

MILBURN CAIN & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
4237 GROVE AVENUE
GURNEE, ILLINOIS 60031
PHONE: (847) 336-6455
FAX: (847) 336-9594

MILLBURN COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 24

WADSWORTH, LAKE COUNTY, ILLINOIS

AUDIT REPORT

JUNE 30, 2009

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

TABLE OF CONTENTS

JUNE 30, 2009

| | PAGE |
|--|-------|
| INDEPENDENT AUDITOR'S REPORT | 1-2 |
| REQUIRED SUPPLEMENTAL INFORMATION: | |
| Management's Discussion and Analysis (M D & A) | 3-11 |
| BASIC FINANCIAL STATEMENTS: | |
| District-Wide Financial Statements | |
| Statement of Net Assets | 12 |
| Statement of Activities | 13 |
| Fund Financial Statements | |
| Balance Sheet - Governmental Funds | 14 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets | 15 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 16-17 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities | 18 |
| Statement of Fiduciary Net Assets - Fiduciary Funds | 19 |
| Notes to Financial Statements | 20-36 |
| REQUIRED SUPPLEMENTARY INFORMATION - HISTORICAL PENSION INFORMATION: | |
| Illinois Municipal Retirement Fund - Analysis of Employer Contributions and Funding Progress | 37 |
| COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES: | |
| General Fund | |
| Combining Balance Sheet | 38 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 39 |

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

TABLE OF CONTENTS

JUNE 30, 2009

| | PAGE |
|---|-------|
| COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES: (continued) | |
| Educational Account - Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual | 40-43 |
| Operations and Maintenance Account - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual | 44 |
| Transportation Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual | 45 |
| Illinois Municipal Retirement Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual | 46 |
| Bond and Interest Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual | 47 |
| Capital Projects Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual | 48 |
| Tort Immunity Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual | 49 |
| Working Cash Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual | 50 |
| SUPPLEMENTARY SCHEDULES: | |
| Student Activity Funds - Schedule of Changes in Assets and Liabilities | 51 |
| Computation of Per Capita Tuition Charge | 52 |
| FEDERAL COMPLIANCE REPORT: | |
| Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 53-54 |

MILBURN CAIN & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
4237 GROVE AVENUE
GURNEE, ILLINOIS 60031
PHONE: (847) 336-6455
FAX: (847) 336-9594

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, 2009, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2009, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2009 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. See pages 53 and 54. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing results of our audit.

The management's discussion and analysis, historical pension information, and budgetary comparison information on pages 3-11 and pages 40-50 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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 on pages 51 and 52 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.

A handwritten signature in cursive script that reads "Milburn Cain & Co." with a stylized flourish at the end.

MILBURN CAIN & CO.
Certified Public Accountants

Gurnee, Illinois
August 28, 2009

REQUIRED SUPPLEMENTAL INFORMATION

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

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, 2009. 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 12.

Financial Highlights

- Millburn spent approximately \$236,000 on replacement equipment.
- District operations for the year indicate expenses exceeding revenues by \$2,482,000.
- Payments during the year reduced Millburn's debt by \$959,000.
- Millburn incurred \$205,000 in new debt in the 2008-09 fiscal year to lease/purchase equipment.

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 12 and 13 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 14-19 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 19 and 51 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 20-36 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 40-50 of this report.

Financial Analysis of the District as a Whole

Net Assets - Millburn's net assets at June 30, 2009 were \$2.5 million less than they were the year before, decreasing to a deficit of \$4.1 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>2009</u> | <u>2008</u> |
|---|-----------------|-----------------|
| Assets | | |
| Current and Other Assets | \$ 10.9 | \$ 11.1 |
| Capital Assets (Net) | <u>30.6</u> | <u>31.6</u> |
| Total Assets | \$ <u>41.5</u> | \$ <u>42.7</u> |
| Liabilities | | |
| Long-term Debt Outstanding | \$ 28.5 | \$ 28.6 |
| Other Liabilities | <u>17.1</u> | <u>15.7</u> |
| Total Liabilities | \$ <u>45.6</u> | \$ <u>44.3</u> |
| Net Assets | | |
| Invested in Capital Assets, Net of Related Debt | \$ 7.0 | \$ 7.2 |
| Restricted | 1.0 | 1.2 |
| Unrestricted | <u>(12.1)</u> | <u>(10.0)</u> |
| Total Net Assets | \$ <u>(4.1)</u> | \$ <u>(1.6)</u> |

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

- The District spent \$236,000 to replace equipment.
- 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 \$758,000 in bonds and reduction of \$201,000 in lease/purchase obligations.
- Depreciation expense of \$1,211,000 was charged against income.

Changes in Net Assets - The District's total revenues for the fiscal year ended June 30, 2009 were \$16.6 million. The total cost of all programs and services was \$19.1 million, exceeding revenues by \$2.5 million as illustrated in the following table. The District's enrollment is largely responsible for the deficit since expenses related to growth tend to increase before the additional revenues are recognized as income. Some additional revenue is expected as newly-developed properties are added to the tax rolls.

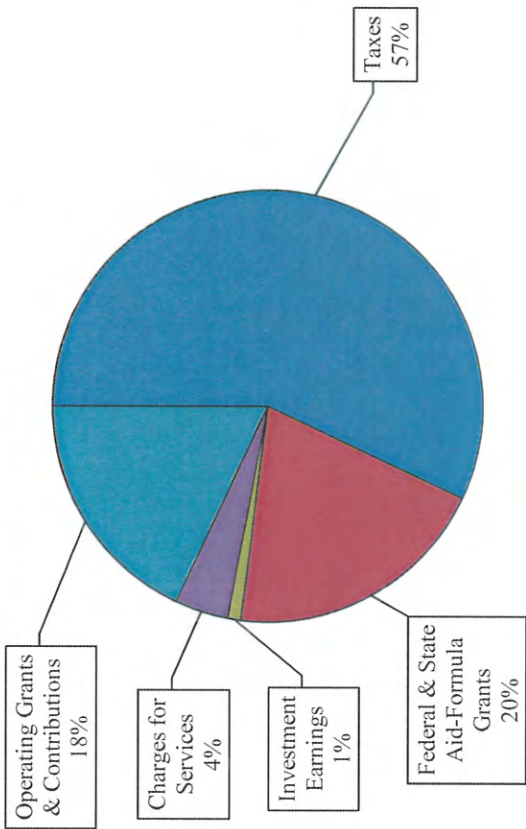
Table 2
Summary of Changes in Net Assets
(In Thousands)
For the Year Ended June 30

| | 2009 | | 2008 | |
|--|-------------------------|---------------------|-------------------------|---------------------|
| | Governmental Activities | Percentage of Total | Governmental Activities | Percentage of Total |
| Revenue | | | | |
| Program Revenues | | | | |
| Charges for Services | \$ 700 | 4.2% | \$ 673 | 4.4% |
| Operating Grants and Contributions | 2,909 | 17.5% | 2,251 | 14.9% |
| Capital Grants and Contributions | 27 | .2% | 48 | .3% |
| General Revenue | | | | |
| Taxes | 9,506 | 57.2% | 9,074 | 59.8% |
| State and Federal Aid - Formula Grants | 3,378 | 20.3% | 2,975 | 19.6% |
| Investment Earnings | 101 | .6% | 148 | 1.0% |
| Total Revenue (In Thousands) | \$ <u>16,621</u> | <u>100.0%</u> | \$ <u>15,169</u> | <u>100.0%</u> |
| Expenses | | | | |
| Instruction | \$ 11,044 | 57.8% | \$ 10,057 | 57.0% |
| Pupil and Instructional Services | 1,177 | 6.2% | 1,295 | 7.3% |
| Administration and Business | 1,013 | 5.3% | 1,014 | 5.8% |
| Maintenance and Operations | 2,360 | 12.4% | 2,140 | 12.1% |
| Food Services | 331 | 1.7% | 308 | 1.8% |
| Transportation | 1,172 | 6.1% | 1,064 | 6.0% |
| Other and Non-programmed Charges | 316 | 1.7% | 195 | 1.1% |
| Debt Service | 1,690 | 8.8% | 1,574 | 8.9% |
| Total Expenses (In Thousands) | \$ <u>19,103</u> | <u>100.0%</u> | \$ <u>17,647</u> | <u>100.0%</u> |
| Change in Net Assets | \$ (2,482) | | \$ (2,478) | |
| Net Assets | | | | |
| At July 1 | <u>(1,574)</u> | | <u>904</u> | |
| At June 30 | \$ <u>(4,056)</u> | | \$ <u>(1,574)</u> | |

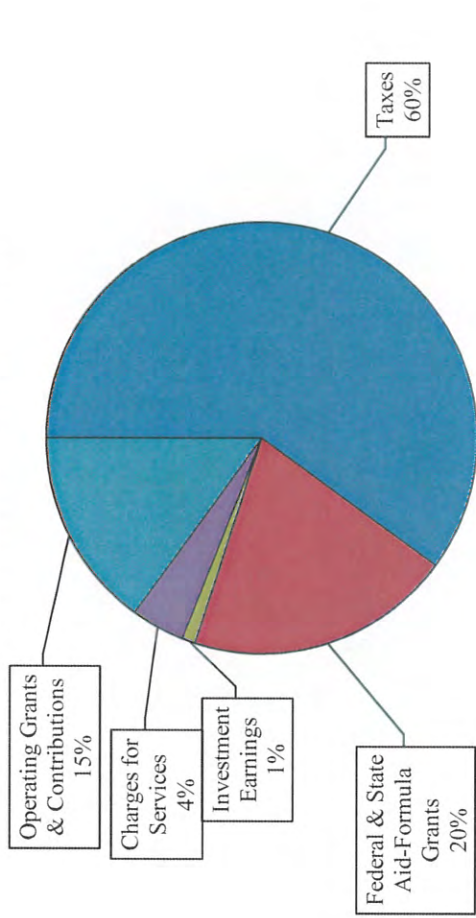
The charts which appear on the following page provide a comparative display of the composition of revenues and expenses as a percentage of the total for 2009 and 2008:

