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**MILLBURN COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 24  
LAKE COUNTY, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2017**

**eder, casella & co.**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Millburn Community Consolidated School District No. 24  
Wadsworth, 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

Millburn Community Consolidated School District No. 24

as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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.

### **Auditor's 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 District'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 District'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.

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 Millburn Community Consolidated School District No. 24 as of June 30, 2017 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Schedules of Employer Contribution, Schedule of the Employer's Proportionate Share of the Net Pension Liability, and budgetary comparison information on pages 6 through 11, and 40 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Millburn Community Consolidated School District No. 24's basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental 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, except for the average daily attendance figure included in the computation of operating expense per pupil and per capita tuition charges, has been subjected to the auditing procedures applied in the audit of the 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2017 on our consideration of Millburn Community Consolidated School District No. 24'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 Millburn Community Consolidated School District No. 24's internal control over financial reporting and compliance.

*Eder, Casella & Co.*

EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
October 12, 2017

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education  
Millburn Community Consolidated School District No. 24  
Wadsworth, Illinois

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

Millburn Community Consolidated School District No. 24

as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Millburn Community Consolidated School District No. 24's basic financial statements, and have issued our report thereon dated October 12, 2017.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Millburn Community Consolidated School District No. 24's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Millburn Community Consolidated School District No. 24's internal control. Accordingly, we do not express an opinion on the effectiveness of Millburn Community Consolidated School District No. 24's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control which we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Millburn Community Consolidated School District No. 24's financial statements are free from material misstatement, we performed



tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Eder, Casella & Co.*  
EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
October 12, 2017

REQUIRED SUPPLEMENTARY INFORMATION

# **MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2017

The Management's Discussion and Analysis of Millburn Community Consolidated School District No. 24's (District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2017. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

### **Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2017 by \$908,565 (net position). Of this amount, \$(11,089,101) (unrestricted net position) may be used at the District's discretion and has not been restricted for specific purposes.
- The District's total net position increased by \$3,738,256.
- At June 30, 2017, the District's governmental funds reported combined ending fund balances of \$1,014,265, an increase of \$1,014,498 in comparison with the prior year. This is due to the District lowering expenses over last year. Of this, \$(420,326) is unassigned fund balance.
- At June 30, 2017, the unassigned fund balance for the General Fund was \$(191,520).

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains 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 and deferred outflows of resources, less its liabilities and deferred inflows of resources, 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.

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), supporting services, operation and maintenance of facilities, and transportation services.

The government-wide financial statements can be found on pages 12 and 13 of this report.

**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.* 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 government'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 District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven 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; Operations and Maintenance; Debt Services; Transportation; Illinois Municipal Retirement/Social Security; Capital Projects Funds and Fire Prevention and Safety Fund, all of which are considered to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 through 18 of this report.

*Fiduciary funds.* 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 statements 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.

The basic fiduciary fund financial statement can be found on page 19 of this report.

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

The notes to the financial statements can be found on pages 20 through 39 of this report.

**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.

Required supplementary information can be found on pages 40 through 54 of this report.

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$908,565 at the close of the most recent fiscal year.

The following table presents a summary of the District's net position for the years ended June 30, 2017 and 2016:

Millburn Community Consolidated School District No. 24's Net Position at Year-End		
	Governmental Activities	
	FY 2017	FY 2016
<b>Assets</b>		
Current and Other Assets	\$ 16,577,433	\$ 15,139,359
Capital Assets	25,485,299	25,425,565
<b>Total Assets</b>	<b>\$ 42,062,732</b>	<b>\$ 40,564,924</b>
Deferred Outflows of Resources	\$ 655,346	\$ 729,496
<b>Liabilities</b>		
Long-Term Liabilities Outstanding	\$ 26,085,053	\$ 29,711,326
Other Liabilities	1,566,993	1,349,999
<b>Total Liabilities</b>	<b>\$ 27,652,046</b>	<b>\$ 31,061,325</b>
Deferred Inflows of Resources	\$ 14,157,467	\$ 14,238,788
<b>Net Position</b>		
Net Investment in Capital Assets	\$ 11,270,733	\$ 9,356,021
Restricted	720,407	1,392,887
Unrestricted	(11,082,575)	(14,754,601)
<b>Total Net Position</b>	<b>\$ 908,565</b>	<b>\$ (4,005,693)</b>

The net investment in capital assets (1,241% of total net position) represents assets such as land, buildings, and equipment, less any related debt used to acquire those assets that is still outstanding. The District uses its assets to provide educational services and extracurricular activities for the students of the local community. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (80%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net position \$(11,089,101).

At the end of the current fiscal year, the District is able to report positive balances in all categories of net position, except the unrestricted.

The District's net position increased by \$3,738,256 during the current fiscal year. Substantially all of this increase represents the degree to which increases in ongoing revenues exceeded similar increases in ongoing expenses.

**Governmental Activities.** Governmental activities increased the District's net position by \$3,738,256. Key elements of this increase are as follows:

Millburn Community Consolidated School District No. 24's Change in Net Position

	Governmental Activities	
	FY 2017	FY 2016
Revenues:		
Program Revenues		
Charges for Services	\$ 935,117	\$ 1,225,072
Operating Grants and Contributions	7,117,852	4,883,014
Capital Grants and Contributions	106,487	-
General Revenues:		
Property Taxes	13,590,148	13,130,468
Other Taxes	20,753	18,790
Other	3,324,568	2,848,567
Total Revenues	<u>\$ 25,094,925</u>	<u>\$ 22,105,911</u>
Expenses:		
Instruction	\$ 8,404,678	\$ 8,439,306
Support Services	6,918,012	7,087,910
Other	6,033,979	5,557,912
Total Expenses	<u>\$ 21,356,669</u>	<u>\$ 21,085,128</u>
Increase in Net Position	\$ 3,738,256	\$ 1,020,783
Net Position - Beginning	(4,005,693)	(5,026,476)
Net Position Adjustment	1,176,002	-
Net Position - Ending	<u>\$ 908,565</u>	<u>\$ (4,005,693)</u>

On-Behalf Payments increased \$2,096,938, which was the main factor of the increase in the Operating Grants and Contributions. Also, the District saw increased property tax and grant revenue over the prior year.

The majority of the increase in expenses was due to the \$2,096,938 increase in the On-Behalf Payments, offset by an overall decrease in the District's Instruction and Support expenses.

### Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental 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 District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's seven governmental funds reported combined ending fund balances of \$1,104,265, an increase of \$1,014,498.

The General Fund is the chief operating fund of the District. At June 30, 2017, unassigned fund balance was \$(184,994). The General Fund's balance increased by \$1,265,449 in comparison with the prior year. This increase is mainly due to an increase in state aid revenue and property taxes in addition to a slight decrease in expenditures.

The Operations and Maintenance Fund's balance increased by \$195,790 in comparison with the prior year. This increase is due to an increase in the property tax revenue and rental income reported in the current fiscal year and transfers from other funds of \$54,583.

The Capital Projects Fund's balance decreased by \$593,330 in comparison with the prior year. This decrease was due to expenses incurred for the District's lighting project and the paving/landscaping project in the current fiscal year of approximately \$1,060,000 offset by grant and local income of \$326,782 and a transfer from another fund of \$150,000.

The Fire Prevention and Safety Fund's balance increased by \$61,686 in comparison with the prior year. This is the first year that property taxes were levied in this fund, which accounted for approximately \$69,000 in revenue.

The Debt Services Fund, Transportation Fund and the Illinois Municipal Retirement/Social Security Fund had minimal changes in fund balance during the current year.

**General Fund Budgetary Highlights**

The District amended the budget on June 26, 2017 for the year ended June 30, 2017.

Significant differences between budgeted and actual revenues and expenditures are summarized as follows:

- The difference between budgeted revenues and actual revenues was \$2,433,119 (favorable) and the difference between budgeted expenditures and actual expenditures was \$1,497,678 (unfavorable) and were both due to an increase in On-Behalf Payments.

**Capital Asset and Debt Administration**

**Capital Assets.** At June 30, 2017 the District had invested \$25,485,299 (net of accumulated depreciation) in a broad range of capital assets, including land, building and building improvements, site improvements and infrastructure, capitalized equipment, vehicles, and construction in progress. Total depreciation expense for the year was \$817,337.

Millburn Community Consolidated School District No. 24's Capital Assets at Year-End  
(net of depreciation)

	Governmental Activities	
	2017	2016
Land	\$ 826,414	\$ 826,414
Construction in Progress	39,939	-
Building and Building Improvements	23,068,969	23,741,267
Site Improvements and Infrastructure	597,421	302,145
Capitalized Equipment	900,259	497,873
Vehicles	52,297	57,866
Total	<u>\$ 25,485,299</u>	<u>\$ 25,425,565</u>

Major capital asset events during the current fiscal year included the following:

- Lighting project - \$424,540
- Paving/landscaping project - \$340,887
- Chiller replacement - \$230,171

Additional information on the District's capital assets can be found in note 3 on pages 25 and 26 of this report.

**Long-Term Debt.** At June 30, 2017 the District had \$23,469,074 in outstanding debt.

Millburn Community Consolidated School District No. 24's Outstanding Debt

	Governmental Activities	
	2017	2016
Bonds and Notes Payable	\$ 14,214,566	\$ 15,643,692
Accreted Interest	9,254,508	10,565,381
Total	<u>\$ 23,469,074</u>	<u>\$ 26,209,073</u>

The decrease in debt was mainly due to the first payment on the 2004 bonds.

Additional information on the District's long term debt can be found in note 4 on page 26 of this report.

### **Economic Factors and Next Year's Budget**

The assessed valuation 2016 is \$224,408,790, an increase of \$8,709,633 (4.04%) over the prior year.

### **Requests for Information**

This financial report is designed to provide the District's citizens, taxpayers, parents, students, investors, 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, contact the District at the following address:

Millburn Community Consolidated School District No. 24  
18550 Millburn Rd.  
Wadsworth, IL 60083



## BASIC FINANCIAL STATEMENTS

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF NET POSITION  
JUNE 30, 2017

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 8,835,817
Other Accounts Receivable, net of allowance of \$0	21,831
Property Taxes Receivable, net of allowance of \$34,853	6,735,801
Accounts Receivable, net of allowance of \$0	38,676
Due from Other Governments, net of allowance of \$0	719,189
Prepaid Items	226,119
Capital Assets (Note 3):	
Land	826,414
Construction in Progress	39,939
Depreciable Buildings, Property, and Equipment, net of depreciation	24,618,946
<b>Total Assets</b>	<b>\$ 42,062,732</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension Expense/Contributions - IMRF	\$ 513,290
Pension Expense/Contributions - TRS	142,056
<b>Total Deferred Outflows of Resources</b>	<b>\$ 655,346</b>
<b>LIABILITIES</b>	
Accounts Payable and Accrued Expenses	\$ 360,210
Payroll Liabilities	1,090,688
Unearned Revenue - Registration Fees	116,095
Long-Term Liabilities	
Due Within One Year	2,995,675
Due in More Than One Year	23,089,378
<b>Total Liabilities</b>	<b>\$ 27,652,046</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable Revenue - Property Taxes	\$ 13,906,175
Pension Expense/Contributions - TRS	62,571
Pension Expense/Contributions - IMRF	188,721
<b>Total Deferred Inflows of Resources</b>	<b>\$ 14,157,467</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 11,270,733
Restricted for:	
Capital Projects	329,942
Debt Service	307,540
Retirement	21,315
Fire Prevention/Life Safety	61,610
Unrestricted/(Deficit)	(11,082,575)
<b>Total Net Position</b>	<b>\$ 908,565</b>

The Notes to Financial Statements are an integral part of this statement.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
 GOVERNMENT-WIDE FINANCIAL STATEMENTS  
 STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction					
Regular Programs	\$ 5,349,820	\$ 299,738	\$ 13,459	\$ -	\$ (5,036,623)
Special Education Programs	2,180,851	129,081	882,307	-	(1,169,463)
Other Instructional Programs	874,007	36,745	16,116	-	(821,146)
Support Services					
Pupils	998,812	-	30,267	-	(968,545)
Instructional Staff	725,440	-	-	-	(725,440)
General Administration	822,090	-	-	-	(822,090)
School Administration	646,770	-	-	-	(646,770)
Business	262,347	-	-	-	(262,347)
Facilities Acquisition and Construction	16,586	-	-	-	(16,586)
Operations and Maintenance	1,943,177	298,642	-	106,487	(1,538,048)
Transportation	1,059,625	17,427	610,502	-	(431,696)
Food Services	229,589	153,484	55,253	-	(20,852)
Central	213,576	-	-	-	(213,576)
Community Services	133,504	-	-	-	(133,504)
Payments to Other Districts and Governmental Units	254,772	-	-	-	(254,772)
Interest and Fees on Long-Term Debt	135,755	-	-	-	(135,755)
On-Behalf Retirement Contributions	5,509,948	-	5,509,948	-	-
Total Governmental Activities	<u>\$ 21,356,669</u>	<u>\$ 935,117</u>	<u>\$ 7,117,852</u>	<u>\$ 106,487</u>	<u>\$ (13,197,213)</u>
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					\$ 10,600,090
Property Taxes, Levied for Debt Service					2,990,058
Personal Property Replacement Taxes					20,753
Grants and Contributions not Restricted to Specific Activities					3,040,380
Unrestricted Investment Earnings					6,575
Gain/(Loss) on Sale of Capital Assets					(257,474)
Miscellaneous Income					535,087
Total General Revenues					<u>\$ 16,935,469</u>
Change in Net Position					\$ 3,738,256
Net Position - July 1, 2016					(4,005,693)
Net Position Adjustment (Note 17)					<u>1,176,002</u>
Net Position - June 30, 2017					<u>\$ 908,565</u>

