

Mundelein Elementary  
School District 75  
Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended June 30, 2020



Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2020



Mundelein Elementary School District #75  
Mundelein, Illinois

Jun '20  
2019 20



# **Comprehensive Annual Financial Report**

For the Fiscal Year Ended

June 30, 2020

**Mundelein Elementary School District No. 75**

**Mundelein, Illinois**

## **Officials Issuing Report**

Dr. Kevin Myers, Superintendent

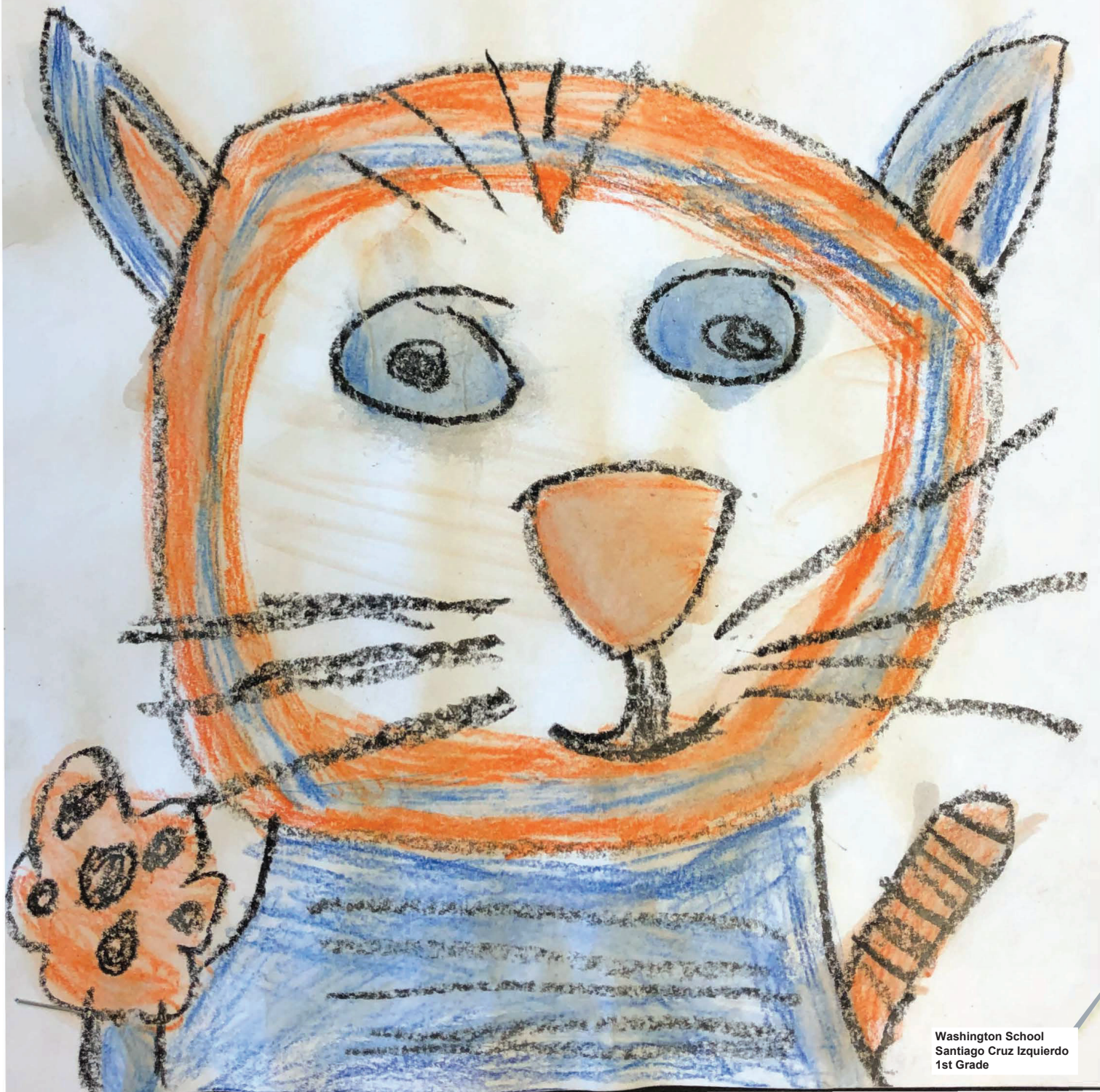
T. Rancak, Business Manager

Mr. Kevin Holly, President  
Mundelein School Board

## **Department Issuing Report**

Business Office







## INTRODUCTORY SECTION



MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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# MUNDELEIN

## SCHOOL DISTRICT 75

470 North Lake Street  
Mundelein, Illinois 60060-1825

January 13, 2021

Citizens of District 75 and  
Members of the Board of Education  
Mundelein Elementary School District No. 75  
470 N. Lake Street  
Mundelein, Illinois 60060

The Comprehensive Annual Financial Report of Mundelein Elementary School District No. 75 (the "District"), Mundelein, Illinois, for the fiscal year ended June 30, 2020, is submitted herewith. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rest with the District. We believe the information, as presented, is accurate in all material respects, is presented in a manner designed to set forth fairly the financial position and results of operations of the District as measured and reported by the financial activity of the various funds, and that all disclosures necessary to enable the reader to gain an understanding of the District's financial affairs have been included. The District's financial statements conform to Generally Accepted Accounting Principles (GAAP).

To facilitate the understanding of the District's financial affairs, the Comprehensive Annual Financial Report (CAFR) is divided into an Introductory Section, a Financial Section and a Statistical Section. The Introductory Section of the CAFR includes a table of contents, a Letter of Transmittal, an organizational chart and a listing of District officers and officials. The Financial Section consists of the unmodified opinion on the financial statements from the independent auditors, Evans, Marshall, & Pease, P.C.; Management's Discussion and Analysis (MD&A) -- a wide-ranging analysis with numerous graphs, schedules, etc. illustrating the financial results of the fiscal year just ended; the notes to the basic financial statements; any required supplementary information; and supplementary information. The statistical section, not a part of the District's basic financial statements, includes selected financial data and general information presented in tables on a multi-year basis. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

### **Profile of the District**

The District is located in Mundelein, a village in Lake County, and a northern suburb of Chicago. Potawatomi Indians first settled the area of Mundelein in the 1650's. The first pioneers named the city "Mechanics Grove", which was in honor of their former professions. The Village was incorporated in 1865, and the name was eventually changed to Mundelein. Mechanics Grove is the name of the District's elementary school, an acknowledgement to those first pioneers escaping England's industrial depression. By the year 2000, the population increased to over 30,000 and the diversification in heritage, vocation and religious background provide a wide variety of cultural history and current social interaction.

Mundelein Elementary School District No. 75 (the "District") is an elementary district, serving approximately 1,900 students. The District is located in Lake County, approximately 35 miles northwest of the City of Chicago. The District serves residents of a large portion of the Village of Mundelein, with the District boundaries encompassing 8.58 square miles. The District was founded in 1902 and provides educational programs for grades pre-kindergarten through eighth (8th). The District Office facility is located as follows:

District Office  
470 North Lake Street  
Mundelein, Illinois 60060-1825

Additionally, the District currently operates three (3) school facilities:

Carl Sandburg Middle School  
855 West Hawley Street  
Mundelein, Illinois 60060-1615  
Constructed in 1959

Mechanics Grove Elementary School  
1200 North Midlothian Road  
Mundelein, Illinois 60060-1146  
Constructed in 1968

Washington Elementary School  
122 South Garfield Avenue  
Mundelein, Illinois 60060-2769  
Constructed in 1951

Moreover, the District also owns Lincoln Early Childhood Center, which was closed in 2011. Since that time, a portion of Lincoln Early Childhood Center was reopened and is being utilized by the District, along with two (2) other elementary school districts, as an early childhood center. If the District reaches capacity enrollment at the other facilities, the District will utilize Lincoln Early Childhood Center to relieve the situation.

Lincoln Early Childhood Center  
200 West Maple Avenue  
Mundelein, Illinois 60060-1785

Mundelein Elementary School District No. 75 (the "District") will likely experience little growth in student enrollment in the next five years. Current estimates project a similar total number of enrolled students in the year 2021. The District is committed to building bright futures together and committed to the success of every student, that all students will be well prepared to thrive in a diverse, multi-cultural society with great capacity for creativity, critical thinking, and collaborative problem solving. Achievement of this mission requires shared responsibility through a partnership among students, parents, staff and community. The District provides a full range of programs and services for all its students. These programs include pre-kindergarten, full-day kindergarten, two-way immersion (TWI), fine arts, gifted, and foreign language. An extensive array of co-curricular and athletic activities is also offered to enhance the student's educational experience.

For the 2019-20 school year, the District employed approximately 213 employees, of whom 8 were administrators, 175 were certified, and 32 were noncertified. Of the total number, 150 were represented by the Mundelein Elementary Education Association, IEA-NEA. The contract expires in June 2022. These employees served approximately 1,745 students with budgeted expenditures totaling \$27.5 million. Capital projects, including building improvements and health life safety renovations totaled \$2.2 million.

#### Reporting Entity

The District has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14. This states "The Financial Reporting Entity" under which these financial statements are prepared will include all organizations, activities, functions, funds and component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the District's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. The District does not have any component units that meet the above requirements.

The governing body consists of a seven-member Board of Education elected from within the District's boundaries for four-year overlapping terms. The Superintendent and staff administer the day-to-day operations of the District. Based on the legislative authority codified in the Illinois School Code, the Board of Education has the following powers:

- The power to levy and collect taxes and to issue bonds.
- The power to contract for appointed administrators, teachers, and other personnel as well as for goods and services.
- The corporate power to sue and be sued in all courts.

The Board of Education appoints a superintendent who, in turn, recommends to the Board of Education the appointment of the remaining administrative team. An organizational chart is provided in the Introductory Section of the CAFR.

The District is required to adopt an annual budget for all its governmental funds by September 30 of each year. The annual budget serves as a foundation for financial planning and control. The Board of Education's primary function is to establish policy under which the schools will operate. These policies must provide for decisions to be made within the District in the areas of:

- Business and financial operations
- Community relations
- Educational programming
- Overall administration
- Personnel
- Students

#### District's Mission Statement

The mission of Mundelein Elementary School District No. 75 is *building bright futures together: committed to the success of every student*. All District 75 students will be well prepared to thrive in a diverse, multi-cultural society with great capacity for creativity, critical thinking, and collaborative problem solving.

#### District's Strategic Plan

The District has a commitment to district-wide continuous improvement, emphasizing:

- Placing student needs first
- Sustaining high expectations for all
- Maintaining a collaborative culture
- Focusing on the future
- Ensuring fiscal responsibility

The District adheres to the following belief statements:

- We believe children are the first priority and every decision and action must have their best interest in mind.
- We believe all students have the capacity to learn and be successful.
- We believe a safe and secure environment is paramount to learning.
- We believe measures of success go beyond results of standardized testing.
- We believe effective and engaging teaching addresses the individual needs of students, empowers their learning, and prepares them to improve the world.
- We believe that on-going, job-embedded professional development enhances the teaching and learning environment.
- We believe technology is essential to learning in and beyond the classroom.



- We believe continual improvement results from a professional collaborative culture that is committed to student growth and sharing evidence-based practices.
- We believe public education is shaped by the values, beliefs, and vision of our families and community.
- We believe in the development of the whole child through cultural, social, and emotional learning opportunities.
- We believe that frequent, honest, and respectful communication is critical to success of our children and our organization.
- We believe that an effective partnership between engaged students, parents, and teachers leads to higher success for all.

To achieve these beliefs, the District is committed to these priorities:

1. Improve student achievement through quality education for unique and diverse learners.
2. Provide comprehensive programs, services, and curriculum that foster student engagement, leadership, creativity, innovation and critical thinking.
3. Foster a welcoming environment for families and the community.
4. Maintain safe, caring, supportive and innovative learning environments.
5. Remain financially solvent while advancing the quality of student education.

### **Long-Term Financial Planning**

In 2016, the District presented a five-year Financial Plan designed to be a tool to guide the District in its decision-making over a multi-year period. The District's Financial Plan model is comprehensive, taking into account critical tax levy variables (including equalized assessed valuation predictions), state revenue formulas, student enrollment projections, student to teacher ratios, debt retirement schedules, consumer price index projections, and salary and benefit projections (based on the current labor contract provisions), and several other key variables. These essential considerations are melded into a projection model for both the current budget year, as well as for subsequent years. The inclusion of historical data is also useful particularly for recognizing important trends in such areas as revenue, expenditure and both operating and overall fund balances. As with any financial model, the quality of its outcomes is only as good as the accuracy of the input data and the underlying assumptions.

The Financial Plan is subject to many complex economic, social, and political risks and uncertainties, many of which are outside the ability for the District to control. These include, but are not limited to:

- State's economic situation and subsequent ability to provide funding.
- Changes in legislation governing the structure of tax levies.
- Future CPI trends that affect the current structure of tax levies.
- Unknown cost of collective bargaining agreements beyond June, 2022.
- Liability of pension rates.
- Outstanding capital needs of the District.

The Financial Plan must project over a period of time that's brief enough to feel tangible but long enough to allow for preparation and/or corrective action to be implemented. Without foresight and planning, the District may find its educational programs impacted. That is also why creating, rereading, and revising the Financial Plan is completed at least once a year.

Several key financial indicators for the District predict neutral to negative results in the District's operating funds during the fiscal year 2020-2021, with expenditures exceeding revenues in the years thereafter. These projected deficits in outlying years are based upon conservative increases in state and federal funding. That said, the District has the potential to receive additional revenue and/or make the adjustments necessary to improve this financial outlook. The District is highly dependent on local property taxes. This is challenging for the District, as property tax increases are limited by the Tax Cap law.

Therefore, it remains a priority to keep overall expenditures in line with revenue. District finances are monitored through monthly financial reports to the Board of Education, the annual budget process, and long-range financial projections. As a result, the District intends to maintain balanced budgets that align resources to support the instructional program.

#### Relevant Financial Planning Factors

The District projects moderate enrollment for the next few years. Potential EAV increases, coupled with moderate CPI increases, will have an impact on the District's budgets and tax rates for the next several years. The Administration and Board of Education are dedicated to approving balanced budgets and to maintaining healthy fund balances.

#### **Relevant Financial Policies**

##### Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Education. The Board of Education is responsible for adopting the annual budget. The preparation, adoption and action on the District's budget is a year-round process involving multiple levels of input and decision-making from staff members, administrators, and the Board of Education. Input from the public on how school tax dollars are spent is welcomed at Board meetings, public hearings and the Board's budget workshop. Spending decisions are guided by the following criteria:

- Goals and priorities of the Board of Education
- Requirements imposed upon the District by federal and state governments
- Types of programs being taught
- Number of employees
- Requirements to maintain and operate the District's schools and facilities
- Bus transportation and food services programs
- Employee collective bargaining agreements

While budgetary control is exercised at the fund level, management control is exercised at the object, or line item, level. All expenditures are approved by the Board of Education. An encumbrance system is used to measure the uncommitted budget item amount that is available at any time during the budget year. An obligation is made in the form of a purchase order. When it occurs, the appropriate budgetary account is reserved. All encumbrances lapse at year-end. All governmental funds have annual appropriated budgets, and are approved in accordance with the provisions of the Illinois State Statutes.

##### Internal Control Structure

In developing and evaluating the District's accounting system, consideration is given to the adequacy of the internal accounting controls. Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Such controls are designed to provide reasonable, but not absolute, assurance for the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. We believe that our internal accounting controls adequately safeguard District assets and provide reasonable assurance of the proper recording of financial data.

## **Other Information**

### Certificate of Excellence

Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in financial reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the first year that the District had received this prestigious award. In order to be awarded a Certificate of Excellence, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

### Management's Discussion and Analysis

Provided in the financial section of this report, immediately following the independent auditor's report, is supplementary information entitled Management's Discussion and Analysis (MD&A). This MD&A is intended to be an easily readable and objective analysis of the school district's financial activities. It also contains a description of currently known facts, decisions, or conditions expected to have a significant effect on the future financial position and results of operations of the school district.

### Independent Audit

The School Code of Illinois and the District's adopted policy require an annual audit by independent certified public accountants. The accounting firm of Evans, Marshall & Pease, P.C. was selected by the District's Board of Education. The independent auditor's report on the general purpose financial statements is included in the financial section of this report.

### Acknowledgments

The timely preparation of this report could not have been accomplished without the efficient and dedicated services of the business services department. We would like to express appreciation to all the members of the business services department who assisted in the timely closing of the District's financial records and the preparation of this report. We would like to thank the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

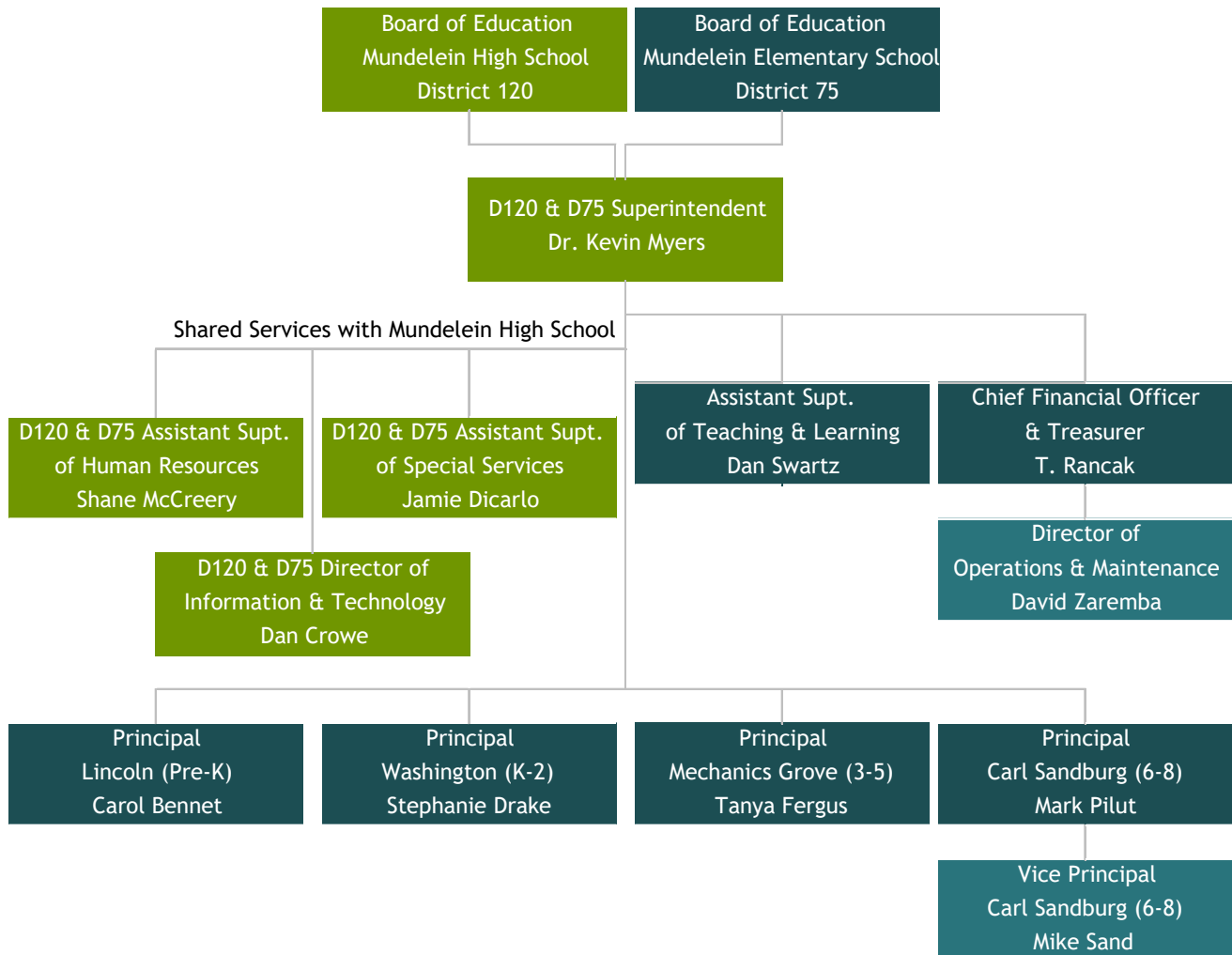
Respectfully submitted,

*Kevin Myers*

Kevin Myers, Ed.D.  
Superintendent



## Organizational Chart 2020-2021 School Year



**Mundelein Elementary School District No. 75**  
**Administration Center**  
**470 N. Lake Street, Mundelein, Illinois 60060**

**Board of Education**

		<u>Term Expires</u>
Mr. Kevin Holly	President	2021
Mrs. Lisa St. Clair	Vice President	2023
Mrs. Kristie Fingerhut	Secretary	2023
Mr. Freddy Gallegos	Member	2021
Mr. Robert Dupont	Member	2021
Mr. Kurt Erickson	Member	2021
Mr. Wells Frice	Member	2021

**District Administration**

Dr. Kevin Myers, Superintendent

**Officials Issuing Report**

T. Rancak, Chief Financial Officer/CSBO

**Department Issuing Report**

Business Office



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Mundelein Elementary School District 75**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



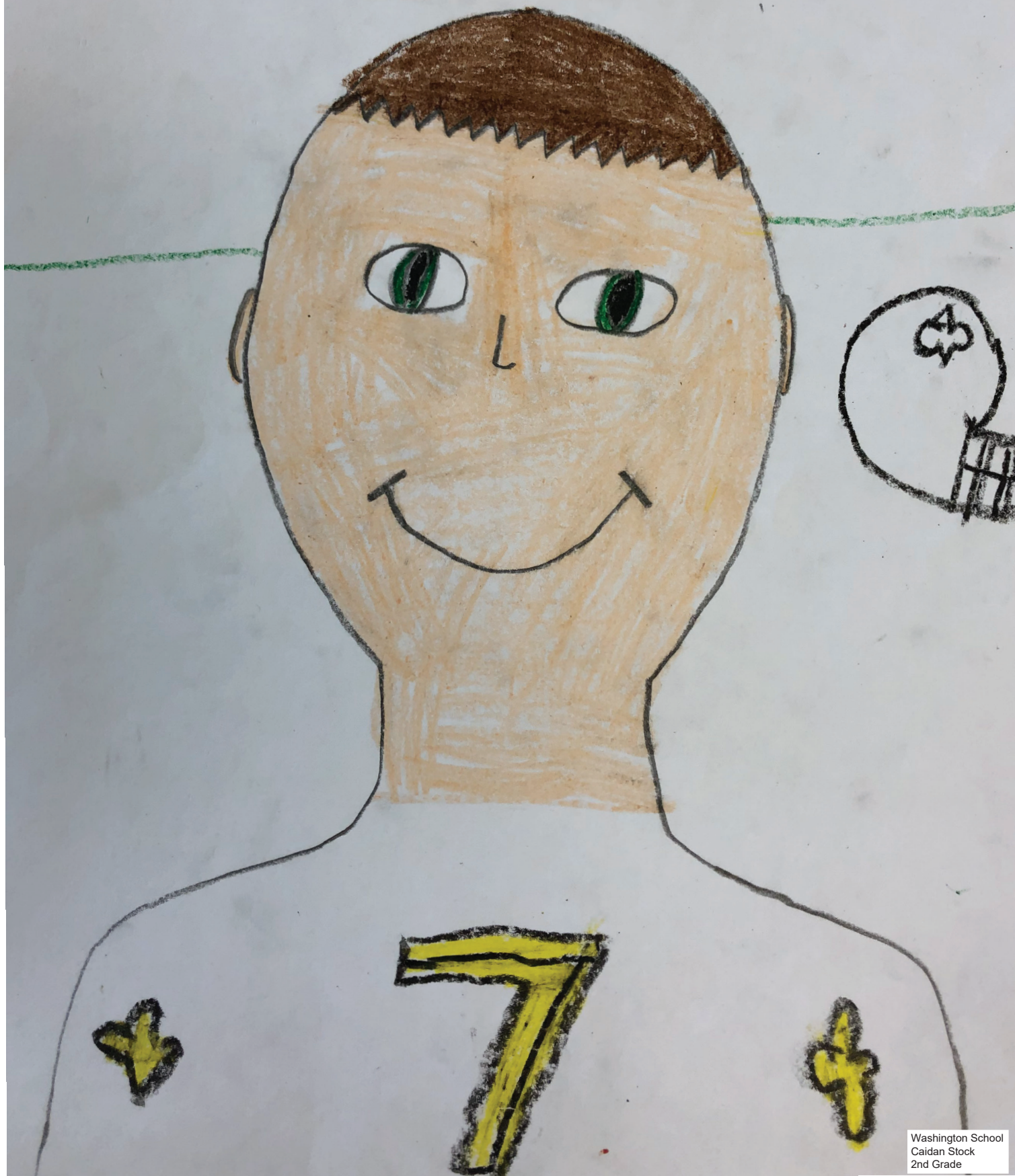
A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis  
Executive Director

## **FINANCIAL SECTION**







SINCE 1917

## EVANS, MARSHALL & PEASE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
AND CONSULTANTS

1875 Hicks Road  
Rolling Meadows, Illinois 60008

Telephone (847) 221-5700  
Facsimile (847) 221-5701

### INDEPENDENT AUDITOR'S REPORT

Board of Education  
Mundelein Elementary School District No. 75  
Mundelein, Illinois

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Mundelein Elementary School District No. 75, Mundelein, Illinois, (the "District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

#### ***Auditor's Responsibility***

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

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

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

#### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining

fund information of the Mundelein Elementary School District No. 75, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principle**

As discussed in Note 16 to the financial statements, in 2020 the District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### ***Prior-Year Comparative Information***

We have previously audited Mundelein Elementary School District No. 75's 2019 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated February 11, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mundelein Elementary School District No. 75's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, are fairly stated in all material respects, in relation to the basic financial statements as a whole.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Mundelein Elementary School District No. 75 as of and for the year ended June 30, 2019 (not presented herein), and have issued our report February 11, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The supplementary information as listed in the table of contents for the year ended June 30, 2019 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2021, on our consideration of Mundelein Elementary School District No. 75's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mundelein Elementary School District No. 75's internal control over financial reporting and compliance.