Millburn School District #24

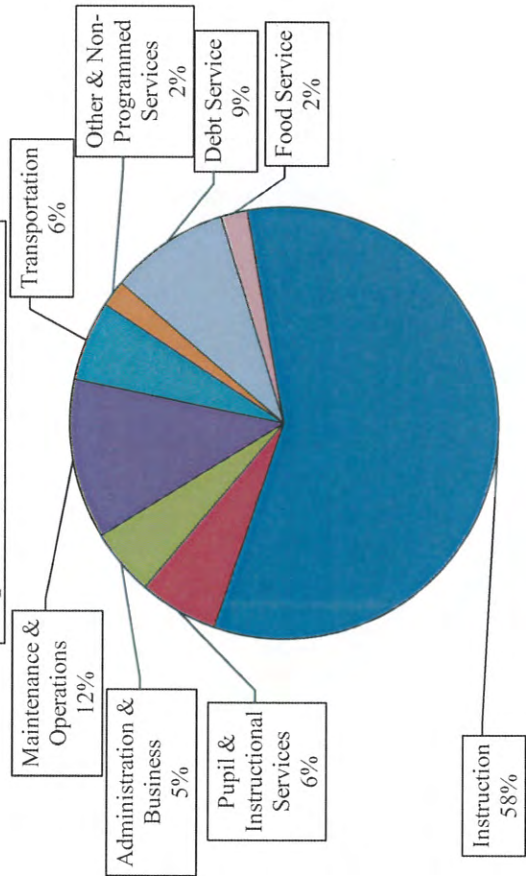
Revenue for Fiscal Year 2009



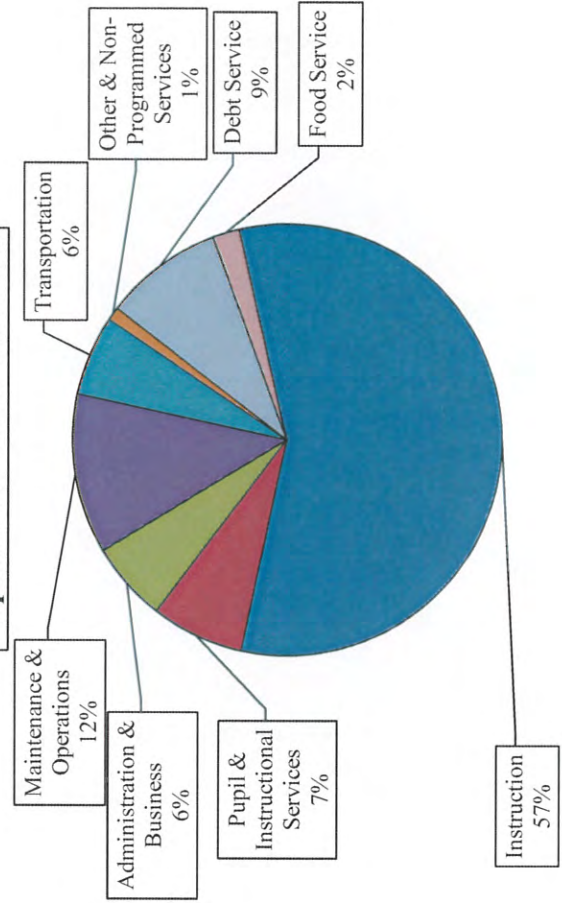
Revenue for Fiscal Year 2008



Expenses for Fiscal Year 2009



Expenses for Fiscal Year 2008



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 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 | \$ 11,044 | \$ 8,704 |
| Pupil and Instructional Services | 1,177 | 1,127 |
| Administration and Business | 1,013 | 1,013 |
| Maintenance and Operations | 2,360 | 2,328 |
| Transportation | 1,172 | 259 |
| All Other | <u>2,337</u> | <u>2,037</u> |
| Total Cost (In Thousands) | \$ <u>19,103</u> | \$ <u>15,468</u> |

Summary and Highlights

- The cost of all governmental activities for the year was \$19.1 million.
- About \$700,000 of the cost was paid by users of the District's programs.
- Federal and state subsidies to specific programs totaled \$2.9 million which includes \$1.3 million in state on-behalf payments.
- Most of the costs (\$9.5 million) however, were paid by the District's taxpayers.
- Replacement taxes, investment earnings, and state and federal aid-formula grants totaled \$3.5 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 16 and 17 of this report. Total revenues were \$16.6 million compared to \$15.2 in the prior year -- an increase of \$1.4 million. Total expenditures were \$18.3 million compared to \$17.7 million a year ago. Other financing sources provided \$.2 million. Current year expenditures exceeded revenues and other financing sources by \$1.5 million.

Educational Account (Pages 40-43) - Property taxes produced \$5.5 million in revenue for the Education Account during fiscal 2009, or 47% of all of the fund's revenue. State sources accounted for 39% of revenue at \$4.5 million, including \$1.3 million in on-behalf pension payments. Without the on-behalf pension payments, state revenues were \$3.2 million, accounting for 28% of total revenue. Federal sources provided \$854,000, or about 7.0% of total Education Account revenue. Fees, earnings on investments, and other local sources of revenue produced \$738,000, or 6% of total revenue. Thus, property taxes and other local revenues combined accounted for \$6.2 million, or more than 53% of Education Account revenues.

Total Education Account expenditures were \$13.2 million compared to \$12.7 million a year ago -- an increase of 4%. Of the \$13.2 million, \$10.8 million, or 81%, was used for direct instruction and teachers' pensions; \$2.0 million paid for instructional support services, administration, business, and food service; and \$404,000 was used for tuition paid to other school districts and debt service.

After taking into account the revenues of \$11.6 million and the expenditures of \$13.2 million, the Education Fund posted an excess of expenditures over revenues of \$1.6 million -- increasing its year-end fund balance deficit to \$5,411,000. See pages 38-43.

Operations and Maintenance Account (Page 44) - As with the Education Account, the Operations and Maintenance Account's largest source of revenue comes from property taxes which account for \$1,579,000 out of total fund revenues of \$1,603,000, or 98% of total fund revenue. Other local revenue sources account for the other 2.0%, or \$24,000.

Total expenditures of \$1,384,000 were \$57,000 more than last year's \$1,327,000 due primarily to an increase in purchased services. Thus, total revenues exceeded expenditures by \$219,000. In the prior year, expenditures exceeded revenues by \$316,000.

Transportation Fund (Page 45) - Revenues for transportation and other financing sources were more than expenditures by \$237,000, erasing the fund's prior year deficit of \$32,000 and generating a fund balance at year-end of \$205,000. Revenues from property taxes increased by \$243,000 to \$404,000.

Total expenditures of \$1,182,000 for 2009 is \$69,000 more than the 2008 total. A review of the totals reveals a general increase in operating expenses connected with bus services.

IMRF Fund (Page 46) - IMRF Fund revenues for 2009 were \$243,500. Expenditures of \$484,000 were \$20,000 more than the 2008 cost of \$464,000. The increased costs reflect the District's salary cost increases during the year. Expenditures exceeded revenues by \$240,000, increasing the fund's deficit to \$379,000.

Debt Service - Bond and Interest Fund (Page 47) - 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 2009, the District's Bond and Interest Fund revenues totaled \$1,622,000, including \$20,000 in interest earnings. Expenditures totaled \$1,804,000. The fund transferred \$18,000 of its interest earnings to the Education Fund and received \$158,979 in transfers from other funds to pay for Debt Service expenses. The fund balance increased by \$32,000 due to the timing of revenues and bond payments.

Capital Projects Fund (Page 48) - The Capital Projects Fund carried forward \$1.1 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 \$42,000. It spent \$180,000 for capital improvements and transferred interest earnings of \$21,000 to the Education Account. The fund is expected to exhaust itself as various building projects are undertaken.

Tort Immunity Fund (Page 49) - Revenues totaled \$218,000, consisting of property taxes of \$213,000 and interest and other revenues of \$5,000. Total expenditures were \$214,000. At year-end, the fund balance was \$47,000.

Working Cash Fund (Page 50) - The Working Cash Fund received \$5,692 in taxes and earned \$57 in interest on investments. All income was transferred to the Education Account.

General Fund Budgetary Highlights (Page 39, 40 and 44) - The District originally budgeted general fund expenditures to total \$13,513,059. The budget was not amended. Actual General Fund expenditures totaled \$14,584,870, including \$1,342,239 in unbudgeted pension payments. Net results of operations were originally expected to result in a general fund decrease in fund balance of \$1,768,980. Actual results for the year produced a deficit of \$1,413,482.

Capital Asset and Debt Administration

Capital Assets - At June 30, 2009, Millburn's net capital assets totaled \$30.6 million in a broad range of capital assets. These assets, which are listed in Note 3C of the notes to financial statements according to five categories (land, 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 \$1,210,803 for the year was charged to various functions on the Statement of Activities. The \$1,210,803 was allocated to:

| | |
|----------------------------|---------------------|
| Regular Programs | \$ 37,419 |
| Interscholastic Programs | 8,255 |
| Instructional Staff | 285,991 |
| General Administration | 59,834 |
| Operations and Maintenance | 721,496 |
| Transportation | 67,304 |
| Food Services | <u>30,504</u> |
| | \$ <u>1,210,803</u> |

During the year, the District invested \$235,617 in additions to its capital assets. The amounts invested in additions to capital assets were less than charges for depreciation during the year by \$975,186. The following schedule presents capital asset balances net of depreciation at June 30, 2009:

| | <u>2009</u> |
|-----------------------------------|----------------------|
| Land | \$ 826,414 |
| Buildings | 27,795,306 |
| Improvements Other Than Buildings | 402,697 |
| Equipment | 1,444,379 |
| Vehicles | <u>171,163</u> |
| Totals | \$ <u>30,639,959</u> |

Long-term Debt - During the 2009 fiscal year, the District:

1. Retired bonds in the amount of \$758,000;
2. Paid \$201,000 toward its lease/purchase obligations; and
3. Incurred interest costs and fees of \$1,690,000.

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

At June 30, 2009, Millburn's long-term debt obligations were:

| | |
|---|----------------------|
| General Obligation Bonds | \$ 23,235,396 |
| Lease/Purchase Contracts and Loans | <u>442,434</u> |
| Total Long-term Debt Obligations at June 30, 2009 | \$ <u>23,677,830</u> |

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

| | |
|--|---------------------|
| Accrued and Accreted Interest on Bonds | \$ 6,210,807 |
| Accrued Interest on Lease/Purchase Agreements | <u>8,397</u> |
| Total Accrued and Accreted Interest at June 30, 2009 | \$ <u>6,219,204</u> |

Summary and Highlights

- Property taxes continue to be the District's largest single source of revenues at \$9.5 million with locally generated fees and charges and interest earnings generating \$.8 million. \$6.3 million was provided by state and federal aid. Thus, nearly 62% of revenue came from local sources.
- Total expenditures for all funds were \$19.1 million, \$1.4 million more than the previous year. This year, expenditures included \$1.7 million spent on debt service interest and fee payments.
- Total additions to capital assets of \$235,617 were acquired during the year.
- Payments on long-term debt totaled \$959,000.

