

DUPAGE HIGH SCHOOL DISTRICT NO. 88
[Addison, IL]

Audited Financial Statements
And
Supplementary Financial Information

June 30, 2019

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Independent Auditors' Report

Board of Education
DuPage High School District No. 88
Addison, IL

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of DuPage High School District No. 88 (the District), as of and for the year ended June 30, 2019, 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.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16, and budgetary comparison schedule, required pension schedules, other postemployment schedules and related notes on pages 60 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund schedules and other financial information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other financial information have 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 them.

Report of Comparative Other Information

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2018, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The individual fund financial schedules, for the year ended June 30, 2018, are presented for purposes of additional analysis and are 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 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2018 individual fund financial schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the District's internal control over financial reporting and compliance.

Matheson, Morspki, Austin & Co. LLP

Wheaton, Illinois
December 9, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

This discussion and analysis is intended to be an overview of DuPage High School District No. 88's (the District) financial activities for the year ended June 30, 2019, based on currently known facts, decisions, and conditions. This analysis focuses on current year activities and operations and should be read in combination with the basic financial statements that follow.

This report, Management's Discussion and Analysis (MD&A) provides an overview of the District's financial activities for the fiscal year ended June 30, 2019 with comparative data to the fiscal year ended June 30, 2018. This format incorporates required information for the District to be in compliance with the provisions of the Governmental Accounting Standards Board.

Financial Highlights:

The District's fund balances increased by \$5,073,427 during the fiscal year. This is an improvement over the prior year's increase of \$1,263,115. Several factors contributed to this change:

- The District issued \$3,950,000 of Working Cash Funding Bonds with \$139,579 of bond premium received in relation to the sale. Net of this issuance, the fund balance increased by \$983,848. This borrowing will be used to fund future capital improvement projects and fleet replacement for buses.
- The District continues to decisively control operating expenditures with a commitment to minimizing the impact upon the educational programs and services to students. The District continues to carefully review all program enrollment and staffing to ensure a balance with program offering within available fiscal resources. Personnel staffing accounted for a total increase of 9.90 positions split 4.20 certified teachers and 5.70 teacher aide. In addition, the diligent efforts to review outside student placements for tuition-based programs continues to demonstrate control in this critical area that represents seven percent of the operating budget. The District has realized a 37% reduction of outside placement tuition expense since fiscal year 2015.
- The District realized personnel salary expense reductions due to the retirement of seven certified and ten non-certified staff for the fiscal year ending June 2018. Total salary expense reductions due to retirements from 2014 to 2019 is \$3.0 million.
- The recovery of the Consumer Price Index (CPI) to 2.10%, which is used to determine the Property Tax Cap, is assisting with the recovery. In addition, there is local new property growth that is beginning to generate more funding through the Tax Cap formula. Together these are positive changes as 80% of our revenue, excluding state of Illinois on-behalf payments, is generated from property tax,
- Facility improvement projects are being funded from the Working Cash fund and the year 2018 bond proceeds. This is reducing the pressure to the operating funds by approximately \$1,000,000 per year until fiscal year ending June 2023.

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

- We capitalized on the recovering economy with our investment portfolio that earned \$1,397,523 or \$617,000 more than budgeted for 2019.
- The District continues to use bid solicitation to obtain the highest quality vendors at the most competitive pricing. Food service management is a multi-year agreement, indexed to CPI for Food Away From Home and set to expire in the year 2020-21. The bus transportation contract was renewed for one year at 2.1% inclusive of the new performance-based credits terms that result in lower fees paid if all bus routes are not fully staffed. This was added in fiscal year 2017-18 in response to the on-going staffing challenges that were adversely impacting daily route services.
- Certified personnel multi-year agreement was extended for two years with this first year 2018-19 base increase of 2.0% and estimated step advancement of 2.13%.
- Support staff personnel salaries were negotiated for a three-year agreement ending in 2019-2020 at a base increase of 2.00% for the first year, 2.10% the second and indexed to a percentage of the CPI thereafter with a floor of 2.0% and ceiling of 2.50%. In addition, they will receive schedule step advancement if applicable for an estimated board expense of 1.50%. The District modified the step schedule to provide for annual movement instead of the every-other year structure.
- Teacher Aide personnel salaries were negotiated for a three-year agreement ending in 2019-2020 at a base increase of 3.25% for two years and indexed to a 80% of CPI in the final year with a floor of 3.0% and a ceiling of 4.0%. There is no step advancement schedule for this employee group and the board controls the starting salary rate.
- Maintenance and custodial salaries were negotiated for a four-year agreement ending in fiscal year 2021-22 at a base increase of 2.50% for two years and indexed to 80% of CPI in the final two years with a floor of 1.75%. In addition, the step schedule for both employee groups will sunset when the final existing members reach their top step. All new hires will start at the base salary as of 2017-18 and receive the base increase only for future years.

The combination of expenditure controls, recovering economy, increased state funding and improved property taxes have allowed us to discontinue the use of financial reserves and begin to replenish. As of fiscal year ending 2018 we had restored the \$4.9 million of cumulative financial reserves used during the three year period of 2012 to 2014.

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Overview of Financial Statements:

This financial report consists of: the Independent Auditors’ Report, Management’s Discussion and Analysis (this section), the basic financial statements, required supplementary information, supplementary information, and other financial information. The basic financial statements include two kinds of statements that present different views of the District:

- The government-wide statements (Statement of Net Position and Statement of Activities) provide both short-term and long-term information about the District’s overall financial status.
- The remaining statements (Fund Financial Statements) focus on individual parts of the District, reporting the District’s financial operation in more detail than the government-wide statements. These governmental fund statements tell how basic services such as regular and special education were financed as well as what remains for future spending. Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

Figure A-1 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of Management’s Discussion and Analysis highlights the structure and contents of each of the statements.

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Figure A-1			
Major Features of the District-Wide and Fund Financial Statements			
	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction, administration, building maintenance, food service, and community education	Instances in which the district administers resources on behalf of someone else, such as student activity funds
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary assets and liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows of resources, deferred inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and dedications during the year, regardless of when cash is received or paid

Reporting the District as a Whole:

Government-Wide Statements

The government-wide 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, deferred inflows of resources, and liabilities. All of the 2018-2019 revenues and expenditures are accounted for in the Statement of Activities regardless of when the cash is received or paid. The two government-wide financial statements report the District’s net position and how it has changed. Net position - the District’s assets and deferred outflows of resources less liabilities and deferred inflows of resources - is one way to measure a district’s financial health or position.

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

- Over time increases or decreases in the District’s net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District’s overall position you need to consider additional non-financial factors such as changes in the District’s property tax base and the condition of the school buildings.

In the government-wide financial statements the District’s activities are shown in one category:

- Governmental Activities – Most of the District’s basic services are included here, such as regular and special education, administration, transportation, food service, and support services. Property taxes, investment earnings, and non-restricted state aid finance most of these activities.

Reporting the District’s Most Significant Funds:

Fund Financial Statements

The fund financial statements provide more detailed information about the District’s funds, focusing on the most significant or major funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District established other funds to control and manage money for particular purposes (such as repaying long-term debt) or to show that it is properly using certain revenues (such as working cash).

The District has two kinds 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 readily convert 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 to determine whether there are more or fewer 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 district-wide statements, the District provides additional information that explains the relationship (or differences) between them.
- Fiduciary Funds – The District is the trustee, or fiduciary, for assets that belong to others, such as the student activity funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These activities are excluded from the government-wide financial statements because the District cannot use these assets to finance its operations.

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Financial Analysis of the District as a Whole:

Net Position: The District's combined net position was \$(3,831,853) on June 30, 2019

Table A-1 DuPage High School District #88 Condensed Statement of Net Position – Governmental Activities <u>June 30, 2019 and 2018</u>		
	<u>2019</u>	<u>2018</u>
Assets:		
Current and Other Assets	\$98,445,584	\$91,641,725
Capital Assets	<u>100,958,745</u>	<u>104,073,595</u>
Total Assets	<u>199,404,329</u>	<u>195,715,320</u>
Deferred outflows of resources	<u>9,237,040</u>	<u>4,491,650</u>
Liabilities:		
Long Term Liabilities (Long Term Debt)	134,709,469	132,493,713
Other Liabilities	<u>1,839,575</u>	<u>1,405,945</u>
Total Liabilities	<u>136,549,044</u>	<u>133,899,658</u>
Deferred inflows of resources:	<u>75,924,178</u>	<u>74,704,956</u>
Net Position:		
Net investment in capital assets	23,686,339	19,341,100
Restricted	3,783,602	4,183,394
Unrestricted	<u>(31,301,794)</u>	<u>(31,922,138)</u>
Total Net Position	<u>\$(3,831,853)</u>	<u>\$(8,397,644)</u>

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Changes in Net Position:

The District's increase in net position was \$4,565,791 for the fiscal year ended June 30, 2019.

Table A-2 DuPage High School District #88 Change in Net Position <u>For the Years Ended June 30, 2019 and 2018</u>		
	<u>2019</u>	<u>2018</u>
<u>Revenues:</u>		
Program Revenue		
Charges for Services	\$ 1,428,894	\$1,402,804
Operating Grants and Contributions	27,464,520	28,680,385
General Revenue		
Property Taxes	64,130,035	63,646,773
Unrestricted State and Federal Aid	5,748,659	5,663,023
Investment Earnings	1,397,523	723,017
Other	<u>2,278,688</u>	<u>1,964,641</u>
Total Revenues	<u>102,448,319</u>	<u>102,080,643</u>
<u>Expenses:</u>		
Instruction	69,172,448	68,405,908
Student and Staff Support	7,179,258	7,286,923
Administration	5,220,672	5,400,398
Business Support	1,067,634	1,177,905
Operations and Maintenance of Facilities	6,342,360	6,017,696
Transportation	3,796,181	3,515,580
Food Service	902,567	915,984
Other	1,570,861	1,393,327
Interest on Long-Term Debt	<u>2,630,547</u>	<u>2,944,809</u>
Total Expenses	<u>97,882,528</u>	<u>97,058,530</u>
Increase in Net Position	4,565,791	5,022,113
Beginning Net Position	<u>(8,397,644)</u>	<u>(13,419,757)</u>
Ending Net Position	<u>\$ (3,831,853)</u>	<u>\$ (8,397,644)</u>

- The District's total revenues were \$102,448,319 for the year ended June 30, 2019, an increase of \$367,676 over the prior year.

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

- General revenues accounted for \$73,554,905 in revenue or 72% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$28,893,414 or 28% of total revenues of \$102,448,319.
- On-behalf payments for state contributions to the TRS pension system decreased by \$482,778 or 2% from the prior year.

Governmental Activities:

Expenses for governmental activities are divided into categories as reflected in Table A-3. Please note that the total costs of the services are offset in some cases by charges or fees for the services and in some cases by state and federal grants and contributions.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Regular Instruction	\$28,418,707	\$27,542,820	\$27,048,818	\$26,027,021
Special Instruction Programs	14,991,704	14,617,134	12,732,018	11,493,822
Other Instruction Programs	3,506,946	3,508,085	3,506,946	3,508,085
On-behalf payments	22,255,091	22,737,869	-	-
Student Support Services	5,647,762	5,710,853	5,348,641	5,493,524
Instructional Staff Support	1,531,496	1,576,070	1,510,905	1,547,345
Administration/Business	6,288,306	6,578,303	6,288,306	6,578,303
Operations/Maintenance	6,342,360	6,017,696	6,342,360	6,017,696
Transportation	3,796,181	3,515,580	2,290,553	2,251,904
Food Service	902,567	915,984	(279,841)	(280,495)
Other	1,570,861	1,393,327	1,570,861	1,393,327
Interest on Long-Term Debt	2,630,547	2,944,809	2,630,547	2,944,809
Total	<u>\$97,882,528</u>	<u>\$97,058,530</u>	<u>\$68,989,114</u>	<u>\$66,975,341</u>

- The total cost of all programs and services was \$97,882,528 for the year ended June 30, 2019, an increase of \$823,998 from the prior year. This is primarily due to increase in regular and special instruction programs. In addition, interest on long term debt declined as the District has lower market interest rates.
- The District's expenses are predominantly related to instruction and student and staff support with these areas accounting for 78% of total expenses. Operations and Maintenance of facilities accounted for 6% of expenses and were \$324,664 more than prior year.

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

- Expenditures for fiscal year 2019 were less than revenues by 4%.
- Some of that cost was financed by the users of the District’s programs (\$1,428,894).
- The State and Federal government subsidized certain programs with grants and contributions (\$27,464,520).
- Most of the District’s programs and operations were supported with local property taxes representing 80% of revenue, net of on-behalf state pension payments.

Financial Analysis of District Funds:

The financial performance of the District is also reflected in its government funds throughout the Fund Financial Statements.

Revenues for the District’s governmental funds were \$102,443,190 while expenditures in the governmental funds were \$101,464,471 (both of these figures include state of Illinois “on-behalf” payments to TRS). The net change in fund balance was \$5,073,427. The beginning fund balance for fiscal year 2019 in the governmental funds was \$26,624,231. The fund balance in government funds was \$31,697,658 at the end of fiscal year 2019.

General Fund Highlights:

The following schedule represents a summary of General Fund Revenues:

<u>General Fund Revenues</u>		
	Year Ended <u>2019</u>	Year Ended <u>2018</u>
Local Sources	\$54,273,750	\$52,233,521
State Sources	6,639,575	7,155,577
Federal Sources	2,605,906	2,830,612
On Behalf Payments	<u>22,255,091</u>	<u>22,737,869</u>
Total General Fund Revenue	<u>\$85,774,322</u>	<u>\$84,957,579</u>

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

The following schedule represents a summary of General Fund expenditures:

<u>General Fund Expenditures</u>		
	Year Ended <u>2019</u>	Year Ended <u>2018</u>
Instruction	\$39,118,746	\$37,529,844
Supporting Services	20,810,210	20,388,792
Non-Programmed Charges	1,746,580	1,406,721
On Behalf Payments	<u>22,255,091</u>	<u>22,737,869</u>
Total General Fund Expenditures	<u>\$83,930,627</u>	<u>\$82,063,226</u>

The total General Fund revenues of \$85,774,322 exceeded General Fund expenditures of \$83,930,627 that resulted in an excess of revenues over expenditures of \$1,843,695. However, because of the bond principal of \$3,950,000, bond premium of \$55,095, proceeds from the sale of fixed assets of \$5,129, the transfer of \$290,000 to the Transportation Fund and \$46,332 to the Debt Service Fund, the fund balance in the General Fund increased by \$5,517,587. The District budgeted for a surplus in the General Fund of \$3,375,863.

This favorable outcome was primarily due to greater than anticipated property tax revenue and other local source revenue.

Debt Services Fund:

Total revenues in the Debt Services Fund were \$10,884,965 and expenditures totaled \$10,820,856. The fund balance in the Debt Services Fund ended with \$882,125 on June 30, 2019 compared to \$687,200 on June 30, 2018.