*Evans, Marshall & Pease, P.C.*

Evans, Marshall and Pease, P.C.  
Certified Public Accountants

Rolling Meadows, Illinois  
December 10, 2020  
(8)

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Management's Discussion and Analysis**



MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

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The discussion and analysis of Mundelein Elementary School District 75's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2020. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in thousands of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

### **Financial Highlights**

The following highlights a few key factors from the year ending June 30, 2020:

- The District's net position increased by \$675,022. Net position at June 30, 2020, is a deficit balance of \$6,147,531.
- The District reported combined ending fund balances of \$12,320,198, a decrease of \$611,949 in comparison with the prior year.
- The District reported unassigned fund balances of \$7,088,179 (or 57.53% of the District's combined ending fund balances of \$12,320,198).
- The District made debt service payments in the amount of \$1,235,000. See Note 5 for more information.
- The District made capital outlay expenditures for land, improvements and equipment in the amount of \$1,316,101. See Note 4 for more information.
- The District received \$4,736,790 from the State of Illinois in Evidence Based Funding Formula.

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

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

- Government-Wide financial statements,
- Fund financial statements, and
- Notes to the financial statements

This report also contains required supplementary information and supplementary information in addition to the basic financial statements.

#### *Government-Wide Financial Statements:*

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The *Statement of Net Position* includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenditures are accounted for in the *Statement of Activities* regardless of when cash is received or disbursed. Both statements are prepared using the accrual basis of accounting.

The two government-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the District's overall health, additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities need to be considered.



MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

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The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, community services, payments to other governmental units, interest on long term debt, and other.

*Fund Financial Statements:*

The District's fund financial statements provide more detailed information about the District's funds. Funds are independent fiscal entities used to account for specific sources of funding and spending on particular programs. Some funds are required by state law such as Educational and Transportation and others the District establishes to manage and control monies for particular purposes.

The District's categories of funds:

- Governmental funds – most of the District's basic services are included in the governmental funds, which generally focus on: 1) how cash and other financial assets that can be readily converted to cash flow in and out; and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or less financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship between them.
- Fiduciary funds – the District is the trustee, or fiduciary, for assets that belong to others, such as student activity funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance operations.
- The District maintains no proprietary funds.

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the Educational, Operations and Maintenance, Debt Service, Transportation, Municipal Retirement/Social Security, Capital Projects and Working Cash Funds. The District considers all of its funds to be major funds.

*Notes to the Financial Statements:*

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

*Other Information:*

In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* concerning the District's operations presented to supplement the basic financial statements and progress in funding related to the Teachers' Retirement System, Illinois Municipal Retirement Fund, and Other Post-Employment Benefits. The *Supplementary Information* provides additional analysis derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

**Financial Analysis of the District as a Whole**

*Statement of Net Position:*

The following summary data is compared with data from the preceding year. The following provides a summary of the District's Statement of Net Position as of June 30, 2020, and 2019:

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

	<b>Governmental Activities</b>		
	<b>2020</b>	<b>2019</b>	<b>% Change</b>
<b>Assets:</b>			
Current and other assets	\$ 23,206,561	\$ 22,709,142	2.19%
Capital assets, net of depreciation	14,617,555	13,895,866	5.19%
<b>Total Assets</b>	<b>37,824,116</b>	<b>36,605,008</b>	<b>3.33%</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	209,789	293,730	-28.58%
Pensions	1,115,592	1,470,140	-24.12%
Other post-employment benefits	398,050	248,072	60.46%
<b>Total Deferred Outflows of Resources</b>	<b>1,723,431</b>	<b>2,011,942</b>	<b>-14.34%</b>
<b>Liabilities:</b>			
Other liabilities	4,732,193	2,844,921	66.34%
Noncurrent liabilities	28,870,873	30,950,325	-6.72%
<b>Total Liabilities</b>	<b>33,603,066</b>	<b>33,795,246</b>	<b>-0.57%</b>
<b>Deferred Inflows of Resources:</b>			
Property taxes levied for subsequent years	7,732,286	8,435,650	-8.34%
Pensions	2,044,052	1,641,414	24.53%
Other post-employment benefits	2,315,674	1,591,904	45.47%
<b>Total Deferred Inflows of Resources</b>	<b>12,092,012</b>	<b>11,668,968</b>	<b>3.63%</b>
<b>Net Position:</b>			
Net investment in capital assets	3,420,344	1,515,015	125.76%
Restricted	4,802,572	5,567,260	-13.74%
Unrestricted	(14,370,447)	(13,929,539)	3.17%
<b>Total Net Position</b>	<b>\$ (6,147,531)</b>	<b>\$ (6,847,264)</b>	<b>-10.22%</b>

Total Net Position:

Please note that the amounts reported for governmental activities in the audit statement above are different from the governmental funds because (1) capital assets used in governmental activities are not financial resources, as they are in business, and are not reported as assets in governmental funds. (2) long-term liabilities, including bonds payable, capital leases, pensions, and other post-employment benefits are not due in the current period and therefore not reported as liabilities in the funds. The result is that the total net position for governmental activities is a deficit balance of \$6,147,531.

Restricted Net Position:

A portion of the District's total net position is considered restricted. The District's restricted net position results from portions of governmental funds that are restricted, committed, or assigned, or in any other way limit the availability of fund resources for future use. The Operations and Maintenance, Debt Service, Transportation, Municipal Retirement/Social Security, and Capital Projects Funds are special revenue funds; by law, funds held in a special revenue fund are restricted to the purpose of the fund.

The funds have a restricted balance as follows: Student Activities carrying value, \$22,177, Operations and Maintenance Fund, \$11,750, Debt Service Fund, \$1,001,801, Transportation Fund, \$2,748, Municipal Retirement/Social Security Fund, \$109,773, and Capital Projects Fund, \$3,654,323. The District's total restricted net position at the end of the fiscal year totaled \$4,802,572. There were no significant changes affecting restrictions, commitments, or other limitations to the availability of fund resources for future use.

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

The following is a summary of the District's changes in net position for the year ending June 30, 2020, and 2019:

	<b>Governmental Activities</b>			
	<b>2020</b>	<b>Percentage of Total</b>	<b>2019</b>	<b>Percentage of Total</b>
<b>Revenues:</b>				
Program Revenues:				
Charges for services	\$ 723,910	2.22%	\$ 1,090,179	3.53%
Operating grants and contributions	2,526,390	7.73%	1,733,474	5.62%
Capital grants	48,099	0.15%		
State on-behalf retirement	7,985,618	24.45%	6,839,217	22.15%
General Revenues:				
Property taxes	16,936,225	51.85%	16,359,280	52.99%
Personal property replacement taxes	114,603	0.35%	105,986	0.34%
Payments of surplus moneys from TIF districts	102,563	0.31%	95,432	0.31%
Impact fees	-	0.00%	5,585	0.02%
Evidence based funding formula	3,721,790	11.39%	4,255,859	13.79%
Contributions and donations	46,062	0.14%	33,682	0.11%
Earnings on investments	460,598	1.41%	351,638	1.14%
<b>Total Revenues</b>	<b>32,665,858</b>	<b>100.00%</b>	<b>30,870,332</b>	<b>100.00%</b>
<b>Expenses:</b>				
Current:				
Instruction	11,992,898	37.49%	11,310,666	38.14%
Support services	9,167,208	28.66%	9,161,767	30.90%
Community services	227,174	0.71%	173,332	0.58%
Payments to other governmental units	1,600,267	5.00%	1,163,047	3.92%
State on-behalf retirement	7,985,618	24.96%	6,839,217	23.06%
Debt service - interest and other	423,259	1.32%	447,885	1.51%
Depreciation - unallocated	594,412	1.86%	557,489	1.88%
<b>Total Expenses</b>	<b>31,990,836</b>	<b>100.00%</b>	<b>29,653,403</b>	<b>100.00%</b>
<b>Change in Net Position</b>	<b>675,022</b>		<b>1,216,929</b>	
<b>Net Position, July 1 - as previously reported</b>	<b>(6,847,264)</b>		<b>(8,064,193)</b>	
<b>Prior Period Adjustments</b>				
Student activities reclassification	24,711		-	
<b>Net Position, July 1 - as restated</b>	<b>(6,822,553)</b>		<b>(8,064,193)</b>	
<b>Net Position - Ending</b>	<b>\$ (6,147,531)</b>		<b>\$ (6,847,264)</b>	

Changes in Net Position:

In fiscal year 2020, the District's net position increased by \$675,022 to an ending deficit balance of \$6,147,531. Net position in fiscal year 2019, totaled a deficit of \$6,847,264.

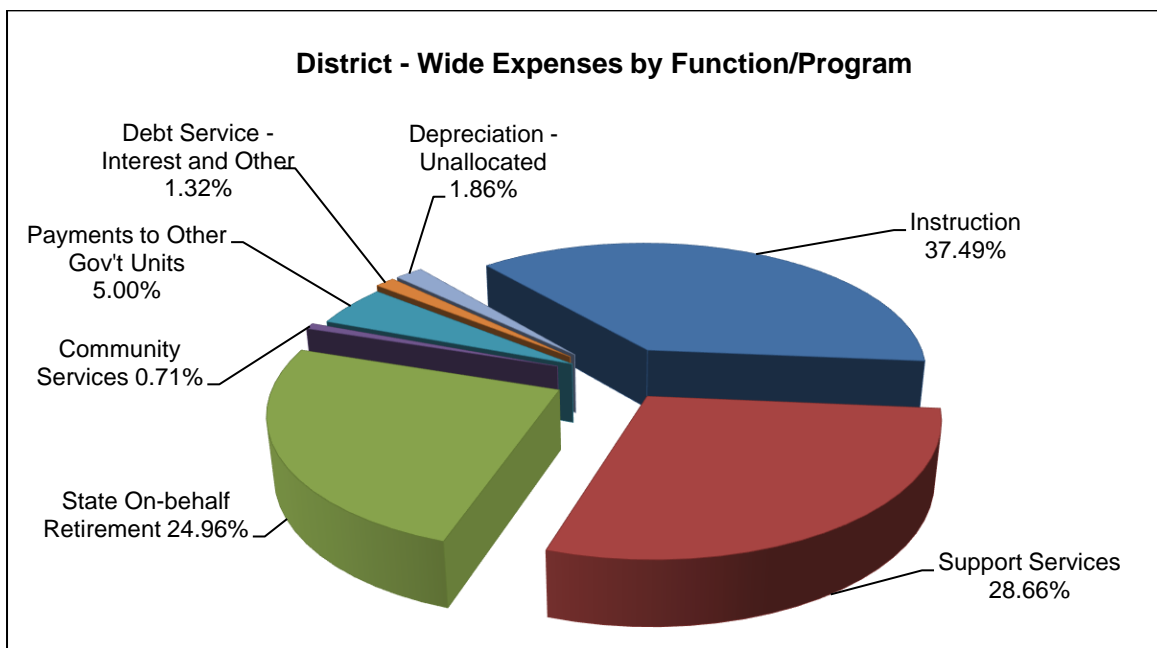
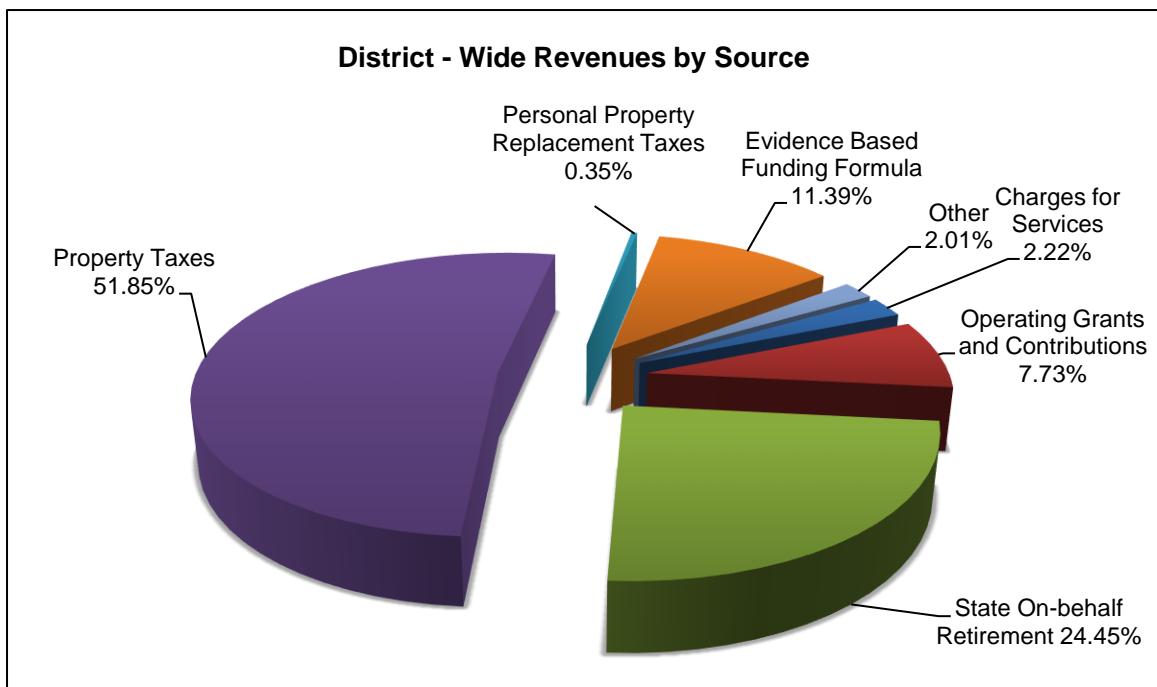
The District's total revenues were \$32,665,858, which is an increase of \$1,795,526 in comparison to the previous year. Property taxes accounted for 51.85 percent of the District's revenue, while Evidence Based Funding Formula made up 11.39 percent of the District's revenue. See the following chart for additional information.

State on-behalf retirement revenue and expense are offsetting in the amount of \$7,985,618. These are payments to TRS and THIS by the State of Illinois for employer pension contributions made on-behalf of the District. Please see Note 6 Retirement Fund Commitments and Note 7 Other Post-Employment Benefits for additional information on these payments.

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FOR THE YEAR ENDED JUNE 30, 2020

The total cost for all programs and services was \$31,990,836, which is an increase of \$2,337,433 in comparison to the previous year. Instruction expenses accounted for 37.49% of the District's expenses, while expenses for payments to other governmental units increased by \$437,220 to \$1,600,267.

The following two charts summarize the District's sources of income and expenses of the government-wide statement of activities.



### Financial Analysis of the District's Funds

The financial performance of the District reflects the financial climate of the country as a whole and Illinois in particular. Expenditures and revenues are monitored carefully. Financial updates and projections are shared with the Board of Education regularly. Account balances for all funds are at a healthy level for the year ended June 30, 2020.

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

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Educational Account

- Fund balance decreased by \$1,432,002, resulting in an ending fund balance of \$6,076,004.
- Total revenue decreased by \$1,696,765 in comparison to the prior year to a total of \$24,963,261.
- The District recognized \$1,147,309 less in local sources, in comparison to the prior year.

Operations and Maintenance Fund

- Fund balance increased by \$1,099,652, resulting in an ending fund balance of \$11,750.
- Total revenue was \$3,171,738, which was an increase of \$1,512,579 in comparison to the prior year.

Transportation Fund

- Fund balance increased by \$242,866, resulting in an ending fund balance of \$2,748.
- Budgeted revenues do not cover actual expenditures, with a budgeted loss in the amount of \$369,090.

Municipal Retirement/Social Security Fund

- Fund balance increased by \$356,049, resulting in an ending fund balance of \$109,773.
- Total revenue increased from \$234,580 in the prior year to \$870,565 in the current year.

Other Funds

- Other funds include Working Cash, Debt Service and Capital Projects Funds.
- The Working Cash fund balance increased and the Debt Service and Capital Projects fund balances decreased at a combined amount of \$878,514.
- The Debt Service Fund made principal payments in the amount of \$1,257,130 (including SEDOL portion).
- The Capital Projects Fund included expenditures of \$1,092,669 for capital outlay.

**Capital Asset and Debt Administration**

Capital Assets:

Total depreciation expense for the year was \$594,412, while additions to capital assets amounted to \$1,316,101 which consisted of various pieces of equipment and other capital improvements.

<b>Capital Assets (net of depreciation)</b>			
<b>Governmental Activities</b>	<b>2020</b>	<b>2019</b>	<b>% Change</b>
Land	\$ 413,525	\$ 413,525	0.00%
Construction in Progress	213,457	491,134	-56.54%
Buildings and Improvements	13,043,525	12,429,367	4.94%
Equipment and Furniture	947,048	506,467	86.99%
Total	<b>\$ 14,617,555</b>	<b>\$ 13,840,493</b>	<b>5.61%</b>

See Note 4 to the financial statements for additional information about Capital Assets.

Long-term Debt:

At year end, the District had \$30,272,467 in general obligation bonds and other long-term debt outstanding with \$1,401,594 due within the next fiscal year.



MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

<b>Outstanding Long-Term Debt</b>			
<b>Governmental Activities</b>	<b>2020</b>	<b>2019</b>	<b>% Change</b>
General obligation bonds	\$ 11,407,000	\$ 12,619,208	-9.61%
Unamortized bond premium	202,268	285,275	-29.10%
Compensated absences	30,283	66,565	-54.51%
Pensions	2,427,812	3,296,960	-26.36%
Other post-employment benefits	16,205,104	16,000,324	1.28%
<b>Total</b>	<b>\$ 30,272,467</b>	<b>\$ 32,268,332</b>	<b>-6.19%</b>

See Note 5 to the financial statements for additional information about long-term debt.

### Budgetary Highlights

The General Fund includes the Educational and Working Cash Accounts. The Districts budget anticipated that revenues would exceed expenditures by \$733,314. The District actually had expenditures that exceeded revenues by \$1,126,041, a negative variance of \$1,859,355.

Additional General Fund budgetary highlights:

- The budget for state evidence-based funding formula revenues was \$4,736,790. Actual revenues during the fiscal year were \$4,736,790. Of this amount, \$2,671,790 was allocated to the General Fund.
- State early childhood revenues were budgeted at \$334,000, with actual revenues of \$116,771.
- Federal Title I – Low Income Program was budgeted for \$297,990, however, actual revenues during the fiscal year were \$165,521.
- Expenditures for the General Fund were budgeted at \$27,469,437, while the actual expenditures during the fiscal year were \$26,130,971, a positive variance of \$1,338,466.

The Transportation Fund was over-expended by \$212,130, due to an increase in cost of contracted monthly student transportation services provided.

The District continues to use budgetary controls put in place over the last few years by the Board of Education and Administration. The District uses staffing allocation formulas and enrollment projections as a means to control budget expenses. As revenue sources become leaner, the District will expand budgetary controls over expenditures so as to maintain a positive fund balance.

### Factors Bearing on the District's Future

The District operates four grade level centers: Lincoln Early Childhood Center (Pre-K); Washington Elementary School (K-2), Mechanics Grove (3-5); and Carl Sandburg Middle School (6-8). The following provides a few highlights for each building:

- Lincoln Early Childhood Center currently has over 350 preschoolers receiving programming from District 75, Fremont District 79 and Hawthorn District 73, Mundelein, and SEDOL. Lincoln Early Childhood Center provides our youngest learners the opportunity to get ready to enter kindergarten.
- Washington Elementary School currently has over 550 Kindergarteners through 2<sup>nd</sup> graders and focuses on building a foundation of literacy across all content area. Students have the option to become bilingual, biliterate, and bicultural through their Two-Way-Immersion program.
- Mechanics Grove currently has over 550 3<sup>rd</sup> through 5<sup>th</sup> graders and incorporates the Leader in Me Program with its student population. This program primarily fosters leadership in these students. Additionally, Mechanics Grove School was awarded "Lighthouse Status" for the second year in a row for its Leader in Me Program.
- Carl Sandburg Middle School currently has over 550 6<sup>th</sup> through 8<sup>th</sup> graders where they boast that 80% of their student population is involved in extracurricular activities including many that serve their Mundelein community. A survey of District 75 students who graduated last year from Mundelein High School indicated that 85% of the respondents were heading to either two or four-year colleges after graduation.

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

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District Educational Goals

The District is focused on reaching the following goals in the next few years:

- At least 80% of our students will read proficiently by fifth grade.
- At least 45% of our eighth graders will be in advanced math.
- At least 40% of our students will become bilingual and biliterate

District Facts

- Nationally recognized for its student leadership program
- JumpStart Early Childhood Programs was awarded Illinois' highest distinction
- 85% of Mundelein High School District (students from District 75) go on to two or four-year colleges
- Innovative curriculum includes Science, Technology, Engineering, and Math lessons from the Illinois Math & Science Academy
- Student achievement is above the Illinois average
- All teachers are highly qualified and 55% have their Master's degrees
- 1,726 students are enrolled from preschool to grade eight
- Every student in grades 3-8 is provided a Chromebook
- Expenses are reduced through shared services
- District 75 spends less per student than the average Illinois school district

Mundelein Education Association (MEA)

This is the only bargaining group employed by the District and represents the certified non-administrative staff of the District. Beginning 2017-2018, the District entered into a three-year agreement with the Mundelein Education Association (MEA). Both parties agreed that the short duration was best, due to the uncertainty of financial assistance from the State of Illinois.

Two Way Immersion (TWI)

In 2016-2017, District 75 began a Two-Way Immersion (TWI) Program with 40 native English-speaking and 52 native Spanish-speaking Kindergartners. Though not common in the U.S., this type of program is typical in other countries. Research shows many benefits for children who become bilingual, biliterate, and bicultural, including better opportunities for college and career. Students will continue receiving instruction in both English and Spanish through fifth grade. In middle school the students will have two periods of instruction each day in Spanish. At the high school students will be eligible to earn the Seal of Biliteracy, a nationally recognized high school honor. Not only is TWI cost effective, early indicators show that these students are learning rapidly and have increased confidence in their ability to learn. After four years of implementation, coming into the 2019-2020 school year, the program has expanded to five kindergarten sections of the Two-Way Immersion program (TWI) and over 400 kindergarten through third grade students, who are on their way to becoming bilingual, biliterate and bicultural and thus better equipped for success in our global society.