The Notes to Financial Statements are an integral part of this statement.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
 FUND FINANCIAL STATEMENTS  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2017

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	Total Governmental Funds
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 5,165,646	\$ 488,194	\$ 1,982,122	\$ 212,413	\$ 414,989	\$ 469,619	\$ 102,834	\$ 8,835,817
Other Accounts Receivable, net of allowance of \$0	-	-	-	5,841	-	15,990	-	21,831
Property Taxes Receivable, net of allowance of \$34,853	4,114,142	596,340	1,564,515	289,898	132,252	-	38,654	6,735,801
Accounts Receivable, net of allowance of \$0	38,676	-	-	-	-	-	-	38,676
Due from Other Governments, net of allowance of \$0	410,523	-	-	305,387	3,279	-	-	719,189
Prepaid Items	226,119	-	-	-	-	-	-	226,119
<b>Total Assets</b>	<b>\$ 9,955,106</b>	<b>\$ 1,084,534</b>	<b>\$ 3,546,637</b>	<b>\$ 813,539</b>	<b>\$ 550,520</b>	<b>\$ 485,609</b>	<b>\$ 141,488</b>	<b>\$ 16,577,433</b>
<b>LIABILITIES AND FUND BALANCE</b>								
<b>LIABILITIES</b>								
Accounts Payable and Accrued Expenses	\$ 297,740	\$ 38,044	\$ -	\$ 24,426	\$ -	\$ -	\$ -	\$ 360,210
Payroll Liabilities	1,006,430	44,142	-	12,962	27,154	-	-	1,090,688
Unearned Revenue - Registration Fees	116,095	-	-	-	-	-	-	116,095
<b>Total Liabilities</b>	<b>\$ 1,420,265</b>	<b>\$ 82,186</b>	<b>\$ -</b>	<b>\$ 37,388</b>	<b>\$ 27,154</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,566,993</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable Revenue - Property Taxes	\$ 8,493,716	\$ 1,231,154	\$ 3,229,967	\$ 598,500	\$ 273,036	\$ -	79,802	\$ 13,906,175
<b>Total Deferred Inflows of Resources</b>	<b>\$ 8,493,716</b>	<b>\$ 1,231,154</b>	<b>\$ 3,229,967</b>	<b>\$ 598,500</b>	<b>\$ 273,036</b>	<b>\$ -</b>	<b>\$ 79,802</b>	<b>\$ 13,906,175</b>
<b>FUND BALANCE</b>								
Nonspendable								
Prepaid Items	\$ 226,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 226,119
Restricted								
Debt Service	-	-	307,540	-	-	-	-	307,540
Retirement	-	-	-	-	93,393	-	-	93,393
Capital Projects	-	-	-	-	-	329,942	-	329,942
Fire Prevention and Safety	-	-	-	-	-	-	61,610	61,610
Assigned								
Debt Service	-	-	9,130	-	-	-	-	9,130
Transportation	-	-	-	177,651	-	-	-	177,651
Illinois Municipal Retirement Fund/Social Security	-	-	-	-	156,937	-	-	156,937
Capital Projects	-	-	-	-	-	155,667	76	155,743
Unassigned	(184,994)	(228,806)	-	-	-	-	-	(413,800)
<b>Total Fund Balance</b>	<b>\$ 41,125</b>	<b>\$ (228,806)</b>	<b>\$ 316,670</b>	<b>\$ 177,651</b>	<b>\$ 250,330</b>	<b>\$ 485,609</b>	<b>\$ 61,686</b>	<b>\$ 1,104,265</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 9,955,106</b>	<b>\$ 1,084,534</b>	<b>\$ 3,546,637</b>	<b>\$ 813,539</b>	<b>\$ 550,520</b>	<b>\$ 485,609</b>	<b>\$ 141,488</b>	<b>\$ 16,577,433</b>

The Notes to Financial Statements are an integral part of this statement.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
 FUND FINANCIAL STATEMENTS  
 RECONCILIATION OF THE BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2017

Total Fund Balances - Governmental Funds		\$ 1,104,265
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Pension Expenses/Contributions - IMRF	\$ 324,569	
Pension Expenses/Contributions - TRS	<u>79,485</u>	404,054
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
		25,485,299
<p>Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.</p>		
Bonds Payable	\$ (14,214,566)	
Accreted and Accrued Interest Payable	(9,254,508)	
Unamortized Bond Premiums	<u>(334,932)</u>	(23,804,006)
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Net Pension OPEB Liability	\$ (51,890)	
Net Pension Liability/(Asset) - TRS	(823,613)	
Net Pension Liability/(Asset) - IMRF	<u>(1,405,544)</u>	<u>(2,281,047)</u>
Net Position of Governmental Activities		<u><u>\$ 908,565</u></u>

The Notes to Financial Statements are an integral part of this statement.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2017

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	Total Governmental Funds
<b>REVENUES</b>								
Property Taxes	\$ 8,438,930	\$ 1,183,466	\$ 2,990,058	\$ 300,067	\$ 608,594	\$ -	\$ 69,033	\$ 13,590,148
Payments in Lieu of Taxes	-	-	-	-	20,753	-	-	20,753
Tuition	350,913	-	-	-	-	-	-	350,913
Transportation Fees	-	-	-	17,427	-	-	-	17,427
Earnings on Investments	3,900	196	1,307	83	549	464	76	6,575
Food Service	153,485	-	-	-	-	-	-	153,485
District/School Activity Income	113,824	-	-	-	-	-	-	113,824
Textbooks	520	-	-	-	-	-	-	520
Other Local Sources	279,789	331,669	-	1,443	-	234,649	-	847,550
State Aid	3,808,890	-	-	610,502	-	92,134	-	4,511,526
Federal Aid	229,730	-	-	-	-	-	-	229,730
On-Behalf Payments	5,509,948	-	-	-	-	-	-	5,509,948
	<u>\$ 18,889,929</u>	<u>\$ 1,515,331</u>	<u>\$ 2,991,365</u>	<u>\$ 929,522</u>	<u>\$ 629,896</u>	<u>\$ 327,247</u>	<u>\$ 69,109</u>	<u>\$ 25,352,399</u>
<b>EXPENDITURES</b>								
Current								
Instruction								
Regular Programs	\$ 5,142,247	\$ -	\$ -	\$ -	\$ 91,369	\$ -	\$ -	\$ 5,233,616
Special Education Programs	2,054,598	-	-	-	101,259	-	-	2,155,857
Other Instructional Programs	860,419	-	-	-	8,490	-	-	868,909
Support Services								
Pupils	946,146	-	-	8,424	38,225	-	-	992,795
Instructional Staff	544,832	-	-	-	19,141	-	-	563,973
General Administration	767,282	-	-	-	18,249	-	-	785,531
School Administration	606,235	-	-	-	34,078	-	-	640,313
Business	239,569	-	-	-	9,185	-	-	248,754
Facilities Acquisition and Construction	-	3,696	-	-	-	3,952	-	7,648
Operations and Maintenance	-	1,284,229	-	-	90,866	-	-	1,375,095
Transportation	-	-	-	704,317	94,408	-	-	798,725
Food Services	205,154	-	-	-	-	-	-	205,154
Central	199,539	-	-	-	-	-	-	199,539
Community Services	116,298	-	-	-	15,863	-	-	132,161
Payments to Other Districts and Governmental Units	206,996	31,285	-	-	16,491	-	-	254,772
Debt Service								
Principal	-	-	1,429,126	-	-	-	-	1,429,126
Interest and Fees	-	-	1,537,549	-	-	-	-	1,537,549
Capital Outlay	21,944	54,914	-	247,530	-	1,066,625	7,423	1,398,436
On-Behalf Payments	5,509,948	-	-	-	-	-	-	5,509,948
	<u>\$ 17,421,207</u>	<u>\$ 1,374,124</u>	<u>\$ 2,966,675</u>	<u>\$ 960,271</u>	<u>\$ 537,624</u>	<u>\$ 1,070,577</u>	<u>\$ 7,423</u>	<u>\$ 24,337,901</u>
<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 1,468,722</u>	<u>\$ 141,207</u>	<u>\$ 24,690</u>	<u>\$ (30,749)</u>	<u>\$ 92,272</u>	<u>\$ (743,330)</u>	<u>\$ 61,686</u>	<u>\$ 1,014,498</u>

The Notes to Financial Statements are an integral part of this statement.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2017

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	Total Governmental Funds
OTHER FINANCING SOURCES (USES)								
Interfund Transfers	\$ (200,000)	\$ 50,000	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ -
Interest Transfers	(3,273)	4,583	(1,310)	-	-	-	-	-
	<u>\$ (203,273)</u>	<u>\$ 54,583</u>	<u>\$ (1,310)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCES	\$ 1,265,449	\$ 195,790	\$ 23,380	\$ (30,749)	\$ 92,272	\$ (593,330)	\$ 61,686	\$ 1,014,498
FUND BALANCES - JULY 1, 2016	(1,230,850)	(424,596)	299,816	208,400	158,058	1,078,939	-	89,767
FUND BALANCE ADJUSTMENT (Note 17)	<u>6,526</u>	<u>-</u>	<u>(6,526)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30, 2017	<u>\$ 41,125</u>	<u>\$ (228,806)</u>	<u>\$ 316,670</u>	<u>\$ 177,651</u>	<u>\$ 250,330</u>	<u>\$ 485,609</u>	<u>\$ 61,686</u>	<u>\$ 1,104,265</u>

The Notes to Financial Statements are an integral part of this statement.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
 FUND FINANCIAL STATEMENTS  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2017

Net Change in Fund Balances - Total Governmental Funds \$ 1,014,498

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (817,337)	
Capital Outlays	<u>1,134,545</u>	317,208

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the undepreciated balance of the capital assets sold.

Gain/(Loss) on Sale of Capital Assets		(257,474)
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Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

1,429,126

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Pension Expense	\$ (428,412)	
Amortization of Bond Premiums	90,920	
Accreted Interest	1,310,873	
OPEB Obligation	<u>(26,337)</u>	947,044

Employer pension contributions are expensed in the fund financial statements but treated as a reduction in the Net Pension Liability on the government-wide financial statements.

287,854

Change in Net Position of Governmental Activities		<u><u>\$ 3,738,256</u></u>
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The Notes to Financial Statements are an integral part of this statement.



MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS  
 JUNE 30, 2017

	PTO/Student Activity Fund	Flexible Spending Account Fund	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 131,734	\$ 25,544	\$ 157,278
Total Assets	\$ 131,734	\$ 25,544	\$ 157,278
<b>LIABILITIES</b>			
Due to PTO/Activity Funds and Flexible Spending Account Plan	\$ 131,734	\$ 25,544	\$ 157,278
Total Liabilities	\$ 131,734	\$ 25,544	\$ 157,278

The Notes to Financial Statements are an integral part of this statement.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Millburn Community Consolidated School District No. 24's (District) accounting policies conform to generally accepted accounting principles as applicable to local education agencies.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies established in GAAP and used by the District are discussed below.

**A. Reporting Entity**

The accompanying financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units. In addition, the District is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

**B. Basic Financial Statements – Government-Wide Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund (reporting the District's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the District as governmental activities. The District does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis, and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function (regular programs, special education programs, payments to other districts and governmental units, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.).

The District does not allocate indirect costs.

## NOTES TO FINANCIAL STATEMENTS (Continued)

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

### C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures of all governmental funds) for the determination of major funds. The District electively made all governmental funds major funds.

The following fund types are used by the District:

#### 1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The Educational, Tort and Working Cash levies are included in this fund.

Special Revenue Funds – The Special Revenue Funds (Operations and Maintenance Fund, Transportation Fund, and Illinois Municipal Retirement/Social Security Fund) are used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects.

Debt Services Fund – The Debt Services Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the periodic payment of principal, interest, and related fees on general long-term debt.

Capital Projects Fund – The Capital Projects Fund (Capital Projects Fund and Fire Prevention and Safety Fund) is used to account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of major capital facilities.

#### 2. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and is reported using generally accepted accounting principles.

The District's fiduciary fund is presented in the fiduciary fund financial statement by type (agency). Since by definition these assets are being held for the benefit of a third party (student organizations) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

The following is a description of the fiduciary fund of the District:

Agency Fund – The Agency Fund (PTO/Student Activity Fund and Flexible Spending Account Fund) accounts for assets held by the District as an agent for the student organizations, PTO, and employees. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to student organizations, PTO, and employees are equal to the assets.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

#### 1. Accrual

The governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses when incurred.

#### 2. Modified Accrual

The governmental funds' financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Property tax revenues are recognized in the period for which levied provided they are available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

### E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all District funds. Instead, the funds maintain their uninvested cash balances in common bank deposit accounts, with accounting records being maintained to show the portion of the common bank account balances attributable to each participating fund.

