District 120
 Transportation Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Net change in fund balance	<u>\$ 59,006</u>	<u>\$ 59,006</u>	(1,635)	<u>\$ (60,641)</u>	84,262
Fund balance, beginning of year			<u>975,048</u>		<u>890,786</u>
Fund balance, end of year			<u>\$ 973,413</u>		<u>\$ 975,048</u>

(Concluded)

Mundelein Consolidated High School District 120
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$ 540,359	\$ 540,359	\$ 448,242	\$ (92,117)	\$ 397,681
Special education levy	-	-	95,440	95,440	93,995
Social security/Medicare only levy	396,008	396,008	398,438	2,430	339,474
replacement taxes	17,000	17,000	17,000	-	17,000
Interest on investments	<u>3,000</u>	<u>3,000</u>	<u>7,564</u>	<u>4,564</u>	<u>4,465</u>
Total local sources	<u>956,367</u>	<u>956,367</u>	<u>966,684</u>	<u>10,317</u>	<u>852,615</u>
Total revenues	<u>956,367</u>	<u>956,367</u>	<u>966,684</u>	<u>10,317</u>	<u>852,615</u>
Expenditures					
Instruction					
Regular programs	193,000	193,000	219,859	(26,859)	224,347
Special education programs	135,600	135,600	155,321	(19,721)	148,091
Remedial and supplemental programs K-12	-	-	28	(28)	100
Adult/continuing education programs	48,000	48,000	60,126	(12,126)	55,892
Interscholastic programs	71,000	71,000	87,917	(16,917)	72,432
Summer school programs	370	370	2,985	(2,615)	2,746
Bilingual programs	<u>14,300</u>	<u>14,300</u>	<u>17,589</u>	<u>(3,289)</u>	<u>17,248</u>
Total instruction	<u>462,270</u>	<u>462,270</u>	<u>543,825</u>	<u>(81,555)</u>	<u>520,856</u>

(Continued)

Mundelein Consolidated High School District 120
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Support services					
Pupils					
Attendance and social work services	\$ 22,300	\$ 22,300	\$ 24,589	\$ (2,289)	\$ 23,933
Guidance services	23,500	23,500	25,029	(1,529)	24,484
Health services	11,000	11,000	15,406	(4,406)	13,443
Psychological services	2,900	2,900	3,250	(350)	3,040
Speech pathology and audiology services	<u>1,000</u>	<u>1,000</u>	<u>1,309</u>	<u>(309)</u>	<u>1,197</u>
Total pupils	<u>60,700</u>	<u>60,700</u>	<u>69,583</u>	<u>(8,883)</u>	<u>66,097</u>
Instructional staff					
Improvement of instruction services	5,000	5,000	14,951	(9,951)	9,469
Educational media services	5,600	5,600	16,245	(10,645)	6,295
Assessment and testing	<u>-</u>	<u>-</u>	<u>728</u>	<u>(728)</u>	<u>630</u>
Total instructional staff	<u>10,600</u>	<u>10,600</u>	<u>31,924</u>	<u>(21,324)</u>	<u>16,394</u>
General administration					
Board of education services	105,333	105,333	107,853	(2,520)	112,586
Executive administration services	18,100	18,100	18,326	(226)	18,089
Special area administrative services	<u>-</u>	<u>-</u>	<u>1,192</u>	<u>(1,192)</u>	<u>-</u>
Total general administration	<u>123,433</u>	<u>123,433</u>	<u>127,371</u>	<u>(3,938)</u>	<u>130,675</u>
School administration					
Office of the principal services	62,850	62,850	61,821	1,029	65,951
Other support services - school administration	<u>7,500</u>	<u>7,500</u>	<u>7,806</u>	<u>(306)</u>	<u>7,719</u>
Total school administration	<u>70,350</u>	<u>70,350</u>	<u>69,627</u>	<u>723</u>	<u>73,670</u>

(Continued)