Non-Major Funds:

Total revenue in the Special Revenue Funds (Transportation and Municipal Retirement/Social Security) was \$5,499,097 and total expenditures were \$5,911,491. The combined fund balance in these funds ended with \$2,901,477 as of June 30, 2019.

The District’s Capital Projects Fund revenues were \$284,806 and incurred expenditures of \$801,497. The fund deficit in the Capital Projects Fund was \$44,368, compared to a fund balance of \$472,323 on June 30, 2018. The District transferred \$1,000,000 from the General Fund’s Working Cash Account to the Capital Projects Fund in July 2019 to cover the deficit.

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

General Fund Budget Information:

In the General Fund’s Educational Account budget, total revenue was anticipated to be \$55,749,791 and actual revenue was \$56,794,993 (both figures exclude TRS On-behalf payments). This resulted in a favorable variance of \$1,045,202 when compared to the budget.

In the General Fund’s Educational Account budget, total expenditures were projected to be \$55,878,970 and actual expenditures totaled \$55,416,564 (both figures exclude TRS On-behalf payments). This resulted in a favorable variance of \$462,406. This was primarily due to lower than expected salary and benefit expense combined with controlled expenditures in contracted services, capital outlay and tuition for outside placement students. The administration continues to work closely with the Board of Education to control expenditures following the continued commitment to use some financial reserves to stabilize programs and services during the economic downturn. The district has worked tirelessly to balance resources with a comprehensive academic program that is expected by the community. The district continues to make great strides and set milestones with academic achievements while navigating these unprecedented times.

Capital Assets and Debt Administration:

Capital Assets:

At the end of fiscal year 2019 the District had a net total of \$100,958,745 in capital assets. A breakdown of net capital assets follows:

Capital Assets – Governmental Activities		
	Balance <u>June 30, 2019</u>	Balance <u>June 30, 2018</u>
Land	\$ 4,162,325	\$ 4,162,325
Construction in Progress	629,022	371,556
Land Improvements	21,567,430	21,567,430
Buildings	138,434,941	137,773,959
Equipment	<u>15,416,999</u>	<u>15,350,480</u>
Total Capital Assets	180,210,717	179,225,750
Less: Accumulated Depreciation	<u>79,251,972</u>	<u>75,152,155</u>
Net Capital Assets	<u>\$100,958,745</u>	<u>\$104,073,595</u>

More detailed information about capital assets can be found in Note 4 in the financial statements.

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Long-Term Debt:

At the end of fiscal year 2019 the District had \$134,709,469 outstanding in long-term debt. More detailed information about long-term debt can be found in Note 5 in the financial statements.

Next Year's Budget:

The District's fiscal year 2020 budget projects a deficit of approximately \$942,611 in the Operating Funds {Educational, Operation & Maintenance, Transportation, IMR and Working Cash}. However, we realize this is based on the continued conservative budget approach to minimal state or federal funding increase and expenditure allocations aligned with full staffing, use of all discretionary funding for capital projects and, outside placement tuition etc. The actual total operating expenditures have consistently been less than budgeted for the past six years and we intend to successfully manage to continue this practice as much as possible.

Property taxes represent approximately 80% of our annual budget and are very reliable. State funding is projected to increase slightly as we remain in Tier II for the state Evidence Based Funding model that is entering its third year. Equally important is the new formula provides for more timely receipt of state funding on a monthly basis. The past few years of expenditure controls, staff attrition, reduced operating expenses and program adjustments have achieved the intended goal of reducing our use of financial reserves. Facility improvement projects and bus replacement continue to be temporarily funded with the working cash bond proceeds from the second round of borrowing completed in September 2018. This helps to reduce the annual operating expense pressure in the short term until the year 2023. The district is fortunate to have adequate reserves to survive these recent challenging times with the low consumer price index, the property tax cap and volatile state funding. The District continues the sound practice of preparing a comprehensive financial plan with the Board of Education to focus on alignment of available resources balanced with the program services and pursuit of efficiencies throughout the operations.

Factors Bearing on the District's Future:

The District is dependent on local sources for the majority of its revenue and the Property Tax Extension Limitation Law, commonly referred to as the property tax cap, will continue to limit the revenue the District can realize from its tax levy. In addition, there is proposed legislation that would freeze property tax revenue, combined with discussions to shift more pension cost to the local level and other unfunded mandates. These proposals, of which the district has little control, would place significant pressure on the district's budget to maintain high quality educational and extra-curricular programs.

The current economic climate is beginning to show signs of recovery as property values are once again increasing. In addition, new property growth is on the rise, including the expiration of some local village tax increment financed (TIF) areas. The new state Evidence Based Funding is providing some much needed additional financial resources. The Administration will continue to evaluate revenue and expense trends and propose recommendations as appropriate to the Board of Education to maintain the highest educational standards within the financial resources available.

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Within the District's boundaries are eight Tax Increment Finance (TIF) areas spread across all three Village communities that cause the Equalized Assessed Valuation (EAV) of each area to be frozen until the TIF's are individually completed over twenty-three years. When they close the taxable property returns as new property. This brings in much needed financial resources as new taxable property under the tax cap and will help to relieve the tax burden to taxpayers. The next TIF to expire will be returning for the 2020 tax year funding fiscal year 2021-22 and generate approximately \$230,000 of additional annual revenue.

The Board of Education is committed to maintaining a direct correlation of future employee salary contracts to the Consumer Price Index (CPI) factor. This is a critical alignment as the CPI is used to limit the annual property tax revenue for the District under the Property Tax Extension Limitation Law. Property taxes represent 80% of our annual revenue for the district. This alignment strategy will continue to be essential to achieving financial stability in future years. In addition, there are forty-two staff who have elected to retire between the year 2020 and 2027. This retirement program will continue to help reduce the annual personnel expense, through lower replacement salaries, if enrollment continues to remain relatively stable and we can maintain the staffing levels.

In addition, the changing student demographic reflects a significant increase in the low-income population from 14% to 50% between the year 2001 and 2019. This has a corresponding impact upon the need for services and a decline in local revenue from the waiver of registration fees etc. The implementation of new programs like the technology one-to-one device for all students will require further commitment of financial resources for these students that qualify for a waiver. Furthermore, although the federal National School Lunch Program provides a stable funding for us to provide daily breakfast and lunch meals, it does not cover the full mandated expense.

Homeless transportation expense has increased from approximately \$20,000 in 2014 to over \$200,000 as of fiscal year 2019. While somewhat offset by sharing the cost with other public school districts involved and some state reimbursement, this is an expanding program of services that continues to exert pressure on the annual operating budget.

Finally, the funding for capital needs in the district were shifted from annual operating to long term borrowing. We issued another \$4.0 million of bonds in fiscal year 2019 to cover expenses through the year 2023. These bond proceeds are being used for the building improvement needs of the facilities, combined with bus fleet updating. Once these proceeds are exhausted we will return to funding the expenses from annual operating funds.

Contacting the District's Financial Management:

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Edward Hoster, Chief Financial Officer, DuPage High School District #88, 2 Friendship Plaza, Addison, Illinois 60101.

BASIC FINANCIAL STATEMENTS

DUPAGE HIGH SCHOOL DISTRICT NO. 88
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
Assets:	
Cash and investments	\$ 64,255,997
Receivables:	
Property taxes	32,377,166
Intergovernmental	1,148,963
Other	102,163
Inventories	325,940
Prepaid expenses	235,355
Capital assets:	
Land and construction in progress	4,791,347
Other capital assets, net of depreciation	96,167,398
	199,404,329
Deferred outflows of resources:	
Pension	8,069,003
Other Postemployment Benefits	625,932
Deferred charge on refunding	542,105
	9,237,040
Liabilities:	
Accounts Payable	1,599,930
Payroll deductions and withholdings	197,164
Unearned revenue	42,481
Long-term liabilities	
Due within one year	7,408,090
Due in more than one year	127,301,379
	136,549,044
Deferred inflows of resources:	
Pension	5,469,862
Other Postemployment Benefits	5,545,965
Property taxes levies for subsequent year	64,908,351
	75,924,178
Net Position:	
Net investment in capital assets	23,686,339
Restricted for:	
Debt service	882,125
Transportation	2,210,101
Retirement	691,376
Unrestricted	(31,301,794)
	(3,831,853)
Total net position	\$ (3,831,853)

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instructional services:				
Regular programs	\$ 28,418,707	\$ 899,625	\$ 471,264	\$ (27,047,818)
Special programs	14,991,704	-	2,259,686	(12,732,018)
Other programs	3,506,946	-	-	(3,506,946)
On-behalf payments	22,255,091	-	22,255,091	-
Supporting services:				
Students	5,647,762	-	299,121	(5,348,641)
Instructional staff	1,531,496	-	20,591	(1,510,905)
District administration	1,147,075	-	-	(1,147,075)
School administration	4,073,597	-	-	(4,073,597)
Business	1,067,634	-	-	(1,067,634)
Operation and maintenance of facilities	6,342,360	-	-	(6,342,360)
Transportation	3,796,181	99,669	1,405,959	(2,290,553)
Food service	902,567	429,600	752,808	279,841
Staff	1,322,037	-	-	(1,322,037)
Community services	248,824	-	-	(248,824)
Interest on long-term liabilities	2,630,547	-	-	(2,630,547)
Total school district	<u>\$ 97,882,528</u>	<u>\$ 1,428,894</u>	<u>\$ 27,464,520</u>	<u>(68,989,114)</u>
General revenues:				
Property taxes levied for:				
General purposes				49,592,279
Transportation				1,952,803
Retirement				1,812,965
Debt service				10,771,988
Federal and state aid not restricted to specific purposes				5,748,659
Earnings on investments				1,397,523
Miscellaneous				2,278,688
Total general revenues				<u>73,554,905</u>
Change in net position				4,565,791
Net position - beginning				<u>(8,397,644)</u>
Net position - ending				<u>\$ (3,831,853)</u>

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Debt Services	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 52,945,977	\$ 6,244,392	\$ 5,065,628	\$ 64,255,997
Receivables (net of allowance for uncollectibles):				
Property taxes	25,124,022	5,344,495	1,908,649	32,377,166
Intergovernmental	869,941	-	279,022	1,148,963
Other	78,738	7,654	15,771	102,163
Inventory	325,940	-	-	325,940
Prepaid expenses	235,355	-	-	235,355
TOTAL ASSETS	<u>\$ 79,579,973</u>	<u>\$ 11,596,541</u>	<u>\$ 7,269,070</u>	<u>\$ 98,445,584</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 1,014,333	\$ -	\$ 585,597	\$ 1,599,930
Payroll deductions and withholdings	197,164	-	-	197,164
Unearned revenue	42,481	-	-	42,481
Total Liabilities	<u>1,253,978</u>	<u>-</u>	<u>585,597</u>	<u>1,839,575</u>
Deferred inflows of resources:				
Property taxes levies for subsequent year	50,367,571	10,714,416	3,826,364	64,908,351
Total deferred inflows of resources	<u>50,367,571</u>	<u>10,714,416</u>	<u>3,826,364</u>	<u>64,908,351</u>
Fund Balance:				
Nonspendable	561,295	-	-	561,295
Restricted	-	882,125	2,901,477	3,783,602
Unassigned	27,397,129	-	(44,368)	27,352,761
Total Fund Balance	<u>27,958,424</u>	<u>882,125</u>	<u>2,857,109</u>	<u>31,697,658</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 79,579,973</u>	<u>\$ 11,596,541</u>	<u>\$ 7,269,070</u>	<u>\$ 98,445,584</u>

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

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

Total fund balance - governmental funds	\$ 31,697,658
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$180,210,717 and the accumulated depreciation is \$79,251,972.	100,958,745
Long-term liabilities, including bonds payable, capital leases, and pension liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(80,685,000)
Capital lease payable	(84,153)
Deferred amounts for issuance discount/premium	(7,545,762)
Deferred charge on refunding	542,105
Net Other Postemployment Benefits Liability-Teachers' Health Insurance Security	(34,916,359)
Net Other Postemployment Benefits Liability-Retiree Health Plan	(2,408,782)
Net pension liability - Teachers' Retirement System	(3,397,022)
Net pension liability - Illinois Municipal Retirement Fund	(5,672,391)
Deferred outflows and deferred inflows, related to the pensions, represent a consumption of, or increase to, net position that applies to future periods and therefore, are not reported in the funds.	
Deferred outflows - Pension	8,069,003
Deferred outflows - Other Postemployment Benefits	625,932
Deferred inflows - Pension	(5,469,862)
Deferred inflows - Other Postemployment Benefits	(5,545,965)
Total net position - governmental activities	\$ (3,831,853)

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	General	Debt Services	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Property taxes	\$ 49,592,279	\$ 10,771,988	\$ 3,765,768	\$ 64,130,035
Other local sources	4,681,471	112,977	612,176	5,406,624
State sources	28,894,666	-	1,405,959	30,300,625
Federal sources	2,605,906	-	-	2,605,906
Total Revenues	<u>85,774,322</u>	<u>10,884,965</u>	<u>5,783,903</u>	<u>102,443,190</u>
EXPENDITURES:				
Current operating:				
Instruction	39,118,746	-	1,351,374	40,470,120
Supporting services	43,065,301	-	5,356,957	48,422,258
Community services	240,747	-	4,657	245,404
Payments to other districts and governmental units	1,505,833	-	-	1,505,833
Debt service:				
Payment of principal on long-term debt	-	7,340,920	-	7,340,920
Interest on long-term debt	-	3,389,832	-	3,389,832
Service charges and bond costs	-	90,104	-	90,104
Total Expenditures	<u>83,930,627</u>	<u>10,820,856</u>	<u>6,712,988</u>	<u>101,464,471</u>
Excess of revenues over expenditures	<u>1,843,695</u>	<u>64,109</u>	<u>(929,085)</u>	<u>978,719</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	46,332	290,000	336,332
Transfers out	(336,332)	-	-	(336,332)
Principal on bonds sold	3,950,000	-	-	3,950,000
Premium on bonds sold	55,095	84,484	-	139,579
Proceeds from the sale of capital assets	5,129	-	-	5,129
Total other financing sources (uses)	<u>3,673,892</u>	<u>130,816</u>	<u>290,000</u>	<u>4,094,708</u>
Net change in fund balances	5,517,587	194,925	(639,085)	5,073,427
Fund balances at beginning of year	<u>22,440,837</u>	<u>687,200</u>	<u>3,496,194</u>	<u>26,624,231</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 27,958,424</u></u>	<u><u>\$ 882,125</u></u>	<u><u>\$ 2,857,109</u></u>	<u><u>\$ 31,697,658</u></u>

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

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

Net change in fund balances-total governmental funds **\$ 5,073,427**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for equipment and \$10,000 for buildings and improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays and loss on disposal of capital assets in the current period.

