

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

**Audited Financial Statements**  
**And**  
**Supplementary Financial Information**

**June 30, 2014**

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# MATHIESON MOYSKI·AUSTIN & Co., LLP

(630) 653-1616  
FAX (630) 653-1735

MMAadvisors.com

Certified Public Accountants and Advisors

211 South Wheaton Avenue • Suite 300  
Wheaton, Illinois 60187

## **Independent Auditors' Report**

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of DuPage High School District No. 88 (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule(s) and schedule(s) of funding progress for post-employment benefits on pages 4 through 14 and 46 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

The combining and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other financial information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

***Report of Summarized Comparative Information***

We have previously audited DuPage High School District No. 88's 2013 financial statements and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated October 31, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Matheson, Moyke, Austin & Co. LLP*

Wheaton, Illinois  
November 6, 2014

# **DuPage High School District #88**

## **Management's Discussion and Analysis**

### **For the Year Ended June 30, 2014**

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This discussion and analysis is intended to be an overview of DuPage High School District #88's (the District) financial activities for the year ended June 30, 2014, based on currently known facts, decisions, and conditions. This analysis focuses on current year activities and operations and should be read in combination with the basic financial statements that follow.

This report, Management's Discussion and Analysis (MD&A) provides an overview of the District's financial activities for the fiscal year ended June 30, 2014 with comparative data to the fiscal year ended June 30, 2013. This format incorporates required information for the District to be in compliance with the provisions of the Governmental Accounting Standards Board.

#### Financial Highlights

The District's fund balances decreased by \$1,121,510 during the fiscal year. This is an improvement over the prior year deficit by 49.3%. Several factors contributed to this decrease:

- The District's fund balances declined as operating expenses continue to increase at a higher pace than the Consumer Price Index (CPI), which is used to determine the Property Tax Cap. This is an ongoing challenge with 80.9% of our revenue generated from property tax, excluding state of Illinois on-behalf payments.
- Future employee salary increases are all now set to correlate to the same CPI index within the forthcoming years.
- Investment earnings, which generated significant returns in the past, continue to decline due to historically low investment returns.
- General revenues accounted for \$63,200,786 in revenue or 77.1% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$18,758,354 or 22.9% of total revenues of \$81,959,140.
- The District had \$83,551,917 in expenses related to government activities. However, only \$18,758,354 of these expenses were offset by program specific charges and grants.
- The District continued to pay down its long term debt retiring \$3,365,000 of bond principal in fiscal 2014.
- Within the District's boundaries are nine 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. Three of these TIF areas scheduled to expire in the year 2017 for the following tax year cycle. This will bring in much needed financial resources as new taxable property and will help to relieve the tax burden to taxpayers.
- The District continues to use bid solicitation to obtain the highest quality vendors at the most competitive pricing. The bus transportation service contract is multi-year with the rate of increase indexed to the CPI and set to expire in the year 2015. Food service management is a multi-year agreement, indexed to CPI for Food Away From Home and set to expire in the year 2016.
- Certified personnel multi-year agreement provided for a base salary schedule increase of 1% in addition to step advancement of approximately 2.6%. The following two year's base increase is limited to 0.50% and 0.75% in 2015 and 2016 respectively. The final year is



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### **Management's Discussion and Analysis**

### **For the Year Ended June 30, 2014**

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now indexed to a percentage of the CPI. This follows a prior year freeze and only allowing for step advancement in 2013 which was equivalent to an increase of approximately 2.6%.

- Support staff personnel salaries were negotiated for a four year agreement to 2016-17 at a base increase of 2.25% for the first two years and indexed to a percentage of the CPI thereafter, in addition to step advancement.
- Teacher Aide personnel salaries were negotiated for a four year agreement to 2016-17 at a base increase of 3.0% for three years and indexed to a percentage of the CPI in the final year. There is no step advancement schedule for this employee group.
- Custodial and Maintenance personnel salaries were negotiated at a base increase of 2% in addition to step advancement which is approximately 1.30%. This is the final year of a three year agreement ending June 30, 2014.
- The District operating expense per pupil is estimated to be \$19,343 as of 2014 following the prior year 2013 at \$18,856 and 2012 at \$16,401. The substantial increase of \$2,454 between 2012 and 2013 is primarily due to the shift of alternative education student attendance to a regional Alternative Learning Opportunities Program (ALOP). The restructuring of program services as of 2011-12 resulted in a reduction of approximately 400 average daily attendance (ADA) days, 10.5% of our total District ADA. The ALOP program provides significantly greater per pupil reimbursement funding but contributes to the change in this measurement ratio as the state does not recognize this offsetting revenue in their computation of the operating expense per pupil formula.