Mundelein Consolidated High School District 120
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Business					
Direction of business support services	\$ 2,600	\$ 2,600	\$ 2,736	\$ (136)	\$ 2,658
Fiscal services	47,000	47,000	42,619	4,381	47,688
Operation and maintenance of plant services	111,500	111,500	131,691	(20,191)	111,621
Internal services	<u>6,800</u>	<u>6,800</u>	<u>6,886</u>	<u>(86)</u>	<u>10,017</u>
Total business	<u>167,900</u>	<u>167,900</u>	<u>183,932</u>	<u>(16,032)</u>	<u>171,984</u>
Central					
Staff services	-	-	2	(2)	-
Data processing services	<u>98,000</u>	<u>98,000</u>	<u>98,221</u>	<u>(221)</u>	<u>100,594</u>
Total central	<u>98,000</u>	<u>98,000</u>	<u>98,223</u>	<u>(223)</u>	<u>100,594</u>
Total support services	<u>530,983</u>	<u>530,983</u>	<u>580,660</u>	<u>(49,677)</u>	<u>559,414</u>
Community services	<u>85</u>	<u>85</u>	<u>925</u>	<u>(840)</u>	<u>403</u>
Total expenditures	<u>993,338</u>	<u>993,338</u>	<u>1,125,410</u>	<u>(132,072)</u>	<u>1,080,673</u>
Net change in fund balance	<u>\$ (36,971)</u>	<u>\$ (36,971)</u>	(158,726)	<u>\$ (121,755)</u>	(228,058)
Fund balance, beginning of year			<u>251,415</u>		<u>479,473</u>
Fund balance, end of year			<u>\$ 92,689</u>		<u>\$ 251,415</u>

(Concluded)

Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2018

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

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

- a) Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) Prior to October 1, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- e) The Board of Education may amend the budget by the same procedures required of its original adoption.
- f) Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- g) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 12, 2017, and as amended by the Board of Education on June 19, 2018.
- h) All budget appropriations lapse at the end of the fiscal year.

2. BUDGET RECONCILIATION

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

	<u>Revenues</u>	<u>Expenditures</u>
General fund - budgetary basis	\$ 30,415,459	\$ 30,198,150
To adjust for on-behalf payments received	13,227,439	-
To adjust for on-behalf payments made	-	13,227,439
	<u>\$ 43,642,898</u>	<u>\$ 43,425,589</u>

Mundelein Consolidated High School District 120

Notes to the Required Supplementary Information

June 30, 2018

3. EXPENDITURES IN EXCESS OF FINAL BUDGETS

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

<u>Fund</u>	<u>Variance</u>
General	\$ 162,220
Municipal Retirement / Social Security	132,072

4. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

For the 2017 and 2016 measurement years, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50%. Salary increases were assumed to vary by service credit.

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

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

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2017 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.

SUPPLEMENTARY FINANCIAL INFORMATION

Mundelein Consolidated High School District 120

General Fund

COMBINING BALANCE SHEET

June 30, 2018

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 28,109,462	\$ 134,936	\$ 723,617	\$ 28,968,015
Receivables (net of allowance for uncollectibles):				
Interest	116,836	196	57	117,089
Property taxes	11,240,487	29,350	8,535	11,278,372
Replacement taxes	49,671	-	-	49,671
Intergovernmental	705,831	-	-	705,831
Other current assets	<u>166,503</u>	<u>-</u>	<u>-</u>	<u>166,503</u>
Total assets	<u>\$ 40,388,790</u>	<u>\$ 164,482</u>	<u>\$ 732,209</u>	<u>\$ 41,285,481</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 251,908	\$ -	\$ -	\$ 251,908
Salaries and wages payable	684,505	-	-	684,505
Unearned school fees	<u>153,925</u>	<u>-</u>	<u>-</u>	<u>153,925</u>
Total liabilities	<u>1,090,338</u>	<u>-</u>	<u>-</u>	<u>1,090,338</u>
DEFERRED INFLOWS				
Unavailable interest revenue	105,944	178	52	106,174
Unavailable grant revenue	81,225	-	-	81,225
Property taxes levied for a future period	<u>25,506,252</u>	<u>66,600</u>	<u>19,367</u>	<u>25,592,219</u>
Total deferred inflows	<u>25,693,421</u>	<u>66,778</u>	<u>19,419</u>	<u>25,779,618</u>
FUND BALANCES				
Restricted	-	97,704	-	97,704
Unassigned	<u>13,605,031</u>	<u>-</u>	<u>712,790</u>	<u>14,317,821</u>
Total fund balance	<u>13,605,031</u>	<u>97,704</u>	<u>712,790</u>	<u>14,415,525</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 40,388,790</u>	<u>\$ 164,482</u>	<u>\$ 732,209</u>	<u>\$ 41,285,481</u>