Capital outlays	1,245,213	
Depreciation expense	<u>(4,360,063)</u>	(3,114,850)

The governmental funds report bond and other debt issuance proceeds as an other financing source, while repayment of principal is reported as an expenditure. Also, governmental funds report the effect of defeasance and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. Changes in net other post employment benefits obligations and net pension liabilities are reported only in the statement of activities. The net effect of these differences in the treatment of long-term obligation and related items is as follows:

General obligation bond proceeds	(3,950,000)	
Premium on bonds sold	(139,579)	
Repayment of bond principal	7,300,000	
Repayment of capital lease	40,920	
Amortization of bond premium	907,988	
Amortization of deferred charge on refunding	(64,219)	
Change in net pension liability - Teachers' Retirement System	912,078	
Change in net pension liability - Illinois Municipal Retirement Fund	(6,941,227)	
Change in net other postemployment benefits liability - Teachers' Health Insurance Security	(286,928)	
Change in net other postemployment benefits liability - Retiree Health Plan	<u>(59,008)</u>	(2,279,975)

Changes in deferred inflows and outflows related to pensions are only reported in the statement of activities.

Change in deferred outflows - Pension	4,779,601	
Change in deferred outflows - Other Postemployment Benefits Liability	30,008	
Change in deferred inflows - Pension	1,382,807	
Change in deferred inflows - Other Postemployment Benefits Liability	<u>(1,305,227)</u>	<u>4,887,189</u>

Change in net position of governmental activities **\$ 4,565,791**

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2019

	<u>Student Activity Funds</u>
Assets:	
Cash and investments	\$ 1,103,609
Liabilities:	
Due to student organizations	\$ 1,103,609

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DuPage High School District No. 88 (District) is governed by an elected Board of Education. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements is described below.

a. The Reporting Entity

The District includes all funds of its governmental operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The accompanying financial statements include only those funds and account groups of the District as there are no other organizations for which it has financial accountability.

Joint Ventures - The District is also a member of the following organizations:

- School Association for Special Education in DuPage County (See Note 14)
- DuPage Area Occupational Education System (See Note 15)

b. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government-wide Financial Statements (GWFS):

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the District, except for fiduciary funds. The effects of interfund activity have been eliminated.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Property taxes and other revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements (FFS):

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as separate columns in the FFS. The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. The General Fund consists of the Educational Account, Operations and Maintenance Account, and Working Cash Account that are legally mandated by the State of Illinois.

The Debt Services Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Additionally, the District reports the following fund types:

The Agency Fund – Student Activity Funds and Convenience Accounts (a fiduciary fund) accounts for assets held on behalf of student groups and others.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide financial statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when measurable and available.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

Fund financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual generally include property taxes, interest on investments, and intergovernmental revenues. The District considers property taxes as available as described in Note h. below. Interest on invested funds is recognized when earned. The availability period for all other revenues is deemed to be within sixty days of the end of the year. If funding is received before the eligibility requirements have been met, that revenue is recorded as unearned.

Fiduciary financial statements

Fiduciary fund reporting focuses on net position and changes in net position and is reported using the accrual basis of accounting. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

d. Investment Valuation

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

e. Capital Assets

Capital assets, which include land (which is not depreciated), buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 for furniture and equipment and \$10,000 for buildings and improvements and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	15-40 years
Land improvements	15-20 years
Furniture, equipment and vehicles	5-20 years

f. Long-term Obligations

In the GWFS, 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 bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In the FFS, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

g. Fund Equity

In the GWFS, net position is reported as restricted when constraints placed on net position are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the District's policy is to use restricted net position first before unrestricted net position.

h. 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. The adoption date for the 2018 tax levy was December 17, 2018. Taxes attach as an enforceable lien on property on January 1 and are payable in two installments (on or about 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. Property taxes for the 2018 levy, which are collected during 2019, are considered to be budgeted to fund the operations of the 2019/20 school year and are reported as deferred inflows of resources.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

Based upon collection histories, the District has provided at June 30, 2019, an allowance for uncollectible real property taxes equivalent to 1% of the current levy. All property taxes receivable over one year old are considered uncollectible.

The following are the actual rates levied per \$100 of assessed valuation:

	Maximum	Actual	
	2018 Levy	2018 Levy	2017 Levy
Educational	N/A	1.4593	1.4976
Operations & Maintenance	.5500	.2097	.2151
Bond & Interest	N/A	.3601	.3773
Transportation	N/A	.0667	.0684
Municipal Retirement	N/A	.0278	.0285
Special Education	.4000	.0238	.0243
Social Security	N/A	.0341	.0350
Working Cash	N/A	N/A	N/A
Total		2.1815	2.2462

i. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the extent required by Illinois law in the Municipal Retirement/Social Security Fund with the balance allocated to funds at the discretion of the District.

j. Inventories

Inventories in the General Fund account consist of textbooks and expendable supplies held for consumption. Inventory is valued at the lower of cost (first-in, first-out) or market (net realizable value). Inventory is accounted for using the consumption method.

k. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

l. Deferred outflows/inflows of resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

m. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are stated at fair value.

NOTE 2. CASH AND INVESTMENTS:

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2019, none of the District's bank balances of \$65,359,793 was exposed to custodial credit risk.

Investments and Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level One – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

Level Two – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level two input must be observable for substantially the full term of the asset or liability.

Level Three – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Net Asset Value (NAV) – Certain investments measured at NAV would be excluded from the fair value hierarchy.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

As of June 30, 2019, the District had the following investments:

Investment	Maturities	Net Asset Value
ISDLAF Max Class	Less than 60 days	\$ 108,731
ISDLAF Liquid Class	Less than 60 days	731,264
Total		<u>\$839,995</u>

The District has funds invested in the amount of \$839,995 (valued at \$1.00 per share) in the Illinois School District Liquid Asset Funds Max and Liquid Class as of June 30, 2019. The fair value of the positions in these investment pools is the same as the value of the pooled shares. All investments are SEC registered. The District’s proportionate share of investment in these investment pools are collateralized in the same proportion that the total assets of the Funds are collateralized. Although information regarding the level of collateralization of total assets of these Funds was not available, the Illinois School District Liquid Asset Fund represent that all assets are fully collateralized.

Interest Rate Risk: In the District's formal investment policy, there are no specific limitations on investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

Credit Risk: Under Illinois law, the District is restricted to investing funds in specific types of investment instruments. The following generally represents the types of instruments allowable by State laws.

Securities issued or guaranteed by the United States.

Interest-bearing accounts of banks and Savings and Loan Associations insured up to \$250,000 by the Federal Deposit Insurance Corporation.

Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the three highest classifications by at least two rating agencies.

Insured accounts of an Illinois credit union chartered under United States or Illinois law.

Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.

The Illinois Funds or Illinois School District Liquid Asset Fund Plus.

Repurchase agreements which meet instrument transaction requirements of Illinois law.

The District has no investment policy that would further limit its investment choices. As of June 30, 2019, the District's investments were rated as follows:

	Standard & <u>Poor's</u>	<u>Fitch Ratings</u>	Moody's <u>Investor</u> <u>Service</u>
ISDLAF Max Class	AAAm	N/A	N/A
ISDLAF Liquid Class	AAAm	N/A	N/A

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. More than 5% of the District's investments are in the ISDLAF Liquid Class at 87.1%.

NOTE 3. COMMON BANK ACCOUNT:

Separate bank accounts are not maintained for 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.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

NOTE 4. CAPITAL ASSETS:

A summary of changes in capital assets follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 4,162,325	\$ -	\$ -	\$ 4,162,325
Construction in progress	371,556	629,022	(371,556)	629,022
Total	4,533,881	629,022	(371,556)	4,791,347
Capital assets, being depreciated:				
Land improvements	21,567,430	-	-	21,567,430
Buildings	137,773,959	660,982	-	138,434,941
Equipment	15,350,480	326,765	(260,246)	15,416,999
Total capital assets being depreciated	174,691,869	987,747	(260,246)	175,419,370
Accumulated depreciation for:				
Land improvements	9,693,766	958,230	-	10,651,996
Buildings	51,872,879	3,082,367	-	54,955,246
Equipment	13,585,510	319,466	(260,246)	13,644,730
Total accumulated depreciation	75,152,155	4,360,063	(260,246)	79,251,972
Total capital assets being depreciated, net	99,539,714	(3,372,316)	-	96,167,398
Total capital assets, net	\$ 104,073,595	\$ (2,743,294)	\$ (371,556)	\$ 100,958,745

Depreciation expense was charged to functions of the District as follows:

Instructional services:	
Regular programs	\$ 3,162,092
Special programs	305,562
Other programs	456,291
Supporting services:	
Students	126,446
Instructional staff	101,313
General administration	10,107
School administration	11,344
Business	10,107
Operations and Maintenance	34,844
Transportation	131,850
Staff	10,107
	<u>\$4,360,063</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

NOTE 5. CHANGES IN LONG-TERM LIABILITIES:

Changes in long-term liabilities are summarized as follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Amount Due in One Year
Governmental Activities:					
General Obligation Bonds	\$84,035,000	\$ 3,950,000	\$(7,300,000)	\$80,685,000	\$7,365,000
Capital Lease	125,073	-	(40,920)	84,153	43,090
Deferred Amounts for Issuance Premium	8,314,171	139,579	(907,988)	7,545,762	-
Net OPEB Liability – Retiree Health Plan	2,349,774	59,008	-	2,408,782	-
Net OPEB Liability - THIS	34,629,431	286,928	-	34,916,359	-
Net Pension Liability - IMRF	(1,268,836)	6,941,227	-	5,672,391	-
Net Pension Liability - TRS	4,309,100	-	(912,078)	3,397,022	-
Total Governmental Activities Long-Term Liabilities	\$132,493,713	\$11,376,742	\$ (9,160,986)	\$134,709,469	\$7,408,090

Long- term liabilities at June 30, 2019 are comprised of the following:

Bonds Payable

December 3, 2015 General Obligation Limited Refunding Bonds, due in annual installments varying from \$965,000 to \$1,110,000 through 2025; interest rates vary from 2.25% to 4.00% per annum.

December 22, 2015 General Obligation Limited Bonds, due in annual installments varying from \$100,000 to \$1,190,000 through 2028; interest rates vary from 2.65% to 4.00% per annum.

December 29, 2016 General Obligation Limited Refunding Bonds, due in annual installments varying from \$6,340,000 to \$8,825,000 through 2028; interest rates varying from 3.00% to 5.00% per annum.

September 6, 2018 General Obligation Limited Tax School Bonds, due in annual installments varying from \$60,000 to \$1,190,000 through 2032; interest rates varying from 3.00% to 4.00% annum.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

Prior Year Refunding - 2017

The District issued General Obligation Limited Refunding Bonds, Series 2016, to call the outstanding balance of the 2007 School Bonds on January 12, 2017. Additionally, proceeds in the amount of \$10,680,562 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments for the outstanding balance of the 2008 School Bonds. Neither the securities held by the escrow agent nor the refunded debt defeased are reflected in the District's financial statements since they are not considered assets or liabilities of the District as a result of the defeasance of debt in the refunding transactions. The advance call and defeasance of debt was undertaken to reduce total debt service payments by \$12,264,158.

As a result of the in substance defeasement transaction, General Obligation Bonds –Series 2008 in the amount \$10,000,000 are not shown on the Statement of Net Position at June 30, 2019.

Capital Leases

The District has entered into agreements to lease copier equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. Payments, including interest are due in monthly installments of \$2,266 and \$1,595. The future minimum lease payments at June 30, 2019 are \$84,153.

Leased equipment under capital leases in capital assets at June 30, 2019 include the following:

	<u>2015 Lease</u>	<u>2016 Lease</u>
Equipment	\$118,473	\$ 85,294
Less: Accumulated depreciation	<u>(82,931)</u>	<u>(42,647)</u>
Total	<u>\$ 35,542</u>	<u>\$ 42,647</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

The annual requirements to amortize all debt outstanding as of June 30, 2019 are as follows:

Year Ending June 30,	Bonds Payable		Capital Lease		Total
	Principal	Interest	Principal	Interest	
2020	\$ 7,365,000	\$ 3,347,667	\$ 43,090	\$ 3,242	\$ 10,758,999
2021	7,680,000	3,065,969	31,621	1,115	10,778,705
2022	7,770,000	2,825,519	9,442	128	10,605,089
2023	8,140,000	2,457,919	-	-	10,597,919
2024	8,455,000	2,143,119	-	-	10,598,119
2025-2029	38,640,000	4,870,518	-	-	43,510,518
2030-2032	2,635,000	170,250	-	-	2,805,250
Total	\$ 80,685,000	\$ 18,880,961	\$ 84,153	\$ 4,485	\$99,654,599

General obligation bonds are liquidated by the Debt Services Fund.

The Illinois Compiled Statutes limits the amount of bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2019, the statutory debt limit for the District was \$207,376,362 providing a debt margin of \$127,573,487.

NOTE 6. RETIREMENT FUND COMMITMENTS:

Retirement Plans

The District participates in two retirement systems: The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Members of TRS consist of all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Employees, other than teachers, who meet prescribed annual hourly standards are members of IMRF.

The District has pension obligations pertaining to retired employees. The following is a summary of deferred outflows and deferred inflows of resources for the Teachers' Retirement System (TRS) and the Illinois Municipal Retirement Fund (IMRF):

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Teachers' Retirement System (TRS)	\$ 510,346	\$ 2,239,177
Illinois Municipal Retirement Fund Fund (IMRF)	<u>7,558,657</u>	<u>3,230,685</u>
Total	<u>\$ 8,069,003</u>	<u>\$ 5,469,862</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

Illinois Teachers' Retirement System:

General Information About the Pension Plan

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

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2018>; by writing to TRS at 2815 W. Washington, PO 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 of the four highest 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. Disability and death benefits are also provided.

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 last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3 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.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. 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 will begin in 2019 and will be 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 districts 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, 2018, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

On-Behalf Contributions to TRS: The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2019, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$21,855,326 in pension contributions from the state of Illinois.

2.2 Formula Contributions: Districts 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, 2019 were \$186,987, 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 District, there is a statutory requirement for the District 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.