Occasionally certain of the funds participating in the common bank accounts will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans which have not been authorized by School Board action.

No District fund had a cash overdraft at June 30, 2017.

The District has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred. The District has adopted a formal written investment and cash management policy.

### F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

### G. *Prepaid Items*

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### H. *Inventories*

No inventory accounts are maintained to reflect the values of resale or supply items on hand. Instead, the costs of such items are charged to expense when purchased. The value of the District's inventories is not deemed to be material.

### I. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

### J. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and Building Improvements	50 years
Site Improvements and Infrastructure	20 years
Capitalized Equipment	5-10 years
Vehicles	5 Years

### K. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the balance sheet(s) and statement(s) of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resource until that time.

### L. *Compensated Absences*

Vacation benefits are granted to employees in varying amounts to specified maximums depending on tenure with the District. Vacations are usually taken within the fiscal year. The entire compensated absences liability is reported on the district-wide financial statements. For the governmental funds, the current portion of the compensated absences is the amount that is normally expected to be paid using expendable available resources. These amounts are recorded in the fund from which the employees who have accumulated vacation leave are paid.

### M. *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, as well as issuance costs, are deferred and amortized over the life of the bonds on a straight-line basis. Bond issuance costs are reported as debt service expenditures. Bonds payable are reported net of the applicable bond premium or discount and deferred losses on refunding.

## NOTES TO FINANCIAL STATEMENTS (Continued)

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as 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 costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### N. *Government-Wide Fund Net Position*

Government-wide fund net position is divided into three components:

- Net investment in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position – consists of net position that is restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted net position – all other net position is reported in this category.

### O. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

- Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of a resolution of the Board of Education. Committed amounts cannot be used for any other purpose unless the Board of Education removes those constraints by way of resolution. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- Assigned – Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Education has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, or debt services fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District itself.

- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash. This classification is also used to represent negative fund balances in special revenue funds, the Debt Services Fund, and capital projects funds.

NOTES TO FINANCIAL STATEMENTS (Continued)

The District permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

P. *Property Tax Calendar and Revenues*

Property taxes are levied each calendar year on all taxable real property located in the District on or before the last Tuesday in December. The 2016 tax levy was passed by the Board on December 12, 2016. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts approximately one month after these dates.

Q. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

Deposits with financial institutions are fully insured or collateralized by securities held in the District's name.

The District is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 30, Section 235/2 and 6; and Chapter 105, Section 5/8-7.

**NOTE 3 - CAPITAL ASSETS**

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

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
<b>Governmental Activities</b>				
Capital Assets not being depreciated				
Land	\$ 826,414	\$ -	\$ -	\$ 826,414
Construction in Progress	-	39,939	-	39,939
Total Capital Assets not being depreciated	<u>\$ 826,414</u>	<u>\$ 39,939</u>	<u>\$ -</u>	<u>\$ 866,353</u>
Other Capital Assets				
Building and Building Improvements	\$ 33,614,909	\$ -	\$ -	\$ 33,614,909
Site Improvements and Infrastructure	690,830	347,176	-	1,038,006
Capitalized Equipment	4,654,314	747,430	1,023,269	4,378,475
Vehicles	111,381	-	-	111,381
Total Other Capital Assets at historical cost	<u>\$ 39,071,434</u>	<u>\$ 1,094,606</u>	<u>\$ 1,023,269</u>	<u>\$ 39,142,771</u>
Less Accumulated Depreciation for				
Building and Improvements	\$ 9,873,642	\$ 672,298	\$ -	\$ 10,545,940
Site Improvements and Infrastructure	388,685	51,900	-	440,585
Capitalized Equipment	4,156,441	87,570	765,795	3,478,216
Vehicles	53,515	5,569	-	59,084
Total Accumulated Depreciation	<u>\$ 14,472,283</u>	<u>\$ 817,337</u>	<u>\$ 765,795</u>	<u>\$ 14,523,825</u>
Other Capital Assets, Net	<u>\$ 24,599,151</u>	<u>\$ 277,269</u>	<u>\$ 257,474</u>	<u>\$ 24,618,946</u>
Governmental Activities Capital Assets, Net	<u>\$ 25,425,565</u>	<u>\$ 317,208</u>	<u>\$ 257,474</u>	<u>\$ 25,485,299</u>

Depreciation expense was charged to functions as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Governmental Activities		
Regular Programs	\$	26,505
Other Instructional Programs		4,819
Instructional Staff		150,196
General Administration		32,127
Operations and Maintenance		565,812
Transportation		6,426
Food Services		24,096
Central		7,356
Total Governmental Activities Depreciation Expense	\$	<u>817,337</u>

**NOTE 4 - LONG-TERM LIABILITY ACTIVITY**

Long-term liability activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Leases Payable					
General Obligation School Bonds, Series 1999	\$ 84,145	\$ -	\$ 84,145	\$ -	\$ -
General Obligation School Bonds, Series 2004B	9,909,547	-	1,344,981	8,564,566	1,486,454
General Obligation School Bonds, Series 2012	5,650,000	-	-	5,650,000	-
Accreted Interest	10,565,381	-	1,310,873	9,254,508	1,418,301
Total Bonds and Leases Payable	<u>\$ 26,209,073</u>	<u>\$ -</u>	<u>\$ 2,739,999</u>	<u>\$ 23,469,074</u>	<u>\$ 2,904,755</u>
<b>Other Long-Term Liabilities</b>					
Net Pension Liability - IMRF	\$ 1,618,300	\$ -	\$ 212,756	\$ 1,405,544	\$ -
Net Pension Liability - TRS	682,398	141,215	-	823,613	-
OPEB Obligation	25,553	26,337	-	51,890	-
Unamortized Bond Premium	425,852	-	90,920	334,932	90,920
Total Other Long-Term Liabilities	<u>\$ 2,752,103</u>	<u>\$ 167,552</u>	<u>\$ 303,676</u>	<u>\$ 2,615,979</u>	<u>\$ 90,920</u>
<b>Governmental Activities Long-Term Liabilities</b>	<u>\$ 28,961,176</u>	<u>\$ 167,552</u>	<u>\$ 3,043,675</u>	<u>\$ 26,085,053</u>	<u>\$ 2,995,675</u>

Long-term debt consisted of the following at June 30, 2017:

	Date of Issuance	Maturity Date	Interest Rate	Face Amount	Carrying Amount
General Obligation School Bonds, Series 1999	5/1/1999	12/1/2016	4.40% - 5.30%	\$ 9,326,744	\$ -
General Obligation School Bonds, Series 2004B	5/1/2004	6/1/2024	3.25% - 5.00%	15,984,547	8,564,566
General Obligation School Bonds, Series 2012	5/1/2012	1/1/2020	2.00% - 4.00%	5,775,000	5,650,000

At June 30, 2017, the annual debt services (excluding accreted interest) requirements to cover all outstanding debt are:

Year Ending June 30	Principal	Interest	Total
2018	\$ 1,486,454	\$ 1,719,546	\$ 3,206,000
2019	2,606,562	889,438	3,496,000
2020	3,630,000	145,200	3,775,200
2021	1,694,306	2,415,694	4,110,000
2022	1,711,576	2,728,424	4,440,000
2023	1,716,466	3,078,534	4,795,000
2024	1,369,202	3,805,798	5,175,000
	<u>\$ 14,214,566</u>	<u>\$ 14,782,634</u>	<u>\$ 28,997,200</u>

Various bond issues have been defeased by creating separate irrevocable trust funds. New debt was issued and the proceeds have been used to purchase U.S. government securities that were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded debt. As a result, the 2004 bond issue is considered to be partially defeased and the liability for the amount refunded on these bond issues has been removed from the District's liabilities. At June 30, 2017, a total of \$5,620,000 of defeased debt is still outstanding.



NOTES TO FINANCIAL STATEMENTS (Continued)

**NOTE 5 - INTERFUND LOANS**

There were no interfund loans at June 30, 2017.

**NOTE 6 - DEFICIT FUND BALANCE**

The Operations and Maintenance Fund had a deficit fund balance of \$228,806 at June 30, 2017.

**NOTE 7 - PROPERTY TAXES**

Property taxes receivable and unavailable revenue recorded in these financial statements are the 2016 tax levy. The unavailable revenue is 100% of the 2016 tax levy net of estimated uncollectible amounts. These taxes are unavailable as only a portion of the taxes are collected near the end of the fiscal year and the District does not consider the amounts to be available and does not budget for their use in fiscal year 2017. The District has determined that 100% of the amounts collected for the 2015 levy are allocable for use in fiscal year 2017. Therefore, 100% of the amounts collected for the 2015 and prior levies (\$13,590,148) are recorded in these financial statements as property tax revenue. A summary of the assessed valuations and extensions for tax years 2016, 2015, and 2014 is as follows:

ASSESSED VALUATION	2016		2015		2014	
	\$224,408,790		\$215,699,157		\$204,195,002	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	3.3399	\$ 7,495,000	3.4307	\$ 7,400,002	3.5000	\$ 7,146,825
Special Education	0.3743	840,000	0.3900	841,227	0.4000	816,780
Operations and Maintenance	0.5500	1,234,239	0.5500	1,186,345	0.5500	1,123,073
Bond and Interest	1.4429	3,238,062	1.3888	2,995,660	1.2964	2,647,211
Transportation	0.2674	600,000	0.1397	301,383	0.2656	542,291
Municipal Retirement	0.0446	100,001	0.1483	319,804	0.1520	310,289
Social Security	0.0697	156,494	0.1271	274,117	0.1343	274,203
SEDOL IMRF	0.0077	17,226	0.0076	16,492	0.0074	15,090
Liability Insurance	0.0602	135,002	0.0592	127,756	0.0855	174,564
Fire Prevention and Safety	0.0357	80,002	0.0321	69,326	0.0000	-
Working Cash	0.0201	45,001	0.0400	86,280	0.0500	102,098
	<u>6.2123</u>	<u>\$ 13,941,026</u>	<u>6.3136</u>	<u>\$ 13,618,393</u>	<u>6.4411</u>	<u>\$ 13,152,423</u>

**NOTE 8 - EXCESS OF EXPENDITURES OVER BUDGET**

For the year ended June 30, 2017, the following fund had expenditures that exceeded budget.

Fund	Budget	Actual	Excess of Actual Over Budget
General Fund	\$ 15,923,529	\$ 17,421,207	\$ 1,497,678

**NOTE 9 - OPERATING LEASES, AS LESSEE**

The District, as lessee, leases buses. Estimated minimum annual rentals are as follows:

Year Ending June 30	Amount
2018	\$ 82,510
2019	165,020
2020	231,020
2021	641,286
	<u>\$ 1,119,836</u>

The rental expense for all operating leases for the year ended June 30, 2017 was \$247,530.

**NOTE 10 - RETIREMENT FUND COMMITMENTS**

*A. 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 non-annuitants 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 <http://trs.illinois.gov/pubs/cafr.htm>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, 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 ten 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 ten 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% of final average salary up to a maximum of 75% with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with ten years of service, or a discounted annuity can be paid at age 62 with ten 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% 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 3% of the original benefit or ½% 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.

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% of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016 was 9.4% of creditable earnings. On July 1, 2016, the rate dropped to 9.0% of pay due to the expiration of the Early Retirement Option (ERO). The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

NOTES TO FINANCIAL STATEMENTS (Continued)

On-Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2017, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$5,430,686 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2017 were \$41,046 and are deferred because they were paid after the June 30, 2016 measurement date.

Federal and Special Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2017, the District pension contribution was 38.54% of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$0 were paid from federal and special trust funds that required District contributions of \$0. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

Employer 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 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% and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the District paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6% and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2017, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	823,613
State's proportionate share of the net pension liability associated with the District		55,298,874
Total Net Pension Liability	\$	<u>56,122,487</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 and rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the contributions of all

NOTES TO FINANCIAL STATEMENTS (Continued)

participating TRS employers and the State during that period. At June 30, 2016, the District's proportion was 0.0010433932%, which was an increase of 0.0001725% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$5,430,686 and revenue of \$5,430,686 for support provided by the State. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 6,090	\$ (559)	\$ 5,531
Net difference between projected and actual earnings on pension plan investments	23,269	-	23,269
Changes of assumptions	70,736	-	70,736
Changes in proportion and differences between employer contributions and proportionate share of contributions	915	(62,012)	(61,097)
Employer contributions subsequent to the measurement date	41,046	-	41,046
	<u>\$ 142,056</u>	<u>\$ (62,571)</u>	<u>\$ 79,485</u>

\$41,046 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year Ending June 30	
2018	\$ (4,967)
2019	(4,967)
2020	20,836
2021	24,019
2022	3,518
	<u>\$ 38,439</u>

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	varies by amount of service credit
Investment Rate of Return	7.0%, net of pension plan investment expenses, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.5% to 7%. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges

NOTES TO FINANCIAL STATEMENTS (Continued)

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S. bonds core	10.7%	2.44%
International debt developed	5.3%	1.70%
Real estate	15.0%	5.44%
Commodities (real return)	11.0%	4.28%
Hedge funds (absolute return)	8.0%	4.16%
Private Equity	14.0%	10.63%
Total	100.0%	

Discount Rate

At June 30, 2016, the discount rate used to measure total pension liability was a blended rate of 6.83%, which was a change from the June 30, 2015 rate of 7.47%. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS’s fiduciary net position at June 30, 2016 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I’s liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2015, the discount rate used to measure the total pension liability was 7.47%. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well because TRS’s fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

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

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.83%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.83%) or 1-percentage-point-higher (7.83%) than the current rate.

