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, 2010

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

TABLE OF CONTENTS

JUNE 30, 2010

	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, 2010

	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:	
Fiduciary Funds Agency Funds - Combining Balance Sheet	51
Student Activity Funds - Schedule of Changes in Assets and Liabilities	52
Flexible Spending Account Fund Schedule of Changes in Assets and Liabilities	53
Computation of Per Capita Tuition Charge	54
FEDERAL COMPLIANCE REPORT:	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	55-56

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, 2010, 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, 2010, 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 September 7, 2010 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 55 and 56. 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 37-53 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 schedule on page 54 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Milburn Cain & Co.

MILBURN CAIN & CO.
Certified Public Accountants

Gurnee, Illinois
September 7, 2010

REQUIRED SUPPLEMENTAL INFORMATION

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

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, 2010. 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 $231,000 on replacement equipment.
- District operations for the year indicate expenses exceeding revenues by $148,000.
- The District advance refunded $1,840,000 of its long-term debt to reduce further principal and interest payments.
- Payments during the year reduced Millburn's debt by $996,000.
- Millburn incurred $99,666 in new debt in the 2009-10 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 14-18 of this report.

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

  The basic fiduciary fund financial statements can be found on pages 19 and 51-53 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, 2010 were $.1 million less than they were the year before, decreasing to a deficit of $4.2 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

	2010	2009
Assets		
Current and Other Assets	$ 10.2	$ 10.9
Capital Assets (Net)	29.7	30.6
Total Assets	$ 39.9	$ 41.5
Liabilities		
Long-term Debt Outstanding	$ 27.3	$ 28.5
Other Liabilities	16.8	17.1
Total Liabilities	$ 44.1	$ 45.6
Net Assets		
Invested in Capital Assets, Net of Related Debt	$ 6.9	$ 7.0
Restricted	1.2	1.0
Unrestricted	(12.3)	(12.1)
Total Net Assets	$ (4.2)	$ (4.1)

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

- The District spent $231,000 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 $842,000 in bonds and reduction of $154,000 in lease/purchase obligations.
- Depreciation expense of $1,197,000 was charged against income.

Changes in Net Assets - The District's total revenues for the fiscal year ended June 30, 2010 were $18.3 million. The total cost of all programs and services was $18.4 million, exceeding revenues by $148,000 as illustrated in the following table:

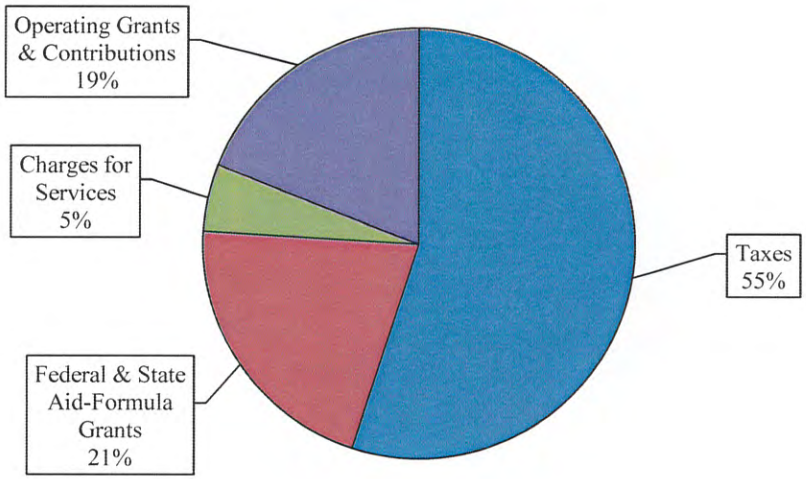
Table 2
Summary of Changes in Net Assets
(In Thousands)
For the Year Ended June 30

	2010		2009	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Revenue				
Program Revenues				
Charges for Services	$ 922	5.1%	$ 700	4.2%
Operating Grants and Contributions	3,370	18.5%	2,909	17.5%
Capital Grants and Contributions	8	---	27	.2%
General Revenue				
Taxes	10,122	55.4%	9,506	57.2%
State and Federal Aid - Formula Grants	3,822	20.9%	3,378	20.3%
Investment Earnings	16	.1%	101	.6%
Gain on Sale of Assets	5	---	---	---
Total Revenue (In Thousands)	$ 18,265	100.0%	$ 16,621	100.0%
Expenses				
Instruction	$ 10,735	58.3%	$ 11,044	57.8%
Pupil and Instructional Services	1,356	7.4%	1,177	6.2%
Administration and Business	1,192	6.5%	1,013	5.3%
Maintenance and Operations	2,111	11.4%	2,360	12.4%
Food Services	328	1.8%	331	1.7%
Transportation	968	5.2%	1,172	6.1%
Other and Non-programmed Charges	233	1.3%	316	1.7%
Debt Service	1,490	8.1%	1,690	8.8%
Total Expenses (In Thousands)	$ 18,413	100.0%	$ 19,103	100.0%
Change in Net Assets	$ (148)		$ (2,482)	
Net Assets				
At July 1	(4,056)		(1,574)	
At June 30	$ (4,204)		$ (4,056)	

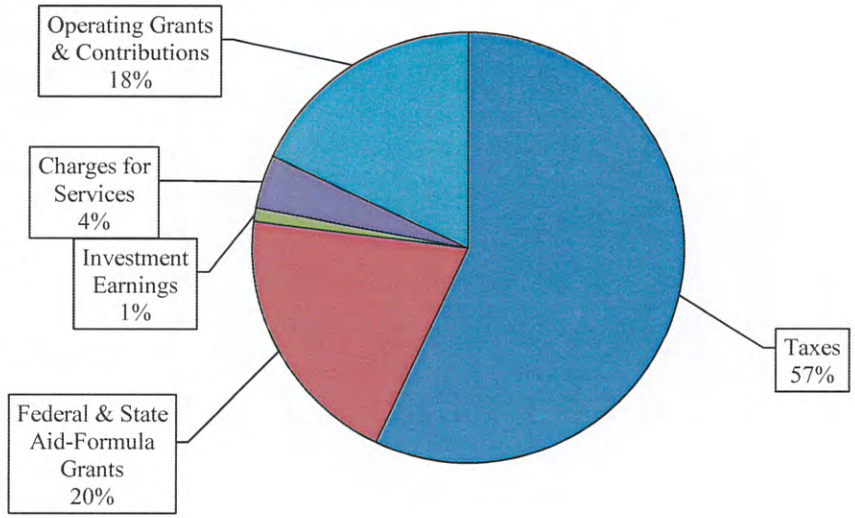
The charts which appear on the following page provide a comparative display of the composition of revenues and expenses as a percentage of the total for 2010 and 2009:

Millburn School District #24

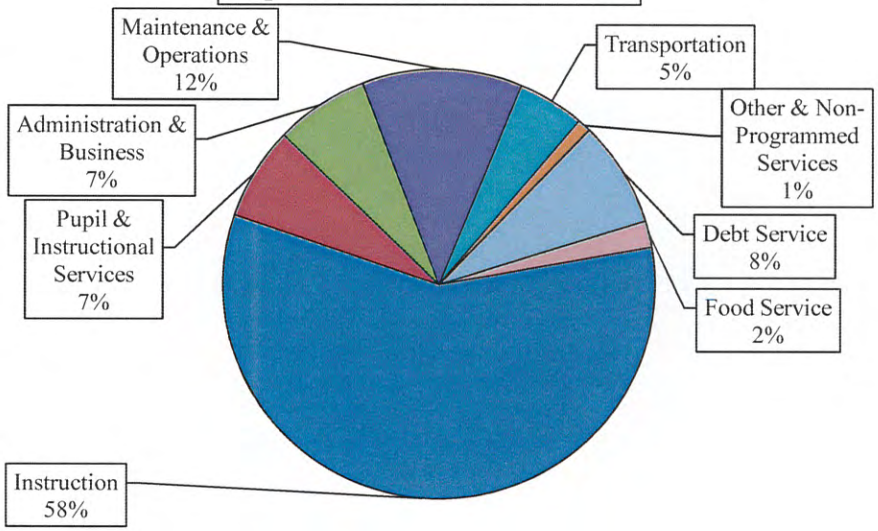
Revenue for Fiscal Year 2010



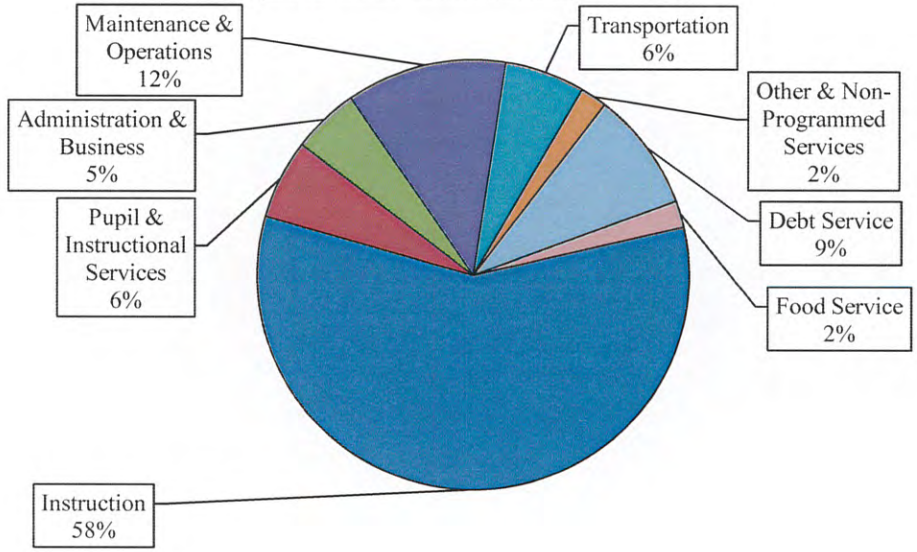
Revenue for Fiscal Year 2009



Expenses for Fiscal Year 2010



Expenses for Fiscal Year 2009



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.

	Total Cost	Net Cost
Instruction	$ 10,735	$ 7,762
Pupil and Instructional Services	1,356	1,310
Administration and Business	1,192	1,192
Maintenance and Operations	2,111	1,987
Transportation	968	144
All Other	2,051	1,717
Total Cost (In Thousands)	$ 18,413	$ 14,112

Summary and Highlights

- The cost of all governmental activities for the year was $18.4 million.
- About $922,000 of the cost was paid by users of the District's programs.
- Federal and state subsidies to specific programs totaled $3.4 million which includes $1.8 million in state on-behalf payments.
- Most of the costs ($10.1 million) however, were paid by the District's taxpayers.
- Replacement taxes, investment earnings, gains on sale of assets, and state and federal aid-formula grants totaled $3.8 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 $18.3 million compared to $16.6 in the prior year -- an increase of $1.7 million. Total expenditures were $17.8 million compared to $18.3 million a year ago. Other financing sources provided $.1 million. Current year revenues exceeded expenditures and other financing sources by $.6 million.

Educational Account (Pages 40-43) - Property taxes produced $6.1 million in revenue for the Education Account during fiscal 2010, or 46% of all of the fund's revenue. State sources accounted for 40% of revenue at $5.3 million, including $1.8 million in on-behalf pension payments. Without the on-behalf pension payments, state revenues were $3.5 million, accounting for 27% of total revenue. Federal sources provided $1 million, or about 8.0% of total Education Account revenue. Fees, earnings on investments, and other local sources of revenue produced $.8 million, or 6% of total revenue. Thus, property taxes and other local revenues combined accounted for $6.9 million, or more than 52% of Education Account revenues.

Total Education Account expenditures were $13.1 million compared to $13.2 million a year ago -- a decrease of .1%. Of the $13.1 million, $10.5 million, or 80%, was used for direct instruction and teachers' pensions; $2.4 million paid for instructional support services, administration, business, and food service; and $.2 million was used for tuition paid to other school districts and debt service.

After taking into account the revenues of $13.2 million and the expenditures of $13.1 million, the Education Fund posted an excess of revenues over expenditures of $.1 million -- decreasing its year-end fund balance deficit to $5,341,000. 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 $1,199,000 out of total fund revenues of $1,323,000, or 91% of total fund revenue. Other local revenue sources account for the other 9.0%, or $124,000.

Total expenditures of $1,326,000 were $58,000 less than last year's $1,384,000 due primarily to a decrease in supplies and materials purchased. Thus, total expenditures exceeded revenues by $3,000. In the prior year, expenditures exceeded revenues by $219,000.

Transportation Fund (Page 45) - Revenues for transportation and other financing sources were more than expenditures by $212,000, generating a fund balance at year-end of $417,000. Revenues from property taxes decreased by $135,000 to $269,000.

Total expenditures of $929,000 for 2010 is $253,000 less than the 2009 total. A review of the totals reveals a general decrease in operating expenses connected with bus services.

IMRF Fund (Page 46) - IMRF Fund revenues for 2010 were $588,000. Expenditures of $461,000 were $23,000 less than the 2009 cost of $484,000. The decreased costs reflect the District's salary cost reductions during the year. Revenues exceeded expenditures by $127,000, decreasing the fund's deficit to $252,000.

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 2010, the District's Bond and Interest Fund revenues totaled $1,764,000, including $4,300 in interest earnings. Expenditures totaled $1,703,000. The fund transferred $6,700 of its interest earnings to the Education Fund and received $120,000 in transfers from other funds to pay for Debt Service expenses. The fund balance increased by $174,000 due to the timing of revenues and bond payments.

Capital Projects Fund (Page 48) - The Capital Projects Fund carried forward $952,000 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 $9,900. It transferred interest earnings of $4,900 to the Education Account. The fund is expected to exhaust itself as various building projects are undertaken.

Tort Immunity Fund (Page 49) - Revenues totaled $215,000, consisting of property taxes of $209,000 and interest and other revenues of $6,000. Total expenditures were $199,000. At year-end, the fund balance was $63,000.

Working Cash Fund (Page 50) - The Working Cash Fund received $6,064 in taxes and earned $25 in interest on investments. All but $1,465 was transferred to the Education Account.

General Fund Budgetary Highlights (Pages 40-43) - The District originally budgeted general fund expenditures to total $11,143,420. The budget was not amended. Actual General Fund expenditures totaled $13,143,870, including $1,835,040 in unbudgeted pension payments. Net results of operations were originally expected to result in a general fund increase in fund balance of $1,941. Actual results for the year produced an increase of $70,371.

Capital Asset and Debt Administration

Capital Assets - At June 30, 2010, Millburn's net capital assets totaled $29.7 million in a broad range of capital assets. These assets, which are listed in Note 3C of the notes to financial statements according to 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 $1,196,695 for the year was charged to various functions on the Statement of Activities as follows:

Regular Programs	$ 34,805
Interscholastic Programs	7,007
Instructional Staff	280,682
General Administration	64,905
Operations and Maintenance	719,497
Transportation	59,292
Food Services	30,507
	$ 1,196,695

During the year, the District invested $230,770 in additions to its capital assets. The amounts invested in additions to capital assets were less than charges for depreciation during the year by $965,925. The following schedule presents capital asset balances net of depreciation at June 30, 2010:

	2010
Land	$ 826,414
Buildings	27,141,641
Improvements Other Than Buildings	370,881
Equipment	1,161,842
Vehicles	161,271
Totals	$ 29,662,049

Long-term Debt - During the 2010 fiscal year, the District:

1. Retired bonds in the amount of $842,000;
2. Paid $154,000 toward its lease/purchase obligations; and
3. Incurred interest costs and fees of $1,486,000.