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, 2019, the District pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$37,581 were paid from federal and special trust funds that required District contributions of \$3,702. These contributions are deferred because they were paid after the June 30, 2019 measurement date.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

Employer Retirement Cost Contributions: Under GASB Statement No. 68, contributions that a district is required to pay because of a TRS member retiring are categorized as specific liability payments. The District 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. Additionally, beginning with the year ended June 30, 2019, Districts will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

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, 2019, the District paid \$267 to TRS for employer contributions due on salary increases in excess of 6 percent, \$12,408 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 District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state’s support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District follows below:

District’s proportionate share of the Net Pension Liability	\$ 3,397,022
State’s proportionate share of the Net Pension Liability associated with the District	232,710,226
Total	\$ 236,107,248

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The District’s proportion of the net pension liability was based on the District’s share of contributions to TRS for the measurement year ended June 30, 2018, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District’s proportion was 0.0044%, which was a decrease of 0.0012% from its proportion measured as of June 30, 2017.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

For the year ended June 30, 2019, the District recognized pension expense of \$21,855,326 and revenue of \$21,855,326 for support provided by the state. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 68,274	\$ 741
Net difference between projected and actual earnings on pension plan investments	-	10,401
Changes of assumptions	148,992	96,279
Changes in proportion and differences between District contributions and proportionate share of contributions	102,391	2,131,756
District contributions subsequent to the measurement date	190,689	-
Total	\$ 510,346	\$ 2,239,177

\$190,689 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

<u>Year ending June 30,</u>	<u>Deferred Outflow (Inflow)</u>
2020	\$ (497,673)
2021	(622,843)
2022	(511,187)
2023	(211,275)
2024	(76,542)
Total	<u>\$ (1,919,520)</u>

Actuarial assumptions

The total pension liability in the June 30, 2018 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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

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

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equities large cap	15.0%	6.7%
U.S. equities small/mid cap	2.0	7.9
International equities developed	13.6	7.0
Emerging market equities	3.4	9.4
U.S. bonds core	8.0	2.2
U.S. bonds high yield	4.2	4.4
International debt developed	2.2	1.3
Emerging international debt	2.6	4.5
Real estate	16.0	5.4
Real return	4.0	1.8
Absolute return	14.0	3.9
Private Equity	15.0	10.2
Total	100.0%	

Discount rate

At June 30, 2018, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2017 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, District contributions and state contributions will be made at the current statutorily-required rates.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

Based on those assumptions, TRS’s fiduciary net position at June 30, 2018 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 District’s proportionate share of the net pension liability to changes in the discount rate

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (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%)
District’s proportionate share of the net pension liability	\$4,166,126	\$3,397,022	\$2,777,661

TRS fiduciary net position

Detailed information about the TRS’s fiduciary net position as of June 30, 2018 is available in the separately issued TRS Comprehensive Annual Financial Report.

Illinois Municipal Retirement Fund:

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

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.

Employees Covered by Benefit Terms: At December 31, 2018, the number of District employees covered by IMRF were:

Active members	239
Retirees and beneficiaries	315
Inactive, non-retired members	<u>335</u>
Total	<u>889</u>

Contributions: As set by statute, the District’s regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District’s annual contribution rate for 2018 was 9.60% of annual covered payroll. For the calendar year ended December 31, 2018, the District contributed \$891,347 to the plan.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees. 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 District's net pension liability was measured as of December 31, 2018. 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 the total pension liability at December 31, 2018:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation	2.50%
Salary Increases	3.39% to 14.25% including inflation
Investment Rate of Return	7.25%
Projected 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 2014-2016.
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.
Disabled Retirees	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.
Active Members	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.
Other Information:	There were no benefit changes during the year.

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.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Return 12/31/18</u>	<u>Projected Returns/Risk</u>	
			<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Equities	37.0%	-6.08%	8.50%	7.15%
International equities	18.0	-14.16	9.20	7.25
Fixed income	28.0	-0.28	3.75	3.75
Real estate	9.0	8.36	7.30	6.25
Alternative investments	7.0	N/A	4.75-12.40	3.20-8.50
Cash equivalents	1.0	N/A	2.50	2.50

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: (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and (2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 3.71%; and the resulting single discount rate is 7.25%.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

Changes in the District's Net Pension Liability: Changes in the District's net pension liability for the year ended December 31, 2018 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance, December 31, 2017	<u>\$ 48,512,790</u>	<u>\$ 49,781,626</u>	<u>\$ (1,268,836)</u>
Charges for the year:			
Service cost	948,044	-	948,044
Interest	3,563,225	-	3,563,225
Difference between expected and actual experience	482,660	-	482,660
Changes in assumptions	1,345,531	-	1,345,531
Net investment income	-	(2,842,906)	2,842,906
Contributions – employees	-	421,838	(421,838)
Contributions – employers	-	891,347	(891,347)
Benefit payments including refunds of employee contributions	(2,954,301)	(2,954,301)	-
Other changes	-	927,954	(927,954)
Net changes	<u>3,385,159</u>	<u>(3,556,068)</u>	<u>6,941,227</u>
Balance, December 31, 2018	<u>\$ 51,897,949</u>	<u>\$ 46,225,558</u>	<u>\$ 5,672,391</u>

Sensitivity of the Net Pension Liability to Changes in the Single Discount Rate: The following presents the net pension liability calculated using the single discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a single discount rate that is 1% higher and lower:

	Discount Rate	Net Pension Liability (Asset)
1% decrease	6.25%	\$ 11,748,328
Current discount rate	7.25	5,672,391
1% increase	8.25	646,741

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2018, the District recognized pension expense of \$904,011. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	Net Deferred Outflows / (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ 444,551	\$ -	\$ 444,551
Changes of assumptions	815,669	430,109	385,560
Net difference between projected and actual earnings on Plan investments	5,929,854	2,800,576	3,129,278
District contributions to plan after measurement date	<u>368,583</u>	<u>-</u>	<u>368,583</u>
Total	<u>\$ 7,558,657</u>	<u>\$ 3,230,685</u>	<u>\$ 4,327,972</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows in these reporting years:

Year ending December 31,	Net Deferred Outflows (Inflows)
2019	\$ 1,463,834
2020	809,166
2021	376,433
2022	<u>1,309,956</u>
Total	<u>\$ 3,959,389</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB):

The District has benefit obligations pertaining to retired employees. The following is a summary of deferred outflows and deferred inflows of resources for the Retiree Health Plan and the Teachers Health Insurance Security Fund (THIS):

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Retiree Health Plan	\$ 268,735	\$ 87,180
Teachers Health Insurance Security Fund (THIS)	<u>357,197</u>	<u>5,458,785</u>
 Total	 <u>\$ 625,932</u>	 <u>\$ 5,545,965</u>

Retiree Health Plan:

Plan Description: The District administers a single-employer defined benefit healthcare plan (the “Retiree Health Plan”). IMRF employees that retire from the District may elect to continue their health care coverage by paying the monthly premium. The District subsidizes a portion of the cost for hospital and medical coverage for retired IMRF employees and their dependents. The subsidy is an implied age related cost differential based upon the expected higher cost of coverage for retired employees versus the average cost for the entire group. Benefit provisions are established through contractual agreements and may only be amended through negotiations with the Board. The plan does not issue a separate, publicly available report. All insurance benefits cease when the retired employee begins receiving Medicare coverage, or attains age 65, whichever comes first.

Eligibility: Employees must meet the following Illinois Retirement Fund (“IMRF”) requirements for participation in the IMRF retirement program:

Regular Plan Tier 1 (Enrolled in IMRF prior to January 1, 2011)

- At least 55 years old and at least 8 years of credited service (reduced pension)
- At least 60 years old and at least 8 years of credited service (full pension)

Regular Plan Tier 2 (Enrolled in IMRF on or After January 1, 2011)

- At least 62 years old and at least 10 years of credited service (reduced pension)
- At least 67 years old and at least 10 years of credited service (full pension)

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

Certified Personnel

Employees must meet the requirements for participation in the Teachers' Retirement System ("TRS") retirement program:

Tier I Members (First Contributed Prior to January 1, 2011)

- Age 62 with 5 years of service; or
- Age 60 with 10 years of service; or
- Age 55 with 20 years of service (reduced pension)
- Age 55 with 35 years of service (full pension)

Tier II Members (First Contributed On or After January 1, 2011)

- 62 years old with 10 years of service (reduced pension)
- 67 years old with 10 years of service (full pension)

Employees Covered by Benefit Terms: At June 30, 2019, the number of District employees covered were:

Active	430
Inactives entitled to but not yet receiving benefits	-
Inactives currently receiving benefit payments	<u>24</u>
Total	<u>454</u>

Contributions: Contribution requirements are established through contractual agreements and may only be amended through negotiations with the Board. IMRF retirees that elect to continue their health care coverage are responsible for paying the full monthly premium.

Net OPEB Liability: The District's Net OPEB Liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2017.

Plan Fiduciary Net Position: The District currently pays for postemployment health care benefits on a pay-as-you-go basis. Therefore, no trust has been established for future costs, and no net position is held for postemployment health care obligations.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

Actuarial Assumptions: The actuarial results presented here reflect a valuation date of July 1, 2017 and a measurement date of June 30, 2019. The following are the methods and assumptions used to determine the net OPEB liability at June 30, 2019:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	N/A
Actuarial Gains and Losses	Actuarial gains and losses due to difference between expected and actual experience with regard to economic or demographic factors and due to changes of assumptions about future economic or demographic factors are amortized over a closed period equal to the average of the expected remaining service lives of all employees.
Asset Valuation Frequency	An actuarial valuation is prepared biennially with a “roll-forward” valuation in the interim year, provided no significant events have occurred during the interim year warranting a new measurement. This year’s fiscal 2018 valuation was based on a full year valuation.
Discount Rate	2.98%
Discount Rate Determination Method	Under GASB 75, 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. A rate of 2.98% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 29, 2018.
Health Care Trend Rate	7.0% down to an ultimate rate of 4.5%.
Mortality	Rates from the December 31, 2017 IMRF and June 30, 2017 TRS Actuarial Valuation Reports.
Salary Increases	2.5% per year
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

Changes in the District's Net OPEB Liability: Changes in the District's net OPEB liability for the year ended June 30, 2019 were as follows:

	Net OPEB Liability
Balance, July 1, 2018	\$ 2,349,774
Charges for the year:	
Service cost	118,604
Interest	67,584
Difference between expected & actual experience	-
Changes of assumptions and other inputs	32,883
Benefit payments	(163,720)
Other changes	3,657
Net changes	59,008
Balance, June 30, 2019	\$ 2,408,782

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability calculated using the discount rate of 2.98%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% higher and lower:

	Discount Rate	Net OPEB Liability
1% decrease	1.98%	\$ 2,589,313
Current discount rate	2.98%	2,408,782
1% increase	3.98%	2,240,873

Sensitivity of the Net OPEB Liability to Changes in the Trend Rate: The following presents the net OPEB liability calculated using the health care trend rate of 4.50%, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% higher and lower: (No increase in benefit level has been assumed)

	Trend Rate	Net OPEB Liability
1% decrease	3.50%	\$ 2,163,358
Current discount rate	4.50%	2,408,782
1% increase	5.50%	2,699,077

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2019, the District incurred OPEB expense of \$207,597. At June 30, 2019, the District had the following deferred outflows of resources and deferred inflows of resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows / (Inflows) of Resources</u>
Differences between expected and actual experience	\$ -	\$ 65,096	\$ (65,096)
Changes of assumptions	<u>268,735</u>	<u>22,084</u>	<u>246,651</u>
Total	<u>\$ 268,735</u>	<u>\$ 87,180</u>	<u>\$ 181,555</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows in these reporting years:

<u>Year ending June 30,</u>	<u>Net Deferred Outflows (Inflows)</u>
2020	\$ 21,409
2021	21,409
2022	21,409
2023	21,409
2024	21,409
Thereafter	<u>74,510</u>
Total	<u>\$ 181,555</u>

Teacher Health Insurance Security:

General Information about the Other Post Employment Benefit Plan

Plan Description: The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating school districts throughout the State of Illinois, excluding the Chicago Public School System. 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 Medicare Advantage plans.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

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

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

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.24% of pay during the year ended June 30, 2019. State of Illinois contributions were \$399,765, and the District recognized revenue and expenditures of this amount during the year.

Employer contributions to the THIS Fund. The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.92% during the year ended June 30, 2019. For the year ended June 30, 2019, the District paid \$296,600 to the THIS Fund, and are deferred because they were paid after the June 30, 2018 measurement date.

Further information on THIS Fund. The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General:
<https://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp#sectc>. The current reports are listed under “Central Management Services” <https://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

District’s proportionate share of the net OPEB liability	\$ 34,916,359
State’s estimated proportionate share of the net OPEB liability associated with the District*	46,885,140
Total	\$ 81,801,499

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

*The State's proportionate share of the net OPEB liability associated with the District is not available in the actuarial report and therefore the amount reported above is an estimate formed by allocating the State's total net OPEB liability for the entire plan (per the actuary) based on the District's proportionate share of the net OPEB liability to all the school districts participating in the Plan. Additionally, the amounts included below related to the sensitivity of the healthcare rate and discount rate are based on a similar allocation methodology.

Net OPEB Liability: The District's net OPEB Liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The actuarial valuation was determined using the following actuarial assumptions.

Inflation	2.75%
Investment rate of return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Discount Rate	The discount rates 3.56% as of June 30, 2017, and 3.62% as of June 30, 2018.
Discount Rate Determination Method	Under GASB 75, 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 are consistent with the 20-year general obligation bond index.
Health Care Trend Rate	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.
Mortality	Mortality rates for retirement and beneficiary annuitants were based upon 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 Sale MP-2014.
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

The District's proportion of the net OPEB liability was 0.1325% as of June 30, 2018, a decrease of 0.0009% over the District's share of the net OPEB liability as of June 30, 2017. The basis for the proportion was fiscal year 2018 contribution to the plan.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability calculated using the discount rate of 3.62%, as well as what the net OPEB liability would be if it were calculated using a single discount rate that is 1% higher and lower:

	Discount Rate	Net OPEB Liability
1% decrease	2.62%	\$ 41,983,011
Current discount rate	3.62%	34,916,359
1% increase	4.62%	\$ 29,337,977

Sensitivity of the Net OPEB Liability to Changes in the Trend Rate: The following presents the net OPEB liability calculated using the health care trend rate of 8.00%, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% higher and lower:

	Trend Rate	Net OPEB Liability
1% decrease	7.00%	\$ 28,311,584
Current trend rate	8.00%	34,916,359
1% increase	9.00%	\$ 43,814,784

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2018, the District recognized OPEB expense of \$1,850,544. At June 30, 2018, the District reported the following deferred outflows of resources and deferred inflows of resources.

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows / (Inflows) of Resources
Differences between expected and actual experience	\$ -	\$ 125,280	\$ (125,280)
Changes of assumptions	-	5,084,408	(5,084,408)
Net difference between projected and actual earnings on Plan investments	-	1,072	(1,072)
Changes in proportion and differences between Employer Contribution and Share of Contributions	60,597	248,025	(187,428)
District contributions to plan after measurement date	<u>296,600</u>	<u>-</u>	<u>296,600</u>
Total	<u>\$ 357,197</u>	<u>\$ 5,458,785</u>	<u>\$ (5,101,588)</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

\$296,600 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2020. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

Year ending June 30:	Net Deferred (Inflows) of Resources
2020	\$(718,800)
2021	(718,800)
2022	(718,800)
2023	(718,800)
2024	(718,800)
Thereafter	(1,804,188)
Total	\$ (5,398,188)

NOTE 8. RESTRICTED POSITION:

The government-wide statement of net position reports \$3,783,602 of restricted net assets, all of which is restricted by enabling legislation.

NOTE 9. FUND BALANCES – GOVERNMENTAL FUNDS:

The District’s fund balances for Governmental Funds are classified as follows:

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.

Restricted Fund Balance – The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the District. Things such as restrictions imposed by creditors, grantors, contributors, or laws and 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.