	1% Decrease 5.83%	Current Discount Rate 6.83%	1% Increase 7.83%
Employer’s proportionate share of the net pension liability	\$ 1,007,313	\$ 823,613	\$ 673,580

TRS Fiduciary Net Position

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

NOTES TO FINANCIAL STATEMENTS (Continued)

B. *Illinois Municipal Retirement Fund*

Plan Description

The District’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. 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. The report is available for download at [www.imrf.org](http://www.imrf.org).

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff’s Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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 ten 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 ten years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2016, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	30
Inactive plan members entitled to but not yet receiving benefits	97
Active plan members	89
Total	<u><u>216</u></u>

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2016 was 11.74%. For the fiscal year ended June 30, 2017, the District contributed \$248,716 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 components of the net pension liability of the IMRF as of December 31, 2016, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability/(Asset)	\$	6,517,892
IMRF Fiduciary Net Position		5,112,348
District's Net Pension Liability/(Asset)		1,405,544
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability		78.44%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the plan.

### Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2016 using the following actuarial methods and assumptions:

Assumptions	
Inflation	2.75%
Salary Increases	3.75% - 14.50% including inflation
Interest Rate	7.50%
Asset Valuation Method	Market value of assets
Projected Retirement Age	Experience-based Table of Rates that are specific to the type of eligibility condition, last updated for the 2014 valuation experience to an experience study of the period 2011 to 2013.

The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality

Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). 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

## NOTES TO FINANCIAL STATEMENTS (Continued)

ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

Asset Class	Target Allocation	Projected Return
Equities	38.0%	6.85%
International Equities	17.0%	6.75%
Fixed Income	27.0%	3.00%
Real Estate	8.0%	5.75%
Alternatives	9.0%	
Private Equity		7.35%
Hedge Funds		5.25%
Commodities		2.65%
Cash	1.0%	2.25%
	100.0%	

### Single Discount Rate

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:

1. 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
2. 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 this discount rate, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78%; and resulting single discount rate is 7.50%.

### Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2015	\$ 6,223,032	\$ 4,604,732	\$ 1,618,300
Changes for the year:			
Service Cost	\$ 245,646	\$ -	\$ 245,646
Interest on the Total Pension Liability	467,170	-	467,170
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(216,745)	-	(216,745)
Changes of Assumptions	(34,168)	-	(34,168)
Contributions - Employer	-	252,228	(252,228)
Contributions - Employee	-	96,681	(96,681)
Net Investment Income	-	317,440	(317,440)
Benefit Payments, including Refunds of Employee Contributions	(167,043)	(167,043)	-
Other (Net Transfer)	-	8,310	(8,310)
Net Changes	\$ 294,860	\$ 507,616	\$ (212,756)
Balances at December 31, 2016	\$ 6,517,892	\$ 5,112,348	\$ 1,405,544



NOTES TO FINANCIAL STATEMENTS (Continued)

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

The following presents the plan’s net pension liability, calculated using a Single Discount Rate of 7.50%, 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:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability/(Asset)	\$ 2,330,759	\$ 1,405,544	\$ 651,995

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

For the year ended June 30, 2017, the District recognized pension expense of \$375,122. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Expense in Future Periods</b>	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 65,900	\$ 163,022	\$ (97,122)
Changes of assumptions	82,302	25,699	56,603
Net difference between projected and actual earnings on pension plan investments	240,350	-	240,350
Total deferred amounts to be recognized in pension expense in future periods	\$ 388,552	\$ 188,721	\$ 199,831
Pension contributions made subsequent to the measurement date	124,738	-	124,738
Total deferred amounts related to pensions	<u>\$ 513,290</u>	<u>\$ 188,721</u>	<u>\$ 324,569</u>

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

Year Ending December 31	Net Deferred Outflows of Resources
2017	\$ 119,784
2018	63,693
2019	11,488
2020	4,866
2021	-
Thereafter	-
	<u>\$ 199,831</u>

**C. Social Security**

Employees not qualifying for coverage under the Teachers’ Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered “non-participating employees.” These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid the total required contribution for the current fiscal year.

**NOTE 11 - POST EMPLOYMENT BENEFIT COMMITMENTS**

*A. Teacher Health Insurance Security Fund (THIS)*

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year.

- On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12% of pay during the year ended June 30, 2017. State of Illinois contributions were \$79,262, and the District recognized revenue and expenditures of this amount during the year.

- Employer contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.84% during the year ended June 30, 2017. For the year ended June 30, 2017, the District paid \$59,446 to the THIS Fund, which was 100% of the required contribution.

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>).

*B. Retiree Insurance Plan*

Plan Overview

The District provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. The Plan, a single-employer defined benefit plan, provides pre- and post-Medicare postretirement healthcare benefits to all employees who work for the District and receive a pension from the District through IMRF or TRS. The Plan does not issue a stand-alone financial report.

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements.

NOTES TO FINANCIAL STATEMENTS (Continued)

Annual OPEB Cost and Net OPEB Obligation

The District’s annual OPEB cost (expense) is calculated based on annual required contributions (ARC) of the District, an amount determined on an actuarially determined basis in accordance with the parameters of GASB Statement No. 45. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period of 30 years. The following shows the components of the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the District’s net OPEB obligation to the plan:

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Annual required contribution	\$ 48,323
Interest on net OPEB obligation	1,022
Adjustment to annual required contribution	<u>(853)</u>
Annual OPEB cost (expense)	\$ 48,492
Contributions made	<u>22,155</u>
Increase/(decrease) in net OPEB obligation	\$ 26,337
Net OPEB obligation - beginning of year	<u>25,553</u>
Net OPEB obligation - end of year	<u><u>\$ 51,890</u></u>

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The following includes actuarial assumptions and methods:

Actuarial Cost Method	Entry Age Method
Amortization Period	Level Percent - 30 Years
Remaining Amortization Period	29 Years
Asset Valuation Method	N/A
Discount Rate	4%
Projected Salary Increases	4%
Healthcare Inflation Rate	.5% - 7.0% from 2017 - 2029 (Ultimate - 5.50%)

**NOTE 12 - INTERFUND TRANSFERS**

The following funds were transferred for the year ended June 30, 2017:

<u>Transfer from</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 150,000
General Fund	Operations and Maintenance Fund	50,000
General Fund	Operations and Maintenance Fund	3,273
Debt Services Fund	Operations and Maintenance Fund	1,310

The transfers from the General Fund and Debt Services Fund to the Operations and Maintenance Fund are transfers of interest. The transfers from the General Fund to the Capital Projects Fund and Operations and Maintenance Fund are to help cover capital expenses.

NOTES TO FINANCIAL STATEMENTS (Continued)

**NOTE 13 - JOINT VENTURE – SPECIAL EDUCATION DISTRICT OF LAKE COUNTY (SEDOL)**

The District and thirty-one other districts within Lake County have entered into a joint agreement to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the management council.

A summary of the Statement of Net Position of SEDOL at June 30, 2016 (most recent information available) is as follows:

Assets	\$ 64,479,032
Deferred Outflows of Resources	6,627,620
	<u>\$ 71,106,652</u>
Liabilities	\$ 25,632,826
Deferred Inflows of Resources	2,612,534
Net Position	42,861,292
	<u>\$ 71,106,652</u>
Revenues	\$ 72,241,356
Expenses	75,160,997
Net Increase/(Decrease) in Net Position	<u>\$ (2,919,641)</u>

Complete financial statements for SEDOL can be obtained from the Administrative Offices at 18160 Gages Lake Road, Gages Lake, Illinois 60030-1819.

**NOTE 14 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; and injuries to employees.

The District is a member of the Collective Liability Insurance Cooperative (CLIC), a joint risk management pool of school districts through which property, general liability, automobile liability, crime, excess property, excess liability, and boiler and machinery coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

The relationship between the District and CLIC is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The District is contractually obligated to make all annual and supplementary contributions for CLIC, to report claims on a timely basis, cooperate with CLIC, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by CLIC. Members have a contractual obligation to fund any deficit of CLIC attributable to a membership year during which they were a member.

CLIC is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. CLIC also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

The District is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experiences. Adjustments in premiums are recorded when paid or received.

During the year ended June 30, 2017, there were no significant reductions in insurance coverage. Also. There have been no settlement amounts that have exceeded insurance coverage for each of the past three years, including the current year. During the year ended June 30, 2017, there were no significant adjustments in premiums based on actual experience.

NOTES TO FINANCIAL STATEMENTS (Continued)

**NOTE 15 - CONTINGENCIES**

The District is not aware of any litigation which might have a material adverse effect on the District's financial position.

**NOTE 16 - LEGAL DEBT LIMITATION**

The Illinois School Code limits the amount of indebtedness to 6.9% of the most recent available equalized assessed valuation (EAV) of the District. The District's legal debt limitation is as follows:

2016 EAV	\$	224,408,790
Rate		<u>6.90%</u>
Debt Margin	\$	15,484,207
Current Debt		<u>14,214,566</u>
Remaining Debt Margin	\$	<u><u>1,269,641</u></u>

**NOTE 17 - NET POSITION ADJUSTMENT**

As of July 1, 2016, an adjustment was needed to the accretion interest payable. This resulted in an adjustment of \$1,176,002 on the Statement of Activities.

As of July 1, 2016, an adjustment was needed to reverse a transfer between the General Fund and Debt Services Fund of \$6,526. The net effect on the total fund balance of the District was \$0.

**NOTE 18 - SUBSEQUENT EVENTS**

Subsequent to June 30, 2017, the District entered into a capital lease with Apple for 925 iPads totaling \$457,428, which will be paid over 4 years.

REQUIRED SUPPLEMENTARY INFORMATION

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION  
LIABILITY AND RELATED RATIOS  
JUNE 30, 2017

	6/30/2017 *	6/30/2016 *	6/30/2015 *
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 245,646	\$ 230,920	\$ 229,710
Interest on the Total Pension Liability	467,170	421,385	364,946
Differences Between Expected and Actual Experience	(216,745)	106,283	39,209
Changes of Assumptions	(34,168)	16,846	257,103
Benefit Payments, Including Refunds of Member Contributions	(167,043)	(140,856)	(120,194)
Net Change in Total Pension Liability	<u>\$ 294,860</u>	<u>\$ 634,578</u>	<u>\$ 770,774</u>
Total Pension Liability - Beginning	<u>6,223,032</u>	<u>5,588,454</u>	<u>4,817,680</u>
Total Pension Liability - Ending	<u>\$ 6,517,892</u>	<u>\$ 6,223,032</u>	<u>\$ 5,588,454</u>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - Employer	\$ 252,228	\$ 248,313	\$ 219,930
Contributions - Member	96,681	102,456	90,297
Net Investment Income	317,440	22,735	250,138
Benefit Payments, Including Refunds of Member Contributions	(167,043)	(140,856)	(120,194)
Other (Net Transfers)	8,310	(70,049)	(3,638)
Net Change in Plan Fiduciary Net Position	<u>\$ 507,616</u>	<u>\$ 162,599</u>	<u>\$ 436,533</u>
Plan Net Position - Beginning	<u>4,604,732</u>	<u>4,442,133</u>	<u>4,005,600</u>
Plan Net Position - Ending	<u>\$ 5,112,348</u>	<u>\$ 4,604,732</u>	<u>\$ 4,442,133</u>
District's Net Pension Liability	<u>\$ 1,405,544</u>	<u>\$ 1,618,300</u>	<u>\$ 1,146,321</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	78.44%	73.99%	79.49%
Covered-Valuation Payroll	\$ 2,148,452	\$ 2,127,786	\$ 1,996,751
Employer's Net Pension Liability as a percentage of Covered-Valuation Payroll	65.42%	76.06%	57.41%

\* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF EMPLOYER CONTRIBUTION  
JUNE 30, 2017

	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Actuarially-Determined Contribution	\$ 252,228	\$ 248,313	\$ 220,441
Contributions in relation to Actuarially-Determined Contribution	<u>252,228</u>	<u>248,313</u>	<u>219,930</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 511</u>
Covered-Valuation Payroll	\$ 2,148,452	\$ 2,127,786	\$ 1,996,751
Contributions as a percentage of Covered-Valuation Payroll	11.74%	11.67%	11.01%

**Notes to Schedule:**

**Actuarial Method and Assumptions Used on the Calculation of the 2016 Contribution Rate \***

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.

**Actuarial Cost Method:** Aggregate entry age = normal

**Amortization Method:** Level percentage of payroll, closed

**Remaining Amortization Period:** 27-year closed period

**Asset Valuation Method:** 5-year smoothed market; 20% corridor

**Wage Growth:** 3.5%

**Price Inflation:** 2.75%, approximate; No explicit price inflation assumption is used in this valuation.

**Salary Increases:** 3.75% to 14.50%, including inflation

**Investment Rate of Return:** 7.50%

**Retirement Age:** Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

**Mortality:** RP-2014 Blue Collar Healthy Mortality Table, adjusted to match current IMRF experience. For disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

\*Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.



MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE  
 OF THE NET PENSION LIABILITY  
 JUNE 30, 2017

	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Employer's proportion of the Net Pension Liability	0.0010434%	0.0010417%	0.0010934%
Employer's proportionate share of the Net Pension Liability	\$ 823,613	\$ 682,398	\$ 665,447
State's proportionate share of the Net Pension Liability associated with the employer	<u>55,298,874</u>	<u>40,748,081</u>	<u>41,497,929</u>
Total	<u>\$ 56,122,487</u>	<u>\$ 41,430,479</u>	<u>\$ 42,163,376</u>
Employer's Covered-Employee Payroll	\$ 6,970,454	\$ 6,300,222	\$ 6,300,172
Employer's proportionate share of the Net Pension Liability as a percentage of Covered-Employee Payroll	11.82%	10.83%	10.56%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	36.40%	41.50%	43.00%

\* - The amounts presented were determined as of the prior fiscal-year end

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

**Changes of Assumptions:**

For the 2016 measurement year, the assumed investment rate of return was of 7.0%, including an inflation rate of 2.5% and a real return of 4.5%. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.5%, including an inflation rate of 3.0% and a real return of 4.5%. 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 7.5%, including an inflation rate of 3.0% and a real return of 4.5%. However, salary increases were assumed to vary by age.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
 SCHEDULE OF EMPLOYER CONTRIBUTION  
 JUNE 30, 2017

	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Statutorily-Required Contribution	\$ 40,428	\$ 38,630	\$ 36,541
Contributions in relation to the Statutorily-Required Contribution	<u>40,428</u>	<u>38,613</u>	<u>36,541</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ -</u>
Employer's Covered-Employee Payroll	\$ 6,970,454	\$ 6,300,222	\$ 6,300,172
Contributions as a percentage of Covered-Employee Payroll	0.58%	0.61%	0.58%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

\* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Property Taxes	\$ 8,455,263	\$ 8,455,263	\$ 8,438,930
Tuition	375,600	375,600	350,913
Earnings on Investments	4,050	4,050	3,900
Food Service	176,850	176,850	153,485
District/School Activity Income	115,025	115,025	113,824
Textbooks	650	650	520
Other Local Sources	292,850	292,850	279,789
State Aid			
Flow-Through Revenue	4,000	4,000	-
General State Aid	3,044,380	3,044,380	3,040,380
Special Education	711,500	711,500	751,219
Career and Technical Education	800	800	-
Bilingual	25,811	25,811	16,116
State Free Lunch and Breakfast	275	275	336
Other Restricted Revenue from State Sources	-	-	839
Federal Aid			
Food Service	63,052	63,052	54,917
Federal Special Education	145,771	145,771	131,087
Title II - Teacher Quality	17,933	17,933	13,459
Medicaid Matching Funds - Administrative Outreach	10,000	10,000	13,197
Medicaid Matching Funds - Fee-for-Service Program	13,000	13,000	17,070
On-Behalf Payments	3,000,000	3,000,000	5,509,948
<b>Total Revenues</b>	<b>\$ 16,456,810</b>	<b>\$ 16,456,810</b>	<b>\$ 18,889,929</b>
<b>EXPENDITURES</b>			
Instruction			
Regular Programs			
Salaries	\$ 4,561,713	\$ 4,561,713	\$ 4,163,780
Employee Benefits	910,640	910,640	744,099
Purchased Services	45,301	45,301	26,286
Supplies and Materials	247,025	247,025	120,957
Other Objects	1,035	1,035	1,041
Non-Capitalized Equipment	17,500	17,500	-
Termination Benefits	40,000	40,000	22,255
	<u>\$ 5,823,214</u>	<u>\$ 5,823,214</u>	<u>\$ 5,078,418</u>
Pre-K Programs			
Salaries	\$ -	\$ -	\$ 47,911
Employee Benefits	-	-	13,389
Purchased Services	-	-	1,330
Supplies and Materials	-	-	1,199
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,829</u>
Special Education Programs			
Salaries	\$ 1,416,951	\$ 1,416,951	\$ 1,386,375
Employee Benefits	389,022	389,022	338,445
Purchased Services	11,674	11,674	10,291
Supplies and Materials	69,833	69,833	21,185
Other Objects	-	-	782
Non-Capitalized Equipment	1,000	1,000	5,962
	<u>\$ 1,888,480</u>	<u>\$ 1,888,480</u>	<u>\$ 1,763,040</u>
Special Education Programs Pre-K			
Salaries	\$ 235,254	\$ 235,254	\$ 231,560
Employee Benefits	65,088	65,088	52,587
Purchased Services	100	100	-
Supplies and Materials	3,852	3,852	7,411
	<u>\$ 304,294</u>	<u>\$ 304,294</u>	<u>\$ 291,558</u>
Interscholastic Programs			
Salaries	\$ 136,822	\$ 136,822	\$ 128,988
Employee Benefits	800	800	685
Purchased Services	14,550	14,550	10,951
Supplies and Materials	8,900	8,900	2,884
Other Objects	3,400	3,400	2,050
Non-Capitalized Equipment	3,000	3,000	-
	<u>\$ 167,472</u>	<u>\$ 167,472</u>	<u>\$ 145,558</u>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Instruction (Continued)			
Gifted Programs			
Salaries	\$ 167,544	\$ 167,544	\$ 167,699
Employee Benefits	27,516	27,516	22,883
Supplies and Materials	4,600	4,600	230
Other Objects	300	300	-
	<u>\$ 199,960</u>	<u>\$ 199,960</u>	<u>\$ 190,812</u>
Bilingual Programs			
Salaries	\$ 75,172	\$ 75,172	\$ 79,251
Employee Benefits	9,805	9,805	9,600
Purchased Services	75	75	-
Supplies and Materials	350,200	6,200	4,165
	<u>\$ 435,252</u>	<u>\$ 91,252</u>	<u>\$ 93,016</u>
Private Tuition - Other Objects			
Special Education Programs K-12	\$ 350,000	\$ 350,000	\$ 431,033
	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ 431,033</u>
<b>Total Instruction</b>	<u>\$ 9,168,672</u>	<u>\$ 8,824,672</u>	<u>\$ 8,057,264</u>
Support Services			
Pupils			
Attendance and Social Work Services			
Salaries	\$ 175,693	\$ 175,693	\$ 185,342
Employee Benefits	35,365	35,365	34,930
Supplies and Materials	2,300	2,300	3,078
Other Objects	-	-	100
	<u>\$ 213,358</u>	<u>\$ 213,358</u>	<u>\$ 223,450</u>
Health Services			
Salaries	\$ 152,671	\$ 152,671	\$ 162,497
Employee Benefits	9,743	9,743	3,478
Purchased Services	21,550	21,550	22,683
Supplies and Materials	6,350	6,350	4,671
Non-Capitalized Equipment	1,500	1,500	-
	<u>\$ 191,814</u>	<u>\$ 191,814</u>	<u>\$ 193,329</u>
Psychological Services			
Salaries	\$ 133,035	\$ 133,035	\$ 134,318
Employee Benefits	28,135	28,135	23,359
Purchased Services	2,500	2,500	4,670
Supplies and Materials	2,900	2,900	5,977
Non-Capitalized Equipment	-	-	2,182
	<u>\$ 166,570</u>	<u>\$ 166,570</u>	<u>\$ 170,506</u>
Speech Pathology and Audiology Services			
Salaries	\$ 273,476	\$ 273,476	\$ 276,366
Employee Benefits	63,594	63,594	55,542
Purchased Services	-	-	5,288
Supplies and Materials	3,000	3,000	7,252
Non-Capitalized Equipment	-	-	1,168
	<u>\$ 340,070</u>	<u>\$ 340,070</u>	<u>\$ 345,616</u>
Other Support Services - Pupils			
Salaries	\$ 17,550	\$ 17,550	\$ 9,530
Employee Benefits	100	100	55
Purchased Services	300	300	-
Supplies and Materials	4,350	4,350	3,660
	<u>\$ 22,300</u>	<u>\$ 22,300</u>	<u>\$ 13,245</u>
<b>Total Support Services - Pupils</b>	<u>\$ 934,112</u>	<u>\$ 934,112</u>	<u>\$ 946,146</u>
Instructional Staff			
Improvement of Instruction Services			
Salaries	\$ 230,042	\$ 230,042	\$ 149,104
Employee Benefits	70,510	70,510	72,282
Purchased Services	90,006	90,006	64,388
Supplies and Materials	2,500	2,500	891
	<u>\$ 393,058</u>	<u>\$ 393,058</u>	<u>\$ 286,665</u>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Instructional Staff (Continued)			
Educational Media Services			
Salaries	\$ 125,349	\$ 125,349	\$ 121,841
Employee Benefits	44,022	44,022	36,527
Purchased Services	23,867	23,867	21,553
Supplies and Materials	14,775	14,775	12,578
Other Objects	200	200	150
Non-Capitalized Equipment	13,016	13,016	11,967
	<u>\$ 221,229</u>	<u>\$ 221,229</u>	<u>\$ 204,616</u>
Assessment and Testing			
Purchased Services	\$ 76,444	\$ 76,444	\$ 52,458
Supplies and Materials	1,050	1,050	1,093
	<u>\$ 77,494</u>	<u>\$ 77,494</u>	<u>\$ 53,551</u>
Total Support Services - Instructional Staff	<u>\$ 691,781</u>	<u>\$ 691,781</u>	<u>\$ 544,832</u>
General Administration			
Board of Education Services			
Salaries	\$ 2,400	\$ 2,400	\$ 2,400
Employee Benefits	48,777	48,777	46,576
Purchased Services	178,250	178,250	213,681
Supplies and Materials	7,000	7,000	5,801
Other Objects	11,750	11,750	14,354
	<u>\$ 248,177</u>	<u>\$ 248,177</u>	<u>\$ 282,812</u>
Executive Administration Services			
Salaries	\$ 379,982	\$ 379,982	\$ 387,672
Employee Benefits	19,755	19,755	38,718
Purchased Services	1,000	1,000	1,046
Supplies and Materials	700	700	90
Other Objects	5,100	5,100	2,977
	<u>\$ 406,537</u>	<u>\$ 406,537</u>	<u>\$ 430,503</u>
Special Area Administration Services			
Supplies and Materials	\$ -	\$ -	\$ 193
Other Objects	200	200	130
	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 323</u>
Tort Immunity Services			
Purchased Services	\$ 65,000	\$ 65,000	\$ 53,644
	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ 53,644</u>
Total Support Services - General Administration	<u>\$ 719,914</u>	<u>\$ 719,914</u>	<u>\$ 767,282</u>
School Administration			
Office of the Principal Services			
Salaries	\$ 435,885	\$ 435,885	\$ 453,783
Employee Benefits	149,330	149,330	145,177
Purchased Services	5,200	5,200	2,212
Supplies and Materials	4,750	4,750	4,649
Other Objects	2,000	2,000	414
	<u>\$ 597,165</u>	<u>\$ 597,165</u>	<u>\$ 606,235</u>
Total Support Services - School Administration	<u>\$ 597,165</u>	<u>\$ 597,165</u>	<u>\$ 606,235</u>
Business			
Direction of Business Support Services			
Salaries	\$ 59,765	\$ 59,765	\$ 62,936
Employee Benefits	6,046	6,046	5,993
	<u>\$ 65,811</u>	<u>\$ 65,811</u>	<u>\$ 68,929</u>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Business (Continued)			
Fiscal Services			
Salaries	\$ 117,810	\$ 117,810	\$ 105,419
Employee Benefits	19,185	19,185	18,703
Purchased Services	52,350	52,350	37,336
Supplies and Materials	3,200	3,200	2,763
Other Objects	1,600	1,600	1,335
Non-Capitalized Equipment	1,500	1,500	4,912
	<u>\$ 195,645</u>	<u>\$ 195,645</u>	<u>\$ 170,468</u>
Operations and Maintenance			
Supplies and Materials	\$ 250	\$ 250	\$ 172
Non-Capitalized Equipment	1,500	1,500	-
	<u>\$ 1,750</u>	<u>\$ 1,750</u>	<u>\$ 172</u>
Total Support Services - Business	<u>\$ 263,206</u>	<u>\$ 263,206</u>	<u>\$ 239,569</u>
Food Services			
Salaries	\$ 32,821	\$ 32,821	\$ 24,853
Employee Benefits	327	327	377
Purchased Services	193,500	193,500	174,706
Supplies and Materials	3,500	3,500	3,205
Other Objects	600	600	750
Non-Capitalized Equipment	6,000	6,000	1,263
	<u>\$ 236,748</u>	<u>\$ 236,748</u>	<u>\$ 205,154</u>
Total Support Services - Food Services	<u>\$ 236,748</u>	<u>\$ 236,748</u>	<u>\$ 205,154</u>
Central			
Data Processing Services			
Purchased Services	\$ 83,675	\$ 83,675	\$ 87,522
Supplies and Materials	120,000	120,000	88,226
Non-Capitalized Equipment	87,830	87,830	23,791
	<u>\$ 291,505</u>	<u>\$ 291,505</u>	<u>\$ 199,539</u>
Total Support Services - Central	<u>\$ 291,505</u>	<u>\$ 291,505</u>	<u>\$ 199,539</u>
Total Support Services	<u>\$ 3,734,431</u>	<u>\$ 3,734,431</u>	<u>\$ 3,508,757</u>
Community Services			
Salaries	\$ 112,675	\$ 112,675	\$ 83,850
Employee Benefits	32,775	32,775	25,598
Purchased Services	12,750	12,750	4,514
Supplies and Materials	3,500	3,500	2,336
Other Objects	1,500	1,500	-
Non-Capitalized Equipment	1,500	1,500	-
Total Community Services	<u>\$ 164,700</u>	<u>\$ 164,700</u>	<u>\$ 116,298</u>
Payments to Other Districts and Governmental Units			
Payments to Other Districts and Governmental Units (In-State)			
Payments for Regular Programs			
Purchased Services	\$ 39,726	\$ 39,726	\$ 49,304
Other Objects	3,000	3,000	2,610
	<u>\$ 42,726</u>	<u>\$ 42,726</u>	<u>\$ 51,914</u>
Payments for Special Education Programs			
Other Objects	\$ 135,000	\$ 135,000	\$ 155,082
	<u>\$ 135,000</u>	<u>\$ 135,000</u>	<u>\$ 155,082</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 177,726</u>	<u>\$ 177,726</u>	<u>\$ 206,996</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 177,726</u>	<u>\$ 177,726</u>	<u>\$ 206,996</u>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Capital Outlay			
Instruction			
Regular Programs	\$ -	\$ -	\$ 6,875
Support Services			
Central	22,000	22,000	15,069
	<u>\$ 22,000</u>	<u>\$ 22,000</u>	<u>\$ 21,944</u>
On-Behalf Payments	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 5,509,948</u>
Total Expenditures	<u>\$ 16,267,529</u>	<u>\$ 15,923,529</u>	<u>\$ 17,421,207</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 189,281</u>	<u>\$ 533,281</u>	<u>\$ 1,468,722</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	\$ -	\$ (200,000)	\$ (200,000)
Interest Transfers	(3,500)	(3,500)	(3,273)
	<u>\$ (3,500)</u>	<u>\$ (203,500)</u>	<u>\$ (203,273)</u>
NET CHANGE IN FUND BALANCE	\$ 185,781	\$ 329,781	\$ 1,265,449
FUND BALANCE - JULY 1, 2016	3,990,541	3,990,541	(1,230,850)
FUND BALANCE ADJUSTMENT (Note 17)			6,526
FUND BALANCE - JUNE 30, 2017	<u>\$ 4,176,322</u>	<u>\$ 4,320,322</u>	<u>\$ 41,125</u>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND  
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Property Taxes	\$ 1,186,345	\$ 1,186,345	\$ 1,183,466
Earnings on Investments	250	250	196
Other Local Sources	286,806	286,806	331,669
<b>Total Revenues</b>	<b>\$ 1,473,401</b>	<b>\$ 1,473,401</b>	<b>\$ 1,515,331</b>
<b>EXPENDITURES</b>			
Support Services			
Facilities Acquisition and Construction			
Purchased Services	\$ 1,500	\$ 1,500	\$ -
Non-Capitalized Equipment	-	-	3,696
<b>Total Support Services - Facilities Acquisition and Construction</b>	<b>\$ 1,500</b>	<b>\$ 1,500</b>	<b>\$ 3,696</b>
Operations and Maintenance			
Salaries	\$ 520,500	\$ 520,500	\$ 501,689
Employee Benefits	109,349	109,349	108,280
Purchased Services	307,100	307,100	309,875
Supplies and Materials	433,750	433,750	345,559
Other Objects	2,050	2,050	720
Non-Capitalized Equipment	17,000	17,000	18,106
<b>Total Support Services - Operations and Maintenance</b>	<b>\$ 1,389,749</b>	<b>\$ 1,389,749</b>	<b>\$ 1,284,229</b>
<b>Total Support Services</b>	<b>\$ 1,391,249</b>	<b>\$ 1,391,249</b>	<b>\$ 1,287,925</b>
Payments to Other Districts and Governmental Units			
Payments to Other Districts and Governmental Units (In-State)			
Payments for Special Education Programs	\$ 31,009	\$ 31,009	\$ 31,285
Other Objects	-	-	-
	<b>\$ 31,009</b>	<b>\$ 31,009</b>	<b>\$ 31,285</b>
<b>Total Payments to Other Districts and Governmental Units (In-State)</b>	<b>\$ 31,009</b>	<b>\$ 31,009</b>	<b>\$ 31,285</b>
<b>Total Payments to Other Districts and Governmental Units</b>	<b>\$ 31,009</b>	<b>\$ 31,009</b>	<b>\$ 31,285</b>
Capital Outlay			
Support Services			
Operations and Maintenance	\$ 51,000	\$ 51,000	\$ 54,914
	<b>\$ 51,000</b>	<b>\$ 51,000</b>	<b>\$ 54,914</b>
<b>Total Expenditures</b>	<b>\$ 1,473,258</b>	<b>\$ 1,473,258</b>	<b>\$ 1,374,124</b>
<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 143</b>	<b>\$ 143</b>	<b>\$ 141,207</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfers	\$ -	\$ 50,000	\$ 50,000
Interest Transfers	-	-	4,583
	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 54,583</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 143</b>	<b>\$ 50,143</b>	<b>\$ 195,790</b>
<b>FUND BALANCE - JULY 1, 2016</b>	<b>214,277</b>	<b>214,277</b>	<b>(424,596)</b>
<b>FUND BALANCE - JUNE 30, 2017</b>	<b>\$ 214,420</b>	<b>\$ 264,420</b>	<b>\$ (228,806)</b>