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

At June 30, 2010, Millburn's long-term debt obligations were:

General Obligation Bonds	$ 22,390,795
Lease/Purchase Contracts and Loans	388,174
Total Long-term Debt Obligations at June 30, 2010	$ 22,778,969

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

Accrued and Accreted Interest on Bonds	$ 6,893,405
Accrued Interest on Lease/Purchase Agreements	5,199
Accrued Interest on Tax Warrants	2,192
Total Accrued and Accreted Interest at June 30, 2010	$ 6,900,796

Summary and Highlights

- Property taxes continue to be the District's largest single source of revenues at $10.1 million with locally generated fees and charges and interest earnings generating $.9 million. $7.2 million was provided by state and federal aid. Thus, nearly 61% of revenue came from local sources.

- Total expenditures for all funds were $17.8 million, $.6 million less than the previous year. This year, expenditures included $1.5 million spent on debt service interest and fee payments.

- Total additions to capital assets of $230,770 were acquired during the year.

- Payments on long-term debt totaled $996,000.

- The District advance refunded $1,840,000 of its long-term debt to reduce future principal and interest payments.

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 1,632. 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, 2010

	Governmental Activities
Assets	
Cash	$ 3,900,814
Investments	1,500
Receivables	
Property Taxes	5,111,402
Replacement Taxes	2,317
Accounts Receivable	1,017,539
Employee Computer Purchases	9,544
Deferred Charges	
Unamortized Bond Issuance Expenses	229,768
Capital Assets, Net of Accumulated Depreciation	
Land	826,414
Land Improvements	370,881
Buildings	27,141,641
Equipment	1,161,842
Transportation Equipment	161,271
Total Assets	$ 39,934,933
Liabilities	
Accounts Payable	$ 287,552
Accrued Expenses	1,106,337
Tax Warrants Payable	2,500,000
Deferred Revenue	10,201,518
Non-current Liabilities	
Due Within One Year	2,329,589
Due in More Than One Year	27,350,176
Deferred Credits	
Unamortized Bond Premiums	363,255
Total Liabilities	$ 44,138,427
Net Assets	
Invested in Capital Assets, Net of Related Debt	$ 6,895,080
Restricted For:	
Debt Service	281,982
Capital Projects	956,579
Unrestricted	(12,337,135)
Total Net Assets	$ (4,203,494)

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, 2010

		Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction					
Regular Programs	$ 7,091,789	$ 367,076	$ ---	$ 678	$ (6,724,035)
Special Programs	1,437,160	---	654,080	---	(783,080)
Interscholastic Programs	121,923	69,833	---	---	(52,090)
Summer Programs	49,750	45,372	---	---	(4,378)
Gifted Programs	198,794	---	---	---	(198,794)
State Retirement Contributions	1,835,040	---	1,835,040	---	---
Support Services					
Pupils	863,913	5,946	28,256	---	(829,711)
Instructional Staff	492,558	---	12,413	---	(480,145)
General Administration	462,368	---	---	---	(462,368)
School Administration	570,795	---	---	---	(570,795)
Business	158,943	---	---	---	(158,943)
Facilities Acquisition and Construction	---	---	---	7,552	7,552
Operations and Maintenance	2,110,945	123,677	---	---	(1,987,268)
Transportation	968,393	25,947	798,489	---	(143,957)
Food Services	327,583	284,529	42,441	---	(613)
Non-Programmed Services	233,466	---	---	---	(233,466)
Interest and Fees	1,490,318	---	---	---	(1,490,318)
Total Governmental Activities	$ 18,413,738	$ 922,380	$ 3,370,719	$ 8,230	$ (14,112,409)
General Revenues					
Taxes					
Real Estate Taxes - General					$ 8,346,703
Real Estate Taxes - Debt Service					1,759,488
Corporate Personal Property Replacement Tax					15,477
State and Federal Aid					
Formula Grants					3,821,860
Investment Earnings					16,213
Gain on Sale of Assets					5,099
Total General Revenues					$ 13,964,840
Change in Net Assets (Deficit)					$ (147,569)
Net Assets - July 1, 2009					(4,055,925)
Net Assets - June 30, 2010					$ (4,203,494)

See Accompanying Notes to Financial Statements.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24
FUND FINANCIAL STATEMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund Accounts								
	Education	Operations and Maintenance	Debt Service	Transportation	IMRF	Capital Projects	Tort Immunity	Working Cash	Totals
Assets									
Cash	$ 1,304,065	$ 323,489	$ 1,151,700	$ 48,423	$ 34,182	$ 955,079	$ 83,876	$ ---	$ 3,900,814
Investments	---	---	---	---	---	1,500	---	---	1,500
Receivables									
Property Taxes	3,299,130	429,452	877,981	216,156	266,749	---	20,505	1,429	5,111,402
Replacement Taxes	2,317	---	---	---	---	---	---	---	2,317
Accounts Receivable	423,589	---	---	593,950	---	---	---	---	1,017,539
Employees' Computer Purchases	9,544	---	---	---	---	---	---	---	9,544
Total Assets	$ 5,038,645	$ 752,941	$ 2,029,681	$ 858,529	$ 300,931	$ 956,579	$ 104,381	$ 1,429	$ 10,043,116
Liabilities and Fund Balances									
Liabilities									
Accounts Payable	$ 238,889	$ 42,551	$ ---	$ 6,112	$ ---	$ ---	$ ---	$ ---	$ 287,552
Tax Warrants Payable	2,500,000	---	---	---	---	---	---	---	2,500,000
Accrued Expenses	1,046,404	32,448	---	5,199	22,286	---	---	---	1,106,337
Deferred Revenue	6,594,123	854,693	1,747,699	430,294	530,500	---	41,261	2,948	10,201,518
Total Liabilities	$ 10,379,416	$ 929,692	$ 1,747,699	$ 441,605	$ 552,786	$ ---	$ 41,261	$ 2,948	$ 14,095,407
Fund Balances (Deficit)									
Unrestricted	$ (5,340,771)	$ (176,751)	$ 281,982	$ 416,924	$ (251,855)	$ 956,579	$ 63,120	$ (1,519)	$ (4,052,291)
Total Liabilities and Fund Balances	$ 5,038,645	$ 752,941	$ 2,029,681	$ 858,529	$ 300,931	$ 956,579	$ 104,381	$ 1,429	$ 10,043,116

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, 2010

Total Fund Balances (Deficit) - Governmental Funds		$ (4,052,291)
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	$ 39,574,276	
Depreciation Expense to Date	(9,912,227)	29,662,049
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, 2010 is:		
Bonds Payable	$ 22,390,793	
Lease/Purchase Contracts	388,176	
Accreted and Accrued Interest Payable	6,900,796	(29,679,765)
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.		229,768
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.		(363,255)
Net Assets of Governmental Activities		$ (4,203,494)

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, 2010

	General Fund Accounts								
	Education	Operations and Maintenance	Debt Service	Transportation	IMRF	Capital Projects	Tort Immunity	Working Cash	Totals
Revenues									
Property Taxes	$ 6,092,012	$ 1,198,594	$ 1,759,488	$ 268,825	$ 572,010	$ ---	$ 209,198	$ 6,064	$ 10,106,191
Replacement Taxes	---	---	---	---	15,477	---	---	---	15,477
Interest Earned	7,705	1,145	4,277	351	181	2,387	142	25	16,213
Other Revenue From Local Sources	767,936	123,677	---	25,947	---	7,552	5,498	---	930,610
Flow-Through From Intermediate Sources	28,256	---	---	---	---	---	---	---	28,256
State Aid and On-Behalf Payments	5,339,621	---	---	798,489	---	---	---	---	6,138,110
Federal Aid	1,026,212	---	---	---	---	---	---	---	1,026,212
Total Revenues	$ 13,261,742	$ 1,323,416	$ 1,763,765	$ 1,093,612	$ 587,668	$ 9,939	$ 214,838	$ 6,089	$ 18,261,069
Expenditures									
Instruction									
Regular Programs	$ 6,880,999	$ ---	$ ---	$ ---	$ 154,534	$ ---	$ 21,451	$ ---	$ 7,056,984
Special Programs	1,400,081	---	---	---	37,079	---	---	---	1,437,160
Interscholastic Programs	113,206	---	---	---	1,710	---	---	---	114,916
Summer Programs	48,609	---	---	---	1,141	---	---	---	49,750
Gifted Programs	196,229	---	---	---	2,565	---	---	---	198,794
State Retirement Contributions	1,835,040	---	---	---	---	---	---	---	1,835,040
Support Services									
Pupils	842,028	---	---	---	21,885	---	---	---	863,913
Instructional Staff	384,651	---	---	---	---	---	---	---	384,651
General Administration	294,110	---	---	---	11,194	---	157,064	---	462,368
School Administration	439,375	---	---	---	33,939	---	20,591	---	493,905
Business	154,869	---	---	--	4,074	---	---	---	158,943
Operations and Maintenance	---	1,325,930	---	---	75,513	---	---	---	1,401,443
Transportation	---	---	---	861,006	96,095	---	---	---	957,101
Food Services	297,076	---	---	---	---	---	---	---	297,076