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 1,628. 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, 2009

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| Assets | |
| Cash | \$ 77,305 |
| Investments | 4,735,650 |
| Receivables | |
| Property Taxes | 5,121,920 |
| Replacement Taxes | 2,986 |
| Accounts Receivable | 262,925 |
| Claims and Grants | 448,590 |
| Employee Computer Purchases | 6,968 |
| Accrued Interest Earned | 8,434 |
| Deferred Charges | |
| Unamortized Bond Issuance Expenses | 246,788 |
| Capital Assets, Net of Accumulated Depreciation | |
| Land | 826,414 |
| Land Improvements | 402,697 |
| Buildings | 27,795,306 |
| Equipment | 1,444,379 |
| Transportation Equipment | <u>171,163</u> |
| Total Assets | <u>\$ 41,551,525</u> |
| Liabilities | |
| Accounts Payable | \$ 327,001 |
| Accrued Expenses | 1,154,073 |
| Tax Warrants Payable | 3,700,000 |
| Deferred Revenue | 10,139,179 |
| Non-current Liabilities | |
| Due Within One Year | 1,435,402 |
| Due in More Than One Year | 28,461,632 |
| Deferred Credits | |
| Unamortized Bond Premiums | <u>390,163</u> |
| Total Liabilities | <u>\$ 45,607,450</u> |
| Net Assets | |
| Invested in Capital Assets, Net of Related Debt | \$ 6,974,743 |
| Restricted For: | |
| Debt Service | 107,649 |
| Capital Projects | 951,525 |
| Unrestricted | <u>(12,089,842)</u> |
| Total Net Assets | <u>\$ (4,055,925)</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, 2009

| | <u>Expenses</u> | <u>Program Revenues</u> | | | <u>Net (Expenses) Revenue and Changes in Net Assets Governmental Activities</u> |
|---|----------------------|---------------------------------|---|---|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | |
| Governmental Activities: | | | | | |
| Instruction | | | | | |
| Regular Programs | \$ 7,938,330 | \$ 315,487 | \$ --- | \$ 6,761 | \$ (7,616,082) |
| Special Programs | 1,358,755 | --- | 591,608 | --- | (767,147) |
| Interscholastic Programs | 144,243 | 29,033 | --- | --- | (115,210) |
| Summer Programs | 39,761 | 55,469 | --- | --- | 15,708 |
| Gifted Programs | 221,078 | --- | --- | --- | (221,078) |
| State Retirement Contributions | 1,342,239 | --- | 1,342,239 | --- | --- |
| Support Services | | | | | |
| Pupils | 865,563 | 12,314 | 20,270 | --- | (832,979) |
| Instructional Staff | 311,193 | --- | 17,582 | --- | (293,611) |
| General Administration | 381,401 | --- | --- | --- | (381,401) |
| School Administration | 534,890 | --- | --- | --- | (534,890) |
| Business | 96,932 | --- | --- | --- | (96,932) |
| Facilities Acquisition and Construction | 179,564 | --- | --- | 19,840 | (159,724) |
| Operations and Maintenance | 2,180,530 | 12,593 | --- | --- | (2,167,937) |
| Transportation | 1,171,943 | 15,757 | 897,484 | --- | (258,702) |
| Food Services | 331,336 | 259,024 | 39,612 | --- | (32,700) |
| Non-Programmed Services | 315,542 | --- | --- | --- | (315,542) |
| Interest and Fees | <u>1,689,619</u> | --- | --- | --- | <u>(1,689,619)</u> |
| Total Governmental Activities | \$ <u>19,102,919</u> | \$ <u>699,677</u> | \$ <u>2,908,795</u> | \$ <u>26,601</u> | \$ <u>(15,467,846)</u> |
| General Revenues | | | | | |
| Taxes | | | | | |
| Real Estate Taxes - General | | | | | \$ 7,885,978 |
| Real Estate Taxes - Debt Service | | | | | 1,601,484 |
| Corporate Personal Property Replacement Tax | | | | | 19,131 |
| State and Federal Aid | | | | | |
| Formula Grants | | | | | 3,378,340 |
| Investment Earnings | | | | | <u>100,882</u> |
| Total General Revenues | | | | | \$ <u>12,985,815</u> |
| Change in Net Assets (Deficit) | | | | | \$ (2,482,031) |
| Net Assets - July 1, 2008 | | | | | <u>(1,573,894)</u> |
| Net Assets - June 30, 2009 | | | | | \$ <u>(4,055,925)</u> |

See Accompanying Notes to Financial Statements.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2009

| | General Fund Accounts | | | | | | | | |
|--|----------------------------------|---------------------|---------------------|-------------------|-------------------|---------------------|-------------------|-----------------|----------------------|
| | Operations and Maintenance | | Debt Service | Transportation | IMRF | Capital Projects | Tort Immunity | Working Cash | Totals |
| Assets | | | | | | | | | |
| Cash | \$ 47,294 | \$ 9,936 | \$ 6,070 | \$ --- | \$ --- | \$ 4,027 | \$ 9,980 | \$ --- | \$ 77,307 |
| Investments | 2,235,650 | 450,000 | 965,000 | --- | --- | 945,000 | 140,000 | --- | 4,735,650 |
| Receivables | | | | | | | | | |
| Property Taxes | 3,087,530 | 607,205 | 891,377 | 136,012 | 290,496 | --- | 106,387 | 2,913 | 5,121,920 |
| Replacement Taxes | 2,986 | --- | --- | --- | --- | --- | --- | --- | 2,986 |
| Accounts Receivable | 262,925 | --- | --- | --- | --- | --- | --- | --- | 262,925 |
| Claims and Grants | --- | --- | --- | 448,590 | --- | --- | --- | --- | 448,590 |
| Interfund Loans | 176,324 | --- | --- | --- | --- | --- | --- | --- | 176,324 |
| Employees' Computer Purchases | 6,968 | --- | --- | --- | --- | --- | --- | --- | 6,968 |
| Accrued Interest Earned | 1,826 | 1,189 | 2,551 | --- | --- | 2,498 | 368 | --- | 8,432 |
| Total Assets | \$ 5,821,503 | \$ 1,068,330 | \$ 1,864,998 | \$ 584,602 | \$ 290,496 | \$ 951,525 | \$ 256,735 | \$ 2,913 | \$ 10,841,102 |
| Liabilities and Fund Balances | | | | | | | | | |
| Liabilities | | | | | | | | | |
| Accounts Payable | \$ 276,956 | \$ 35,268 | \$ --- | \$ --- | \$ --- | \$ --- | \$ --- | \$ --- | \$ 327,001 |
| Tax Warrants Payable | 3,700,000 | --- | --- | 14,777 | --- | --- | --- | --- | 3,700,000 |
| Accrued Expenses | 1,126,568 | 10,179 | --- | 766 | 16,560 | --- | --- | --- | 1,154,073 |
| Interfund Loans | --- | --- | --- | 95,784 | 80,540 | --- | --- | --- | 176,324 |
| Deferred Revenue | 6,129,121 | 1,197,120 | 1,757,349 | 268,320 | 572,024 | --- | 209,348 | 5,897 | 10,139,179 |
| Total Liabilities | <u>\$ 11,232,645</u> | <u>\$ 1,242,567</u> | <u>\$ 1,757,349</u> | <u>\$ 379,647</u> | <u>\$ 669,124</u> | <u>\$ ---</u> | <u>\$ 209,348</u> | <u>\$ 5,897</u> | <u>\$ 15,496,577</u> |
| Fund Balances (Deficit) | | | | | | | | | |
| Unrestricted | \$ (5,411,142) | \$ (174,237) | \$ 107,649 | \$ 204,955 | \$ (378,628) | \$ 951,525 | \$ 47,387 | \$ (2,984) | \$ (4,655,475) |
| Total Liabilities and Fund Balances | \$ 5,821,503 | \$ 1,068,330 | \$ 1,864,998 | \$ 584,602 | \$ 290,496 | \$ 951,525 | \$ 256,735 | \$ 2,913 | \$ 10,841,102 |

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, 2009

| | | | |
|---|--------------------|--------------|-----------------------|
| Total Fund Balances (Deficit) - Governmental Funds | | | \$ (4,655,475) |
| 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 | \$ 39,463,354 | | |
| Depreciation Expense to Date | <u>(8,823,395)</u> | 30,639,959 | |
| 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, 2009 is: | | | |
| Bonds Payable | \$ 23,235,395 | | |
| Lease/Purchase Contracts | 429,821 | | |
| Accreted and Accrued Interest Payable | <u>6,231,818</u> | (29,897,034) | |
| 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. | | | 246,788 |
| 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>(390,163)</u> |
| Net Assets of Governmental Activities | | | \$ <u>(4,055,925)</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, 2009

| | General Fund Accounts | | Debt Service | Transportation | IMRF | Capital Projects | Tort Immunity | Working Cash | Totals |
|---|-----------------------|----------------------------|---------------------|---------------------|-------------------|------------------|-------------------|-----------------|----------------------|
| | Education | Operations and Maintenance | | | | | | | |
| Revenues | | | | | | | | | |
| Property Taxes | \$ 5,460,983 | \$ 1,578,714 | \$ 1,601,484 | \$ 404,166 | \$ 223,904 | \$ --- | \$ 212,519 | \$ 5,692 | \$ 9,487,462 |
| Replacement Taxes | --- | --- | --- | --- | 19,131 | --- | --- | --- | 19,131 |
| Interest Earned | 43,920 | 11,316 | 20,109 | 1,504 | 119 | 22,156 | 1,703 | 57 | 100,882 |
| Other Revenue From Local Sources | 674,208 | 12,593 | --- | 15,757 | --- | 19,840 | 3,880 | --- | 726,278 |
| Flow-Through From Intermediate Sources | 20,270 | --- | --- | --- | --- | --- | --- | --- | 20,270 |
| State Aid and On-Behalf Payments | 4,515,432 | --- | --- | 897,484 | --- | --- | --- | --- | 5,412,916 |
| Federal Aid | 853,954 | --- | --- | --- | --- | --- | --- | --- | 853,954 |
| Total Revenues | \$ 11,568,767 | \$ 1,602,623 | \$ 1,621,593 | \$ 1,318,911 | \$ 243,154 | \$ 41,996 | \$ 218,102 | \$ 5,749 | \$ 16,620,893 |
| Expenditures | | | | | | | | | |
| Instruction | | | | | | | | | |
| Regular Programs | \$ 7,721,933 | \$ --- | \$ --- | \$ --- | \$ 150,482 | \$ --- | \$ 28,496 | \$ --- | \$ 7,900,911 |
| Special Programs | 1,324,385 | --- | --- | --- | 34,370 | --- | --- | --- | 1,358,755 |
| Interscholastic Programs | 134,499 | --- | --- | --- | 1,489 | --- | --- | --- | 135,988 |
| Summer Programs | 39,005 | --- | --- | --- | 756 | --- | --- | --- | 39,761 |
| Gifted Programs | 218,279 | --- | --- | --- | 2,799 | --- | --- | --- | 221,078 |
| State Retirement Contributions | 1,342,239 | --- | --- | --- | --- | --- | --- | --- | 1,342,239 |
| Support Services | | | | | | | | | |
| Pupils | 845,002 | --- | --- | --- | 20,561 | --- | --- | --- | 865,563 |
| Instructional Staff | 160,351 | --- | --- | --- | --- | --- | --- | --- | 160,351 |
| General Administration | 203,739 | --- | --- | --- | 11,697 | --- | 165,965 | --- | 381,401 |
| School Administration | 422,353 | --- | --- | --- | 32,901 | --- | 19,802 | --- | 475,056 |
| Business | 83,880 | --- | --- | --- | 13,052 | --- | --- | --- | 96,932 |
| Facilities Acquisition and Construction | --- | --- | --- | --- | --- | 179,564 | --- | --- | 179,564 |
| Operations and Maintenance | --- | 1,384,009 | --- | --- | 75,025 | --- | --- | --- | 1,459,034 |
| Transportation | --- | --- | --- | 1,085,870 | 119,237 | --- | --- | --- | 1,205,107 |
| Food Services | 300,832 | --- | --- | --- | --- | --- | --- | --- | 300,832 |