Committed – The committed fund balance classification refers to amounts that can only be used for specific purposes as determined by a formal action of the District’s highest level of decision making authority (the School Board). Commitments may be established, modified, or rescinded only through resolutions approved by the School Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

Assigned – The assigned fund balance classification refers to amounts that are constrained by the District’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the School Board itself or the School Board may delegate the authority to assign amounts.

Unassigned – The unassigned fund balance classification is the residual classification for amounts in the General Fund that have not been restricted, committed, or assigned to specific purposes and any deficit fund balances in other funds.

As of June 30, 2019, fund balances are composed of the following:

	General Fund	Debt Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventories	\$325,940	\$ -	\$ -	\$325,940
Prepaid Expenses	235,355	-	-	235,355
Restricted:				
Municipal Retirement/ Social Security Fund	-	-	691,376	691,376
Debt service	-	882,125	-	882,125
Transportation	-	-	2,210,101	2,210,101
Unassigned	27,397,129	-	(44,368)	27,352,761
Total fund balances	\$27,958,424	\$882,125	\$2,857,109	\$31,697,658

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board or the finance committee has provided otherwise in its commitment or assignment actions.

NOTE 10. RISK MANAGEMENT:

The District has purchased insurance coverage through risk pools (See Notes 11, 12, and 13). Risks covered include general liability, property damage, workers’ compensation, medical, and other. Premiums have been recorded as expenditures disbursed in appropriate funds. No material decreases in insurance coverages have occurred nor have any insurance claims in excess of insurance coverages been paid or reported during the last three fiscal years.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

NOTE 11. RISK POOL - COLLECTIVE LIABILITY INSURANCE COOPERATIVE (CLIC):

The District is a member of CLIC, which has been formed to provide casualty, property and liability protections and to administer some or all insurance coverages and protection other than health, life and accident coverages procured by the member districts. It is intended, by the creation of CLIC to allow a member district to equalize annual fluctuations in insurance costs by establishing a program whereby reserves may be created and temporary deficits of individual districts covered and to ultimately equalize the risks and stabilize the costs of providing casualty, property and liability protections. If, during any fiscal year, the funds on hand in the account of CLIC are not sufficient to pay expenses of administration, the Board of Directors shall require supplementary payment from all members. Such payment shall be made in the same proportion as prior payments during that year to CLIC.

Complete financial statements for CLIC can be obtained from its administrator, 2850 Golf Road, Rolling Meadows 60008.

NOTE 12. RISK POOL - SCHOOL EMPLOYEES LOSS FUND (SELF):

The District is a member of SELF, which has been formed to reduce local school districts' workers' compensation costs. SELF is controlled by a Board of Directors which is composed of representatives designated by each school district. The day-to-day operations of SELF are managed through an Executive Board elected by the Board of Directors. Each member district has a financial responsibility for annual membership contributions, which are calculated to provide for administrative expenses, specific and aggregate excess insurance coverage, and the funding of a portion of anticipated losses and loss adjustment expenses which will be borne directly by the membership. The losses and loss adjustment expenses to be borne by the membership are those which must be incurred prior to the attachment of excess insurance coverage.

Complete financial statements for SELF can be obtained from their accountant at 2850 Golf Road, Rolling Meadows, IL 60008.

NOTE 13. RISK POOL - EDUCATIONAL BENEFIT COOPERATIVE (EBC):

The District is a member of EBC, which was formed in 1984 as a voluntary cooperative agency of Illinois Public School Districts and Joint Agreements. The purpose of EBC is to administer some or all of the employee benefit programs offered by the member districts to their employees and employees' dependents. EBC administers the payment of claims that arise under the benefit programs offered by each member district. Additionally, EBC offers to its members, group life insurance coverage obtained through an outside insurance company. Monthly medical contributions are estimated by the Plan's administrator in advance of each membership year based upon each district's plan of coverage, estimated enrollment, estimated claim costs and service fees.

Complete financial statements for EBC can be obtained from its treasurer at 2850 Golf Road, Rolling Meadows, IL 60008.

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019**

NOTE 14. JOINT VENTURE - SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY (SASED):

The District has entered into a joint agreement with other districts in DuPage County 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 policy board.

Complete financial statements for SASED can be obtained from its business office at 2900 Ogden Ave., Lisle, IL.

NOTE 15. JOINT VENTURE - DUPAGE AREA OCCUPATIONAL EDUCATION SYSTEM (DAOES):

The District is a member of DAOES, a joint agreement to provide vocational education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the governing board.

Complete financial statements for DAOES can be obtained from the Administrative Offices located at the Technology Center of DuPage at 301 South Swift Road, Addison, Illinois 60101-1499

NOTE 16. INTERFUND TRANSFERS:

During the year ending June 30, 2019, interfund transfers consisted of the following:

Transfer to	Transfer from	Amount
Debt Service Fund	General Fund's Educational Account	\$46,332
Transportation Fund	General Fund's Working Cash Account	\$290,000

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgeting authorizations.

The Illinois State Board of Education (ISBE) Administrative Code was modified to require that all debt service payments be reported in the Debt Service Fund. However, certain debt service payments are funded by sources other than a debt service levy. Accordingly, interfund transfers are required to transfer the proceeds of these other funding sources from the fund in which they are required to be deposited, to the Debt Service Fund from which the debt service payments will be made.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

NOTE 17. DEFICIT FUND BALANCE:

The Capital Projects Fund had a deficit fund balance at June 30, 2019 of \$44,368. The District transferred \$1,000,000 from the General Fund's Working Cash to the Capital Projects Fund in July 2019 to cover the deficit.

REQUIRED SUPPLEMENTARY INFORMATION

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2019

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
REVENUES:				
Local sources	\$ 53,135,121	\$ 53,135,121	\$ 54,273,750	\$ 1,138,629
State sources	6,530,097	28,430,097	28,894,666	464,569
Federal sources	2,701,823	2,701,823	2,605,906	(95,917)
Total Revenues	<u>62,367,041</u>	<u>84,267,041</u>	<u>85,774,322</u>	<u>1,507,281</u>
EXPENDITURES:				
Instruction	39,317,588	39,317,588	39,118,746	198,842
Supporting services	21,935,525	43,695,525	43,065,301	630,224
Community services	149,477	149,477	240,747	(91,270)
Payments to other districts and governmental units	1,296,351	1,296,351	1,505,833	(209,482)
Provision for contingencies	75,000	75,000	-	75,000
Total Expenditures	<u>62,773,941</u>	<u>84,533,941</u>	<u>83,930,627</u>	<u>603,314</u>
Excess (deficiency) of revenues over expenditures	<u>(406,900)</u>	<u>(266,900)</u>	<u>1,843,695</u>	<u>2,110,595</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(362,332)	(362,332)	(336,332)	26,000
Principal on bonds sold	3,865,516	3,865,516	3,950,000	84,484
Premium on bonds sold	139,579	139,579	55,095	(84,484)
Proceeds from the sale of capital assets	-	-	5,129	5,129
Total other financing sources (uses)	<u>3,642,763</u>	<u>3,642,763</u>	<u>3,673,892</u>	<u>31,129</u>
Net change in fund balances	<u>\$ 3,235,863</u>	<u>\$ 3,375,863</u>	<u>5,517,587</u>	<u>\$ 2,141,724</u>
Fund balances at beginning of year			<u>22,440,837</u>	
FUND BALANCES AT END OF YEAR			<u>\$ 27,958,424</u>	

The notes to the required supplementary information are an integral part of this statement.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST 10 CALANDER YEARS
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014)
JUNE 30, 2019

Calendar year ending December 31,	2018	2017	2016	2015	2014
<u>Total pension liability:</u>					
Service cost	\$ 948,044	\$ 1,002,378	\$ 990,286	\$ 993,906	\$ 1,027,946
Interest on the total pension liability	3,563,225	3,527,944	3,393,610	3,308,205	3,087,331
Difference between expected and actual experience	482,660	623,666	145,758	(495,509)	(530,912)
Assumption changes	1,345,531	(1,765,227)	(53,425)	51,815	1,927,793
Benefit payments and refunds	(2,954,301)	(2,828,073)	(2,675,070)	(2,639,843)	(2,460,447)
Net change in total pension liability	3,385,159	560,688	1,801,159	1,218,574	3,051,711
Total pension liability, beginning	48,512,790	47,952,102	46,150,943	44,932,369	41,880,658
Total pension liability, ending	<u>51,897,949</u>	<u>48,512,790</u>	<u>47,952,102</u>	<u>46,150,943</u>	<u>44,932,369</u>
<u>Plan fiduciary net position</u>					
Employer contributions	891,347	874,154	915,071	902,964	946,965
Employee contributions	421,838	421,506	404,822	409,920	390,242
Pension plan net investment income	(2,842,906)	7,898,831	2,923,701	214,536	2,552,135
Benefit payments and refunds	(2,954,301)	(2,828,073)	(2,675,070)	(2,639,843)	(2,460,447)
Other	927,954	(867,417)	186,970	68,841	(258,076)
Net change in plan fiduciary net position	(3,556,068)	5,499,001	1,755,494	(1,043,582)	1,170,819
Plan fiduciary net position, beginning	49,781,626	44,282,625	42,527,131	43,570,713	42,399,894
Plan fiduciary net position, ending	<u>46,225,558</u>	<u>49,781,626</u>	<u>44,282,625</u>	<u>42,527,131</u>	<u>43,570,713</u>
Net pension liability, ending	<u>5,672,391</u>	<u>(1,268,836)</u>	<u>3,669,477</u>	<u>3,623,812</u>	<u>1,361,656</u>
Plan fiduciary net position as a percentage of total pension liability	<u>89.07%</u>	<u>102.62%</u>	<u>92.35%</u>	<u>92.15%</u>	<u>96.97%</u>
Covered valuation payroll	<u>\$9,284,867</u>	<u>\$9,139,059</u>	<u>\$8,962,451</u>	<u>\$8,767,495</u>	<u>\$8,663,680</u>
Net pension liability as a percentage of covered valuation penalty	<u>61.09%</u>	<u>-13.88%</u>	<u>40.94%</u>	<u>41.33%</u>	<u>15.72%</u>

The notes to the required supplementary information are an integral part of this statement.

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DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST 10 CALANDER YEARS
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014)
JUNE 30, 2019

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2018	\$ 891,347	\$ 891,347	\$ -	\$ 9,284,867	9.60%
2017	868,211	874,154	(5,943)	9,139,059	9.57%
2016	907,000	915,071	(8,071)	8,962,451	10.21%
2015	903,052	902,964	88	8,767,495	10.30%
2014	\$ 946,940	\$ 946,965	\$ (25)	\$ 8,663,680	10.93%

The notes to the required supplementary information are an integral part of this statement.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014)
JUNE 30, 2019

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.0044%	0.0056%	0.0076%	0.0096%
District's proportionate share of the net pension liability	\$ 3,397,022	\$ 4,309,100	\$ 5,980,985	\$ 6,257,358
State's proportionate share of the net pension liability associated with the District	<u>232,710,226</u>	<u>227,277,868</u>	<u>247,736,507</u>	<u>194,217,342</u>
Total	<u>\$ 236,107,248</u>	<u>\$ 231,586,968</u>	<u>\$ 253,717,492</u>	<u>\$ 200,474,700</u>
District's covered-employee payroll	\$ 31,378,779	\$ 30,727,610	\$ 31,019,696	\$ 29,973,581
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.83%	14.02%	19.28%	20.88%
Plan fiduciary net position as a percentage of the total pension liability	40.00%	39.30%	36.40%	41.50%

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

The notes to the required supplementary information are an integral part of this statement

2014

0.0089%

\$ 5,434,701

182,781,933

\$ 188,216,634

\$ 29,873,116

18.19%

43.00%

The notes to the required supplementary information are an integral part of this statement

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2015)
JUNE 30, 2019

	2019	2018	2017	2016
Contractually-required contribution	\$ 190,689	\$ 185,880	\$ 232,561	\$ 298,797
Contributions in relation to the contractually- required contribution	189,531	184,952	232,380	290,849
Contribution deficiency (excess)	<u>\$ 1,158</u>	<u>\$ 928</u>	<u>\$ 181</u>	<u>\$ 7,948</u>
District's covered-employee payroll	\$ 32,239,139	\$ 31,378,779	\$ 30,727,610	\$ 31,019,696
Contribution as a percentage of covered- employee payroll	0.59%	0.59%	0.76%	0.96%

The notes to the required supplementary information are an integral part of this statement

2015

\$ 324,669

330,177

\$ (5,508)

\$ 29,973,581

1.08%

The notes to the required supplementary information are an integral part of this statement

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
RETIREE HEALTH PLAN
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2018)
JUNE 30, 2019

Fiscal year ending June 30,	2019	2018
<u>Total OPEB liability:</u>		
Service cost	\$ 118,604	\$ 114,941
Interest on the total pension liability	67,584	67,535
Difference between expected and actual experience	-	(80,734)
Assumption changes	32,883	(1,362)
Benefit payments and refunds	(163,720)	(167,027)
Other changes	3,657	266,366
Net change in total OPEB liability	59,008	199,719
Total OPEB liability, beginning	2,349,774	2,150,055
Total OPEB liability, ending	<u>2,408,782</u>	<u>2,349,774</u>
 Plan fiduciary net position as a percentage of total OPEB liability	 <u>0.00%</u>	 <u>0.00%</u>
 Covered valuation payroll	 <u>N/A</u>	 <u>N/A</u>
 Net OPEB liability as a percentage of covered valuation payroll	 <u>N/A</u>	 <u>N/A</u>

The notes to the required supplementary information are an integral part of this statement.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OTHER POST EMPLOYMENT
BENEFIT (OPEB) LIABILITY AND DISTRICT CONTRIBUTIONS
TEACHERS' HEALTH INSURANCE SECURITY FUND
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2017)
JUNE 30, 2019

Fiscal year ending June 30,	<u>2018</u>	<u>2017</u>
District's Proportionate Share of the OPEB Liability:		
District's proportion of net OPEB Liability	0.132531%	0.133449%
District's proportionate share of the net OPEB Liability	\$34,916,359	\$34,629,431
State's proportionate share of the net OPEB liability associated with the District	<u>46,885,140</u>	<u>45,477,048</u>
Total	<u><u>\$81,801,499</u></u>	<u><u>\$80,106,479</u></u>
District's covered-employee payroll	\$31,378,779	\$30,727,610
District's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	111.27%	112.70%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.07%	-0.17%
District Contributions:		
Contractually required contribution	\$ 276,133	\$ 258,112
Contributions in relation to the contractually required contribution	<u>276,474</u>	<u>257,875</u>
Contribution deficiency (excess)	<u><u>\$ (341)</u></u>	<u><u>\$ 237</u></u>
Contributions as a percentage of covered-employee payroll	0.88%	0.84%

The notes to the required supplementary information are an integral part of this statement.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

NOTE 1. BUDGETARY DATA:

Budgeted amounts for all Governmental Funds are adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30 the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues. The budget was adopted on September 24, 2018 and amended on June 24, 2019.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. The District has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
7. The budget lapses at the end of each fiscal year. (All appropriations lapse at year end.)