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, 2010

	General Fund Accounts								
	Education	Operations and Maintenance	Debt Service	Transportation	IMRF	Capital Projects	Tort Immunity	Working Cash	Totals
Expenditures (continued)									
Non-Programmed Charges	$ 197,855	$ ---	$ ---	$ 14,445	$ 21,166	$ ---	$ ---	$ ---	$ 233,466
Debt Service									
Principal	---	---	947,634	47,893	---	---	---	---	995,527
Interest and Fees	---	---	755,634	6,299	---	---	---	---	761,872
Tax Warrant Interest	59,742	---	---	---	---	---	---	---	59,742
Total Expenditures	$ 13,143,870	$ 1,325,930	$ 1,703,207	$ 929,643	$ 460,895	$ ---	$ 199,106	$ ---	$ 17,762,651
Excess or (Deficiency) of Revenues Over Expenditures	$ 117,872	$ 2,514	$ 60,558	$ 163,969	$ 126,773	$ 9,939	$ 15,732	$ 6,089	$ 498,418
Other Financing Sources (Uses)									
Transfers In	$ 16,197	$ ---	$ 120,463	$ ---	$ ---	$ ---	$ ---	$ ---	$ 136,660
Transfers Out	(120,463)	---	(6,688)	---	---	(4,885)	---	(4,624)	(136,660)
Bond Proceeds	---	---	1,858,941	---	---	---	---	---	1,858,941
Proceeds on Sale of Assets	5,099	---	---	----	---	---	---	---	5,099
Payment To Refunded Debt Escrow Agent	---	---	(1,858,941)	---	---	---	---	---	(1,858,941)
Proceeds of Loans and Leases	51,666	---	---	48,000	---	---	---	---	99,666
Total Other Financing Sources (Uses)	$ (47,501)	$ ---	$ 113,775	$ 48,000	$ ---	$ (4,885)	$ ---	$ (4,624)	$ 104,765
Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	$ 70,371	$ (2,514)	$ 174,333	$ 211,969	$ 126,773	$ 5,054	$ 15,732	$ 1,465	$ 603,183
Fund Balances - July 1, 2009	(5,411,142)	(174,237)	107,649	204,955	(378,628)	951,525	47,388	(2,984)	(4,655,475)
Fund Balances (Deficits) - June 30, 2010	$ (5,340,771)	$ (176,751)	$ 281,982	$ 416,924	$ (251,855)	$ 956,579	$ 63,120	$ (1,519)	$ (4,052,291)

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, 2010

Net Change in Fund Balances - Total Governmental Funds		$ 603,183
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	$ (1,196,695)	
Capital Outlays	230,770	(965,925)
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		(688,977)
Proceeds from the sale of bonds and from lease/purchase contracts, and proceeds from the sale of assets 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.		(104,265)
Net amortization of bond issuance expenses and bond premium not included in the Fund Financial Statements.		
Bond Premium Amortization	$ 29,908	
Bond Issuance Expense Amortization	(17,020)	12,888
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.		995,527
Change in Net Assets of Governmental Activities		$ (147,569)

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, 2010

	Student Activity Fund
Assets	
Cash and Investments	$ 37,083
Liabilities	
Due to Student Groups	$ 34,288
Unremitted Payroll Deductions	2,795
	$ 37,083

See Accompanying Notes to Financial Statements.

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 2010 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.

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.

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 two years. 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:

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. The Fund also pays all other debt service obligations, except for obligations of the Transportation Fund which are paid directly by that fund. Other funds transfer amounts sufficient to cover payments not funded by a direct tax levy.

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 2009 tax levy was approved during the October 19, 2009 board meeting.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Property Tax Revenues (continued)

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:

		Actual	
	Limit	2009 Levy	2008 Levy
Purpose			
Educational	2.500	2.180	2.034
Tort Immunity	As Needed	.014	.071
Special Education	As Needed	.048	.030
Operations and Maintenance	.3750	.290	.406
Transportation	.1200	.146	.091
SEDOL IMRF	As Needed	.008	.008
Working Cash	.0500	.001	.002
Municipal Retirement	As Needed	.102	.119
Social Security	As Needed	.070	.067
Debt Service	As Needed	.593	.596
Totals		3.452	3.424

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	2009		2008	
Assessed Valuation	$ 295,460,340		$ 295,596,148	
	Extensions	Collections	Extensions	Collections
Purpose				
Educational	$ 6,441,035	$ 3,196,901	$ 6,012,426	$ 6,003,078
Tort Immunity	41,364	20,756	209,873	209,198
Special Education	141,821	70,367	88,679	88,935
Operations and Maintenance	856,835	425,241	1,200,120	1,198,594
Transportation	431,372	214,139	268,992	268,825
SEDOL IMRF	23,637	11,644	23,648	23,244
Working Cash	2,955	1,519	5,912	6,064
Municipal Retirement	301,370	149,341	351,759	350,685
Social Security	206,822	102,767	198,049	198,081
Debt Service	1,752,080	869,719	1,761,753	1,759,488
Totals	$ 10,199,291	$ 5,062,394	$ 10,121,211	$ 10,106,192
Percentage of Extensions Collected	49.63%		99.85%	

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Property Tax Revenues (continued)

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.

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 2009 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 2009 tax levy until the 2010-11 fiscal year as that is the year the 2009 levy was intended to finance operations. This deferral includes collections of 2009 taxes received prior to the end of the 2009-10 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets (continued)

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

The District does not depreciate land and construction in progress.

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.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

Restricted Net Assets (continued)

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.

Excess of Expenditures Over Budget

For the year ended June 30, 2010, expenditures exceeded budget in the following funds:

Fund	Budget	Actual	Excess
Education Account	$ 11,143,420	$ 13,143,870	$ 2,000,450*

*The Education Account over-expenditure results from the inclusion in expenditures of $1,835,040 in unbudgeted State on-behalf payments to TRS; this expenditure is covered by an offsetting revenue amount, and spending more than was budgeted for on capital outlay.

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, 2010, the carrying amount of the District's deposits was $3,900,814 which included $300 in petty cash. The bank balance was $3,968,982.

In addition to the District's deposits described above, the activity funds it administers had cash balances at June 30, 2010 with a carrying value of $37,083 and a bank balance of $35,510. All activity fund balances were covered by FDIC insurance.

Investments

At June 30, 2010, the District's investments totaled $1,500 which was composed of:

Money Market	$ 1,500

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.

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

A. Deposits and Investments (continued)

Deposits (continued)

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, 2010, the balance receivable from employees for such purchases was $9,544.

C. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
Capital Assets Not Being Depreciated:				
Land	$ 826,414	$ ---	$ ---	$ 826,414
Capital Assets Being Depreciated:				
Buildings	$ 33,019,992	$ 9,995	$ ---	$ 33,029,987
Improvements Other Than Buildings	572,604	---	---	572,604
Equipment	3,944,298	220,775	119,848	4,045,225
Vehicles	1,100,046	---	---	1,100,046
Total Capital Assets Being Depreciated	$ 38,636,940	$ 230,770	$ 119,848	$ 38,747,862
Less: Accumulated Depreciation For:				
Buildings	$ 5,224,686	$ 663,660	$ ---	$ 5,888,346
Improvements Other Than Buildings	169,907	31,816	---	201,723
Equipment	2,499,919	443,327	107,863	2,835,383
Vehicles	928,883	57,892	---	986,775
Total Accumulated Depreciation	$ 8,823,395	$ 1,196,695	$ 107,863	$ 9,912,227
Net Capital Assets Being Depreciated	$ 29,813,545	$ (965,925)	$ (11,985)	$ 28,835,635
Net Governmental Activities Capital Assets	$ 30,639,959	$ (965,925)	$ (11,985)	$ 29,662,049

Depreciation is included on the Statement of Activities as a charge to income of $1,196,695 allocable to the following functions:

Regular Programs	$ 34,805
Interscholastic Programs	7,007
Instructional Staff	280,682
General Administration	64,905
Operations and Maintenance	719,497
Transportation	59,292
Food Services	30,507
	$ 1,196,695

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

D. Long-term Debt

Millburn's long-term debt consisted of bonded debt and lease/purchase contracts during the 2010 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.

   On October 15, 2009, the District advance refunded a portion ($1,840,000) of this issue and issued $1,825,000 of Series 2009 Bonds to save on future principal and interest payments.

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, 2010, the annual debt service requirements to service bonded debt were:

Year Ending June 30	Principal	Interest	Total
2011	$ 1,370,000	$ 398,890	$ 1,768,890
2012	1,590,000	327,605	1,917,605
2013	624,663	1,407,963	2,032,626
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	1,369,202	3,805,798	5,175,000
	$ 22,378,795	$ 22,775,014	$ 45,153,809

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.

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

D. Long-term Debt (continued)

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 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.

On October 19, 2009, the District leased a 2009 12-passenger Chevy bus from State Bank of the Lakes. The lease calls for five installments of $9,600, plus interest at 5%, beginning on July 1, 2010.

On May 6, 2010, the District leased two copiers from Tech Star America for $51,666. The lease calls for 45 monthly payments of $1,285, including interest at 6%, beginning on June 6, 2010.

For the year ended June 30, 2010, changes in long-term debt are summarized as follows:

Type of Debt		Balance July 1, 2009	Additions	Payments and Defeasements	Balance June 30, 2010	Due in One Year
General Obligation Bonds:						
Dated:	05-01-99	$ 7,595,849	$ ---	$ 2,571,601	$ 5,024,248	$ 1,370,000
	05-01-04	15,639,547	---	110,000	15,529,547	---
	10-15-09	---	1,825,000	---	1,825,000	---
Deferred Charges	10-15-09	---	15,000	3,000	12,000	3,000
Bus Lease	07-27-04	19,826	---	19,826	---	---
Bus Lease	12-15-04	7,973	---	7,973	---	---
Bus Lease	07-16-08	59,979	---	11,996	47,983	11,996
Bus Lease	08-15-08	40,489	---	8,098	32,391	8,098
Bus Lease	10-19-09	---	48,000	---	48,000	9,600
Copier Lease	07-27-05	29,093	---	29,093	---	---
Copier Lease	02-02-09	98,612	---	19,242	79,370	20,227
Copier Lease	05-06-10	---	51,666	1,027	50,639	12,728
Apple Computer Lease	04-18-08	186,462	---	56,671	129,791	62,132
Totals		$ 23,677,830	$ 1,939,666	$ 2,838,527	$ 22,778,969	$ 1,494,781

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

D. Long-term Debt (continued)

Type of Debt		Balance July 1, 2009	Additions	Payments	Balance June 30, 2010	Due In One Year
Accreted and Accrued Interest:						
Accreted Interest						
Bonds Dated	05-01-99	$ 2,996,476	$ 342,599	$ 417,254	$ 2,921,821	$ 816,759
Bonds Dated	05-01-04	3,214,331	744,403	---	3,958,734	---
Accrued Interest						
Bonds	Various	12,850	12,850*	12,850	12,850	12,850
Bus Leases	Various	6,027	3,709	6,027	3,709	3,709
Copier Leases	Various	357	278	357	278	278
Computer Leases	Various	1,777	1,212	1,777	1,212	1,212
Tax Anticipation Warrants		61,227	2,192	61,227	2,192	---
Totals		$ 6,293,045	$ 1,107,243*	$ 499,492	$ 6,900,796	$ 834,808

*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.

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, 2010 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 active member contribution rate was also 9.4% for the years ended June 30, 2009 and 2008.

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, 2010, State of Illinois contributions were based on 23.38% of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of $1,771,397 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2009 and June 30, 2008, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 17.08% $1,342,239 and 13.11% $969,373, respectively.

The District makes four 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, 2010 were $43,944. Contributions for the years ended June 30, 2009 and June 30, 2008 were $45,579 and $42,886, respectively.

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 special 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, 2010, the employer pension contribution was 23.38% of salaries paid from federal and special trust funds. For the years ended June 30, 2009 and 2008, the employer contribution was 17.08% and 13.11% of salaries paid from federal and special trust funds, respectively. For the years ended June 30, 2010, 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.

  Public Act 94-0004 made changes in the ERO program that were in effect for all ERO retirements in fiscal years 2008 through 2010. The Act increased member and employer contributions and eliminated the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service.

  Under the current ERO, the maximum employer contribution is 117.5% and applies when the member is age 55 at retirement.

  For the year ended June 30, 2010, the District paid nothing to TRS for employer contributions under the Pipeline ERO and Modified ERO programs. For the years ended June 30, 2009 and June 30, 2008, 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, 2010, the District paid nothing to TRS for employer contributions due on salary increases in excess of 6%. For the year ended June 30, 2009 and June 30, 2008, the District paid nothing in employer contributions due on salary increases in excess of 6%, respectively.

  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 (18.55% of salary during the year ended June 30, 2010).

  For the year ended June 30, 2010, 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, 2009 and June 30, 2008, the District paid nothing in employer contributions granted for sick leave days, respectively.

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, 2009. The report for the year ended June 30, 2010 is expected to be available in late 2010.

NOTE 5 - RETIREMENT FUND COMMITMENTS (continued)

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

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, 2010. State of Illinois contributions were $63,643 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, 2009 and 2008 were also .84% of pay. State contributions on behalf of District employees were $66,012 and $62,111, respectively.

- 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, 2010, June 30, 2009, and June 30, 2008. For the year ended June 30, 2010, the District paid $47,732 to the THIS Fund. For the years ended June 30, 2009 and June 30, 2008, the District paid $49,509 and $46,583, respectively, 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.

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. The employer is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly-available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

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 2009 was 10.27% 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 fiscal year ending December 31, 2009, the District's annual pension cost of $195,706 for the regular plan was equal to the District's required and actual contributions.

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	$ 195,706	100%	$ ---
12/31/08	189,277	100%	---
12/31/07	178,958	100%	---

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2007 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 10% 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 15% 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, 2007 valuation was 23 years.

As of December 31, 2009, the most recent actuarial valuation date, the regular plan was 55.57% funded. The actuarial accrued liability for benefits was $2,517,518 and the actuarial value of assets was $1,398,916, resulting in an underfunded actuarial accrued liability (UAAL) of $1,118,602. The covered payroll (annual payroll of active employees covered by the plan) was $1,905,611 and the ratio of the UAAL to the covered payroll was 59%. In conjunction with the December 2009 actuarial valuation, the market value of investments was determined using techniques that spread the effect 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. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30-year basis.

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 in increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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, 2010 was $248,117.

NOTE 6 - TAX ANTICIPATION WARRANTS PAYABLE

The District issued tax anticipation warrants in 2009-10 to insure its expenses were paid in a timely manner. The District has warrants payable of $2,500,000 as of June 30, 2010.

NOTE 7 - POST-EMPLOYMENT BENEFIT COMMITMENTS

A. Retiree Paid Insurance

Plan Overview - The District provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. The Plan, a single-employer defined benefit plan, provides medical, dental and vision benefits to retirees and their covered eligible dependents. All active employees who retire directly from the District and meet the eligibility criteria may participate. The District pays 100% of retirees health insurance premiums for the first four years following retirement for those who choose to be covered. The cost to the District for the 2009-10 fiscal year was $34,106.

