

DUPAGE HIGH SCHOOL DISTRICT NO. 88

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	<u>1</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS	<u>5</u>
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	<u>20</u>
Statement of Activities	<u>22</u>
Fund Financial Statements	
Balance Sheet - Governmental Funds	<u>23</u>
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities	<u>24</u>
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>25</u>
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities	<u>26</u>
Statement of Fiduciary Net Position	<u>27</u>
Notes to Financial Statements	<u>28</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in the Employer's Total OPEB Liability	
Retiree Health Plan	<u>73</u>
Schedule of Employer Contributions	
Teacher's Health Insurance Security Fund	<u>74</u>
Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability	
Teacher's Health Insurance Security Fund	<u>76</u>
Schedule of the Employer's Proportionate Share of the Net Pension Liability and Employer Teachers' Retirement System	<u>78</u>
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	<u>80</u>
Schedule of Changes in the Employer's Net Pension Liability	
Illinois Municipal Retirement Fund	<u>82</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General Fund	<u>84</u>

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

OTHER SUPPLEMENTARY INFORMATION

Combining Balance Sheet - General Fund	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances General Fund - by Accounts	89
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Educational Account - General Fund	90
Operations and Maintenance Account - General Fund	101
Working Cash Account - General Fund	103
Capital Projects Fund	109
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds	106
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Municipal Retirement/Social Security - Special Revenue Fund	108
Debt Service Fund	104
Schedule of Changes in Assets and Liabilities - Student Activity - Agency Fund	110
Consolidated Year-End Financial Report	111

SUPPLEMENTAL SCHEDULES

Long-Term Debt Requirements	
General Obligation Limited Tax Refunding School Bonds of 2015A	113
General Obligation Limited Tax Refunding School Bonds of 2015B	114
General Obligation Refunding School Bonds of 2016	115
General Obligation Limited Tax School Bonds of 2018	116
Property Tax Levies and Collections - Last Three Tax Levy Years	117
Summary of Operations - Bookstores	118
District Enrollment - Last Ten Fiscal Years	119
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances by Account Net of State On-Behalf Payments - District's Operating Funds	120

FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the District's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

October 9, 2020

Members of the Board of Education
DuPage High School District No. 88
Addison, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the DuPage High School District No. 88, Illinois, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 DuPage High School District No. 88, Illinois, as of June 30, 2020, 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.

We did not audit the financial statements of the DuPage High School District No. 88 as of and for the year ended June 30, 2019. Those statements were audited by another auditor who issued unmodified opinion on December 9, 2019.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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 DuPage High School District No. 88, Illinois', basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Matters - Continued

Other Information - Continued

The other supplementary information and supplemental 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 other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Management's Discussion and Analysis

June 30, 2020

The discussion and analysis of DuPage High School District No. 88 (the "District") financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2020. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

FINANCIAL HIGHLIGHTS

The District's fund balances reported an increased of \$5,505 during the fiscal year. Several factors contributed to this change:

- 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 decrease of 1.10 positions split 4.20 additional certified teachers and a reduction of 5.60 teacher aides. 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 22% reduction of outside placement tuition expense since fiscal year 2015.
- The District realized personnel salary expense reductions due to the retirement of three certified and eight non-certified staff for the fiscal year ending June 2019. Total salary expense reductions due to retirements from 2014 to 2020 is \$3.3 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 the revenue, excluding state of Illinois on-behalf payments, is generated from property taxes.
- 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 2022.
- 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.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Management's Discussion and Analysis

June 30, 2020

FINANCIAL HIGHLIGHTS - Continued

- Certified personnel multi-year agreement was in the final year of a two-year contract with the base salary increase linked to 85% of CPI or 1.80% and estimated step advancement of 2.29%.
- Support staff personnel salaries were negotiated for a three-year agreement ending in 2019-2020 at a base increase of 2.00%. In addition, they will receive schedule step advancement if applicable for an estimated board expense of 1.00%.
- Teacher Aide personnel salaries were negotiated for a three-year agreement ending in 2019-2020 at a base increase of 3.25%. 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 percent increase only for future years.
- In total, government-wide net position increased by \$3,582,987, due mainly to an increase in property and replacement taxes in FY2020.
- General revenues accounted for \$74,758,407 in revenue or 69.6% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$32,602,095 or 30.4% of total revenues of \$107,360,502.
- The District had \$103,777,515 in expenses related to government activities. However, only \$32,602,095 of these expenses were offset by program specific charges and grants.
- Revenues for FY2020, as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances, were \$107,360,502, inclusive of on-behalf payments to the Teacher's Retirement System and Teachers' Health Insurance Security Fund. Expenditures for FY2020 were \$107,354,997, also inclusive on State of Illinois payments to the Teachers Retirement System Teachers' Health Insurance Security Fund.
- The Illinois Teacher's Retirement System receives on-behalf pension and post-retirement health insurance programs from the State of Illinois for the District's certified staff. In FY2020, \$26,471,459 was included in the total revenues and expenditures of the District representing the State of Illinois contributions.
- Actual revenues received in FY2020 for the General Fund, exclusive of the State of Illinois on-behalf payment to the Teachers Retirement System, was \$64,582,935. Actual expenditures exclusive of on-behalf contributions were \$63,305,657 in FY2020.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Management's Discussion and Analysis

June 30, 2020

FINANCIAL HIGHLIGHTS - Continued

- The District decreased the total outstanding long-term debt by 9.2%. As of June 30, 2020, total outstanding debt was \$73,361,063.
-
- The District increased beginning net position by \$46,382,823 due to correcting the District's FY2019 capital asset appraisal and accrued interest.

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 2020 we had fully restored the \$4.9 million of cumulative financial reserves used during the three year period of 2012 to 2014.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 20 - 22) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements begin on page 23. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the government.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Management's Discussion and Analysis

June 30, 2020

USING THIS ANNUAL REPORT - Continued

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 Balance 	<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/outflow of information	All revenues and expenses during the 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

Management's Discussion and Analysis

June 30, 2020

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the District's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 20 - 22 of this report.

The Statement of Net Position reports information on all of the District's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the District's property tax base and the condition of the District's infrastructure, is needed to assess the overall health of the District.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Management's Discussion and Analysis

June 30, 2020

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Debt Service Fund are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 23 - 26 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 27 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 - 71 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's Retiree's Health Plan, Teacher's Health Insurance Security Fund, Teacher's Retirement and I.M.R.F employee pension obligations and budgetary comparison schedules for the General Fund. Required supplementary information can be found on pages 73 - 84 of this report. Combining and individual fund statements and schedules can be found on pages 88 - 111 of this report.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Management's Discussion and Analysis

June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, assets/deferred outflows exceeded liabilities/deferred inflows by \$46,133,957.

	Net Position	
	2020	2019
Current/Other Assets	\$ 100,000,577	98,445,584
Capital Assets	145,586,375	100,958,745
Total Assets	245,586,952	199,404,329
Deferred Outflows	2,684,232	9,237,040
Total Assets/Deferred Outflows	248,271,184	208,641,369
Long-Term Debt	115,218,411	134,709,469
Other Liabilities	10,877,516	1,839,575
Total Liabilities	126,095,927	136,549,044
Deferred Inflows	76,041,300	75,924,175
Total Liabilities/Deferred Inflows	202,137,227	212,473,219
Net Position		
Investment in Capital Assets	69,216,397	23,686,339
Restricted	3,099,634	3,783,602
Unrestricted	(26,182,074)	(31,301,794)
Total Net Position	46,133,957	(3,831,853)

A large portion of the District's net position, \$69,216,397, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$3,099,634, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining deficit amount of \$26,182,074, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Management's Discussion and Analysis

June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position	
	2020	2019
Revenues		
Program Revenues		
Charges for Services	\$ 1,348,181	1,428,894
Operating Grants/Contrib.	4,782,455	5,209,429
On-behalf Payments	26,471,459	22,255,091
General Revenues		
Taxes	67,108,929	64,130,035
General State Aid	5,992,753	5,748,659
Other General Revenues	1,656,725	3,676,211
Total Revenues	<u>107,360,502</u>	<u>102,448,319</u>
Expenses		
Instruction	44,816,588	45,411,524
Support Services	28,005,946	25,830,709
Community Services	307,358	248,824
Payments to Other Districts/Govts.	1,819,946	1,505,833
State Retirement Contributions	26,471,459	22,255,091
Interest on Long-Term Debt	2,356,218	2,630,547
Total Expenses	<u>103,777,515</u>	<u>97,882,528</u>
Change in Net Position	3,582,987	4,565,791
Net Position - Beginning as Restated	<u>42,550,970</u>	<u>(8,397,644)</u>
Net Position - Ending	<u><u>46,133,957</u></u>	<u><u>(3,831,853)</u></u>

Net position of the District's governmental activities increased by 8.4 percent (a restated \$42,550,970 in 2019 compared to \$46,133,957 in 2020). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled (\$26,182,074) at June 30, 2020.

Revenues for governmental activities totaled \$107,360,502, while the cost of all governmental functions totaled \$103,777,515, resulting in an increase of \$3,582,987. In 2019, revenues of \$102,448,319 exceeded expenses of \$97,882,528, resulting in an increase of \$4,565,791. The increase in 2020 is due primarily to continued control of expenditures including staffing, retirements and the use of bond proceeds for facility improvements. In addition, the adverse impact of the COVID-19 pandemic resulted in less other local revenue and lower expenses for the year.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Management's Discussion and Analysis

June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Net Cost of Governmental Activities			
	For the Years Ended June 30, 2020 and 2019			
	Total Cost of Services		Net Costs of Services	
	2020	2019	2020	2019
Instruction	\$ 44,816,588	45,411,524	43,265,732	41,780,949
Student and Instruction Support Services	6,964,954	7,179,258	6,964,954	6,859,546
Community Services	307,358	248,824	307,358	248,824
Payments to Other Districts/Govts.	1,819,946	1,505,833	1,819,946	1,505,833
State Retirement Contributions	26,471,459	22,255,091	—	—
Other Support Services	21,040,992	18,651,451	16,461,212	15,963,415
Interest on Long-Term Debt	2,356,218	2,630,547	2,356,218	2,630,547
Total	103,777,515	97,882,528	71,175,420	68,989,114

- The total cost of all programs and services was \$103,777,515 for the year ended June 30, 2020, an increase of \$5,894,987 from the prior year. This is primarily due to increase in State on-behalf pension contributions. In addition, interest on long-term debt declined as the District has lower outstanding principal.
- The District's expenses are predominantly related to instruction and student and staff support with these areas accounting for 77.5% of total expenses.
- Expenses for fiscal year 2020 were less than revenues by 3.3%.
- Some of that cost was financed by the users of the District's programs \$1,348,181.
- The State and Federal government subsidized certain programs with grants and contributions of \$31,253,914.
- Most of the District's programs and operations were supported with local property taxes representing 83.0% of revenue, net of on-behalf state pension payments.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Management's Discussion and Analysis

June 30, 2020

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The District's governmental funds reported combined ending fund balances of \$31,703,163, which is an increase of \$5,505, or less than one percent, from last year's total of \$31,697,658. Of the \$31,703,163 total, \$27,022,608, or 85.2%, of the fund balance constitutes unassigned fund balance.

Actual revenues, excluding on-behalf payments, for FY2020 were \$80,889,043. Actual expenditures, excluding on-behalf payments, totaled \$80,883,538. Expenditures were monitored closely during the year, which resulted in the expenditures being below budget in total, except for the Debt Service Fund and Capital Projects Fund. Property taxes accounted for the largest portion of the District's revenues, contributing \$65,373,325 of total revenues. The remainder of revenues came from other local, state, and federal grant sources.

The total cost of all the District's programs was \$80,883,538, with the majority, 84.4% of expenditures dedicated to instructing and caring for the students and student transportation. The remaining amount of District expenditures was split among district leadership and business services, building operation and non-operational support such as debt service, pension and other payroll taxes, and tort liability and life safety capital improvements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund is the District's largest budgeted fund and consists of the Educational, Operations and Maintenance, and Working Cash accounts. The General Fund's budgeted revenues were less than actual revenues of \$64,582,935 by \$1,017,167 excluding on-behalf pension payments for both. Actual expenditures of \$63,305,657, were less than budgeted expenditures \$65,610,664 by \$2,305,007, exclusive of on-behalf pension payments for both. In addition to the on-going commitment to control expenditures throughout the budget, this year was unique due to the COVID-19 pandemic. This event resulted in lower than expected salary, benefit and contractual service expenses. 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 past 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.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Management's Discussion and Analysis

June 30, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2020 was \$145,586,375 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, and equipment.

	Capital Assets - Net of Depreciation	
	2020	2019
Land	\$ 4,162,325	4,162,325
Construction in Progress	947,892	629,022
Land Improvements	2,543,102	2,501,161
Buildings	135,776,627	140,125,430
Equipment	2,156,429	1,481,398
Total	<u>145,586,375</u>	<u>148,899,336</u>

This year's major additions included:

Construction in Progress	\$ 947,892
Land Improvements	433,094
Buildings	41,526
Equipment	<u>992,104</u>
	<u>2,414,616</u>

Additional information on the District's capital assets can be found in Note 3 of this report.

Debt Administration

The District decreased debt by \$7,408,090 during the fiscal year with a total outstanding debt of \$73,361,063. At the end of FY2020, the District had a debt limit of \$448,475,765.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Management's Discussion and Analysis

June 30, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Debt Administration - Continued

	<u>Long-Term Debt Outstanding</u>	
	<u>2020</u>	<u>2019</u>
General Obligation Bonds	\$ 73,320,000	80,685,000
Capital Leases	41,063	84,153
Total	<u>73,361,063</u>	<u>80,769,153</u>

Additional information on the District's long-term debt can be found in Note 3 of this report.