Property tax revenues for the District's operating funds continue to be restricted by tax cap legislation. The Consumer Price Index (CPI) of 3.00%, which the 2012 levy was based on to fund the 2013-14 fiscal year, was helpful but follows a number of years in which we were already constrained by lower CPI. Low growth in property tax revenues combined with stagnant new property growth has not been able to keep pace with expenditure increases. We will continue working closely with the Board of Education to evaluate programs and establish plans to balance the budget.

#### Overview of Financial Statements

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

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

**DuPage High School District #88**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2014**

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The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

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

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

# **DuPage High School District #88**

## **Management's Discussion and Analysis**

### **For the Year Ended June 30, 2014**

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#### Reporting the District as a Whole

##### Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, deferred inflows of resources, and liabilities. All of the 2013-14 revenues and expenditures are accounted for in the Statement of Activities regardless of when the cash is received or paid. The two government-wide financial statements report the District's net position and how it has changed. Net position - the District's assets and deferred outflows of resources less liabilities and deferred inflows of resources - is one way to measure a district's financial health or position.

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

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

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

#### Reporting the District's Most Significant Funds

##### Fund Financial Statements

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

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

The District has two kinds of funds:

- Governmental Funds – Most of the District's basic services are included in the governmental funds, which generally focus on (1) how cash, and other financial assets that can readily convert to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term

**DuPage High School District #88**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2014**

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view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information that explains the relationship (or differences) between them.

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

Financial Analysis of the District as a Whole

**Net Position:**

The District's combined net position was \$21,965,943 on June 30, 2014. This was a decrease of 6.8% from the prior year (See Table A-1).

Table A-1 DuPage High School District #88 Net Position – Governmental Activities <u>June 30, 2014 and 2013</u>		
	<u>2014</u>	<u>2013</u>
<b>Assets:</b>		
Current and Other Assets	\$79,822,089	\$79,566,977
Capital Assets	<u>117,601,104</u>	<u>121,717,670</u>
Total Assets	<u>197,423,193</u>	<u>201,284,647</u>
<b>Deferred outflows of resources:</b>		
Deferred charge on refunding	<u>111,932</u>	<u>148,725</u>
<b>Liabilities:</b>		
Long Term Liabilities (Long Term Debt)	115,776,216	119,458,308
Other Liabilities	<u>582,180</u>	<u>938,532</u>
Total Liabilities	<u>116,358,396</u>	<u>120,396,840</u>
<b>Deferred inflows of resources:</b>		
Property taxes levied for subsequent year	<u>59,210,786</u>	<u>57,477,812</u>
<b>Net Position:</b>		
Net investment in capital assets	14,192,015	15,441,844
Restricted	2,382,046	2,644,115
Unrestricted	<u>5,391,882</u>	<u>5,472,761</u>
Total Net Position	<u>\$21,965,943</u>	<u>\$23,558,720</u>

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**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2014**

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- The District's decrease in net position is primarily attributable to the continued and planned spend down of capital projects. Despite the spend down of capital project funds, net capital assets has remained relatively unchanged due to the offset of current year depreciation.
- Investment returns further eroded due to historic low rates of return and fewer funds to invest. The district also experienced operating fund expenditures, albeit budgeted, that exceeded revenues thus contributing to the decline as well.

Changes in Net Position:

The District's decrease in net position was \$1,592,777 for the fiscal year ended June 30, 2014.