See Accompanying Independent Auditor's Report



MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - TRANSPORTATION FUND  
YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>
<b>REVENUES</b>		
Property Taxes	\$ 301,384	\$ 300,067
Transportation Fees	23,660	17,427
Earnings on Investments	1,300	83
Other Local Sources	-	1,443
State Aid		
Transportation	517,262	610,502
<b>Total Revenues</b>	<b>\$ 843,606</b>	<b>\$ 929,522</b>
<b>EXPENDITURES</b>		
Support Services		
Pupils		
Other Support Services - Pupils		
Purchased Services	\$ -	\$ 8,424
<b>Total Support Services - Pupils</b>	<b>\$ -</b>	<b>\$ 8,424</b>
Transportation		
Salaries	\$ 557,909	\$ 514,456
Employee Benefits	78,822	63,273
Purchased Services	105,450	68,790
Supplies and Materials	82,450	57,452
Other Objects	450	346
Non-Capitalized Equipment	3,000	-
<b>Total Support Services - Transportation</b>	<b>\$ 828,081</b>	<b>\$ 704,317</b>
<b>Total Support Services</b>	<b>\$ 828,081</b>	<b>\$ 712,741</b>
Capital Outlay		
Support Services		
Transportation	\$ 165,020	\$ 247,530
Other Support Services	-	-
Community Services	-	-
	<b>\$ 165,020</b>	<b>\$ 247,530</b>
<b>Total Expenditures</b>	<b>\$ 993,101</b>	<b>\$ 960,271</b>
<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (149,495)</b>	<b>\$ (30,749)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Interest Transfers	5,500	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (143,995)</b>	<b>\$ (30,749)</b>
<b>FUND BALANCE - JULY 1, 2016</b>	<b>262,167</b>	<b>208,400</b>
<b>FUND BALANCE - JUNE 30, 2017</b>	<b>\$ 118,172</b>	<b>\$ 177,651</b>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
 YEAR ENDED JUNE 30, 2017

	Budgeted Amounts	Actual Amounts
	<u>Original and Final</u>	
<b>REVENUES</b>		
Property Taxes	\$ 319,804	\$ 319,561
Special Education Purposes Levy	16,492	16,053
FICA/Medicare Only Purposes Levies	274,116	272,980
Payments in Lieu of Taxes	18,750	20,753
Earnings on Investments	500	549
<b>Total Revenues</b>	<b><u>\$ 629,662</u></b>	<b><u>\$ 629,896</u></b>
<b>EXPENDITURES</b>		
Instruction		
Regular Programs		
Employee Benefits	\$ 101,582	\$ 90,781
Pre-K Programs		
Employee Benefits	-	588
Special Education Programs		
Employee Benefits	105,025	98,647
Special Education Programs - Pre-K		
Employee Benefits	11,400	2,612
Interscholastic Programs		
Employee Benefits	2,000	2,428
Gifted Programs		
Employee Benefits	2,500	2,246
Bilingual Programs		
Employee Benefits	4,000	3,816
<b>Total Instruction</b>	<b><u>\$ 226,507</u></b>	<b><u>\$ 201,118</u></b>
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	\$ 2,550	\$ 16,900
Health Services		
Employee Benefits	25,150	15,612
Psychological Services		
Employee Benefits	2,000	1,759
Speech Pathology and Audiology Services		
Employee Benefits	4,000	3,816
Other Support Services - Pupils		
Employee Benefits	2,000	138
<b>Total Supports Services - Pupils</b>	<b><u>\$ 35,700</u></b>	<b><u>\$ 38,225</u></b>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ 22,300	\$ 8,838
Educational Media Services		
Employee Benefits	11,150	10,303
<b>Total Support Services - Instructional Staff</b>	<b><u>\$ 33,450</u></b>	<b><u>\$ 19,141</u></b>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
General Administration		
Board of Education Services		
Employee Benefits	\$ 500	\$ 464
Executive Administration Services		
Employee Benefits	15,100	17,785
Total Support Services - General Administration	<u>\$ 15,600</u>	<u>\$ 18,249</u>
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 35,000	\$ 34,078
Total Support Services - School Administration	<u>\$ 35,000</u>	<u>\$ 34,078</u>
Business		
Direction of Business Support Services		
Employee Benefits	\$ 900	\$ 895
Fiscal Services		
Employee Benefits	14,000	8,290
Total Support Services - Business	<u>\$ 14,900</u>	<u>\$ 9,185</u>
Pupil Transportation Services		
Employee Benefits	108,200	94,408
Total Support Services - Pupil Transportation Services	<u>\$ 108,200</u>	<u>\$ 94,408</u>
Operations and Maintenance		
Employee Benefits	\$ 101,000	\$ 90,866
Total Support Services - Operations and Maintenance	<u>\$ 101,000</u>	<u>\$ 90,866</u>
Food Services		
Employee Benefits	\$ 4,155	\$ -
Total Support Services - Food Services	<u>\$ 4,155</u>	<u>\$ -</u>
Total Support Services	<u>\$ 348,005</u>	<u>\$ 304,152</u>
Community Services		
Employee Benefits	\$ 33,500	\$ 15,863
Total Community Services	<u>\$ 33,500</u>	<u>\$ 15,863</u>
Payments to Other Districts and Governmental Units		
Payments for Special Education Programs		
Employee Benefits	\$ -	\$ 16,491
Total Payments to Other Districts and Governmental Units	<u>\$ -</u>	<u>\$ 16,491</u>
Total Expenditures	<u>\$ 608,012</u>	<u>\$ 537,624</u>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
 YEAR ENDED JUNE 30, 2017

	Budgeted Amounts Original and Final	Actual Amounts
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 21,650	\$ 92,272
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ 21,650	\$ 92,272
FUND BALANCE - JULY 1, 2016	491,619	158,058
FUND BALANCE - JUNE 30, 2017	\$ 513,269	\$ 250,330

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 JUNE 30, 2017

**NOTE 1 - BUDGETARY PROCESS**

The District follows procedures mandated by Illinois State law and District Board policy to establish the budgetary data reflected in its financial statements. The budget was passed on September 26, 2016 and amended on June 26, 2017. The cash basis budgeted amounts in this report are the result of full compliance with the following procedures:

For each fund, total fund expenditures may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. 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.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

**NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET**

For the year ended June 30, 2016, the following fund presented as Required Supplementary Information had expenditures that exceeded budget.