FACTORS BEARS 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 struggling for stability as the COVID-19 pandemic continues to adversely impact the relatively stable economy over the past two years. Property sale activity is still showing strong signs with demand outpacing supply. In addition, new property growth is on the rise, including the expiration of some local village tax increment financed (TIF) areas. The State Evidence Based Funding was providing some much needed additional financial resources prior to this pandemic. However, the future state financial position does not appear to be in a position to resume the additional annual funding needed to fully fund this program over time. The proposed state graduated tax referendum will likely determine the course of future funding for Education in the State. 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.

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.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Management's Discussion and Analysis

June 30, 2020

FACTORS BEARS ON THE DISTRICT'S FUTURE - Continued

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 FY2020. 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 to complete the building improvement needs outlined in the Master Facilities Plan, combined with bus fleet updating. Once these proceeds are exhausted we will return to funding the expenses from annual operating funds or consider further borrowing as needed.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. 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

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Statement of Net Position

June 30, 2020

See Following Page

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Statement of Net Position

June 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 65,128,884
Receivables - Net of Allowances	
Property Taxes	33,468,482
Intergovernmental	865,261
Inventories	287,268
Prepays	<u>250,682</u>
Total Current Assets	<u>100,000,577</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	5,110,217
Depreciable	236,646,218
Accumulated Depreciation	<u>(96,170,060)</u>
Total Noncurrent Assets	<u>145,586,375</u>
Total Assets	<u>245,586,952</u>
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized Refunding Loss	477,886
Deferred Items - RHP	482,988
Deferred Items - THIS	368,933
Deferred Items - TRS	332,480
Deferred Items - IMRF	<u>1,021,945</u>
Total Deferred Outflows of Resources	<u>2,684,232</u>
Total Assets and Deferred Outflows of Resources	<u>248,271,184</u>

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

	Governmental Activities
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 1,492,745
Retainage Payable	267,914
Accrued Interest Payable	1,405,236
Current Portion of Long-Term Debt	7,711,621
Total Current Liabilities	<u>10,877,516</u>
Noncurrent Liabilities	
Total OPEB Liability - RHP	2,516,176
Total OPEB Liability - THIS	36,327,075
Net Pension Liability - TRS	3,372,473
Net Pension Liability - IMRF	717,711
General Obligation Bonds - Net	72,275,534
Capital Leases Payable	9,442
Total Noncurrent Liabilities	<u>115,218,411</u>
Total Liabilities	<u>126,095,927</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	66,468,807
Other Deferred Revenues	67,948
Deferred Items - RHP	229,750
Deferred Items - THIS	5,318,032
Deferred Items - TRS	1,638,820
Deferred Items - IMRF	2,317,943
Total Deferred Inflows of Resources	<u>76,041,300</u>
Total Liabilities and Deferred Inflows of Resources	<u>202,137,227</u>
NET POSITION	
Net Investment in Capital Assets	69,216,397
Restricted	
Transportation	2,437,844
Municipal Retirement/Social Security	661,790
Unrestricted (Deficit)	<u>(26,182,074)</u>
Total Net Position	<u>46,133,957</u>

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Statement of Activities

For the Fiscal Year Ended June 30, 2020

	Expenses	Program Revenues		Net (Expenses)/
		Charges for Services	Operating Grants/ Contributions	Revenues Governmental Activities
Governmental Activities				
Instruction	\$ 44,816,588	853,185	697,671	(43,265,732)
Support Services	28,005,946	494,996	4,084,784	(23,426,166)
Community Services	307,358	—	—	(307,358)
Payments to Other Districts/Govts.	1,819,946	—	—	(1,819,946)
State Retirement Contributions	26,471,459	—	26,471,459	—
Interest on Long-Term Debt	2,356,218	—	—	(2,356,218)
Total Governmental Activities	103,777,515	1,348,181	31,253,914	(71,175,420)
General Revenues				
Taxes				
Property Taxes				65,373,325
Personal Property Replacement Taxes				1,735,604
State Aid-Formula Grants				5,992,753
Investment Income				996,671
Other General Revenues				660,054
				<u>74,758,407</u>
Change in Net Position				3,582,987
Net Position - Beginning as Restated				<u>42,550,970</u>
Net Position - Ending				<u><u>46,133,957</u></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, 2020**

	General	Debt Service	Nonmajor	Totals
ASSETS				
Cash and Investments	\$ 53,454,152	6,380,737	5,293,995	65,128,884
Receivables - Net of Allowances				
Property Taxes	26,071,533	5,413,489	1,983,460	33,468,482
Intergovernmental	552,070	—	313,191	865,261
Inventories	287,268	—	—	287,268
Prepays	250,682	—	—	250,682
 Total Assets	 <u>80,615,705</u>	 <u>11,794,226</u>	 <u>7,590,646</u>	 <u>100,000,577</u>
LIABILITIES				
Accounts Payable	776,885	—	715,860	1,492,745
Retainage Payable	173,125	—	94,789	267,914
Total Liabilities	<u>950,010</u>	<u>—</u>	<u>810,649</u>	<u>1,760,659</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	51,778,377	10,751,255	3,939,175	66,468,807
Other Deferred Revenues	67,948	—	—	67,948
Total Deferred Inflows of Resources	<u>51,846,325</u>	<u>10,751,255</u>	<u>3,939,175</u>	<u>66,536,755</u>
Total Liabilities and Deferred Inflows of Resources	<u>52,796,335</u>	<u>10,751,255</u>	<u>4,749,824</u>	<u>68,297,414</u>
FUND BALANCES				
Nonspendable	537,950	—	—	537,950
Restricted	—	1,042,971	3,099,634	4,142,605
Unassigned	27,281,420	—	(258,812)	27,022,608
Total Fund Balances	<u>27,819,370</u>	<u>1,042,971</u>	<u>2,840,822</u>	<u>31,703,163</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>80,615,705</u>	 <u>11,794,226</u>	 <u>7,590,646</u>	 <u>100,000,577</u>

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

June 30, 2020

Total Governmental Fund Balances \$ 31,703,163

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds. 145,586,375

Deferred Outflows/Inflows of Resources related to the pension plans not reported in the funds.

Deferred Items - RHP	253,238
Deferred Items - THIS	(4,949,099)
Deferred Items - TRS	(1,306,340)
Deferred Items - IMRF	(1,295,998)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Total OPEB Liability - RHP	(2,516,176)
Total OPEB Liability - THIS	(36,327,075)
Net Pension Liability - TRS	(3,372,473)
Net Pension Liability - IMRF	(717,711)
General Obligation Bonds - Net	(79,955,534)
Capital Leases Payable	(41,063)
Unamortized Refunding Loss	477,886
Accrued Interest Payable	(1,405,236)

Net Position of Governmental Activities 46,133,957

DUPAGE HIGH SCHOOL DISTRICT NO. 88

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2020**

	General	Debt Service	Nonmajor	Totals
Revenues				
Local Sources				
Property Taxes	\$ 50,729,506	10,789,965	3,853,854	65,373,325
Personal Property Replacement Taxes	1,611,770	—	123,834	1,735,604
Earnings on Investments	830,747	87,398	78,526	996,671
Other Revenue from Local Sources	1,900,692	—	107,543	2,008,235
State Sources	6,698,704	—	1,264,988	7,963,692
Federal Sources	2,811,516	—	—	2,811,516
On-Behalf Payments - State of Illinois	26,471,459	—	—	26,471,459
Total Revenues	91,054,394	10,877,363	5,428,745	107,360,502
Expenditures				
Current				
Instruction	39,174,195	—	1,386,148	40,560,343
Support Services	22,010,478	—	5,422,564	27,433,042
Community Services	301,038	—	6,320	307,358
Payments to Other Districts and Govt. Units	1,819,946	—	—	1,819,946
Debt Service				
Principal Retirement	—	7,408,090	—	7,408,090
Interest on Long-Term Debt	—	3,350,909	—	3,350,909
Service Charges	—	3,850	—	3,850
On-Behalf Expenditures	26,471,459	—	—	26,471,459
Total Expenditures	89,777,116	10,762,849	6,815,032	107,354,997
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,277,278	114,514	(1,386,287)	5,505
Other Financing Sources (Uses)				
Transfers In	—	46,332	1,370,000	1,416,332
Transfers Out	(1,416,332)	—	—	(1,416,332)
	(1,416,332)	46,332	1,370,000	—
Net Change in Fund Balances	(139,054)	160,846	(16,287)	5,505
Fund Balances - Beginning	27,958,424	882,125	2,857,109	31,697,658
Fund Balances - Ending	27,819,370	1,042,971	2,840,822	31,703,163

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 the
Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended June 30, 2020**

Net Change in Fund Balances - Total Governmental Funds	\$ 5,505
---	-----------------

Amounts reported for Governmental Activities in the Statement of Activities
are different because:

Governmental Funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	2,414,616
Depreciation Expense	(5,727,577)

Change in Deferred Items Related to Pensions

RHP	71,683
THIS	152,489
TRS	422,491
IMRF	(5,623,970)

The issuance of long-term debt provides current financial resources to
Governmental Funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Change in Total OPEB Liability - RHP	(107,394)
Change in Total OPEB Liability - THIS	(1,410,716)
Change in Net Pension Liability - TRS	24,549
Change in Net Pension Liability - IMRF	4,954,680
Retirement of Long-Term Debt - General Obligation Bonds	7,365,000
Retirement of Long-Term Debt - Capital Lease Payable	43,090
Amortization on Bond Premium	910,228
Amortization of Loss on Refunding	(64,219)

Changes to accrued interest on long-term debt in the Statement of Activities
does not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

152,532

Changes in Net Position of Governmental Activities

3,582,987

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Statement of Fiduciary Net Position

June 30, 2020

	<u>Agency</u>
	<u>Student</u>
	<u>Activity</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 1,007,467</u>
LIABILITIES	
Due to Student Activity Organizations	
Addison Trail School	305,503
Willowbrook School	254,532
School District Office	<u>447,432</u>
Total Liabilities	<u>1,007,467</u>

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DuPage High School District No. 88 (the “District”) operates as a public-school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District’s accounting policies established under GAAP and used by the District are described below.

REPORTING ENTITY

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 61, “The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34” and includes all component units that have a significant operational or financial relationship with the District. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

Government-Wide Statements

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District’s operating activities are all considered governmental activities, that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District’s net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District’s functions (instruction, support services, community services, etc.). The functions are supported by general government revenues (property and personal property replacement taxes, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The net costs (by function) are normally covered by general revenue (property and personal property replacement taxes, interest income, etc.). This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund is the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid. The General Fund is a major fund and is comprised of three subfunds, the Educational Account, the Operations and Maintenance Account, and the Working Cash Account.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Governmental Funds - Continued

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Funds. The District maintains two nonmajor special revenue funds, the Transportation Fund and the Municipal Retirement/Social Security Fund.

Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service. The Debt Service Fund is a major fund.

Capital Projects Fund is used to account for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities. The Capital Projects Fund is a nonmajor fund.

Fiduciary Funds

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

Agency Funds include the Student Activity Fund. This fund is custodial in nature and does not present results of operations or have a measurement focus. Although the Board of Education has the ultimate responsibility for the Activity Funds they are not local education agency funds. The Student Activity Fund accounts for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes.

The District's agency fund is presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

Notes to the Financial Statements

June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded, regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus is used.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting- Continued

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means that the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end, except for state aid. State aid payments received after 60 days are being considered as available as historically, state aid collected within 60 days has represented all state aid expected to be collected. The state is currently behind on payments to local government agencies, which is a highly unusual circumstance, resulting in current year state aid collections after 60 days of year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

On-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers’ Retirement System) have been recognized in the financial statements. Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time. Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with a fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District’s investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Notes to the Financial Statements

June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical costs based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	15 - 20 Years
Buildings and Building Improvements	15 - 40 Years
Furniture, Equipment and Vehicles	5 - 20 Years

Notes to the Financial Statements

June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, 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.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
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 10% of the total budget between line items within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after a public hearing.
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 the Financial Statements

June 30, 2020

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2020:

Fund	Excess
Debt Service	\$ 132
Capital Projects	264,631

DEFICIT FUND BALANCE

The following fund had deficit fund balance as of the date of this report:

Fund	Deficit
Capital Projects	\$ 258,812

The District transferred \$1,000,000 from the General Fund's Working Cash to the Capital Projects Fund in July 2020 to cover the deficit.

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

Under State law, limits are imposed as to investments in commercial paper, corporate bonds, and mutual funds in which the District may invest, as well as the Illinois School District Liquid Asset Fund Plus (ISDLAF+).

The ISDLAF+ is a non-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. It is not registered with the SEC as an investment company. Investments are sold valued at share price, which is the price for which the investment could be sold.

Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the District's deposits for governmental activities totaled \$61,828,962 and the bank balances totaled \$62,789,719. In addition, the District has \$3,299,922 invested in the ISDLAF+ at year-end, which has an average maturity of less than one year and is measured at the net asset value per share determined by the pool.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Concentration Risk. This is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy does not specifically address concentration risk. At year-end, the District does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Custodial Credit Risk. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy does not address custodial credit risk for deposits. As of June 30, 2020, the entire bank balance of the District's deposits with financial institutions was insured through FDIC insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy does not mitigate custodial credit risk for investments. At year-end, the District's investments in the ISDLAF+ is not subject to custodial credit risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The District's investment policy allows investments in short term obligations of corporations organized in the United States with assets exceeding \$500,000,000, 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, insured accounts of an Illinois credit union chartered under United States or Illinois law, money market mutual fund with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations, repurchase agreements which meet instrument transaction requirements of Illinois law. At year-end, the District's investments in the ISDLAF+ were rated AAAM by Standard & Poor's.