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

NOTE 2. EXCESS OF EXPENDITURES DISBURSED OVER BUDGET IN INDIVIDUAL ACCOUNTS/FUNDS:

Actual expenditures disbursed in the Debt Services fund of \$10,820,856 exceeded the budgeted amounts of \$10,734,576 by \$86,280.

Actual expenditures disbursed in the Capital Projects fund of \$801,497 exceeded the budgeted amounts of \$717,000 by \$84,497.

NOTE 3. SCHEDULE OF CONTRIBUTIONS – TEACHERS RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of assumptions

For the 2018, 2017 and 2016 measurement years, the assumed investment rate of return was of 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 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 analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and real return of 4.5 percent. However, salary increases were assumed to vary by age.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

NOTE 4. SCHEDULE OF CONTRIBUTIONS – ILLINOIS MUNICIPAL RETIREMENT FUND:

The following describes the summary of actuarial methods and assumptions used in the calculation of the 2018 contribution rate:

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: 25-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 20 years for most districts.
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, and IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Valuation Date	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.
Other Information	There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2016, actuarial valuation.

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

SUPPLEMENTARY FINANCIAL INFORMATION

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
COMBINING BALANCE SHEET BY ACCOUNT
GENERAL FUND
JUNE 30, 2019**

	Educational	Operations and Maintenance	Working Cash	Total General
<u>ASSETS</u>				
Cash and investments	\$ 37,449,147	\$ 5,302,453	\$ 10,194,377	\$ 52,945,977
Receivables (net of allowance for uncollectibles):				
Property taxes	22,011,833	3,112,189	-	25,124,022
Intergovernmental	869,941	-	-	869,941
Other	49,795	21,320	7,623	78,738
Inventory	325,940	-	-	325,940
Prepaid expenses	235,355	-	-	235,355
TOTAL ASSETS	\$ 60,942,011	\$ 8,435,962	\$ 10,202,000	\$ 79,579,973
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 817,889	\$ 196,444	\$ -	\$ 1,014,333
Payroll deductions and withholdings	197,164	-	-	197,164
Unearned revenue	42,481	-	-	42,481
Total Liabilities	1,057,534	196,444	-	1,253,978
Deferred inflows of resources:				
Property taxes levies for subsequent year	44,128,157	6,239,414	-	50,367,571
Total deferred inflows of resources	44,128,157	6,239,414	-	50,367,571
Fund Balance:				
Nonspendable	561,295	-	-	561,295
Unassigned	15,195,025	2,000,104	10,202,000	27,397,129
Total Fund Balance	15,756,320	2,000,104	10,202,000	27,958,424
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 60,942,011	\$ 8,435,962	\$ 10,202,000	\$ 79,579,973

DUPAGE HIGH SCHOOL DISTRICT NO. 88
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES BY ACCOUNT
GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Educational	Operations and Maintenance	Working Cash	Total General
REVENUES:				
Property taxes	\$ 43,451,194	\$ 6,141,085	\$ -	\$ 49,592,279
Other local sources	4,098,318	416,231	166,922	4,681,471
State sources	28,894,666	-	-	28,894,666
Federal sources	2,605,906	-	-	2,605,906
Total Revenues	<u>79,050,084</u>	<u>6,557,316</u>	<u>166,922</u>	<u>85,774,322</u>
EXPENDITURES:				
Current operating:				
Instruction	39,118,746	-	-	39,118,746
Supporting services	36,806,329	6,258,972	-	43,065,301
Community services	240,747	-	-	240,747
Payments to other districts and governmental units	1,505,833	-	-	1,505,833
Total Expenditures	<u>77,671,655</u>	<u>6,258,972</u>	<u>-</u>	<u>83,930,627</u>
Excess of revenues over expenditures	<u>1,378,429</u>	<u>298,344</u>	<u>166,922</u>	<u>1,843,695</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(46,332)	-	(290,000)	(336,332)
Proceeds from the sale of fixed assets	5,129	-	-	5,129
Principal on bonds sold	-	-	3,950,000	3,950,000
Premium on bonds sold	-	-	55,095	55,095
Total other financing sources (uses)	<u>(41,203)</u>	<u>-</u>	<u>3,715,095</u>	<u>3,673,892</u>
Net change in fund balances	<u>1,337,226</u>	<u>298,344</u>	<u>3,882,017</u>	<u>5,517,587</u>
Fund balances at beginning of year	<u>14,419,094</u>	<u>1,701,760</u>	<u>6,319,983</u>	<u>22,440,837</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 15,756,320</u></u>	<u><u>\$ 2,000,104</u></u>	<u><u>\$ 10,202,000</u></u>	<u><u>\$ 27,958,424</u></u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL TOTALS FOR 2018

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
REVENUES:				
Local Sources:				
Property taxes				
General tax levy	\$ 42,232,555	\$ 42,232,555	\$ 42,757,365	\$ 41,949,428
Special education tax levy	685,176	685,176	693,829	674,004
Total property taxes	<u>42,917,731</u>	<u>42,917,731</u>	<u>43,451,194</u>	<u>42,623,432</u>
Corporate replacement taxes	1,360,800	1,360,800	1,480,759	1,363,709
Tuition	50,040	50,040	55,524	55,388
Earnings on investments	412,000	412,000	869,117	411,225
Food service	449,000	449,000	429,600	416,971
Activity income	451,300	451,300	515,120	457,113
Textbooks	316,000	316,000	224,966	271,389
Contributions and donations from private sources	50,000	50,000	20,000	49,885
Impact fees from municipal or county governments	10,000	10,000	34,163	113,355
Services provided other districts	5,000	5,000	4,171	2,745
Refund of prior years' expenditures	-	-	78,406	48,554
Drivers' education fees	80,000	80,000	91,008	87,277
Payments from other districts	10,000	10,000	-	2,320
Other local	406,000	406,000	295,484	415,390
	<u>46,517,871</u>	<u>46,517,871</u>	<u>47,549,512</u>	<u>46,318,753</u>
Total Local Sources				
State Sources:				
Evidence based funding	5,796,381	5,796,381	5,748,659	5,663,023
Special education	533,697	533,697	646,322	1,149,873
Vocational education	67,100	67,100	66,985	63,865
Bilingual education	-	-	-	121,637
Free lunch & breakfast	10,000	10,000	12,993	11,001
Drivers' education	120,000	120,000	106,224	140,701
On-behalf payments - State of Illinois	-	21,900,000	22,255,091	22,737,869
Other	2,919	2,919	58,392	5,477
	<u>6,530,097</u>	<u>28,430,097</u>	<u>28,894,666</u>	<u>29,893,446</u>
Total State Sources	<u>\$ 6,530,097</u>	<u>\$ 28,430,097</u>	<u>\$ 28,894,666</u>	<u>\$ 29,893,446</u>

(Continued)

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL TOTALS FOR 2018

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
REVENUES - Continued:				
Federal Sources:				
Food Service	\$ 763,000	\$ 763,000	\$ 739,815	\$ 768,507
Title I - low income	725,000	725,000	600,536	665,715
IDEA - flow through	838,341	838,341	829,844	998,090
IDEA - room and board	-	-	2,945	3,326
CTE - Perkins	60,168	60,168	57,275	58,623
Race to the Top - Preschool Expansion	200,000	200,000	-	-
Emergency immigrant assistance	-	-	7,743	279
Title III - english language acquisition	27,200	27,200	27,169	22,619
Title II - Eisenhower/teacher quality	30,000	30,000	20,591	28,725
Medicaid programs	30,000	30,000	319,988	256,614
Other restricted grants	28,114	28,114	-	28,114
Total Federal Sources	2,701,823	2,701,823	2,605,906	2,830,612
Total Revenues	55,749,791	77,649,791	79,050,084	79,042,811
EXPENDITURES:				
Instruction:				
Regular programs:				
Salaries	17,828,327	17,828,327	17,814,530	17,460,854
Employee benefits	3,184,957	3,184,957	3,343,906	3,014,878
Purchased services	529,235	529,235	500,565	425,008
Supplies and materials	728,197	728,197	1,346,978	851,419
Capital outlay	62,720	62,720	7,888	40,321
Other	32,000	32,000	20,147	24,902
Non-capitalized equipment	590,943	590,943	464,232	394,143
Total	22,956,379	22,956,379	23,498,246	22,211,525
Special programs:				
Salaries	5,436,643	5,436,643	5,107,101	4,886,398
Employee benefits	873,439	873,439	843,447	734,892
Purchased services	134,700	134,700	55,317	128,240
Supplies and materials	54,586	54,586	36,583	31,775
Capital outlay	-	-	10,949	-
Other	-	-	-	1,789
Non-capitalized equipment	2,867	2,867	-	3,692
Tuition	1,785,000	1,785,000	1,497,606	1,771,561
Total	\$ 8,287,235	\$ 8,287,235	\$ 7,551,003	\$ 7,558,347

(Continued)

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL TOTALS FOR 2018

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued:				
Instruction - Continued:				
Remedial & supplemental:				
Salaries	\$ 50,000	\$ 50,000	\$ 50,279	\$ 39,615
Purchased services	42,800	42,800	54,820	26,680
Supplies and materials	170,282	170,282	306,373	355,850
Non-capitalized equipment	15,000	15,000	-	-
Total	<u>278,082</u>	<u>278,082</u>	<u>411,472</u>	<u>422,145</u>
CTE programs:				
Salaries	1,899,727	1,899,727	1,895,707	1,742,833
Employee benefits	261,545	261,545	263,060	231,807
Purchased services	62,025	62,025	56,064	54,279
Supplies and materials	141,150	141,150	132,889	141,571
Capital outlay	16,751	16,751	6,649	8,831
Non-capitalized equipment	45,715	45,715	56,901	47,153
Total	<u>2,426,913</u>	<u>2,426,913</u>	<u>2,411,270</u>	<u>2,226,474</u>
Interscholastic programs:				
Salaries	2,218,016	2,218,016	2,193,535	2,154,288
Employee benefits	45,085	45,085	45,085	47,945
Purchased services	341,836	341,836	364,871	335,689
Supplies and materials	104,040	104,040	99,670	89,168
Non-capitalized equipment	-	-	4,967	-
Total	<u>2,708,977</u>	<u>2,708,977</u>	<u>2,708,128</u>	<u>2,627,090</u>
Summer school:				
Salaries	111,000	111,000	107,700	113,960
Supplies and materials	1,600	1,600	745	1,546
Total	<u>112,600</u>	<u>112,600</u>	<u>108,445</u>	<u>115,506</u>
Driver's education programs:				
Salaries	225,000	225,000	183,959	214,327
Employee benefits	383	383	382	381
Purchased services	6,200	6,200	2,090	4,334
Supplies and materials	9,000	9,000	6,162	5,940
Capital outlay	34,000	34,000	-	-
Total	<u>\$ 274,583</u>	<u>\$ 274,583</u>	<u>\$ 192,593</u>	<u>\$ 224,982</u>

(Continued)

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL TOTALS FOR 2018

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued:				
Instruction - Continued:				
Bilingual:				
Salaries	\$ 321,260	\$ 321,260	\$ 303,163	\$ 330,836
Purchased services	2,000	2,000	-	-
Supplies and materials	1,500	1,500	3,884	1,802
Total	<u>324,760</u>	<u>324,760</u>	<u>307,047</u>	<u>332,638</u>
Truant alternative and optional:				
Salaries	1,008,509	1,008,509	1,000,392	916,087
Employee benefits	219,350	219,350	223,522	202,707
Supplies and materials	3,500	3,500	1,873	2,033
Tuition	716,700	716,700	704,755	690,310
Total	<u>1,948,059</u>	<u>1,948,059</u>	<u>1,930,542</u>	<u>1,811,137</u>
Total Instruction	<u>39,317,588</u>	<u>39,317,588</u>	<u>39,118,746</u>	<u>37,529,844</u>
Support Services:				
Pupils:				
Attendance and social work :				
Salaries	1,630,728	1,630,728	1,629,649	1,528,349
Employee benefits	301,711	301,711	313,204	326,091
Purchased services	308,000	308,000	269,006	302,908
Supplies and materials	-	-	212	419
Total	<u>2,240,439</u>	<u>2,240,439</u>	<u>2,212,071</u>	<u>2,157,767</u>
Guidance services				
Salaries	1,665,646	1,665,646	1,662,092	1,708,828
Employee benefits	238,476	238,476	235,820	232,737
Supplies and materials	9,000	9,000	7,274	9,115
Total	<u>1,913,122</u>	<u>1,913,122</u>	<u>1,905,186</u>	<u>1,950,680</u>
Health services:				
Salaries	290,611	290,611	292,056	279,015
Employee benefits	54,525	54,525	45,454	44,364
Supplies and materials	5,500	5,500	4,584	5,377
Total	<u>\$ 350,636</u>	<u>\$ 350,636</u>	<u>\$ 342,094</u>	<u>\$ 328,756</u>

(Continued)

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL TOTALS FOR 2018

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued:				
Support Services - Continued:				
Pupils - Continued:				
Psychological services:				
Salaries	\$ 454,000	\$ 454,000	\$ 453,996	\$ 435,562
Employee benefits	50,050	50,050	50,028	44,529
Purchased services	7,500	7,500	6,146	7,700
Supplies and materials	500	500	-	986
Total	512,050	512,050	510,170	488,777
Speech pathology:				
Purchased services	-	-	699	-
Total	-	-	699	-
Other support - pupil:				
Salaries	176,441	176,441	166,349	156,530
Employee benefits	16,583	16,583	16,582	9,329
Purchased services	10,000	10,000	2,016	2,538
Supplies and materials	26,000	26,000	25,288	46,657
Total	229,024	229,024	210,235	215,054
Total Pupils	5,245,271	5,245,271	5,180,455	5,141,034
Instructional Staff:				
Improvement of instructional services:				
Salaries	219,710	219,710	197,717	206,853
Employee benefits	22,351	22,351	22,350	22,042
Purchased services	155,457	155,457	108,434	140,675
Supplies and materials	-	-	269	-
Total	397,518	397,518	328,770	369,570
Educational media services:				
Salaries	648,237	648,237	656,373	639,991
Employee benefits	147,846	147,846	148,749	144,397
Supplies and materials	80,500	80,500	94,653	78,173
Total	\$ 876,583	\$ 876,583	\$ 899,775	\$ 862,561

(Continued)