Mundelein Consolidated High School District 120

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2018

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 24,833,935	\$ 49,822	\$ 19,434	\$ 24,903,191
Replacement taxes	274,518	-	-	274,518
State aid	16,069,838	-	-	16,069,838
Federal aid	1,293,498	-	-	1,293,498
Interest	235,706	413	115	236,234
Other	859,490	6,129	-	865,619
	<u>43,566,985</u>	<u>56,364</u>	<u>19,549</u>	<u>43,642,898</u>
Total revenues				
Expenditures				
Current:				
Instruction:				
Regular programs	12,521,503	-	-	12,521,503
Special programs	3,433,272	-	-	3,433,272
Other instructional programs	3,078,303	-	-	3,078,303
State retirement contributions	13,227,439	-	-	13,227,439
Support services:				
Pupils	2,413,151	-	-	2,413,151
Instructional staff	891,200	-	-	891,200
General administration	738,332	107,341	-	845,673
School administration	1,810,577	-	-	1,810,577
Business	881,102	-	-	881,102
Operations and maintenance	642,741	74,570	-	717,311
Central	1,191,152	-	-	1,191,152
Community services	52,912	-	-	52,912
Nonprogrammed charges	2,242,636	-	-	2,242,636
Debt service:				
Capital outlay	119,358	-	-	119,358
	<u>43,243,678</u>	<u>181,911</u>	<u>-</u>	<u>43,425,589</u>
Total expenditures				
Net change in fund balance	\$ 323,307	\$ (125,547)	\$ 19,549	\$ 217,309
Fund balance, beginning of year	<u>13,281,724</u>	<u>223,251</u>	<u>693,241</u>	<u>14,198,216</u>
Fund balance, end of year	<u>\$ 13,605,031</u>	<u>\$ 97,704</u>	<u>\$ 712,790</u>	<u>\$ 14,415,525</u>

Mundelein Consolidated High School District 120

Debt Service Fund

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

For the Year Ended June 30, 2018

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

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$ 3,247,018	\$ 3,247,018	\$ 3,234,715	\$ (12,303)	\$ 3,230,737
Interest on investments	<u>12,000</u>	<u>12,000</u>	<u>27,866</u>	<u>15,866</u>	<u>19,212</u>
Total local sources	<u>3,259,018</u>	<u>3,259,018</u>	<u>3,262,581</u>	<u>3,563</u>	<u>3,249,949</u>
Total revenues	<u>3,259,018</u>	<u>3,259,018</u>	<u>3,262,581</u>	<u>3,563</u>	<u>3,249,949</u>
Expenditures					
Debt service					
Debt services - interest					
Bonds and certificates - interest	<u>1,061,480</u>	<u>1,061,480</u>	<u>734,958</u>	<u>326,522</u>	<u>854,547</u>
Total debt service - interest	<u>1,061,480</u>	<u>1,061,480</u>	<u>734,958</u>	<u>326,522</u>	<u>854,547</u>
Principal payments on long-term debt	<u>2,458,478</u>	<u>2,458,478</u>	<u>2,785,000</u>	<u>(326,522)</u>	<u>5,790,000</u>
Other debt service					
Other objects	<u>2,275</u>	<u>2,275</u>	<u>2,075</u>	<u>200</u>	<u>2,450</u>
Total	<u>2,275</u>	<u>2,275</u>	<u>2,075</u>	<u>200</u>	<u>2,450</u>
Total debt service	<u>3,522,233</u>	<u>3,522,233</u>	<u>3,522,033</u>	<u>200</u>	<u>6,646,997</u>
Total expenditures	<u>3,522,233</u>	<u>3,522,233</u>	<u>3,522,033</u>	<u>200</u>	<u>6,646,997</u>
Deficiency of revenues over expenditures	<u>(263,215)</u>	<u>(263,215)</u>	<u>(259,452)</u>	<u>3,763</u>	<u>(3,397,048)</u>

(Continued)

Mundelein Consolidated High School District 120
Debt Service Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Other financing sources					
Transfer to pay for principal on debt certificates	\$ 270,000	\$ 270,000	\$ 50,100	\$ (219,900)	\$ 3,110,000
Transfer to pay for interest on debt certificates	<u>50,100</u>	<u>50,100</u>	<u>270,000</u>	<u>219,900</u>	<u>115,794</u>
Total other financing sources	<u>320,100</u>	<u>320,100</u>	<u>320,100</u>	<u>-</u>	<u>3,225,794</u>
Net change in fund balance	<u>\$ 56,885</u>	<u>\$ 56,885</u>	60,648	<u>\$ 3,763</u>	(171,254)
Fund balance, beginning of year			<u>37,999</u>		<u>209,253</u>
Fund balance, end of year			<u>\$ 98,647</u>		<u>\$ 37,999</u>