PROPERTY TAXES

Property taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1 of the following year. They are payable in two installments on or about June 1 and on or about September 1 the following year. The County collects such taxes and remits them periodically.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

PROPERTY TAXES - Continued

Property taxes are considered to be measurable when they have been collected by DuPage County. The District recognizes property tax revenue in the fiscal year for which they were levied – intended to finance operations. Based on the historical tax collection cycle, the District has intended to finance its operations with portions of both the 2019 and 2018 property tax levies. The property tax revenue in the current fiscal year financial statements represents the collections of the first half of the 2019 tax levy, the second half of the 2018 tax levy and minimal amounts from prior year levies.

Property taxes to be received after June 30, 2020 from the 2019 tax levy, which will be the collection of the second installment of the 2019 tax levy, are intended to finance operations of the fiscal year ended June 30, 2021. That portion of the 2019 tax levy has been recorded as receivable and deferred inflows of resources - deferred revenue and will be recognized as revenue next fiscal year.

PERSONAL PROPERTY REPLACEMENT TAXES

Personal property replacement taxes are first allocated to the Municipal Retirement/Social Security and the balance is allocated to the remaining funds at the discretion of the District.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Debt Service	General - Education	46,332 (1)
Nonmajor	General - Working Cash	<u>1,370,000 (2)</u>
		<u><u>1,416,332</u></u>

Transfers are used to (1) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances as Restated	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 4,162,325	—	—	4,162,325
Construction in Progress	629,022	947,892	629,022	947,892
	<u>4,791,347</u>	<u>947,892</u>	<u>629,022</u>	<u>5,110,217</u>
Depreciable Capital Assets				
Land Improvements	7,334,420	433,094	—	7,767,514
Buildings and Building Improvements	217,423,148	670,548	—	218,093,696
Furniture, Equipment, and Vehicles	9,792,904	992,104	—	10,785,008
	<u>234,550,472</u>	<u>2,095,746</u>	<u>—</u>	<u>236,646,218</u>
Less Accumulated Depreciation				
Land Improvements	4,833,259	391,153	—	5,224,412
Buildings and Building Improvements	77,297,718	5,019,351	—	82,317,069
Furniture, Equipment, and Vehicles	8,311,506	317,073	—	8,628,579
	<u>90,442,483</u>	<u>5,727,577</u>	<u>—</u>	<u>96,170,060</u>
Total Net Depreciable Capital Assets	<u>144,107,989</u>	<u>(3,631,831)</u>	<u>—</u>	<u>140,476,158</u>
Total Net Capital Assets	<u>148,899,336</u>	<u>(2,683,939)</u>	<u>629,022</u>	<u>145,586,375</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Governmental Activities - Continued

Depreciation expense was charged to governmental activities as follows:

Instructional Staff	
Regular Programs	\$ 4,153,868
Special Programs	401,400
Other Programs	599,405
Support Services	
Students	166,105
Instructional Staff	133,089
General Administration	13,277
School Administration	14,902
Business	13,277
Operations and Maintenance	45,773
Transportation	173,204
Staff	13,277
	<u>5,727,577</u>

LONG-TERM DEBT

Legal Debt Margin

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 13.8% of the most recent available equalized assessed valuation of the District. At year-end the legal debt margin is as follows:

Assessed Valuation - 2019	<u>\$ 3,249,824,384</u>
Legal Debt Limit - 13.8% of Assessed Value	448,475,765
Amount of Debt Applicable to Limit	<u>(73,361,063)</u>
Legal Debt Margin	<u>375,114,702</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

General Obligation Bonds Payable

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Limited Tax Refunding School Bonds of 2015A, due in annual installments of \$965,000 to \$1,110,000 through January 15, 2025 with interest rates from 2.25% to 4.00%.	\$ 6,245,000	—	965,000	5,280,000
General Obligation Limited Tax Refunding School Bonds of 2015B, due in annual installments of \$100,000 to \$1,190,000 through January 15, 2028 with interest rates of 2.65% to 4.00%.	3,575,000	—	—	3,575,000
General Obligation Refunding School Bonds of 2016, due in annual installments from \$6,340,000 to \$8,825,000 through January 15, 2028 with interest rates of 3.00% to 5.00%.	66,915,000	—	6,340,000	60,575,000
General Obligation Limited Tax School Bonds of 2018, due in annual installments of \$60,000 to \$1,190,000 through January 15, 2032, with interest rates of 3.00% to 4.00%.	3,950,000	—	60,000	3,890,000
	<u>80,685,000</u>	<u>—</u>	<u>7,365,000</u>	<u>73,320,000</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Capital Leases

The District has entered into a two lease agreements as lessee for financing copier equipment. Capital assets of \$203,766 have been added to equipment. These lease agreements qualify as capital leases for accounting purposes and; therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. The capital leases have been recorded as liabilities for governmental activities.

The future minimum lease payments and the net present value of these minimum lease payments are as follows:

Fiscal Year	Governmental Activities
2021	\$ 32,736
2022	9,570
	<u>42,306</u>
Interest Portion	<u>(1,243)</u>
	<u><u>41,063</u></u>

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Total OPEB Liability - RHP	\$ 2,408,782	107,394	—	2,516,176	—
Total OPEB Liability - THIS	34,916,359	1,410,716	—	36,327,075	—
Net Pension Liability - TRS	3,397,022	—	24,549	3,372,473	—
Net Pension Liability - IMRF	5,672,391	—	4,954,680	717,711	—
General Obligation Bonds	80,685,000	—	7,365,000	73,320,000	7,680,000
Unamortized Premium	7,545,762	—	910,228	6,635,534	—
Capital Leases	84,153	—	43,090	41,063	31,621
	<u>134,709,469</u>	<u>1,518,110</u>	<u>13,297,547</u>	<u>122,930,032</u>	<u>7,711,621</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity - Continued

For governmental activities, the total OPEB liabilities, and the net pension liability for TRS will be repaid from the General Fund (Educational Accounts). The Municipal Retirement/Social Security Fund liquidates the net pension liability for IMRF. The Debt Service Fund makes payments on the general obligation bonds and capital leases.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	General Obligation Bonds	
	Principal	Interest
2021	\$ 7,680,000	3,065,969
2022	7,770,000	2,825,519
2023	8,140,000	2,457,919
2024	8,455,000	2,143,119
2025	8,780,000	1,924,344
2026	9,150,000	2,538,384
2027	9,585,000	2,134,165
2028	10,015,000	1,712,175
2029	1,110,000	136,450
2030	1,145,000	103,150
2031	1,190,000	57,350
2032	300,000	9,750
Total	<u>73,320,000</u>	<u>19,108,294</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION RESTATEMENT

Beginning net position was restated due to a correction to the District's FY2019 capital asset appraisal and accrued interest. The following is a summary of the net position as originally reported and as restated:

<u>Net Position</u>	<u>As Reported</u>	<u>As Restated</u>	<u>Increase</u>
Governmental Activities	\$ (3,831,853)	42,550,970	46,382,823

NET POSITION CLASSIFICATION

Net investment in capital assets was comprised of the following as of June 30, 2020:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 145,586,375
Plus:	
Unspent Bond Proceeds	3,148,733
Unamortized Refunding Loss	477,886
Less Capital Related Debt:	
General Obligation Limited Tax Refunding School Bonds of 2015A	(5,280,000)
General Obligation Limited Tax Refunding School Bonds of 2015B	(3,575,000)
General Obligation Refunding School Bonds of 2016	(60,575,000)
General Obligation Limited Tax School Bonds of 2018	(3,890,000)
Unamortized Pemium	(6,635,534)
Capital Leases	<u>(41,063)</u>
Net Investment in Capital Assets	<u><u>69,216,397</u></u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available unless the Board or the Finance Committee has provided otherwise in its commitment or assignment actions.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Education; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Education' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Education itself or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Education, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

	General	Debt Service	Nonmajor	Totals
Fund Balances				
Nonspendable				
Inventories	\$ 287,268	—	—	287,268
Prepays	250,682	—	—	250,682
	<u>537,950</u>	<u>—</u>	<u>—</u>	<u>537,950</u>
Restricted				
Retirement	—	—	661,790	661,790
Debt Service	—	1,042,971	—	1,042,971
Transportation	—	—	2,437,844	2,437,844
	<u>—</u>	<u>1,042,971</u>	<u>3,099,634</u>	<u>4,142,605</u>
Unassigned	<u>27,281,420</u>	<u>—</u>	<u>(258,812)</u>	<u>27,022,608</u>
Total Fund Balances	<u>27,819,370</u>	<u>1,042,971</u>	<u>2,840,822</u>	<u>31,703,163</u>

NOTE 4 - OTHER INFORMATION

JOINT AGREEMENTS

School Association for Special Education in DuPage County

The District, in conjunction with 17 other area school districts, has created the School Association for Special Education in DuPage County (SASED). The SASED board of directors is composed of one member from each participating school district. SASED charged the District \$1,320,377 for special education, transportation, and related expenditures during the year ended June 30, 2020. SASED prepared separately issued financial statements which may be obtained at 2900 Ogden Avenue, Naperville, Illinois, 60563.

DuPage Area Occupational Education System

The District is a member of DuPage Area Occupational Education System (DAOES), a joint agreement to provide vocational education programs and services to the students enrolled. Each member district has a financial responsibility to 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, IL 60101-1499.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. During the fiscal year ended June 30, 2020, the District continued its risk management policies by purchasing commercial insurance for all risks. The amount of coverage has not decreased nor have the amount of settlements exceeded coverage in any of the past three fiscal years.

Collective Liability Insurance Cooperative

The District is a member of Collective Liability Insurance Cooperative (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.

School Employees Loss Fund

The District is a member of School Employees Loss Fund (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 representative 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 the accountant at 2850 Golf Road, Rolling Meadows, IL 60008.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Educational Benefits Cooperative

The District is a member of the Educational Benefits Cooperative (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 outside insurance company. Monthly medical contributions are estimated 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.

CONTINGENT LIABILITIES

Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

State and Federal Contingencies

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. Management believes such disallowance, if any, would be immaterial.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the District's operations and financial position cannot be determined.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION

OTHER POST-EMPLOYMENT BENEFITS

Retiree Health Plan

General Information about the OPEB Plan

Plan Description. The District's defined benefit OPEB plan, Retiree Health Plan (RHP), provides OPEB for all permanent full-time employees of the District. RHP is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RHP provides healthcare benefits for retirees and their dependents. The benefit terms provide medical, prescription drug, and dental insurance for eligible retirees and their dependents through the District's group insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the District and the unions representing District employees and are renegotiated each bargaining period. As of June 30, 2020, retirees are eligible until the first month of Medicare.

Plan Membership. As of June 30, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	21
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>429</u>
Total	<u><u>450</u></u>

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary Increases	4.00%
Discount Rate	2.66%
Healthcare Cost Trend Rates	4.5% per year
Retirees' Share of Benefit-Related Costs	Retirees

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Retiree Health Plan - Continued

Total OPEB Liability - Continued

Actuarial Assumptions and Other Inputs - Continued. The discount rate was based on The Bond Buyer 20-Bond GO Index. Mortality rates were based on the following:

Active IMRF Mortality follows the RP-2014 Employee Mortality Table for both males and females with 2-dimensional, fully generational improvements using the MP-2017 Mortality Improvemtn Scale.

Retiree and Spousal IMRF Mortality follows the IMRF-specific mortality rates with 2-dimensional, fully generational improvements using the MP-2017 Mortality Improvemtn Scale projected from 2015. The rates were developed fromthe RP-2014 Blue Collar Mortality Table with adjustments to match current IMRF exerience.

Active TRS Mortality follows the RP-2014 White Collar Employee Tables projected generationally with Scale MP-2017, with female and male rates multiplied by 104% for all ages.

Retiree, and Spousal TRS Mortality follows RP-2014 White Collar Annuitant Tables projected generationally with Scale MP-2017, with female rates multiplied by 70% for ages under 78 and 110% for ages 78 to 114, and male rates multiplied by 94% for ages under 81 and 110% for ages 81 to 114.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019	<u>\$ 2,408,782</u>
Changes for the Year:	
Service Cost	135,850
Interest on the Total OPEB Liability	64,459
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	(143,906)
Changes of Assumptions or Other Inputs	208,134
Benefit Payments	(196,859)
Other Changes	39,716
Net Changes	<u>107,394</u>
Balance at June 30, 2020	<u><u>2,516,176</u></u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Retiree Health Plan - Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 2.66%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (1.66 %)	Current Discount Rate (2.66%)	1% Increase (3.66 %)
Total OPEB Liability	\$ 2,347,868	2,516,176	2,696,567

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using variable Healthcare Trend Rates, as well as what the total OPEB liability would be if it were calculated using variable Healthcare Trend Rates that are one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 2,807,376	2,516,176	2,268,576

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Retiree Health Program - Continued

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$232,570. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ —	(186,159)	(186,159)
Change in Assumptions	482,988	(43,591)	439,397
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—
Total Deferred Amounts Related to OPEB	<u>482,988</u>	<u>(229,750)</u>	<u>253,238</u>

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

Fiscal Year	Net Deferred Outflows of Resources
2021	\$ 32,260
2022	32,260
2023	32,260
2024	32,260
2025	32,260
Thereafter	<u>91,938</u>
Total	<u>253,238</u>

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund

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 was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the City of Chicago. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2015, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

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 Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 required all active contributors to TRS, who are not employees of the State, to contribute to the THIS Fund.

