

MILLBURN COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 24

WADSWORTH, LAKE COUNTY, ILLINOIS

AUDIT REPORT

JUNE 30, 2007

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and each major fund of

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of Millburn Community Consolidated School District No. 24 as of June 30, 2007, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, historical pension information, and budgetary comparison information on pages 2-10 and pages 36-46 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

MILBURN CAIN & CO.
Certified Public Accountants

Gurnee, Illinois
October 31, 2007

REQUIRED SUPPLEMENTAL INFORMATION

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2007

The management of Millburn Community Consolidated School District No. 24 (the District) presents this narrative overview and analysis of the District's financial activities for the fiscal year ended June 30, 2007. The information presented here should be considered in conjunction with the financial statements presented elsewhere in this report.

This discussion and analysis is designed to:

1. Assist the reader in focusing on significant financial issues,
2. Provide an overview of the District's financial activity,
3. Identify changes in the District's financial position (its ability to cope with the next and subsequent year challenges),
4. Identify any material deviations from the financial plan (the approved budgets), and
5. Identify individual fund issues or concerns.

Since Management's Discussion and Analysis (M D & A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the District's financial statements beginning on page 11.

Financial Highlights

- Millburn spent approximately \$328,000 on replacement equipment and building improvements.
- District operations for the year indicate expenses exceeding revenues by \$3,078,000.
- Payments during the year reduced Millburn's debt by \$952,000.
- Millburn did not incur any new debt in the 2006-07 fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Millburn's basic financial statements. The District's basic financial statements consist of three components:

1. District-wide financial statements,
2. Fund financial statements and,
3. Notes to financial statements.

In addition, this report also includes other supplementary information which is presented after the notes to financial statements.

District-Wide Financial Statements

The district-wide financial statements are designed to provide readers with a broad overview of Millburn's finances presented in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the asset total and the liabilities total reported as the District's net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Millburn is improving or deteriorating.

The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the 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 years (e.g., uncollected property taxes).

The district-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). Governmental activities include instruction, support services, operation and maintenance of plant, student transportation, food services, and certain other activities and expenses such as non-programmed charges, interest and fees, and depreciation.

The district-wide financial statements can be found on pages 11 and 12 of this report.

Fund Financial Statements

Millburn's fund financial statements provide additional detail about the District's funds, focusing on its "major" funds -- not the District as a whole. For purposes of this report, the District considers all of its governmental funds as major funds. Funds are accounting devices used to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law, by bond covenants, or by contractual agreements. Still other funds are established to control and manage money for particular purposes (such as repaying its long-term debt) or to show that it is properly using certain revenues for their intended purposes.

Millburn has two categories of funds:

- **Governmental Funds** - Most of the District's basic services are included in governmental funds. These funds generally focus on (1) how cash (and other financial assets that can readily be converted to cash) flows in and out of the District and (2) the balances which are left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future for District purposes. Because the information contained in the fund financial statements does not encompass the additional long-term focus of the district-wide statements, a reconciliation statement follows the governmental funds financial statements to explain the relationship (or differences) between them.

The basic fund financial statements can be found at pages 13-18 of this report.

- **Fiduciary Funds** - The Millburn School District is the trustee, or fiduciary, for assets that belong to others, such as the student activity funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. The assets are excluded from the district-wide financial statements because it cannot use these assets to finance operations.

The basic fiduciary fund financial statements can be found on pages 18 and 45 of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and also the fund financial statements. The notes to financial statements can be found on pages 19-32 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information. A budgetary comparison statement has been provided for each fund as required supplementary information. This information can be found on pages 36-45 of this report.

Financial Analysis of the District as a Whole

Net Assets - Millburn's net assets at June 30, 2007 were \$3.1 million less than they were the year before, decreasing to \$.9 million. The following table presents a summary of the District's net assets at year-end:

Table 1
Summary of Net Assets
(In Millions)
At June 30

	<u>2007</u>	<u>2006</u>
Assets		
Current and Other Assets	\$ 10.0	\$ 11.5
Capital Assets (Net)	<u>31.8</u>	<u>32.7</u>
Total Assets	\$ <u>41.8</u>	\$ <u>44.2</u>
Liabilities		
Long-term Debt Outstanding	\$ 29.8	\$ 29.9
Other Liabilities	<u>11.1</u>	<u>10.3</u>
Total Liabilities	\$ <u>40.9</u>	\$ <u>40.2</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 6.6	\$ 6.6
Restricted	2.0	2.6
Unrestricted	<u>(8.0)</u>	<u>(5.2)</u>
Total Net Assets	\$ <u><u>.9</u></u>	\$ <u><u>4.0</u></u>

The following are significant current year transactions that have had an impact on the Statement of Net Assets.

- The District spent \$328,000 to replace equipment and for building improvements.
- Financing for the capital asset purchases came primarily from the funds available in the District's operating fund.
- Long-term debt paid during the year included the retirement of \$698,283 in bonds and reduction of \$252,574 in lease/purchase obligations.
- Depreciation expense of \$1,149,628 was charged against income.

Changes in Net Assets - The District's total revenues for the fiscal year ended June 30, 2007 were \$13.7 million. The total cost of all programs and services was \$16.8 million, exceeding revenues by \$3.1 million as illustrated in the following table. The District's growing enrollment is largely responsible for the deficit since expenses related to growth tend to increase before the additional revenues are recognized as income. Revenues were expected to catch up as the District's voters approved a \$.53 increase in the maximum tax rate on March 16, 2004. However, the increased tax rate did not prove sufficient to cover 2006-07 expenses. Some additional revenue is expected as newly-developed properties are added to the tax rolls.

Table 2
Summary of Changes in Net Assets
(In Thousands)
For the Year Ended June 30

	2007		2006	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Revenue				
Program Revenues				
Charges for Services	\$ 625	4.5%	\$ 558	4.6%
Operating Grants and Contributions	1,719	12.5%	1,404	11.4%
Capital Grants and Contributions	221	1.6%	72	.6%
General Revenue				
Taxes	8,582	62.4%	7,902	64.4%
State and Federal Aid - Formula Grants	2,367	17.2%	2,053	16.7%
Investment Earnings	245	1.8%	287	2.3%
Total Revenue (In Thousands)	\$ <u>13,759</u>	<u>100.0%</u>	\$ <u>12,276</u>	<u>100.0%</u>
Expenses				
Instruction	\$ 9,598	57.0%	\$ 8,114	54.4%
Pupil and Instructional Services	1,176	7.0%	1,042	7.0%
Administration and Business	951	5.6%	904	6.1%
Maintenance and Operations	2,014	12.0%	1,973	13.2%
Food Services	307	1.8%	271	1.8%
Transportation	923	5.5%	831	5.6%
Other and Non-programmed Charges	340	2.0%	269	1.8%
Debt Service	1,528	9.1%	1,507	10.1%
Total Expenses (In Thousands)	\$ <u>16,837</u>	<u>100.0%</u>	\$ <u>14,911</u>	<u>100.0%</u>
Change in Net Assets	\$ (3,078)		\$ (2,635)	
Net Assets				
At July 1	<u>3,982</u>		<u>6,617</u>	
At June 30	\$ <u>904</u>		\$ <u>3,982</u>	

Net Cost of Governmental Activities - The following schedule presents the cost of five major and all other District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, and transportation and all other costs including unallocated depreciation and debt service, and excluding capital outlay. This schedule also shows (expressed in thousands of dollars) each activity's net cost, i.e., total cost less fees and intergovernmental aid allocable to each activity. The net is equivalent to the financial burden borne by the District's taxpayers to support each of these functions.

	<u>Total Cost</u>	<u>Net Cost</u>
Instruction	\$ 9,598	\$ 8,217
Pupil and Instructional Services	1,176	1,059
Administration and Business	951	951
Maintenance and Operations	2,014	1,809
Transportation	923	361
All Other	<u>2,175</u>	<u>1,875</u>
 Total Cost (In Thousands)	 \$ <u>16,837</u>	 \$ <u>14,272</u>

Summary and Highlights

- The cost of all governmental activities for the year was \$16.8 million.
- About \$625,000 of the cost was paid by users of the District's programs.
- Federal and state subsidies to specific programs totaled \$1.7 million which includes \$.7 million in state on-behalf payments.
- Most of the costs (\$8.6 million) however, were paid by the District's taxpayers.
- Replacement taxes, investment earnings, and state and federal aid-formula grants totaled \$2.6 million.

Financial Analysis of the District's Funds

Millburn's financial performance is reflected in the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds appearing on pages 15 and 16 of this report. Total revenues were \$13.7 million compared to \$12.3 in the prior year -- an increase of \$1.4 million. Included in the increased revenues were additional debt service taxes causing debt service income to increase from \$1,166,000 in 2006 to \$1,325,000 in 2007. In 2004 the District sold bonds totaling \$16.0 million to construct another building. Further, Millburn earned \$75,000 in 2006-07 in interest on monies held for construction. Total expenditures were \$15.9 million compared to \$18.6 million a year ago when expenditures included \$4.6 million spent on building additions. If the cost of the building additions were removed from the 2005-06 total expenditures, the adjusted total for that year would be \$14.0 million. Thus, 2006-07 expenditures would be \$1.9 million higher than 2005-06. Current year expenditures exceeded revenues by \$2.2 million.

Educational Account (Pages 36-39) - Property taxes produced \$6.1 million in revenue for the Education Account during fiscal 2007, or 59% of all of the fund's revenue. State sources accounted for 33% of revenue at \$3.4 million, including \$.7 million in on-behalf pension payments. Without the on-behalf pension payments, state revenues were \$3.0 million, accounting for 27% of total revenue. Federal sources provided \$74,000, or about .7% of total Education Account revenue. Fees, earnings on investments, and other local sources of revenue produced \$725,000, or 7.0% of total revenue. Thus, property taxes and other local revenues combined accounted for \$6.8 million, or more than 66% of Education Account revenues.