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, 2009

| | General Fund Accounts | | IMRF | Capital | | Totl Immunity | Working Cash | Totals |
|---|-----------------------|----------------------------|--------------|----------------|-------------|---------------|--------------|----------------|
| | Education | Operations and Maintenance | | Transportation | Projects | | | |
| Expenditures (continued) | | | | | | | | |
| Non-Programmed Charges | \$ 271,021 | \$ --- | \$ 21,656 | \$ --- | \$ --- | \$ --- | \$ --- | \$ 315,542 |
| Debt Service | | | | | | | | |
| Principal | --- | --- | --- | --- | --- | --- | --- | 971,215 |
| Interest and Fees | --- | --- | --- | --- | --- | --- | --- | 832,702 |
| Tax Warrant Interest | 133,343 | --- | --- | --- | --- | --- | --- | 133,343 |
| Total Expenditures | \$ 13,200,861 | \$ 1,384,009 | \$ 484,025 | \$ 179,564 | \$ 214,263 | \$ --- | \$ --- | \$ 18,375,374 |
| Excess or (Deficiency) of Revenues Over Expenditures | \$ (1,632,094) | \$ 218,614 | \$ (240,871) | \$ (137,568) | \$ 3,839 | \$ 5,749 | \$ --- | \$ (1,754,481) |
| Other Financing Sources (Uses) | | | | | | | | |
| Transfers In | \$ 45,074 | \$ --- | \$ --- | \$ --- | \$ --- | \$ --- | \$ --- | \$ 204,053 |
| Transfers Out | (158,979) | --- | --- | (21,213) | --- | (5,949) | --- | (204,053) |
| Proceeds of Loans and Leases | 104,816 | --- | --- | 100,468 | --- | --- | --- | 205,284 |
| Total Other Financing Sources (Uses) | \$ (9,089) | \$ --- | \$ 141,067 | \$ 100,468 | \$ (21,213) | \$ (5,949) | \$ --- | \$ 205,284 |
| Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses) | \$ (1,641,183) | \$ 218,614 | \$ 32,063 | \$ (240,871) | \$ 3,839 | \$ (200) | \$ (200) | \$ (1,549,197) |
| Fund Balances - July 1, 2008 | (3,769,959) | (392,849) | 75,585 | (32,369) | 43,548 | (2,784) | (2,784) | (3,106,278) |
| Fund Balances (Deficits) - June 30, 2009 | \$ (5,411,142) | \$ (174,235) | \$ 107,649 | \$ 204,955 | \$ 951,525 | \$ (2,984) | \$ (2,984) | \$ (4,655,475) |

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, 2009

Net Change in Fund Balances - Total Governmental Funds \$ (1,549,197)

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 | \$ (1,210,803) | |
| Capital Outlays | <u>235,617</u> | (975,186) |

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 (733,467)

Proceeds from the sale of bonds and from lease/purchase contracts received during the year which was recorded as other financing sources on the Statement of Revenues, Expenditures and Changes in Fund Balance which was not reported as revenue on the Statement of Activities. (205,284)

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. 971,215

Change in Net Assets of Governmental Activities \$ (2,482,031)

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, 2009

| | <u>Student Activity Fund</u> |
|-----------------------|--------------------------------------|
| Assets | |
| Cash and Investments | \$ <u>19,801</u> |
| Liabilities | |
| Due to Student Groups | \$ <u>19,801</u> |

See Accompanying Notes to Financial Statements.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

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 2009 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.

Tort Immunity Fund - This fund accounts for the District's insurance and risk management activities. Revenue is derived primarily from property 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:

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting (continued)

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.

Capital Projects Fund - The Capital Projects Fund (formerly 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 2008 tax levy was approved during the October 20, 2008 board meeting.

The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per \$100 of assessed valuation:

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)

| Purpose | Limit | Actual | |
|----------------------------|-----------|--------------|--------------|
| | | 2008 Levy | 2007 Levy |
| Educational | 2.500 | 2.034 | 1.865 |
| Tort Immunity | As Needed | .071 | .074 |
| Special Education | As Needed | .030 | .038 |
| Operations and Maintenance | .3750 | .406 | .550 |
| Transportation | .1200 | .091 | .141 |
| SEDOL IMRF | As Needed | .008 | .008 |
| Working Cash | .0500 | .002 | .002 |
| Municipal Retirement | As Needed | .119 | --- |
| Social Security | As Needed | .067 | .070 |
| Debt Service | As Needed | <u>.596</u> | <u>.558</u> |
| Totals | | <u>3.424</u> | <u>3.306</u> |

In addition to the tax rate limitations shown above, the District is subject to "Tax Cap" limitations affecting the five collar counties surrounding Cook County, Illinois. Under the "Tax Cap" the total of the District's tax levies not including bond levies may not increase by more than the lesser of 5% of the prior year total or the prior year percentage of increase in the Consumer Price Index. However, levies may increase beyond these limitations to the extent that any increase in assessed valuation is represented by annexations or new building.

A summary of the past two years assessed valuations, extensions and collections follows:

| Tax Year | 2008 | | 2007 | |
|---|----------------------|---------------------|---------------------|---------------------|
| Assessed Valuation | \$ 298,596,148 | | \$ 287,345,846 | |
| Purpose | <u>Extensions</u> | <u>Collections</u> | <u>Extensions</u> | <u>Collections</u> |
| Educational | \$ 6,012,426 | \$ 2,954,550 | \$ 5,359,000 | \$ 5,354,716 |
| Tort Immunity | 209,873 | 102,962 | 212,636 | 212,632 |
| Special Education | 88,679 | 43,771 | 109,191 | 109,164 |
| Operations and Maintenance | 1,200,120 | 589,915 | 1,580,402 | 1,579,551 |
| Transportation | 268,992 | 132,308 | 405,158 | 404,380 |
| SEDOL IMRF | 23,648 | 11,440 | 22,988 | 22,782 |
| Working Cash | 5,912 | 2,984 | 5,747 | 5,695 |
| Municipal Retirement | 351,759 | 172,597 | --- | --- |
| Social Security | 198,049 | 97,490 | 201,142 | 201,241 |
| Debt Service | <u>1,761,753</u> | <u>865,972</u> | <u>1,603,390</u> | <u>1,602,333</u> |
| Totals | \$ <u>10,121,211</u> | \$ <u>4,973,989</u> | \$ <u>9,499,654</u> | \$ <u>9,492,494</u> |
| Percentage of Extensions Collected | 49.14% | | 99.92% | |

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 2008 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 2008 tax levy until the 2008-09 fiscal year as that is the year the 2008 levy was intended to finance operations. This deferral includes collections of 2008 taxes received prior to the end of the 2008-09 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, 2009, expenditures exceeded budget in the following funds:

| <u>Fund</u> | <u>Budget</u> | <u>Actual</u> | <u>Excess</u> |
|-------------------|---------------|---------------|---------------|
| Education Account | \$ 12,126,414 | \$ 13,359,840 | \$ 1,233,426* |

*The Education Account over-expenditure results from the inclusion in expenditures of \$1,342,239 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, 2009, the carrying amount of the District's deposits was \$77,305 which included \$300 in petty cash. The bank balance was \$240,405.

In addition to the District's deposits described above, the activity funds it administers had cash balances at June 30, 2009 with a carrying value of \$19,801 and a bank balance of \$21,243. All activity fund balances were covered by FDIC insurance.

Investments

At June 30, 2009, the District's investments totaled \$4,735,650 which was composed of:

| | |
|-------------------------|---------------------|
| Certificates of Deposit | \$ <u>4,735,650</u> |
|-------------------------|---------------------|

Interest Rate Risk - The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State law limits investments to specific types of investment instruments.

Concentration of Credit Risk - The District places no limit on the amount the District may invest in any one investment instrument. All the District's deposits and investments are covered by FDIC Insurance or collateral consisting of U.S. Government securities or U.S. Government insurance programs.

B. Loans Receivable

The Board of Education has authorized the purchase and financing of personal computer equipment by District employees. At June 30, 2009, the balance receivable from employees for such purchases was \$6,968.

NOTES TO FINANCIAL STATEMENTS (continued)

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

C. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

| | Balance <u>July 1, 2008</u> | <u>Increases</u> | <u>Decreases</u> | Balance <u>June 30, 2009</u> |
|--|--------------------------------|------------------|------------------|---------------------------------|
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 826,414 | \$ --- | \$ --- | \$ 826,414 |
| Capital Assets Being Depreciated: | | | | |
| Buildings | \$ 33,019,992 | \$ --- | \$ --- | \$ 33,019,992 |
| Improvements Other Than Buildings | 572,604 | --- | --- | 572,604 |
| Equipment | 3,909,830 | 235,617 | 100,681 | 3,944,298 |
| Vehicles | 999,578 | --- | --- | 1,100,046 |
| Total Capital Assets Being Depreciated | \$ 38,502,004 | \$ 235,617 | \$ 100,681 | \$ 38,636,940 |
| Less: Accumulated Depreciation For: | | | | |
| Buildings | \$ 4,561,379 | \$ 663,307 | \$ --- | \$ 5,224,686 |
| Improvements Other Than Buildings | 138,090 | 31,817 | --- | 169,907 |
| Equipment | 2,150,825 | 449,775 | 100,681 | 2,499,919 |
| Vehicles | 862,979 | 65,904 | --- | 928,883 |
| Total Accumulated Depreciation | \$ 7,713,273 | \$ 1,210,803 | \$ 100,681 | \$ 8,823,395 |
| Net Capital Assets Being Depreciated | \$ 30,788,731 | \$ (975,186) | \$ --- | \$ 29,813,545 |
| Net Governmental Activities Capital Assets | \$ 31,615,145 | \$ (975,186) | \$ --- | \$ 30,639,959 |

Depreciation is included on the Statement of Activities as a charge to income of \$1,210,803 allocable to the following functions:

| | |
|----------------------------|---------------------|
| Regular Programs | \$ 37,419 |
| Interscholastic Programs | 8,255 |
| Instructional Staff | 285,991 |
| General Administration | 59,834 |
| Operations and Maintenance | 721,496 |
| Transportation | 67,304 |
| Food Services | 30,504 |
| | <u>\$ 1,210,803</u> |

D. Long-term Debt

Millburn's long-term debt consisted of bonded debt and lease/purchase contracts during the 2009 fiscal year. A description of that debt follows:

1. 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.