NOTE 8 - LEGAL DEBT LIMITATION

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

2009 EAV	$ 295,460,340
Rate	6.90%
Debt Margin	$ 20,386,763
Current Debt	(22,778,969)
Remaining Debt Margin	$ (2,392,206)

The Illinois State Board of Education has granted the District a waiver on this limitation.

NOTE 9 - SUBSEQUENT EVENTS

The District has evaluated subsequent events through September 7, 2010, the date on which the financial statements were available to be issued.

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, 2010

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Value of Assets (A)	Actuarial (AAL) Entry Age (B)	Actuarial Accrued Liability Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
12/31/09	$ 1,398,916	$ 2,517,518	$ 1,118,602	55.57%	$ 1,905,611	58.70%
12/31/08	1,475,134	2,333,884	858,750	63.21%	1,855,661	46.28%
12/31/07	1,513,998	1,999,562	485,564	75.72%	1,717,451	28.27%

On a market value basis, the actuarial value of assets as of December 31, 2009 is $1,354,487. On a market basis, the funded ratio would be 53.80%.

REQUIRED SUPPLEMENTARY INFORMATION - COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

GENERAL FUND

COMBINING BALANCE SHEET

JUNE 30, 2010

	Accounts		
	Education	Operations and Maintenance	Total
Assets			
Cash	$ 1,304,065	$ 323,489	$ 1,627,554
Receivables			
Property Taxes	3,299,130	429,452	3,728,582
Replacement Taxes	2,317	---	2,317
Claims and Grants	423,589	---	423,589
Employees' Computer Purchases	9,544	---	9,544
Total Assets	$ 5,038,645	$ 752,941	$ 5,791,586
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	$ 238,889	$ 42,551	$ 281,440
Tax Warrants Payable	2,500,000	---	2,500,000
Accrued Expenses	1,046,404	32,448	1,078,852
Deferred Revenue	6,594,123	854,693	7,448,816
Total Liabilities	$ 10,379,416	$ 929,692	$ 11,309,108
Fund Balances			
Unrestricted			
Undesignated (Deficit)	$ (5,340,771)	$ (176,751)	$ (5,517,522)
Total Liabilities and Fund Balances	$ 5,038,645	$ 752,941	$ 5,791,586

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, 2010

	General Fund Accounts		
	Education	Operations and Maintenance	Total
Revenues			
Local Sources	$ 6,867,653	$ 1,323,416	$ 8,191,069
Flow-Through Sources	28,256	---	28,256
State Sources	3,504,581	---	3,504,581
Federal Sources	1,026,212	---	1,026,212
Total Direct Cash Revenue	$ 11,426,702	$ 1,323,416	$ 12,750,118
Revenue For On-Behalf Payments	1,835,040	---	1,835,040
Total Revenues	$ 13,261,742	$ 1,323,416	$ 14,585,158
Expenditures			
Instruction	$ 8,639,124	$ ---	$ 8,639,124
Support Services	2,412,109	1,325,930	3,738,039
Non-Programmed Charges	197,855	---	197,855
Debt Service	59,742	---	59,742
Total Direct Expenditures	$ 11,308,830	$ 1,325,930	$ 12,634,760
Expenditures For On-Behalf Payments	1,835,040	---	1,835,040
Total Expenditures	$ 13,143,870	$ 1,325,930	$ 14,469,800
Excess or (Deficiency) of Revenues Over Expenditures	$ 117,872	$ (2,514)	$ 115,358
Other Financing Sources (Uses)			
Proceeds of Loans and Leases	$ 51,666	$ ---	$ 51,666
Interest Transfers	11,598	---	11,598
Proceeds on Sale of Assets	5,099	---	5,099
Transfers Out	(120,463)	---	(120,463)
Permanent Transfers	4,599	---	4,599
Total Other Financing Sources (Uses)	$ (47,501)	$ ---	$ (47,501)
Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	$ 70,371	$ (2,514)	$ 67,857
Fund Balances - July 1, 2009	(5,411,142)	(174,237)	(5,585,379)
Fund Balances (Deficit) - June 30, 2010	$ (5,340,771)	$ (176,751)	$ (5,517,522)

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

EDUCATIONAL ACCOUNT

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		
	Original	Final	Actual
Revenues (Page 41)			
Local Sources	$ 6,772,001	$ 6,772,001	$ 6,867,653
Flow-Through Sources	20,270	20,270	28,256
State Sources	3,452,078	3,452,078	3,504,581
Federal Sources	854,930	854,930	1,026,212
Total Direct Revenues	$ 11,099,279	$ 11,099,279	$ 11,426,702
Revenue For On-Behalf Payments	---	---	1,835,040
Total Revenues	$ 11,099,279	$ 11,099,279	$ 13,261,742
Expenditures (Pages 42 and 43)			
Instruction	$ 8,588,168	$ 8,588,168	$ 8,639,124
Support Services	2,249,972	2,249,972	2,412,109
Non-Programmed Charges	206,613	206,613	197,855
Debt Service	98,667	98,667	59,742
Total Direct Expenditures	$ 11,143,420	$ 11,143,420	$ 11,308,830
Expenditures For On-Behalf Payments	---	---	1,835,040
Total Expenditures	$ 11,143,420	$ 11,143,420	$ 13,143,870
Excess or (Deficiency) of Revenues Cash Expenditures	$ (44,141)	$ (44,141)	$ 117,872
Other Financing Sources (Uses)			
Proceeds of Loans and Leases	$ ---	$ ---	$ 51,666
Proceeds on Sale of Assets	---	---	5,099
Transfers Out	---	---	(120,463)
Interest Transfers	40,170	40,170	11,598
Permanent Transfer From Working Cash Fund	5,912	5,912	4,599
Total Other Financing Sources (Uses)	$ 46,082	$ 46,082	$ (47,501)
Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	$ 1,941	$ 1,941	$ 70,371
Fund Balance - July 1, 2009			(5,411,142)
Fund Balance (Deficit) - June 30, 2010			$ (5,340,771)

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

EDUCATIONAL ACCOUNT

SCHEDULE OF REVENUES

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Local Sources			
Property Taxes			
General Levies	$ 5,872,169	$ 5,872,169	$ 6,003,078
Special Education Levies	88,679	88,679	88,934
Corporate Personal Property Replacement Taxes	20,000	20,000	---
Tuition	88,000	88,000	105,028
Earnings on Investments	44,300	44,300	7,705
Food Services	320,428	320,428	284,529
District/School Activities	94,025	94,025	88,255
Textbooks	170,000	170,000	165,733
Contributions	6,000	6,000	678
Other	68,400	68,400	123,713
	$ 6,772,001	$ 6,772,001	$ 6,867,653
Flow-Through Sources			
From State Sources	$ 20,270	$ 20,270	$ 28,256
State Sources			
General State Aid	$ 2,645,062	$ 2,645,062	$ 2,850,695
Special Education	749,169	749,169	590,642
Reading Improvement Program	1,500	1,500	48,711
Bilingual Education	335	335	---
State Free Lunch and Breakfast	947	947	---
Safety and Education Improvement	53,858	53,858	13,785
Other Grants In Aid	1,207	1,207	748
	$ 3,452,078	$ 3,452,078	$ 3,504,581
Federal Sources			
National School Lunch	$ 42,000	$ 42,000	$ 42,892
ARRA General State Aid	757,718	757,718	475,179
IDEA Preschool	---	---	19,121
IDEA Flow-Through	---	---	84,645
ARRA Preschool Special Ed	---	---	8,306
ARRA IDEA Flow-Through Special Ed	---	---	208,965
ARRA Other Gov Special Ed	---	---	158,375
Safe and Drug Free Schools	2,788	2,788	2,788
Title II - Teacher Quality	14,424	14,424	11,214
Medicaid Matching	38,000	38,000	14,727
	$ 854,930	$ 854,930	$ 1,026,212
Total Direct Cash Revenue	$ 11,099,279	$ 11,099,279	$ 11,426,702
Revenue For On-Behalf Payments	---	---	1,835,040
Total Revenues	$ 11,099,279	$ 11,099,279	$ 13,261,742