Total Education Account expenditures were \$12.0 million compared to \$10.5 million a year ago -- an increase of 14%. Of the \$12.0 million, \$9.4 million, or 78%, was used for direct instruction and teachers' pensions; \$2.2 million paid for instructional support services and administration; and \$381,000 was used for tuition paid to other school districts and interest.

After taking into account the revenues of \$10.4 million and the expenditures of \$12.0 million, the Education Fund posted an excess of expenditures over revenues of \$1,518,000 -- increasing its year-end fund balance deficit to \$2,762,000. See pages 36-39.

Operations and Maintenance Account (Page 40) - As with the Education Account, the Operations and Maintenance Account's largest source of revenue comes from property taxes which account for \$974,000 out of total fund revenues of \$1,035,000, or just over 96% of total fund revenue. Other local revenue sources account for the other 4.0%, or \$43,500.

Total expenditures of \$1,251,000 were \$143,000 more than last year's \$1,108,000 due primarily to a \$110,000 increase in purchased services. Thus, total expenditures exceeded revenues by \$234,000. In the prior year, expenditures exceeded revenues by \$165,000.

Transportation Fund (Page 41) - Revenues for transportation were less than expenditures by \$245,000. While revenues from property taxes increased by \$103,000 to \$160,122, this increase was more than offset by a \$139,000 increase in direct expenses for transportation services.

Total expenditures of \$979,000 for 2007 is \$108,000 more than the 2006 total. A review of the totals reveals a general increase in operating expenses connected with operating additional buses.

IMRF Fund (Page 42) - IMRF Fund revenues for 2007 were \$22,500, which did not include property taxes because Millburn suspended its tax levy two years ago. Expenditures of \$423,000 were \$58,000 more than the 2006 cost of \$365,000. The increased costs reflect the District's salary cost increases during the year.

Debt Service - Bond and Interest Fund (Page 43) - Debt service funds are intended to be self-liquidating. This means that over time, revenues received from taxes should equal required expenditures. Except for timing differences where taxes are collected prior to required disbursements, the theory says there should be no accumulation of fund balances. However, accumulations do often occur when tax collections are higher than expected or when interest earnings are retained in the fund. Because of the revenue timing differences, however, analysis of annual operating results is generally not useful for the reader.

For 2007, the District's Bond and Interest Fund revenues totaled \$1,354,000, including \$29,000 in interest earnings. Expenditures totaled \$1,296,000. The fund transferred \$26,535 to the Education Fund. The fund balance increased by \$31,094 due to the timing of revenues and bond payments.

Capital Projects Fund (Page 44) - The District's Capital Projects Fund, the Site and Construction Fund, carried forward \$1.5 million from the previous year which represents the unexpended proceeds of bonds issued for construction purposes and contributions. During the year it received interest, contributions, and other revenue of \$272,000. It spent \$62,000 for capital improvements and transferred interest earnings of \$75,000 to the Education Account. The fund is expected to exhaust itself as various building projects are undertaken.

Working Cash Fund (Page 45) - The Working Cash Fund received \$5,138 in taxes and earned \$95 in interest on investments. All income was transferred to the Education Account.

General Fund Budgetary Highlights (Page 35, 36 and 40) - The District originally budgeted general fund expenditures to total \$12,336,339. The budget was not amended. Actual General Fund expenditures totaled \$13,216,606, including \$698,836 in unbudgeted pension payments. Net results of operations were originally expected to result in a general fund decrease in fund balance of \$1,572,974. Actual results for the year produced a deficit of \$1,858,686.

Capital Asset and Debt Administration

Capital Assets - At June 30, 2007, Millburn's net capital assets totaled \$32.7 million in a broad range of capital assets. These assets, which are listed in Note 3C of the notes to financial statements according to six categories (land, construction in progress, buildings, improvements other than buildings, equipment, and vehicles) include the District's land and buildings, athletic facilities, lab facilities, auditorium, computer and audio-visual equipment, furniture and other classroom, administrative equipment and buses. Total depreciation expense of \$1,149,628 for the year was charged to various functions on the Statement of Activities. The \$1,149,628 was allocated to:

Regular Programs	\$ 37,841
Interscholastic Programs	8,143
Instructional Staff	243,920
General Administration	56,856
Operations and Maintenance	695,759
Transportation	76,608
Food Services	<u>30,506</u>
	\$ <u>1,149,628</u>

During the year, the District invested \$328,351 in additions to its capital assets. The amounts invested in additions to capital assets were less than charges for depreciation during the year by \$821,273. The following schedule presents capital asset balances net of depreciation at June 30, 2007:

	2007
	<u>(In Thousands)</u>
Land	\$ 826,414
Buildings	28,839,388
Improvements Other Than Buildings	163,062
Equipment	1,831,635
Vehicles	<u>109,773</u>
Totals	\$ <u>31,770,272</u>

Long-term Debt - During the 2007 fiscal year, the District:

1. Retired bonds in the amount of \$698,283;
2. Paid \$253,574 toward its lease/purchase obligations; and
3. Incurred interest costs of \$1,528,391.

See note 3D of the Notes to Financial Statements for details.

At June 30, 2007, Millburn's long-term debt obligations were:

General Obligation Bonds	\$ 24,683,008
Lease/Purchase Contracts and Loans	<u>448,122</u>
Total Long-term Debt Obligations at June 30, 2007	\$ <u>25,131,130</u>

In addition, the District was liable for accrued and accreted interest on its long-term debt:

Accrued and Accreted Interest on Bonds	\$ 4,689,220
Accrued Interest on Lease/Purchase Agreements	<u>24,113</u>
Total Accrued and Accreted Interest at June 30, 2007	\$ <u>4,713,333</u>

Summary and Highlights

- Property taxes continue to be the District's largest single source of revenues at \$8.6 million with locally generated fees and charges and interest earnings generating \$1.1 million, exceeding the \$4.1 million provided by state and federal aid. Thus, more than 70% of revenue came from local sources.
- Total expenditures for all funds were \$16.0 million, \$2.7 million less than the previous year, when expenditures included \$4.6 million spent on building additions and equipment.
- Total additions to capital assets of \$328,351 were acquired during the year.
- Payments on long-term debt totaled \$951,857.

Factors Bearing on the District's Future

The Millburn School District enrollment has increased dramatically over the last several years. Currently, the District's enrollment is approximately 1,648. The expectation is that enrollments will continue to increase as more land is developed for housing. The rate of increase can't be accurately predicted as it depends on economic factors and local development.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, investors, and creditors with a general overview of Millburn's finances and to demonstrate its accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Superintendent at 18550 Millburn Rd., Wadsworth, Illinois 60083.

BASIC FINANCIAL STATEMENTS

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

DISTRICT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS

JUNE 30, 2007

	<u>Governmental Activities</u>
Assets	
Cash	\$ 1,138,121
Investments	3,500,000
Receivables	
Property Taxes	4,514,190
Replacement Taxes	3,610
Claims and Grants	575,090
Employee Computer Purchases	6,975
Accrued Interest Earned	8,656
Deferred Charges	
Unamortized Bond Issuance Expenses	280,828
Capital Assets, Net of Accumulated Depreciation	
Land	826,414
Buildings and Improvements	29,002,450
Equipment	1,831,635
Transportation Equipment	<u>109,773</u>
Total Assets	\$ <u>41,797,742</u>
Liabilities	
Accounts Payable	\$ 517,010
Accrued Expenses	1,015,249
Deferred Revenue	9,072,662
Non-current Liabilities	
Due Within One Year	1,245,212
Due in More Than One Year	28,599,252
Deferred Credits	
Unamortized Bond Premiums	<u>443,979</u>
Total Liabilities	\$ <u>40,893,364</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	\$ 6,639,141
Restricted For:	
Debt Service	46,007
Transportation	271,802
Capital Projects	1,684,913
Unrestricted	<u>(8,012,716)</u>
Total Net Assets	\$ <u>904,378</u>

See Accompanying Notes to Financial Statements.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

DISTRICT-WIDE FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:					
Instruction					
Regular Programs	\$ 7,385,563	\$ 220,569	\$ ---	\$ 32,275	\$ (7,132,719)
Special Programs	1,094,137	29,455	315,479	---	(749,203)
Interscholastic Programs	143,206	24,979	---	---	(118,227)
Summer Programs	63,955	59,933	---	---	(4,022)
Gifted Programs	212,439	---	---	---	(212,439)
State Retirement Contributions	698,836	---	698,836	---	---
Support Services					
Pupils	699,810	14,687	7,587	---	(677,536)
Instructional Staff	475,954	---	94,786	---	(381,168)
General Administration	457,729	---	---	---	(457,729)
School Administration	416,237	---	---	---	(416,237)
Business	77,142	---	---	---	(77,142)
Facilities Acquisition	---	---	---	188,551	188,551
Operations and Maintenance	2,013,941	16,283	---	---	(1,997,658)
Transportation	922,728	280	561,546	---	(360,902)
Food Services	306,837	259,170	40,388	---	(7,279)
Non-Programmed Services	339,983	---	---	---	(339,983)
Interest and Fees	<u>1,528,391</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(1,528,391)</u>
Total Governmental Activities	\$ <u>16,836,888</u>	\$ <u>625,356</u>	\$ <u>1,718,622</u>	\$ <u>220,826</u>	\$ <u>(14,272,084)</u>
General Revenues					
Taxes					
Real Estate Taxes - General					\$ 7,238,048
Real Estate Taxes - Debt Service					1,324,649
Corporate Personal Property Replacement Tax					20,451
State and Federal Aid					
Formula Grants					2,366,715
Investment Earnings					<u>244,700</u>
Total General Revenues					\$ <u>11,194,563</u>
Change in Net Assets (Deficit)					\$ (3,077,521)
Net Assets - July 1, 2006					<u>3,981,899</u>
Net Assets - June 30, 2007					\$ <u>904,378</u>

See Accompanying Notes to Financial Statements.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2007