NOTES TO FINANCIAL STATEMENTS (continued)

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

D. Long-term Debt (continued)

2. 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, 2009, 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> |
|----------------------------|----------------------|----------------------|----------------------|
| 2010 | \$ 841,601 | \$ 882,718 | \$ 1,724,319 |
| 2011 | 1,370,000 | 398,890 | 1,768,890 |
| 2012 | 1,590,000 | 327,605 | 1,917,605 |
| 2013 | 639,663 | 1,407,963 | 2,047,626 |
| 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>\$ 23,235,396</u> | <u>\$ 23,657,732</u> | <u>\$ 46,893,128</u> |

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 July 16, 2008, Millburn School leased a 2007 school bus from The State Bank of the Lakes. The lease calls for five annual installments of \$11,996 plus interest at 5% beginning on July 1, 2009.

On August 15, 2008, Millburn School leased a 2008 27-passenger bus from The State Bank of the Lakes. The lease calls for five annual installments of \$8,098 plus interest at 5% beginning on July 1, 2009.

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%.

NOTES TO FINANCIAL STATEMENTS (continued)

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

D. Long-term Debt (continued)

On February 2, 2009, Millburn leased seven copiers and peripheral equipment for \$104,816 from PMA Leasing, Inc. for use at Millburn West. The lease calls for 60 monthly payments of \$1,978, including interest at 5% beginning March 3, 2009 and ending February 5, 2014.

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.

On April 18, 2008, the District leased approximately 117 Apple computers with payments of \$68,192.66 at an interest rate of 4.7641 beginning on October 19, 2008.

For the year ended June 30, 2009, changes in long-term debt are summarized as follows:

| <u>Type of Debt</u> | | <u>Balance</u> <u>July 1, 2008</u> | <u>Additions</u> | <u>Payments</u> | <u>Balance</u> <u>June 30, 2009</u> |
|---------------------------|----------|---------------------------------------|-------------------|-------------------|--|
| General Obligation Bonds: | | | | | |
| Dated: | 05-01-99 | \$ 8,299,265 | \$ --- | \$ 703,416 | \$ 7,595,849 |
| | 05-01-04 | 15,694,547 | --- | 55,000 | 15,639,547 |
| Bus Lease | 07-08-03 | 17,920 | --- | 17,920 | --- |
| Bus Lease | 07-27-04 | 39,652 | --- | 19,826 | 19,826 |
| Bus Lease | 12-15-04 | 15,946 | --- | 7,973 | 7,973 |
| Bus Lease | 07-16-08 | --- | 59,979 | --- | 59,979 |
| Bus Lease | 08-15-08 | --- | 40,489 | --- | 40,489 |
| Copier Lease | 05-26-04 | 23,707 | --- | 23,707 | --- |
| Copier Lease | 07-27-05 | 54,324 | --- | 25,231 | 29,093 |
| Copier Lease | 02-02-09 | --- | 104,816 | 6,204 | 98,612 |
| Apple Computer Lease | 04-18-08 | 245,884 | --- | 59,422 | 186,462 |
| ISBE Computer Loan | 02-16-06 | <u>39,901</u> | <u>---</u> | <u>39,901</u> | <u>---</u> |
| Totals | | \$ <u>24,431,146</u> | \$ <u>205,284</u> | \$ <u>958,600</u> | \$ <u>23,677,830</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, 2008</u> | <u>Additions</u> | <u>Payments</u> | <u>Balance June 30, 2009</u> |
|--------------------------------|---------------------------------|----------------------|-------------------|----------------------------------|
| Accreted and Accrued Interest: | | | | |
| Accreted Interest | | | | |
| Bonds Dated 05-01-99 | \$ 2,970,328 | \$ 374,072 | \$ 347,924 | \$ 2,996,476 |
| Bonds Dated 05-01-04 | 2,510,212 | 704,119 | --- | 3,214,331 |
| Accrued Interest | | | | |
| Bonds Various | 12,850 | 12,850* | 12,850 | 12,850 |
| Bus Leases Various | 3,676 | 6,027 | 3,676 | 6,027 |
| Copier Leases Various | 45 | 357 | 45 | 357 |
| Computer Leases Various | 1,244 | 1,777 | 1,244 | 1,777 |
| Tax Anticipation Warrants | <u>39,329</u> | <u>61,227</u> | <u>39,329</u> | <u>61,227</u> |
| Totals | \$ <u>5,537,684</u> | \$ <u>1,160,429*</u> | \$ <u>405,068</u> | \$ <u>6,293,045</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, 2009 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. The rate was also 9.4% for the years ended June 30, 2008 and 2007.

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, 2009, State of Illinois contributions were based on 17.08% of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$1,342,239 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2008 and June 30, 2007, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 13.11% (\$969,373) and 9.78% (\$698,836), respectively.

The state contributions to TRS for the years ended June 30, 2009 and June 30, 2008 were based on an actuarial formula. The state contribution for the year ended June 30, 2007 was based on a dollar amount specified by the statute and was not actuarially determined.

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

- 2.2 Formula Contributions - Employers contribute .58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ending June 30, 2009 were \$45,579. Contributions for the years ended June 30, 2008 and June 30, 2007 were \$42,886 and \$41,467, 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 special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2009, the employer pension contribution was 17.08% of salaries paid from federal and special trust funds. For the years ended June 30, 2008 and 2007, the employer contribution was 13.11% and 9.78% of salaries paid from federal and special trust funds, respectively. For the three years ended June 30, 2009, no salaries were paid from federal and special 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 met 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 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, 2009, the District paid nothing to TRS for employer contributions under the Pipeline ERO and Modified ERO programs. For the years ended June 30, 2008 and June 30, 2007, the District paid nothing in employer ERO contributions.

- Salary Increases Over 6% and Excess Sick Leave - Public Act 94-0004 added two new employer contributions to TRS.

If an employer grants salary increases over 6% and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6%.

For the year ended June 30, 2009, the District paid nothing to TRS for employer contributions due on salary increases in excess of 6%. For the year ended June 30, 2008 and June 30, 2007, the District paid nothing in employer contributions due on salary increases in excess of 6%.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.67% of salary during the year ended June 30, 2009).

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 5 - RETIREMENT FUND COMMITMENTS (continued)

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

For the year ended June 30, 2009, the District paid nothing to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2008 and June 30, 2007, the District paid nothing in employer contributions granted for sick leave days.

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, 2008. The report for the year ended June 30, 2009 is expected to be available in late 2009.

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. THIS Fund

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the State make a contribution to THIS.

The percentage of employer-required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year.

- On-Behalf Contributions to THIS Fund - The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were .84% of pay during the year ended June 30, 2009. State of Illinois contributions were \$66,012 and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2008 were also .84% of pay. State contributions on behalf of District employees were \$62,111 for the year ended June 30, 2008.

- Employer Contributions to THIS Fund - The District also makes contributions to the THIS Fund. The District THIS contribution was .63% during the years ended June 30, 2009 and June 30, 2008. For the year ended June 30, 2009, the District paid \$49,509 to the THIS Fund. For the year ended June 30, 2008, the District paid \$46,583, which was 100% of the required contribution.

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 5 - RETIREMENT FUND COMMITMENTS (continued)

C. Illinois Municipal Retirement Fund

The District's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), is an agent-multiple-employer public employee retirement system which provides retirement and disability benefits, post-retirement increases, 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. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

As set by statute, the District's regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 10.20% of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For 2008, the District's annual pension cost of \$189,277 for the regular plan was equal to the District's required and actual contributions.

| <u>Actuarial Valuation Date</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|---|--|--|-----------------------------------|
| 12/31/08 | \$ 189,277 | 100% | \$ --- |
| 12/31/07 | 178,958 | 100% | --- |
| 12/31/06 | 155,594 | 100% | --- |

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2006 included: (a) 7.5% investment rate of return (net of administrative and direct investment expenses); (b) projected salary increases of 4.00% a year, attributable to inflation; (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit; and (d) post-retirement benefit increases of 3% annually. The actuarial value of the District's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's regular plan's overfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006 valuation was 24 years.

As of December 31, 2008, the most recent actuarial valuation date, the regular plan was 63.21% funded. The actuarial accrued liability for benefits was \$2,333,884 and the actuarial value of assets was \$1,475,134, resulting in an underfunded actuarial accrued liability (UAAL) of \$858,750. The covered payroll (annual payroll of active employees covered by the plan) was \$1,855,661 and the ratio of the UAAL to the covered payroll was 46%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 5 - RETIREMENT FUND COMMITMENTS (continued)

D. 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. The total employer contribution for the year ended June 30, 2009 was \$267,826.

NOTE 6 - TAX ANTICIPATION WARRANTS PAYABLE

The District issued tax anticipation warrants in 2008-09 to insure its expenses were paid in a timely manner. The District has warrants payable of \$3,700,000 as of June 30, 2009.