Washington West Wing

In 2015-2016 the District purchased refurbished modular units to create an eight-classroom addition on the west side of Washington School. This came at a one-time cost of \$680,000 (for purchase, assembly, and classroom furnishings) and provided an eight-classroom addition to Washington Early Learning Center. These additional classrooms made it possible for the District to open classes for special needs students formerly educated outside the District. The new 9,500 square foot wing will be enjoyed for many decades.

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
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FOR THE YEAR ENDED JUNE 30, 2020

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Solar Power

The District expects to save more than \$2 million over the next 25 years with solar panel-generated electricity. The solar panels are anticipated to be installed in the Summer of 2020. They will be owned and operated by ForeFront Power LLC, at no additional expense for the District. The project includes ground-mounted solar panels in an unusable detention pond behind Mechanics Grove Elementary and rooftop panels installed at Lincoln, Washington, and Carl Sandburg. The solar panels will produce between 65-85 percent of the electricity needed for each school.

Science Labs

In 2018-2019, the District maintenance staff began remodeling the original science labs at Carl Sandburg, some dating back to 1957. The new labs, costing about \$45,000 each, are designed to meet the learning needs of the 21<sup>st</sup> century student by encouraging collaborative learning, scientific inquiry, and engineering design.

Special Education Programming Changes

For 2016-2017, the District reorganized how its talented special education staff helps children learn. With the new space added at Washington, new programs were available for students who were previously bussed to Grayslake and elsewhere. Educating these students within the District, instead of sending them elsewhere, has provided the District annual cost savings of nearly \$800,000.

Tri-District Pre-School Program

Lincoln School was built in 1894. Though closed several times over the years, including most recently, beginning in 2011, Lincoln School re-opened as Lincoln Early Childhood Center. The Lincoln Early Childhood Center is a collaborative endeavor between Mundelein District 75, Fremont District 79 and Hawthorn District 73, where over 350 preschool children enjoy learning and playing at Lincoln each day. Each district saves money by sharing space and personnel. The District especially benefits, as it collects \$160,000 annually on rent from what would otherwise be an empty building. The Lincoln Early Childhood Center is more than just a revenue source. It is a school where all staff specialize in early childhood development and focus on preparing children for success in kindergarten.

Shared Services with Mundelein High School #120

Starting in 2019-2020, the District will be sharing a Superintendent with Mundelein High School. Sharing a Superintendent was a natural next step for the two districts that have benefited from a collaborative working relationship. Since 2015, the District has reduced its annual cost of managing technology by \$20,000 through sharing the cost of Mundelein High School's Technology Leadership Team. The two districts also annually save over \$100,000 by sharing buses and drivers. Sharing services between the two districts is not simply about reducing administrative costs. The two school boards will develop common goals that will benefit children in both districts. Administrators expect to see increased student achievement through better alignment of the preschool through twelfth grade curriculum.

ISBE Financial Profile Status

As measured by the Illinois State Board of Education, the Financial Profile of a district is based upon a weighted combination of five ratios:

- Fund Balance to Revenue Ratio
- Expenditure to Revenue Ratio
- Days Cash on hand
- Percent of Short-Term Borrowing Maximum Remaining
- Percent of Long-Term Debt Margin Remaining

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

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Total profile scores are identified as follows:

<u>Score</u>	<u>Rating</u>	<u>Description</u>
3.54 - 4.00	Financial Recognition	The highest category of financial strength.
3.08 - 3.53	Financial Review	The next highest financial health category.
2.62 - 3.07	Financial Early Warning	ISBE will be monitoring these districts closely and offering proactive technical assistance.
1.00 - 2.61	Financial Watch	ISBE will be monitoring these districts very closely and offering them technical assistance including, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories, and enrollment projections.

The District's Financial Profile rating for the year ending June 30, 2020, was a 3.9.

#### Uncertainties

The District's financial health is subject to many complex economic, social, and political risks and uncertainties, many of which are outside the ability for the District to control. These include, but are not limited to:

- State's economic situation and subsequent ability to provide funding.
- Changes in legislation governing the structure of tax levies.
- Future CPI trends that affect the current structure of tax levies.
- Unknown cost of collective bargaining agreements.
- Liability of pension rates.
- Potential expense of a national health-care system.
- Outstanding capital needs of the District.

Without foresight and planning, the District may find its financial situation deteriorating and its educational programs impacted. That is also why creating, rereading, and occasionally revising the District's Financial Plan is completed at least once a year. Additionally, the Board of Education and Administration continuously monitor expenditures closely and implement a series of budgetary controls designed to maintain appropriate staffing ratios in accordance with enrollment changes and to control expenditures.

#### **Requests for Information**

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Superintendent or Chief Financial Officer at 470 North Lake Street, Mundelein, IL 60060 or (847) 949-2700.



## **BASIC FINANCIAL STATEMENTS**



## MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75

## STATEMENT OF NET POSITION

JUNE 30, 2020

WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2019

	Governmental Activities	
	2020	2019
<b>ASSETS</b>		
Cash and investments	\$ 22,516,120	\$ 21,704,570
Cash with fiscal agent	176,522	185,569
Receivables (net of allowance for uncollectibles):		
Intergovernmental	244,653	410,287
Personal property replacement taxes	16,341	16,957
Other	-	52,920
Interfund receivables	-	166,189
Prepaid items	252,925	338,839
Capital assets not being depreciated:		
Land	413,525	413,525
Construction in progress	213,457	491,134
Capital assets, net of accumulated depreciation:		
Buildings and improvements	13,043,525	12,429,367
Equipment and furniture	947,048	561,840
Total Assets	<u>37,824,116</u>	<u>36,771,197</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charges on refunding	209,789	293,730
Pensions	1,115,592	1,470,140
Other post-employment benefits	398,050	248,072
Total Deferred Outflows of Resources	<u>1,723,431</u>	<u>2,011,942</u>
<b>LIABILITIES</b>		
Interfund payables	-	166,189
Accounts payable	2,459,878	1,166,757
Payroll liabilities	13,162	29,333
Unearned revenues	681,037	145,255
Accrued interest payable	176,522	185,569
Non-Current liabilities:		
Due within one year	1,401,594	1,318,007
Due in more than one year	28,870,873	30,950,325
Total Liabilities	<u>33,603,066</u>	<u>33,961,435</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property taxes levied for subsequent years	7,732,286	8,435,650
Pensions	2,044,052	1,641,414
Other post-employment benefits	2,315,674	1,591,904
Total Deferred Inflows of Resources	<u>12,092,012</u>	<u>11,668,968</u>
<b>NET POSITION</b>		
Net investment in capital assets	3,420,344	1,515,015
Restricted:		
Student Activities	22,177	-
Operations and Maintenance Fund	11,750	-
Debt Service Fund	1,001,801	1,003,827
Transportation Fund	2,748	-
Municipal Retirement/Social Security Fund	109,773	-
Capital Projects Fund	3,654,323	4,563,433
Unrestricted	<u>(14,370,447)</u>	<u>(13,929,539)</u>
Total Net Position	<u>\$ (6,147,531)</u>	<u>\$ (6,847,264)</u>

The accompanying notes to the financial statements are an integral part of this statement.

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020  
WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2019

Functions/ Programs	Expenses Disbursed	Program Revenues Received		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Current:				
Instruction				
Regular programs	\$ 6,614,827	\$ 384,627	\$ 318,020	\$ -
Special education programs	2,307,766	-	293,464	-
Other instructional programs	3,070,305	-	222,618	-
State on-behalf retirement	7,985,618	-	7,985,618	-
Support services				
Pupils	1,662,368	-	-	-
Instructional staff	655,862	-	131,689	-
General administration	349,713	-	-	-
School administration	1,025,063	-	-	-
Business	4,507,991	339,283	1,560,599	48,099
Central	966,211	-	-	-
Community services	227,174	-	-	-
Payments to other gov't units	1,600,267	-	-	-
Debt service:				
Interest	397,915	-	-	-
Other	25,344	-	-	-
Depreciation - unallocated	594,412	-	-	-
Total Governmental Activities	\$ 31,990,836	\$ 723,910	\$ 10,512,008	\$ 48,099

General Revenues Received:

Taxes:

Property taxes

Personal property replacement taxes

Payments of surplus moneys from TIF Districts

Evidence based funding formula

Impact fees

Contributions and donations

Earnings on investments

Total General Revenues Received

Change in Net Position

Net Position - Beginning - as previously reported

Prior Period Adjustment:

Student activities reclassification

Net Position - Beginning - as restated

Net Position - Ending

The accompanying notes to the financial statements are an integral part of this statement.

Governmental Activities	
2020	2019
Net (Expense) Revenue and Changes in Net Position	
\$ (5,912,180)	\$ (5,789,646)
(2,014,302)	(1,038,470)
(2,847,687)	(3,131,539)
-	-
(1,662,368)	(1,510,483)
(524,173)	(859,166)
(349,713)	(816,061)
(1,025,063)	(948,071)
(2,560,010)	(3,021,243)
(966,211)	(534,101)
(227,174)	(173,332)
(1,600,267)	(1,163,047)
(397,915)	(446,568)
(25,344)	(1,317)
(594,412)	(557,489)
(20,706,819)	(19,990,533)
16,936,225	16,359,280
114,603	105,986
102,563	95,432
3,721,790	4,255,859
-	5,585
46,062	33,682
460,598	351,638
21,381,841	21,207,462
675,022	1,216,929
(6,847,264)	(8,064,193)
24,711	-
(6,822,553)	(8,064,193)
\$ (6,147,531)	\$ (6,847,264)

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2020

WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2019

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
<b>ASSETS</b>				
Cash and investments	\$ 13,946,068	1,040,557	\$ 1,448,547	\$ 403,077
Cash with fiscal agent	-	-	-	-
Receivables (net of allowance for uncollectibles):	-	-	-	-
Intergovernmental	114,008	130,645	-	-
Personal property replacement taxes	-	-	-	-
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid items	252,925	-	-	-
<b>Total Assets</b>	<b>\$ 14,313,001</b>	<b>\$ 1,171,202</b>	<b>\$ 1,448,547</b>	<b>\$ 403,077</b>
<b>LIABILITIES</b>				
Interfund payables	\$ -	\$ -	\$ -	\$ -
Accounts payable	1,745,635	240,751	190,829	-
Payroll liabilities	9,564	-	-	3,598
Unearned revenues	183,799	-	497,238	-
<b>Total Liabilities</b>	<b>1,938,998</b>	<b>240,751</b>	<b>688,067</b>	<b>3,598</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for subsequent years	5,010,722	918,701	757,732	289,706
<b>Total Deferred Inflows of Resources</b>	<b>5,010,722</b>	<b>918,701</b>	<b>757,732</b>	<b>289,706</b>
<b>FUND BALANCES</b>				
Nonspendable	252,925	-	-	-
Restricted	22,177	11,750	2,748	109,773
Unassigned	7,088,179	-	-	-
<b>Total Fund Balances</b>	<b>7,363,281</b>	<b>11,750</b>	<b>2,748</b>	<b>109,773</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 14,313,001</b>	<b>\$ 1,171,202</b>	<b>\$ 1,448,547</b>	<b>\$ 403,077</b>

The accompanying notes to the financial statements are an integral part of this statement.



Debt Service Fund	Capital Projects Fund	Total	
		2020	2019
\$ 1,757,226	\$ 3,920,645	\$ 22,516,120	\$ 21,704,570
176,522	-	176,522	185,569
-	-	-	-
-	-	244,653	410,287
-	16,341	16,341	16,957
-	-	-	52,920
-	-	-	166,189
-	-	252,925	338,839
<u>\$ 1,933,748</u>	<u>\$ 3,936,986</u>	<u>\$ 23,206,561</u>	<u>\$ 22,875,331</u>
\$ -	\$ -	\$ -	\$ 166,189
-	282,663	2,459,878	1,166,757
-	-	13,162	29,333
-	-	681,037	145,255
-	282,663	3,154,077	1,507,534
755,425	-	7,732,286	8,435,650
755,425	-	7,732,286	8,435,650
-	-	252,925	338,839
1,178,323	3,654,323	4,979,094	5,752,829
-	-	7,088,179	6,840,479
1,178,323	3,654,323	12,320,198	12,932,147
<u>\$ 1,933,748</u>	<u>\$ 3,936,986</u>	<u>\$ 23,206,561</u>	<u>\$ 22,875,331</u>

(Continued)

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020

Total fund balances - governmental funds \$ 12,320,198

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

Net capital assets used in governmental activities and included  
in the Statement of Net Position do not require the expenditure  
of financial resources and, therefore, are not reported in the  
governmental funds balance sheet.

Capital Assets		
Land	\$ 413,525	
Construction in progress	213,457	
Buildings and improvements	22,551,092	
Equipment and furniture	3,092,281	
Transportation equipment	113,122	
Less: Accumulated depreciation	<u>(11,765,922)</u>	14,617,555

Deferred outflows of resources do not relate to current financial  
resources and are not included in the governmental funds balance sheet.

Deferred charges on refunding	209,789	
Pensions	1,115,592	
Other post-employment benefits	<u>398,050</u>	1,723,431

Deferred inflows of resources do not relate to current financial resources  
and are not included in the governmental funds balance sheet.

Pensions	(2,044,052)	
Other post-employment benefits	<u>(2,315,674)</u>	(4,359,726)

Long-term liabilities, including bonds payable, are not due and payable in the  
current period and therefore are not reported as liabilities in the funds.  
Governmental funds report the effect premiums, discounts, and similar  
items when debt is first issued, whereas these amounts are deferred and  
amortized in the statement of activities. In addition, interest relating to long-  
term liabilities is not recorded in the governmental funds until due. All liabilities,  
both current and long-term, are reported in the statement of net position.  
Balances as of June 30, 2020 as follows:

Interest payable	(176,522)	
Unamortized bond premium	(202,268)	
Pensions	(2,427,812)	
Other post-employment benefits	(16,205,104)	
Bonds and debt certificates payable	(11,407,000)	
Compensated absences	<u>(30,283)</u>	(30,448,989)

Total net position of governmental activities (Exhibit A)		<u><u>\$ (6,147,531)</u></u>
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The accompanying notes to the financial statements are an integral part of this statement.



Carl Sandburg  
James Glaskin-Clay  
7th Grade

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2020

WITH SUMMARIZED COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Operations and Maintenance Fund	Transportation Fund
<u>Revenues:</u>			
Local sources:			
General tax levy	\$ 10,760,546	\$ 1,943,007	\$ 689,288
Special education levy	1,408,586	-	-
Social Security/Medicare tax levy	-	-	-
Personal property replacement taxes	-	43,892	-
Regular tuition	11,625	-	-
Summer school - tuition	5,699	-	-
District/School activity income	59,035	-	-
Earnings on investments	328,776	10,155	4,342
Food services	173,746	-	-
Fees	24,588	-	448
Textbooks	162,944	-	-
Rentals	-	16,653	-
Contributions and donations	45,554	508	-
Impact fees	-	-	-
Services provided to other districts	44,222	-	-
Refund of prior years' expenditures	29,415	18,129	-
Payments of surplus moneys from TIF Districts	-	102,563	-
Payment from other districts	4,082	104,969	-
Other local fees	3,724	9,766	-
Other	21,164	29,508	4,193
State sources:			
Evidence based funding formula	2,671,790	750,000	1,015,000
Transportation aid	-	-	153,085
Special education	59,240	-	-
School maintenance grant	-	48,099	-
State free lunch and breakfast	3,013	-	-
Early childhood	116,771	-	-
State on-behalf retirement	7,985,618	-	-
Other	1,167	-	-
Federal sources:			
Food service	389,501	-	-
Title I - low income	165,521	-	-
Title IV - safe and drug free schools	12,378	-	-
Special education - preschool flowthrough	21,313	-	-
Special education - I.D.E.A. flowthrough	212,911	-	-
Race to the top	-	-	-
Title III - language instruction program	44,719	-	-
Title II - teacher quality	36,033	-	-
Medicaid matching - administrative outreach	44,415	-	-
Medicaid matching - fee for service	156,834	-	-
Other	-	94,489	-
<u>Total Revenues</u>	<u>25,004,930</u>	<u>3,171,738</u>	<u>1,866,356</u>

Municipal Retirement/ Social Security Fund	Debt Service Fund	Capital Projects Fund	Total	
			2020	2019
\$ 234,512	\$ 1,620,573	\$ -	\$ 15,247,926	\$ 14,872,457
-	-	-	1,408,586	1,337,142
279,713	-	-	279,713	149,681
54,370	-	16,341	114,603	105,986
-	-	-	11,625	-
-	-	-	5,699	41,742
-	-	-	59,035	-
1,970	34,064	81,291	460,598	351,638
-	-	-	173,746	249,059
-	-	-	25,036	99,114
-	-	-	162,944	176,911
-	-	-	16,653	345,652
-	-	-	46,062	33,682
-	-	-	-	5,585
-	-	-	44,222	41,816
-	-	-	47,544	3,650
-	-	-	102,563	95,432
-	-	-	109,051	81,813
-	-	-	13,490	21,151
-	-	-	54,865	55,664
300,000	-	-	4,736,790	4,255,859
-	-	-	153,085	280,671
-	-	-	59,240	125,171
-	-	-	48,099	-
-	-	-	3,013	5,648
-	-	-	116,771	30,000
-	-	-	7,985,618	6,839,217
-	-	-	1,167	-
-	-	-	389,501	358,355
-	-	-	165,521	216,859
-	-	-	12,378	20,426
-	-	-	21,313	27,685
-	-	-	212,911	222,872
-	-	-	-	4,711
-	-	-	44,719	79,082
-	-	-	36,033	45,407
-	-	-	44,415	31,680
-	-	-	156,834	207,708
-	-	-	94,489	50,806
870,565	1,654,637	97,632	32,665,858	30,870,332

(Continued)

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2020

WITH SUMMARIZED COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Operations and Maintenance Fund	Transportation Fund
<u>Expenditures:</u>			
Current:			
Instruction	\$ 19,208,801	\$ -	\$ -
Support services	5,208,326	1,880,999	1,526,732
Community services	221,518	-	-
Intergovernmental	1,408,936	51,045	96,758
Capital outlay	83,390	140,042	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Other	-	-	-
<u>Total Expenditures</u>	<u>26,130,971</u>	<u>2,072,086</u>	<u>1,623,490</u>
<u>Excess (Deficiency) of Revenues</u>			
<u>Over Expenditures</u>	<u>(1,126,041)</u>	<u>1,099,652</u>	<u>242,866</u>
<u>Other Financing Sources (Uses):</u>			
Transfers in	-	-	-
Transfers out	(289,003)	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(289,003)</u>	<u>-</u>	<u>-</u>
<u>Net Change in Fund Balances</u>	<u>(1,415,044)</u>	<u>1,099,652</u>	<u>242,866</u>
<u>Fund Balance - Beginning of Year - as Previously Reported</u>	<u>8,753,614</u>	<u>(1,087,902)</u>	<u>(240,118)</u>
<u>Prior Period Adjustment</u>			
Student activities reclassification	24,711	-	-
<u>Fund Balance - Beginning of Year - as Restated</u>	<u>8,778,325</u>	<u>(1,087,902)</u>	<u>(240,118)</u>
<u>Fund Balance - End of Year</u>	<u>\$ 7,363,281</u>	<u>\$ 11,750</u>	<u>\$ 2,748</u>

The accompanying notes to the financial statements are an integral part of this statements.



Municipal Retirement/ Social Security Fund	Debt Service Fund	Capital Projects Fund	Total	
			2020	2019
\$ 195,573	\$ -	\$ -	\$ 19,404,374	\$ 17,743,624
291,889	-	203,076	9,111,022	9,014,357
5,656	-	-	227,174	162,548
21,398	-	-	1,578,137	1,141,926
-	-	1,092,669	1,316,101	1,351,201
-	1,257,130	-	1,257,130	1,236,121
-	383,236	-	383,236	375,746
-	25,344	-	25,344	1,317
514,516	1,665,710	1,295,745	33,302,518	31,026,840
356,049	(11,073)	(1,198,113)	(636,660)	(156,508)
-	-	289,003	289,003	281,925
-	-	-	(289,003)	(281,925)
-	-	289,003	-	-
356,049	(11,073)	(909,110)	(636,660)	(156,508)
(246,276)	1,189,396	4,563,433	12,932,147	13,088,655
-	-	-	24,711	-
(246,276)	1,189,396	4,563,433	12,956,858	13,088,655
\$ 109,773	\$ 1,178,323	\$ 3,654,323	\$ 12,320,198	\$ 12,932,147

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

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Net Change in Fund Balances - total governmental funds (Exhibit D) \$ (636,660)

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

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlays for items below the District's capitalization limits are expensed.

Depreciation expense	(594,412)	
Capital outlay over capitalization limits	<u>1,316,101</u>	721,689

Repayment of debt principal is reported as an expenditure in governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

Principal payments made	1,235,000
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Some amounts reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds. These amounts include the change in:

Accretion on capital appreciation bonds	(22,792)	
Amortization of deferred charge on refunding	(83,941)	
Amortization of bond premium	83,007	
Pensions	204,430	
Other post-employment benefits	(871,040)	
Compensated absences	<u>36,282</u>	(654,054)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

9,047

Change in net position of governmental activities (Exhibit B)	<u><u>\$ 675,022</u></u>
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MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
JUNE 30, 2020

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

Mundelein Elementary School District 75 (the “District”) operates as a public school system by an elected seven member Board of Education. The District is organized under the School Code of the State of Illinois, as amended. The District provides education for grades K through 8. 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 the more significant accounting policies of the District:

**A. Financial Reporting Entity**

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include or exclude 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 the District’s reporting entity. Even though there are local government agencies within the geographic area served by the District, such as the municipality, library and park district, these agencies have been excluded from the report because they are legally separate and the District is not financially accountable for them.

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

**B. Basis of Presentation – Fund Accounting**

*Government-Wide Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. The effect of interfund activity has been removed from these statements. All of the District’s operating activities are considered “governmental activities”, that is, activities that are normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered “business activities”.

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) tuition and fees 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.

*Governmental Funds Financial Statements*

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures. The District maintains individual funds required by the Illinois State Board of Education (ISBE). Separate financial statements are provided for all governmental funds and fiduciary funds even though the fiduciary funds are excluded from the government-wide financial statements.

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
JUNE 30, 2020

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Governmental fund types are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental fund types include the following:

**Governmental Funds**

General Fund – The General Fund, which consists of the legally mandated Educational Account and the Working Cash Account is the general operating fund of the District and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in other funds. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state and federal government aid. The Working Cash Account accounts for financial resources held by the District to be used as temporary interfund loans for working capital requirements to the Educational Account and the Special Revenue Funds, Operation and Maintenance and Transportation Funds. Money loaned by the Working Cash Account to other funds must be repaid within one year. As allowed by the School Code of Illinois, this account may be permanently abolished and become a part of the General Fund or it may be partially abated to the Educational Account, Special Revenue Funds or Debt Service Funds.

Special Revenue Funds – account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes and include the Operations and Maintenance Fund, Transportation Fund, and the Municipal Retirement/Social Security Fund other than those accounted for in the Debt Service Fund, Capital Projects Funds, or Fiduciary Funds.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs. Since there are no legal requirements on bond indentures which mandate a separate fund be established for each bond issue, the District maintains one Debt Service Fund for all issues

Capital Projects Fund – The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

**Fiduciary Fund Types (not included in government-wide statements)**

There are no fiduciary fund types.

**Major and Nonmajor Funds**

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenditures of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and:
- Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

**The District has elected to treat all funds as major funds.**

The funds classified as major are as follows:

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
JUNE 30, 2020

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

General Fund – See above for description.

Operations and Maintenance Fund – accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes and state aid.

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

Debt Service Fund – accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue source is local property taxes levied specifically for debt service.