	General	Debt Service	Transportation	IMRF	Site and Construction	Working Cash	Totals
Assets							
Cash	\$ 607,742	\$ 2,305	\$ ---	\$ 18,217	\$ 509,857	\$ ---	\$ 1,138,121
Investments	1,406,000	769,000	---	150,000	1,175,000	---	3,500,000
Receivables							
Property Taxes	3,535,818	727,030	80,577	168,019	---	2,746	4,514,190
Replacement Taxes	3,610	---	---	---	---	---	3,610
Claims and Grants	13,544	---	561,546	---	---	---	575,090
Interfund Loans	166,022	---	---	---	---	---	166,022
Employees' Computer Purchases	6,975	---	---	---	---	---	6,975
Accrued Interest	<u>3,477</u>	<u>1,902</u>	<u>---</u>	<u>371</u>	<u>2,906</u>	<u>---</u>	<u>8,656</u>
 Total Assets	 <u>\$ 5,743,188</u>	 <u>\$ 1,500,237</u>	 <u>\$ 642,123</u>	 <u>\$ 336,607</u>	 <u>\$ 1,687,763</u>	 <u>\$ 2,746</u>	 <u>\$ 9,912,664</u>
 Liabilities and Fund Balances							
Liabilities							
Accounts Payable	\$ 481,053	\$ ---	\$ 33,107	\$ ---	\$ 2,850	\$ ---	\$ 517,010
Accrued Expenses	985,145	---	10,217	19,887	---	---	1,015,249
Interfund Loans	---	---	166,022	---	---	---	166,022
Deferred Revenue	<u>7,116,409</u>	<u>1,454,230</u>	<u>160,975</u>	<u>335,592</u>	<u>---</u>	<u>5,456</u>	<u>9,072,662</u>
Total Liabilities	<u>\$ 8,582,607</u>	<u>\$ 1,454,230</u>	<u>\$ 370,321</u>	<u>\$ 355,479</u>	<u>\$ 2,850</u>	<u>\$ 5,456</u>	<u>\$ 10,770,943</u>
 Fund Balances (Deficit)							
Unrestricted	\$ <u>(2,839,419)</u>	\$ <u>46,007</u>	\$ <u>271,802</u>	\$ <u>(18,872)</u>	\$ <u>1,684,913</u>	\$ <u>(2,710)</u>	\$ <u>(858,279)</u>
 Total Liabilities and Fund Balances	 <u>\$ 5,743,188</u>	 <u>\$ 1,500,237</u>	 <u>\$ 642,123</u>	 <u>\$ 336,607</u>	 <u>\$ 1,687,763</u>	 <u>\$ 2,746</u>	 <u>\$ 9,912,664</u>

See Accompanying Notes to Financial Statements.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

FUND FINANCIAL STATEMENTS

RECONCILIATION OF THE GOVERNMENTAL FUNDS

BALANCE SHEET TO THE STATEMENT OF NET ASSETS

JUNE 30, 2007

Total Fund Balances (Deficit) - Governmental Funds		\$ (858,279)
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
The cost of capital assets (land, buildings, furniture, and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the School District as a whole.		
Cost of Capital Assets	\$ 38,278,210	
Depreciation Expense to Date	<u>(6,507,938)</u>	31,770,272
Long-term liabilities applicable to the School 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 Assets.		
Balance at June 30, 2007 is:		
Bonds Payable	\$ 24,683,008	
Lease/Purchase Contracts	448,123	
Accreted and Accrued Interest Payable	<u>4,713,333</u>	(29,844,464)
Deferred charges consisting of unamortized bond issuance expenses are not reported on the fund financial statements since such items have been charged there as expenses when paid rather than amortized ratably over the period of the indebtedness.		
		280,828
Deferred credits consisting of premiums received on the sale of bonds have been recognized as other financing sources on the fund financial statements when received rather than amortized over the period of the indebtedness.		
		<u>(443,979)</u>
Net Assets of Governmental Activities		\$ <u>904,378</u>

See Accompanying Notes to Financial Statements.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>General</u>	<u>Debt Service</u>	<u>Transportation</u>	<u>IMRF</u>	<u>Site and Construction</u>	<u>Working Cash</u>	<u>Totals</u>
Revenues							
Property Taxes	\$ 7,072,788	\$ 1,324,649	\$ 160,122	\$ ---	\$ ---	\$ 5,138	\$ 8,562,697
Replacement Taxes	8,196	---	---	12,255	---	---	20,451
Interest Earned	117,580	29,062	12,489	10,292	75,179	95	244,697
Other Revenue From Local Sources	635,565	---	280	---	197,127	---	832,972
Flow-Through From Intermediate Sources	7,587	---	---	---	---	---	7,587
State Aid and On-Behalf Payments	3,441,797	---	561,546	---	---	---	4,003,343
Federal Aid	74,407	---	---	---	---	---	74,407
Total Revenues	<u>\$ 11,357,920</u>	<u>\$ 1,353,711</u>	<u>\$ 734,437</u>	<u>\$ 22,547</u>	<u>\$ 272,306</u>	<u>\$ 5,233</u>	<u>\$ 13,746,154</u>
Expenditures							
Instruction							
Regular Programs	\$ 7,206,146	\$ ---	\$ ---	\$ 138,426	\$ ---	\$ ---	\$ 7,344,572
Special Programs	1,066,580	---	---	27,557	---	---	1,094,137
Interscholastic Programs	135,543	---	---	1,744	---	---	137,287
Summer Programs	62,781	---	---	1,174	---	---	63,955
Gifted Programs	209,766	---	---	2,673	---	---	212,439
State Retirement Contributions	698,836	---	---	---	---	---	698,836
Support Services							
Pupils	682,342	---	---	17,468	---	---	699,810
Instructional Staff	401,171	---	---	---	---	---	401,171
General Administration	388,902	---	---	11,971	---	---	400,873
School Administration	389,171	---	---	27,066	---	---	416,237
Business	66,867	---	---	10,275	---	---	77,142
Facilities Acquisition and Construction	---	---	---	---	62,126	---	62,126
Operations and Maintenance	1,251,333	---	---	72,729	---	---	1,324,062
Transportation	---	---	754,476	91,644	---	---	846,120
Food Services	276,331	---	---	---	---	---	276,331
Non-Programmed Charges	184,125	---	135,106	20,752	---	---	339,983
Debt Service							
Principal	175,759	698,283	77,815	---	---	---	951,857
Interest and Fees	20,953	597,799	11,657	---	---	---	630,409
Total Expenditures	<u>\$ 13,216,606</u>	<u>\$ 1,296,082</u>	<u>\$ 979,054</u>	<u>\$ 432,479</u>	<u>\$ 62,126</u>	<u>\$ ---</u>	<u>\$ 15,977,347</u>

See Accompanying Notes to Financial Statements.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>General</u>	<u>Debt Service</u>	<u>Transportation</u>	<u>IMRF</u>	<u>Site and Construction</u>	<u>Working Cash</u>	<u>Totals</u>
Excess or (Deficiency) of Revenues Over Expenditures	\$ <u>(1,858,686)</u>	\$ <u>57,629</u>	\$ <u>(244,617)</u>	\$ <u>(400,932)</u>	\$ <u>210,180</u>	\$ <u>5,233</u>	\$ <u>(2,231,193)</u>
Other Financing Sources (Uses)							
Transfers In	\$ 106,679	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 106,679
Transfers Out	<u>---</u>	<u>(26,535)</u>	<u>---</u>	<u>---</u>	<u>(74,787)</u>	<u>(5,357)</u>	<u>(106,679)</u>
Total Other Financing Sources (Uses)	\$ <u>106,679</u>	\$ <u>(26,535)</u>	\$ <u>---</u>	\$ <u>---</u>	\$ <u>(74,787)</u>	\$ <u>(5,357)</u>	\$ <u>---</u>
Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	\$ (1,752,007)	\$ 31,094	\$ (244,617)	\$ (400,932)	\$ 135,393	\$ (124)	\$ (2,231,193)
Fund Balances - July 1, 2006	<u>(1,087,412)</u>	<u>14,913</u>	<u>516,419</u>	<u>382,060</u>	<u>1,549,520</u>	<u>(2,586)</u>	<u>1,372,914</u>
Fund Balances (Deficits) - June 30, 2007	\$ <u>(2,839,419)</u>	\$ <u>46,007</u>	\$ <u>271,802</u>	\$ <u>(18,872)</u>	\$ <u>1,684,913</u>	\$ <u>(2,710)</u>	\$ <u>(858,279)</u>

See Accompanying Notes to Financial Statements.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

FUND FINANCIAL STATEMENTS

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2007

Net Change in Fund Balances - Total Governmental Funds \$ (2,231,193)

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

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

Depreciation Expense	\$ (1,149,628)	
Capital Outlays	<u>328,351</u>	(821,277)

Interest, accrued and accreted, during the year on certain of the District's bond
issues and lease/purchase contracts which was not charged to expense on the
fund financial statements (986,796)

Net amortization of bond issuance expenses and bond premium not included
in the Fund Financial Statements.

Bond Premium Amortization	\$ 26,908	
Bond Issuance Expense Amortization	<u>(17,020)</u>	9,888

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 Assets. 951,857

Change in Net Assets of Governmental Activities \$ (3,077,521)

See Accompanying Notes to Financial Statements.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

FUND FINANCIAL STATEMENTS

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

JUNE 30, 2007

	Student Activity Fund
Assets	
Cash and Investments	\$ <u>32,617</u>
Liabilities	
Due to Student Groups	\$ <u>32,617</u>

See Accompanying Notes to Financial Statements.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the District

Millburn Community Consolidated School District No. 24 is a K-8 public school system located on the eastern edge of North Central Lake County, Illinois. The District serves portions of the Villages of Lindenhurst, Old Mill Creek, Wadsworth, and unincorporated areas in the vicinity. The District operates from two locations in Old Mill Creek. Enrollment for 2007 was more than 1,600 students.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to local governmental units of this type. The following is a summary of Millburn's more significant accounting policies:

A. Reporting Entity

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The definition of a component unit is a legally separate organization for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The District is financially accountable if it appoints a voting majority of the organization's governing body and

1. It is able to impose its will on that organization or
2. There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District.