Table A-2 DuPage High School District #88 Change in Net Position For the Years Ended June 30, 2014 and 2013		
	<u>2014</u>	<u>2013</u>
<u>Revenues:</u>		
Program Revenue		
Charges for Services	\$1,419,375	\$1,511,360
Operating Grants and Contributions	17,288,979	15,145,700
Capital Grants and Contributions	50,000	-
General Revenue		
Property Taxes	57,613,530	53,547,707
Unrestricted State and Federal Aid	3,603,948	2,977,809
Investment Earnings	86,464	109,322
Other	<u>1,896,844</u>	<u>1,987,578</u>
Total Revenues	81,959,140	75,279,476
<u>Expenses:</u>		
Instruction	51,254,126	47,387,022
Student and Staff Support	8,026,816	8,433,772
Administration	5,512,219	5,536,184
Business Support	1,006,012	1,014,004
Operations and Maintenance of Facilities	6,285,992	6,127,653
Transportation	3,679,235	3,496,395
Food Service	1,159,035	1,158,182
Other	1,556,457	1,551,531
Interest on Long-Term Debt	<u>5,072,025</u>	<u>5,087,075</u>
Total Expenses	83,551,917	79,791,818
Increase (Decrease) in Net Position	(1,592,777)	(4,512,342)
Beginning Net Position	<u>23,558,720</u>	<u>28,071,062</u>
Ending Net Position	<u>\$21,965,943</u>	<u>\$23,558,720</u>

**DuPage High School District #88**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2014**

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- The District's total revenues were \$81,959,140 for the year ended June 30, 2014, an increase of \$6,679,664 over the prior year (See Table A-2). Property taxes were the main driver of the increase in addition to the state on-behalf pension contribution increasing significantly.
- The total cost of all programs and services was \$83,551,917 for the year ended June 30, 2014, an increase of \$3,760,099 from the prior year. The District's expenses are predominantly related to instruction and student and staff support with these areas accounting for 71.0% of total expenses. The state on-behalf pension contribution increase of \$2,265,573 represents a significant increase over the prior year. Operations and Maintenance of facilities accounted for 7.5% of expenses. Expenditures for fiscal year 2014 exceeded revenues by 1.9%. Revenues increased by 8.9% (See Table A-2).

Governmental Activities

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

<p style="text-align: center;">Table A-3  DuPage High School District #88  Net Cost of Governmental Activities  For the Years Ended June 30, 2014 and 2013</p>				
	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Regular Instruction	\$33,786,389	\$29,093,215	\$22,031,097	\$19,542,333
Special Instruction Programs	14,410,836	13,377,363	10,388,017	9,213,943
Other Instruction Programs	3,056,901	4,916,444	3,056,901	4,916,444
Student Support Services	6,438,241	6,866,855	6,274,269	6,747,115
Instructional Staff Support	1,588,575	1,566,917	1,492,525	1,473,708
Administration/Business	6,518,231	6,550,188	6,518,231	6,550,188
Operations/Maintenance	6,285,992	6,127,653	6,235,992	6,127,653
Transportation	3,679,235	3,496,395	2,310,687	2,062,276
Food Service	1,159,035	1,158,182	(142,638)	(137,508)
Other	1,556,457	1,551,531	1,556,457	1,551,531
Interest on Long-Term Debt	<u>5,072,025</u>	<u>5,087,075</u>	<u>5,072,025</u>	<u>5,087,075</u>
Total	<u>\$83,551,917</u>	<u>\$79,791,818</u>	<u>\$64,793,563</u>	<u>\$63,134,758</u>

- The cost of all governmental activities this year is \$83,551,917.
- Some of that cost was financed by the users of the District's programs (\$1,419,375).
- The State and Federal government subsidized certain programs with grants and contributions (\$17,338,979).
- Most of the District's programs and operations were supported with local property taxes.

**DuPage High School District #88**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2014**

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Financial Analysis of District Funds:

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

Revenues for the District's governmental funds were \$81,959,140 while expenditures in the governmental funds were \$83,080,650 (both of these figures include state of Illinois "on-behalf" payments to TRS). The beginning fund balance for fiscal year 2014 in the governmental funds was \$21,150,633. The fund balance in government funds was \$20,029,123 at the end of fiscal year 2014. The primary reason for the decrease in the fund balance was the ongoing commitment to programs and services in the short term to be funded by reserves. The budget continues to be a challenged due to expenditures growing at a faster pace than revenues.