(Concluded)

Mundelein Consolidated High School District 120

Capital Projects Fund

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

For the Year Ended June 30, 2018

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

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
Other	\$ -	\$ -	\$ 66,658	\$ 66,658	\$ -
Total local sources	-	-	66,658	66,658	-
State sources					
Infrastructure Improvements - Construction	950,000	950,000	-	(950,000)	6,989,737
Total state sources	950,000	950,000	-	(950,000)	6,989,737
Total revenues	950,000	950,000	66,658	(883,342)	6,989,737
Expenditures					
Support services					
Facilities acquisition and construction services					
Purchased services	150,000	150,000	145,466	4,534	711,430
Capital outlay	700,000	700,000	275,856	424,144	2,713,855
Total	850,000	850,000	421,322	428,678	3,425,285
Total support services	850,000	850,000	421,322	428,678	3,425,285
Total expenditures	850,000	850,000	421,322	428,678	3,425,285
Excess (deficiency) of revenues over expenditures	100,000	100,000	(354,664)	(454,664)	3,564,452

(Continued)

Mundelein Consolidated High School District 120

Capital Projects Fund

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

For the Year Ended June 30, 2018

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

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Other financing sources					
Transfer from Operations and Maintenance Fund	\$ 300,000	\$ 300,000	\$ 300,000	\$ -	\$ 711,902
Total other financing sources	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>711,902</u>
Net change in fund balance	<u>\$ 400,000</u>	<u>\$ 400,000</u>	(54,664)	<u>\$ (454,664)</u>	4,276,354
Fund deficit, beginning of year			<u>(1,435,751)</u>		<u>(5,712,105)</u>
Fund deficit, end of year			<u>\$ (1,490,415)</u>		<u>\$ (1,435,751)</u>

(Concluded)

Mundelein Consolidated High School District 120
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
For the Year Ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Assets				
Cash and cash equivalents	\$ 402,075	\$ 723,711	\$ 667,262	\$ 458,524
Total assets	\$ 402,075	\$ 723,711	\$ 667,262	\$ 458,524
Liabilities				
Due to student groups				
Band Camp	\$ 5,955	\$ 14,620	17,002	\$ 3,573
Baseball Camp	4,920	5,455	2,352	8,023
Basketball Camp - Boys	9,079	6,488	8,787	6,780
Cheerleading Camp	6,708	7,300	11,730	2,278
Dance Team Camp	701	2,760	1,680	1,781
Football Camp	15,264	12,800	16,626	11,438
Basketball Camp - Girls	3,711	3,200	3,528	3,383
Softball Camp	3,610	70	3,035	645
Gymnastics Camp	2,050	1,350	1,213	2,187
Lacrosse Camp	435	250	394	291
Soccer Camp - Both	4,560	7,270	8,945	2,885
Tennis Camp	1,450	2,580	1,975	2,055
Volleyball Camp - Both	5,746	4,390	5,705	4,431
Wrestling Camp	1,350	1,015	1,350	1,015
Swimming Camp - Both	8,560	-	8,700	(140)
Cross Country - Both	2,650	2,380	694	4,336
Golf Camp - Girls	58	200	47	211
Vocal Music Camp	2,600	-	-	2,600
Throw Camp	240	-	-	240
Gymnastics Camp - Boys	-	200	-	200
Track - Speed Camp	160	-	-	160
Water Polo Camp - Boys	2,950	1,765	3,412	1,303
Water Polo Camp - Girls	2,331	625	2,566	390
Water Polo Camp - Youth	-	160	-	160
Flags Camp	250	250	-	500
Volleyball - Fundraiser	1,512	6,024	3,133	4,403
Lacrosse Camp - Girls	630	546	1,081	95
Gymnastics Bob Bohl Invite	5,065	8,048	5,875	7,238
Soccer Sectionals - Girls	100	-	-	100
Basketball - Thanksgiving - Boys	6,365	6,798	6,127	7,036
Basketball - Girls - Holiday	100	-	-	100

(Continued)