The District also may be financially accountable if an organization is fiscally dependent on the District regardless of whether the organization has:

1. A separately elected governing board,
2. A governing board appointed by a higher level of government, or
3. A jointly appointed board.

There are no component units, as defined by GASB, which are included in Millburn's reporting entity. Even though there are local government agencies within the geographic area served by the District, such as municipalities, libraries and other entities, these agencies have been excluded from the report because they are legally separate and the District is not financially accountable for them.

Furthermore, the District is not included as a component unit in the financial statements of any other governmental reporting entity as defined by GASB pronouncements.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

District-wide and Fund Financial Statements

The district-wide financial statements identified as the Statement of Net Assets and the Statement of Activities report information on all of Millburn's non-fiduciary activities. The effect of any interfund activity has been eliminated from them. The governmental activities column reports activities that are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include:

1. Charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and
2. Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported as general revenues instead.

Fund Financial Statements

Millburn's accounts in the governmental fund financial statements are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for all governmental funds and fiduciary funds even though the fiduciary funds are excluded from the district-wide financial statements.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental funds are used to account for the District's general government activities. Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual. They are susceptible to accrual when they are both "measurable and available." "Measurable" means that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Management considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Also, in accordance with GASB No. 24, on-behalf payments made by the State to the Teachers' Retirement System have been recognized in the financial statements.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting (continued)

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and accordingly, when such funds are received they are recorded as deferred revenues until earned.

Governmental funds include the following major funds:

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 General Fund consists of the following:

Educational Account - This account is used for most of the instructional and administrative aspects of the District's operations. The revenue consists primarily of property taxes, local fees, and state and federal aid.

Operations and Maintenance Account - This account is used for expenditures made for operations of plant and maintenance and repair of District property. Revenue is derived primarily from property taxes and rents.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than those accounted for in the Debt Service Fund, Capital Projects Funds, or Fiduciary Funds) that are legally restricted to expenditures for specified purposes.

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

Transportation Fund - This fund accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund - This fund accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare for certified employees, and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

Working Cash Fund - This fund accounts for financial resources held by the District to be used as temporary interfund loans for working capital requirements to the General Fund and the Transportation Fund. Money loaned by the Working Cash Fund to other funds must be repaid within one year. As allowed by the School Code of Illinois, this fund may be permanently abolished and become a part of the Educational Account within the General Fund or it may be partially abated to the General Fund, Special Revenue Funds, or Debt Service Funds.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. A brief description of Millburn's Debt Service Fund is as follows:

Bond and Interest Fund - This fund accounts for the periodic principal and interest payments on Millburn's bond issues. Local property taxes levied specifically for debt service is the fund's primary revenue source.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting (continued)

Capital Projects Fund - The Capital Projects Fund (known as the Site and Construction Fund) is used to account for the financial resources to be used for the acquisition and construction and/or additions to major capital facilities. The principal source of financing is the District's issuance of bonds for this purpose. Impact fees collected from builders and developers are also deposited in this fund.

Fiduciary Fund Types (Trust and Agency Funds) - Fiduciary Funds (Trust and Agency Funds) are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

Agency Funds - The Agency Funds include Student Activity Funds, Convenience Accounts, and Other Agency Funds. These funds are custodial in nature and do not involve the measurement of the results of operations. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes. Convenience Accounts account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, and others.

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

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, certificates of deposit, repurchase agreements, and The Illinois Fund). Investments are stated at fair value. Changes in the fair value of investments are recorded as investment income.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." These amounts are eliminated in the governmental activities column in the statement of net assets.

Property Tax Revenues

The District must file its tax levy with the Lake County Clerk by the last Tuesday in December of each year. The levy filed in December becomes a lien on all taxable real property located in the District as of the preceding January 1. Thus, the owner of real property on January 1 in any year is liable for taxes of that year. Millburn's 2006 tax levy was approved during the November 20, 2006 board meeting.

The District has a statutory tax rate limit in the various operating funds subject to change only upon the approval of its voters. Further, Millburn is subject to the Property Tax Extension Limitation Act which, in general, limits the increase in the amount of taxes to be extended each year to the lesser of 5% or the percentage increase in the Consumer Price Index for the preceding year. Certain bond issue levies and referendum approved increases are exempt from this limitation.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

Property Tax Revenues (continued)

Property taxes are collected by the Lake County Treasurer who remits to Millburn its share of the collections. Taxes levied in one year are billed in May of the following year, payable in two installments. The first installment due date is usually during the first week in June and the second installment is usually due during the first week in September. Property taxes are normally received by the District within 90 days of each installment due date.

The 2006 property tax levy is recorded as a receivable net of estimated uncollectible amounts. The balance receivable at year-end is the amount of the taxes levied net of the estimated uncollectible amounts minus collections received to that date. Millburn defers recognition of revenue on the 2006 tax levy until the 2007-08 fiscal year as that is the year the 2006 levy was intended to finance operations. This deferral includes collections of 2006 taxes received prior to the end of the 2006-07 fiscal year.

Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement/Social Security Fund as required by Illinois statute, with the balance allocated to the remaining funds at the discretion of the District. If the Municipal Retirement/Social Security Fund does not levy a property tax for a particular year, then no replacement taxes are allocated to it for that year.

Prepaid Items

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

Capital Assets

Capital assets, which include land, land improvements, building, building improvements, vehicles, machinery, equipment, and construction in progress are reported in the district-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$500 and an estimated useful life of five years or more. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives as established by the Illinois State Board of Education. The District chose to use the same useful lives as the State Board of Education.

<u>Assets</u>	<u>Years</u>
Buildings	50
Improvements (other than buildings)	20
Equipment	5-10
Vehicles	5

The District does not depreciate land and construction in progress.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

Compensated Absences

Employees who work a twelve-month year are entitled to be compensated for vacation time. 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.

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

Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. However, bond premiums, discounts and bond issuance costs for bonds issued prior to July 1, 2003 when the District was using the cash basis of accounting were charged to expense at the time of issuance and are not amortized or netted against liabilities.

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.

Restricted Net Assets

For the district-wide financial statements, net assets are reported as restricted when constraints placed on net asset use are either:

1. Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or
2. Imposed by law through constitutional provisions or enabling legislation.

In the fund financial statements, reservations of fund balance represent amounts that are not available for other appropriations, or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Comparative Data

Comparative totals for the prior year have not been presented in selected sections of the accompanying financial statements.

Eliminations and Reclassifications

In the process of aggregating data for the district-wide financial statements, some amounts reported as interfund activity and balances may have been eliminated or reclassified.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures Over Budget

For the year ended June 30, 2007, expenditures exceeded budget in the following funds:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
Education Account	\$ 11,170,519	\$ 11,965,273	\$ 794,754*

This over-expenditure was funded by the available fund balance.

*The Education Account over-expenditure results in part from the inclusion in expenditures of \$698,836 in unbudgeted State on-behalf payments to TRS. This expenditure is covered by an offsetting revenue amount.

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. **Deposits and Investments**

Millburn is allowed to invest in securities as authorized by Chapter 30, Sections 235/1 through 235/7, and Chapter 105, Section 518-7 of the *Illinois Compiled Statutes*.

Deposits

At June 30, 2007, the carrying amount of the District's deposits was \$1,138,121. The bank balance was \$1,202,792. The deposits are categorized in accordance with risk factors created by governmental reporting standards. They are:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Category #1	\$ 100,000	\$ 100,000
Category #2	1,038,121	1,102,792
Category #3	---	---
	\$ <u>1,138,121</u>	\$ <u>1,202,792</u>

Category #1 includes deposits covered by depositing insurance or collateral held by the District in the District's name.

Category #2 includes deposits covered by collateral held by the financial institution's trust department in the District's name.

Category #3 includes deposits which are uncollateralized or for which the collateral is held by the financial institution's trust department, but not in the District's name.

In addition to the District's deposits described above, the activity funds it administers had cash balances at June 30, 2007 with a carrying value of \$32,617 and a bank balance of \$35,035. All activity fund balances were covered by FDIC insurance.

Investments

At June 30, 2007, the District's investments totaled \$3,500,000 which was composed of:

Certificates of Deposit	\$ <u>3,500,000</u>
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NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Loans Receivable

The Board of Education has authorized the purchase and financing of personal computer equipment by District employees. At June 30, 2007, the balance receivable from employees for such purchases was \$6,975.

C. Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows:

	Balance July 1, 2006	Increases	Decreases	Balance June 30, 2007
Capital Assets Not Being Depreciated:				
Land	\$ 826,414	\$ ---	\$ ---	\$ 826,414
Construction in Progress	<u>78,929</u>	<u>---</u>	<u>78,929</u>	<u>---</u>
Total Capital Assets Not Being Depreciated	\$ <u>905,343</u>	\$ <u>---</u>	\$ <u>78,929</u>	\$ <u>826,414</u>
Capital Assets Being Depreciated:				
Buildings	\$ 32,657,537	\$ 95,632	\$ ---	\$ 32,753,169
Improvements Other Than Buildings	191,035	48,053	---	239,088
Equipment	3,374,735	184,666	3,951	3,555,450
Vehicles	<u>904,089</u>	<u>---</u>	<u>---</u>	<u>904,089</u>
Total Capital Assets Being Depreciated	\$ <u>37,127,396</u>	\$ <u>328,351</u>	\$ <u>3,951</u>	\$ <u>37,451,796</u>
Less: Accumulated Depreciation For:				
Buildings	\$ 3,258,505	\$ 655,276	\$ ---	\$ 3,913,781
Improvements Other Than Buildings	66,272	9,754	---	76,026
Equipment	1,318,376	409,390	3,951	1,723,815
Vehicles	<u>719,108</u>	<u>75,208</u>	<u>---</u>	<u>794,316</u>
Total Accumulated Depreciation	\$ <u>5,362,261</u>	\$ <u>1,149,628</u>	\$ <u>3,951</u>	\$ <u>6,507,938</u>
Net Capital Assets Being Depreciated	\$ <u>31,764,135</u>	\$ <u>(821,277)</u>	\$ <u>---</u>	\$ <u>30,943,858</u>
Net Governmental Activities Capital Assets	\$ <u>32,670,478</u>	\$ <u>(821,277)</u>	\$ <u>(78,929)</u>	\$ <u>31,770,272</u>