Capital Projects Fund – accounts for the financial resources to be used for the acquisition or construction of, and/or additions to, major capital facilities.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

**C. Measurement Focus/Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses 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 fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized 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 pay liabilities of the current period. For this purpose, the District considers state and federal revenues "measurable and available" if they are vouchered by the Illinois State Board of Education on or before June 30, 2020, and which are normally collected within 60 days of year end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for future maturities of principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**D. Net Position / Fund Balance Reporting**

*Government-Wide Reporting*

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.

Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation. The restricted net position consists of the Student Activities carrying value by statute (\$22,177), the Operations and Maintenance Fund by statute (\$11,750), the Transportation Fund by statute (\$2,748), the Municipal Retirement/Social Security Fund by statute (\$109,773), the Debt Service Fund (\$1,178,323), less interest payable (\$176,522) by statute totaling (\$1,001,801), and the Capital Projects Fund by statute (\$3,654,323), totaling \$4,802,572.

Unrestricted net position – Consists of all other net positions that do not meet the definition of “restricted” or “net investment in capital assets.”

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

*Governmental Fund Balance Reporting*

Governmental fund balances are to be classified into five major classifications; Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. The nonspendable fund balance consists of prepaid items in the General Fund of \$252,925.

Restricted – The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the District. Items such as restrictions imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The restricted fund balance consists of the Student Activities carrying value by statute (\$22,177), the Operations and Maintenance Fund by statute (\$11,750), the Transportation Fund by statute (\$2,748), the Municipal Retirement/Social Security Fund by statute (\$109,773), the Debt Service Fund by statute (\$1,178,323), and the Capital Projects Fund by statute (\$3,654,323), totaling \$4,979,094. The District has several revenue sources received within different funds that also fall into these categories –

- Special Education – Revenues and the related expenditures of this restricted tax levy are accounted for in the Educational Account. Expenditures exceeded revenues for this purpose, resulting in no restricted fund balance.



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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

- State Grants – Proceeds from state grants and the related expenditures have been included in the Educational and Transportation Funds. At June 30, 2020, expenditures exceeded revenues from state grants, resulting in no restricted balance.
- Federal Grants – Proceeds from federal grants and the related expenditures have been included in the Educational Account. At June 30, 2020, expenditures exceeded revenues from federal grants, resulting in no restricted balance.
- Social Security – Expenditures and the related expenditures of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Expenditures disbursed exceeded revenue received, resulting in no restricted balance.

Committed – The committed fund balance refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school board. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. The formal action required to modify, rescind or commit fund balance is by formal resolution of the school board to allocate funds to a specific project. There are no committed fund balance designations.

Assigned – The assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The District administration and board can assign balances. Assignments may take place after the end of the reporting period. There are no assigned fund balance designations.

Unassigned – The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund of \$7,088,179.

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

**E. Assets, Deferred Inflows/Outflows, Liabilities and Net Position or Equity**

Cash and Investments

Deposits are considered to be cash on hand, cash with financial institutions, savings deposit accounts and non-negotiable certificates of deposit.

Investments are considered to be negotiable certificates of deposit. Investments are stated at fair value. Changes in fair value of investments are included as investment earnings.

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 "due to/from other funds."

Eliminations and Reclassifications

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

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Prepaid Items

The District's prepaid amounts are accounted for using the consumption method. Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid assets.

Capital Assets

In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets which exceed a capitalization threshold are capitalized and valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their acquisition value at the date of donation. Capital assets purchased or acquired with an original cost of \$1,000 or more are capitalized. Prior to July 1, 2003, infrastructure assets were not capitalized. Such assets have been valued at estimated historical cost. Depreciation of all exhaustible capital assets is recorded as an allocation in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows: buildings, improvements and infrastructure 20 – 50 years, transportation equipment 5 – 10 years, equipment and furniture 5 – 20 years.

In the fund financial statements, capital assets are accounted for as capital outlay expenditures upon acquisition. No depreciation is recorded in the fund financial statements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. Issuance costs are recognized as an expense in the period incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the period incurred. 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 (i.e. interest and other).

Program Revenues

Amounts reported as program revenues include 1) Tuition and fees and 2) Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, are reported as general revenues rather than as program revenues.

Property Tax Revenues

The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's 2019 levy ordinance was approved on November 12, 2019, and the adoption date for the 2018 tax levy was December 17, 2018. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year. The District's annual property tax levy is subject to two statutory limitations: Individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELL).

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The PTELL limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELL limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance properties becoming eligible for taxation.

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

The District considers that the first installment of the 2019 levy is to be used to finance operations in fiscal 2021 and has deferred the corresponding revenue under the full accrual basis of accounting.

Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement/Social Security Fund, and the balance is allocated to the General Fund at the discretion of the Board of Education.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualifies for this category. The first is deferred charge on refunding reported in the government-wide statement of net position (\$209,789). A deferred charge results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second and third items are pensions and other post-employment benefits reported in the government-wide statement of position (\$1,115,592 pensions and \$398,050 other post-employment benefits). These results are from differences between expected and actual experience, the net differences projected and actual investment earnings on plan investments, changes of assumptions, and changes in proportion and differences between contributions and proportion share of contributions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. The first is subsequent years revenue; it is reported in both the government-wide statement of position and in the governmental funds balance sheet (\$7,732,286). The item for subsequent years revenue is from property taxes. The second and third items are pensions (\$2,044,052) and other post-employment benefits (\$2,315,674). These results are from differences between expected and actual experience, the net differences projected and actual investment earnings on plan investments, changes of assumptions, and changes in proportion and differences between contributions and proportion share of contributions. These items amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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**NOTE 2 – DEPOSITS AND INVESTMENTS**

Deposits are considered to be cash on hand, cash with financial institutions, savings deposit accounts, and non-negotiable certificates of deposit. Investments are considered to be negotiable certificates of deposit and government securities. Investments are stated at fair value. Changes in fair value of investments are included as investment income. The District has adopted a formal cash and investment management policy. The financial institutions in which accounts are made must be approved by the Board of Education.

Separate deposit and investment accounts are not maintained for each fund; instead, the individual funds maintain their balances in one common account, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

At June 30, 2020, the carrying amount of the District's deposits and investments totaled \$22,516,120, which includes \$22,177 in student activities and \$2,725 in petty cash. Bank balances totaled \$22,681,596.

For disclosure purposes, the amounts are classified as follows:

Cash and Investments	Amount	Maturities		
		Less Than Six Months	Six Months to One Year	One Year to Three Years
Cash with Financial Institutions	\$ 7,915,626	\$ 7,915,626	\$ -	\$ -
Savings Deposit Accounts	10,605,172	10,605,172	-	-
Non-negotiable Certificates of Deposits	3,665,700	2,667,200	998,500	-
Negotiable Certificates of Deposits	495,098	495,098	-	-
Total	<u>\$ 22,681,596</u>	<u>\$ 21,683,096</u>	<u>\$ 998,500</u>	<u>\$ -</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At June 30, 2020, the District had the following fair value measurements:

Investment Type	Fair Value	Level 1	Level 2	Level 3
Negotiable Certificates of Deposits	\$ 495,098	\$ 495,098	\$ -	\$ -
Total Investments	<u>\$ 495,098</u>	<u>\$ 495,098</u>	<u>\$ -</u>	<u>\$ -</u>

*Interest Rate Risk.* The District limits its exposure to losses arising from increasing interest rates by limiting the amount of cash held for a period longer than one year. The weighted average of the portfolio maturity was 38.94 days and the weighted portfolio yield was 0.846%.

*Credit Risk.* The District is allowed to invest in securities as authorized by Chapter 30, Sections 23 5/2, and 23 5/6, and Chapter 105, Section 5/8-7 of the *Illinois Compiled Statutes*. These Statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. Agencies' accounts and any other investments constituting direct obligations of any bank as defined by the Illinois Bank Act, certain short-term commercial paper, accounts of federally insured savings and loans, and the state treasurers' investment pool. The District has no cash policy that would further limit its cash choices.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. This fund is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments are valued at net asset value (NAV) per share price, which is the price at which the investment could be sold, as determined by the pool.

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**NOTE 2 – CASH AND INVESTMENTS (CONT'D)**

*Custodial Credit Risk.* Custodial credit risk is the risk that, in the event of the failure of the bank or the counterparty, the District will not be able to recover the value of its deposits that are in the possession of an outside party. The bank balance of \$22,681,596 is exposed to custodial credit risk as follows:

Depository Account	Bank Balance
FDIC Insured	\$ 6,910,798
Collateralized	5,165,626
Uncollateralized*	10,605,172
Total Deposits	<u>\$ 22,681,596</u>

\*Invested in accordance with the Public Treasurer's Investment Pool created under Section 17 of the State Treasurer's Act.

**NOTE 3 – PROPERTY TAXES**

Property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December of the subsequent year. The adoption date for the 2019 tax levy was November 12, 2019, and the 2018 tax levy was adopted on December 17, 2018. Taxes attach as an enforceable lien on property on January 1 and are payable in two installments (June 1 and September 1) subsequent to the year of levy. The District receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded on these financial statements are from the 2019 and 2018 tax levy years.

A summary of the past two years' assessed valuation, tax rates, and extensions are as follows:

Tax Year	2019		2018	
Equalized Assessed Valuation	\$374,753,430		\$354,256,166	
	Rates	Extensions	Rates	Extensions
Educational	2.598441	\$ 9,737,747	3.039113	\$ 10,766,245
Special Education	0.400000	1,499,014	0.398017	1,410,000
Operations and Maintenance	0.550000	2,061,144	0.549038	1,945,001
Bond and Interest	0.452251	1,694,826	0.457917	1,622,199
Transportation	0.453632	1,700,001	0.194774	689,999
Municipal Retirement	0.106737	400,001	0.059279	210,000
SEDOL Municipal Retirement	0.005327	19,963	0.006989	24,759
Social Security/Medicare	0.061374	230,001	0.079039	280,001
Working Cash	0.001334	4,999	0.001411	4,999
Totals	<u>4.629096</u>	<u>\$ 17,347,696</u>	<u>4.785577</u>	<u>\$ 16,953,203</u>

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**NOTE 4 – CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Governmental Activities:				
Non-Depreciable Capital Assets:				
Land	\$ 413,525	\$ -	\$ -	\$ 413,525
Construction in progress	491,134	174,570	452,247	213,457
Subtotal	904,659	174,570	452,247	626,982
Depreciable Capital Assets:				
Building and improvements	21,483,970	1,067,122	-	22,551,092
Equipment and furniture	2,565,625	526,656	-	3,092,281
Transportation equipment	113,122	-	-	113,122
Subtotal	24,162,717	1,593,778	-	25,756,495
Accumulated Depreciation:				
Building and improvements	9,054,603	452,964	-	9,507,567
Equipment and furniture	2,003,785	141,448	-	2,145,233
Transportation equipment	113,122	-	-	113,122
Subtotal	11,171,510	594,412	-	11,765,922
Net Capital Assets	\$ 13,895,866	\$ 1,173,936	\$ 452,247	\$ 14,617,555

Depreciation was charged to functions as follows:

Governmental Activities:	
Unallocated	\$ 594,412
Total Governmental Activities Depreciation Expense	\$ 594,412

**NOTE 5 – LONG-TERM OBLIGATIONS**

**Changes in Long-Term Obligations**

The following is a summary of the components of long-term debt and related transactions of the District for the year ended June 30, 2020:

Governmental Activities	Balance July 1, 2019	Accretions/ Additions	Retirements	Balance June 30, 2020	Due Within One Year
06/28/00 Cap. Appreciation	\$ 747,208	\$ 22,792	\$ 770,000	\$ -	\$ -
04/14/15 Refunding	6,725,000	-	430,000	6,295,000	1,275,000
03/01/18 Refunding	1,440,000	-	35,000	1,405,000	50,000
03/01/18 Building	3,707,000	-	-	3,707,000	-
Subtotal	12,619,208	22,792	1,235,000	11,407,000	1,325,000
Unamortized bond premium	285,275	-	83,007	202,268	76,594
Compensated absences	66,565	-	36,282	30,283	-
Pensions	3,296,960	-	869,148	2,427,812	-
Other post-employment benefits	16,000,324	361,448	156,668	16,205,104	-
Total Long-Term Debt	\$ 32,268,332	\$ 384,240	\$ 2,380,105	\$ 30,272,467	\$ 1,401,594

The principal payments charged to the Debt Service Fund of \$1,257,130 includes SEDOL bond payments of \$22,130.



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**NOTE 5 – LONG-TERM OBLIGATIONS (CONT'D)**

**Bonds Payable**

On June 28, 2000, the District issued Capital Appreciation Bonds in the amount of \$2,071,777. Principal payments are due semiannually beginning in 2014 and continuing through 2020, with interest rates varying from 5.80% to 6.10%. The Capital Appreciation Bonds payable have been paid in full during the year ended June 30, 2020.

On April 14, 2015, the District issued General Obligation Refunding School Bonds in the amount of \$7,550,000. The first principal payment is due January 1, 2016, with annual payments continuing again on January 1, 2018, through 2025. Interest payments are due semiannually beginning January 1, 2016, and continuing through 2025, with rates varying from 2.50% to 4.00%. This issue partially advance refunded the outstanding 2008 Series Bond. The balance due at June 30, 2020, is \$6,295,000.

On March 1, 2018, the District issued General Obligation Refunding School Bonds, Series 2018A, in the amount of \$1,475,000. The first principal payment is due January 1, 2019, with annual payments continuing through January 1, 2025. Interest payments are due semiannually beginning January 1, 2019, and continuing through January 1, 2026, with rates varying from 2.55% to 2.80%. This issue partially advance refunded the outstanding 2009 Series Bond. The balance due at June 30, 2020, is \$1,405,000.

On March 1, 2018, the District issued Limited School Bonds, Series 2018B, in the amount of \$3,707,000. Principal payments are due annually beginning on January 1, 2025 and continuing through January 1, 2029. Interest payments are due semiannually beginning January 1, 2019, and continuing through January 1, 2029, with interest rates varying from 2.75% to 3.10%. The balance due at June 30, 2020, is \$3,707,000.

**Prior Year Defeasance of Debt**

The District defeased 2008 general obligation bonds and 2009 building bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2020, \$7,545,000 of defeased bonds remains outstanding.

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**NOTE 5 – LONG-TERM OBLIGATIONS (CONT'D)**

**Annual Cash Flow Requirements**

At June 30, 2020, the annual cash flow requirements of all long-term debt to retirement were as follows:

Fiscal Year Ending June 30,	Bonds		Notes from Direct Placements		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,275,000	\$ 205,450	\$ 50,000	\$ 147,595	\$ 1,325,000	\$ 353,045
2022	1,385,000	154,450	60,000	146,320	1,445,000	300,770
2023	1,490,000	99,050	50,000	144,790	1,540,000	243,840
2024	1,600,000	61,800	100,000	143,515	1,700,000	205,315
2025	545,000	21,800	1,192,000	140,965	1,737,000	162,765
2026	-	-	1,385,000	108,185	1,385,000	108,185
2027	-	-	740,000	69,405	740,000	69,405
2028	-	-	760,000	47,205	760,000	47,205
2029	-	-	775,000	24,025	775,000	24,025
Totals	<u>\$ 6,295,000</u>	<u>\$ 542,550</u>	<u>\$ 5,112,000</u>	<u>\$ 972,005</u>	<u>\$ 11,407,000</u>	<u>\$ 1,514,555</u>

Bonds are liquidated by the Debt Service Fund. Debt Certificates are liquidated by the Operations and Maintenance Fund. Pensions and OPEB obligations are liquidated by the General Fund.

**Legal Debt Margin**

Based on the 2019 assessed valuation of \$374,753,430, the legal debt margin of 6.9 percent is \$25,857,987. At June 30, 2020, the outstanding bonded debt to which the legal debt margin applies is \$11,407,000, leaving an available borrowing power of \$14,450,987.

**NOTE 6 – RETIREMENT FUND COMMITMENTS**

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

**General Information about the Pension Plan**

*Plan Description*

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

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

*Benefits Provided*

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average

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**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

of the four highest consecutive years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

*Contributions*

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

**On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2020, State of Illinois contributions recognized by the employer were based on the State's proportionate share of with the pension expense associated with the employer, and the employer recognized revenue and expenditures of \$7,985,618 in pension contributions from the State of Illinois.

**2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2020, were \$58,595, and are deferred because they were paid after the June 30, 2019 measurement date.

**Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

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**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$83,178 were paid from federal and special trust funds that required employer contributions of \$8,908. These contributions are deferred because they were paid after the June 30, 2019, measurement date.

**Employer retirement contributions.** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2020, the employer paid \$4,512 to TRS for employer contributions due on salary increases in excess of 6 percent, \$5,089 for salary increases in excess of 3 percent and \$-0- for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2019, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 1,017,235
State's proportionate share of the net pension liability associated with the employer	<u>72,395,487</u>
Total	<u><u>\$ 73,412,722</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2019, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2019, the employer's proportion was .0013 percent, which was no increase/(decrease) from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the employer recognized pension expense of \$7,927,807 and revenue of \$7,859,117 for support provided by the state. At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 16,680	\$ -
Net difference between projected and actual earnings on pension plan investments	1,611	-
Changes of assumptions	22,793	19,526
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,620	829,675
Total deferred amounts to be recognized in pension expense in future periods	42,704	849,201
<i>Pension contributions made subsequent to the measurement date</i>	67,462	-
Total	\$ 110,166	\$ 849,201

\$67,462 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (222,146)
2022	(238,854)
2023	(230,893)
2024	(109,835)
2025	(4,769)
Total	\$ (806,497)

*Actuarial Assumptions*

The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**Inflation** 2.50 percent

**Salary increases** Varies by amount of service credit

**Investment rate of return** 7.00 percent, net of pension plan investment expense, including inflation

In the June 30, 2019 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2018 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

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**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	15.0%	6.3%
U.S. equities small/mid cap	2.0%	7.7%
International equities developed	13.6%	7.0%
Emerging market equities	3.4%	9.5%
U.S. bonds core	8.0%	2.2%
U.S. bonds high yield	4.2%	4.0%
International debt developed	2.2%	1.1%
Emerging international debt	2.6%	4.4%
Real estate	16.0%	5.2%
Real return	4.0%	1.8%
Absolute return	14.0%	4.1%
Private equity	15.0%	9.7%
Total	<u>100.0%</u>	

*Discount Rate*

At June 30, 2019, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2019, was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$ 1,242,463	\$ 1,017,235	\$ 832,052

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**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

*TRS Fiduciary Net Position*

Detailed information about the TRS's fiduciary net position as of June 30, 2019, is available in the separately issued TRS *Comprehensive Annual Financial Report*.

**B. Illinois Municipal Retirement Fund (IMRF)**

**IMRF Plan Description**

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

**Benefits Provided**

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

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

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

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



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**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

**Employees Covered by Benefit Terms**

As of December 31, 2019, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	118
Inactive Plan Members entitled to but not yet receiving benefits	157
Active Plan Members	<u>58</u>
Total	<u><u>333</u></u>

**Contributions**

As set by statute, the employer'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's annual required contribution rate for calendar year 2019 was 12.91%. For the fiscal year ended June 30, 2020, the employer contributed \$214,402 to the plan. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability**

The employer's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.35% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the experience-based table of rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study of the period 2014 to 2016.
- For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015); the IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015); the IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustment that were applied for non-disabled lives.

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**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

- For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

Asset Class	Target Allocation	Return 12/31/19	Projected Returns/Risks	
			One Year Arithmetic	Ten Year Geometric
Equities	37%	29.23%	7.05%	5.75%
International Equities	18%	23.76%	8.10%	6.50%
Fixed Income	28%	9.50%	3.70%	3.25%
Real Estate	9%	9.78%	6.35%	5.20%
Alternatives	7%			
Private Equity		N/A	11.30%	7.60%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	4.65%	3.60%
Cash Equivalents	1%	3.59	1.85%	1.85%
Total	100%			

**Single Discount Rate**

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.75%; and the resulting single discount rate is 7.25%.

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**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 10,746,468	\$ 8,493,665	\$ 2,252,803
Changes for the year:			
Service Cost	162,204	-	162,204
Interest on the Total Pension Liability	762,604	-	762,604
Differences Between Expected and Actual Experience of the Total Pension Liability	351,952	-	351,952
Changes of Assumptions	-	-	-
Contributions - Employer	-	214,402	(214,402)
Contributions - Employees	-	74,733	(74,733)
Net Investment Income	-	1,654,623	(1,654,623)
Benefits Payments, including Refunds of Employee Contributions	(617,781)	(617,781)	-
Other (Net Transfer)	-	175,228	(175,228)
Net Changes	658,979	1,501,205	(842,226)
Balances at December 31, 2019	<u>\$ 11,405,447</u>	<u>\$ 9,994,870</u>	<u>\$ 1,410,577</u>

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Total Pension Liability	\$ 12,665,083	\$ 11,405,447	\$ 10,361,346
Plan Fiduciary Net Position	9,994,870	9,994,870	9,994,870
Net Pension Liability	<u>\$ 2,670,213</u>	<u>\$ 1,410,577</u>	<u>\$ 366,476</u>

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

For the year ended June 30, 2020, the employer recognized pension expense of \$231,322. At June 30, 2020, the employer reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

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**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 107,643	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>772,964</u>	<u>1,194,851</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>880,607</u>	<u>1,194,851</u>
<i>Pension contributions made subsequent to the measurement date</i>	<u>124,819</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 1,005,426</u></u>	<u><u>\$ 1,194,851</u></u>

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

Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (17,117)
2021	(133,959)
2022	45,710
2023	(208,878)
2024	-
Thereafter	-
Total	<u><u>\$ (314,244)</u></u>

**C. Aggregate Pension Amounts**

For the year ended June 30, 2020, aggregate pension amounts are as follows:

	TRS	IMRF	Total
Deferred Outflows of Resources	\$ 110,166	\$ 1,005,426	\$ 1,115,592
Net Pension Liability	1,017,235	1,410,577	2,427,812
Deferred Inflows of Resources	849,201	1,194,851	2,044,052
Pension Expense, Net of State Support	1,228	231,322	232,550

**D. Social Security/Medicare**

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/Medicare.

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**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS**

**A. Teachers' Health Insurance Security (THIS) Fund**

**General Information about the Plan**

*Plan Description*

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

*Benefits Provided*

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

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. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

*Contributions*

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

- *On-Behalf Contributions to the THIS Fund*

The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.24 percent of pay during the year ended June 30, 2020. State of Illinois contributions were \$125,273, and the employer recognized revenue and expenditures of this amount during the year.

- *Employer Contributions to the THIS Fund*

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2020. For the year ended June 30, 2020, the employer paid \$92,944 to the THIS Fund, which was 100 percent of the required contribution. The contributions are deferred because they were paid after the June 30, 2019 measurement date.

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

At June 30, 2020, the employer reported a liability for its proportionate share of the net THIS liability (first amount shown below). The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net THIS liability, the related state support, and the total portion of the net THIS liability that was associated with the employer were as follows:

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**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (CONT'D)**

Employer's proportionate share of the net THIS liability	\$ 11,027,034
State's proportionate share of the net THIS liability associated with the employer	<u>14,932,011</u>
Total	<u><u>\$ 25,959,045</u></u>

The net THIS liability was measured as of June 30, 2019, and the total THIS liability used to calculate the net THIS liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. The employer's proportion of the net THIS liability was based on the employer's share of contributions to THIS for the measurement year ended June 30, 2019, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2019, the employer's proportion was 0.039841 percent, which was a decrease of 0.000642 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the employer recognized THIS expense of \$858,614 and revenue of \$125,273 for support provided by the state. At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to THIS from the following sources:

Deferred Amounts Related to THIS	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in THIS expense in future periods</i>		
Differences between expected and actual experience	\$ -	\$ 182,985
Net difference between projected and actual earnings on pension plan investments	-	361
Changes of assumptions	4,180	1,264,058
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>106,502</u>	<u>499,587</u>
Total deferred amounts to be recognized in THIS expense in future periods	<u>110,682</u>	<u>1,946,991</u>
<i>THIS contributions subsequent to the measurement date</i>	<u>92,944</u>	-
Total	<u><u>\$ 203,626</u></u>	<u><u>\$ 1,946,991</u></u>

\$92,944 reported as deferred outflows of resources related to THIS resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the THIS pension liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to THIS will be recognized in THIS expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (369,842)
2022	(369,842)
2023	(369,806)
2024	(369,730)
2025	(251,242)
Thereafter	<u>(105,847)</u>
Total	<u><u>\$ (1,836,309)</u></u>

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**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (CONT'D)**

*Actuarial Assumptions*

The total THIS liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

<b>Inflation</b>	2.50 percent
<b>Salary increases</b>	varies by amount of service credit
<b>Investment rate of return</b>	0.00 percent, net of THIS plan investment expense, including inflation
<b>Healthcare cost trend rates</b>	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return assumption was set at zero.