Mundelein Consolidated High School District 120
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
For the Year Ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Liabilities (Continued)				
Due to student groups (Continued)				
Basketball - Girls - Thanksgiving	\$ 4,282	\$ 4,187	\$ 6,213	\$ 2,256
Golf - Boys - JV Invite	3,241	3,105	5,194	1,152
Golf - Boys - JV Quad	600	540	-	1,140
Golf - Boys - Varsity Invite	2,895	3,190	5,425	660
Golf - Girls - Varsity Invite	100	-	-	100
Gymnastics - Girls - JV Invite	722	-	-	722
Gymnastics - Girls - Lake County	100	-	-	100
Soccer - Girls - JV Squad	300	-	-	300
Tennis - Boys - Mustang Invite	90	-	-	90
Tennis-Girls-JV-Quad	-	95	-	95
NCS Tournament	1,506	4,507	4,499	1,514
Waterpolo - Both - P/L Invite	1,549	1,648	1,431	1,766
Waterpolo - Girls - Mini	550	470	36	984
Golf - Boys - Hawthorn Invite	245	-	-	245
IHSA Tournament - Girls	871	13,060	10,008	3,923
IHSA Tournament - Boys	1,190	4,870	3,184	2,876
Dance Invite	8,350	9,200	10,394	7,156
Academic Scholarship	943	-	-	943
AP Exams	9,755	75,912	72,027	13,640
Jerri Craven Memorial Fund	10,649	75	3,000	7,724
Student Assistance	1,994	2,206	3,735	465
Interact	805	-	-	805
Voices/Joe Flynn Memorial	-	73	-	73
Mustang Parent Club	1,293	2,986	3,342	937
Sundry	-	1,493	1,493	-
Super Seniors	(468)	200	(468)	200
Interest Earned	1,460	4,547	1,597	4,410
Field Trips	2,432	1,581	884	3,129
MHS Booster Club	5,517	10,107	8,132	7,492
Staff Convenience Account	4,581	1,693	1,556	4,718
Coke Sponsorship Funding	8,320	5,300	4,331	9,289
Summer Reading	280	-	280	-
MHS Ceaf	2,263	3,208	4,421	1,050
PBIS	347	-	347	-
Poetry Slam Team	164	-	50	114
Lifesource Scholarship	5,576	4,000	9,200	376
Mundelein Art Fest Scholarship	500	1,000	1,000	500

(Continued)

Mundelein Consolidated High School District 120
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
For the Year Ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Liabilities (Continued)				
Due to student groups (Continued)				
T-shirt Purchase	\$ 249	\$ 1,181	\$ 1,234	\$ 196
Concession Sales	7,953	45,091	43,248	9,796
Leadercast	50	-	-	50
Wellness University	14,758	8,645	2,655	20,748
Stem	200	200	-	400
F.B.L.A. - Art Department	-	4,260	4,229	31
F.B.L.A. - General	22,194	57,884	65,452	14,626
Art Club	106	-	45	61
Band General	4,802	24,036	15,219	13,619
Band Fundraiser	2,674	-	2	2,672
Broadcasting	2,169	2,992	1,731	3,430
Chess Club	22	-	-	22
Yearbook	3,673	1,916	101	5,488
Mock Trial	42	-	-	42
National Honor Society	434	720	21	1,133
Orchesis	1,228	1,843	2,646	425
Helping Heroes of America	-	635	-	635
Students Against Drunk Driving	336	-	-	336
Student Leadership	4,974	77,961	58,603	24,332
Thespians	6,991	39,475	25,270	21,196
Vocal Music	17,178	25,379	31,765	10,792
Activity Specials	12	3,196	-	3,208
Economics Club	1,949	26,313	25,606	2,656
Black Student Union	377	358	424	311
Gay-Straight Alliance	115	366	272	209
Best Buddies	671	48	82	637
Robotics Club	1,647	1,000	346	2,301
Temas Latinos	259	39	-	298
Pasos Latinos	477	1,099	548	1,028
Music Invite	15,919	-	6,903	9,016
Mundelein Superintendents	33	1	-	34
Stand Up Coalition	132	-	-	132
Click, Operation	2,383	-	120	2,263
Link Crew	108	-	-	108
MHS Drink Oasis	1,017	1,574	517	2,074
Newspaper	611	422	47	986

(Continued)