Depreciation is included on the Statement of Activities as a charge to income of \$1,149,628 allocable to the following functions:

Regular Programs	\$ 37,841
Interscholastic Programs	8,143
Instructional Staff	243,920
General Administration	56,856
Operations and Maintenance	695,754
Transportation	76,608
Food Services	<u>30,506</u>
	\$ <u>1,149,628</u>

D. Long-term Debt

Millburn's long-term debt consisted of bonded debt and lease/purchase contracts during the 2007 fiscal year. A description of that debt follows:

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

D. Long-term Debt (continued)

1. The District issued General Obligation School Bonds on April 1, 1996, for \$2,710,000. The issue provided \$1.2 million to finance the costs of a school building addition. The remaining amount of the issue was used to advance refund a portion of a bond issue dated June 1, 1988, paid off in a prior year, and to pay costs of issuing the bonds. The issue provided for serial retirement of principal on December 1 of each year beginning December 1, 1998 through December 1, 2006, with interest at rates varying from 4.15% to 5.15%, payable on December 1 and June 1 beginning December 1, 1996. This bond issue was fully retired on December 31, 2006.
2. The District issued General Obligation School Bonds on May 1, 1999, for \$9,326,744. The issue was to finance the costs of school building additions and to pay costs of issuing the bonds. The issue provided for the serial retirement of principal on December 1 of each year beginning December 1, 2006 through December 1, 2016, with interest rates varying from 4.40% to 5.30%, payable on July 1 and December 1 beginning with July 1, 1999.
3. On May 1, 2004, Millburn School issued \$15,984,547 in building bonds. Included in this issue were \$6,075,000 in current interest bonds which mature on January 1, 2007 through 2010 and 2019 and 2020. These current interest bonds bear interest ranging from 3.25% to 5% per annum, payable semi-annually on July 1 and January 1. The balance of the bonds issued are capital appreciation bonds totaling \$9,909,546.75 which begin maturing on January 1, 2017 and annually thereafter until fully paid, except there is no maturity due on January 1, 2020 when the final payment is made on the current interest bonds. The capital appreciation bonds accrete at interest rates ranging from 5.11% to 6.9%, depending on maturity.

At June 30, 2007, the annual debt service requirements to service bonded debt were:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 689,196	\$ 738,349	\$ 1,427,545
2009	758,415	812,830	1,571,245
2010	841,602	882,718	1,724,320
2011	1,370,000	398,890	1,768,890
2012	1,590,000	327,605	1,917,605
2013	639,662	1,407,963	2,047,625
2014	963,763	1,248,862	2,212,625
2015	1,140,794	1,271,019	2,411,813
2016	1,075,882	1,600,118	2,676,000
2017	1,429,127	1,591,873	3,021,000
2018	1,486,454	1,774,546	3,261,000
2019	2,581,562	944,438	3,526,000
2020	3,625,000	181,250	3,806,250
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	<u>1,369,202</u>	<u>3,805,798</u>	<u>5,175,000</u>
	<u>\$ 24,683,007</u>	<u>\$ 25,208,911</u>	<u>\$ 49,891,918</u>

On November 20, 2001, the District leased a 14-passenger 1999 GM Corbeil school bus for wheelchair access from the State Bank of the Lakes. The lease calls for five annual installments of \$6,323, including interest at 5.5% per annum beginning July 1, 2002. This lease was retired in July 2006.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

D. Long-term Debt (continued)

On August 14, 2002, the District leased three 71-passenger 2001 International buses from The State Bank of the Lakes. The lease calls for five annual installments of \$26,790, plus interest at 5.5% per annum beginning July 1, 2003.

On July 8, 2003, Millburn School leased two 71-passenger International buses from The State Bank of the Lakes. The lease calls for five annual installments of \$17,920, plus interest at 5.0% per annum beginning July 1, 2004.

On July 27, 2004, the District leased two 2005 71-passenger Freightliner buses from The State Bank of the Lakes. The lease calls for five annual installments of \$19,826 plus interest at 5% beginning on July 1, 2005.

On December 15, 2004, Millburn School leased a 2005 28-passenger Ford bus from The State Bank of the Lakes. The lease calls for five annual installments of \$7,973 plus interest at 5% beginning on July 1, 2005.

On May 26, 2004, the District leased eight copiers and refinanced the balance of a previous lease for \$115,961 payable over five years in monthly installments of \$2,215 cash, including interest at 5.5%.

On July 27, 2005, Millburn leased seven copiers and peripheral equipment for \$119,848 from PMA Leasing, Inc. for use at Millburn West. The lease calls for 60 monthly payments of \$2,317, including interest at 6% beginning August 27, 2005 and ending July 27, 2010.

On May 15, 2005, the District leased approximately 116 Apple computers and peripheral equipment from Apple Financial Services. The lease calls for three annual installment payments of \$61,726.02 including interest at 7.845% beginning September 10, 2005.

On February 16, 2006, the District received a loan from the Illinois State Board of Education for \$234,550 to be used to purchase computers and related equipment under ISBE's School Technology Revolving Loan Program. The loan bears interest at 2% and is being repaid in six semi-annual installments of \$40,301, including interest. The first payment was due June 1, 2006 and the last payment is due December 1, 2008.

For the year ended June 30, 2007, changes in long-term debt are summarized as follows:

<u>Type of Debt</u>		<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2007</u>
General Obligation Bonds:					
Dated:	04-01-96	\$ 70,000	\$ ---	\$ 70,000	\$ ---
	05-01-99	9,326,744	---	378,283	8,948,461
	05-01-04	15,984,547	---	250,000	15,734,547
Bus Lease	11-20-01	5,306	---	5,306	---
Bus Lease	08-14-02	53,580	---	26,790	26,790
Bus Lease	07-08-03	53,760	---	17,920	35,840
Bus Lease	07-27-04	79,304	---	19,826	59,478
Bus Lease	12-15-04	31,892	---	7,973	23,919
Copier Lease	05-26-04	71,475	---	23,229	48,246
Copier Lease	07-27-05	100,473	---	22,384	78,089
Apple Computer Lease	05-15-05	110,308	---	53,072	57,236
ISBE Computer Loan	02-16-06	<u>195,598</u>	---	<u>77,074</u>	<u>118,524</u>
Totals		\$ <u>26,082,987</u>	\$ <u>---</u>	\$ <u>951,857</u>	\$ <u>25,131,130</u>

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

D. Long-term Debt (continued)

<u>Type of Debt</u>		<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2007</u>
Accreted and Accrued Interest:					
Accreted Interest					
Bonds Dated	05-01-99	\$ 2,558,165	\$ 422,287	\$ 135,413	\$ 2,845,039
Bonds Dated	05-01-04	1,214,306	629,875	---	1,844,181
Accrued Interest					
Bonds	Various	13,150	12,850*	13,150	12,850
Bus Leases	Various	12,212	7,435	12,212	7,435
Copier Leases	Various	93	76	93	76
Computer Leases	Various	<u>7,538</u>	<u>3,752</u>	<u>7,538</u>	<u>3,752</u>
Totals		\$ <u>3,805,464</u>	\$ <u>1,076,275*</u>	\$ <u>168,406</u>	\$ <u>4,713,333</u>

*Does not include amortization of bond issuance costs and bond premiums. Inclusion of these items reduced interest costs on the bonds by \$9,888.

NOTE 4 - OTHER INFORMATION

A. Risk Management

Millburn is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District is a member of a public entity risk pool, described below, that provides property and liability coverage and purchases commercial insurance for other risks. Claims settlements have not exceeded coverages for any of the three preceding years and there has been no significant reduction in coverage since last year.

Health Care Benefits

Millburn provides health care benefits to its employees through Cooperative 90's, a cooperative organization which includes a number of other governmental units among its members. The organization employs a third-party administrator which provides claims payment and management services. The District's liability for individual claims is limited and cumulative losses are covered by stop-loss insurance. Millburn can be liable for additional contributions to Cooperative 90's should funds be insufficient to cover the cooperative's obligations. However, none have been required in previous years.

Public Entity Risk Pool

The District is a member of the Collective Liability Insurance Cooperative (CLIC) which insures all of Millburn's property, general liability, automobile, employee dishonesty, pollution, and workers' compensation claims up to specified limits. CLIC is a separate entity, with more than 140 Illinois school district members as of June 30, 2007, which sets rates and purchases commercial excess and stop-loss coverage. The District pays annual premiums to CLIC for coverage. Supplementary payments may also be required upon determination by CLIC's Board of Directors that the annual premiums are insufficient to fund the operations of the pool. No such supplemental payments have been required by CLIC in its 20-plus years of existence.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4 - OTHER INFORMATION (continued)

B. Joint Agreements

The District participates with other Illinois school districts in certain cooperative educational organizations, known as joint agreements. These joint agreements are owned by the participants and are operated for the specific purposes stated in the joint agreement document, e.g., Special Education, Vocational Education, Insurance Pool, etc. This District has, in accordance with the generally accepted practice of other Illinois school districts, charged the cost of its investment to current expenditures in the year paid. The investment is not capitalized and it is unclear whether the District would receive any return on its investment should it choose to withdraw from any of the joint agreements. Complete separate financial statements for any organization in which the District participates may be obtained directly from the organization by contacting the administrative District.

NOTE 5 - RETIREMENT FUND COMMITMENTS

The District participates in two retirement systems; the Teachers Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF).

A. Teachers' Retirement System of the State of Illinois

Millburn 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.

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 State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2006 was 9.4% of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer.

In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund contribution was .6% during the year ended June 30, 2006, and the member THIS Fund health insurance contribution was .80%.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees.