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24
EDUCATIONAL ACCOUNT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		
	Original	Final	Actual
Expenditures			
Instruction			
Regular Programs			
Salaries	$ 5,425,419	$ 5,425,419	$ 5,519,693
Employee Benefits	1,139,825	1,139,825	1,052,156
Purchased Services	41,175	41,175	72,739
Supplies and Materials	201,156	201,156	171,251
Capital Outlay	61,540	61,540	56,107
Other Objects	35,000	35,000	9,053
	$ 6,904,115	$ 6,904,115	$ 6,880,999
Special Education Programs			
Salaries	$ 1,005,075	$ 1,005,075	$ 1,070,673
Employee Benefits	119,797	119,797	152,613
Purchased Services	22,308	22,308	3,764
Supplies and Materials	13,500	13,500	15,816
Tuition	---	---	157,215
	$ 1,160,680	$ 1,160,680	$ 1,400,081
Interscholastic Programs			
Salaries	$ 101,281	$ 101,281	$ 92,199
Employee Benefits	581	581	499
Purchased Services	18,917	18,917	16,082
Supplies and Materials	1,663	1,663	1,884
Capital Outlay	---	---	229
Other Objects	1,548	1,548	2,313
	$ 123,990	$ 123,990	$ 113,206
Summer School			
Salaries	$ 54,532	$ 54,352	$ 46,332
Employee Benefits	299	299	232
Supplies and Materials	1,946	1,946	1,802
Other Objects	1,443	1,443	243
	$ 58,220	$ 58,220	$ 48,609
Gifted			
Salaries	$ 200,780	$ 200,780	$ 174,009
Employee Benefits	23,841	23,841	22,021
Supplies and Materials	500	500	199
	$ 225,121	$ 225,121	$ 196,229
Special Education Prog - K-12 Private			
Other Objects	$ 116,042	$ 116,042	$ ---
Total Instruction	$ 8,588,168	$ 8,588,168	$ 8,639,124
Support Services			
Pupils			
Salaries	$ 659,775	$ 659,775	$ 709,204
Employee Benefits	84,663	84,663	75,632
Purchased Services	40,000	40,000	25,365
Supplies and Materials	4,100	4,100	31,642
Other Objects	---	---	185
	$ 788,538	$ 788,538	$ 842,028

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24
EDUCATIONAL ACCOUNT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		
	Original	Final	Actual
Expenditures (continued)			
Support Services (continued)			
Instructional Staff			
Purchased Services	$ 55,000	$ 55,000	$ 13,527
Supplies and Materials	117,688	117,688	148,368
Capital Outlay	65,242	65,242	190,487
Other Objects	---	---	32,269
	$ 237,930	$ 237,930	$ 384,651
General Administration			
Salaries	$ 129,447	$ 129,447	$ 134,272
Employee Benefits	33,249	33,249	26,961
Purchased Services	199,858	199,858	115,403
Supplies and Materials	200	200	951
Other Objects	5,000	5,000	16,523
	$ 367,754	$ 367,754	$ 294,110
School Administration			
Salaries	$ 349,766	$ 349,766	$ 364,666
Employee Benefits	76,740	76,740	72,680
Purchased Services	---	---	2,029
	$ 426,506	$ 426,506	$ 439,375
Business			
Salaries	$ 106,085	$ 106,085	$ 106,817
Employee Benefits	---	---	508
Purchased Services	498	498	40,227
Supplies and Materials	8,000	8,000	1,953
Capital Outlay	2,000	2,000	5,298
Other Objects	---	---	66
	$ 116,583	$ 116,583	$ 154,869
Lunch Services			
Salaries	$ 8,000	$ 8,000	$ 7,750
Employee Benefits	20	20	36
Purchased Services	297,894	297,894	287,525
Supplies and Materials	6,147	6,147	1,119
Other Objects	600	600	646
	$ 312,661	$ 312,661	$ 297,076
Total Support Services	$ 2,249,972	$ 2,249,972	$ 2,412,109
Non-Programmed Charges			
Payments For Programs			
Purchased Services	$ 70,999	$ 70,999	$ ---
Other Objects	135,614	135,614	46,124
Tuition	---	---	151,731
	$ 206,613	$ 206,613	$ 197,855
Debt Service			
Interest	$ 98,667	$ 98,667	$ 59,742
Total Direct Expenditures	$ 11,143,420	$ 11,143,420	$ 11,308,830
Expenditures For On-Behalf Payments	---	---	1,835,040
Total Expenditures	$ 11,143,420	$ 11,143,420	$ 13,143,870

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, 2010

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Local Sources			
Property Taxes	$ 1,430,120	$ 1,430,120	$ 1,198,594
Earnings on Investments	10,635	10,635	1,145
Rental Income	---	---	122,888
Other Revenue	11,200	11,200	789
Total Revenues	$ 1,451,955	$ 1,451,955	$ 1,323,416
Expenditures			
Support Services			
Operation and Maintenance of Plant			
Salaries	$ 513,481	$ 513,481	$ 547,419
Employee Benefits	102,254	102,254	93,544
Purchased Services	721,000	721,000	600,436
Supplies and Materials	94,000	94,000	70,776
Capital Outlay	10,000	10,000	9,995
Other Objects	7,000	7,000	3,760
Total Expenditures	$ 1,447,735	$ 1,447,735	$ 1,325,930
Excess or (Deficiency) of Revenue Over Expenditures	$ 4,220	$ 4,220	$ (2,514)
Fund Balance - July 1, 2009			(174,237)
Fund Balance - June 30, 2010			$ (176,751)

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, 2010

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Local Sources			
Property Taxes	$ 188,992	$ 188,992	$ 268,825
Earnings on Investments	1,289	1,289	351
Other	---	---	25,947
Total Local Sources	$ 190,281	$ 190,281	$ 295,123
State Sources			
Regular	$ 1,049,785	$ 1,049,785	$ 778,825
Special Education	71,685	71,685	19,664
Total State Sources	$ 1,121,470	$ 1,121,470	$ 798,489
Total Revenues	$ 1,311,751	$ 1,311,751	$ 1,093,612
Expenditures			
Support Services			
Pupil Transportation			
Salaries	$ 687,855	$ 687,855	$ 597,769
Employee Benefits	62,255	62,255	53,931
Purchased Services	120,600	120,600	60,471
Supplies and Materials	92,000	92,000	75,042
Capital Outlay	73,319	73,319	71,091
Other Objects	1,500	1,500	2,702
Total Support Services	$ 1,037,529	$ 1,037,529	$ 861,006
Non-Programmed Charges			
Payments for Special Education Programs	$ ---	$ ---	$ 14,445
Debt Services			
Interest	$ ---	$ ---	$ 6,299
Principal	---	---	47,893
Total Debt Services	$ ---	$ ---	$ 54,192
Total Expenditures	$ 1,037,529	$ 1,037,529	$ 929,643
Excess or (Deficiency) of Revenues Over Expenditures	$ 274,222	$ 274,222	$ 163,969
Other Financing Sources (Uses)			
Proceeds of Loans and Leases	---	---	48,000
Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	$ 274,222	$ 274,222	$ 211,969
Fund Balance - July 1, 2009			204,955
Fund Balance - June 30, 2010			$ 416,924

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, 2010

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Local Sources			
Property Taxes	$ 573,456	$ 573,456	$ 572,010
Personal Property Replacement Taxes	---	---	15,477
Earnings on Investments	---	---	182
Total Revenues	$ 573,456	$ 573,456	$ 587,669
Expenditures			
Instruction	$ 465,006	$ 465,006	$ 189,576
Support Services	---	---	250,154
Non-Programmed Charges - Special Education	---	---	21,166
Total Expenditures	$ 465,006	$ 465,006	$ 460,896
Excess or (Deficiency) of Revenues Over Expenditures	$ 108,450	$ 108,450	$ 126,773
Fund Balance - July 1, 2009			(378,628)
Fund Balance - June 30, 2010			$ (251,855)