**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, 2009

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

| <u>Actuarial Valuation Date</u> | <u>Value of Assets (A)</u> | <u>Actuarial (AAL) Entry Age (B)</u> | <u>Actuarial Accrued Liability Unfunded AAL (UAAL) (B-A)</u> | <u>Funded Ratio (A/B)</u> | <u>Covered Payroll (C)</u> | <u>UAAL as a Percentage of Covered Payroll ((B-A)/C)</u> |
|---|------------------------------------|--|--|-----------------------------------|------------------------------------|--|
| 12/31/08 | \$ 1,475,134 | \$ 2,333,884 | \$ 858,750 | 63.21% | \$ 1,855,661 | 46.28% |
| 12/31/07 | 1,495,154 | 1,980,718 | 485,564 | 75.49% | 1,717,451 | 28.27% |
| 12/31/06 | 1,181,366 | 1,590,282 | 406,916 | 74.29% | 1,481,848 | 27.60% |

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

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

GENERAL FUND

COMBINING BALANCE SHEET

JUNE 30, 2009

| | <u>Accounts</u> | | <u>Total</u> |
|--|-------------------------|---|-------------------------|
| | <u>Education</u> | <u>Operations and Maintenance</u> | |
| Assets | | | |
| Cash | \$ 47,294 | \$ 9,936 | \$ 57,230 |
| Investments | 2,235,650 | 450,000 | 2,685,650 |
| Receivables | | | |
| Property Taxes | 3,087,530 | 607,205 | 3,694,735 |
| Replacement Taxes | 2,986 | --- | 2,986 |
| Claims and Grants | 262,925 | --- | 262,925 |
| Interfund Loans | 176,324 | --- | 176,324 |
| Employees' Computer Purchases | 6,968 | --- | 6,968 |
| Accrued Interest Earned | <u>1,826</u> | <u>1,189</u> | <u>3,015</u> |
| Total Assets | \$ <u>5,821,503</u> | \$ <u>1,068,330</u> | \$ <u>6,889,833</u> |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Accounts Payable | \$ 276,956 | \$ 35,268 | \$ 312,224 |
| Accrued Expenses | 1,126,568 | 10,179 | 1,136,747 |
| Tax Warrants Payable | 3,700,000 | --- | 3,700,000 |
| Deferred Revenue | <u>6,129,121</u> | <u>1,197,120</u> | <u>7,326,241</u> |
| Total Liabilities | \$ <u>11,232,645</u> | \$ <u>1,242,567</u> | \$ <u>12,475,212</u> |
| Fund Balances | | | |
| Unrestricted | | | |
| Undesignated (Deficit) | \$ (5,411,142) | \$ (174,237) | \$ (5,585,379) |
| Total Liabilities and Fund Balances | \$ <u>5,821,503</u> | \$ <u>1,068,330</u> | \$ <u>6,889,833</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, 2009

| | <u>General Fund Accounts</u> | | |
|---|------------------------------|---|-----------------------|
| | <u>Education</u> | <u>Operations and Maintenance</u> | <u>Total</u> |
| Revenues | | | |
| Local Sources | \$ 6,179,111 | \$ 1,602,621 | \$ 7,781,732 |
| Flow-Through Sources | 20,270 | --- | 20,270 |
| State Sources | 3,173,193 | --- | 3,173,193 |
| Federal Sources | <u>853,954</u> | <u>---</u> | <u>853,954</u> |
| Total Direct Cash Revenue | \$ 10,226,528 | \$ 1,602,621 | \$ 11,829,149 |
| Revenue For On-Behalf Payments | <u>1,342,239</u> | <u>---</u> | <u>1,342,239</u> |
| Total Revenues | \$ <u>11,568,767</u> | \$ <u>1,602,621</u> | \$ <u>13,171,388</u> |
| Expenditures | | | |
| Instruction | \$ 9,438,101 | \$ --- | \$ 9,438,101 |
| Support Services | 2,016,157 | 1,384,009 | 3,400,166 |
| Non-Programmed Charges | 271,021 | --- | 271,021 |
| Debt Service | <u>133,343</u> | <u>---</u> | <u>133,343</u> |
| Total Direct Expenditures | \$ 11,858,622 | \$ 1,384,009 | \$ 13,242,631 |
| Expenditures For On-Behalf Payments | <u>1,342,239</u> | <u>---</u> | <u>1,342,239</u> |
| Total Expenditures | \$ <u>13,200,861</u> | \$ <u>1,384,009</u> | \$ <u>14,584,870</u> |
| Excess or (Deficiency) of Revenues Over Expenditures | \$ <u>(1,632,094)</u> | \$ <u>218,612</u> | \$ <u>(1,413,482)</u> |
| Other Financing Sources (Uses) | | | |
| Proceeds of Loans and Leases | \$ 104,816 | \$ --- | \$ 104,816 |
| Interest Transfers | 39,175 | --- | 39,175 |
| Transfer to Debt Service | (158,979) | --- | (158,979) |
| Permanent Transfers | <u>5,899</u> | <u>---</u> | <u>5,899</u> |
| Total Other Financing Sources (Uses) | \$ <u>(9,089)</u> | \$ <u>---</u> | \$ <u>(9,089)</u> |
| Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses) | \$ (1,641,183) | \$ 218,612 | \$ (1,422,571) |
| Fund Balances - July 1, 2008 | <u>(3,769,959)</u> | <u>(392,849)</u> | <u>(4,162,808)</u> |
| Fund Balances (Deficit) - June 30, 2009 | \$ <u>(5,411,142)</u> | \$ <u>(174,237)</u> | \$ <u>(5,585,379)</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> |
|---|-------------------------|-----------------------|-----------------------|
| | <u>Original</u> | <u>Final</u> | |
| Revenues (Page 41) | | | |
| Local Sources | \$ 6,256,810 | \$ 6,256,810 | \$ 6,179,111 |
| Flow-Through Sources | 49,000 | 49,000 | 20,270 |
| State Sources | 3,625,845 | 3,625,845 | 3,173,193 |
| Federal Sources | <u>74,895</u> | <u>74,895</u> | <u>853,954</u> |
| Total Direct Revenues | \$ 10,006,550 | \$ 10,006,550 | \$ 10,226,528 |
| Revenue For On-Behalf Payments | --- | --- | <u>1,342,239</u> |
| Total Revenues | \$ <u>10,006,550</u> | \$ <u>10,006,550</u> | \$ <u>11,568,767</u> |
| Expenditures (Pages 42 and 43) | | | |
| Instruction | \$ 9,483,457 | \$ 9,483,457 | \$ 9,438,101 |
| Support Services | 2,276,957 | 2,276,957 | 2,016,157 |
| Non-Programmed Charges | 250,000 | 250,000 | 271,021 |
| Debt Service | <u>116,000</u> | <u>116,000</u> | <u>292,322</u> |
| Total Direct Expenditures | \$ 12,126,414 | \$ 12,126,414 | \$ 12,017,601 |
| Expenditures For On-Behalf Payments | --- | --- | <u>1,342,239</u> |
| Total Expenditures | \$ <u>12,126,414</u> | \$ <u>12,126,414</u> | \$ <u>13,359,840</u> |
| Excess or (Deficiency) of Revenues Cash Expenditures | \$ <u>(2,119,864)</u> | \$ <u>(2,119,864)</u> | \$ <u>(1,791,073)</u> |
| Other Financing Sources (Uses) | | | |
| Proceeds of Loans and Leases | \$ --- | \$ --- | \$ 104,816 |
| Interest Transfers From Other Funds | 79,030 | 79,030 | 39,175 |
| Permanent Transfer From Working Cash Fund | <u>5,881</u> | <u>5,881</u> | <u>5,899</u> |
| Total Other Financing Sources (Uses) | \$ <u>84,911</u> | \$ <u>84,911</u> | \$ <u>149,890</u> |
| Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses) | \$ <u>(2,034,953)</u> | \$ <u>(2,034,953)</u> | \$ (1,641,183) |
| Fund Balance - July 1, 2008 | | | <u>(3,769,959)</u> |
| Fund Balance (Deficit) - June 30, 2009 | | | \$ <u>(5,411,142)</u> |

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

EDUCATIONAL ACCOUNT

SCHEDULE OF REVENUES

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2009

| Revenues | Budgeted Amounts | | Actual |
|---|----------------------|----------------------|----------------------|
| | Original | Final | |
| Local Sources | | | |
| Property Taxes | | | |
| General Levies | \$ 5,516,839 | \$ 5,516,839 | \$ 5,351,877 |
| Special Education Levies | 112,371 | 112,371 | 109,106 |
| Corporate Personal Property Replacement Taxes | 22,000 | 22,000 | --- |
| Tuition | 111,000 | 111,000 | 87,132 |
| Earnings on Investments | 24,000 | 24,000 | 43,920 |
| Food Services | 257,700 | 257,700 | 259,024 |
| District/School Activities | 60,300 | 60,300 | 60,298 |
| Textbooks | 99,000 | 99,000 | 121,217 |
| Contributions | 2,500 | 2,500 | 6,761 |
| Other | 51,100 | 51,100 | 139,776 |
| | <u>\$ 6,256,810</u> | <u>\$ 6,256,810</u> | <u>\$ 6,179,111</u> |
| Flow-Through Sources | | | |
| From State Sources | \$ 49,000 | \$ 49,000 | \$ 20,270 |
| State Sources | | | |
| General State Aid | \$ 3,156,677 | \$ 3,156,677 | \$ 2,563,062 |
| Special Education | 357,000 | 357,000 | 498,241 |
| Reading Improvement Program | 56,243 | 56,243 | 56,243 |
| Safety and Education Improvement | 51,000 | 51,000 | 55,065 |
| Other Grants In Aid | 4,925 | 4,925 | 582 |
| | <u>\$ 3,625,845</u> | <u>\$ 3,625,845</u> | <u>\$ 3,173,193</u> |
| Federal Sources | | | |
| Food Services | \$ 36,000 | \$ 36,000 | \$ 41,917 |
| Innovative Education Program Strategies - Title V | 1,700 | 1,700 | --- |
| ARRA General State Aid | --- | --- | 757,718 |
| Safe and Drug Free Schools | 2,500 | 2,500 | 2,500 |
| Title II - Teacher Quality | 14,695 | 14,695 | 14,695 |
| Medicaid Matching | 20,000 | 20,000 | 37,124 |
| | <u>\$ 74,895</u> | <u>\$ 74,895</u> | <u>\$ 853,954</u> |
| Total Direct Cash Revenue | \$ 10,006,550 | \$ 10,006,550 | \$ 10,226,528 |
| Revenue For On-Behalf Payments | --- | --- | 1,342,239 |
| Total Revenues | <u>\$ 10,006,550</u> | <u>\$ 10,006,550</u> | <u>\$ 11,568,767</u> |