Fund	Budget	Actual	Excess of Actual Over Budget
General Fund	\$ 15,923,529	\$ 17,421,207	\$ 1,497,678

SUPPLEMENTAL FINANCIAL INFORMATION

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
 COMBINING BALANCE SHEET  
 GENERAL FUND  
 JUNE 30, 2017

	Educational Fund	Working Cash Fund	Tort Immunity Fund	Total General Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,660,641	\$ 366,941	\$ 138,064	\$ 5,165,646
Property Taxes Receivable, net of allowance of \$21,288	4,027,172	21,742	65,228	4,114,142
Accounts Receivable, net of allowance of \$0	38,676	-	-	38,676
Due from Other Governments, net of allowance of \$0	410,523	-	-	410,523
Prepaid Items	137,194	-	88,925	226,119
<b>Total Assets</b>	<b><u>\$ 9,274,206</u></b>	<b><u>\$ 388,683</u></b>	<b><u>\$ 292,217</u></b>	<b><u>\$ 9,955,106</u></b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable and Accrued Expenses	\$ 297,740	\$ -	\$ -	\$ 297,740
Payroll Liabilities	1,006,430	-	-	1,006,430
Unearned Revenue - Registration Fees	116,095	-	-	116,095
<b>Total Liabilities</b>	<b><u>\$ 1,420,265</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,420,265</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	\$ 8,314,163	\$ 44,888	\$ 134,665	\$ 8,493,716
<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 8,314,163</u></b>	<b><u>\$ 44,888</u></b>	<b><u>\$ 134,665</u></b>	<b><u>\$ 8,493,716</u></b>
<b>FUND BALANCE</b>				
Nonspendable				
Prepaid Items	\$ 137,194	\$ -	\$ 88,925	\$ 226,119
Unassigned	(597,416)	343,795	68,627	(184,994)
<b>Total Fund Balance</b>	<b><u>\$ (460,222)</u></b>	<b><u>\$ 343,795</u></b>	<b><u>\$ 157,552</u></b>	<b><u>\$ 41,125</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b><u>\$ 9,274,206</u></b>	<b><u>\$ 388,683</u></b>	<b><u>\$ 292,217</u></b>	<b><u>\$ 9,955,106</u></b>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2017

	Educational Fund	Working Cash Fund	Tort Immunity Fund	Total General Fund
<b>REVENUES</b>				
Property Taxes	\$ 8,225,648	\$ 85,418	\$ 127,864	\$ 8,438,930
Tuition	350,913	-	-	350,913
Earnings on Investments	3,278	420	202	3,900
Food Service	153,485	-	-	153,485
District/School Activity Income	113,824	-	-	113,824
Textbooks	520	-	-	520
Other Local Sources	279,789	-	-	279,789
State Aid	3,808,890	-	-	3,808,890
Federal Aid	229,730	-	-	229,730
On-Behalf Payments	5,509,948	-	-	5,509,948
	<u>\$ 18,676,025</u>	<u>\$ 85,838</u>	<u>\$ 128,066</u>	<u>\$ 18,889,929</u>
<b>EXPENDITURES</b>				
Current				
Instruction				
Regular Programs	\$ 5,142,247	\$ -	\$ -	\$ 5,142,247
Special Education Programs	2,054,598	-	-	2,054,598
Other Instructional Programs	860,419	-	-	860,419
Support Services				
Pupils	946,146	-	-	946,146
Instructional Staff	544,832	-	-	544,832
General Administration	599,597	-	167,685	767,282
School Administration	606,235	-	-	606,235
Business	239,569	-	-	239,569
Food Services	205,154	-	-	205,154
Central	199,539	-	-	199,539
Community Services	116,298	-	-	116,298
Payments to Other Districts and Governmental Units	206,996	-	-	206,996
Capital Outlay	21,944	-	-	21,944
On-Behalf Payments	5,509,948	-	-	5,509,948
	<u>\$ 17,253,522</u>	<u>\$ -</u>	<u>\$ 167,685</u>	<u>\$ 17,421,207</u>
<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>\$ 1,422,503</u>	<u>\$ 85,838</u>	<u>\$ (39,619)</u>	<u>\$ 1,468,722</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund Transfers	\$ (200,000)	\$ -	\$ -	\$ (200,000)
Interest Transfers	(3,273)	-	-	(3,273)
	<u>\$ (203,273)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (203,273)</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	\$ 1,219,230	\$ 85,838	\$ (39,619)	\$ 1,265,449
FUND BALANCE - JULY 1, 2016	(1,685,978)	257,957	197,171	(1,230,850)
FUND BALANCE ADJUSTMENT (Note 17)	6,526	-	-	6,526
FUND BALANCE - JUNE 30, 2017	<u>\$ (460,222)</u>	<u>\$ 343,795</u>	<u>\$ 157,552</u>	<u>\$ 41,125</u>

See Accompanying Independent Auditor's Report



MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Property Taxes	\$ 8,241,227	\$ 8,241,227	\$ 8,225,648
Tuition	375,600	375,600	350,913
Earnings on Investments	3,500	3,500	3,278
Food Service	176,850	176,850	153,485
District/School Activity Income	115,025	115,025	113,824
Textbooks	650	650	520
Other Local Sources	292,850	292,850	279,789
State Aid			
Flow-Through Revenue	4,000	4,000	-
General State Aid	3,044,380	3,044,380	3,040,380
Special Education	711,500	711,500	751,219
Career and Technical Education	800	800	-
Bilingual	25,811	25,811	16,116
State Free Lunch and Breakfast	275	275	336
Other Restricted Revenue from State Sources	-	-	839
Federal Aid			
Food Service	63,052	63,052	54,917
Federal Special Education	145,771	145,771	131,087
Title II - Eisenhower Professional Development Formula	17,933	-	-
Title II - Teacher Quality	-	17,933	13,459
Medicaid Matching Funds - Administrative Outreach	10,000	10,000	13,197
Medicaid Matching Funds - Fee-for-Service Program	13,000	13,000	17,070
On-Behalf Payments	3,000,000	3,000,000	5,509,948
<b>Total Revenues</b>	<b>\$ 16,242,224</b>	<b>\$ 16,242,224</b>	<b>\$ 18,676,025</b>
<b>EXPENDITURES</b>			
Instruction			
Regular Programs			
Salaries	\$ 4,561,713	\$ 4,561,713	\$ 4,163,780
Employee Benefits	910,640	910,640	744,099
Purchased Services	45,301	45,301	26,286
Supplies and Materials	247,025	247,025	120,957
Other Objects	1,035	1,035	1,041
Non-Capitalized Equipment	17,500	17,500	-
Termination Benefits	40,000	40,000	22,255
	<u>\$ 5,823,214</u>	<u>\$ 5,823,214</u>	<u>\$ 5,078,418</u>
Pre-K Programs			
Salaries	\$ -	\$ -	\$ 47,911
Employee Benefits	-	-	13,389
Purchased Services	-	-	1,330
Supplies and Materials	-	-	1,199
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,829</u>
Special Education Programs			
Salaries	\$ 1,416,951	\$ 1,416,951	\$ 1,386,375
Employee Benefits	389,022	389,022	338,445
Purchased Services	11,674	11,674	10,291
Supplies and Materials	69,833	69,833	21,185
Other Objects	-	-	782
Non-Capitalized Equipment	1,000	1,000	5,962
	<u>\$ 1,888,480</u>	<u>\$ 1,888,480</u>	<u>\$ 1,763,040</u>
Special Education Programs Pre-K			
Salaries	\$ 235,254	\$ 235,254	\$ 231,560
Employee Benefits	65,088	65,088	52,587
Purchased Services	100	100	-
Supplies and Materials	3,852	3,852	7,411
	<u>\$ 304,294</u>	<u>\$ 304,294</u>	<u>\$ 291,558</u>
Interscholastic Programs			
Salaries	\$ 136,822	\$ 136,822	\$ 128,988
Employee Benefits	800	800	685
Purchased Services	14,550	14,550	10,951
Supplies and Materials	8,900	8,900	2,884
Other Objects	3,400	3,400	2,050
Non-Capitalized Equipment	3,000	3,000	-
	<u>\$ 167,472</u>	<u>\$ 167,472</u>	<u>\$ 145,558</u>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Instruction (Continued)			
Gifted Programs			
Salaries	\$ 167,544	\$ 167,544	\$ 167,699
Employee Benefits	27,516	27,516	22,883
Supplies and Materials	4,600	4,600	230
Other Objects	300	300	-
	<u>\$ 199,960</u>	<u>\$ 199,960</u>	<u>\$ 190,812</u>
Bilingual Programs			
Salaries	\$ 75,172	\$ 75,172	\$ 79,251
Employee Benefits	9,805	9,805	9,600
Purchased Services	75	75	-
Supplies and Materials	350,200	6,200	4,165
	<u>\$ 435,252</u>	<u>\$ 91,252</u>	<u>\$ 93,016</u>
Private Tuition - Other Objects			
Special Education Programs K-12	\$ 350,000	\$ 350,000	\$ 431,033
	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ 431,033</u>
<b>Total Instruction</b>	<u>\$ 9,168,672</u>	<u>\$ 8,824,672</u>	<u>\$ 8,057,264</u>
Support Services			
Pupils			
Attendance and Social Work Services			
Salaries	\$ 175,693	\$ 175,693	\$ 185,342
Employee Benefits	35,365	35,365	34,930
Supplies and Materials	2,300	2,300	3,078
Other Objects	-	-	100
	<u>\$ 213,358</u>	<u>\$ 213,358</u>	<u>\$ 223,450</u>
Health Services			
Salaries	\$ 152,671	\$ 152,671	\$ 162,497
Employee Benefits	9,743	9,743	3,478
Purchased Services	21,550	21,550	22,683
Supplies and Materials	6,350	6,350	4,671
Non-Capitalized Equipment	1,500	1,500	-
	<u>\$ 191,814</u>	<u>\$ 191,814</u>	<u>\$ 193,329</u>
Psychological Services			
Salaries	\$ 133,035	\$ 133,035	\$ 134,318
Employee Benefits	28,135	28,135	23,359
Purchased Services	2,500	2,500	4,670
Supplies and Materials	2,900	2,900	5,977
Non-Capitalized Equipment	-	-	2,182
	<u>\$ 166,570</u>	<u>\$ 166,570</u>	<u>\$ 170,506</u>
Speech Pathology and Audiology Services			
Salaries	\$ 273,476	\$ 273,476	\$ 276,366
Employee Benefits	63,594	63,594	55,542
Purchased Services	-	-	5,288
Supplies and Materials	3,000	3,000	7,252
Non-Capitalized Equipment	-	-	1,168
	<u>\$ 340,070</u>	<u>\$ 340,070</u>	<u>\$ 345,616</u>
Other Support Services - Pupils			
Salaries	\$ 17,550	\$ 17,550	\$ 9,530
Employee Benefits	100	100	55
Purchased Services	300	300	-
Supplies and Materials	4,350	4,350	3,660
	<u>\$ 22,300</u>	<u>\$ 22,300</u>	<u>\$ 13,245</u>
<b>Total Support Services - Pupils</b>	<u>\$ 934,112</u>	<u>\$ 934,112</u>	<u>\$ 946,146</u>
Instructional Staff			
Improvement of Instruction Services			
Salaries	\$ 230,042	\$ 230,042	\$ 149,104
Employee Benefits	70,510	70,510	72,282
Purchased Services	90,006	90,006	64,388
Supplies and Materials	2,500	2,500	891
	<u>\$ 393,058</u>	<u>\$ 393,058</u>	<u>\$ 286,665</u>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Instructional Staff			
Educational Media Services			
Salaries	\$ 125,349	\$ 125,349	\$ 121,841
Employee Benefits	44,022	44,022	36,527
Purchased Services	23,867	23,867	21,553
Supplies and Materials	14,775	14,775	12,578
Other Objects	200	200	150
Non-Capitalized Equipment	13,016	13,016	11,967
	<u>\$ 221,229</u>	<u>\$ 221,229</u>	<u>\$ 204,616</u>
Assessment and Testing			
Purchased Services	\$ 76,444	\$ 76,444	\$ 52,458
Supplies and Materials	1,050	1,050	1,093
	<u>\$ 77,494</u>	<u>\$ 77,494</u>	<u>\$ 53,551</u>
<b>Total Support Services - Instructional Staff</b>	<u>\$ 691,781</u>	<u>\$ 691,781</u>	<u>\$ 544,832</u>
General Administration			
Board of Education Services			
Salaries	\$ 2,400	\$ 2,400	\$ 2,400
Employee Benefits	48,777	48,777	46,576
Purchased Services	50,250	50,250	45,996
Supplies and Materials	7,000	7,000	5,801
Other Objects	11,750	11,750	14,354
	<u>\$ 120,177</u>	<u>\$ 120,177</u>	<u>\$ 115,127</u>
Executive Administration Services			
Salaries	\$ 379,982	\$ 379,982	\$ 387,672
Employee Benefits	19,755	19,755	38,718
Purchased Services	1,000	1,000	1,046
Supplies and Materials	700	700	90
Other Objects	5,100	5,100	2,977
	<u>\$ 406,537</u>	<u>\$ 406,537</u>	<u>\$ 430,503</u>
Special Area Administration Services			
Supplies and Materials	\$ -	\$ -	\$ 193
Other Objects	200	200	130
	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 323</u>
Tort Immunity Services			
Purchased Services	\$ 65,000	\$ 65,000	\$ 53,644
	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ 53,644</u>
<b>Total Support Services - General Administration</b>	<u>\$ 591,914</u>	<u>\$ 591,914</u>	<u>\$ 599,597</u>
School Administration			
Office of the Principal Services			
Salaries	\$ 435,885	\$ 435,885	\$ 453,783
Employee Benefits	149,330	149,330	145,177
Purchased Services	5,200	5,200	2,212
Supplies and Materials	4,750	4,750	4,649
Other Objects	2,000	2,000	414
	<u>\$ 597,165</u>	<u>\$ 597,165</u>	<u>\$ 606,235</u>
<b>Total Support Services - School Administration</b>	<u>\$ 597,165</u>	<u>\$ 597,165</u>	<u>\$ 606,235</u>
Business			
Direction of Business Support Services			
Salaries	\$ 59,765	\$ 59,765	\$ 62,936
Employee Benefits	6,046	6,046	5,993
	<u>\$ 65,811</u>	<u>\$ 65,811</u>	<u>\$ 68,929</u>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Business (Continued)			
Fiscal Services			
Salaries	\$ 117,810	\$ 117,810	\$ 105,419
Employee Benefits	19,185	19,185	18,703
Purchased Services	52,350	52,350	37,336
Supplies and Materials	3,200	3,200	2,763
Other Objects	1,600	1,600	1,335
Non-Capitalized Equipment	1,500	1,500	4,912
	<u>\$ 195,645</u>	<u>\$ 195,645</u>	<u>\$ 170,468</u>
Operations and Maintenance			
Supplies and Materials	\$ 250	\$ 250	\$ 172
Non-Capitalized Equipment	1,500	1,500	-
	<u>\$ 1,750</u>	<u>\$ 1,750</u>	<u>\$ 172</u>
Total Support Services - Business	<u>\$ 263,206</u>	<u>\$ 263,206</u>	<u>\$ 239,569</u>
Food Services			
Salaries	\$ 32,821	\$ 32,821	\$ 24,853
Employee Benefits	327	327	377
Purchased Services	193,500	193,500	174,706
Supplies and Materials	3,500	3,500	3,205
Other Objects	600	600	750
Non-Capitalized Equipment	6,000	6,000	1,263
	<u>\$ 236,748</u>	<u>\$ 236,748</u>	<u>\$ 205,154</u>
Total Support Services - Food Services	<u>\$ 236,748</u>	<u>\$ 236,748</u>	<u>\$ 205,154</u>
Central			
Data Processing Services			
Purchased Services	\$ 83,675	\$ 83,675	\$ 87,522
Supplies and Materials	120,000	120,000	88,226
Non-Capitalized Equipment	87,830	87,830	23,791
	<u>\$ 291,505</u>	<u>\$ 291,505</u>	<u>\$ 199,539</u>
Total Support Services - Central	<u>\$ 291,505</u>	<u>\$ 291,505</u>	<u>\$ 199,539</u>
Total Support Services	<u>\$ 3,606,431</u>	<u>\$ 3,606,431</u>	<u>\$ 3,341,072</u>
Community Services			
Salaries	\$ 112,675	\$ 112,675	\$ 83,850
Employee Benefits	32,775	32,775	25,598
Purchased Services	12,750	12,750	4,514
Supplies and Materials	3,500	3,500	2,336
Other Objects	1,500	1,500	-
Non-Capitalized Equipment	1,500	1,500	-
Total Community Services	<u>\$ 164,700</u>	<u>\$ 164,700</u>	<u>\$ 116,298</u>
Payments to Other Districts and Governmental Units			
Payments to Other Districts and Governmental Units (In-State)			
Payments for Regular Programs			
Purchased Services	\$ 39,726	\$ 39,726	\$ 49,304
Other Objects	3,000	3,000	2,610
	<u>\$ 42,726</u>	<u>\$ 42,726</u>	<u>\$ 51,914</u>
Payments for Special Education Programs			
Other Objects	\$ 135,000	\$ 135,000	\$ 155,082
	<u>\$ 135,000</u>	<u>\$ 135,000</u>	<u>\$ 155,082</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 177,726</u>	<u>\$ 177,726</u>	<u>\$ 206,996</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 177,726</u>	<u>\$ 177,726</u>	<u>\$ 206,996</u>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Capital Outlay			
Instruction			
Regular Programs	\$ -	\$ -	\$ 6,875
Support Services			
Central	22,000	22,000	15,069
	<u>\$ 22,000</u>	<u>\$ 22,000</u>	<u>\$ 21,944</u>
On-Behalf Payments	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 5,509,948</u>
Total Expenditures	<u>\$ 16,139,529</u>	<u>\$ 15,795,529</u>	<u>\$ 17,253,522</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 102,695</u>	<u>\$ 446,695</u>	<u>\$ 1,422,503</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	\$ -	\$ (200,000)	\$ (200,000)
Interest Transfers	(3,500)	(3,500)	(3,273)
	<u>\$ (3,500)</u>	<u>\$ (203,500)</u>	<u>\$ (203,273)</u>
NET CHANGE IN FUND BALANCE	\$ 99,195	\$ 243,195	\$ 1,219,230
FUND BALANCE - JULY 1, 2016	3,556,365	3,556,365	(1,685,978)
FUND BALANCE ADJUSTMENT (Note 17)	<u>-</u>	<u>-</u>	<u>6,526</u>
FUND BALANCE - JUNE 30, 2017	<u>\$ 3,655,560</u>	<u>\$ 3,799,560</u>	<u>\$ (460,222)</u>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 GENERAL FUND - WORKING CASH FUND  
 YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>
	<u>Original and Final</u>	<u>                    </u>
REVENUES		
Property Taxes	\$ 86,280	\$ 85,418
Earnings on Investments	300	420
Total Revenues	<u>\$ 86,580</u>	<u>\$ 85,838</u>
 EXPENDITURES	 <u>\$ -</u>	 <u>\$ -</u>
 EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>\$ 86,580</u>	 <u>\$ 85,838</u>
 OTHER FINANCING SOURCES (USES)	 <u>-</u>	 <u>-</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ 86,580</u>	 <u>\$ 85,838</u>
 FUND BALANCE - JULY 1, 2016	 <u>301,731</u>	 <u>257,957</u>
 FUND BALANCE - JUNE 30, 2017	 <u><u>\$ 388,311</u></u>	 <u><u>\$ 343,795</u></u>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
TORT FUND  
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 127,756	\$ 127,864
Earnings on Investments	250	202
Total Revenues	\$ 128,006	\$ 128,066
EXPENDITURES		
Support Services		
General Administration		
Workers' Compensation or Worker's Occupational Disease Act		
Purchased Services	\$ 88,000	\$ 125,039
	\$ 88,000	\$ 125,039
Insurance Payments		
Purchased Services	\$ 5,000	\$ 5,000
	\$ 5,000	\$ 5,000
Legal Services		
Purchased Services	\$ 35,000	\$ 37,646
	\$ 35,000	\$ 37,646
Total General Administration	\$ 128,000	\$ 167,685
Total Support Services	\$ 128,000	\$ 167,685
Total Expenditures	\$ 128,000	\$ 167,685
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 6	\$ (39,619)
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ 6	\$ (39,619)
FUND BALANCE - JULY 1, 2016	132,445	197,171
FUND BALANCE - JUNE 30, 2017	\$ 132,451	\$ 157,552