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL TOTALS FOR 2018

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued:				
Support Services - Continued:				
Instructional Staff - Continued:				
Assessment and testing:				
Salaries	\$ 44,000	\$ 44,000	\$ 34,256	\$ 32,871
Purchased services	74,000	74,000	49,515	57,660
Supplies and materials	69,000	69,000	43,359	56,618
Total	187,000	187,000	127,130	147,149
Total Instructional Staff	1,461,101	1,461,101	1,355,675	1,379,280
General Administration:				
Board of education:				
Salaries	9,000	9,000	12,424	9,408
On-behalf payments - State of IL	-	21,900,000	22,255,091	22,737,869
Purchased services	243,000	243,000	207,371	239,870
Supplies and materials	15,000	15,000	8,107	11,495
Total	267,000	22,167,000	22,482,993	22,998,642
Executive administration:				
Salaries	302,295	302,295	301,099	285,997
Employee benefits	26,685	26,685	26,673	31,932
Purchased services	20,500	20,500	11,069	15,528
Supplies and materials	9,000	9,000	8,986	6,955
Total	358,480	358,480	347,827	340,412
Special area administration:				
Salaries	149,000	149,000	198,834	162,589
Employee benefits	34,955	34,955	34,953	40,058
Purchased services	5,000	5,000	20,364	3,919
Total	188,955	188,955	254,151	206,566
Tort immunity:				
Purchased services	518,705	518,705	269,643	458,353
Total	518,705	518,705	269,643	458,353
Total General Administration	\$ 1,333,140	\$ 23,233,140	\$ 23,354,614	\$ 24,003,973

(Continued)

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL TOTALS FOR 2018

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued:				
Support Services - Continued:				
School Administration:				
Office of the principal:				
Salaries	\$ 1,404,397	\$ 1,404,397	\$ 1,386,501	\$ 1,430,845
Employee benefits	275,212	275,212	273,183	282,169
Purchased services	74,600	74,600	82,249	74,813
Supplies and materials	344,590	344,590	394,638	307,448
Capital outlay	-	-	-	9,986
Non-capitalized equipment	40,000	40,000	26,214	19,120
Total	<u>2,138,799</u>	<u>2,138,799</u>	<u>2,162,785</u>	<u>2,124,381</u>
Other support - school administration:				
Salaries	1,652,026	1,652,026	1,639,481	1,594,777
Employee benefits	16,536	16,536	18,157	22,692
Total	<u>1,668,562</u>	<u>1,668,562</u>	<u>1,657,638</u>	<u>1,617,469</u>
Total School Administration	<u>3,807,361</u>	<u>3,807,361</u>	<u>3,820,423</u>	<u>3,741,850</u>
Business:				
Direction of business support services:				
Salaries	211,228	211,228	211,461	203,087
Employee benefits	86,979	86,979	86,884	92,718
Purchased services	36,100	36,100	40,137	27,405
Supplies and materials	15,000	15,000	8,557	7,449
Total	<u>349,307</u>	<u>349,307</u>	<u>347,039</u>	<u>330,659</u>
Fiscal services:				
Salaries	349,069	349,069	330,999	384,128
Employee benefits	11,417	11,417	11,405	10,981
Purchased services	-	-	-	764
Supplies and materials	-	-	289	345
Other	21,000	21,000	17,884	20,871
Non-capitalized equipment	20,000	20,000	3,775	1,335
Total	<u>401,486</u>	<u>401,486</u>	<u>364,352</u>	<u>418,424</u>
Operation and maintenance of plant services:				
Employee benefits	-	-	28,638	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,638</u>	<u>\$ -</u>

(Continued)

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL TOTALS FOR 2018

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued:				
Support Services - Continued:				
Business - Continued:				
Pupil transportation services:				
Salaries	\$ 500	\$ 500	\$ 274	\$ 868
Purchased services	23,792	23,792	23,227	23,261
Total	24,292	24,292	23,501	24,129
Food services:				
Salaries	53,950	53,950	53,649	52,498
Employee benefits	11,481	11,481	11,480	11,883
Purchased services	881,500	881,500	827,653	838,375
Supplies and materials	6,500	6,500	3,677	4,071
Non-capitalized equipment	7,960	7,960	3,602	6,547
Total	961,391	961,391	900,061	913,374
Internal services:				
Salaries	150,398	150,398	145,748	143,371
Employee benefits	24,036	24,036	23,982	24,622
Total	174,434	174,434	169,730	167,993
Total Business	1,910,910	1,910,910	1,833,321	1,854,579
Central:				
Direction of central support services:				
Salaries	259,245	259,245	259,775	249,058
Employee benefits	43,750	43,750	43,733	44,143
Purchased services	13,000	13,000	6,867	-
Supplies and materials	27,000	27,000	30,997	22,480
Non-capitalized equipment	3,000	3,000	-	-
Total	345,995	345,995	341,372	315,681
Planning, research, development and evaluation services:				
Salaries	10,000	10,000	8,978	8,518
Total	\$ 10,000	\$ 10,000	\$ 8,978	\$ 8,518

(Continued)

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL TOTALS FOR 2018

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued:				
Support Services - Continued:				
Central - Continued:				
Information services:				
Salaries	\$ 80,085	\$ 80,085	\$ 80,085	\$ 73,137
Employee benefits	18,905	18,905	14,966	18,887
Purchased services	-	-	293	185
Supplies and materials	8,000	8,000	1,080	3,410
Total	106,990	106,990	96,424	95,619
Staff services:				
Salaries	117,307	117,307	117,540	110,815
Employee benefits	29,550	29,550	29,478	29,972
Purchased services	48,000	48,000	26,379	39,958
Supplies and materials	4,919	4,919	5,692	3,771
Total	199,776	199,776	179,089	184,516
Data processing services:				
Salaries	422,760	422,760	448,274	404,704
Employee benefits	86,250	86,250	94,149	85,847
Purchased services	108,000	108,000	93,555	90,753
Supplies and materials	3,000	3,000	-	-
Total	620,010	620,010	635,978	581,304
Total Central	1,282,771	1,282,771	1,261,841	1,185,638
Total Support Services	15,040,554	36,940,554	36,806,329	37,306,354
Community Services:				
Salaries	100,287	100,287	58,475	58,040
Employee benefits	23,656	23,656	13,237	24,517
Purchased services	25,534	25,534	169,035	15,614
Total Community Services	\$ 149,477	\$ 149,477	\$ 240,747	\$ 98,171

(Continued)

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL TOTALS FOR 2018

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued:				
Payments to other districts and governmental units:				
Special education - tuition	\$ 820,000	\$ 820,000	\$ 1,035,018	\$ 784,301
Special education - purchased services	117,360	117,360	146,704	133,409
Special education - other	147,689	147,689	103,689	168,138
CTE -tuition	116,302	116,302	116,302	111,537
Payments for other programs - tuition	-	-	-	3,500
Other - tuition	95,000	95,000	104,120	107,665
Total payments to other districts and governmental units	<u>1,296,351</u>	<u>1,296,351</u>	<u>1,505,833</u>	<u>1,308,550</u>
Provision for contingencies	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>55,878,970</u>	<u>77,778,970</u>	<u>77,671,655</u>	<u>76,242,919</u>
Excess (deficiency) of revenues over expenditures	<u>(129,179)</u>	<u>(129,179)</u>	<u>1,378,429</u>	<u>2,799,892</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(46,332)	(46,332)	(46,332)	(46,335)
Proceeds from the sale of fixed assets	-	-	5,129	494
Total other financing sources (uses)	<u>(46,332)</u>	<u>(46,332)</u>	<u>(41,203)</u>	<u>(45,841)</u>
Net change in fund balances	<u>\$ (175,511)</u>	<u>\$ (175,511)</u>	1,337,226	2,754,051
Fund balances at beginning of year			<u>14,419,094</u>	<u>11,665,043</u>
FUND BALANCES AT END OF YEAR			<u>\$ 15,756,320</u>	<u>\$ 14,419,094</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
OPERATIONS AND MAINTENANCE ACCOUNT
YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL TOTALS FOR 2018

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
REVENUES:				
Local Sources:				
Property taxes	\$ 6,066,100	\$ 6,066,100	\$ 6,141,085	\$ 5,381,869
Earnings on investments	56,000	56,000	112,569	53,186
Rentals	215,000	215,000	202,121	214,434
Refund of prior years' expenditures	-	-	290	-
Other	105,150	105,150	101,251	122,158
Total Revenues	<u>6,442,250</u>	<u>6,442,250</u>	<u>6,557,316</u>	<u>5,771,647</u>
EXPENDITURES:				
Support Services:				
Facilities acquisition and construction:				
Purchased services	-	-	122,205	50,520
Supplies and materials	-	-	2,496	-
Capital outlay	525,000	385,000	189,842	43,979
Non-capitalized equipment	-	-	14,831	-
Total	<u>525,000</u>	<u>385,000</u>	<u>329,374</u>	<u>94,499</u>
Operation and maintenance of plant services:				
Salaries	3,189,748	3,189,748	3,068,157	3,104,216
Benefits	626,310	626,310	510,314	548,715
Purchased services	618,400	618,400	584,103	602,853
Supplies and materials	1,803,513	1,803,513	1,704,197	1,429,229
Capital outlay	52,750	52,750	11,279	19,539
Non-capitalized equipment	79,250	79,250	51,548	21,256
Total	<u>6,369,971</u>	<u>6,369,971</u>	<u>5,929,598</u>	<u>5,725,808</u>
Total Expenditures	<u>6,894,971</u>	<u>6,754,971</u>	<u>6,258,972</u>	<u>5,820,307</u>
Net change in fund balances	<u>\$ (452,721)</u>	<u>\$ (312,721)</u>	298,344	(48,660)
Fund balances at beginning of year			<u>1,701,760</u>	<u>1,750,420</u>
FUND BALANCES AT END OF YEAR			<u>\$ 2,000,104</u>	<u>\$ 1,701,760</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
WORKING CASH ACCOUNT
YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL TOTALS FOR 2018

	2019		2018 Actual
	Original and Final Budget	Actual	
REVENUES:			
Local Sources:			
Property taxes	\$ -	\$ -	\$ 21,002
Earnings on investments	175,000	166,922	122,119
Total Revenues	<u>175,000</u>	<u>166,922</u>	<u>143,121</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(316,000)	(290,000)	(1,335,000)
Principal on bonds sold	3,865,516	3,950,000	-
Premium on bonds sold	139,579	55,095	-
Total other financing sources (uses)	<u>3,689,095</u>	<u>3,715,095</u>	<u>(1,335,000)</u>
Net change in fund balances	<u>\$ 3,864,095</u>	3,882,017	(1,191,879)
Fund balances at beginning of year		<u>6,319,983</u>	<u>7,511,862</u>
FUND BALANCES AT END OF YEAR		<u>\$ 10,202,000</u>	<u>\$ 6,319,983</u>

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DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL TOTALS FOR 2018

	2019		2018 Actual
	Original and Final Budget	Actual	
REVENUES:			
Local Sources:			
Property taxes	\$ 10,225,071	\$ 10,771,988	\$ 11,771,826
Earnings on investments	65,000	112,977	57,837
Total Revenues	<u>10,290,071</u>	<u>10,884,965</u>	<u>11,829,663</u>
EXPENDITURES:			
Debt Service:			
Payment of principal on long-term debt	7,340,920	7,340,920	7,833,861
Interest on long-term debt	3,389,831	3,389,832	3,905,985
Other fees	2,000	84,484	-
Service charges	1,825	5,620	2,488
Total Expenditures	<u>10,734,576</u>	<u>10,820,856</u>	<u>11,742,334</u>
Excess (deficiency) of revenues over expenditures	<u>(444,505)</u>	<u>64,109</u>	<u>87,329</u>
OTHER FINANCING SOURCES:			
Transfers in	46,332	46,332	46,335
Premium on bonds sold	-	84,484	-
Total other financing sources	<u>46,332</u>	<u>130,816</u>	<u>46,335</u>
Net change in fund balances	<u>\$ (398,173)</u>	194,925	133,664
Fund balances at beginning of year		<u>687,200</u>	<u>553,536</u>
FUND BALANCES AT END OF YEAR		<u>\$ 882,125</u>	<u>\$ 687,200</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>Special Revenue</u>			<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Total</u>	<u>Capital Projects</u>	
<u>ASSETS</u>					
Cash and investments	\$ 3,046,593	\$ 1,612,310	\$ 4,658,903	\$ 406,725	\$ 5,065,628
Receivables (net of allowance for uncollectibles):					
Property taxes	989,787	918,862	1,908,649	-	1,908,649
Intergovernmental	279,022	-	279,022	-	279,022
Other	3,734	1,976	5,710	10,061	15,771
TOTAL ASSETS	\$ 4,319,136	\$ 2,533,148	\$ 6,852,284	\$ 416,786	\$ 7,269,070
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable	\$ 124,443	\$ -	\$ 124,443	\$ 461,154	\$ 585,597
Total Liabilities	124,443	-	124,443	461,154	585,597
Deferred inflows of resources:					
Property taxes levies for subsequent year	1,984,592	1,841,772	3,826,364	-	3,826,364
Total deferred inflows of resources	1,984,592	1,841,772	3,826,364	-	3,826,364
Fund Balance:					
Restricted	2,210,101	691,376	2,901,477	-	2,901,477
Unassigned	-	-	-	(44,368)	(44,368)
Total Fund Balance	2,210,101	691,376	2,901,477	(44,368)	2,857,109
INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,319,136	\$ 2,533,148	\$ 6,852,284	\$ 416,786	\$ 7,269,070

DUPAGE HIGH SCHOOL DISTRICT NO. 88
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Special Revenue</u>			<u>Capital Projects</u>	Total Nonmajor Governmental Funds
	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Total</u>	<u>Capital Projects</u>	
REVENUES:					
Property taxes	\$ 1,952,803	\$ 1,812,965	\$ 3,765,768	\$ -	\$ 3,765,768
Other local sources	183,947	143,423	327,370	284,806	612,176
State sources	1,405,959	-	1,405,959	-	1,405,959
Total Revenues	3,542,709	1,956,388	5,499,097	284,806	5,783,903
EXPENDITURES:					
Current operating:					
Instruction	-	1,351,374	1,351,374	-	1,351,374
Support services	3,930,807	624,653	4,555,460	801,497	5,356,957
Community services	-	4,657	4,657	-	4,657
Total Expenditures	3,930,807	1,980,684	5,911,491	801,497	6,712,988
Deficiency of revenues over expenditures	(388,098)	(24,296)	(412,394)	(516,691)	(929,085)
OTHER FINANCING SOURCES:					
Transfers in	290,000	-	290,000	-	290,000
Total other financing sources	290,000	-	290,000	-	290,000
Net change in fund balances	(98,098)	(24,296)	(122,394)	(516,691)	(639,085)
Fund balances at beginning of year	2,308,199	715,672	3,023,871	472,323	3,496,194
FUND BALANCES AT END OF YEAR	\$ 2,210,101	\$ 691,376	\$ 2,901,477	\$ (44,368)	\$ 2,857,109