- On-Behalf Contributions - The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2007, State of Illinois contributions were based on 9.78% of creditable earnings, and the District recognized revenue and expenditures of \$698,836 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2006 and June 30, 2005, the State of Illinois contribution rates as percentages of creditable earnings were 7.06% (\$449,550) and 11.76% (\$598,381), respectively.

The District makes three other types of employer contributions directly to TRS.

- 2.2 Formula Contributions - Employers contribute .58% of creditable earnings for the 2.2 formula change. Contributions for the year ending June 30, 2006 were \$36,932. Contributions for the years ended June 30, 2005 and June 30, 2004 were \$29,512 and \$27,285, respectively.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 5 - RETIREMENT FUND COMMITMENTS (continued)

A. Teachers' Retirement System of the State of Illinois (continued)

- Federal and Trust Fund Contributions - When TRS members are paid from federal and trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and trust funds will be the same as the state contribution rate to TRS. For the year ended June 30, 2007, the employer pension contribution was 7.06% of salaries. For the three years ended June 30, 2007, no salaries were paid from federal and trust funds that required employer contributions.
- Early Retirement Option (ERO) - The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires.

Under Public Act 94-0004, a "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO).

Under the ERO program that expired on June 30, 2005 and the Pipeline ERO, the maximum employer contribution is 100% of the member's highest salary used in the final average salary calculation.

Under the Modified ERO, the maximum employer contribution is 117.5%.

Both the 100% and 117.5% maximums apply when the member is age 55 at retirement.

For the year ended June 30, 2007, the District paid \$65,114.86 to TRS for employer contributions under the Pipeline ERO and Modified ERO programs. For the years ended June 30, 2006 and June 30, 2005, the District paid nothing in employer ERO contributions.

TRS financial information, an explanation of TRS' benefits, and descriptions of member, employer, and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2006. The report for the year ended June 30, 2007 is expected to be available in late 2007.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is available on the TRS web-site at trs.illinois.gov.

B. Illinois Municipal Retirement Fund

The District's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 5 - RETIREMENT FUND COMMITMENTS (continued)

B. Illinois Municipal Retirement Fund (continued)

Employees participating in IMRF are required to contribute 4.5% of their annual covered salary. The member rate is established by state statute. The District is required to contribute an actuarially determined rate. The district rate for calendar year 2006 was 10.50% of payroll. The district contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2006, was 26 years.

For December 31, 2006, the District's annual pension cost of \$155,594 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included: (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increase of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2006 actuarial valuation were based on the 2002-2004 experience study.

C. Social Security

Employees not qualifying for coverage under the Illinois Teachers' Retirement System 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.

**REQUIRED SUPPLEMENTARY INFORMATION -
HISTORICAL PENSION INFORMATION**

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

ILLINOIS MUNICIPAL RETIREMENT FUND

ANALYSIS OF EMPLOYER CONTRIBUTIONS
AND FUNDING PROGRESS (UNAUDITED)

JUNE 30, 2007

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/06	\$ 155,594	100%	\$ ---
12/31/05	122,355	100%	---
12/31/04	98,418	100%	---
12/31/03	86,300	100%	---
12/31/02	84,189	100%	---
12/31/01	71,263	100%	---
12/31/00	50,642	100%	---
12/31/99	25,750	100%	---
12/31/98	20,237	100%	---
12/31/97	15,198	100%	---

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Value of Assets (A)	Actuarial Entry Age (B)	Actuarial Accrued Liability Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll (B-A)/C
12/31/06	\$ 1,181,366	\$ 1,590,282	\$ 406,916	74.29%	\$ 1,481,848	27.60%
12/31/05	930,961	1,256,405	325,444	74.10%	1,211,432	26.86%
12/31/04	721,376	944,728	223,352	76.36%	975,400	22.90%
12/31/03	583,771	754,874	171,103	77.33%	866,462	19.75%
12/31/02	446,388	589,865	143,477	75.68%	821,356	17.47%
12/31/01	279,775	432,657	152,882	64.66%	738,480	20.70%
12/31/00	193,809	360,133	166,324	53.82%	525,329	31.66%
12/31/99	263,359	345,003	81,644	76.34%	260,367	31.36%
12/31/98	189,493	254,593	65,100	74.43%	189,132	34.42%
12/31/97	134,091	193,736	59,645	69.21%	172,025	34.67%

On a market value basis, the actuarial value of assets as of December 31, 2006 is \$1,259,900. On a market basis, the funded ratio would be 79.22%.

* Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2006 were based on the 2002-2004 Experience Study. The principal changes were:

- The 1994 Group Annuity Mortality was implemented.
- For Regular members, fewer normal and early retirements are expected to occur.

**REQUIRED SUPPLEMENTARY INFORMATION -
COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

GENERAL FUND

COMBINING BALANCE SHEET

JUNE 30, 2007

	<u>Accounts</u>		
	<u>Education</u>	<u>Operations and Maintenance</u>	<u>Total</u>
Assets			
Cash	\$ 585,871	\$ 21,871	\$ 607,742
Investments	930,000	476,000	1,406,000
Receivables			
Property Taxes	3,049,143	486,675	3,535,818
Replacement Taxes	3,610	---	3,610
Claims and Grants	13,544	---	13,544
Interfund Loans	166,022	---	166,022
Employees' Computer Purchases	6,975	---	6,975
Accrued Interest Earned	<u>2,300</u>	<u>1,177</u>	<u>3,477</u>
 Total Assets	 \$ <u>4,757,465</u>	 \$ <u>985,723</u>	 \$ <u>5,743,188</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 412,817	\$ 68,236	\$ 481,053
Accrued Expenses	964,692	20,453	985,145
Deferred Revenue	<u>6,142,374</u>	<u>974,035</u>	<u>7,116,409</u>
Total Liabilities	\$ <u>7,519,883</u>	\$ <u>1,062,724</u>	\$ <u>8,582,607</u>
 Fund Balances			
Unrestricted			
Undesignated (Deficit)	\$ <u>(2,762,418)</u>	\$ <u>(77,001)</u>	\$ <u>(2,839,419)</u>
 Total Liabilities and Fund Balances	 \$ <u>4,757,465</u>	 \$ <u>985,723</u>	 \$ <u>5,743,188</u>

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

GENERAL FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Education</u>	<u>Operations and Maintenance</u>	<u>Total</u>
Revenues			
Local Sources	\$ 6,817,031	\$ 1,017,098	\$ 7,834,129
Flow-Through Sources	7,587	---	7,587
State Sources	2,742,961	---	2,742,961
Federal Sources	<u>74,107</u>	<u>---</u>	<u>74,407</u>
Total Direct Cash Revenue	\$ 9,641,986	\$ 1,017,098	\$ 10,659,084
Revenue For On-Behalf Payments	<u>698,836</u>	<u>---</u>	<u>698,836</u>
Total Revenues	\$ <u>10,340,822</u>	\$ <u>1,017,098</u>	\$ <u>11,357,920</u>
Expenditures			
Instruction	\$ 8,680,816	\$ ---	\$ 8,680,816
Support Services	2,204,784	1,251,333	3,456,117
Non-Programmed Charges	184,125	---	184,125
Debt Service	<u>196,712</u>	<u>---</u>	<u>196,712</u>
Total Direct Expenditures	\$ 11,266,437	\$ 1,251,333	\$ 12,517,770
Expenditures For On-Behalf Payments	<u>698,836</u>	<u>---</u>	<u>698,836</u>
Total Expenditures	\$ <u>11,965,273</u>	\$ <u>1,251,333</u>	\$ <u>13,216,606</u>
Excess or (Deficiency) of Revenues Over Expenditures	\$ <u>(1,624,451)</u>	\$ <u>(234,235)</u>	\$ <u>(1,858,686)</u>
Other Financing Sources (Uses)			
Interest Transfers	\$ 101,417	\$ ---	\$ 101,417
Permanent Transfers	<u>5,262</u>	<u>---</u>	<u>5,262</u>
Total Other Financing Sources (Uses)	\$ <u>106,679</u>	\$ <u>---</u>	\$ <u>106,679</u>
Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	\$ (1,517,772)	\$ (234,235)	\$ (1,752,007)
Fund Balances - July 1, 2006	<u>(1,244,646)</u>	<u>157,234</u>	<u>(1,087,413)</u>
Fund Balances (Deficit) - June 30, 2007	\$ <u>(2,762,418)</u>	\$ <u>(77,001)</u>	\$ <u>(2,839,419)</u>

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

EDUCATIONAL ACCOUNT

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual
	Original	Final	
Revenues (Page 37)			
Local Sources	\$ 6,989,374	\$ 6,989,374	\$ 6,817,031
Flow-Through Sources	6,400	6,400	7,587
State Sources	2,667,970	2,667,970	2,742,961
Federal Sources	<u>64,724</u>	<u>64,724</u>	<u>74,407</u>
Total Direct Revenues	\$ 9,728,468	\$ 9,728,468	\$ 9,641,986
Revenue For On-Behalf Payments	---	---	<u>698,836</u>
Total Revenues	\$ <u>9,728,468</u>	\$ <u>9,728,468</u>	\$ <u>10,340,822</u>
Expenditures (Pages 38 and 39)			
Instruction	\$ 8,733,320	\$ 8,733,320	\$ 8,680,816
Support Services	2,155,975	2,155,975	2,204,784
Non-Programmed Charges	281,224	281,224	184,125
Debt Service	---	---	<u>196,712</u>
Total Direct Expenditures	\$ 11,170,519	\$ 11,170,519	\$ 11,266,437
Expenditures For On-Behalf Payments	---	---	<u>698,836</u>
Total Expenditures	\$ <u>11,170,519</u>	\$ <u>11,170,519</u>	\$ <u>11,965,273</u>
Excess or (Deficiency) of Revenues Cash Expenditures	\$ <u>(1,442,051)</u>	\$ <u>(1,442,051)</u>	\$ <u>(1,624,451)</u>
Other Financing Sources (Uses)			
Interest Transfers From Other Funds	\$ 68,362	\$ 68,362	\$ 101,417
Permanent Transfer From Working Cash Fund	<u>5,531</u>	<u>5,531</u>	<u>5,262</u>
Total Other Financing Sources (Uses)	\$ <u>73,713</u>	\$ <u>73,713</u>	\$ <u>106,679</u>
Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	\$ <u>(1,368,338)</u>	\$ <u>(1,368,338)</u>	\$ (1,517,772)
Fund Balance - July 1, 2006			<u>(1,244,646)</u>
Fund Balance (Deficit) - June 30, 2007			\$ <u>(2,762,418)</u>