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

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.24 percent of pay during the year ended June 30, 2020. State of Illinois contributions were \$411,793, and the District recognized revenues and expenditures of this amount during the year.

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2020. For the year ended June 30, 2020 the District paid \$305,524 to the THIS Fund, which was 100 percent of the required contribution.

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

Plan Description - Continued

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation:	2.50%
Salary Increases:	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment Rate of Return:	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Healthcare Cost Trend Rates:	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Since the THIS fund is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 3.62 percent as of June 30, 2018, and 3.13 percent as of June 30, 2019.

Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net OPEB liability, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (4.13%)	Current Discount Rate (3.13%)	1% Increase (2.13%)
Employer's Proportionate Share of the OPEB Liability	\$ 43,678,489	36,327,075	30,521,274

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the District's proportionate share of the collective net OPEB liability, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.81% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Employer's Proportionate Share of the OPEB Liability	\$ 29,349,421	36,327,075	45,751,591

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

At June 30, 2020, the District reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of the District, actuarially determined. At June 30, 2019, the District's proportion was 0.131252 percent, which was a decrease of 0.001279 from its proportion measured as of June 30, 2018. 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 were as follows:

Employer's Proportionate Share of the Net OPEB Liability	\$ 36,327,075
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>45,824,773</u>
Total	<u><u>82,151,848</u></u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

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

For the year ending June 30, 2020, the District recognized OPEB revenue and expense of \$411,793 for support provided by the State. For the year ending June 30, 2020, the District recognized OPEB expense of \$1,563,751. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ —	(602,819)	(602,819)
Net Difference Between Projected and Actual Earnings on Pension Investments	13,772	(4,164,266)	(4,150,494)
Changes of Assumptions	—	(1,189)	(1,189)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	49,637	(549,758)	(500,121)
Total Pension Expense to be Recognized in Future Periods	63,409	(5,318,032)	(5,254,623)
Employer Contributions Subsequent to the Measurement Date	305,524	—	305,524
Totals	<u>368,933</u>	<u>(5,318,032)</u>	<u>(4,949,099)</u>

\$305,524 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2021	\$ (1,058,308)
2022	(1,058,308)
2023	(1,058,204)
2024	(1,057,989)
2025	(718,932)
Thereafter	<u>(302,882)</u>
Total	<u>(5,254,623)</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

Teachers' Retirement System (TRS)

Plan Descriptions, Provisions and Funding Policies

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 only be made by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for TRS's administration. TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2019>; 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 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 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 at 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 2 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 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Benefits Provided - Continued

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement beginning January 1 following the attainment of age 61 or on January 1 following the members' first anniversary in retirement, whichever is later. Tier 2 annual increases will be the lesser of 3 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 members' first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 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 employers are also required by the Illinois Pension Code. The contributions rates are specified by the pension code. The active member contribution rate for the year ended June 30, 2019, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2020, State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$26,059,666 in pension contributions from the State. For the year ended June 30, 2019, the employer recognized revenue and expenditures of \$21,855,326 in pension contributions from the State.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Contributions - Continued

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2020 were \$192,613 and are deferred because they were paid after the June 30, 2019 measurement date.

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

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 fiscal year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the fiscal year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from those funds. For the fiscal year ended June 30, 2020, salaries totaling \$34,335 were paid from federal and special trust funds that required employer contributions of \$3,660, which was equal to the District's actual contributions. For the fiscal year ended June 30, 2019, required employer contributions of \$3,702, which was equal to the District's actual contributions. The June 30, 2020 contributions are deferred because they were paid after the June 30, 2019 measurement date.

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2020, the employer paid \$— to TRS for employer contributions due on salary increases in excess of 6 percent, \$14,269 for salary increases in excess of 3 percent and \$— for sick leave days granted in excess of the normal annual allotment. 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 and made no payments for sick leave days granted in excess of the normal annual allotment.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

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

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

Employer's Proportionate Share of the Net Pension Liability	\$ 3,372,473
State's Proportionate Share of the Net Pension Liability Associated with the Employer	<u>240,015,205</u>
Total	<u><u>243,387,678</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2019, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2019, the employer's proportion was 0.0042 percent, which was a decrease of 0.0002 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the employer recognized pension expense of \$26,059,666 and revenue of \$26,059,666 for support provided by the state. At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 55,299	—	55,299
Net Difference Between Projected and Actual Earnings on Pension Investments	5,342	—	5,342
Changes of Assumptions	75,566	(64,734)	10,832
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	—	(1,574,086)	(1,574,086)
Total Pension Expense to be Recognized in Future Periods	136,207	(1,638,820)	(1,502,613)
Employer Contributions Subsequent to the Measurement Date	196,273	—	196,273
Totals	332,480	(1,638,820)	(1,306,340)

\$196,273 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2021	\$ (642,655)
2022	(527,097)
2023	(228,232)
2024	(93,774)
2025	(10,855)
Thereafter	—
Total	(1,502,613)

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Actuarial Assumptions

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

Inflation: 2.50 Percent

Salary Increases: Varies by Amount of Service Credit

Investment Rate of Return: 7.00 Percent, Net of Pension Plan Investment Expense, Including Inflation

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

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:

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Actuarial Assumptions - Continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	15.0%	6.3%
U.S. Small/Mid Cap	2.0%	7.7%
International Equities Developed	13.6%	7.0%
Emerging Market Equities	3.4%	9.5%
U.S. Bonds Core	8.0%	2.2%
U.S. Bonds High Yield	4.2%	4.0%
International Debt Developed	2.2%	1.1%
Emerging International Debt	2.6%	4.4%
Real Estate	16.0%	5.2%
Real Return	4.0%	1.8%
Absolute Return	14.0%	4.1%
Private Equity	15.0%	9.7%
Total	<u>100.0%</u>	

Discount Rate

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

Based on those assumptions, TRS's fiduciary net position at June 30, 2019 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 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.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share of the OPEB Liability	\$ 4,119,180	3,372,473	2,758,531

TRS Fiduciary Net Position

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

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. 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 defined benefit agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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.

Plan Membership. As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	321
Inactive Plan Members Entitled to but not yet Receiving Benefits	364
Active Plan Members	<u>234</u>
Total	<u><u>919</u></u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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 employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended June 30, 2020, the District's contribution was 8.41% of covered payroll.

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

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.35% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued. For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	28.00%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the District calculated using the discount rate as well as what the District's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 6,851,350	717,711	(4,360,131)

DUPAGE HIGH SCHOOL DISTRICT NO. 88**Notes to the Financial Statements****June 30, 2020****NOTE 4 - OTHER INFORMATION - Continued****RETIREMENT SYSTEMS - Continued****Illinois Municipal Retirement Fund (IMRF) - Continued****Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 51,897,949	46,225,558	5,672,391
Changes for the Year:			
Service Cost	981,844	—	981,844
Interest on the Total Pension Liability	3,681,696	—	3,681,696
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	269,796	—	269,796
Changes of Assumptions	—	—	—
Contributions - Employer	—	690,494	(690,494)
Contributions - Employees	—	423,082	(423,082)
Net Investment Income	—	8,805,556	(8,805,556)
Benefit Payments, Including Refunds of Employee Contributions	(3,213,727)	(3,213,727)	—
Other (Net Transfer)	—	(31,116)	31,116
Net Changes	1,719,609	6,674,289	(4,954,680)
Balances at December 31, 2019	53,617,558	52,899,847	717,711

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

For the year ended June 30, 2020, the District recognized pension expense of \$1,459,526. At June 30, 2020, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Notes to the Financial Statements

June 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 268,025	—	268,025
Changes of Assumptions	285,807	—	285,807
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(2,317,943)	(2,317,943)
Total Pension Expense to be Recognized in Future Periods	553,832	(2,317,943)	(1,764,111)
Pension Contributions Made Subsequent to the Measurement Date	468,113	—	468,113
Total Deferred Amounts Related to IMRF	<u>1,021,945</u>	<u>(2,317,943)</u>	<u>(1,295,998)</u>

\$468,113 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2021	\$ (192,833)
2022	(668,649)
2023	203,664
2024	(1,106,293)
2025	—
Thereafter	—
Total	<u>(1,764,111)</u>

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Changes in the Employer's Total OPEB Liability
Retiree Health Plan
- Schedule Employer Contributions
Teacher's Health Insurance Security Fund
- Schedule of Employer's Proportionate Share of the Collective Net OPEB Liability
Teacher's Health Insurance Security Fund
- Schedule of Employer's Proportionate Share of the Net Pension Liability and Employer Contributions
Teachers' Retirement System
- Schedule Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedule
General Fund

Notes to the Required Supplementary Information

Budgetary information - budgets are adopted on a basis consistent with generally accepted accounting principles.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Retiree Health Plan

Schedule of Changes in the Employer's Total OPEB Liability

June 30, 2020

	6/30/2018	6/30/2019	6/30/2020
Total OPEB Liability			
Service Cost	\$ 114,941	118,604	135,850
Interest	67,535	67,584	64,459
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	(80,734)	—	(143,906)
Change of Assumptions or Other Inputs	(1,362)	32,883	208,134
Benefit Payments	(167,027)	(163,720)	(196,859)
Other	266,366	3,657	39,716
Net Change in Total OPEB Liability	199,719	59,008	107,394
Total OPEB Liability - Beginning	2,150,055	2,349,774	2,408,782
Total OPEB Liability - Ending	2,349,774	2,408,782	2,516,176
Covered Payroll	N/A	N/A	N/A
Total OPEB Liability as a Percentage of Covered Payroll	N/A	N/A	N/A

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes in Assumptions. Changes in assumptions related to the discount rate were made in 2018, 2019, and 2020.

N/A - Not Available

DUPAGE HIGH SCHOOL DISTRICT NO. 88

**Teacher's Health Insurance Security Fund
Schedule of Employer Contributions
June 30, 2020**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 258,112	\$ 257,875	\$ (237)	\$ 30,727,610	0.84%
2019	276,133	276,474	341	31,378,779	0.88%
2020	305,524	305,524	—	33,209,128	0.92%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

**Teacher's Health Insurance Security Fund
Schedule of Employer Contributions - Continued
June 30, 2020**

Notes to the Schedule of Employer Contributions

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Sponsor's Fiscal Year End	June 30, 2020

Methods and Assumptions Used to Determine Actuarial Liability and Contributions:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you basis. Contribution rates are defined by statute. For fiscal year end June 30, 2019, contribution rates are 1.24% of pay for active members, 0.92% of pay for school districts, and 1.24% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market Value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.50%
Salary Increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018 actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Teacher's Health Insurance Security Fund

Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability

June 30, 2020

	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>
Employer's Proportion of the Net OPEB Liability	0.133449%	0.132531%	0.131252%
Employer's Proportionate Share of the Net OPEB Liability	\$ 34,629,431	34,916,359	36,327,075
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>45,477,048</u>	<u>46,885,140</u>	<u>45,824,773</u>
Total	<u>80,106,479</u>	<u>81,801,499</u>	<u>82,151,848</u>
Employer's Covered Payroll	\$ 30,727,610	31,378,779	33,209,128
Employer's Proportionate Share of the Net OPEB Liability as a % of its Covered Payroll	112.70%	111.27%	109.39%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	(0.17%)	(0.07%)	0.25%

Notes:

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

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Teachers' Retirement System

**Schedule of the Employer's Proportionate Share of the Net Pension Liability and Employer Contributions
June 30, 2020**

See Following Page

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Teachers' Retirement System

**Schedule of the Employer's Proportionate Share of the Net Pension Liability and Employer Contributions
June 30, 2020**

	6/30/2015	6/30/2016
Employer's Proportion of the Net Pension Liability	0.0089%	0.0096%
Employer's Proportionate Share of the Net Pension Liability	\$ 5,434,701	6,257,358
State's Proportionate Share of the Net Pension Liability Associated with the Employer	182,781,933	194,217,342
Totals	188,216,634	200,474,700
Employer's Covered Payroll	\$ 29,873,116	29,973,581
Employer's Proportionate Share of the Net Pension Liability as a % of its Covered-Employee Payroll	18.19%	20.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.95%	41.47%
Contractually-Required Contribution	\$ 324,669	298,797
Contributions in Relation to the Contractually Determined Contribution	\$ 330,177	290,849
Contribution Deficiency/(Excess)	\$ (5,508)	7,948
Employer's Covered Payroll	\$ 29,973,581	31,019,696
Contributions as a % of Covered Payroll	1.08%	0.96%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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

For the 2019, 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 a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience 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 a real return of 4.5 percent. However, salary increases were assumed to vary by age.