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24
EDUCATIONAL ACCOUNT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

| Expenditures | Budgeted Amounts | | Actual |
|----------------------------|---------------------|---------------------|---------------------|
| | Original | Final | |
| Instruction | | | |
| Instruction | | | |
| Regular Programs | | | |
| Salaries | \$ 5,922,143 | \$ 5,922,143 | \$ 5,911,606 |
| Employee Benefits | 1,353,672 | 1,353,672 | 1,237,286 |
| Purchased Services | 47,000 | 47,000 | 45,972 |
| Supplies and Materials | 437,230 | 437,230 | 387,645 |
| Capital Outlay | 60,750 | 60,750 | 104,816 |
| Other Objects | 40,000 | 40,000 | 34,608 |
| | <u>\$ 7,860,795</u> | <u>\$ 7,860,795</u> | <u>\$ 7,721,933</u> |
| Special Education Programs | | | |
| Salaries | \$ 969,233 | \$ 969,233 | \$ 1,030,519 |
| Employee Benefits | 137,933 | 137,933 | 155,174 |
| Purchased Services | 23,448 | 23,448 | 1,800 |
| Supplies and Materials | 21,500 | 21,500 | 13,745 |
| Tuition | --- | --- | 123,147 |
| | <u>\$ 1,152,114</u> | <u>\$ 1,152,114</u> | <u>\$ 1,324,385</u> |
| Interscholastic Programs | | | |
| Salaries | \$ 112,500 | \$ 112,500 | \$ 97,191 |
| Employee Benefits | 525 | 525 | 560 |
| Purchased Services | 28,000 | 28,000 | 19,135 |
| Supplies and Materials | 10,000 | 10,000 | 2,172 |
| Capital Outlay | 15,000 | 15,000 | 10,816 |
| Other Objects | 8,000 | 8,000 | 4,625 |
| | <u>\$ 174,025</u> | <u>\$ 174,025</u> | <u>\$ 134,499</u> |
| Summer School | | | |
| Salaries | \$ 60,000 | \$ 60,000 | \$ 36,578 |
| Employee Benefits | 340 | 340 | 191 |
| Supplies and Materials | 2,800 | 2,800 | 1,328 |
| Other Objects | 1,000 | 1,000 | 908 |
| | <u>\$ 64,140</u> | <u>\$ 64,140</u> | <u>\$ 39,005</u> |
| Gifted | | | |
| Salaries | \$ 207,045 | \$ 207,045 | \$ 193,406 |
| Employee Benefits | 23,938 | 23,938 | 23,958 |
| Supplies and Materials | 1,400 | 1,400 | 915 |
| | <u>\$ 232,383</u> | <u>\$ 232,383</u> | <u>\$ 218,279</u> |
| Total Instruction | <u>\$ 9,483,457</u> | <u>\$ 9,483,457</u> | <u>\$ 9,438,101</u> |
| Support Services | | | |
| Support Services | | | |
| Pupils | | | |
| Salaries | \$ 625,364 | \$ 625,364 | \$ 698,621 |
| Employee Benefits | 83,658 | 83,658 | 94,383 |
| Purchased Services | 60,000 | 60,000 | 25,600 |
| Supplies and Materials | 35,150 | 35,150 | 23,998 |
| Capital Outlay | 1,200 | 1,200 | --- |
| Other Objects | 100 | 100 | 2,400 |
| | <u>\$ 805,472</u> | <u>\$ 805,472</u> | <u>\$ 845,002</u> |
| Instructional Staff | | | |
| Purchased Services | \$ 68,000 | \$ 68,000 | \$ 3,224 |
| Supplies and Materials | 154,000 | 154,000 | 102,308 |
| Capital Outlay | 127,000 | 127,000 | 1,378 |
| Other Objects | --- | --- | 53,441 |
| | <u>\$ 349,000</u> | <u>\$ 349,000</u> | <u>\$ 160,351</u> |

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24
EDUCATIONAL ACCOUNT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> |
|-------------------------------------|-------------------------|----------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | |
| Expenditures (continued) | | | |
| Support Services (continued) | | | |
| General Administration | | | |
| Salaries | \$ 142,158 | \$ 142,158 | \$ 128,776 |
| Employee Benefits | 34,614 | 34,614 | 29,932 |
| Purchased Services | 46,000 | 46,000 | 33,180 |
| Supplies and Materials | 200 | 200 | 143 |
| Other Objects | <u>25,000</u> | <u>25,000</u> | <u>11,708</u> |
| | \$ <u>247,972</u> | \$ <u>247,972</u> | \$ <u>203,739</u> |
| School Administration | | | |
| Salaries | \$ 352,448 | \$ 352,448 | \$ 345,841 |
| Employee Benefits | 77,040 | 77,040 | 73,880 |
| Purchased Services | --- | --- | <u>2,632</u> |
| | \$ <u>429,488</u> | \$ <u>429,488</u> | \$ <u>422,353</u> |
| Business | | | |
| Salaries | \$ 71,960 | \$ 71,960 | \$ 75,830 |
| Purchased Services | 5,000 | 5,000 | 6,540 |
| Supplies and Materials | <u>3,200</u> | <u>3,200</u> | <u>1,510</u> |
| | \$ <u>80,160</u> | \$ <u>80,160</u> | \$ <u>83,880</u> |
| Lunch Services | | | |
| Salaries | \$ 8,226 | \$ 8,226 | \$ 8,250 |
| Employee Benefits | 39 | 39 | 39 |
| Purchased Services | 350,000 | 350,000 | 287,806 |
| Supplies and Materials | 6,000 | 6,000 | 4,737 |
| Other Objects | <u>600</u> | <u>600</u> | <u>---</u> |
| | \$ <u>364,865</u> | \$ <u>364,865</u> | \$ <u>300,832</u> |
| Total Support Services | \$ <u>2,276,957</u> | \$ <u>2,276,957</u> | \$ <u>2,016,157</u> |
| Non-Programmed Charges | | | |
| Payments For Programs | | | |
| Purchased Services | \$ 58,000 | \$ 58,000 | \$ 38,951 |
| Other Objects | 82,000 | 82,000 | 44,515 |
| Tuition | <u>110,000</u> | <u>110,000</u> | <u>187,555</u> |
| | \$ <u>250,000</u> | \$ <u>250,000</u> | \$ <u>271,021</u> |
| Debt Service | | | |
| Interest | \$ <u>116,000</u> | \$ <u>116,000</u> | \$ <u>133,343</u> |
| Total Direct Expenditures | \$ 12,126,414 | \$ 12,126,414 | \$ 11,858,622 |
| Expenditures For On-Behalf Payments | --- | --- | <u>1,342,239</u> |
| Total Expenditures | \$ <u>12,126,414</u> | \$ <u>12,126,414</u> | \$ <u>13,200,861</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> |
|--|-------------------------|---------------------|---------------------|
| | <u>Original</u> | <u>Final</u> | |
| Revenues | | | |
| Local Sources | | | |
| Property Taxes | \$ 1,625,918 | \$ 1,625,918 | \$ 1,578,714 |
| Earnings on Investments | 15,500 | 15,500 | 11,314 |
| Other Revenue | <u>11,200</u> | <u>11,200</u> | <u>12,593</u> |
| Total Revenues | \$ <u>1,652,618</u> | \$ <u>1,652,618</u> | \$ <u>1,602,621</u> |
| Expenditures | | | |
| Support Services | | | |
| Operation and Maintenance of Plant | | | |
| Salaries | \$ 564,616 | \$ 564,616 | \$ 520,721 |
| Employee Benefits | 108,229 | 108,229 | 101,320 |
| Purchased Services | 608,800 | 608,800 | 669,862 |
| Supplies and Materials | 98,000 | 98,000 | 85,345 |
| Other Objects | <u>7,000</u> | <u>7,000</u> | <u>6,761</u> |
| Total Expenditures | \$ <u>1,386,645</u> | \$ <u>1,386,645</u> | \$ <u>1,384,009</u> |
| Excess or (Deficiency) of Revenue Over Expenditures | \$ <u>265,973</u> | \$ <u>265,973</u> | \$ 218,612 |
| Fund Balance - July 1, 2008 | | | <u>(392,849)</u> |
| Fund Balance - June 30, 2009 | | | \$ <u>(174,237)</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> |
|---|-------------------------|---------------------|---------------------|
| | <u>Original</u> | <u>Final</u> | |
| Revenues | | | |
| Local Sources | | | |
| Property Taxes | \$ 416,826 | \$ 416,826 | \$ 404,166 |
| Earnings on Investments | --- | --- | 1,504 |
| Other | --- | --- | 15,757 |
| Total Local Sources | <u>\$ 416,826</u> | <u>\$ 416,826</u> | <u>\$ 421,427</u> |
| State Sources | | | |
| Regular | \$ 725,000 | \$ 725,000 | \$ 839,830 |
| Special Education | 75,000 | 75,000 | 57,654 |
| Total State Sources | <u>\$ 800,000</u> | <u>\$ 800,000</u> | <u>\$ 897,484</u> |
| Total Revenues | <u>\$ 1,216,826</u> | <u>\$ 1,216,826</u> | <u>\$ 1,318,911</u> |
| Expenditures | | | |
| Support Services | | | |
| Pupil Transportation | | | |
| Salaries | \$ 722,498 | \$ 722,498 | \$ 731,025 |
| Employee Benefits | 62,688 | 62,688 | 58,977 |
| Purchased Services | 186,709 | 186,709 | 98,812 |
| Supplies and Materials | 160,000 | 160,000 | 94,967 |
| Capital Outlay | 80,048 | 80,048 | 100,468 |
| Other Objects | 2,000 | 2,000 | 1,621 |
| Total Support Services | <u>\$ 1,213,943</u> | <u>\$ 1,213,943</u> | <u>\$ 1,085,870</u> |
| Non-Programmed Charges | | | |
| Payments for Special Education Programs | \$ --- | \$ --- | \$ 22,865 |
| Debt Services | | | |
| Interest | \$ --- | \$ --- | \$ 8,403 |
| Principal | --- | --- | 64,917 |
| Total Debt Services | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ 73,320</u> |
| Total Expenditures | <u>\$ 1,213,943</u> | <u>\$ 1,213,943</u> | <u>\$ 1,182,055</u> |
| Excess or (Deficiency) of Revenues Over Expenditures | \$ 2,883 | \$ 2,883 | \$ 136,856 |
| Other Financing Sources (Uses) | | | |
| Proceeds of Loans and Leases | --- | --- | 100,468 |
| Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses) | <u>\$ 2,883</u> | <u>\$ 2,883</u> | \$ 237,324 |
| Fund Balance - July 1, 2008 | | | <u>(32,369)</u> |
| Fund Balance - June 30, 2009 | | | <u>\$ 204,955</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> |
|---|-------------------------|-------------------|---------------------|
| | <u>Original</u> | <u>Final</u> | |
| Revenues | | | |
| Local Sources | | | |
| Property Taxes | \$ 480,060 | \$ 480,060 | \$ 223,904 |
| Personal Property Replacement Taxes | --- | --- | 19,131 |
| Earnings on Investments | <u>5,300</u> | <u>5,300</u> | <u>119</u> |
| Total Revenues | \$ <u>485,360</u> | \$ <u>485,360</u> | \$ <u>243,154</u> |
| Expenditures | | | |
| Instruction | \$ 485,489 | \$ 485,489 | \$ 197,475 |
| Support Services | --- | --- | 264,894 |
| Non-Programmed Charges - Special Education | <u>---</u> | <u>---</u> | <u>21,656</u> |
| Total Expenditures | \$ <u>485,489</u> | \$ <u>485,489</u> | \$ <u>484,025</u> |
| Excess or (Deficiency) of Revenues Over Expenditures | \$ <u>(129)</u> | \$ <u>(129)</u> | \$ (240,871) |
| Fund Balance - July 1, 2008 | | | <u>(137,757)</u> |
| Fund Balance - June 30, 2009 | | | \$ <u>(378,628)</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> |
|---|-------------------------|-------------------------|--------------------------|
| | <u>Original</u> | <u>Final</u> | |
| Revenues | | | |
| Local Sources | | | |
| Property Taxes | \$ 1,643,655 | \$ 1,643,655 | \$ 1,601,484 |
| Earnings on Investments | <u>30,000</u> | <u>30,000</u> | <u>20,109</u> |
| Total Revenues | \$ <u>1,673,655</u> | \$ <u>1,673,655</u> | \$ <u>1,621,593</u> |
| Expenditures | | | |
| Debt Service | | | |
| Interest | \$ 760,000 | \$ 760,000 | \$ 822,964 |
| Principal | 815,000 | 815,000 | 906,298 |
| Debt Service Fees | <u>1,800</u> | <u>1,800</u> | <u>1,335</u> |
| Total Expenditures | \$ <u>1,576,800</u> | \$ <u>1,576,800</u> | \$ <u>1,730,597</u> |
| Excess or (Deficiency) of Revenues Over Expenditures | \$ <u>96,855</u> | \$ <u>96,855</u> | \$ <u>(109,004)</u> |
| Other Financing Sources (Uses) | | | |
| Transfers From Other Funds | \$ --- | \$ --- | \$ 158,979 |
| Permanent Transfers of Interest | <u>(30,000)</u> | <u>(30,000)</u> | <u>(17,912)</u> |
| Total Other Financing Sources (Uses) | \$ <u>(30,000)</u> | \$ <u>(30,000)</u> | \$ <u>141,067</u> |
| Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses) | \$ <u><u>66,855</u></u> | \$ <u><u>66,855</u></u> | \$ 32,063 |
| Fund Balance - July 1, 2008 | | | <u>75,586</u> |
| Fund Balance - June 30, 2009 | | | \$ <u><u>107,649</u></u> |