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, 2010

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Local Sources			
Property Taxes	$ 1,761,753	$ 1,761,753	$ 1,759,488
Earnings on Investments	19,000	19,000	4,277
Total Revenues	$ 1,780,753	$ 1,780,753	$ 1,763,765
Expenditures			
Debt Service			
Interest	$ 441,359	$ 441,359	$ 754,608
Principal	1,282,951	1,282,951	947,634
Debt Service Fees	1,800	1,800	965
Total Expenditures	$ 1,726,110	$ 1,726,110	$ 1,703,207
Excess or (Deficiency) of Revenues Over Expenditures	$ 54,643	$ 54,643	$ 60,558
Other Financing Sources (Uses)			
Bond Proceeds	$ ---	$ ---	$ 1,858,941
Payments to Refunded Debt Escrow Account	---	---	(1,858,941)
Transfers	---	---	120,463
Permanent Transfers of Interest	(19,000)	(19,000)	(6,688)
Total Other Financing Sources (Uses)	$ (19,000)	$ (19,000)	$ 113,775
Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	$ 35,643	$ 35,643	$ 174,333
Fund Balance - July 1, 2009			107,649
Fund Balance - June 30, 2010			$ 281,982

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, 2010

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Local Sources			
Earnings on Investments	$ 21,120	$ 21,120	$ 2,387
Contributions and Donations	20,000	20,000	7,552
Total Revenues	$ 41,120	$ 41,120	$ 9,939
Expenditures	$ ---	$ ---	$ ---
Excess or (Deficiency) of Revenues Over Expenditures	$ 41,120	$ 41,120	$ 9,939
Other Financing Sources (Uses)			
Permanent Transfer of Interest Other Funds	(21,120)	(21,120)	(4,885)
Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	$ 20,000	$ 20,000	$ 5,054
Fund Balance - July 1, 2009			951,525
Fund Balance - June 30, 2010			$ 956,579

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, 2010

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Local Sources			
Property Taxes	$ 206,873	$ 206,873	$ 209,198
Earnings on Investments	1,350	1,350	142
Other Revenue	---	---	5,498
Total Revenues	$ 208,223	$ 208,223	$ 214,838
Expenditures			
Support Services			
Salaries	$ 54,303	$ 54,303	$ 54,242
Employee Benefits	3,579	3,579	3,343
Purchased Services	150,341	150,341	141,521
Total Expenditures	$ 208,223	$ 208,223	$ 199,106
Excess or (Deficiency) of Revenues Over Expenditures	$ ---	$ ---	$ 15,732
Fund Balance - July 1, 2009			47,387
Fund Balance - June 30, 2010			$ 63,119

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, 2010

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Local Sources			
Property Taxes	$ 5,912	$ 5,912	$ 6,064
Earnings on Investments	50	50	25
Total Revenues	$ 5,962	$ 5,962	$ 6,089
Expenditures	$ ---	$ ---	$ ---
Excess or (Deficiency) of Revenues Over Expenditures	$ 5,962	$ 5,962	$ 6,089
Other Financing Sources (Uses)			
Permanent Transfers to Education Fund			
Abolish Working Cash Fund	$ (5,912)	$ (5,912)	$ (4,599)
Interest	(50)	(50)	(25)
Total Other Financing Sources (Uses)	$ (5,962)	$ (5,962)	$ (4,624)
Excess or (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	$ ---	$ ---	$ 1,465
Fund Balance - July 1, 2009			(2,984)
Fund Balance (Deficit) - June 30, 2010			$ (1,519)

FIDUCIARY FUNDS
TRUST AND AGENCY FUNDS

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

Activity Fund - To account for monies donated by students to fund student events.

Flexible Spending Account Fund - To account for monies withheld for flexible spending benefits from employees wages and subsequent remittance to pay expenses.

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

FIDUCIARY FUNDS

AGENCY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2010

	Agency		
	Activity Funds	Flexible Spending Account Fund	Total
Assets			
Cash and Cash Equivalents	$ 34,288	$ 2,795	$ 37,083
Total Assets	$ 34,288	$ 2,795	$ 37,083
Liabilities and Fund Balances			
Liabilities			
Due To Student Groups	$ 34,288	$ ---	$ 34,288
Unremitted Payroll Deductions	---	2,795	2,795
Total Liabilities	$ 34,288	$ 2,795	$ 37,083
Total Liabilities and Fund Balances	$ 34,288	$ 2,795	$ 37,083

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

STUDENT ACTIVITY FUNDS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Receipts	Disbursements	Balance June 30, 2010
Millburn Central				
Band	$ 2,855	$ 5,219	$ 4,411	$ 3,663
Athletics	(687)	10,626	13,192	(3,253)
Field Trips	341	66,817	66,354	804
Middle School	2,874	17,226	6,518	13,582
Principal	3,972	4,811	3,544	5,239
Student Council	3,481	725	1,005	3,201
Sunshine	300	420	567	153
Yearbook	867	15,567	15,148	1,286
	$ 14,003	$ 121,411	$ 110,739	$ 24,675
Millburn West				
Band	$ 731	$ 6,539	$ 4,555	$ 2,715
Athletics	189	8,830	9,287	(268)
Field Trips	(472)	32,748	34,067	(1,791)
Middle School	29	3,042	1,937	1,134
Principal	(254)	9,024	6,902	1,868
Student Council	(220)	90	131	(261)
Sunshine	467	1,576	1,449	594
Yearbook	5,328	8,039	7,745	5,622
	$ 5,798	$ 69,888	$ 66,073	$ 9,613
Totals	$ 19,801	$ 191,299	$ 176,812	$ 34,288

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

FLEXIBLE SPENDING ACCOUNT FUND

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Assets	
Cash and Cash Equivalents -	
Beginning Balance	$ 15,019
Additions	40,852
Disbursements	(53,076)
Cash and Cash Equivalents - Ending Balance	$ 2,795
Liabilities	
Unremitted Payroll Deductions Payable -	
Beginning Balance	$ 15,019
Additions	40,852
Disbursements	(53,076)
Ending Balance	$ 2,795

SUPPLEMENTARY SCHEDULES

MILLBURN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 24

COMPUTATION OF PER CAPITA TUITION CHARGE

FOR THE YEAR ENDED JUNE 30, 2010

Total Expenditures			
Educational Fund		$ 11,427,059	
Operations and Maintenance Fund		1,296,378	
Bond and Interest Fund		1,703,207	
Transportation Fund		933,878	
Municipal Retirement Fund		455,171	
Tort Immunity Fund		199,104	$ 16,014,797
Less: Receipts or Expenditures Not Applicable To Operating Expense of Regular Term			
Summer School		$ 51,809	
Capital Outlay (Education, Building, and Transportation Funds)		286,139	
Lease/Purchase Principal Retired		47,893	
Bond Principal Retired		947,634	
Payments to Other Districts and Governments		225,388	1,558,863
Operating Expense of Regular Program			$ 14,455,934
Average Daily Attendance	1,483.70		
Net Operating Expense Per Pupil	$ 9,743.17		
Deductions For Computation of Tuition Charges (Revenue Offsetting Expense of a Special Activity)			
State Transportation Aid		$ 653,128	
Special Education		484,341	
District/School Activity		88,255	
Food Services		332,557	
Textbooks		150,188	
Rentals		122,888	
Other Grants-In-Aid		334,389	2,165,746
Net Operating Expenses For Tuition Computation			$ 12,290,188
Add: Total Depreciation Allowance			1,196,695
Total Allowance For Tuition Computation			$ 13,486,883
Average Daily Attendance	1,483.70		
Per Capita Tuition Charge	$ 9,090.03		

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*

To the 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
WADSWORTH, ILLINOIS

as of and for the year ended June 30, 2010, and have issued our report thereon dated September 7, 2010. 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 Millburn Community Consolidated School District No. 24's (the District's) internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 Millburn Community Consolidated School District No. 24'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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Education, management, 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.

Milburn Cain & Co.

MILBURN CAIN & CO.
Certified Public Accountants

Gurnee, Illinois
September 7, 2010