6/30/2017	6/30/2018	6/30/2019	6/30/2020
0.0076%	0.0056%	0.0044%	0.0042%
5,980,985	4,309,100	3,397,022	3,372,473
247,736,507	227,277,868	232,710,226	240,015,205
253,717,492	231,586,968	236,107,248	243,387,678
31,019,696	30,727,610	31,378,779	33,209,128
19.28%	14.02%	10.83%	10.16%
36.44%	39.26%	40.00%	39.60%
232,561	185,880	190,689	196,273
232,380	184,952	189,531	195,155
181	928	1,158	1,118
30,727,610	31,378,779	32,239,139	33,209,128
0.76%	0.59%	0.59%	0.59%

DUPAGE HIGH SCHOOL DISTRICT NO. 88

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
June 30, 2020**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 946,940	\$ 946,965	\$ 25	\$ 8,663,680	10.93%
2016	903,052	902,964	(88)	8,767,495	10.30%
2017	907,000	915,071	8,071	8,962,451	10.21%
2018	868,211	874,154	5,943	9,139,059	9.57%
2019	891,347	891,347	—	9,284,867	9.60%
2020	790,236	790,236	—	9,392,879	8.41%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability

June 30, 2020

See Following Page

DUPAGE HIGH SCHOOL DISTRICT NO. 88

**Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability
June 30, 2020**

	<u>12/31/2014</u>
Total Pension Liability	
Service Cost	\$ 1,027,946
Interest	3,087,331
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	(530,912)
Change of Assumptions	1,927,793
Benefit Payments, Including Refunds of Member Contributions	<u>(2,460,447)</u>
Net Change in Total Pension Liability	3,051,711
Total Pension Liability - Beginning	<u>41,880,658</u>
 Total Pension Liability - Ending	 <u><u>44,932,369</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 946,965
Contributions - Members	390,242
Net Investment Income	2,552,135
Benefit Payments, Including Refunds of Member Contributions	<u>(2,460,447)</u>
Other (Net Transfer)	<u>(258,076)</u>
Net Change in Plan Fiduciary Net Position	1,170,819
Plan Net Position - Beginning	<u>42,399,894</u>
 Plan Net Position - Ending	 <u><u>43,570,713</u></u>
 Employer's Net Pension Liability/(Asset)	 <u><u>\$ 1,361,656</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 96.97%
 Covered Payroll	 \$ 8,663,680
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 15.72%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
993,906	990,286	1,002,378	948,044	981,844
3,308,205	3,393,610	3,527,944	3,563,225	3,681,696
—	—	—	—	—
(495,509)	145,758	623,666	482,660	269,796
51,815	(53,425)	(1,765,227)	1,345,531	—
(2,639,843)	(2,675,070)	(2,828,073)	(2,954,301)	(3,213,727)
1,218,574	1,801,159	560,688	3,385,159	1,719,609
44,932,369	46,150,943	47,952,102	48,512,790	51,897,949
46,150,943	47,952,102	48,512,790	51,897,949	53,617,558
902,964	915,071	874,154	891,347	690,494
409,920	404,822	421,506	421,838	423,082
214,536	2,923,701	7,898,831	(2,842,906)	8,805,556
(2,639,843)	(2,675,070)	(2,828,073)	(2,954,301)	(3,213,727)
68,841	186,970	(867,417)	927,954	(31,116)
(1,043,582)	1,755,494	5,499,001	(3,556,068)	6,674,289
43,570,713	42,527,131	44,282,625	49,781,626	46,225,558
42,527,131	44,282,625	49,781,626	46,225,558	52,899,847
3,623,812	3,669,477	(1,268,836)	5,672,391	717,711
92.15 %	92.35 %	102.62 %	89.07 %	98.66 %
8,767,495	8,962,451	9,139,059	9,284,867	9,358,500
41.33%	40.94%	(13.88%)	61.09%	7.67%

DUPAGE HIGH SCHOOL DISTRICT NO. 88

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Local Sources				
Property Taxes	\$ 51,163,312	51,163,312	50,729,506	(433,806)
Personal Property Replacement Taxes	1,711,682	1,711,682	1,611,770	(99,912)
Earnings on Investments	930,000	930,000	830,747	(99,253)
Other	2,065,331	2,065,331	1,900,692	(164,639)
State Sources	6,756,667	6,756,667	6,698,704	(57,963)
Federal Sources	2,973,110	2,973,110	2,811,516	(161,594)
On-Behalf Payments				
State of Illinois	—	—	26,471,459	26,471,459
Total Revenues	<u>65,600,102</u>	<u>65,600,102</u>	<u>91,054,394</u>	<u>25,454,292</u>
Expenditures				
Current				
Instruction	40,558,991	40,558,991	39,174,195	1,384,796
Support Services	23,066,163	23,066,163	22,010,478	1,055,685
Community Services	339,481	339,481	301,038	38,443
Payments to Other Districts and Government Units	1,646,029	1,646,029	1,819,946	(173,917)
On Behalf Payments	—	—	26,471,459	(26,471,459)
Total Expenditures	<u>65,610,664</u>	<u>65,610,664</u>	<u>89,777,116</u>	<u>(24,166,452)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,562)	(10,562)	1,277,278	1,287,840
Other Financing (Uses)				
Transfers Out	(1,416,400)	(1,416,400)	(1,416,332)	68
Net Change in Fund Balances	<u>(1,426,962)</u>	<u>(1,426,962)</u>	(139,054)	<u>1,287,908</u>
Fund Balances - Beginning			<u>27,958,424</u>	
Fund Balances - Ending			<u>27,819,370</u>	

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Statements - General Fund
- Budgetary Comparison Schedules - General Fund Accounts
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Schedule of Changes in Assets and Liabilities - Agency Fund
- Consolidated Year-End Financial Report

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund includes the Educational, Operations and Maintenance, and Working Cash Accounts.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Transportation Fund

The Transportation Fund is used to account for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund

The Municipal Retirement/Social Security Fund is used to account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund and Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

INDIVIDUAL FUND DESCRIPTIONS - Continued

FIDUCIARY FUND

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

AGENCY FUND

Student Activity Fund

The Student Activity Fund is used to account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educations, recreational, or cultural purposes.

DUPAGE HIGH SCHOOL DISTRICT NO. 88

General Fund - by Accounts

Combining Balance Sheet

June 30, 2020

	Education	Operations and Maintenance	Working Cash	Totals
ASSETS				
Cash and Investments	\$ 38,614,837	5,776,938	9,062,377	53,454,152
Receivables - Net of Allowance				
Property Taxes	22,732,148	3,328,179	11,206	26,071,533
Intergovernmental	552,070	—	—	552,070
Inventories	287,268	—	—	287,268
Prepays	250,682	—	—	250,682
Total Assets	<u>62,437,005</u>	<u>9,105,117</u>	<u>9,073,583</u>	<u>80,615,705</u>
LIABILITIES				
Accounts Payable	425,025	351,860	—	776,885
Accrued Payroll	173,125	—	—	173,125
Total Liabilities	<u>598,150</u>	<u>351,860</u>	<u>—</u>	<u>950,010</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	45,146,319	6,609,803	22,255	51,778,377
Other Deferred Revenues	67,948	—	—	67,948
Total Deferred Inflows of Resources	<u>45,214,267</u>	<u>6,609,803</u>	<u>22,255</u>	<u>51,846,325</u>
Total Liabilities and Deferred Inflows of Resources	<u>45,812,417</u>	<u>6,961,663</u>	<u>22,255</u>	<u>52,796,335</u>
FUND BALANCES				
Nonspendable	537,950	—	—	537,950
Unassigned	16,086,638	2,143,454	9,051,328	27,281,420
Total Fund Balances	<u>16,624,588</u>	<u>2,143,454</u>	<u>9,051,328</u>	<u>27,819,370</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>62,437,005</u>	<u>9,105,117</u>	<u>9,073,583</u>	<u>80,615,705</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

General Fund - by Accounts

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2020

	Educational	Operations and Maintenance	Working Cash	Totals
Revenues				
Local Sources				
Property Taxes	\$ 44,445,303	6,284,362	(159)	50,729,506
Personal Property Replacement Taxes	1,611,770	—	—	1,611,770
Earnings on Investments	541,514	69,746	219,487	830,747
Other Local Sources	1,632,543	268,149	—	1,900,692
State Sources	6,648,704	50,000	—	6,698,704
Federal Sources	2,727,582	83,934	—	2,811,516
Total Direct Revenues	57,607,416	6,756,191	219,328	64,582,935
On-Behalf Payments - State of Illinois	26,471,459	—	—	26,471,459
Total Revenues	84,078,875	6,756,191	219,328	91,054,394
Expenditures				
Current				
Instruction	39,174,195	—	—	39,174,195
Support Services	15,397,637	6,612,841	—	22,010,478
Community Services	301,038	—	—	301,038
Payments to Other Districts and Government Units	1,819,946	—	—	1,819,946
Total Direct Expenditures	56,692,816	6,612,841	—	63,305,657
On-Behalf Expenditures	26,471,459	—	—	26,471,459
Total Expenditures	83,164,275	6,612,841	—	89,777,116
Excess (Deficiency) of Revenues Over (Under) Expenditures	914,600	143,350	219,328	1,277,278
Other Financing (Uses)				
Transfers Out	(46,332)	—	(1,370,000)	(1,416,332)
Net Change in Fund Balance	868,268	143,350	(1,150,672)	(139,054)
Fund Balances - Beginning	15,756,320	2,000,104	10,202,000	27,958,424
Fund Balances - Ending	16,624,588	2,143,454	9,051,328	27,819,370

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019
	Original Budget	Final Budget	Actual		Actual
Revenues					
Local Sources					
General Levy	\$ 43,985,039	43,985,039	43,732,218	(252,821)	42,757,365
Special Education Levy	736,608	736,608	713,085	(23,523)	693,829
Personal Property Replacement Tax	1,711,682	1,711,682	1,611,770	(99,912)	1,480,759
Tuition	45,000	45,000	29,510	(15,490)	55,524
Earnings on Investments	700,000	700,000	541,514	(158,486)	869,117
Food Service	441,000	441,000	372,516	(68,484)	429,600
District/School Activity Income	527,181	527,181	561,161	33,980	515,120
Textbooks	276,000	276,000	200,942	(75,058)	224,966
Contributions and Donations - Private	6,000	6,000	6,000	—	20,000
Impact Fees	30,000	30,000	9,951	(20,049)	34,163
Services Provided Other Districts	4,000	4,000	—	(4,000)	4,171
Refund of Prior Year Expenditures	20,000	20,000	18,354	(1,646)	78,406
Drivers' Education Fees	83,000	83,000	61,572	(21,428)	91,008
Other Local Revenues	353,150	353,150	372,537	19,387	295,484
	<u>48,918,660</u>	<u>48,918,660</u>	<u>48,231,130</u>	<u>(687,530)</u>	<u>47,549,512</u>
State Sources					
General State Aid	6,025,736	6,025,736	5,992,753	(32,983)	5,748,659
Special Education	510,000	510,000	481,203	(28,797)	646,322
Vocational Education	71,031	71,031	70,824	(207)	66,985
State Free Lunch and Breakfast	12,000	12,000	8,280	(3,720)	12,993
Drivers' Education	135,000	135,000	95,644	(39,356)	106,224
Other	2,900	2,900	—	(2,900)	58,392
	<u>6,756,667</u>	<u>6,756,667</u>	<u>6,648,704</u>	<u>(107,963)</u>	<u>6,639,575</u>
Federal Sources					
National School Lunch Program	650,000	650,000	507,504	(142,496)	739,815
School Breakfast Program	110,000	110,000	96,160	(13,840)	—
Summer Food Service Program	—	—	351,968	351,968	—
Fresh Fruits and Vegetables	1,000	1,000	—	(1,000)	—
Title I - Low Income	700,000	700,000	483,683	(216,317)	600,536
Federal - Special Education					
IDEA Flow-Through	900,000	900,000	885,167	(14,833)	829,844
IDEA Room and Board	—	—	36,837	36,837	2,945
CTE - Perkins	54,633	54,633	54,487	(146)	57,275

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019
	Original Budget	Final Budget	Actual		Actual
Revenues - Continued					
Federal Sources - Continued					
Medicaid Fee for Service	\$ 200,000	200,000	96,618	(103,382)	—
Emergency Immigrant Assistance	7,744	7,744	3,279	(4,465)	7,743
Title III - English Language Acquisition	30,000	30,000	23,849	(6,151)	27,169
Title IV	2,000	2,000	7,276	5,276	—
Title II - Eisenhower/Teacher Quality	100,000	100,000	57,628	(42,372)	20,591
Medicaid Matching Funds					
Administrative Outreach	30,000	30,000	26,901	(3,099)	319,988
Other Federal Sources	56,229	56,229	96,225	39,996	—
	<u>2,841,606</u>	<u>2,841,606</u>	<u>2,727,582</u>	<u>(114,024)</u>	<u>2,605,906</u>
Total Direct Revenues	58,516,933	58,516,933	57,607,416	(909,517)	56,794,993
On-Behalf Payments	—	—	26,471,459	26,471,459	22,255,091
Total Revenues	<u>58,516,933</u>	<u>58,516,933</u>	<u>84,078,875</u>	<u>25,561,942</u>	<u>79,050,084</u>
Expenditures					
Instruction					
Regular Programs					
Salaries	18,676,150	18,676,150	18,476,499	199,651	17,814,530
Employee Benefits	3,451,350	3,451,350	3,406,969	44,381	3,343,906
Purchased Services	536,218	536,218	486,544	49,674	500,565
Supplies and Materials	712,100	712,100	450,508	261,592	1,346,978
Capital Outlay	47,000	47,000	31,940	15,060	7,888
Other Objects	32,000	32,000	16,768	15,232	20,147
Non-Capital Equipment	739,000	739,000	667,707	71,293	464,232
	<u>24,193,818</u>	<u>24,193,818</u>	<u>23,536,935</u>	<u>656,883</u>	<u>23,498,246</u>
Special Education Programs					
Salaries	5,669,950	5,669,950	5,383,294	286,656	5,107,101
Employee Benefits	844,001	844,001	802,171	41,830	843,447
Purchased Services	57,200	57,200	62,833	(5,633)	55,317
Supplies and Materials	44,919	44,919	25,202	19,717	36,583
Capital Outlay	—	—	22,295	(22,295)	10,949