See Accompanying Independent Auditor's Report





MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Earnings on Investments	\$ 500	\$ 500	\$ 464
Other Local Sources	374,000	374,000	234,649
State Aid			
Other State Aid	-	-	92,134
Total Revenues	<u>\$ 374,500</u>	<u>\$ 374,500</u>	<u>\$ 327,247</u>
EXPENDITURES			
Support Services			
Facilities Acquisition and Construction			
Purchased Services	\$ 90,000	\$ 90,000	\$ 1,755
Non-Capitalized Equipment	10,000	10,000	2,197
Total Support Services - Facilities Acquisition and Construction	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 3,952</u>
Total Support Services	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 3,952</u>
Capital Outlay			
Support Services			
Facilities Acquisition and Construction	\$ 1,143,000	\$ 1,143,000	\$ 1,066,625
	<u>\$ 1,143,000</u>	<u>\$ 1,143,000</u>	<u>\$ 1,066,625</u>
Total Expenditures	<u>\$ 1,243,000</u>	<u>\$ 1,243,000</u>	<u>\$ 1,070,577</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (868,500)	\$ (868,500)	\$ (743,330)
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	-	150,000	150,000
NET CHANGE IN FUND BALANCE	\$ (868,500)	\$ (718,500)	\$ (593,330)
FUND BALANCE - JULY 1, 2016	<u>1,080,499</u>	<u>1,080,499</u>	<u>1,078,939</u>
FUND BALANCE - JUNE 30, 2017	<u>\$ 211,999</u>	<u>\$ 361,999</u>	<u>\$ 485,609</u>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND - FIRE PREVENTION AND SAFETY FUND  
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts Original and Final	Actual Amounts
<b>REVENUES</b>		
Property Taxes	\$ 69,326	\$ 69,033
Earnings on Investments	50	76
<b>Total Revenues</b>	<b>\$ 69,376</b>	<b>\$ 69,109</b>
<b>EXPENDITURES</b>		
Support Services		
Business		
Facilities Acquisition and Construction		
Purchased Services	\$ 6,876	\$ -
Supplies and Materials	10,000	-
	<b>\$ 16,876</b>	<b>\$ -</b>
 Total Support Services - Business	 <b>\$ 16,876</b>	 <b>\$ -</b>
 Total Support Services	 <b>\$ 16,876</b>	 <b>\$ -</b>
 Capital Outlay		
Business		
	\$ 52,500	\$ 7,423
	<b>\$ 52,500</b>	<b>\$ 7,423</b>
 Total Expenditures	 <b>\$ 69,376</b>	 <b>\$ 7,423</b>
 EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <b>\$ -</b>	 <b>\$ 61,686</b>
 OTHER FINANCING SOURCES (USES)	 <b>-</b>	 <b>-</b>
 NET CHANGE IN FUND BALANCE	 <b>\$ -</b>	 <b>\$ 61,686</b>
 FUND BALANCE - JULY 1, 2016	 <b>35,436</b>	 <b>-</b>
 FUND BALANCE - JUNE 30, 2017	 <b>\$ 35,436</b>	 <b>\$ 61,686</b>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
 SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
 ACTIVITY FUNDS  
 YEAR ENDED JUNE 30, 2017

	<u>BALANCE</u> <u>JULY 1, 2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 129,521	\$ 313,165	\$ 285,408	\$ 157,278
Total Assets	<u>\$ 129,521</u>	<u>\$ 313,165</u>	<u>\$ 285,408</u>	<u>\$ 157,278</u>
<b>LIABILITIES</b>				
Due to Activity Funds	\$ 54,996	\$ 155,685	\$ 138,619	\$ 72,062
Due to PTO	54,566	46,571	41,465	59,672
Due to Employees (Flexible Spending Account Plan)	<u>19,959</u>	<u>110,909</u>	<u>105,324</u>	<u>25,544</u>
Total Liabilities	<u>\$ 129,521</u>	<u>\$ 313,165</u>	<u>\$ 285,408</u>	<u>\$ 157,278</u>

See Accompanying Independent Auditor's Report

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24  
 COMPUTATION OF OPERATING EXPENSE PER PUPIL  
 AND PER CAPITA TUITION CHARGE  
 YEAR ENDED JUNE 30, 2017

**OPERATING EXPENSE PER PUPIL**

**EXPENDITURES:**

ED	Total Expenditures	\$ 11,743,574
O&M	Total Expenditures	1,374,124
DS	Total Expenditures	2,966,675
TR	Total Expenditures	960,271
MR/SS	Total Expenditures	537,624
TORT	Total Expenditures	167,685
	<b>Total Expenditures</b>	<b>\$ 17,749,953</b>

**LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:**

TR	Special Ed - Transp Fees from Other Districts (In State)	\$ 5,841
ED	Pre-K Programs	63,829
ED	Special Education Programs Pre-K	291,558
ED	Special Education Programs K-12 - Private Tuition	431,033
ED	Community Services	116,298
ED	Total Payments to Other Govt Units	206,996
ED	Capital Outlay	21,944
ED	Non-Capitalized Equipment	51,245
O&M	Total Payments to Other Govt Units	31,285
O&M	Capital Outlay	54,914
O&M	Non-Capitalized Equipment	21,802
DS	Debt Service - Payments of Principal on Long-Term Debt	1,429,126
TR	Capital Outlay	247,530
MR/SS	Pre-K Programs	588
MR/SS	Special Education Programs - Pre-K	2,612
MR/SS	Community Services	15,863
MR/SS	Total Payments to Other Govt Units	16,491

**Total Deductions for OEPP Computation (Sum of Lines 18 - 73) \$ 3,008,955**

**Total Operating Expenses Regular K-12 (Line 14 minus Line 75) 14,740,998**

**9 Mo ADA from the General State Aid Claimable for 2015-2016 and Payable in 2016-2017 (ISBE 54-33), L12 1,125.61**

**Estimated OEPP (Line 76 divided by Line 77) \$ 13,096.01**

**PER CAPITA TUITION CHARGE**

**LESS OFFSETTING RECEIPTS/REVENUES:**

TR	Regular -Transp Fees from Pupils or Parents (In State)	\$ 11,586
ED	Total Food Service	153,484
ED-O&M	Total District/School Activity Income	113,825
ED	Sales - Regular Textbooks	520
ED-O&M	Rentals	298,642
ED-O&M-TR	Services Provided Other Districts	306
ED-O&M-TR	Total Special Education	751,219
ED-MR/SS	Total Bilingual Ed	16,116
ED	State Free Lunch & Breakfast	336
ED-O&M-TR-MR/SS	Total Transportation	610,502
ED-O&M-DS-TR-MR/SS-Tort	Other Restricted Revenue from State Sources	839
ED-MR/SS	Total Food Service	54,917
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Flow Through	119,125
ED-O&M-TR-MR/SS	Title II - Teacher Quality	13,459
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Administrative Outreach	13,197
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Fee-for-Service Program	17,070

**Total Deductions for PCTC Computation Line 83 through Line 173 \$ 2,175,143**

**Net Operating Expense for Tuition Computation (Line 76 minus Line 175) 12,565,855**

**Total Depreciation Allowance (from page 27, Col I) 824,861**

**Total Allowance for PCTC Computation (Line 176 minus Line 177) 13,390,716**

**9 Month ADA (from the GSA Claimable for 2015-2016 Payable in 2016-2017 (ISBE form 54-33, Line 12)) 1,125.61**

**Total Estimated PCTC (Line 178 divided by Line 179) \$ 11,896.41**

Unaudited