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2009

| | <u>Budgeted Amounts</u> | | |
|---|-------------------------|---------------------|-------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> |
| Revenues | | | |
| Local Sources | | | |
| Earnings on Investments | \$ 49,000 | \$ 49,000 | \$ 22,156 |
| Contributions and Donations | <u>20,000</u> | <u>20,000</u> | <u>19,840</u> |
| Total Revenues | \$ <u>69,000</u> | \$ <u>69,000</u> | \$ <u>41,996</u> |
| Expenditures | | | |
| Support Services | | | |
| Facilities Acquisition and Construction Services | | | |
| Capital Outlay | \$ 180,000 | \$ 180,000 | \$ --- |
| Other Objects | <u>---</u> | <u>---</u> | <u>179,564</u> |
| Total Expenditures | \$ <u>180,000</u> | \$ <u>180,000</u> | \$ <u>179,564</u> |
| Excess or (Deficiency) of Revenues Over Expenditures | \$ (111,000) | \$ (111,000) | \$ (137,568) |
| Other Financing Sources (Uses) | | | |
| Permanent Transfer of Interest Other Funds | <u>(49,000)</u> | <u>(49,000)</u> | <u>(21,213)</u> |
| Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses) | \$ <u>(160,000)</u> | \$ <u>(160,000)</u> | \$ (158,781) |
| Fund Balance - July 1, 2008 | | | <u>1,110,306</u> |
| Fund Balance - June 30, 2009 | | | \$ <u>951,525</u> |

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

TORT IMMUNITY FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> |
|------------------------------|-------------------------|-------------------|-------------------|
| | <u>Original</u> | <u>Final</u> | |
| Revenues | | | |
| Local Sources | | | |
| Property Taxes | \$ 216,476 | \$ 216,476 | \$ 212,519 |
| Earnings on Investments | 3,250 | 3,250 | 1,703 |
| Other Revenue | --- | --- | 3,880 |
| Total Revenues | <u>\$ 219,726</u> | <u>\$ 219,726</u> | <u>\$ 218,102</u> |
| Expenditures | | | |
| Support Services | | | |
| Salaries | \$ 60,494 | \$ 60,494 | \$ 62,818 |
| Employee Benefits | 3,579 | 3,579 | 3,563 |
| Purchased Services | 150,341 | 150,341 | 142,378 |
| Other Objects | --- | --- | 5,504 |
| Total Expenditures | <u>\$ 214,414</u> | <u>\$ 214,414</u> | <u>\$ 214,263</u> |
| Excess or (Deficiency) of | | | |
| Revenues Over Expenditures | <u>\$ 5,312</u> | <u>\$ 5,312</u> | \$ 3,839 |
| Fund Balance - July 1, 2008 | | | <u>43,548</u> |
| Fund Balance - June 30, 2009 | | | <u>\$ 47,387</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> |
|---|-------------------------|-------------------|-------------------|
| | <u>Original</u> | <u>Final</u> | |
| Revenues | | | |
| Local Sources | | | |
| Property Taxes | \$ 5,881 | \$ 5,881 | \$ 5,692 |
| Earnings on Investments | <u>30</u> | <u>30</u> | <u>57</u> |
| Total Revenues | \$ <u>5,911</u> | \$ <u>5,911</u> | \$ <u>5,749</u> |
| Expenditures | \$ <u>---</u> | \$ <u>---</u> | \$ <u>---</u> |
| Excess or (Deficiency) of Revenues Over Expenditures | \$ <u>5,911</u> | \$ <u>5,911</u> | \$ <u>5,749</u> |
| Other Financing Sources (Uses) | | | |
| Permanent Transfers to Education Fund Abolish Working Cash Fund | \$ (5,881) | \$ (5,881) | \$ (5,896) |
| Interest | <u>(30)</u> | <u>(30)</u> | <u>(53)</u> |
| Total Other Financing Sources (Uses) | \$ <u>(5,911)</u> | \$ <u>(5,911)</u> | \$ <u>(5,949)</u> |
| Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses) | \$ <u>---</u> | \$ <u>---</u> | \$ (200) |
| Fund Balance - July 1, 2008 | | | <u>(2,784)</u> |
| Fund Balance (Deficit) - June 30, 2009 | | | \$ <u>(2,984)</u> |

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

STUDENT ACTIVITY FUNDS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2009

| | Balance <u>July 1, 2008</u> | <u>Receipts</u> | <u>Disbursements</u> | Balance <u>June 30, 2009</u> |
|-------------------------|--------------------------------|-------------------|----------------------|---------------------------------|
| Millburn Central | | | | |
| Band | \$ 3,889 | \$ 2,179 | \$ 3,213 | \$ 2,855 |
| Athletics | (1,451) | 6,008 | 5,244 | (687) |
| Field Trips | (943) | 73,500 | 72,216 | 341 |
| Middle School | 2,983 | 15,237 | 15,346 | 2,874 |
| Principal | 1,452 | 29,058 | 26,538 | 3,972 |
| Student Council | 3,676 | 524 | 719 | 3,481 |
| Sunshine | 414 | 114 | 228 | 300 |
| Yearbook | <u>9,587</u> | <u>7,838</u> | <u>16,558</u> | <u>867</u> |
| | \$ <u>19,607</u> | \$ <u>134,458</u> | \$ <u>140,062</u> | \$ <u>14,003</u> |
| Millburn West | | | | |
| Band | \$ 3,253 | \$ 4,176 | \$ 6,698 | \$ 731 |
| Athletics | 2,292 | 385 | 2,488 | 189 |
| Field Trips | (61) | 33,400 | 33,811 | (472) |
| Middle School | 306 | 47 | 324 | 29 |
| Principal | 1,488 | 7,573 | 9,315 | (254) |
| Student Council | 71 | 80 | 371 | (220) |
| Sunshine | 12 | 1,316 | 861 | 467 |
| Yearbook | <u>1,854</u> | <u>8,737</u> | <u>5,263</u> | <u>5,328</u> |
| | \$ <u>9,215</u> | \$ <u>55,714</u> | \$ <u>59,131</u> | \$ <u>5,798</u> |
| Totals | \$ <u>28,822</u> | \$ <u>190,172</u> | \$ <u>199,193</u> | \$ <u>19,801</u> |

SUPPLEMENTARY SCHEDULES

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

COMPUTATION OF PER CAPITA TUITION CHARGE

FOR THE YEAR ENDED JUNE 30, 2009

| | | |
|---|---------------------|----------------------|
| Total Expenditures | | |
| Educational Fund | \$ 12,024,392 | |
| Operations and Maintenance Fund | 1,420,389 | |
| Bond and Interest Fund | 1,571,618 | |
| Transportation Fund | 1,191,570 | |
| Municipal Retirement Fund | 488,713 | |
| Tort Immunity Fund | <u>216,611</u> | \$ 16,913,293 |
| Less: Receipts or Expenditures Not Applicable To Operating Expense of Regular Term | | |
| Summer School | \$ 39,678 | |
| Capital Outlay (Education, Building, and Transportation Funds) | 252,912 | |
| Lease/Purchase Principal Retired | 64,917 | |
| Bond Principal Retired | 758,416 | |
| Pre-K Programs | 34,371 | |
| Payments to Other Districts and Governments | <u>323,920</u> | <u>1,474,214</u> |
| Operating Expense of Regular Program | | \$ 15,439,079 |
| Average Daily Attendance | 1,500.21 | |
| Net Operating Expense Per Pupil | \$ <u>10,291.28</u> | |
| Deductions For Computation of Tuition Charges (Revenue Offsetting Expense of a Special Activity) | | |
| State Transportation Aid | \$ 751,413 | |
| Special Education | 385,098 | |
| District/School Activity | 59,857 | |
| Food Services | 300,931 | |
| Textbooks | 149,634 | |
| Other Grants-In-Aid | 166,976 | |
| Other Revenue | <u>90,220</u> | <u>1,904,129</u> |
| Net Operating Expenses For Tuition Computation | | \$ 13,534,950 |
| Add: Total Depreciation Allowance | | <u>1,210,803</u> |
| Total Allowance For Tuition Computation | | \$ <u>14,745,753</u> |
| Average Daily Attendance | 1,500.21 | |
| Per Capita Tuition Charge | \$ <u>9,829.13</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.

FEDERAL COMPLIANCE REPORT

MILBURN CAIN & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
4237 GROVE AVENUE
GURNEE, ILLINOIS 60031
PHONE: (847) 336-6455
FAX: (847) 336-9594

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

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

We have audited the financial statements of Millburn Community Consolidated School District No. 24 as of and for the year ended June 30, 2009, and have issued our report thereon dated August 28, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests on its compliance with certain provisions of laws, regulations, contracts, and grants agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within Millburn Community Consolidated School District No. 24, Board of Education, the Illinois State Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Milburn Cain & Co.".

MILBURN CAIN & CO.
Certified Public Accountants

Gurnee, Illinois
August 28, 2009