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019
	Original Budget	Final Budget	Actual		Actual
Expenditures - Continued					
Instruction - Continued					
Special Education Programs - Continued					
Non-Capital Equipment	\$ 1,000	1,000	2,516	(1,516)	1,497,606
	6,617,070	6,617,070	6,298,311	318,759	7,551,003
Remedial and Supplemental Programs K-12					
Salaries	50,000	50,000	37,636	12,364	50,279
Purchased Services	55,500	55,500	29,048	26,452	54,820
Supplies and Materials	220,459	220,459	201,406	19,053	306,373
	325,959	325,959	268,090	57,869	411,472
CTE Programs					
Salaries	2,065,166	2,065,166	2,036,172	28,994	1,895,707
Employee Benefits	266,150	266,150	265,500	650	263,060
Purchased Services	63,689	63,689	30,755	32,934	56,064
Supplies and Materials	125,901	125,901	128,837	(2,936)	132,889
Capital Outlay	52,062	52,062	47,742	4,320	6,649
Non-Capitalized Equipment	25,056	25,056	24,862	194	56,901
	2,598,024	2,598,024	2,533,868	64,156	2,411,270
Interscholastic Programs					
Salaries	2,277,500	2,277,500	2,211,440	66,060	2,193,535
Employee Benefits	47,367	47,367	47,366	1	45,085
Purchased Services	360,633	360,633	292,611	68,022	364,871
Supplies and Materials	106,120	106,120	101,795	4,325	99,670
Non-Capital Equipment	—	—	—	—	4,967
	2,791,620	2,791,620	2,653,212	138,408	2,708,128
Summer School Programs					
Salaries	115,500	115,500	111,271	4,229	107,700
Supplies and Materials	1,600	1,600	235	1,365	745
	117,100	117,100	111,506	5,594	108,445
Driver's Education Programs					
Salaries	210,000	210,000	162,702	47,298	183,959
Employee Benefits	391	391	387	4	382
Purchased Services	5,200	5,200	2,485	2,715	2,090
Supplies and Materials	9,000	9,000	6,813	2,187	6,162

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019 Actual
	Original Budget	Final Budget	Actual		
Expenditures - Continued					
Instruction - Continued					
Driver's Education Programs - Continued					
Capital Outlay	\$ —	—	39,712	(39,712)	—
	224,591	224,591	212,099	12,492	192,593
Bilingual Programs					
Salaries	185,719	185,719	179,755	5,964	303,163
Supplies and Materials	6,481	6,481	4,748	1,733	3,884
	192,200	192,200	184,503	7,697	307,047
Truants Alternative and Optional Programs					
Salaries	1,107,800	1,107,800	1,071,089	36,711	1,000,392
Employee Benefits	75,800	75,800	84,350	(8,550)	223,522
Supplies and Materials	3,600	3,600	946	2,654	1,873
Other Objects	166,850	166,850	174,625	(7,775)	704,755
	1,354,050	1,354,050	1,331,010	23,040	1,930,542
Special Education Programs K - 12 - Private Tuition					
Other Objects	2,144,559	2,144,559	2,044,661	99,898	—
Total Instruction	40,558,991	40,558,991	39,174,195	1,384,796	39,118,746
Support Services					
Pupils					
Attendance and Social Work Services					
Salaries	1,671,400	1,671,400	1,687,400	(16,000)	1,629,649
Employee Benefits	308,130	308,130	347,528	(39,398)	313,204
Purchased Services	345,500	345,500	347,044	(1,544)	269,006
Supplies and Materials	—	—	267	(267)	212
	2,325,030	2,325,030	2,382,239	(57,209)	2,212,071

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019
	Original Budget	Final Budget	Actual		Actual
Expenditures - Continued					
Support Services - Continued					
Pupils - Continued					
Guidance Services					
Salaries	\$ 1,711,550	1,711,550	1,715,610	(4,060)	1,662,092
Employee Benefits	238,000	238,000	237,053	947	235,820
Purchased Services	1,691	1,691	—	1,691	—
Supplies and Materials	8,500	8,500	6,561	1,939	7,274
	<u>1,959,741</u>	<u>1,959,741</u>	<u>1,959,224</u>	<u>517</u>	<u>1,905,186</u>
Health Services					
Salaries	329,260	329,260	359,751	(30,491)	292,056
Employee Benefits	54,300	54,300	54,261	39	45,454
Supplies and Materials	5,500	5,500	4,701	799	4,584
	<u>389,060</u>	<u>389,060</u>	<u>418,713</u>	<u>(29,653)</u>	<u>342,094</u>
Psychological Services					
Salaries	499,000	499,000	498,031	969	453,996
Employee Benefits	73,700	73,700	74,111	(411)	50,028
Purchased Services	7,500	7,500	3,400	4,100	6,146
Supplies and Materials	500	500	—	500	—
	<u>580,700</u>	<u>580,700</u>	<u>575,542</u>	<u>5,158</u>	<u>510,170</u>
Speech Pathology and Audiology Services					
Purchased Services	1,000	1,000	600	400	699
Other Support Services					
Salaries	170,000	170,000	161,071	8,929	166,349
Employee Benefits	1,683	1,683	1,650	33	16,582
Purchased Services	10,000	10,000	3,312	6,688	2,016
Non-Capitalized Equipment	26,000	26,000	113,096	(87,096)	25,288
	<u>207,683</u>	<u>207,683</u>	<u>279,129</u>	<u>(71,446)</u>	<u>210,235</u>
Total Pupils	<u>5,463,214</u>	<u>5,463,214</u>	<u>5,615,447</u>	<u>(152,233)</u>	<u>5,180,455</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019
	Original Budget	Final Budget	Actual		Actual
Expenditures - Continued					
Support Services - Continued					
Instructional Staff					
Improvement of Instructional Services					
Salaries	\$ 243,500	243,500	176,135	67,365	197,717
Employee Benefits	24,608	24,608	24,608	—	22,350
Purchased Services	220,510	220,510	153,813	66,697	108,434
Supplies and Materials	—	—	3,697	(3,697)	269
Other Objects	—	—	8,739	(8,739)	—
	<u>488,618</u>	<u>488,618</u>	<u>366,992</u>	<u>121,626</u>	<u>328,770</u>
Educational Media Services					
Salaries	674,685	674,685	662,435	12,250	656,373
Employee Benefits	159,933	159,933	157,269	2,664	148,749
Supplies and Materials	80,500	80,500	75,451	5,049	94,653
Capital Outlay	6,000	6,000	5,602	398	—
Non-Capitalized Equipment	6,000	6,000	—	6,000	—
	<u>927,118</u>	<u>927,118</u>	<u>900,757</u>	<u>26,361</u>	<u>899,775</u>
Assessment and Testing					
Salaries	44,000	44,000	10,559	33,441	34,256
Purchased Services	98,280	98,280	29,332	68,948	49,515
Supplies and Materials	69,000	69,000	41,867	27,133	43,359
	<u>211,280</u>	<u>211,280</u>	<u>81,758</u>	<u>129,522</u>	<u>127,130</u>
Total Instructional Staff	<u>1,627,016</u>	<u>1,627,016</u>	<u>1,349,507</u>	<u>277,509</u>	<u>1,355,675</u>
General Administration					
Board of Education Services					
Salaries	9,000	9,000	8,562	438	12,424
Purchased Services	233,500	233,500	173,302	60,198	207,371
Supplies and Materials	15,000	15,000	9,853	5,147	8,107
	<u>257,500</u>	<u>257,500</u>	<u>191,717</u>	<u>65,783</u>	<u>227,902</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019
	Original Budget	Final Budget	Actual		Actual
Expenditures - Continued					
Support Services - Continued					
General Administration - Continued					
Executive Administration Services					
Salaries	\$ 323,051	323,051	322,649	402	301,099
Employee Benefits	18,850	18,850	18,842	8	26,673
Purchased Services	20,500	20,500	23,455	(2,955)	11,069
Supplies and Materials	10,000	10,000	5,711	4,289	8,986
	<u>372,401</u>	<u>372,401</u>	<u>370,657</u>	<u>1,744</u>	<u>347,827</u>
Special Area Administration Services					
Salaries	248,322	248,322	246,961	1,361	198,834
Employee Benefits	—	—	—	—	34,953
Purchased Services	18,332	18,332	4,030	14,302	20,364
Supplies and Materials	2,000	2,000	512	1,488	—
	<u>268,654</u>	<u>268,654</u>	<u>251,503</u>	<u>17,151</u>	<u>254,151</u>
Tort Immunity					
Purchased Services	515,000	515,000	503,472	11,528	269,643
	<u>1,413,555</u>	<u>1,413,555</u>	<u>1,317,349</u>	<u>96,206</u>	<u>1,099,523</u>
School Administration					
Office of the Principal Services					
Salaries	1,434,150	1,434,150	1,427,884	6,266	1,386,501
Employee Benefits	291,098	291,098	294,954	(3,856)	273,183
Purchased Services	78,507	78,507	84,633	(6,126)	82,249
Supplies and Materials	358,722	358,722	298,629	60,093	394,638
Capital Outlay	6,000	6,000	—	6,000	—
Non-Capital Outlay	10,000	10,000	16,190	(6,190)	26,214
	<u>2,178,477</u>	<u>2,178,477</u>	<u>2,122,290</u>	<u>56,187</u>	<u>2,162,785</u>
Other Support Services - School Admin					
Salaries	1,658,014	1,658,014	1,662,135	(4,121)	1,639,481
Employee Benefits	15,700	15,700	15,647	53	18,157
	<u>1,673,714</u>	<u>1,673,714</u>	<u>1,677,782</u>	<u>(4,068)</u>	<u>1,657,638</u>
	<u>3,852,191</u>	<u>3,852,191</u>	<u>3,800,072</u>	<u>52,119</u>	<u>3,820,423</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019
	Original Budget	Final Budget	Actual		Actual
Expenditures - Continued					
Support Services - Continued					
Business					
Direction of Business Support Services					
Salaries	\$ 229,023	229,023	229,286	(263)	211,461
Employee Benefits	95,333	95,333	66,678	28,655	86,884
Purchased Services	41,300	41,300	33,397	7,903	40,137
Supplies and Materials	15,000	15,000	9,502	5,498	8,557
	<u>380,656</u>	<u>380,656</u>	<u>338,863</u>	<u>41,793</u>	<u>347,039</u>
Fiscal Services					
Salaries	350,875	350,875	341,788	9,087	330,999
Employee Benefits	11,830	11,830	11,813	17	11,405
Supplies and Materials	—	—	—	—	289
Other Objects	27,000	27,000	13,623	13,377	17,884
Non-Capitalized Equipment	20,000	20,000	—	20,000	3,775
	<u>409,705</u>	<u>409,705</u>	<u>367,224</u>	<u>42,481</u>	<u>364,352</u>
Operations and Maintenance of Plant Services					
Employee Benefits	—	—	—	—	28,638.00
Pupil Transportation Services					
Salaries	500	500	1,145	(645)	274
Purchased Services	23,792	23,792	23,276	516	23,227.00
	<u>24,292</u>	<u>24,292</u>	<u>24,421</u>	<u>(129)</u>	<u>23,501</u>
Food Services					
Salaries	55,100	55,100	56,679	(1,579)	53,649
Employee Benefits	12,100	12,100	12,048	52	11,480
Purchased Services	904,000	904,000	1,030,954	(126,954)	827,653
Supplies and Materials	6,500	6,500	3,841	2,659	3,677
Non-Capital Equipment	10,000	10,000	—	10,000	3,602
	<u>987,700</u>	<u>987,700</u>	<u>1,103,522</u>	<u>(115,822)</u>	<u>900,061</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019
	Original Budget	Final Budget	Actual		Actual
Expenditures - Continued					
Support Services - Continued					
Business - Continued					
Internal Services					
Salaries	\$ 155,200	155,200	136,741	18,459	145,748
Employee Benefits	25,000	25,000	24,942	58	23,982
	<u>180,200</u>	<u>180,200</u>	<u>161,683</u>	<u>18,517</u>	<u>169,730</u>
Total Business	<u>1,982,553</u>	<u>1,982,553</u>	<u>1,995,713</u>	<u>(13,160)</u>	<u>1,833,321</u>
Central					
Direction of Central Support Services					
Salaries	269,000	269,000	268,618	382	259,775
Employee Benefits	45,608	45,608	45,595	13	43,733
Purchased Services	13,000	13,000	9,776	3,224	6,867
Supplies and Materials	27,000	27,000	20,778	6,222	30,997
Non-Capitalized Equipment	10,000	10,000	—	10,000	—
	<u>364,608</u>	<u>364,608</u>	<u>344,767</u>	<u>19,841</u>	<u>341,372</u>
Planning, Research, Development, and Evaluation Services					
Salaries	10,000	10,000	10,500	(500)	8,978
Information Services					
Salaries	88,000	88,000	87,693	307	80,085
Employee Benefits	9,802	9,802	9,801	1	14,966
Purchased Services	—	—	—	—	293
Supplies and Materials	8,000	8,000	1,519	6,481	1,080
	<u>105,802</u>	<u>105,802</u>	<u>99,013</u>	<u>6,789</u>	<u>96,424</u>
Staff Services					
Salaries	116,000	116,000	115,852	148	117,540
Employee Benefits	30,675	30,675	32,252	(1,577)	29,478
Purchased Services	66,500	66,500	59,725	6,775	26,379
Supplies and Materials	6,000	6,000	6,064	(64)	5,692
	<u>219,175</u>	<u>219,175</u>	<u>213,893</u>	<u>5,282</u>	<u>179,089</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019
	Original Budget	Final Budget	Actual		Actual
Expenditures - Continued					
Support Services - Continued					
Central - Continued					
Data Processing Services					
Salaries	\$ 440,000	440,000	436,834	3,166	448,274
Employee Benefits	106,958	106,958	106,860	98	94,149
Purchased Services	104,500	104,500	107,682	(3,182)	93,555
Supplies and Materials	3,000	3,000	—	3,000	—
	<u>654,458</u>	<u>654,458</u>	<u>651,376</u>	<u>3,082</u>	<u>635,978</u>
Total Central	<u>1,354,043</u>	<u>1,354,043</u>	<u>1,319,549</u>	<u>34,494</u>	<u>1,261,841</u>
Total Support Services	<u>15,692,572</u>	<u>15,692,572</u>	<u>15,397,637</u>	<u>294,935</u>	<u>14,551,238</u>
Community Services					
Salaries	77,453	77,453	59,492	17,961	58,475
Employee Benefits	91,692	91,692	58,760	32,932	13,237
Purchased Services	170,336	170,336	176,006	(5,670)	169,035
Supplies and Materials	—	—	6,780	(6,780)	—
Total Community Services	<u>339,481</u>	<u>339,481</u>	<u>301,038</u>	<u>38,443</u>	<u>240,747</u>
Payments to Other Districts and Governmental Units					
Special Education - Tuition	1,124,809	1,124,809	1,271,652	(146,843)	1,035,018
Special Education - Purchased Services	213,235	213,235	215,250	(2,015)	146,704
Special Education - Other	48,445	48,445	110,574	(62,129)	103,689
CTE - Tuition	148,140	148,140	148,140	—	116,302
Other - Tuition	111,400	111,400	74,330	37,070	104,120
Total Payments to Other Districts and Governmental Units	<u>1,646,029</u>	<u>1,646,029</u>	<u>1,819,946</u>	<u>(173,917)</u>	<u>1,505,833</u>
Total Direct Expenditures	<u>58,237,073</u>	<u>58,237,073</u>	<u>56,692,816</u>	<u>1,544,257</u>	<u>55,416,564</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019
	Original Budget	Final Budget	Actual		Actual
Expenditures - Continued					
On Behalf Payments	\$ —	—	26,471,459	(26,471,459)	22,255,091
Total Expenditures	58,237,073	58,237,073	83,164,275	(24,927,202)	77,671,655
Excess (Deficiency) of Revenues Over (Under) Expenditures	279,860	279,860	914,600	634,740	1,378,429
Other Financing Sources (Uses)					
Disposal of Capital Assets	—	—	—	—	5,129
Transfers Out	(46,400)	(46,400)	(46,332)	68	(46,332)
	(46,400)	(46,400)	(46,332)	68	(41,203)
Net Change in Fund Balance	<u>233,460</u>	<u>233,460</u>	868,268	<u>634,808</u>	1,337,226
Fund Balance - Beginning			<u>15,756,320</u>		<u>14,419,094</u>
Fund Balance - Ending			<u>16,624,588</u>		<u>15,756,320</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Operations and Maintenance Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019
	Original Budget	Final Budget	Actual		Actual
Revenues					
Local Sources					
General Levy	\$ 6,432,009	6,432,009	6,284,362	(147,647)	6,141,085
Earnings on Investments	90,000	90,000	69,746	(20,254)	112,569
Rentals	200,000	200,000	193,576	(6,424)	202,121
Refund of Prior Year Expenditures	—	—	5,529	5,529	290
Other Revenue from Local Sources	80,000	80,000	69,044	(10,956)	101,251
Total Local Sources	6,802,009	6,802,009	6,622,257	(179,752)	6,557,316
State Sources					
School Infrastructure - Maintenance					
Project	—	—	50,000	50,000	—
Federal Sources					
Other Federal Revenue	131,504	131,504	83,934	(47,570)	—
Total Revenues	6,933,513	6,933,513	6,756,191	(177,322)	6,557,316
Expenditures					
Support Services					
Business					
Facilities Acquisition and Construction Services					
Purchased Services	—	—	—	—	122,205
Supplies and Materials	—	—	—	—	2,496
Capital Outlay	698,800	698,800	627,114	71,686	189,842
Non-Capitalized Equipment	—	—	—	—	14,831
	698,800	698,800	627,114	71,686	329,374
Operation and Maintenance					
of Plant Services					
Salaries	3,248,551	3,248,551	3,081,218	167,333	3,068,157
Employee Benefits	680,640	680,640	601,287	79,353	510,314
Purchased Services	675,784	675,784	628,034	47,750	584,103
Supplies and Materials	1,857,816	1,857,816	1,524,226	333,590	1,704,197
Capital Outlay	107,000	107,000	96,868	10,132	11,279