*Discount Rate*

The State, school districts and active members contribute 1.24 percent, 0.92 percent, 1.24 percent of pay, respectively for fiscal year 2019. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.62 percent at June 30, 2018, and 3.13 percent at June 30, 2019, was used to measure the total OPEB liability. The increase in the single discount rate, from 3.62 percent to 3.13 percent, caused the total OPEB liability to decrease by approximately \$2,296 million as of June 30, 2019.

*Sensitivity of the Employer's Proportionate Share of the Net THIS Liability to Changes in the Discount Rate*

The following presents the employer's proportionate share of the net THIS liability calculated using the discount rate of 3.13 percent, as well as what the employer's proportionate share of the net THIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current rate.

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**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (CONT'D)**

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
Employer's proportionate share of the net THIS liability	\$ 13,258,424	\$ 11,027,034	\$ 9,264,606

*Sensitivity of the Employer's Proportionate Share of the Net THIS Liability to Changes in the Health Care Trend Rate*

The following presents the employer's proportionate share of the net THIS liability calculated using an initial health care cost trend rate of 8.00% as well as what the plan's net THIS liability would be if it were calculated using a Trend Rate that is 1% lower or 1% higher:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Employer's proportionate share of the net THIS liability	\$ 8,908,895	\$ 11,027,034	\$ 13,887,706

**Further information on the THIS Fund**

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

**B. Health Benefit Plan (HBP)**

**General Information about the Plan**

*Plan Description*

The District's Other Post-Employment Benefit Plan (OPEB) is single-employer defined benefit healthcare plan that is administered by the District. The District provides post-employment medical and prescription drug coverage benefits for eligible participants enrolled in the District sponsored plans.

*Medical Coverage for Educational Support Personnel*

For Tier 1 employees, the District pays the cost of single medical coverage on the District plan for 10 years after retirement at the same rate as provided for non-retired employees. For Tier 2 employees, the District pays up to \$7,000 per year for single medical coverage on the District plan for 10 years after retirement. If the retiree reaches Medicare eligibility during the payment period, the District pays for Medicare Supplement coverage for the remainder of the period. Eligible dependents may continue coverage on the District plan at their own expense until the earlier of 10 years after retirement of the retiree or dependent reaching Medicare eligibility.

*Medical Coverage for Grandfathered Retirees*

For Certified Teachers who retired under the July 1, 2007 – June 30, 2010 contract, the District pays up to \$1,600 per year towards Teachers' Retirement Insurance Program ("TRIP") coverage for the life of the retiree. For Certified Teachers who retired under the July 1, 2010 – June 30, 2012 contract, the District pays up to \$1,600 per year towards Teachers' Retirement Insurance Program ("TRIP") coverage until the earlier of Medicare eligibility or attainment of age 65.

*Employees Covered by Benefit Terms*



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**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (CONT'D)**

As of June 30, 2020, the following employees were covered by the benefit terms:

June 30,	2020
Retirees and Beneficiaries currently receiving benefits	111
Inactive Plan Members entitled to but not yet receiving benefits	-
Active Plan Members	73
Total	184

*Contributions*

Contribution requirements are established through contractual agreements and may only be amended through negotiations with the District and union representatives. The retiree is responsible for paying the full monthly premium. However, the District provides an annual reimbursement toward the premium cost at established rates. The District currently pays for postemployment health care benefits on a pay-as-you-go basis. The employer contributed \$-0- for the year ending June 30, 2020.

*Net HBP Liability*

The employer's net HBP liability was measured as of June 30, 2019. The total HBP liability used to calculate the HBP liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions*

The following are the methods and assumptions used to determine total HBP liability at June 30, 2019:

- The *Actuarial Cost Method* used was Entry Age Normal.
- The *Actuarial Valuation Frequency* is prepared biennially with a "roll-forward" valuation in the interim year.
- The *Discount Rate* was 2.66% for determining fiscal 2019 disclosure and estimated fiscal 2020 expense.
- The *Salary Increase Rate* was 4.0% per year.
- The *Inflation Rate* was 3.0% per year.
- The *Health Care Trend Rate* was 6.00% at the current rate; 4.50% at the ultimate rate with year reached 2036.
- The *Medicare Eligibility* was all participants are assumed to be eligible for Medicare upon attainment of age 65.
- The *Marriage Assumption* was 50% of employees electing coverage continuation are assumed to be married and elect to cover a spouse upon retirement.
- The rates of *Mortality, Retirement, Withdrawal, and Disability* were changed to those found in the December, 31, 2019 IMRF Actuarial Valuation Report.

*Discount Rate*

A discount rate of 2.66% was used to measure the total HBP liability. The discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Rates were taken from the S&P municipal bond 20-year high grade rate index as of the measurement dates.

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**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (CONT'D)**

*Changes in the Net HBP Liability*

	Total HBP Liability (A)	Plan Fiduciary Net Position (B)	Net HBP Liability (A) - (B)
Balances at June 30, 2019	\$ 5,334,738	\$ -	\$ 5,334,738
Changes for the year:			
Service Cost	330,848	-	330,848
Interest	143,884	-	143,884
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total HBP Liability	(524,769)	-	(524,769)
Changes of Assumptions	308,187	-	308,187
Benefits Payments	(355,177)	-	(355,177)
Other Changes	(59,641)	-	(59,641)
Net Changes	(156,668)	-	(156,668)
Balances at June 30, 2020	<u>\$ 5,178,070</u>	<u>\$ -</u>	<u>\$ 5,178,070</u>

*Sensitivity of the Net HBP Liability to Changes in the Discount Rate*

The following presents the plan's net HBP liability, calculated using a Discount Rate of 2.66%, as well as what the plan's net HBP liability would be if it were calculated using a Discount Rate that is 1% lower or 1% higher:

	1% Lower (1.66%)	Current Discount (2.66%)	1% Higher (3.66%)
Net HBP Liability	<u>\$ 5,581,731</u>	<u>\$ 5,178,070</u>	<u>\$ 4,819,694</u>

*Sensitivity of the Net HBP Liability to Changes in the Health Care Trend Rate*

The following presents the plan's net HBP liability, calculated using an initial health care cost trend rate of 6.00%, as well as what the plan's net HBP liability would be if it were calculated using a Trend Rate that is 1% lower or 1% higher:

	1% Lower (5.00%)	Current Discount (6.00%)	1% Higher (7.00%)
Net HPB Liability	<u>\$ 4,914,637</u>	<u>\$ 5,178,070</u>	<u>\$ 5,477,790</u>

**HBP Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to HBP**

For the year ended June 30, 2020, the employer recognized HBP expense of \$45,231. At June 30, 2020, the employer reported deferred outflows or resources and deferred inflows of resources related to HBP from the following sources:

Deferred Amounts Related to HBP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 331,058
Changes of assumptions	194,424	37,625
Total	<u>\$ 194,424</u>	<u>\$ 368,683</u>

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**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (CONT'D)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to HBP will be recognized in HBP expense in future periods as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (101,964)
2022	(72,295)
Total	<u>\$ (174,259)</u>

**C. Aggregate OPEB Amounts**

For the year ended June 30, 2020, aggregate OPEB amounts are as follows:

	THIS	HBP	Total
Deferred Outflows of Resources	\$ 203,626	\$ 194,424	\$ 398,050
Net OPEB Liability	11,027,034	5,178,070	16,205,104
Deferred Inflows of Resources	1,946,991	368,683	2,315,674
OPEB Expense	733,341	45,231	778,572

**NOTE 8 – COMMON BANK ACCOUNT**

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund. Occasionally certain of the funds participating in the common bank account could incur overdrafts (deficits) in the account. The overdrafts result from expenses paid that have been approved by the School Board.

**NOTE 9 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year, and settlements have not exceeded coverage in the past three years.

The District is a member of the Northern Illinois Health Insurance Program (NIHIP). NIHIP is a voluntary cooperative of 33 Illinois public school districts whose purpose is to manage and fund medical claims of covered employees, their spouses and dependents. Currently, various member districts are covered under different plans. The cooperative is self-funded and sets rates based on plan design and prior experience. The cooperative purchases reinsurance to protect against large claims and contracts with various companies for services on a fee basis.

**NOTE 10 – TORT EXPENSES**

The District did not levy for tort nor had any tort funds on hand during the year ended June 30, 2020, in which to pay tort expenses. The District's tort expenditures consisted of payments for:

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**NOTE 10 – TORT EXPENSES (CONT'D)**

Workers' compensation	\$ 63,916
Liability insurance	87,338
Legal expenses	<u>35,699</u>
Total Tort Expenses	<u><u>\$ 186,953</u></u>

**NOTE 11 – OPERATING LEASES**

On July 1, 2015, the District entered an operating lease covering (1) copiers. The lease for copiers calls for monthly payments of \$787 for forty-eight months. During the year, the District refunded the remaining balance of \$11,018. The is no balance due as of June 30, 2020.

On July 1, 2016, the District entered an operating lease covering (6) copiers. The lease for copiers calls for monthly payments of \$4,310 for sixty months. The balance due as of June 30, 2020, is \$60,342.

On July 1, 2019, the District entered an operating lease covering (4) copiers. The lease for copiers calls for monthly payments of \$1,153 for sixty months. The balance due as of June 30, 2020, is \$54,168.

At June 30, 2020, the annual cash flow requirements for these leases are as follows:

Fiscal Year Ending June 30,	Payment
2021	\$ 64,399
2022	22,450
2023	13,830
2024	<u>13,830</u>
Total	<u><u>\$ 114,509</u></u>

Operating leases are liquidated by the General Fund. The District paid \$66,704 in operating lease payments during the year ended June 30, 2020.

**NOTE 12 – JOINT VENTURE – SPECIAL EDUCATION DISTRICT OF LAKE COUNTY (SEDOL)**

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

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

**NOTE 13 – INTERFUND LOANS AND TRANSFERS**

**INTERFUND TRANSFERS**

During the year ended June 30, 2020 the District made the following one-time transfer:

- The General Fund transferred \$289,003 as a permanent transfer of interest to the Capital Projects Fund.

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**NOTE 14 – ACCOUNTS RECEIVABLE**

Accounts receivable of the governmental activities consists of property taxes and intergovernmental revenues. Receivable detail at June 30, 2020 is as follows:

Account	Amount
Personal property replacement taxes	\$ 16,341
Due from SEDOL	51,897
Due from federal government	26,463
Due from state government	164,294
Due from student activities	1,999
Total	<u>\$ 260,994</u>

**NOTE 15 – COMPENSATED ABSENCES**

Vacation leave is accrued as a liability as the benefits are earned by the employees as the leave is attributable to past service and it is probable that the District will compensate the employees for these benefits through paid time off. District employees are allowed to roll over and maintain a maximum balance of 10 vacation days. The Educational Fund and the Operations and Maintenance Fund are used to liquidate the compensated absences liability.

**NOTE 16 – CHANGE IN ACCOUNTING PRINCIPLE**

In 2020, the District adopted new accounting guidance *GASB Statement No. 84, Fiduciary Activities*. The Net Position at July 1, 2019 was increased by \$24,711, due to student activities cash carrying amount recognition previously unrecognized.

**NOTE 17 – SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

A recognized subsequent event occurred on March 11, 2020. The World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact changes in net position. Other financial impact could occur though such potential impact is unknown at this time.

## **REQUIRED SUPPLEMENTARY INFORMATION**







MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
MOST RECENT FISCAL YEARS

Fiscal year ending June 30, *	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employer's proportion of the net pension liability	0.00125%	0.00134%	0.00300%
Employer's proportionate share of the net pension liability	\$ 1,017,235	\$ 1,044,157	\$ 2,293,396
State's proportionate share of the net pension liability associated with the employer	<u>72,395,487</u>	<u>71,529,149</u>	<u>71,545,891</u>
Total	<u>\$ 73,412,722</u>	<u>\$ 72,573,306</u>	<u>\$ 73,839,287</u>
Employer's covered-employee payroll	\$ 9,794,474	\$ 9,596,472	\$ 9,663,035
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.39%	10.88%	23.73%
Plan fiduciary net position as a percentage of the total pension liability	39.60%	40.00%	39.30%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

<u>2017</u>	<u>2016</u>	<u>2015</u>
0.00300%	0.00310%	0.00310%
\$ 2,365,157	\$ 2,013,733	\$ 1,889,529
<u>76,464,554</u>	<u>59,059,169</u>	<u>54,354,376</u>
<u>\$ 78,829,711</u>	<u>\$ 61,072,902</u>	<u>\$ 56,243,905</u>
\$ 9,633,375	\$ 9,152,544	\$ 8,820,999
24.55%	22.00%	21.42%
36.40%	41.50%	43.00%

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
MOST RECENT FISCAL YEARS

Fiscal year ending June 30,	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually-required contribution	\$ 67,462	\$ 65,932	\$ 58,566
Contributions in relation to the contractually- required contribution	<u>67,172</u>	<u>58,277</u>	<u>55,178</u>
Contribution deficiency	<u>\$ 290</u>	<u>\$ 7,655</u>	<u>\$ 3,388</u>
Employer's covered-employee payroll	\$ 9,794,474	\$ 9,596,472	\$ 9,596,472
Contributions as a percentage of covered-employee payroll	0.69%	0.61%	0.57%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 123,677	\$ 116,038	\$ 107,893
<u>109,191</u>	<u>100,948</u>	<u>98,110</u>
<u>\$ 14,486</u>	<u>\$ 15,090</u>	<u>\$ 9,783</u>
\$ 9,663,035	\$ 9,633,375	\$ 9,152,544
1.13%	1.05%	1.07%

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
MOST RECENT CALENDAR YEARS

Calendar year ending December 31,	2019	2018	2017
Total pension liability			
Service cost	\$ 162,204	\$ 152,001	\$ 201,543
Interest on the total pension liability	762,604	758,912	776,203
Difference between expected and actual experience of the total pension liability	351,952	(173,182)	(287,914)
Changes of assumptions	-	268,859	(301,860)
Benefit payments, including refunds of employee contributions	(617,781)	(605,883)	(581,628)
Net change in pension liability	658,979	400,707	(193,656)
Total pension liability - beginning	10,746,468	10,345,761	10,539,417
Total pension liability - ending (A)	<u>\$ 11,405,447</u>	<u>\$ 10,746,468</u>	<u>\$ 10,345,761</u>
Plan fiduciary net position			
Contributions - employer	\$ 214,402	\$ 210,127	\$ 230,301
Contributions - employees	74,733	75,378	75,813
Net investment income	1,654,623	(581,758)	1,511,156
Benefit payments, including refunds of employee contributions	(617,781)	(605,883)	(581,628)
Other (net transfer)	175,228	39,776	(376,427)
Net change in plan fiduciary net position	1,501,205	(862,360)	859,215
Plan fiduciary net position - beginning	8,493,665	9,356,025	8,496,810
Plan fiduciary net position - ending (B)	<u>\$ 9,994,870</u>	<u>\$ 8,493,665</u>	<u>\$ 9,356,025</u>
Net pension liability - ending (A) - (B)	<u>\$ 1,410,577</u>	<u>\$ 2,252,803</u>	<u>\$ 989,736</u>
Plan fiduciary net position as a percentage of total pension liability	87.63%	79.04%	90.43%
Covered valuation payroll	\$ 1,660,733	\$ 1,581,086	\$ 1,684,724
Net pension liability as a percentage of covered valuation payroll	84.94%	142.48%	58.75%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 162,008	\$ 170,675	\$ 179,264
716,227	697,749	635,877
429,830	(125,355)	144,566
(82,512)	10,715	389,439
<u>(489,578)</u>	<u>(486,705)</u>	<u>(448,356)</u>
735,975	267,079	900,790
<u>9,803,442</u>	<u>9,536,363</u>	<u>8,635,573</u>
<u><u>\$ 10,539,417</u></u>	<u><u>\$ 9,803,442</u></u>	<u><u>\$ 9,536,363</u></u>
\$ 257,075	\$ 225,704	\$ 232,995
103,860	71,576	69,992
551,467	39,427	463,944
(489,578)	(486,705)	(448,356)
<u>86,847</u>	<u>156,998</u>	<u>(16,754)</u>
509,671	7,000	301,821
<u>7,987,139</u>	<u>7,980,139</u>	<u>7,678,318</u>
<u><u>\$ 8,496,810</u></u>	<u><u>\$ 7,987,139</u></u>	<u><u>\$ 7,980,139</u></u>
<u><u>\$ 2,042,607</u></u>	<u><u>\$ 1,816,303</u></u>	<u><u>\$ 1,556,224</u></u>
80.62%	81.47%	83.68%
\$ 1,709,276	\$ 1,566,792	\$ 1,555,376
119.50%	115.92%	100.05%

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
REQUIRED SUPPLEMENTARY INFORMATION  
MULTIYEAR SCHEDULE OF CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
MOST RECENT CALENDAR YEARS

Calendar Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2019	\$ 214,401	\$ 214,402	\$ (1)	\$ 1,660,733	12.91%
2018	210,126	210,127	(1)	1,581,086	13.29%
2017	230,302	230,301	1	1,684,724	13.67%
2016	257,075	257,075	-	1,709,276	15.04%
2015	225,618	225,704	(86)	1,566,792	14.41%
2014	236,050	232,995	3,055	1,493,990	15.60%

**Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate\***

**Valuation Date:**

Notes                      Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine 2019 Contribution Rates:**

*Actuarial Cost Method:* Aggregate entry age normal  
*Amortization Method:* Level percentage of payroll, closed  
*Remaining Amortization Period:* Non-Taxing bodies: 10-year rolling period.  
Taxing bodies (Regular, SLEP and ECO groups): 24 year closed period  
Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.  
SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 28 years).  
*Asset Valuation Method:* 5-year smoothed market; 20% corridor  
*Wage Growth:* 3.25%  
*Price Inflation:* 2.50%  
*Salary Increases:* 3.35% to 14.25%, including inflation  
*Investment Rate of Return:* 7.50%  
*Retirement Age:* Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016  
*Mortality:* For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes                      There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE THIS LIABILITY  
OTHER POST-EMPLOYMENT BENEFITS - TEACHERS' HEALTH INSURANCE SECURITY FUND  
MOST RECENT FISCAL YEARS

Fiscal year ending June 30, *	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employer's proportion of the net THIS liability	0.039841%	0.040483%	0.042008%
Employer's proportionate share of the net THIS liability	\$ 11,027,034	\$ 10,665,586	\$ 10,900,792
State's proportionate share of the net THIS liability associated with the employer	<u>14,932,011</u>	<u>14,321,582</u>	<u>14,315,449</u>
Total	<u>\$ 25,959,045</u>	<u>\$ 24,987,168</u>	<u>\$ 25,216,241</u>
Employer's covered-employee payroll	\$ 9,794,474	\$ 9,596,472	\$ 9,663,035
Employer's proportionate share of the net THIS liability as a percentage of its covered-employee payroll	112.58%	111.14%	112.81%
Plan fiduciary net position as a percentage of the total THIS liability	0.25%	-0.07%	-0.17%

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



MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 OTHER POST-EMPLOYMENT BENEFITS - TEACHERS' HEALTH INSURANCE SECURITY FUND  
 MOST RECENT FISCAL YEARS

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Fiscal year ending June 30,*	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually-required contribution	\$ 92,944	\$ 90,109	\$ 84,449
Contributions in relation to the contractually-required contribution	<u>92,944</u>	<u>90,109</u>	<u>84,449</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	\$10,102,630	\$ 9,794,474	\$ 9,596,472
Contributions as a percentage of covered-employee payroll	0.92%	0.92%	0.88%

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
OTHER POST-EMPLOYMENT BENEFITS - HEALTH BENEFIT PLAN  
MOST RECENT FISCAL YEARS

Fiscal year ending June 30,*	2020	2019	2018
Net HBP Liability			
Service cost	\$ 330,847	\$ 257,852	\$ 237,768
Interest	143,884	116,959	150,182
Difference between expected and actual experience of the total HBP liability	(524,770)	1,278,339	(950,640)
Changes of assumptions	308,187	168,322	232,595
Benefit payments	(355,177)	(349,923)	(308,867)
Other changes	(59,640)	(1,333)	(388,237)
Net change in net HBP liability	(156,669)	1,470,216	(1,027,199)
Plan fiduciary net position - beginning	5,334,739	3,864,523	4,891,722
Net HBP liability - ending	<u>\$ 5,178,070</u>	<u>\$ 5,334,739</u>	<u>\$ 3,864,523</u>
Covered valuation payroll	\$ 1,740,304	\$ 1,581,086	\$ 1,458,324
Net HBP liability as a percentage of covered valuation payroll	297.54%	337.41%	265.00%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
OTHER POST-EMPLOYMENT BENEFITS - HEALTH BENEFIT PLAN  
MOST RECENT FISCAL YEARS

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<u>Fiscal Year Ending June 30,*</u>	<u>Actuarially Determined Employer Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Contributions as Percent of Payroll</u>
2020	\$ -	\$ 355,177	\$ (355,177)	\$ 1,740,304	20.41%
2019	522,690	349,923	172,767	1,581,086	22.13%
2018	439,290	308,867	130,423	1,458,324	21.18%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.



MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020		
	Original and Final Budget	Educational Account	Working Cash Account
<b>Revenues:</b>			
Local Sources:			
General tax levy	\$ 10,746,910	\$ 10,755,552	\$ 4,994
Special education levy	1,406,820	1,408,586	-
Regular tuition	-	11,625	-
Summer school - tuition	-	5,699	-
District/School activity income	-	59,035	-
Earnings on investments	249,910	292,101	36,675
Food services	253,180	173,746	-
Fees	29,310	24,588	-
Textbooks	218,601	162,944	-
Contributions and donations	37,220	45,554	-
Impact fees	-	-	-
Services provided to other districts	41,820	44,222	-
Refund of prior years' expenditures	28,150	29,415	-
Payments of surplus moneys from TIF Districts	95,440	-	-
Payment from other districts	-	4,082	-
Other local fees	10,470	3,724	-
Other	7,610	21,164	-
<u>Total From Local Sources</u>	<u>13,125,441</u>	<u>13,042,037</u>	<u>41,669</u>
State Sources:			
Evidence based funding formula	4,736,790	2,671,790	-
Special education	102,660	59,240	-
State free lunch and breakfast	5,360	3,013	-
Early childhood	334,000	116,771	-
Technology	1,170	-	-
Other	-	1,167	-
On-behalf retirement revenues	8,500,000	7,985,618	-
<u>Total State Sources</u>	<u>13,679,980</u>	<u>10,837,599</u>	<u>-</u>
Federal Sources:			
Food service	358,080	389,501	-
Title I - low income	297,990	165,521	-
Title IV - safe and drug free schools	-	12,378	-
Title IV - student support and academic enrichment grant	29,680	-	-
Special education - preschool flowthrough	25,760	21,313	-
Special education - IDEA flowthrough	282,300	212,911	-
Special education - IDEA room and board	8,500	-	-
Race to the top	4,720	-	-
Title III - language instruction program	103,850	44,719	-
Title II - teacher quality	47,050	36,033	-
Medicaid matching - administrative outreach	22,830	44,415	-
Medicaid matching - fee for service	216,570	156,834	-
<u>Total Federal Sources</u>	<u>1,397,330</u>	<u>1,083,625</u>	<u>-</u>
<u>Total Revenues</u>	<u>28,202,751</u>	<u>24,963,261</u>	<u>41,669</u>

		2019
Total	Over (Under) Budget	Actual
\$ 10,760,546	\$ 13,636	\$ 11,883,037
1,408,586	1,766	1,337,142
11,625	11,625	-
5,699	5,699	41,742
59,035	59,035	-
328,776	78,866	238,376
173,746	(79,434)	249,059
24,588	(4,722)	98,491
162,944	(55,657)	176,911
45,554	8,334	33,157
-	-	-
44,222	2,402	41,816
29,415	1,265	3,650
-	(95,440)	95,432
4,082	4,082	4,178
3,724	(6,746)	9,531
21,164	13,554	8,498
13,083,706	(41,735)	14,221,020
2,671,790	(2,065,000)	4,255,859
59,240	(43,420)	125,171
3,013	(2,347)	5,648
116,771	(217,229)	30,000
-	(1,170)	-
1,167	1,167	-
7,985,618	(514,382)	6,839,217
10,837,599	(2,842,381)	11,255,895
389,501	31,421	358,355
165,521	(132,469)	216,859
12,378	12,378	20,426
-	(29,680)	-
21,313	(4,447)	27,685
212,911	(69,389)	222,872
-	(8,500)	-
-	(4,720)	4,711
44,719	(59,131)	79,082
36,033	(11,017)	45,407
44,415	21,585	31,680
156,834	(59,736)	207,708
1,083,625	(313,705)	1,214,785
25,004,930	(3,197,821)	26,691,700

(Continued)

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020		
	Original and Final Budget	Educational Account	Working Cash Account
<u>Expenditures:</u>			
Instruction	\$ 19,789,974	\$ 19,210,601	\$ -
Support Services	5,839,883	5,289,916	-
Community Services	295,630	221,518	-
Payments to Other Gov't Units	1,543,950	1,408,936	-
<u>Total Expenditures</u>	<u>27,469,437</u>	<u>26,130,971</u>	<u>-</u>
<u>Excess (Deficiency) of Revenues Over (Under) Expenditures</u>	<u>733,314</u>	<u>(1,167,710)</u>	<u>41,669</u>
<u>Other Financing Sources (Uses):</u>			
Transfers in	249,910	-	-
Transfers out	-	(289,003)	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>(289,003)</u>	<u>-</u>
<u>Net Change in Fund Balances</u>	<u>\$ 733,314</u>	<u>(1,456,713)</u>	<u>41,669</u>
<u>Fund Balance - July 1, 2019 - as previously reported</u>		<u>7,508,006</u>	<u>1,245,608</u>
<u>Prior Period Adjustment</u>			
Student activities reclassification		24,711	-
<u>Fund Balance - July 1, 2019 - as restated</u>		<u>7,532,717</u>	<u>1,245,608</u>
<u>Fund Balance - June 30, 2020</u>		<u>\$ 6,076,004</u>	<u>\$ 1,287,277</u>

SCHEDULE 1  
(Continued)

		2019
Total	Over (Under) Budget	Actual
\$ 19,210,601	\$ (579,373)	\$ 17,604,246
5,289,916	(549,967)	5,534,394
221,518	(74,112)	157,492
1,408,936	(135,014)	1,036,954
26,130,971	(1,338,466)	24,333,086
(1,126,041)	(1,859,355)	2,358,614
-	(249,910)	-
(289,003)	(289,003)	(236,842)
(289,003)	(289,003)	(236,842)
(1,415,044)	<u>\$ (2,148,358)</u>	2,121,772
8,753,614		6,631,842
24,711		-
8,778,325		6,631,842
<u>\$ 7,363,281</u>		<u>\$ 8,753,614</u>



MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
OPERATIONS AND MAINTENANCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Original and Final Budget	Actual	Over (Under) Budget	Actual
<b>Revenues:</b>				
Local Sources:				
General tax levy	\$ 1,940,578	\$ 1,943,007	\$ 2,429	\$ 1,097,649
Personal property replacement taxes	-	43,892	43,892	-
Earnings on investments	28,790	10,155	(18,635)	35,381
Rentals	345,660	16,653	(329,007)	345,652
Contributions and donations	530	508	(22)	525
Refund of prior years' expenditures	-	18,129	18,129	-
Payments of surplus moneys from TIF Districts	-	102,563	102,563	-
Payment from other districts	105,170	104,969	(201)	77,635
Other local fees	11,620	9,766	(1,854)	11,620
Other	-	29,508	29,508	39,891
<u>Total Local Sources</u>	<u>2,432,348</u>	<u>2,279,150</u>	<u>(153,198)</u>	<u>1,608,353</u>
State Sources:				
Evidence based funding formula	-	750,000	750,000	-
School maintenance grant	-	48,099	48,099	-
<u>Total State Sources</u>	<u>-</u>	<u>798,099</u>	<u>798,099</u>	<u>-</u>
Federal Sources:				
Medicaid matching - fee for service	58,000	-	(58,000)	-
Other	65,920	94,489	28,569	50,806
<u>Total Federal Sources</u>	<u>123,920</u>	<u>94,489</u>	<u>(29,431)</u>	<u>50,806</u>
<u>Total Revenues</u>	<u>2,556,268</u>	<u>3,171,738</u>	<u>615,470</u>	<u>1,659,159</u>
<b>Expenditures:</b>				
Support Services:				
Facilities Acquisition and Construction Services:				
Purchased services	41,040	-	(41,040)	942
Supplies and materials	-	-	-	4,365
Capital outlay	-	52,865	52,865	593,487
<u>Total</u>	<u>41,040</u>	<u>52,865</u>	<u>11,825</u>	<u>598,794</u>
Operations and Maintenance of Plant Services:				
Salaries	516,354	528,978	12,624	470,288
Employee benefits	90,610	98,602	7,992	102,677
Purchased services	862,430	764,093	(98,337)	626,460
Supplies and materials	339,720	480,525	140,805	417,625
Capital outlay	374,870	87,177	(287,693)	325,158
Other	140	140	-	-
Non-capitalized equipment	-	8,661	8,661	549
<u>Total</u>	<u>2,184,124</u>	<u>1,968,176</u>	<u>(215,948)</u>	<u>1,942,757</u>
<u>Total Support Services</u>	<u>2,225,164</u>	<u>2,021,041</u>	<u>(204,123)</u>	<u>2,541,551</u>

(Continued)

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
OPERATIONS AND MAINTENANCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Original and Final Budget	Actual	Over (Under) Budget	Actual
Community Services:				
Purchased services	\$ 820	\$ -	\$ (820)	\$ -
Total	820	-	(820)	-
<u>Total Community Services</u>	<u>820</u>	<u>-</u>	<u>(820)</u>	<u>-</u>
Payments to Other Gov't Units:				
Other Payments to In-State Government Units:				
Other	50,420	51,045	625	48,013
Total	50,420	51,045	625	48,013
<u>Total Payments to Other Gov't Units</u>	<u>50,420</u>	<u>51,045</u>	<u>625</u>	<u>48,013</u>
<u>Total Expenditures</u>	<u>2,276,404</u>	<u>2,072,086</u>	<u>(204,318)</u>	<u>2,589,564</u>
<u>Excess (Deficiency) of Revenues Over (Under) Expenditures</u>	<u>279,864</u>	<u>1,099,652</u>	<u>819,788</u>	<u>(930,405)</u>
<u>Other Financing Sources (Uses):</u>				
Transfers in	28,790	-	(28,790)	-
Transfers out	-	-	-	(35,579)
<u>Total Other Financing Sources (Uses)</u>	<u>28,790</u>	<u>-</u>	<u>(28,790)</u>	<u>(35,579)</u>
<u>Net Change in Fund Balances</u>	<u>\$ 308,654</u>	<u>1,099,652</u>		<u>(965,984)</u>
<u>Fund Balance - July 1, 2019</u>		<u>(1,087,902)</u>		<u>(121,918)</u>
<u>Fund Balance - June 30, 2020</u>		<u>\$ 11,750</u>		<u>\$(1,087,902)</u>

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Original and Final Budget	Actual	Over (Under) Budget	Actual
<b>Revenues:</b>				
Local Sources:				
General tax levy	\$ 688,440	\$ 689,288	\$ 848	\$ 324,305
Transportation fees - pupils	-	448	448	623
Earnings on investments	3,600	4,342	742	9,444
Other	450	4,193	3,743	7,275
<u>Total Local Sources</u>	<u>692,490</u>	<u>698,271</u>	<u>5,781</u>	<u>341,647</u>
State Sources:				
Evidence based funding formula	-	1,015,000	1,015,000	-
Regular transportation	102,570	51,283	(51,287)	90,720
Special education transportation	243,610	101,802	(141,808)	189,951
<u>Total State Sources</u>	<u>346,180</u>	<u>1,168,085</u>	<u>821,905</u>	<u>280,671</u>
<u>Total Revenues</u>	<u>1,038,670</u>	<u>1,866,356</u>	<u>827,686</u>	<u>622,318</u>
<b>Expenditures:</b>				
Support Services:				
Pupil Transportation Services:				
Salaries	8,560	6,302	(2,258)	-
Benefits	1,680	1,203	(477)	-
Purchased services	1,318,910	1,427,987	109,077	1,213,035
Supplies and materials	47,030	91,240	44,210	45,948
<u>Total</u>	<u>1,376,180</u>	<u>1,526,732</u>	<u>150,552</u>	<u>1,258,983</u>
<u>Total Support Services</u>	<u>1,376,180</u>	<u>1,526,732</u>	<u>150,552</u>	<u>1,258,983</u>
Payments to Other Gov't Units:				
Payments for Special Education Programs:				
Purchased services	35,180	96,758	61,578	32,689
<u>Total Payments to Other Gov't Units</u>	<u>35,180</u>	<u>96,758</u>	<u>61,578</u>	<u>32,689</u>
<u>Total Expenditures</u>	<u>1,411,360</u>	<u>1,623,490</u>	<u>212,130</u>	<u>1,291,672</u>
<u>Excess (Deficiency) of Revenues Over (Under) Expenditures</u>	<u>(372,690)</u>	<u>242,866</u>	<u>615,556</u>	<u>(669,354)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	3,600	-	(3,600)	-
Transfers out	-	-	-	(9,504)
<u>Total Other Financing Sources (Uses)</u>	<u>3,600</u>	<u>-</u>	<u>(3,600)</u>	<u>(9,504)</u>
<u>Net Change in Fund Balances</u>	<u>\$ (369,090)</u>	<u>242,866</u>	<u>\$ 611,956</u>	<u>(678,858)</u>
<u>Fund Balance - July 1, 2019</u>		<u>(240,118)</u>		<u>438,740</u>
<u>Fund Balance - June 30, 2020</u>		<u>\$ 2,748</u>		<u>\$ (240,118)</u>

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Original and Final Budget	Actual	Over (Under) Budget	Actual
<u>Revenues:</u>				
Local Sources:				
General tax levy	\$ 513,600	\$ 234,512	\$ (279,088)	\$ 34,199
Social security/medicare tax levy	-	279,713	279,713	149,681
Personal property replacement taxes	71,852	54,370	(17,482)	50,000
Earnings on investments	900	1,970	1,070	700
<u>Total Local Sources</u>	<u>586,352</u>	<u>570,565</u>	<u>(15,787)</u>	<u>234,580</u>
State Sources:				
Evidence based funding formula	-	300,000	300,000	-
<u>Total State Sources</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
<u>Total Revenues</u>	<u>586,352</u>	<u>870,565</u>	<u>284,213</u>	<u>234,580</u>
<u>Expenditures:</u>				
Employee Benefits:				
Instruction:				
Regular programs	83,259	62,952	(20,307)	52,712
Pre-K programs	7,690	7,320	(370)	7,842
Special education programs	106,244	75,961	(30,283)	64,937
Special education programs pre-k	12,850	11,932	(918)	11,813
Remedial and supplemental programs	10,700	10,901	201	10,127
Interscholastic programs	2,050	1,456	(594)	1,751
Summer school programs	6,370	2,576	(3,794)	1,966
Gifted programs	860	866	6	832
Bilingual programs	20,160	21,609	1,449	17,656
<u>Total Instruction</u>	<u>250,183</u>	<u>195,573</u>	<u>(54,610)</u>	<u>169,636</u>
Support Services:				
Attendance and social work services	18,550	21,306	2,756	16,525
Guidance services	-	-	-	737
Health services	15,830	21,697	5,867	19,373
Psychological services	3,100	3,118	18	2,235
Speech pathology and audiology services	5,130	5,174	44	3,321
Other support services - pupils	41,790	35,108	(6,682)	21,308
Improvement of instruction services	6,740	3,325	(3,415)	4,162
Educational media services	9,690	4,427	(5,263)	22,858
Assessment and testing services	30	1,514	1,484	15
Board of education services	-	-	-	5,865
Executive administration services	-	-	-	3,931
Service area administrative services	7,660	1,199	(6,461)	14,888
Office of the principal services	56,520	55,950	(570)	47,927
Direction of business support services	1,820	1,832	12	1,770
Fiscal services	10,730	10,662	(68)	27,575
Operations and maintenance of plant services	116,560	107,731	(8,829)	92,602

(Continued)

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Original and Final Budget	Actual	Over (Under) Budget	Actual
<u>Expenditures:</u>				
Support Services: (Cont'd)				
Pupil transportation services	\$ 860	\$ 641	\$ (219)	\$ 644
Food services	5,530	4,822	(708)	4,653
Planning, research, development and evaluation services	220	83	(137)	177
Information services	370	118	(252)	352
Staff services	10,560	11,813	1,253	6,732
Data processing services	1,370	1,369	(1)	1,339
Total Support Services	313,060	291,889	(21,171)	298,989
Community services	5,020	5,656	636	5,056
Payments to other gov't units	24,270	21,398	(2,872)	24,270
<u>Total Expenditures</u>	<u>592,533</u>	<u>514,516</u>	<u>(78,017)</u>	<u>497,951</u>
<u>Excess (Deficiency) of Revenues Over (Under) Expenditures</u>	<u>(6,181)</u>	<u>356,049</u>	<u>362,230</u>	<u>(263,371)</u>
<u>Other Financing Sources:</u>				
Transfers in	900	-	(900)	-
<u>Total Other Financing Sources</u>	<u>900</u>	<u>-</u>	<u>(900)</u>	<u>-</u>
<u>Net Change in Fund Balances</u>	<u>\$ (5,281)</u>	<u>356,049</u>	<u>\$ 361,330</u>	<u>(263,371)</u>
<u>Fund Balance - July 1, 2019</u>		<u>(246,276)</u>		<u>17,095</u>
<u>Fund Balance - June 30, 2020</u>		<u>\$ 109,773</u>		<u>\$ (246,276)</u>

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020

**NOTE 1 – TEACHERS’ RETIREMENT SYSTEM (TRS) OF THE STATE OF ILLINOIS**

*Changes of Assumptions*

For the 2019, 2018, 2017, and 2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience for the three-year period ending June 30, 2014.

**NOTE 2 – TEACHERS’ HEALTH INSURANCE SECURITY (THIS) FUND**

*Changes of Assumptions*

The discount rate was changed from 3.62 percent at June 30, 2018, to 3.13 percent at June 30, 2019. The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2018, projected plan cost for plan year end June 30, 2019, premium changes through plan year end 2020, and expectation of future trend increases after June 30, 2019. The Excise Tax trend adjustment was updated based on available premium and enrollment information as of June 30, 2019. Per capita claim costs for plan year end June 30, 2019, were updated based on projected claims and enrollment experience through June 30, 2019, and updated premium rates through plan year 2020. Healthcare plan participation rates by plan were updated based on observed experience.

Amounts reported in 2018 reflect an investment rate of return of 0.00 percent, an inflation rate of 2.50 percent and salary increases that vary by amount of service credit. Amounts reported in 2017 reflect an investment rate of return of 0.00 percent, an inflation rate of 2.75, and salary increases that vary by service credit. In 2016, assumptions used were an investment rate of return of 0.00 percent, and inflation rate of 2.75 percent, and salary increases that vary by amount of service. In 2015 and 2014, assumptions used were an investment rate of return of 4.50 percent, and inflation rate of 3.00 percent, and salary increases that vary by amount of service.

**NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING**

The District follows procedures mandated by Illinois State law and District Board policy to establish the budgetary data reflected in its financial statements. The District’s basis of budgeting conforms to Generally Accepted Accounting Principles (GAAP). The original and final budget was passed September 24, 2019. The budget lapses at the end of each fiscal year.

The budgeted amounts in this report are the result of full compliance with the following procedures:

1. After July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures disbursed and the means of financing them.
2. Public hearings are conducted at a public meeting to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund; however, any revisions that alter the total expenditures disbursed of any fund must be approved by the Board of Education after a public hearing.

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020

**NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING (CONT'D)**

5. Formal budgetary integration is employed as a management control device during the year.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

*EXPENDITURES IN EXCESS OF BUDGET*

The Transportation Fund was over-expended by \$212,130, due to an increase in cost of contracted monthly student transportation services provided.

## **SUPPLEMENTARY INFORMATION**







MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
GENERAL FUND  
COMBINING BALANCE SHEET  
JUNE 30, 2020

WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2019

	Educational Account	Working Cash Account	Total	
			2020	2019
<b>ASSETS</b>				
Cash and investments	\$ 12,656,563	\$ 1,289,505	\$ 13,946,068	\$ 15,234,429
Receivables (net of allowance for uncollectibles):				
Intergovernmental	114,008	-	114,008	305,317
Prepaid items	252,925	-	252,925	337,489
Total Assets	<u>\$ 13,023,496</u>	<u>\$ 1,289,505</u>	<u>\$ 14,313,001</u>	<u>\$ 15,877,235</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,745,635	\$ -	\$ 1,745,635	\$ 964,489
Payroll liabilities	9,564	-	9,564	29,333
Unearned revenues	183,799	-	183,799	68,601
Total Liabilities	<u>1,938,998</u>	<u>-</u>	<u>1,938,998</u>	<u>1,062,423</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for subsequent years	5,008,494	2,228	5,010,722	6,061,198
Total Deferred Inflows of Resources	<u>5,008,494</u>	<u>2,228</u>	<u>5,010,722</u>	<u>6,061,198</u>
<b>FUND BALANCES</b>				
Nonspendable	252,925	-	252,925	337,489
Restricted	22,177	-	22,177	-
Unassigned	5,800,902	1,287,277	7,088,179	8,416,125
Total Fund Balances	<u>6,076,004</u>	<u>1,287,277</u>	<u>7,363,281</u>	<u>8,753,614</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 13,023,496</u>	<u>\$ 1,289,505</u>	<u>\$ 14,313,001</u>	<u>\$ 15,877,235</u>

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
EDUCATIONAL ACCOUNT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Original and Final Budget	Actual	Over (Under) Budget	Actual
<b>Revenues:</b>				
<b>Local Sources:</b>				
General tax levy	\$ 10,741,920	\$ 10,755,552	\$ 13,632	\$ 11,877,902
Special education levy	1,406,820	1,408,586	1,766	1,337,142
Regular tuition	-	11,625	11,625	-
Summer school - tuition	-	5,699	5,699	41,742
Earnings on investments	225,050	292,101	67,051	211,837
Food services	253,180	173,746	(79,434)	249,059
Fees	29,310	24,588	(4,722)	98,491
District/School activity income	-	59,035	59,035	-
Textbooks	218,601	162,944	(55,657)	176,911
Contributions and donations	37,220	45,554	8,334	33,157
Impact fees	5,000	-	(5,000)	-
Services provided to other districts	41,820	44,222	2,402	41,816
Refund of prior years' expenditures	28,150	29,415	1,265	3,650
Payments of surplus moneys from TIF Districts	95,440	-	(95,440)	95,432
Payment from other districts	-	4,082	4,082	4,178
Other local fees	10,470	3,724	(6,746)	9,531
Other	7,610	21,164	13,554	8,498
<b>Total From Local Sources</b>	<b>13,100,591</b>	<b>13,042,037</b>	<b>(58,554)</b>	<b>14,189,346</b>
<b>State Sources:</b>				
Evidence based funding formula	4,736,790	2,671,790	(2,065,000)	4,255,859
Special education	102,660	59,240	(43,420)	125,171
State free lunch and breakfast	5,360	3,013	(2,347)	5,648
Early childhood	334,000	116,771	(217,229)	30,000
Technology	1,170	1,167	(3)	-
On-behalf retirement revenues	8,500,000	7,985,618	(514,382)	6,839,217
<b>Total State Sources</b>	<b>13,679,980</b>	<b>10,837,599</b>	<b>(2,842,381)</b>	<b>11,255,895</b>
<b>Federal Sources:</b>				
Food service	358,080	389,501	31,421	358,355
Title I - low income	297,990	165,521	(132,469)	216,859
Title IV - safe and drug free schools	-	12,378	12,378	20,426
Title IV - student support and academic enrichment grant	29,680	-	(29,680)	-
Special education - preschool flowthrough	25,760	21,313	(4,447)	27,685
Special education - IDEA flowthrough	282,300	212,911	(69,389)	222,872
Special education - IDEA room and board	8,500	-	(8,500)	-
Race to the top	4,720	-	(4,720)	4,711
Title III - language instruction program	103,850	44,719	(59,131)	79,082
Title II - teacher quality	47,050	36,033	(11,017)	45,407
Medicaid matching - administrative outreach	22,830	44,415	21,585	31,680
Medicaid matching - fee for service	216,570	156,834	(59,736)	207,708
<b>Total Federal Sources</b>	<b>1,397,330</b>	<b>1,083,625</b>	<b>(313,705)</b>	<b>1,214,785</b>
<b>Total Revenues</b>	<b>28,177,901</b>	<b>24,963,261</b>	<b>(3,214,640)</b>	<b>26,660,026</b>

(Continued)

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Original and Final Budget	Actual	Over (Under) Budget	Actual
<b>Expenditures:</b>				
Instruction:				
Regular Programs:				
Salaries	\$ 4,394,195	\$ 4,524,791	\$ 130,596	\$ 4,315,551
Employee benefits	780,523	812,282	31,759	766,240
On-behalf retirement expenditures	8,500,000	7,985,618	(514,382)	6,839,217
Purchased services	67,080	120,015	52,935	93,465
Supplies and materials	542,500	283,146	(259,354)	622,300
Capital outlay	12,990	1,800	(11,190)	12,915
Other	1,500	805	(695)	989
Non-capitalized equipment	2,650	599	(2,051)	2,642
Termination benefits	213,900	236,095	22,195	207,999
Total	14,515,338	13,965,151	(550,187)	12,861,318
Tuition Payments to Charter Schools:				
Purchased services	4,370	-	(4,370)	-
Total	4,370	-	(4,370)	-
Pre-K Programs:				
Salaries	84,860	55,030	(29,830)	121,906
Employee benefits	15,250	13,062	(2,188)	18,409
Purchased services	-	100	100	-
Supplies and materials	-	-	-	25
Total	100,110	68,192	(31,918)	140,340
Special Education Programs:				
Salaries	1,205,498	1,173,423	(32,075)	1,036,546
Employee benefits	136,878	172,796	35,918	162,518
Purchased services	56,390	37,629	(18,761)	43,886
Supplies and materials	65,090	92,145	27,055	41,911
Capital outlay	-	-	-	3,115
Total	1,463,856	1,475,993	12,137	1,287,976
Special Education Programs Pre-K:				
Salaries	249,480	191,112	(58,368)	187,976
Employee benefits	65,230	53,063	(12,167)	47,945
Purchase services	2,610	150	(2,460)	1,244
Supplies and materials	8,160	9,628	1,468	13,830
Capital outlay	-	-	-	11,931
Total	325,480	253,953	(71,527)	262,926

(Continued)