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

EDUCATIONAL ACCOUNT

SCHEDULE OF REVENUES

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
Local Sources			
Property Taxes			
General Levies	\$ 6,352,607	\$ 6,352,607	\$ 5,798,658
Tort Immunity Levies	---	---	250,031
Special Education Levies	53,517	53,517	50,520
Corporate Personal Property Replacement Taxes	18,000	18,000	8,196
Tuition	100,700	100,700	128,294
Earnings on Investments	11,050	11,050	90,344
Food Services	244,300	244,300	259,170
Pupil Activities	53,600	53,600	54,271
Textbooks	85,000	85,000	88,508
Contributions	17,000	17,000	10,489
Other	<u>53,600</u>	<u>53,600</u>	<u>78,550</u>
	\$ <u>6,989,374</u>	\$ <u>6,989,374</u>	\$ <u>6,817,031</u>
Flow-Through Sources			
From State Sources	\$ <u>6,400</u>	\$ <u>6,400</u>	\$ <u>7,587</u>
State Sources			
General State Aid	\$ 2,308,318	\$ 2,308,318	\$ 2,308,318
Special Education	191,081	191,081	315,479
Reading Improvement Program	48,771	48,771	50,706
Library Service and Technology	76,000	76,000	12,976
Safety and Education Improvement	43,000	43,000	53,759
Other Grants In Aid	<u>800</u>	<u>800</u>	<u>1,723</u>
	\$ <u>2,667,970</u>	\$ <u>2,667,970</u>	\$ <u>2,742,961</u>
Federal Sources			
Food Services	\$ 27,400	\$ 27,400	\$ 40,242
Innovative Education Program Strategies - Title V	2,733	2,733	1,905
Safe and Drug Free Schools	3,223	3,223	2,733
Title II - Teacher Quality	13,463	13,463	13,463
Medicaid Matching	16,000	16,000	15,918
Other Federal Programs	<u>1,905</u>	<u>1,905</u>	<u>146</u>
	\$ <u>64,724</u>	\$ <u>64,724</u>	\$ <u>74,407</u>
Total Direct Cash Revenue	\$ 9,728,468	\$ 9,728,468	\$ 9,641,986
Revenue For On-Behalf Payments	---	---	<u>698,836</u>
Total Revenues	\$ <u>9,728,468</u>	\$ <u>9,728,468</u>	\$ <u>10,340,822</u>

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24
EDUCATIONAL ACCOUNT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

Expenditures	Budgeted Amounts		Actual
	Original	Final	
Instruction			
Regular Programs			
Salaries	\$ 5,482,200	\$ 5,482,200	\$ 5,408,173
Employee Benefits	1,192,130	1,192,130	1,371,334
Purchased Services	225,000	225,000	50,045
Supplies and Materials	418,550	418,550	339,227
Capital Outlay	56,000	56,000	---
Other Objects	<u>47,000</u>	<u>47,000</u>	<u>37,367</u>
	<u>\$ 7,420,880</u>	<u>\$ 7,420,880</u>	<u>\$ 7,206,146</u>
Special Education Programs			
Salaries	\$ 785,000	\$ 785,000	\$ 870,999
Employee Benefits	120,700	120,700	144,037
Purchased Services	22,020	22,020	1,329
Supplies and Materials	16,500	16,500	15,815
Tuition	---	---	34,400
	<u>\$ 944,220</u>	<u>\$ 944,220</u>	<u>\$ 1,066,580</u>
Interscholastic Programs			
Salaries	\$ 82,000	\$ 82,000	\$ 88,474
Employee Benefits	600	600	479
Purchased Services	15,450	15,450	12,770
Supplies and Materials	9,000	9,000	7,315
Capital Outlay	18,000	18,000	19,672
Other Objects	<u>5,000</u>	<u>5,000</u>	<u>6,833</u>
	<u>\$ 130,050</u>	<u>\$ 130,050</u>	<u>\$ 135,543</u>
Summer School			
Salaries	\$ 35,000	\$ 35,000	\$ 57,715
Employee Benefits	250	250	303
Supplies and Materials	2,000	2,000	2,968
Other Objects	<u>720</u>	<u>720</u>	<u>6,833</u>
	<u>\$ 37,970</u>	<u>\$ 37,970</u>	<u>\$ 62,781</u>
Gifted			
Salaries	\$ 180,000	\$ 180,000	\$ 186,501
Employee Benefits	18,200	18,200	22,217
Supplies and Materials	<u>2,000</u>	<u>2,000</u>	<u>1,048</u>
	<u>\$ 200,200</u>	<u>\$ 200,200</u>	<u>\$ 209,766</u>
Total Instruction	<u>\$ 8,733,320</u>	<u>\$ 8,733,320</u>	<u>\$ 8,680,816</u>
Support Services			
Pupils			
Salaries	\$ 500,000	\$ 500,000	\$ 575,571
Employee Benefits	72,200	72,200	73,077
Purchased Services	3,100	3,100	4,908
Supplies and Materials	42,000	42,000	25,267
Capital Outlay	800	800	---
Other Objects	<u>1,500</u>	<u>1,500</u>	<u>3,519</u>
	<u>\$ 619,600</u>	<u>\$ 619,600</u>	<u>\$ 682,342</u>
Instructional Staff			
Purchased Services	\$ 103,200	\$ 103,200	\$ 2,729
Supplies and Materials	213,600	213,600	164,408
Capital Outlay	217,000	217,000	169,689
Other Objects	<u>---</u>	<u>---</u>	<u>64,345</u>
	<u>\$ 533,800</u>	<u>\$ 533,800</u>	<u>\$ 401,171</u>

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24
EDUCATIONAL ACCOUNT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
Expenditures (continued)			
Support Services (continued)			
General Administration			
Salaries	\$ 146,760	\$ 146,760	\$ 150,780
Employee Benefits	32,100	32,100	27,539
Purchased Services	37,700	37,700	193,896
Supplies and Materials	250	250	395
Capital Outlay	15,000	15,000	
Other Objects	---	---	<u>16,292</u>
	<u>\$ 231,810</u>	<u>\$ 231,810</u>	<u>\$ 388,902</u>
School Administration			
Salaries	\$ 357,000	\$ 357,000	\$ 325,685
Employee Benefits	73,300	73,300	60,980
Purchased Services	800	800	<u>2,506</u>
	<u>\$ 431,100</u>	<u>\$ 431,100</u>	<u>\$ 389,171</u>
Business			
Salaries	\$ 60,000	\$ 60,000	\$ 60,222
Purchased Services	6,000	6,000	4,638
Supplies and Materials	3,000	3,000	2,007
Other Objects	<u>2,500</u>	<u>2,500</u>	<u>---</u>
	<u>\$ 71,500</u>	<u>\$ 71,500</u>	<u>\$ 66,867</u>
Lunch Services			
Salaries	\$ 10,000	\$ 15,000	\$ 9,000
Employee Benefits	65	65	52
Purchased Services	250,000	250,000	259,164
Supplies and Materials	7,500	7,500	7,619
Other Objects	<u>600</u>	<u>600</u>	<u>496</u>
	<u>\$ 268,165</u>	<u>\$ 268,165</u>	<u>\$ 276,331</u>
Total Support Services	<u>\$ 2,155,975</u>	<u>\$ 2,155,975</u>	<u>\$ 2,204,784</u>
Non-Programmed Charges			
Payments For Programs			
Purchased Services	\$ 13,000	\$ 13,000	\$ 6,577
Other Objects	130,600	130,600	38,846
Tuition	<u>137,624</u>	<u>137,624</u>	<u>138,702</u>
	<u>\$ 281,224</u>	<u>\$ 281,224</u>	<u>\$ 184,125</u>
Debt Service			
Interest	\$ ---	\$ ---	\$ 20,953
Principal	<u>---</u>	<u>---</u>	<u>175,759</u>
	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 196,712</u>
Total Direct Expenditures	<u>\$ 11,170,519</u>	<u>\$ 11,170,519</u>	<u>\$ 11,266,437</u>
Expenditures For On-Behalf Payments	<u>---</u>	<u>---</u>	<u>698,836</u>
Total Expenditures	<u>\$ 11,170,519</u>	<u>\$ 11,170,519</u>	<u>\$ 11,965,273</u>

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

OPERATIONS AND MAINTENANCE ACCOUNT

SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues			
Local Sources			
Property Taxes	\$ 1,022,197	\$ 1,022,197	\$ 973,579
Earnings on Investments	4,500	4,500	27,236
Other Revenue	<u>8,200</u>	<u>8,200</u>	<u>16,283</u>
Total Revenues	\$ <u>1,034,897</u>	\$ <u>1,034,897</u>	\$ <u>1,017,098</u>
Expenditures			
Support Services			
Operation and Maintenance of Plant			
Salaries	\$ 527,220	\$ 527,220	\$ 512,392
Employee Benefits	87,000	87,000	97,742
Purchased Services	446,600	446,600	525,907
Supplies and Materials	94,500	94,500	95,103
Capital Outlay	8,000	8,000	5,875
Other Objects	<u>2,500</u>	<u>2,500</u>	<u>14,314</u>
Total Expenditures	\$ <u>1,165,820</u>	\$ <u>1,165,820</u>	\$ <u>1,251,333</u>
Excess or (Deficiency) of Revenue Over Expenditures	\$ <u>(130,923)</u>	\$ <u>(130,923)</u>	\$ (234,235)
Fund Balance - July 1, 2006			<u>157,234</u>
Fund Balance - June 30, 2007			\$ <u>(77,001)</u>