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Operations and Maintenance - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019
	Original Budget	Final Budget	Actual		Actual
Expenditures - Continued					
Support Services - Continued					
Business - Continued					
Operation and Maintenance					
of Plant Services - Continued					
Non-Capitalized Equipment	\$ 105,000	105,000	54,094	50,906	51,548
	<u>6,674,791</u>	<u>6,674,791</u>	<u>5,985,727</u>	<u>689,064</u>	<u>5,973,244</u>
 Total Expenditures	 <u>7,373,591</u>	 <u>7,373,591</u>	 <u>6,612,841</u>	 <u>760,750</u>	 <u>6,302,618</u>
 Net Change in Fund Balance	 <u>(440,078)</u>	 <u>(440,078)</u>	 143,350	 <u>583,428</u>	 254,698
 Fund Balance - Beginning			<u>2,000,104</u>		<u>1,701,760</u>
 Fund Balance - Ending			<u><u>2,143,454</u></u>		<u><u>2,000,104</u></u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Working Cash Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019
	Original Budget	Final Budget	Actual		Actual
Revenues					
Taxes					
Property Taxes	\$ 9,656	9,656	(159)	(9,815)	—
Earnings on Investments	140,000	140,000	219,487	79,487	166,922
Total Revenues	149,656	149,656	219,328	69,672	166,922
Expenditures	—	—	—	—	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	149,656	149,656	219,328	69,672	166,922
Other Financing Sources (Uses)					
Debt Issuance	—	—	—	—	3,950,000
Premium on Debt Issuance	—	—	—	—	55,095
Transfers Out	(1,370,000)	(1,370,000)	(1,370,000)	—	(290,000)
	(1,370,000)	(1,370,000)	(1,370,000)	—	3,715,095
Net Change in Fund Balance	<u>(1,220,344)</u>	<u>(1,220,344)</u>	(1,150,672)	<u>69,672</u>	3,882,017
Fund Balance - Beginning			<u>10,202,000</u>		<u>6,319,983</u>
Fund Balance - Ending			<u>9,051,328</u>		<u>10,202,000</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019
	Original Budget	Final Budget	Actual		Actual
Revenues					
Local Sources					
Property Taxes	\$ 10,583,502	10,583,502	10,789,965	206,463	10,771,988
Earnings on Investments	80,000	80,000	87,398	7,398	112,977
Total Revenues	10,663,502	10,663,502	10,877,363	213,861	10,884,965
Expenditures					
Debt Service					
Principal Retirement	7,408,100	7,408,100	7,408,090	10	7,340,920
Interest on Long-Term Debt	3,352,767	3,352,767	3,350,909	1,858	3,389,832
Service Charges	1,850	1,850	3,850	(2,000)	5,620
Other Fees	—	—	—	—	84,484
Total Expenditures	10,762,717	10,762,717	10,762,849	(132)	10,820,856
Excess (Deficiency) of Revenues Over (Under) Expenditures					
	(99,215)	(99,215)	114,514	213,729	64,109
Other Financing Sources					
Transfers In	46,400	46,400	46,332	(68)	46,332
Premium on Debt Issuance	—	—	—	—	84,484
	46,400	46,400	46,332	(68)	130,816
Net Change in Fund Balance	(52,815)	(52,815)	160,846	213,661	194,925
Fund Balance - Beginning			882,125		687,200
Fund Balance - Ending			1,042,971		882,125

DUPAGE HIGH SCHOOL DISTRICT NO. 88

**Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2020**

	Special Revenue			Totals
	Transportation	Municipal Retirement/ Social Security	Capital Project	
ASSETS				
Cash and Investments	\$ 3,030,962	1,747,772	515,261	5,293,995
Receivables - Net of Allowances				
Property Taxes	882,071	1,101,389	—	1,983,460
Intergovernmental	313,191	—	—	313,191
Total Assets	4,226,224	2,849,161	515,261	7,590,646
LIABILITIES				
Accounts Payable	36,576	—	679,284	715,860
Retainage Payable	—	—	94,789	94,789
Total Liabilities	36,576	—	774,073	810,649
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	1,751,804	2,187,371	—	3,939,175
Total Liabilities and Deferred Inflows of Resources	1,788,380	2,187,371	774,073	4,749,824
FUND BALANCES				
Restricted	2,437,844	661,790	—	3,099,634
Unassigned	—	—	(258,812)	(258,812)
Total Fund Balances	2,437,844	661,790	(258,812)	2,840,822
Total Liabilities, Deferred Inflows of Resources and Fund Balances	4,226,224	2,849,161	515,261	7,590,646

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2020

	Special Revenue			Totals
	Transportation	Municipal Retirement/ Social Security	Capital Projects	
Revenues				
Local Sources				
Property Taxes	\$ 1,999,212	1,854,642	—	3,853,854
Personal Property Replacement Taxes	—	123,834	—	123,834
Earnings on Investments	42,508	25,880	10,138	78,526
Other Local Sources	102,494	—	5,049	107,543
State Sources	1,264,988	—	—	1,264,988
Total Revenues	3,409,202	2,004,356	15,187	5,428,745
Expenditures				
Current				
Instruction	—	1,386,148	—	1,386,148
Support Services	3,551,459	641,474	1,229,631	5,422,564
Community Services	—	6,320	—	6,320
Total Expenditures	3,551,459	2,033,942	1,229,631	6,815,032
Excess (Deficiency) of Revenues Over (Under) Expenditures	(142,257)	(29,586)	(1,214,444)	(1,386,287)
Other Financing Sources				
Transfers In	370,000	—	1,000,000	1,370,000
Net Change in Fund Balances	227,743	(29,586)	(214,444)	(16,287)
Fund Balances - Beginning	2,210,101	691,376	(44,368)	2,857,109
Fund Balances - Ending	2,437,844	661,790	(258,812)	2,840,822

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Transportation - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020
(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019
	Original Budget	Final Budget	Actual		Actual
Revenues					
Local Sources					
Property Taxes	\$ 1,870,189	1,870,189	1,999,212	129,023	1,952,803
Transportation Fees	85,000	85,000	88,175	3,175	99,669
Earnings on Investments	60,000	60,000	42,508	(17,492)	84,278
Other Revenue from Local Sources	—	—	14,319	14,319	—
Total Local Sources	<u>2,015,189</u>	<u>2,015,189</u>	<u>2,144,214</u>	<u>129,025</u>	<u>2,136,750</u>
State Sources					
Transportation					
Regular	120,000	120,000	123,491	3,491	143,556
Special Education	1,100,000	1,100,000	1,141,497	41,497	1,262,403
Total State Sources	<u>1,220,000</u>	<u>1,220,000</u>	<u>1,264,988</u>	<u>44,988</u>	<u>1,405,959</u>
Total Revenues	<u>3,235,189</u>	<u>3,235,189</u>	<u>3,409,202</u>	<u>174,013</u>	<u>3,542,709</u>
Expenditures					
Support Services					
Business					
Pupil Transport Services					
Purchased Services	3,640,808	3,640,808	3,100,036	540,772	3,494,944
Supplies and Materials	208,000	208,000	88,923	119,077	143,997
Capital Outlay	370,000	370,000	362,500	7,500	290,000
Non-Capitalized Equipment	—	—	—	—	1,866
Total Expenditures	<u>4,218,808</u>	<u>4,218,808</u>	<u>3,551,459</u>	<u>667,349</u>	<u>3,930,807</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(983,619)	(983,619)	(142,257)	841,362	(388,098)
Other Financing Sources					
Transfers In	370,000	370,000	370,000	—	290,000
Net Change in Fund Balance	<u>(613,619)</u>	<u>(613,619)</u>	227,743	<u>841,362</u>	(98,098)
Fund Balance - Beginning			<u>2,210,101</u>		<u>2,308,199</u>
Fund Balance - Ending			<u>2,437,844</u>		<u>2,210,101</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Municipal Retirement/Social Security Fund - Special Revenue

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local Sources					
Property Taxes					
General Levy	\$ 840,023	840,023	832,867	(7,156)	813,764
FICA/Medicare Levy	1,175,126	1,175,126	1,021,775	(153,351)	999,201
Replacement Taxes	123,834	123,834	123,834	—	104,801
Earnings on Investments	28,000	28,000	25,880	(2,120)	38,622
Total Revenues	2,166,983	2,166,983	2,004,356	(162,627)	1,956,388
Expenditures					
Instruction	1,393,695	1,393,695	1,386,148	7,547	1,351,373
Support Services	668,966	668,966	641,474	27,492	624,654
Community Services	6,352	6,352	6,320	32	4,657
Total Expenditures	2,069,013	2,069,013	2,033,942	35,071	1,980,684
Net Change in Fund Balance	97,970	97,970	(29,586)	(127,556)	(24,296)
Fund Balance - Beginning			691,376		715,672
Fund Balance - Ending			661,790		691,376