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL TOTALS FOR 2018

	2019		2018 Actual
	Original and Final Budget	Actual	
REVENUES:			
Local Sources:			
Property taxes	\$ 1,928,853	\$ 1,952,803	\$ 1,896,642
Transportation fees	65,000	99,669	67,421
Earnings on investments	46,000	84,278	46,034
Other local fees	-	-	22,422
Total Local Sources	<u>2,039,853</u>	<u>2,136,750</u>	<u>2,032,519</u>
State Sources:			
Transportation aid			
Regular	190,000	143,556	111,356
Special education	1,138,381	1,262,403	1,062,477
Total State Sources	<u>1,328,381</u>	<u>1,405,959</u>	<u>1,173,833</u>
Total Revenues	<u>3,368,234</u>	<u>3,542,709</u>	<u>3,206,352</u>
EXPENDITURES:			
Business - Pupil Transportation Services:			
Purchased services	3,585,294	3,494,944	3,277,524
Supplies and materials	208,000	143,997	133,425
Capital outlay	317,866	290,000	319,432
Non-capitalized equipment	-	1,866	-
Total Expenditures	<u>4,111,160</u>	<u>3,930,807</u>	<u>3,730,381</u>
Deficiency of revenues over expenditures	<u>(742,926)</u>	<u>(388,098)</u>	<u>(524,029)</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>316,000</u>	<u>290,000</u>	<u>335,000</u>
Total other financing sources	<u>316,000</u>	<u>290,000</u>	<u>335,000</u>
Net change in fund balances	<u>\$ (426,926)</u>	<u>(98,098)</u>	<u>(189,029)</u>
Fund balances at beginning of year		<u>2,308,199</u>	<u>2,497,228</u>
FUND BALANCES AT END OF YEAR		<u>\$ 2,210,101</u>	<u>\$ 2,308,199</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL TOTALS FOR 2018

	2019		2018 Actual
	Original and Final Budget	Actual	
REVENUES:			
Local Sources:			
Property taxes			
General tax levy	\$ 803,606	\$ 813,764	\$ 885,944
Social security/medicare tax levy	987,024	999,201	1,066,058
Corporate replacement taxes	104,801	104,801	101,937
Earnings on investments	22,000	38,622	21,214
Total Revenues	<u>1,917,431</u>	<u>1,956,388</u>	<u>2,075,153</u>
EXPENDITURES:			
Instruction - employee benefits	1,372,595	1,351,374	1,406,833
Support Services - employee benefits	634,478	624,653	667,214
Community services	4,731	4,657	5,787
Total Expenditures	<u>2,011,804</u>	<u>1,980,684</u>	<u>2,079,834</u>
Net change in fund balances	<u>\$ (94,373)</u>	(24,296)	(4,681)
Fund balances at beginning of year		<u>715,672</u>	<u>720,353</u>
FUND BALANCES AT END OF YEAR		<u>\$ 691,376</u>	<u>\$ 715,672</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL TOTALS FOR 2018

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
REVENUES:				
Local Sources:				
Earnings on investments	\$ 5,000	\$ 5,000	\$ 13,038	\$ 11,402
Other local revenues	258,520	258,520	271,768	-
Total Revenues	<u>263,520</u>	<u>263,520</u>	<u>284,806</u>	<u>11,402</u>
EXPENDITURES:				
Support Services:				
Business - Facilities Acquisition and Construction:				
Purchased services	60,000	60,000	72,891	51,459
Capital outlay	830,000	657,000	728,606	1,150,294
Total Expenditures	<u>890,000</u>	<u>717,000</u>	<u>801,497</u>	<u>1,201,753</u>
Deficiency of revenues over expenditures	<u>(626,480)</u>	<u>(453,480)</u>	<u>(516,691)</u>	<u>(1,190,351)</u>
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	1,000,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Net change in fund balances	<u>\$ (626,480)</u>	<u>\$ (453,480)</u>	(516,691)	(190,351)
Fund balances at beginning of year			<u>472,323</u>	<u>662,674</u>
FUND BALANCES AT END OF YEAR			<u>\$ (44,368)</u>	<u>\$ 472,323</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS AND CONVENIENCE ACCOUNTS
YEAR ENDED JUNE 30, 2019

	Cash Balance July 1, 2018	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2019
<u>ASSETS</u>				
Cash	\$ 1,083,005	\$ 1,446,665	\$ 1,426,061	\$ 1,103,609
<u>LIABILITIES</u>				
Due to activity organizations:				
Addison Trail School	324,687	695,522	709,181	311,028
Willowbrook School	304,415	643,171	589,175	358,411
School District office	453,903	107,972	127,705	434,170
	<u>\$ 1,083,005</u>	<u>\$ 1,446,665</u>	<u>\$ 1,426,061</u>	<u>\$ 1,103,609</u>

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OTHER FINANCIAL INFORMATION

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2019

Year ending June 30	Bonds dated December 22, 2015		Bonds dated December 27, 2016		Bonds dated September 6, 2018	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ -	\$ 105,434	\$ 6,340,000	\$ 2,856,050	\$ 60,000	\$ 193,698
2021	-	105,434	6,530,000	2,665,850	145,000	140,800
2022	-	105,434	6,725,000	2,469,950	-	136,450
2023	-	105,434	7,060,000	2,133,700	-	136,450
2024	-	105,434	7,345,000	1,851,300	-	136,450
2025	100,000	105,434	7,640,000	1,557,500	-	136,450
2026	1,125,000	101,434	8,025,000	1,175,500	-	136,450
2027	1,160,000	63,465	8,425,000	774,250	-	136,450
2028	1,190,000	32,725	8,825,000	353,000	-	136,450
2029	-	-	-	-	1,110,000	136,450
2030	-	-	-	-	1,145,000	103,150
2031	-	-	-	-	1,190,000	57,350
2032	-	-	-	-	300,000	9,750
	<u>\$ 3,575,000</u>	<u>\$ 830,228</u>	<u>\$ 66,915,000</u>	<u>\$ 15,837,100</u>	<u>\$ 3,950,000</u>	<u>\$ 1,596,348</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2019

Year ending June 30	Total		
	Principal	Interest	Total
2020	\$ 7,365,000	\$ 3,347,667	10,712,667
2021	7,680,000	3,065,969	10,745,969
2022	7,770,000	2,825,519	10,595,519
2023	8,140,000	2,457,919	10,597,919
2024	8,455,000	2,143,119	10,598,119
2025	8,780,000	1,824,344	10,604,344
2026	9,150,000	1,413,384	10,563,384
2027	9,585,000	974,165	10,559,165
2028	10,015,000	522,175	10,537,175
2029	1,110,000	136,450	1,246,450
2030	1,145,000	103,150	1,248,150
2031	1,190,000	57,350	1,247,350
2032	300,000	9,750	309,750
	<u>\$ 80,685,000</u>	<u>\$ 18,880,961</u>	<u>\$ 99,565,961</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
TAX LEVY SUMMARY
JUNE 30, 2019

	Assessed Valuation	Rate	Extensions	Collected	Balance Uncollected	Percent collections
2018 levy:	<u>\$ 3,005,454,524</u>					
Educational		1.4593	\$ 43,858,598	\$ 21,761,409	\$ 22,097,189	
Operations and maintenance		0.2097	6,302,438	3,127,225	3,175,213	
Bond and interest		0.3601	10,822,642	5,369,921	5,452,721	
Transportation		0.0667	2,004,638	994,805	1,009,833	
Municipal retirement		0.0278	835,516	414,448	421,068	
Special education		0.0238	715,298	354,915	360,383	
Social security		0.0341	1,024,860	508,462	516,398	
Working cash		0.0000	-	-	-	
		2.1815	\$65,563,990	\$32,531,185	\$33,032,805	49.62%
2017 levy:	<u>\$ 2,860,568,495</u>					
Educational		1.4976	\$ 42,839,874	\$ 42,754,598	\$ 85,276	
Operations and maintenance		0.2151	6,153,083	6,140,759	12,324	
Bond and interest		0.3773	10,792,925	10,771,323	21,602	
Transportation		0.0684	1,956,629	1,952,681	3,948	
Municipal retirement		0.0285	815,262	813,700	1,562	
Special education		0.0243	695,118	693,789	1,329	
Social security		0.0350	1,001,199	999,141	2,058	
Working Cash		0.0000	-	-	-	
		2.2462	\$64,254,090	\$64,125,991	\$ 128,099	99.80%
2016 levy:	<u>\$ 2,659,626,352</u>					
Educational		1.5815	\$ 42,061,990	\$ 41,949,500	\$ 112,490	
Operations and maintenance		0.2029	5,396,382	5,382,012	14,370	
Bond and interest		0.4438	11,803,422	11,772,149	31,273	
Transportation		0.0715	1,901,633	1,896,696	4,937	
Municipal retirement		0.0334	888,315	885,980	2,335	
Special education		0.0254	675,545	674,023	1,522	
Social security		0.0402	1,069,170	1,066,087	3,083	
Working Cash		0.0008	21,277	21,002	275	
		2.3995	\$63,817,734	\$63,647,449	\$170,285	99.73%

DUPAGE HIGH SCHOOL DISTRICT NO. 88
LEGAL BONDED DEBT MARGIN
JUNE 30, 2019

Assessed valuation of taxable properties for the 2018 tax year	\$ 3,005,454,524
Statutory rate	<u>6.90%</u>
Bonded debt limit	<u>207,376,362</u>
Bonds outstanding	80,685,000
Less: Debt Services fund balance	<u>(882,125)</u>
Total net general bonded debt outstanding	<u>79,802,875</u>
Legal bonded debt margin	<u><u>\$ 127,573,487</u></u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SUMMARY OF OPERATIONS
BOOKSTORES
JUNE 30, 2019

	<u>Addison Trail High School</u>	<u>Willowbrook High School</u>	<u>Total</u>
Revenue from sales:			
Sale of textbooks	\$ 84,879	\$ 126,463	\$ 211,342
Sale of supplies	29,278	22,545	51,823
Total	<u>114,157</u>	<u>149,008</u>	<u>263,165</u>
Cost of sales:			
Inventory of supplies & textbooks at July 1, 2018	221,260	221,376	442,636
Purchase of supplies	37,519	22,901	60,420
Purchase of textbooks	92,516	103,361	195,877
Total available for sale	<u>351,295</u>	<u>347,638</u>	<u>698,933</u>
Less inventory of supplies & textbooks at June 30, 2019	148,118	177,822	325,940
Total cost of sales, including disposals	<u>130,035</u>	<u>126,262</u>	<u>256,297</u>
Gross profit (loss)	<u>(15,878)</u>	<u>22,746</u>	<u>6,868</u>
Operating expenses:			
Salaries	71,569	74,180	145,749
Sales tax	8,771	11,376	20,147
Insurance	5,947	18,035	23,982
Total operating expenses	<u>86,287</u>	<u>103,591</u>	<u>189,878</u>
Net income (loss)	<u>\$ (102,165)</u>	<u>\$ (80,845)</u>	<u>\$ (183,010)</u>

Note: The activity of the bookstores is accounted for in the General Fund's Educational Account.

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
ENROLLMENT DATA**

Willowbrook
Addison Trail
September 30 (excluding special education)

	Enrollment				Total
	Freshman	Sophomore	Junior	Senior	
2018	1,155	995	835	1,028	4,013
2017	1,085	965	889	1,033	3,972
2016	1,048	1,028	869	1,055	4,000
2015	1,165	1,031	841	1,028	4,065
2014	1,180	1,006	815	1,070	4,071
2013	1,120	991	948	998	4,057
2012	996	1,084	986	1,042	4,108
2011	1,005	1,032	1,062	1,043	4,142
2010	1,000	1,012	994	872	3,878
2009	1,001	959	1,013	978	3,951

Average Daily Attendance

2018/2019	3,491
2017/2018	3,535
2016/2017	3,537
2015/2016	3,427
2014/2015	3,200
2013/2014	3,239
2012/2013	3,245
2011/2012	3,627
2010/2011	3,776
2009/2010	3,690

	Operating expense per pupil	Per capita tuition charge
2018/2019	\$ 18,836.28	\$ 17,896.72
2017/2018	18,118.27	17,021.64
2016/2017	18,204.38	17,346.51
2015/2016	18,404.28	17,644.48
2014/2015	19,707.09	18,628.38
2013/2014	19,343.26	18,287.94
2012/2013	18,855.88	17,780.81
2011/2012	16,401.42	15,558.39
2010/2011	15,446.39	14,468.61
2009/2010	\$ 16,207.62	\$ 15,168.40

DUPAGE HIGH SCHOOL DISTRICT NO. 88
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES BY ACCOUNT NET OF STATE ON-BEHALF PAYMENTS
DISTRICT'S OPERATING FUNDS
YEAR ENDED JUNE 30, 2019

	Educational	Operations and Maintenance	Working Cash	Total General
REVENUES:				
Property taxes	\$ 43,451,194	\$ 6,141,085	\$ -	\$ 49,592,279
Other local sources	4,098,318	416,231	166,922	4,681,471
State sources	28,894,666	-	-	28,894,666
Federal sources	2,605,906	-	-	2,605,906
Total Revenues	79,050,084	6,557,316	166,922	85,774,322
Less: On-behalf payments - State of Illinois	(22,255,091)	-	-	(22,255,091)
Total Revenues - Net of on-behalf payments	56,794,993	6,557,316	166,922	63,519,231
EXPENDITURES:				
Current operating:				
Instruction	39,118,746	-	-	39,118,746
Supporting services	36,806,329	6,258,972	-	43,065,301
Community services	240,747	-	-	240,747
Payments to other districts and governmental units	1,505,833	-	-	1,505,833
Total Expenditures	77,671,655	6,258,972	-	83,930,627
Less: On-behalf payments - State of Illinois	(22,255,091)	-	-	(22,255,091)
Total Expenditures - Net of on-behalf payments	55,416,564	6,258,972	-	61,675,536
Excess of revenues over expenditures	1,378,429	298,344	166,922	1,843,695
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(46,332)	-	(290,000)	(336,332)
Principal on bonds sold	-	-	3,950,000	3,950,000
Premium on bonds sold	-	-	55,095	55,095
Proceeds from the sale of fixed assets	5,129	-	-	5,129
Total other financing sources (uses)	(41,203)	-	3,715,095	3,673,892
Net change in fund balances	1,337,226	298,344	3,882,017	5,517,587
Fund balances at beginning of year	14,419,094	1,701,760	6,319,983	22,440,837
FUND BALANCES AT END OF YEAR	\$ 15,756,320	\$ 2,000,104	\$ 10,202,000	\$ 27,958,424

<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Total Operating Funds</u>
\$ 1,952,803	\$ 1,812,965	\$ 53,358,047
183,947	143,423	5,008,841
1,405,959	-	30,300,625
-	-	2,605,906
3,542,709	1,956,388	91,273,419
-	-	(22,255,091)
3,542,709	1,956,388	69,018,328
-	1,351,374	40,470,120
3,930,807	624,653	47,620,761
-	4,657	245,404
-	-	1,505,833
3,930,807	1,980,684	89,842,118
-	-	(22,255,091)
3,930,807	1,980,684	67,587,027
(388,098)	(24,296)	1,431,301
290,000	-	290,000
-	-	(336,332)
-	-	3,950,000
-	-	55,095
-	-	5,129
290,000	-	3,963,892
(98,098)	(24,296)	5,395,193
2,308,199	715,672	25,464,708
\$ 2,210,101	\$ 691,376	\$ 30,859,901

Net change in fund balances	\$ 5,395,193
Less: Proceeds from the sale of fixed assets	(5,129)
Less: Principal and premium on bonds sold	(4,005,095)
Net change in fund balance from operations	\$ 1,384,969