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Original and Final Budget	Actual	Over (Under) Budget	Actual
<u>Expenditures:</u>				
Instruction:				
Remedial and Supplemental Programs:				
Salaries	\$ 800,730	\$ 884,112	\$ 83,382	\$ 782,591
Employee benefits	159,690	160,553	863	139,399
Purchased services	9,100	360	(8,740)	7,030
Supplies and materials	330	5,280	4,950	326
Total	969,850	1,050,305	80,455	929,346
CTE Programs:				
Supplies and materials	-	520	520	-
Total	-	520	520	-
Interscholastic Programs:				
Salaries	94,650	100,109	5,459	92,880
Employee benefits	7,050	9,466	2,416	9,375
Purchased services	4,500	4,290	(210)	3,502
Supplies and materials	52,190	9,398	(42,792)	21,342
Other objects	790	860	70	-
Non-capitalized equipment	1,760	-	(1,760)	1,759
Total	160,940	124,123	(36,817)	128,858
Summer School Programs:				
Salaries	64,240	82,887	18,647	47,204
Employee benefits	8,640	7,947	(693)	2,892
Supplies and materials	2,180	766	(1,414)	977
Total	75,060	91,600	16,540	51,073
Gifted Programs:				
Salaries	68,720	68,715	(5)	67,042
Employee benefits	15,700	14,016	(1,684)	14,981
Purchased services	1,190	50	(1,140)	-
Other	500	-	(500)	499
Total	86,110	82,781	(3,329)	82,522
Bilingual Programs:				
Salaries	1,132,190	1,213,339	81,149	1,065,506
Employee benefits	210,290	189,120	(21,170)	160,402
Purchased services	41,210	32,234	(8,976)	20,859
Supplies and materials	127,830	111,362	(16,468)	117,732
Capital outlay	8,300	-	(8,300)	2,297
Other objects	70	65	(5)	-
Total	1,519,890	1,546,120	26,230	1,366,796

(Continued)

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75

EDUCATIONAL ACCOUNT

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

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Original and Final Budget	Actual	Over (Under) Budget	Actual
<u>Expenditures:</u>				
Instruction:				
Special Education Programs - Tuition				
Other	\$ 568,970	\$ 489,927	\$ (79,043)	\$ 493,091
Total	568,970	489,927	(79,043)	493,091
Student Activities				
Other	-	61,936	61,936	-
Total	-	61,936	61,936	-
<u>Total Instruction</u>	<u>19,789,974</u>	<u>19,210,601</u>	<u>(579,373)</u>	<u>17,604,246</u>
Support Services:				
Attendance and Social Work Services:				
Salaries	435,100	403,072	(32,028)	318,907
Employee benefits	102,270	97,450	(4,820)	75,617
Purchased services	1,400	5,304	3,904	743
Supplies and materials	-	455	455	-
Capital outlay	1,400	-	(1,400)	-
Non-capitalized equipment	630	1,124	494	629
Total	540,800	507,405	(33,395)	395,896
Guidance Services:				
Salaries	-	-	-	54,991
Employee benefits	-	-	-	14,867
Purchased services	-	50	50	-
Total	-	50	50	69,858
Health Services:				
Salaries	169,320	125,662	(43,658)	118,935
Employee benefits	28,250	28,891	641	26,398
Purchased services	24,410	1,652	(22,758)	3,658
Supplies and materials	9,190	1,548	(7,642)	9,178
Total	231,170	157,753	(73,417)	158,169
Psychological Services:				
Salaries	229,580	229,557	(23)	168,941
Employee benefits	47,840	35,270	(12,570)	28,110
Purchased services	3,600	17,688	14,088	5,700
Supplies and materials	5,210	2,493	(2,717)	5,202
Other objects	40	33	(7)	-
Total	286,270	285,041	(1,229)	207,953

(Continued)

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Original and Final Budget	Actual	Over (Under) Budget	Actual
<b>Expenditures:</b>				
Support Services:				
Speech Pathology and Audiology Services:				
Salaries	\$ 399,083	\$ 369,816	\$ (29,267)	\$ 230,187
Employee benefits	59,870	47,929	(11,941)	28,888
Purchased services	6,910	3,184	(3,726)	155,559
Supplies and materials	13,110	4,748	(8,362)	6,815
Capital outlay	1,420	-	(1,420)	-
Non-capitalized equipment	1,700	2,901	1,201	-
Total	482,093	428,578	(53,515)	421,449
Other Support Services - Pupils				
Salaries	209,080	168,660	(40,420)	104,164
Employee benefits	39,150	27,988	(11,162)	22,481
Purchased services	420	150	(270)	309
Supplies and materials	-	340	340	-
Total	248,650	197,138	(51,512)	126,954
Improvement of Instruction Services:				
Salaries	270,320	232,866	(37,454)	249,978
Employee benefits	56,430	50,007	(6,423)	47,271
Purchased services	232,000	142,334	(89,666)	150,786
Supplies and materials	25,200	11,519	(13,681)	15,778
Other	350	959	609	300
Total	584,300	437,685	(146,615)	464,113
Educational Media Services:				
Salaries	159,860	134,000	(25,860)	343,268
Employee benefits	27,220	17,173	(10,047)	56,007
Purchased services	11,900	200	(11,700)	1,295
Supplies and materials	19,210	14,427	(4,783)	18,363
Capital outlay	-	1,010	1,010	-
Total	218,190	166,810	(51,380)	418,933
Assessment and Testing Services:				
Salaries	990	2,607	1,617	968
Employee benefits	30	136	106	55
Purchased services	54,100	38,070	(16,030)	29,408
Supplies and materials	2,100	566	(1,534)	1,627
Non-capitalized equipment	-	1,732	1,732	-
Total	57,220	43,111	(14,109)	32,058

(Continued)

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Original and Final Budget	Actual	Over (Under) Budget	Actual
<u>Expenditures:</u>				
Support Services:				
Board of Education Services:				
Salaries	\$ -	\$ -	\$ -	\$ 29,199
Employee benefits	-	-	-	4,937
Purchased services	34,480	20,455	(14,025)	33,700
Supplies and materials	11,300	1,602	(9,698)	1,597
Other	24,000	13,434	(10,566)	5,673
Total	69,780	35,491	(34,289)	75,106
Executive Administration Services:				
Salaries	-	-	-	220,352
Employee benefits	20	-	(20)	55,602
Purchased services	11,950	3,670	(8,280)	1,750
Supplies and materials	2,550	1,110	(1,440)	1,325
Other	3,010	33	(2,977)	3,008
Total	17,530	4,813	(12,717)	282,037
Special Area Administration Services:				
Salaries	45,160	47,478	2,318	195,543
Employee benefits	19,510	8,182	(11,328)	34,970
Purchased services	10,770	8,610	(2,160)	9,129
Supplies and materials	5,140	656	(4,484)	640
Other	400	144	(256)	284
Total	80,980	65,070	(15,910)	240,566
Tort Services:				
Employee benefits	87,550	63,916	(23,634)	75,161
Purchased services	120,000	123,038	3,038	128,924
Total	207,550	186,954	(20,596)	204,085
Office of the Principal Services:				
Salaries	740,790	726,308	(14,482)	672,773
Employee benefits	223,400	203,134	(20,266)	171,435
Purchased services	13,460	17,477	4,017	8,452
Supplies and materials	26,870	18,617	(8,253)	18,676
Other	3,140	2,773	(367)	2,108
Non-capitalized equipment	1,200	804	(396)	-
Total	1,008,860	969,113	(39,747)	873,444

(Continued)



MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Original and Final Budget	Actual	Over (Under) Budget	Actual
<u>Expenditures:</u>				
Support Services:				
Direction of Business Support Services:				
Salaries	\$ 128,590	\$ 128,335	\$ (255)	\$ 123,986
Employee benefits	39,390	39,511	121	37,429
Purchased services	1,100	2,900	1,800	1,100
Supplies and materials	460	-	(460)	150
Other	2,400	1,170	(1,230)	1,170
Total	171,940	171,916	(24)	163,835
Fiscal Services:				
Salaries	55,630	51,366	(4,264)	134,059
Employee benefits	7,200	7,173	(27)	15,982
Purchased services	25,710	50,295	24,585	24,358
Supplies and materials	10,100	8,527	(1,573)	5,851
Capital outlay	2,300	-	(2,300)	-
Other	11,200	12,176	976	11,152
Total	112,140	129,537	17,397	191,402
Pupil Transportation Services:				
Salaries	30,760	23,841	(6,919)	26,068
Employee benefits	5,760	4,027	(1,733)	4,213
Total	36,520	27,868	(8,652)	30,281
Food Services:				
Salaries	142,030	88,845	(53,185)	80,407
Employee benefits	14,330	5,722	(8,608)	4,187
Purchased services	451,290	403,272	(48,018)	441,977
Supplies and materials	6,990	4,737	(2,253)	6,385
Capital outlay	-	-	-	6,633
Total	614,640	502,576	(112,064)	539,589
Internal Services				
Purchased services	106,090	112,926	6,836	101,349
Supplies and materials	-	421	421	-
Total	106,090	113,347	7,257	101,349

(Continued)

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75

EDUCATIONAL ACCOUNT

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

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Original and Final Budget	Actual	Over (Under) Budget	Actual
<u>Expenditures:</u>				
Support Services:				
Planning, Research, Development and Evaluation Services:				
Salaries	\$ 12,620	\$ 6,050	\$ (6,570)	\$ 12,373
Employee benefits	540	109	(431)	589
Purchased services	2,250	-	(2,250)	-
Total	15,410	6,159	(9,251)	12,962
Information Services:				
Salaries	14,740	9,455	(5,285)	14,437
Employee benefits	220	1,834	1,614	2,705
Purchased services	45,170	21,735	(23,435)	35,129
Supplies and materials	390	263	(127)	964
Total	60,520	33,287	(27,233)	53,235
Staff Services:				
Salaries	60,000	59,885	(115)	34,176
Employee benefits	18,260	21,372	3,112	10,910
Purchased services	21,600	24,420	2,820	35,885
Supplies and materials	8,500	5,504	(2,996)	7,070
Other	690	310	(380)	685
Total	109,050	111,491	2,441	88,726
Data Processing Services:				
Salaries	95,710	95,835	125	93,824
Employee benefits	10,600	9,376	(1,224)	8,782
Purchased services	271,300	245,005	(26,295)	133,473
Supplies and materials	98,110	63,819	(34,291)	71,487
Capital outlay	25,810	80,580	54,770	17,188
Non-capitalized equipment	78,650	214,108	135,458	57,640
Total	580,180	708,723	128,543	382,394
<u>Total Support Services</u>	<u>5,839,883</u>	<u>5,289,916</u>	<u>(549,967)</u>	<u>5,534,394</u>

(Continued)

## MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75

## EDUCATIONAL ACCOUNT

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

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Original and Final Budget	Actual	Over (Under) Budget	Actual
Community Services:				
Salaries	\$ 183,630	\$ 179,369	\$ (4,261)	\$ 124,728
Employee benefits	45,420	39,449	(5,971)	30,333
Purchased services	62,000	380	(61,620)	420
Supplies and materials	4,510	2,255	(2,255)	2,011
Other objects	70	65	(5)	-
<u>Total Community Services</u>	<u>295,630</u>	<u>221,518</u>	<u>(74,112)</u>	<u>157,492</u>
Payments to Other Gov't Units:				
Payments for Regular Programs:				
Purchased services	-	60,000	60,000	60,000
Payments for Special Education Programs:				
Purchased services	335,760	86,325	(249,435)	300,825
Payments for CTE Programs				
Purchased services	496,000	481,757	(14,243)	-
Payments for Special Education Programs - Tuition:				
Other	712,190	780,854	68,664	676,129
<u>Total Payments to Other Gov't Units</u>	<u>1,543,950</u>	<u>1,408,936</u>	<u>(135,014)</u>	<u>1,036,954</u>
<u>Total Expenditures Disbursed</u>	<u>27,469,437</u>	<u>26,130,971</u>	<u>(1,338,466)</u>	<u>24,333,086</u>
<u>Excess (Deficiency) of Revenues Over (Under) Expenditures</u>	<u>708,464</u>	<u>(1,167,710)</u>	<u>(1,876,174)</u>	<u>2,326,940</u>
Other Financing Sources (Uses):				
Transfers in	225,050	-	(225,050)	-
Transfers out	-	(289,003)	(289,003)	(210,302)
<u>Total Other Financing Sources (Uses)</u>	<u>225,050</u>	<u>(289,003)</u>	<u>(514,053)</u>	<u>(210,302)</u>
<u>Net Change in Fund Balances</u>	<u>\$ 933,514</u>	<u>(1,456,713)</u>	<u>\$ (2,390,227)</u>	<u>2,116,638</u>
<u>Fund Balance - July 1, 2019 - as previously reported</u>		<u>7,508,006</u>		<u>5,391,368</u>
<u>Prior Period Adjustment</u>				
Student activities reclassification		24,711		-
<u>Fund Balance - July 1, 2019 - as restated</u>		<u>7,532,717</u>		<u>5,391,368</u>
<u>Fund Balance - June 30, 2020</u>		<u>\$ 6,076,004</u>		<u>\$ 7,508,006</u>

## MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75

## WORKING CASH ACCOUNT

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

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Original and Final Budget	Actual	Over (Under) Budget	Actual
<u>Revenues:</u>				
<u>Local Sources:</u>				
General tax levy	\$ 4,990	\$ 4,994	\$ 4	\$ 5,135
Earnings on investments	24,860	36,675	11,815	26,539
<u>Total Local Sources</u>	29,850	41,669	11,819	31,674
<u>Total Revenues</u>	29,850	41,669	11,819	31,674
<u>Expenditures:</u>				
<u>Total Expenditures</u>	-	-	-	-
<u>Excess of Revenues Over Expenditures</u>	29,850	41,669	11,819	31,674
<u>Other Financing Sources (Uses):</u>				
Transfers in	24,860	-	(24,860)	-
Transfers out	-	-	-	(26,540)
<u>Total Other Financing Sources (Uses)</u>	-	-	-	(26,540)
<u>Net Change in Fund Balances</u>	<u>\$ 29,850</u>	41,669	<u>\$ (11,819)</u>	<u>\$ 5,134</u>
<u>Fund Balance - July 1, 2019</u>		1,245,608		1,240,474
<u>Fund Balance - June 30, 2020</u>		<u>\$ 1,287,277</u>		<u>\$ 1,245,608</u>

## MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75

## DEBT SERVICE FUND

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

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Original and Final Budget	Actual	Over (Under) Budget	Actual
<u>Revenues:</u>				
<u>Local Sources:</u>				
General tax levy	\$ 1,618,540	\$ 1,620,573	\$ 2,033	\$ 1,533,267
Earnings on investments	53,870	34,064	(19,806)	31,084
<u>Total Local Sources</u>	<u>1,672,410</u>	<u>1,654,637</u>	<u>(17,773)</u>	<u>1,564,351</u>
<u>Total Revenues</u>	<u>1,672,410</u>	<u>1,654,637</u>	<u>(17,773)</u>	<u>1,564,351</u>
<u>Expenditures Disbursed:</u>				
<u>Support Services:</u>				
<u>Debt Service:</u>				
Interest	1,026,700	383,236	(643,464)	375,746
Principal	863,110	1,257,130	394,020	1,236,121
Other	-	25,344	25,344	1,317
Total	<u>1,889,810</u>	<u>1,665,710</u>	<u>(224,100)</u>	<u>1,613,184</u>
<u>Total Support Services</u>	<u>1,889,810</u>	<u>1,665,710</u>	<u>(224,100)</u>	<u>1,613,184</u>
<u>Total Expenditures</u>	<u>1,889,810</u>	<u>1,665,710</u>	<u>(224,100)</u>	<u>1,613,184</u>
<u>(Deficiency) of Revenues (Under) Expenditures</u>	<u>(217,400)</u>	<u>(11,073)</u>	<u>206,327</u>	<u>(48,833)</u>
<u>Net Change in Fund Balances</u>	<u>\$ (217,400)</u>	<u>(11,073)</u>	<u>\$ 206,327</u>	<u>(48,833)</u>
<u>Fund Balance - July 1, 2019</u>		<u>1,189,396</u>		<u>1,238,229</u>
<u>Fund Balance - June 30, 2020</u>		<u>\$ 1,178,323</u>		<u>\$ 1,189,396</u>

## MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75

## CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Original and Final Budget	Actual	Over (Under) Budget	Actual
<u>Revenues:</u>				
Local Sources:				
Personal property replacement taxes	\$ 50,000	\$ 16,341	\$ (33,659)	\$ 55,986
Earnings on investments	66,100	81,291	15,191	36,653
Impact fees	-	-	-	5,585
<u>Total Local Sources</u>	<u>116,100</u>	<u>97,632</u>	<u>(18,468)</u>	<u>98,224</u>
<u>Total Revenues</u>	<u>116,100</u>	<u>97,632</u>	<u>(18,468)</u>	<u>98,224</u>
<u>Expenditures:</u>				
Support Services:				
Facilities, Acquisition and Construction Services:				
Salaries	-	900	900	1,352
Employee benefits	-	83	83	249
Purchased services	115,640	115,184	(456)	235,834
Supplies and materials	37,260	84,555	47,295	82,794
Capital outlay	2,079,740	1,092,669	(987,071)	378,477
Non-capitalized equipment	2,360	2,354	(6)	2,677
Total	<u>2,235,000</u>	<u>1,295,745</u>	<u>(939,255)</u>	<u>701,383</u>
<u>Total Support Services</u>	<u>2,235,000</u>	<u>1,295,745</u>	<u>(939,255)</u>	<u>701,383</u>
<u>Total Expenditures</u>	<u>2,235,000</u>	<u>1,295,745</u>	<u>(939,255)</u>	<u>701,383</u>
<u>(Deficiency) of Revenues (Under) Expenditures</u>	<u>(2,118,900)</u>	<u>(1,198,113)</u>	<u>920,787</u>	<u>(603,159)</u>
<u>Other Financing Sources (Uses):</u>				
Transfers out	(283,200)	-	283,200	-
Transfers in	-	289,003	289,003	281,925
<u>Total Other Financing Sources (Uses)</u>	<u>(283,200)</u>	<u>289,003</u>	<u>572,203</u>	<u>281,925</u>
<u>Net Change in Fund Balances</u>	<u>\$ (2,402,100)</u>	<u>(909,110)</u>	<u>\$ 1,492,990</u>	<u>(321,234)</u>
<u>Fund Balance - July 1, 2019</u>		<u>4,563,433</u>		<u>4,884,667</u>
<u>Fund Balance - June 30, 2020</u>		<u>\$ 3,654,323</u>		<u>\$ 4,563,433</u>

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
 STUDENT ACTIVITIES (INCLUDED IN EDUCATIONAL ACCOUNT)  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 YEAR ENDED JUNE 30, 2020

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	<u>BEGINNING BALANCE</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>ENDING BALANCE</u>
Carl Sandburg School	\$ 16,114	\$ 56,918	\$ 60,482	\$ 12,550
Mechanics Grove School	3,297	2,117	950	4,464
Washington School	<u>5,300</u>	<u>-</u>	<u>137</u>	<u>5,163</u>
Grand Total	<u>\$ 24,711</u>	<u>\$ 59,035</u>	<u>\$ 61,569</u>	<u>\$ 22,177</u>

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
SCHEDULE OF ASSESSED VALUATIONS, TAX EXTENSIONS  
AND COLLECTIONS  
MOST RECENT TAX LEVY YEARS

	TAX LEVY YEAR		
	2019	2018	2017
<u>Assessed Valuation</u>	<u>\$ 374,753,430</u>	<u>\$ 354,256,166</u>	<u>\$ 341,697,223</u>
<u>Tax Extensions By Levy:</u>			
Educational	\$ 9,737,747	\$ 10,766,245	\$ 11,903,320
Special Education	1,499,014	1,410,000	1,340,003
Operations and Maintenance	2,061,144	1,945,001	1,099,999
Bond and Interest	1,694,826	1,622,199	1,536,548
Transportation	1,700,001	689,999	324,998
Municipal Retirement	419,964	234,759	34,272
Social Security/Medicare	230,001	280,001	150,002
Working Cash	4,999	4,998	5,146
<u>Total</u>	<u>\$ 17,347,696</u>	<u>\$ 16,953,202</u>	<u>\$ 16,394,288</u>
<u>Cash Tax Collections:</u>			
Year ended June 30,			
2018	\$ -	\$ -	\$ 8,657,457
2019	-	8,435,651	7,701,823
2020	7,732,287	8,500,573	-
<u>Total Cash Collections</u>	<u>\$ 7,732,287</u>	<u>\$ 16,936,224</u>	<u>\$ 16,359,280</u>
<u>Percent of Total Levy Collected</u>	<u>44.57%</u>	<u>99.90%</u>	<u>99.79%</u>



MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
SCHEDULE OF LONG TERM DEBT MATURITIES AND INTEREST  
JUNE 30, 2020

Due Year Ended June 30,	April 14, 2015 \$7,550,000 Interest Varying From 2.50 To 4.00%		March 1, 2018 \$1,475,000 Interest Varying From 2.55 To 2.80%		March 1, 2018 \$3,707,000 Interest Varying From 2.75 To 3.10%	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,275,000	\$ 205,450	\$ 50,000	\$ 38,450	\$ -	\$ 109,145
2022	1,385,000	154,450	60,000	37,175	-	109,145
2023	1,490,000	99,050	50,000	35,645	-	109,145
2024	1,600,000	61,800	100,000	34,370	-	109,145
2025	545,000	21,800	480,000	31,820	712,000	109,145
2026	-	-	665,000	18,620	720,000	89,565
2027	-	-	-	-	740,000	69,405
2028	-	-	-	-	760,000	47,205
2029	-	-	-	-	775,000	24,025
TOTAL	<u>\$ 6,295,000</u>	<u>\$ 542,550</u>	<u>\$ 1,405,000</u>	<u>\$ 196,080</u>	<u>\$ 3,707,000</u>	<u>\$ 775,925</u>

Totals	
Principal	Interest
\$ 1,325,000	\$ 353,045
1,445,000	300,770
1,540,000	243,840
1,700,000	205,315
1,737,000	162,765
1,385,000	108,185
740,000	69,405
760,000	47,205
775,000	24,025
<u>\$ 11,407,000</u>	<u>\$ 1,514,555</u>

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
SCHEDULE OF PER CAPITA TUITION CHARGE  
AND AVERAGE DAILY ATTENDANCE  
JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2019

Fiscal year ending June 30,	2020	2019
OPERATING COST PER PUPIL		
Average Daily Attendance (ADA):	1,667.50	1,582.30
Operating Costs:		
Educational	\$ 26,130,971	\$ 24,318,235
Less:		
On-behalf payments	(7,985,618)	(6,839,217)
Commodities provided	(32,313)	(28,616)
Operations and maintenance	2,072,086	2,589,564
Debt service	1,665,710	1,613,184
Transportation	1,623,490	1,291,672
Municipal retirement/social security	514,516	497,951
Subtotal	23,988,842	23,442,773
Less Revenues/Expenditures of Non-regular Programs:		
Pre-K programs	75,512	148,182
Pre-K special education programs	265,885	262,808
Capital outlay	223,432	972,724
Community services	227,174	162,548
Debt principal retired	1,257,130	1,236,121
Non-capitalized equipment	229,929	63,219
Payments to other government units	1,578,137	1,141,926
Summer school	94,176	53,039
Special education programs - private tuition	489,927	493,091
Subtotal	4,441,302	4,533,658
Operating costs	19,547,540	18,909,115
Operating Cost Per Pupil - Based on ADA	\$ 11,723	\$ 11,950
TUITION CHARGE		
Operating Costs	\$ 19,547,540	\$ 18,909,115
Less:		
Offsetting receipts/revenues	2,790,724	2,609,825
Net Operating Expense for Tuition Computation	16,756,816	16,299,290
Add:		
Total Depreciation Allowance	617,640	564,079
Total Allowance for Tuition Computation	\$ 17,374,456	\$ 16,863,369
Tuition Charge Per Pupil - Based on ADA	\$ 10,419	\$ 10,658

**STATISTICAL SECTION**  
(UNAUDITED)

This part of the Mundelein Elementary School District No. 75's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	95
<i>These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. Tables 1 – 4</i>	
Revenue Capacity	99
<i>These tables contain information to help the reader assess the District's most significant revenue source, the property tax. Tables 5 – 8</i>	
Debt Capacity	104
<i>These tables present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. Tables 9 – 12</i>	
Demographic and Economic Information	108
<i>These tables offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. Tables 13 – 14</i>	
Operating Information	110
<i>These tables contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. Tables 15 – 18</i>	