Mundelein Consolidated High School District 120
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
For the Year Ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Liabilities (Continued)				
Due to student groups (Continued)				
Live Life Healthy Club	\$ 248	\$ -	\$ -	\$ 248
Byte Club	129	-	12	117
Business Incubator	21	11,774	1,005	10,790
Asian Culture Club	140	141	169	112
Athletic Special	42,925	5,763	16,641	32,047
Athletic Special - Booster	10	-	-	10
Baseball General	592	-	(1,987)	2,579
Basketball General - Boys	6,084	8,449	5,880	8,653
Cross Country General	3,958	5,466	5,685	3,739
Gymnastics General - Boys	1,359	-	1,702	(343)
Soccer General - Boys	1,424	121	1,047	498
Swimming General - Boys	122	-	-	122
Tennis General - Boys	965	-	95	870
Track General - Boys	3,959	12,890	6,865	9,984
Volleyball General - Boys	151	1,909	(301)	2,361
Waterpolo General - Boys	2,041	362	1,200	1,203
Cheerleading General	694	25,698	21,896	4,496
Color Guard - Winter	988	2,311	2,214	1,085
Football General	2,102	16,477	4,160	14,419
Basketball General - Girls	2,497	2,162	3,072	1,587
Golf General - Girls	33	-	9	24
Gymnastics General - Girls	1,528	1,239	541	2,226
Soccer General - Girls	1,859	1,186	231	2,814
Softball General	2,435	8,643	3,967	7,111
Swimming General- Girls	-	132	(312)	444
Tennis General - Girls	1,736	-	(526)	2,262
Track General - Girls	1,063	421	494	990
Volleyball General - Girls	1,093	608	1,288	413
Waterpolo General - Girls	3,601	174	406	3,369
Golf General - Boys	727	-	330	397
Lacrosse General	1,678	5,945	(294)	7,917
Lacrosse General - Girls	4,660	3,772	8,498	(66)
Wrestling General	2,101	1,916	2,222	1,795
Swimming and Diving - Girls	353	-	-	353
Athletic Trainers	4,354	478	925	3,907
PE Leadership	21	215	20	216

(Continued)

Mundelein Consolidated High School District 120
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
For the Year Ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Liabilities (Continued)				
Due to student groups (Continued)				
Swimming and Diving - Boys	\$ 1,505	\$ 352	\$ 395	\$ 1,462
Basketball- Intramural	-	160	-	160
Soccer - Intramural	1,470	521	165	1,826
Dance Team - General	1,711	20,980	14,143	8,548
Triathlon Club	1,883	1,015	1,051	1,847
	<u>1,883</u>	<u>1,015</u>	<u>1,051</u>	<u>1,847</u>
Total liabilities	<u>\$ 402,075</u>	<u>\$ 723,711</u>	<u>\$ 667,262</u>	<u>\$ 458,524</u>

(Concluded)

OTHER SUPPLEMENTAL INFORMATION

Mundelein Consolidated High School District 120
OPERATING COSTS AND TUITION CHARGE
June 30, 2018 and 2017

Operating costs per pupil	<u>2018</u>	<u>2017</u>
Average Daily Attendance (ADA):	<u>1,907.25</u>	<u>2,076.68</u>
Operating costs:		
Educational	\$ 29,916,394	\$ 28,374,563
Operations and Maintenance	2,562,883	2,718,174
Debt Service	3,522,033	6,646,997
Transportation	1,677,849	1,343,417
Municipal Retirement/Social Security	1,125,410	1,080,673
Tort	<u>181,911</u>	<u>174,986</u>
Subtotal	<u>38,986,480</u>	<u>40,338,810</u>
Less Revenues/Expenditures of Non regular Programs:		
Payments to Other District and Govt Units	2,242,636	2,269,754
Adult education	669,831	609,445
Summer school	116,933	93,231
Community services	53,837	29,202
Capital outlay	137,139	625,453
Non-capitalized equipment	797,796	606,587
Debt principal retired	<u>2,785,000</u>	<u>5,790,000</u>
Subtotal	<u>6,803,172</u>	<u>10,023,672</u>
Operating costs	<u>\$ 32,183,308</u>	<u>\$ 30,315,138</u>
Operating costs per pupil - based on ADA	<u>\$ 16,874</u>	<u>\$ 14,598</u>
Tuition Charge		
Operating costs	\$ 32,183,308	\$ 30,315,138
Less - revenues from specific programs, such as special education or lunch programs	<u>3,296,940</u>	<u>3,250,782</u>
Net operating costs	28,886,368	27,064,356
Depreciation allowance	<u>2,438,897</u>	<u>2,476,795</u>
Allowance tuition costs	<u>\$ 31,325,265</u>	<u>\$ 29,541,151</u>
Tuition charge per pupil - based on ADA	<u>\$ 16,424</u>	<u>\$ 14,225</u>