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Revenues					
Local Sources					
Earnings on Investments	\$ 7,000	7,000	10,138	3,138	13,038
Other Local Revenue	20,000	20,000	5,049	(14,951)	271,768
Total Revenues	<u>27,000</u>	<u>27,000</u>	<u>15,187</u>	<u>(11,813)</u>	<u>284,806</u>
Expenditures					
Support Services					
Business					
Facilities Acquisition and Construction					
Purchased Services	65,000	65,000	84,516	(19,516)	72,891
Capital Outlay	900,000	900,000	1,145,115	(245,115)	728,606
Total Expenditures	<u>965,000</u>	<u>965,000</u>	<u>1,229,631</u>	<u>(264,631)</u>	<u>801,497</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(938,000)	(938,000)	(1,214,444)	(276,444)	(516,691)
Other Financing Sources					
Transfers In	1,000,000	1,000,000	1,000,000	—	—
Net Change in Fund Balance	<u>62,000</u>	<u>62,000</u>	(214,444)	<u>(276,444)</u>	(516,691)
Fund Balance - Beginning			<u>(44,368)</u>		<u>472,323</u>
Fund Balance - Ending			<u>(258,812)</u>		<u>(44,368)</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

**Student Activity - Agency Fund
Schedule of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2020**

	Beginning Balances	Additions	Deduction	Ending Balances
ASSETS				
Cash and Investments	\$ 1,103,609	1,007,467	1,103,609	1,007,467
LIABILITIES				
Due to Student Activity Organizations				
Addison Trail School	311,028	305,503	311,028	305,503
Willowbrook School	358,411	254,532	358,411	254,532
School District Office	434,170	447,432	434,170	447,432
Total Liabilities	1,103,609	1,007,467	1,103,609	1,007,467

DUPAGE HIGH SCHOOL DISTRICT NO. 88

**Consolidated Year-End Financial Report
June 30, 2020**

CSFA #	Program Name	State	Federal	Other	Totals
478-00-0251	Medical Assistance Program	\$ —	27,823	—	27,823
586-18-0406	School Breakfast Program	—	96,160	—	96,160
586-18-0407	National School Lunch Program	—	507,504	—	507,504
586-18-0428	English Language Acquisition State Grant	—	27,128	—	27,128
586-18-0507	Career and Technical Education Improvements	70,824	—	—	70,824
586-44-0414	Title I Grants to Local Educational Agencies	—	483,683	—	483,683
586-44-1588	Title IVA Student Support and Academic Enrichment	—	7,276	—	7,276
586-47-0430	Improving Teacher Quality State Grants	—	57,628	—	57,628
586-64-0417	Federal - Special Education - IDEA Flow-Through	—	885,167	—	885,167
586-82-1466	Federal - Special Education - IDEA Room and Board	—	36,837	—	36,837
586-18-2330	Non-Cash Commodity Value	—	67,448	—	67,448
586-00-1723	School Maintenance Project	50,000	—	—	50,000
586-18-0410	Summer Food Service Program	—	351,968	—	351,968
586-17-2175	STOP School Violence Prevention	—	83,934	—	83,934
	Other Grant Programs and Activities	—	150,712	96,618	247,330
	All Other Costs Not Allocated	—	—	100,776,805	100,776,805
	Totals	120,824	2,783,268	100,873,423	103,777,515

SUPPLEMENTAL SCHEDULES

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Long-Term Debt Requirements

General Obligation Limited Tax Refunding School Bonds of 2015A

June 30, 2020

Date of Issue	December 3, 2015
Date of Maturity	January 15, 2025
Authorized Issue	\$8,220,000
Interest Rates	2.25% - 4.00%
Interest Dates	July 15 and January 15
Principal Maturity Date	January 15
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2021	\$ 1,005,000	153,885	1,158,885
2022	1,045,000	113,685	1,158,685
2023	1,080,000	82,335	1,162,335
2024	1,110,000	49,935	1,159,935
2025	1,040,000	24,960	1,064,960
	<u>5,280,000</u>	<u>424,800</u>	<u>5,704,800</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Long-Term Debt Requirements

General Obligation Limited Tax Refunding School Bonds of 2015B

June 30, 2020

Date of Issue	December 22, 2015
Date of Maturity	January 15, 2028
Authorized Issue	\$3,950,000
Interest Rates	2.65% - 4.00%
Interest Dates	July 15 and January 15
Principal Maturity Date	January 15
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2021	\$ —	105,434	105,434
2022	—	105,434	105,434
2023	—	105,434	105,434
2024	—	105,434	105,434
2025	100,000	205,434	305,434
2026	1,125,000	1,226,434	2,351,434
2027	1,160,000	1,223,465	2,383,465
2028	1,190,000	1,222,725	2,412,725
	<u>3,575,000</u>	<u>4,299,794</u>	<u>7,874,794</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Long-Term Debt Requirements

General Obligation Refunding School Bonds of 2016

June 30, 2020

Date of Issue	December 29, 2016
Date of Maturity	January 15, 2028
Authorized Issue	\$73,070,000
Interest Rates	3.00% - 5.00%
Interest Dates	July 15 and January 15
Principal Maturity Date	January 15
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2021	\$ 6,530,000	2,665,850	9,195,850
2022	6,725,000	2,469,950	9,194,950
2023	7,060,000	2,133,700	9,193,700
2024	7,345,000	1,851,300	9,196,300
2025	7,640,000	1,557,500	9,197,500
2026	8,025,000	1,175,500	9,200,500
2027	8,425,000	774,250	9,199,250
2028	8,825,000	353,000	9,178,000
	<u>60,575,000</u>	<u>12,981,050</u>	<u>73,556,050</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

Long-Term Debt Requirements

General Obligation Limited Tax School Bonds of 2018

June 30, 2020

Date of Issue	September 6, 2018
Date of Maturity	January 15, 2032
Authorized Issue	\$3,950,000
Interest Rates	3.00% - 4.00%
Interest Dates	July 15 and January 15
Principal Maturity Date	January 15
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2021	\$ 145,000	140,800	285,800
2022	—	136,450	136,450
2023	—	136,450	136,450
2024	—	136,450	136,450
2025	—	136,450	136,450
2026	—	136,450	136,450
2027	—	136,450	136,450
2028	—	136,450	136,450
2029	1,110,000	136,450	1,246,450
2030	1,145,000	103,150.00	1,248,150
2031	1,190,000	57,350.00	1,247,350
2032	300,000	9,750.00	309,750
	<u>3,890,000</u>	<u>1,402,650</u>	<u>5,292,650</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88

**Property Tax Levies and Collections - Last Three Tax Levy Years
June 30, 2020 (Unaudited)**

Tax Levy Year	2017	2018	2019
Assessed Valuation	\$ 2,860,568,495	3,005,454,524	3,211,432,591
Rate			
Educational	\$ 1.4976	1.4593	1.3971
Operations and Maintenance	0.2151	0.2097	0.2079
Bond and Interest	0.3773	0.3601	0.3381
Transportation	0.0684	0.0667	0.0551
Municipal Retirement	0.0285	0.0278	0.0268
Special Education	0.0243	0.0238	0.0229
Social Security	0.0350	0.0341	0.0420
Working Cash	0.0000	0.0000	0.0007
Totals	2.2462	2.1815	2.0906
Extension			
Educational	\$ 42,839,874	43,858,598	44,866,925
Operations and Maintenance	6,153,083	6,302,438	6,676,568
Bond and Interest	10,792,925	10,822,642	10,857,854
Transportation	1,956,629	2,004,638	1,769,499
Municipal Retirement	815,262	835,516	860,664
Special Education	695,118	715,298	735,418
Social Security	1,001,199	1,024,860	1,348,802
Working Cash	—	—	22,480
Totals	64,254,090	65,563,990	67,138,210
Collected			
Educational	\$ 42,754,598	43,734,508	22,053,360
Operations and Maintenance	6,140,759	6,284,738	3,281,722
Bond and Interest	10,771,323	10,792,050	5,336,942
Transportation	1,952,681	1,999,126	869,759
Municipal Retirement	813,700	833,041	423,041
Special Education	693,789	713,278	361,479
Social Security	999,141	1,021,916	662,974
Working Cash	—	—	11,050
Totals	64,125,991	65,378,657	33,000,327
Percent Collections	99.80 %	99.72 %	49.15 %

DUPAGE HIGH SCHOOL DISTRICT NO. 88**Summary of Operations - Bookstores
June 30, 2020 (Unaudited)**

	Addison Trail High School	Willowbrook High School	Totals
Revenue from Sales:			
Sale of Textbooks	\$ 119,945	63,294	183,239
Sale of Supplies	12,481	15,260	27,741
Total	132,426	78,554	210,980
Cost of Sales:			
Inventory of Supplies and Textbooks at July 1, 2019	148,118	177,822	325,940
Purchase of Supplies	29,681	27,264	56,945
Purchase of Textbooks	263,860	250,067	513,927
Total Available for Sale	441,659	455,153	896,812
Less Inventory of Supplies and Textbooks at June 30, 2020	126,566	160,702	287,268
Total Cost of Sales, Including Disposals	315,093	294,451	609,544
Gross (Loss)	(182,667)	(215,897)	(398,564)
Operating Expenses:			
Salaries	68,644	68,097	136,741
Sales Tax	6,533	10,235	16,768
Insurance	6,246	18,695	24,941
Total Operating Expenses	81,423	97,027	178,450
Net (Loss)	(264,090)	(312,924)	(577,014)

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88

**District Enrollment - Last Ten Fiscal Years
June 30, 2020 (Unaudited)**

Willowbrook
Addison Trail
September 30 (excluding special education)

	Enrollment				Totals
	Freshman	Sophomore	Junior	Senior	
2019/2020	1,126	1,046	901	920	3,993
2018/2019	1,155	995	835	1,028	4,013
2017/2018	1,085	965	889	1,033	3,972
2016/2017	1,048	1,028	869	1,055	4,000
2015/2016	1,165	1,031	841	1,028	4,065
2014/2015	1,180	1,006	815	1,070	4,071
2013/2014	1,120	991	948	998	4,057
2012/2013	996	1,084	986	1,042	4,108
2011/2012	1,005	1,032	1,062	1,043	4,142
2010/2011	1,000	1,012	994	872	3,878

Average Daily Attendance

2019/2020	3,456
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

	Operating Expense Per Pupil	Per Capita Tuition Charge
2019/2020	\$ 18,990.28	18,486.84
2018/2019	18,831.15	17,891.85
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

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
June 30, 2020 (Unaudited)

	General			Total General
	Educational	Operations and Maintenance	Working Cash	
Revenues				
Property Taxes	\$ 44,445,303	6,284,362	(159)	50,729,506
Personal Property Replacement Taxes	1,611,770	—	—	1,611,770
Earnings on Investments	541,514	69,746	219,487	830,747
Other Local Sources	1,632,543	268,149	—	1,900,692
State Sources	6,648,704	50,000	—	6,698,704
Federal Sources	2,727,582	83,934	—	2,811,516
Total Revenues	57,607,416	6,756,191	219,328	64,582,935
Less: On-Behalf Payments State of Illinois	26,471,459	—	—	26,471,459
Total Revenues - Net of On-Behalf Payments	31,135,957	6,756,191	219,328	38,111,476
Expenditures				
Current Operating				
Instruction	39,174,195	—	—	39,174,195
Supporting Services	15,397,637	6,612,841	—	22,010,478
Community Services	301,038	—	—	301,038
Payments to Other Districts and Governmental Units	1,819,946	—	—	1,819,946
Total Expenditures	56,692,816	6,612,841	—	63,305,657
Less: On-Behalf Payments - State of Illinois	26,471,459	—	—	26,471,459
Total Expenditures - Net of On-Behalf Payments	30,221,357	6,612,841	—	36,834,198
Excess (Deficiency) of Revenues Over (Under) Expenditures	914,600	143,350	219,328	1,277,278
Other Financing Sources (Uses)				
Transfers In	—	—	—	—
Transfers Out	(46,332)	—	(1,370,000)	(1,416,332)
	(46,332)	—	(1,370,000)	(1,416,332)
Net Change in Fund Balances	868,268	143,350	(1,150,672)	(139,054)
Fund Balances - Beginning	15,756,320	2,000,104	10,202,000	27,958,424
Fund Balances - Ending	16,624,588	2,143,454	9,051,328	27,819,370

Transportation	Municipal Retirement/ Social Security	Total Operating Funds
1,999,212	1,854,642	54,583,360
—	123,834	1,735,604
42,508	25,880	899,135
102,494	—	2,003,186
1,264,988	—	7,963,692
—	—	2,811,516
3,409,202	2,004,356	69,996,493
—	—	26,471,459
3,409,202	2,004,356	43,525,034
—	1,386,148	40,560,343
3,551,459	641,474	26,203,411
—	6,320	307,358
—	—	1,819,946
3,551,459	2,033,942	68,891,058
—	—	26,471,459
3,551,459	2,033,942	42,419,599
(142,257)	(29,586)	1,105,435
370,000	—	370,000
—	—	(1,416,332)
370,000	—	(1,046,332)
227,743	(29,586)	59,103
2,210,101	691,376	30,859,901
2,437,844	661,790	30,919,004
Net Change in Fund Balances		59,103