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

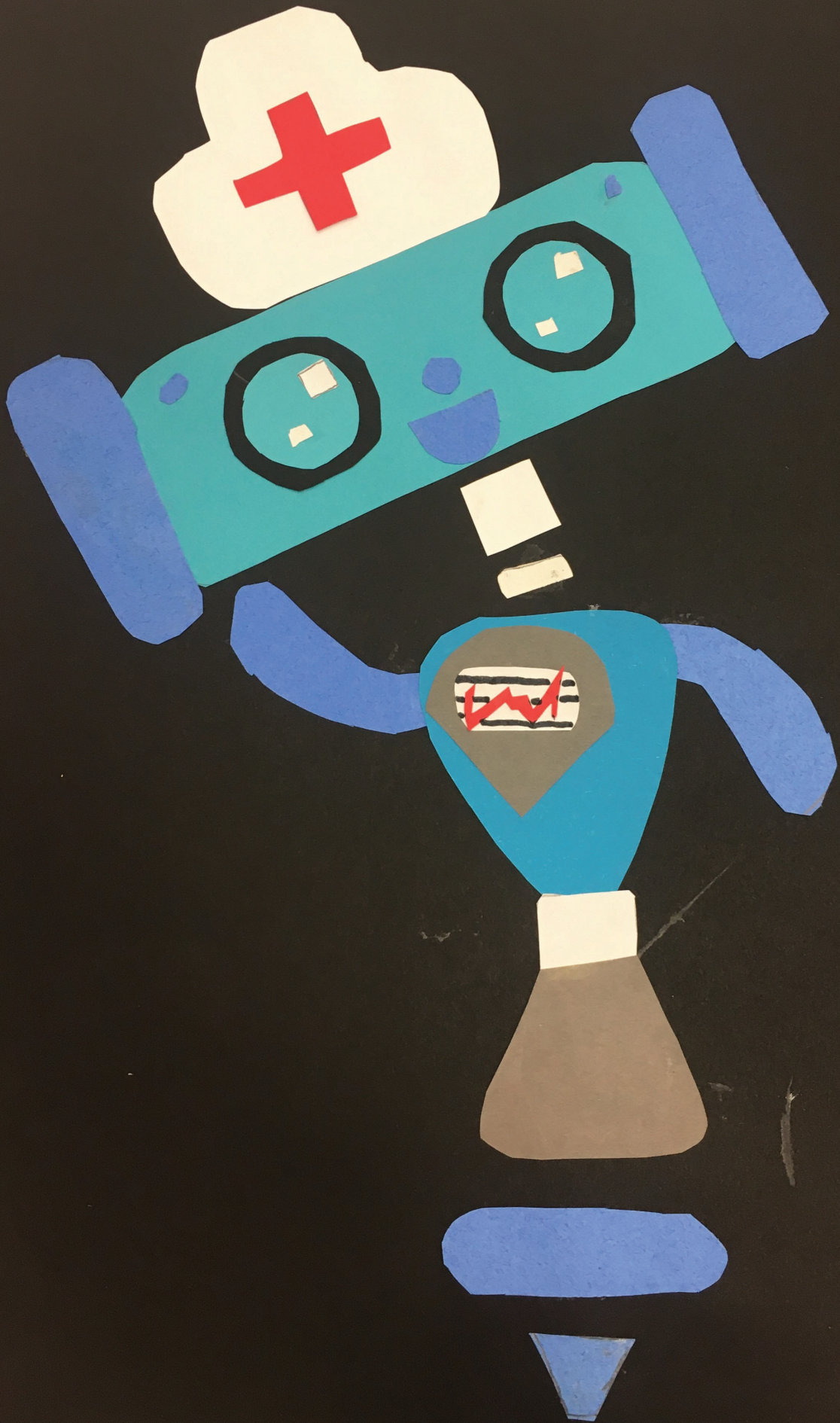


TABLE 1

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
NET POSITION BY COMPONENT  
LAST THREE FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal year ending June 30,	<u>2020</u>	<u>2019</u>	<u>2018</u>
Governmental Activities:			
Net investment in capital assets	\$ 3,420,344	\$ 1,515,015	\$ (282,880)
Restricted	4,780,395	5,567,260	6,397,239
Unrestricted	<u>(14,348,270)</u>	<u>(13,929,539)</u>	<u>(14,178,552)</u>
Total governmental activities net position	<u>\$ (6,147,531)</u>	<u>\$ (6,847,264)</u>	<u>\$ (8,064,193)</u>

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2018. Additional years will be presented as they become available.



TABLE 2

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
CHANGE IN NET POSITION  
LAST THREE FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal year ending June 30,	2020	2019	2018
Expenses			
Governmental Activities:			
Current:			
Instruction	\$ 11,992,898	\$ 11,310,666	\$ 10,468,791
Support Services	9,167,208	9,161,767	8,478,307
Community Services	227,174	173,332	141,446
Payments to Other Governmental Units	1,600,267	1,163,047	1,221,564
State on-behalf retirement expenses	7,985,618	6,839,217	7,154,442
Debt Service:			
Interest	397,915	446,568	438,557
Other	25,344	1,317	45,524
Depreciation - unallocated*	594,412	557,489	534,580
Total Expenses	<u>31,990,836</u>	<u>29,653,403</u>	<u>28,483,211</u>
Program Revenues			
Governmental Activities:			
Charges For Services:			
Instruction	384,627	384,817	338,890
Support Services	339,283	705,362	779,078
Operating Grants and Contributions:			
Instruction	834,102	966,194	1,313,443
Support Services	1,692,288	767,280	673,251
State on-behalf retirement revenues	7,985,618	6,839,217	7,154,442
Capital Grants:			
Support Services	48,099	-	-
Total Program Revenues	<u>11,284,017</u>	<u>9,662,870</u>	<u>10,259,104</u>
Net (Expense)	<u>(20,706,819)</u>	<u>(19,990,533)</u>	<u>(18,224,107)</u>
General Revenues			
Governmental Activities:			
Taxes:			
Property taxes, levied for general purposes	15,241,399	14,737,081	14,389,585
Property taxes, levied for debt service	1,694,826	1,622,199	1,491,933
Personal property replacement taxes	114,603	105,986	95,243
Payments of surplus moneys from TIF Districts	102,563	95,432	93,816
Evidence based funding formula	3,721,790	4,255,859	3,920,565
Impact fees	-	5,585	147,146
Contributions and donations	46,062	33,682	51,990
Earnings on investments	460,598	351,638	151,304
(Loss) on disposals of capital assets	-	-	(2,510)
Total General Revenues	<u>21,381,841</u>	<u>21,207,462</u>	<u>20,339,072</u>
Change in Net Position	<u>\$ 675,022</u>	<u>\$ 1,216,929</u>	<u>\$ 2,114,965</u>

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2018. Additional years will be presented as they become available.

TABLE 3

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST THREE FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal year ending June 30,	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund			
Nonspendable	\$ 252,925	\$ 337,489	\$ 38,751
Unassigned	<u>7,110,356</u>	<u>8,416,125</u>	<u>6,593,091</u>
Total General Fund	<u>7,363,281</u>	<u>8,753,614</u>	<u>6,631,842</u>
All Other Governmental Funds			
Nonspendable	-	1,350	-
Unassigned	-	(1,575,646)	(121,918)
Restricted	<u>4,956,917</u>	<u>5,752,829</u>	<u>6,578,731</u>
Total All Other Governmental Funds	<u>4,956,917</u>	<u>4,178,533</u>	<u>6,456,813</u>
Total General and All Other Governmental Funds	<u>\$ 12,320,198</u>	<u>\$ 12,932,147</u>	<u>\$ 13,088,655</u>

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2018. Additional years will be presented as they become available.



TABLE 4

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST THREE FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal year ending June 30,	2020	2019	2018
Revenues			
Local sources:			
Tax levies	\$ 16,936,225	\$ 16,359,280	\$ 15,881,518
Personal property replacement taxes	114,603	105,986	95,243
Tuition	17,324	41,742	31
District/School activity income	59,035	-	-
Earnings on investments	460,598	351,638	151,304
Food service	173,746	249,059	203,371
Fees	25,036	99,114	111,758
Textbooks	162,944	176,911	152,467
Rentals	16,653	345,652	359,539
Contributions and donations	46,062	33,682	51,990
Impact fees	-	5,585	147,146
Services provided to other districts	44,222	41,816	56,189
Refund of prior years' expenditures	47,544	3,650	(20,297)
Payments of surplus moneys from TIF Districts	102,563	95,432	93,816
Payment from other Districts	109,051	81,813	87,007
Other local fees	13,490	21,151	33,932
Other	54,865	29,271	133,971
State sources	13,103,783	11,536,566	12,125,509
Federal sources	1,178,114	1,291,984	936,192
Total Revenues	<u>32,665,858</u>	<u>30,870,332</u>	<u>30,600,686</u>
Expenditures			
Current:			
Instruction	19,404,374	17,743,624	17,325,017
Support services	9,111,022	9,014,357	8,168,164
Community services	227,174	162,548	139,869
Intergovernmental	1,578,137	1,141,926	1,201,454
Debt service			
Principal	1,257,130	1,236,121	1,240,110
Interest	383,236	375,746	328,988
Other	25,344	1,317	45,524
Capital outlay	1,316,101	1,351,201	438,019
Total Expenditures	<u>33,302,518</u>	<u>31,026,840</u>	<u>28,887,145</u>
Excess of Revenues Over Expenditures	<u>(636,660)</u>	<u>(156,508)</u>	<u>1,713,541</u>
Other Financing Sources (Uses)			
Transfers out	(289,003)	(281,925)	5,182,000
Transfers in	289,003	281,925	(1,429,117)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>3,752,883</u>
Net Change in Fund Balances	<u>\$ (636,660)</u>	<u>\$ (156,508)</u>	<u>\$ 5,466,424</u>
Debt Service as a Percentage of Non-capital expenditures	5.21%	5.44%	5.68%

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2018. Additional years will be presented as they become available.



MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST THREE TAX YEARS

Tax Year	Real Property					Total Taxable Assessed Value
	Residential	Farm	Commercial	Industrial	Railroad	
2019	\$ 341,881,794	\$ 5,697	\$ 31,339,343	\$ 842,991	\$ 683,605	\$ 374,753,430
2018	320,088,367	5,039	32,459,709	1,024,712	678,339	354,256,166
2017	309,446,159	4,457	30,603,325	999,004	644,278	341,697,223

Sources: Lake County levy, rate and extension reports and Lake County Clerk's office.

Note:

Property in the county is reassessed annually. The county assesses property at approximately 33.33% of actual value for all types of real property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$100 of assessed value.

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2018. Additional years will be presented as they become available.

TABLE 5

<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Value as a Percentage of Actual Value</u>
4.629096	\$ 1,124,372,727	33.33%
4.785577	1,062,874,785	33.33%
4.797899	1,025,194,188	33.33%

TABLE 6

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS <sup>(1)</sup>  
LAST THREE TAX YEARS

Tax Year	Mundelein Elementary School District No. 75	Overlapping Rates		
	Total Millage	Village of Mundelein	Lake County	Other Governments
		Total Millage	Total Millage	Total Millage
2019	4.629096	1.479914	0.596778	4.009452
2018	4.785577	1.532050	0.611675	4.086535
2017	4.797899	1.558816	0.621751	4.138319

Source: Lake County Clerk's Office

Note:

The District's basic property tax rate may be increased only by a majority vote of the District's residents. Rates for debt service are set based on each year's requirements.

(1) Tax rates are expressed in dollars per one hundred dollars of equalized assessed valuations.

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2018. Additional years will be presented as they become available.

TABLE 7

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
AREA PRINCIPAL PROPERTY TAXPAYERS  
CURRENT AND NINE YEARS AGO

Taxpayer	2019 Tax Levy			2010 Tax Levy		
	Taxable Equalized Assessed Valuation <sup>(1)</sup>	Rank	Percentage of Total District Taxable Assessed Value <sup>(2)</sup>	Taxable Equalized Assessed Valuation <sup>(3)</sup>	Rank	Percentage of Total District Taxable Assessed Value <sup>(4)</sup>
Centro Bradley Long Meadow LLC	\$ 3,795,327	1	1.01%	\$ 4,167,991	1	1.03%
600 McKinley LLC	1,416,600	2	0.38%	-	-	-
JEH Ltd Partnership	1,384,842	3	0.37%	1,625,950	2	0.40%
Village of Mundelein	909,832	4	0.24%	863,225	6	0.21%
RHMG Enterprises LLC	817,214	5	0.22%	880,205	5	0.22%
SB Mundelein Station LLC	766,590	6	0.20%	-	-	-
Djak Properties LLC	764,414	7	0.20%	-	-	-
Bako LLC	684,573	8	0.18%	963,603	4	0.24%
Wisconsin Central Ltd	683,605	9	0.18%	800,212	7	0.20%
520 McKinley LLC	662,135	10	0.18%	-	-	-
American National Bank and Trust / Chicago	657,574	11	0.18%	-	-	-
Chicago Title Land Trust Co	-	-	-	1,137,718	3	0.28%
Space Center LLC	-	-	-	790,734	8	0.20%
Richard E Laskowski, Trustee	-	-	-	677,434	9	0.17%
TCF National Bank	-	-	-	659,356	10	0.16%
Lake Street Properties Limited Partnership	-	-	-	629,748	11	0.16%
Total	<u>\$ 12,542,706</u>		<u>3.34%</u>	<u>\$ 13,196,176</u>		<u>3.27%</u>

## Note:

(1) Uses the District's 2019 Equalized Assessed Valuation of \$374,153,430.

(2) Uses the District's 2010 Equalized Assessed Valuation of \$402,832,765.

Source: Office of the Lake County Clerk

TABLE 8

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST THREE FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2020	\$ 17,347,696	\$ 7,732,287	44.57%	\$ -	\$ 7,732,287	44.57%
2019	16,953,203	8,435,651	49.76%	8,500,574	16,936,225	99.90%
2018	16,394,288	8,657,457	52.81%	7,701,823	16,359,280	99.79%

Source: Cook County Clerk's Office.

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2018. Additional years will be presented as they become available.

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST THREE FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities				Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Debt Certificates	Capital Lease	Mortgage			
2020	\$ 11,407,000	\$ -	\$ -	\$ -	\$ 11,407,000	1.0%	N/A
2019	12,619,208	-	-	-	12,619,208	1.1%	406
2018	13,713,019	55,000	-	-	13,768,019	1.3%	441

Note:

Per capita and personal income information for calendar year 2020 not published as of report release date.

Details regarding the District's outstanding debt can be found in the notes to the financial statements.

The District has no Capital Leases or Mortgages outstanding.

<sup>1</sup> See the Schedule of Demographic and Economic Statistics for personal income and population data-United States Census Bureau.

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2018. Additional years will be presented as they become available.



MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST THREE FISCAL YEARS

Fiscal Year Ended June 30,	Total Outstanding Debt	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of Property <sup>1</sup>	Per Capita <sup>2</sup>
2020	\$ 11,407,000	\$ 1,178,323	\$ 10,228,677	0.91%	N/A
2019	12,619,208	1,189,396	11,429,812	1.08%	368
2018	13,768,019	1,238,229	12,529,790	1.22%	401

Note:

Per capita information for calendar year 2020 not published as of report release date.

Details regarding the District's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

<sup>2</sup> Population data can be found in the Schedule of Demographic and Economic Statistics.

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2018. Additional years will be presented as they become available.

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2020

Taxing Authority	Outstanding Bonds	Applicable to District	
		Percentage	Amount
Debt repaid with property taxes:			
Lake County <sup>(1)</sup>	\$ -	1.375%	\$ -
Lake County Forest Preserve <sup>(3)</sup>	222,645,000	1.375%	3,061,369
Village of Mundelein	39,170,000	39.696%	15,548,923
Countryside Fire Protection District	2,500,000	0.269%	6,725
Mundelein Park District	3,210,000	36.041%	1,156,916
High School District #120 <sup>(2)</sup>	12,189,781	25.816%	3,146,914
Community College #532 <sup>(1)</sup>	11,840,000	1.445%	171,088
Subtotal - Overlapping Debt			23,091,935
<b>Mundelein Elementary School District No. 75 Direct Debt</b>	<b>11,477,000</b>	<b>100.000%</b>	<b>11,477,000</b>
Total Direct and Overlapping Debt			<u><u>\$ 34,568,935</u></u>

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

- (1) Excludes outstanding principal amounts of General Obligation Alternate Revenue Source Bonds
- (2) Includes outstanding original principal amounts of Capital Appreciation Bonds
- (3) Excludes outstanding Debt Certificates and/or leases and loans.

Sources: Lake County Clerk's Office

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
LEGAL DEBT MARGIN INFORMATION  
LAST THREE FISCAL YEARS

Fiscal year ending June 30,	2020	2019	2018
Debt Limit	\$ 25,857,987	\$ 24,443,675	\$ 23,577,108
Total Net Debt Applicable to Limit	14,450,987	11,824,467	9,809,089
Legal Debt Margin	<u>\$ 11,407,000</u>	<u>\$ 12,619,208</u>	<u>\$ 13,768,019</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	55.89%	48.37%	41.60%
	<u>Legal Debt Margin</u>	<u>Legal Debt Margin</u>	<u>Legal Debt Margin</u>
Assessed Value	\$374,753,430	\$354,256,166	\$341,697,223
Debt Limit (6.9% of total assessed value)	25,857,987	24,443,675	23,577,108
Debt Applicable to Limit:			
General Obligation Bonds and Debt Certificates	11,407,000	12,619,208	13,768,019
Capital Leases	-	-	-
Total Net Debt Applicable to Limit	<u>11,407,000</u>	<u>12,619,208</u>	<u>13,768,019</u>
Legal Debt Margin	<u>\$ 14,450,987</u>	<u>\$ 11,824,467</u>	<u>\$ 9,809,089</u>

Note:

Under state finance law, the District's outstanding general obligation debt should not exceed 6.90 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation debt.

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2018. Additional years will be presented as they become available.

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST THREE CALENDAR YEARS

Calendar Year	Population <sup>1</sup>	Estimated Total Personal Income of Population	Per Capita Personal Income <sup>1</sup>	Median Age <sup>3</sup>	Unemployment Rate <sup>2</sup>	
					Village of Mundelein	State of Illinois
2019	31,051	\$ 1,180,559,020	\$ 38,020	35.1	4.0%	4.0%
2018	31,234	1,122,831,066	35,949	35.1	4.2%	4.3%
2017	31,385	1,035,861,925	33,005	35.1	4.3%	4.9%

## Sources:

<sup>1</sup> U.S. Department of Commerce, Bureau of Census<sup>2</sup> Illinois Department of Employment Security, Economic Information and Analysis<sup>3</sup> Village of Mundelein

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2018. Additional years will be presented as they become available.

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
AREA PRINCIPAL EMPLOYERS  
CURRENT AND NINE YEARS AGO

Taxpayer	Calendar Year					
	2020			2011		
	Approximate Number of Employees	Rank	Percentage of Total District Employment*	Approximate Number of Employees	Rank	Percentage of Total District Employment*
Medline Industries <sup>(1)</sup>	900	1	5.0%	900	1	5.5%
Amazon <sup>(2)</sup>	450	2	2.5%	-	-	-
Mundelein Park and Recreation District <sup>(1)</sup>	435	3	2.4%	451	2	-
Amcor Flexible Healthcare Packaging, Inc. <sup>(1)</sup>	350	4	2.0%	350	3	2.1%
Ruprecht Company <sup>(1)</sup>	289	5	1.6%	220	5	1
Mundelein High School District 120 <sup>(3)</sup>	271	6	1.5%	210	6	1.3%
Larsem Manufacturing LLC <sup>(2)</sup>	250	7	1.4%	83	9	0.5%
Mundelein Elementary School District 75 <sup>(1)</sup>	215	8	1.2%	220	5	1.3%
Pet Factory <sup>(3)</sup>	200	9	1.1%	70	10	0.4%
Village of Mundelein <sup>(4)</sup>	187	10	1.0%	183	7	1.1%
MacLean-Fogg Company <sup>(1)</sup>	130	11	0.7%	130	8	0.8%
Carter Hoffman <sup>(2)</sup>	100	12	0.6%	25	11	0.2%
University of St. Mary of the Lake <sup>(3)</sup>	100	12	0.6%	220	5	1.3%
Accurate Transmissions <sup>(1)</sup>	-	-	-	320	4	1.9%
Total	<u>3,877</u>			<u>3,382</u>		

Note:

\*The Illinois Department of Employment Security reports the estimated number of persons employed in the Village of Mundelein in 2019 was 17,831; and 16,430 in 2011. The employers listed above are not necessarily located within the District's boundaries.

Sources:

- (1) Official Employer Website
- (2) Mergent Intellect
- (3) ReferenceUSA.com
- (4) Village Records
- (5) 2011 Village of Mundelein Official Statement

TABLE 15

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
 FULL-TIME EQUIVALENT SCHOOL DISTRICT EMPLOYEES BY FUNCTION  
 LAST TWO FISCAL YEARS

Function	Fiscal Year 2020	Fiscal Year 2019
Instruction	153	174
Support Services	56	41
Community Services	4	-
Total	\$ 213	\$ 215

Sources: Nonfinancial information provided by the District's personnel department.

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2019. Additional years will be presented as they become available.

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
CAPITAL ASSETS BY FUNCTION  
LAST THREE FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Function	Fiscal Year		
	2020	2019	2018
Instruction	\$ 1,800	\$ 30,258	\$ 4,699
Support services	1,314,301	1,320,943	433,320
Community services	-	-	-
Total	<u>\$ 1,316,101</u>	<u>\$ 1,351,201</u>	<u>\$ 438,019</u>

Source: Yearly fixed asset appraisal.

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2018. Additional years will be presented as they become available.

MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
 OPERATING STATISTICS  
 LAST THREE FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Total Expenses	Enrollment <sup>1</sup>	Cost per Pupil	Percentage Change	Certified Teaching Staff <sup>1</sup>	Pupil/ Teacher Ratio
2020	\$ 25,316,900	1,745	\$ 14,508	4.67%	124	14.07
2019	24,187,623	1,758	13,759	11.30%	126	13.95
2018	21,732,703	1,701	12,776	N/A	112	15.19

Sources: Nonfinancial information provided by the District's personnel department.

<sup>1</sup> ISBE Illinois Report Card Mundelein ESD 75

Note:

Enrollment based on start-of-year census. Teaching staff are full-time equivalents for the year as a whole. Attendance is a yearly average.

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2018. Additional years will be presented as they become available.



MUNDELEIN ELEMENTARY SCHOOL DISTRICT NO. 75  
MISCELLANEOUS STATISTICS  
JUNE 30, 2020

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<b>Location:</b>	Chicagoland
<b>Area Served:</b>	9 Square Miles
	Townships of: Fremont and Libertyville
	Community of: Mundelein
<b><u>Student Enrollment:</u></b> <sup>1</sup>	1,745
<b>Number of Schools:</b>	4 Schools: 1 Middle, 3 Elementary
Grades served:	Pre-K through 8 <sup>th</sup> Grade
<b>School Building Information:</b>	
Name of School:	Carl Sandburg
Year Constructed:	1959
Square Feet:	117,171
Capacity (Students):	1,120
<b>School Building Information:</b>	
Name of School:	Mechanics Grove
Year Constructed:	1968
Square Feet:	57,875
Capacity (Students):	728
<b>School Building Information:</b>	
Name of School:	Washington
Year Constructed:	1951
Square Feet:	61,011
Capacity (Students):	736
<b>School Building Information:</b>	
Name of School:	Lincoln
Year Constructed:	1880
Square Feet:	29,351
Capacity (Students):	415

Sources: Non-financial information provided by the District's personnel department.

<sup>1</sup> ISBE Illinois Report Card Mundelein ESD 75