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
Local Sources			
Property Taxes	\$ 168,583	\$ 168,583	\$ 160,122
Earnings on Investments	11,000	11,000	12,489
Other	---	---	280
Total Local Sources	<u>\$ 179,583</u>	<u>\$ 179,583</u>	<u>\$ 172,891</u>
State Sources			
Regular	\$ 400,000	\$ 400,000	\$ 527,612
Special Education	<u>25,000</u>	<u>25,000</u>	<u>33,934</u>
Total State Sources	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ 561,546</u>
Total Revenues	<u>\$ 604,583</u>	<u>\$ 604,583</u>	<u>\$ 734,437</u>
Expenditures			
Support Services			
Pupil Transportation			
Salaries	\$ 581,525	\$ 581,725	\$ 580,118
Employee Benefits	35,500	35,500	39,371
Purchased Services	135,900	135,900	54,188
Supplies and Materials	105,000	105,000	79,533
Capital Outlay	90,000	90,000	---
Other Objects	<u>1,500</u>	<u>1,500</u>	<u>1,266</u>
Total Support Services	<u>\$ 949,425</u>	<u>\$ 949,415</u>	<u>\$ 754,476</u>
Non-Programmed Charges			
Payments for Special Education Programs	\$ ---	\$ ---	<u>\$ 135,106</u>
Debt Services			
Interest	\$ ---	\$ ---	\$ 11,657
Principal	---	---	<u>77,815</u>
Total Debt Services	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 89,472</u>
Total Expenditures	<u>\$ 949,425</u>	<u>\$ 949,425</u>	<u>\$ 979,054</u>
Excess or (Deficiency) of			
Revenues Over Expenditures	<u>\$ (344,842)</u>	<u>\$ (344,842)</u>	<u>\$ (244,617)</u>
Fund Balance - July 1, 2006			<u>516,419</u>
Fund Balance - June 30, 2007			<u>\$ 271,802</u>

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

ILLINOIS MUNICIPAL RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
Local Sources			
Property Taxes	\$ 155,000	\$ 155,000	\$ ---
Personal Property Replacement Taxes	---	---	12,255
Earnings on Investments	<u>12,200</u>	<u>12,200</u>	<u>10,292</u>
Total Revenues	\$ <u>167,200</u>	\$ <u>167,200</u>	\$ <u>22,547</u>
Expenditures			
Instruction	\$ 384,000	\$ 384,000	\$ 167,839
Support Services	---	---	234,888
Non-Programmed Charges - Special Education	<u>---</u>	<u>---</u>	<u>20,752</u>
Total Expenditures	\$ <u>384,000</u>	\$ <u>384,000</u>	\$ <u>423,479</u>
Excess or (Deficiency) of			
Revenues Over Expenditures	\$ <u>(216,800)</u>	\$ <u>(216,800)</u>	\$ (400,932)
Fund Balance - July 1, 2006			<u>382,060</u>
Fund Balance - June 30, 2007			\$ <u>(18,872)</u>

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

DEBT SERVICE FUND

BOND AND INTEREST FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
Local Sources			
Property Taxes	\$ 1,391,472	\$ 1,391,472	\$ 1,324,649
Earnings on Investments	<u>2,300</u>	<u>2,300</u>	<u>29,062</u>
Total Revenues	\$ <u>1,393,772</u>	\$ <u>1,393,772</u>	\$ <u>1,353,711</u>
Expenditures			
Debt Service			
Interest	\$ 601,064	\$ 601,064	\$ 596,064
Principal	698,284	698,284	698,283
Debt Service Fees	<u>2,020</u>	<u>2,020</u>	<u>1,735</u>
Total Expenditures	\$ <u>1,301,368</u>	\$ <u>1,301,368</u>	\$ <u>1,296,082</u>
Excess or (Deficiency) of Revenues Over Expenditures	\$ 92,404	\$ 92,404	\$ 57,629
Other Financing Sources (Uses)			
Permanent Transfers	<u>(2,300)</u>	<u>(2,300)</u>	<u>(26,535)</u>
Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	\$ <u>90,104</u>	\$ <u>90,104</u>	\$ 31,094
Fund Balance - July 1, 2006			<u>14,913</u>
Fund Balance - June 30, 2007			\$ <u>46,007</u>

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

CAPITAL PROJECTS FUND

SITE AND CONSTRUCTION FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
Local Sources			
Earnings on Investments	\$ 66,000	\$ 66,000	\$ 75,179
Contributions and Donations	30,000	30,000	188,551
Other Revenue	---	---	8,576
Total Revenues	<u>\$ 96,000</u>	<u>\$ 96,000</u>	<u>\$ 272,306</u>
Expenditures			
Support Services			
Facilities Acquisition and Construction Services			
Purchased Services	\$ 2,500	\$ 2,500	\$ ---
Supplies and Materials	35,000	35,000	8,576
Capital Outlay	175,000	175,000	1,706
Other Objects	<u>300,000</u>	<u>300,000</u>	<u>51,844</u>
Total Expenditures	<u>\$ 512,500</u>	<u>\$ 512,500</u>	<u>\$ 62,126</u>
Excess or (Deficiency) of Revenues Over Expenditures	\$ (416,500)	\$ (416,500)	\$ 210,180
Other Financing Sources (Uses)			
Permanent Transfer of Interest Other Funds	<u>(66,000)</u>	<u>(66,000)</u>	<u>(74,787)</u>
Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	<u>\$ (482,500)</u>	<u>\$ (482,500)</u>	\$ 135,393
Fund Balance - July 1, 2006			<u>1,549,520</u>
Fund Balance - June 30, 2007			<u>\$ 1,684,913</u>

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

WORKING CASH FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
Local Sources			
Property Taxes	\$ 5,351	\$ 5,351	\$ 5,138
Earnings on Investments	<u>62</u>	<u>62</u>	<u>95</u>
Total Revenues	\$ <u>5,413</u>	\$ <u>5,413</u>	\$ <u>5,233</u>
Expenditures	\$ <u>---</u>	\$ <u>---</u>	\$ <u>---</u>
Excess or (Deficiency) of Revenues Over Expenditures	\$ <u>5,413</u>	\$ <u>5,413</u>	\$ <u>5,233</u>
Other Financing Sources (Uses)			
Permanent Transfers to Education Fund			
Abolish Working Cash Fund	\$ (5,351)	\$ (5,351)	\$ (5,275)
Interest	<u>(62)</u>	<u>(62)</u>	<u>(82)</u>
Total Other Financing Sources (Uses)	\$ <u>(5,413)</u>	\$ <u>(5,413)</u>	\$ <u>(5,357)</u>
Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	\$ <u>---</u>	\$ <u>---</u>	\$ (124)
Fund Balance - July 1, 2006			<u>(2,586)</u>
Fund Balance (Deficit) - June 30, 2007			\$ <u>(2,710)</u>

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

STUDENT ACTIVITY FUNDS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2007

	Balance <u>July 1, 2006</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance <u>June 30, 2007</u>
Millburn Central				
Band	\$ 116	\$ 2,800	\$ 1,058	\$ 1,858
Athletics	---	4,159	2,549	1,610
P.E.	1,364	---	---	1,364
Principal	7,253	115,500	116,010	6,743
Student Council	5,598	8,886	9,024	5,460
Sunshine	567	---	---	567
Yearbook	<u>16,646</u>	<u>18,975</u>	<u>34,621</u>	<u>1,000</u>
	\$ <u>31,544</u>	\$ <u>150,320</u>	\$ <u>163,262</u>	\$ <u>18,602</u>
Millburn West				
Band	\$ 1,378	\$ 3,455	\$ 2,885	\$ 1,948
Athletics	---	6,588	5,244	1,344
P.E.	1,051	---	---	1,051
Media	---	400	368	32
Principal	5,468	61,144	63,298	3,314
Student Council	3,028	5,474	5,622	2,886
Sunshine	129	---	---	129
Yearbook	<u>11,198</u>	<u>10,170</u>	<u>18,051</u>	<u>3,317</u>
	\$ <u>22,252</u>	\$ <u>87,231</u>	\$ <u>95,468</u>	\$ <u>14,015</u>
Totals	\$ <u>53,796</u>	\$ <u>237,551</u>	\$ <u>258,730</u>	\$ <u>32,617</u>

SUPPLEMENTARY SCHEDULES

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

COMPUTATION OF PER CAPITA TUITION CHARGE

FOR THE YEAR ENDED JUNE 30, 2007

Total Expenditures		
Educational Fund		\$ 11,019,583
Operations and Maintenance Fund		1,222,021
Bond and Interest Fund		1,296,083
Transportation Fund		949,085
Municipal Retirement Fund		<u>419,650</u>
		\$ 14,906,422
Less: Receipts or Expenditures Not Applicable To Operating Expense of Regular Term		
Summer School		\$ 65,348
Capital Outlay (Education, Building, and Transportation Funds)		195,546
Lease/Purchase Principal Retired		253,574
Bond Principal Retired		698,284
Tuition		173,102
Non-Programmed Charges		<u>182,252</u>
		<u>1,568,106</u>
Operating Expense of Regular Program		\$ 13,338,316
Average Daily Attendance	1,424.89	
Net Operating Expense Per Pupil	\$ <u>9,360.94</u>	
Deductions For Computation of Tuition Charges (Revenue Offsetting Expense of a Special Activity)		
State Transportation Aid		\$ 131,221
Special Education		373,659
Pupil Activities		54,460
Food Services		298,355
Textbooks		105,301
Other Grants-In-Aid		163,907
Other Revenue		<u>42,273</u>
		<u>1,169,176</u>
Net Operating Expenses For Tuition Computation		\$ 12,169,140
Add: Total Depreciation Allowance		<u>1,149,555</u>
Total Allowance For Tuition Computation		\$ <u>13,318,695</u>
Average Daily Attendance	1,424.89	
Per Capita Tuition Charge	\$ <u>9,347.17</u>	

NOTE: These computations are prepared from the District's Annual Financial Report which it files with the Illinois State Board of Education on a regulatory basis of accounting. The regulatory basis is different than the basis of accounting used in this report.