General Fund Highlights

The following schedule represents a summary of General Fund Revenues:

<u>General Fund Revenues</u>		
	Year Ended <u>2014</u>	Year Ended <u>2013</u>
Local Sources	\$47,880,517	\$46,744,240
State Sources	6,415,266	6,059,338
Federal Sources	2,465,759	2,179,468
On Behalf Payments	<u>10,706,157</u>	<u>8,440,584</u>
Total General Fund Revenue	<u>\$67,467,699</u>	<u>\$63,423,630</u>

The following schedule represents a summary of General Fund expenditures:

<u>General Fund Expenditures</u>		
	Year Ended <u>2014</u>	Year Ended <u>2013</u>
Instruction	\$34,898,655	\$33,532,829
Supporting Services	21,090,435	21,273,272
Non-Programmed Charges	1,673,389	1,450,000
On Behalf Payments	<u>10,706,157</u>	<u>8,440,584</u>
Total General Fund Expenditures	<u>\$68,368,636</u>	<u>\$64,696,685</u>

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**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2014**

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The total General Fund expenditures of \$68,368,636 exceeded General Fund revenues of \$67,467,699 that resulted in expenditures exceeding revenues by \$900,937. As a result of this variance and net transfer in of \$700,000, the fund balance in the General Fund decreased by \$1,600,937. Although the district ended with a deficit, the amount was less than the budgeted shortfall of \$2,530,954.

This under-expenditure was primarily due to lower than expected salary and benefit expense combined with controlled expenditures in contracted services, supplies, capital outlay/technology equipment and tuition for outside placement students.

**Debt Services Fund:**

Total revenues in the Debt Services Fund were \$8,846,561, while expenditures totaled \$8,793,980. The fund balance in the Debt Services Fund ended with \$267,197 on June 30, 2014 compared to \$214,616 on June 30, 2013.

**Non-Major Funds:**

Total revenue in the Special Revenue Funds (Transportation and Municipal Retirement/Social Security) was \$5,644,801 and total expenditures were \$5,625,569. When accounting for the transfer in of \$700,000 to the Municipal Retirement Fund, the net increase of fund balance in these funds was \$719,232.

The District's Capital Projects Fund, as required by the Illinois State Board of Education, accounts for all of the Building the Future construction activity. Total revenues in the Capital Projects Fund were only due to interest of \$20, while expenditures totaled \$292,465. As a result of this activity, the fund balance in the Capital Projects Fund was fully depleted as of June 30, 2014.

In the Fire Prevention and Safety Fund, the fund balance increased by \$59 to \$718. The District has completed all required safety improvements and is scheduled to update their State Board of Education required decennial facility review in the year 2015.

**General Fund Budget Information**

In the General Fund's Educational Account budget, total revenue was anticipated to be \$51,619,907 and actual revenue (when removing TRS On-behalf payments) was \$50,545,875. This resulted in an unfavorable variance of \$1,074,032 when compared to the budget.

In the General Fund's Educational Account budget, total expenditures were projected to be \$53,654,821 and actual expenditures (when removing TRS On-behalf payments) totaled \$51,895,127. The overall favorable variance was primarily due to lower than expected salary and benefit expense combined with controlled expenditures in contracted services, supplies, capital outlay/technology equipment and tuition for outside placement students. The use of \$1,349,252 of reserves is a result of constrained revenues that have not been able to keep pace with expenditures due to extraordinary economic conditions. The district has worked tirelessly to balance resources with a comprehensive academic program that is expected by the community. The district continues



**DuPage High School District #88**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2014**

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to make great strides and set milestones with academic achievements while navigating these unprecedented times.

Capital Assets and Debt Administration

Capital Assets:

At the end of fiscal year 2014 the District had a net total of \$117,601,104 in capital assets. A breakdown of net capital assets follows:

Capital Assets – Governmental Activities		
	Balance <u>June 30, 2014</u>	Balance <u>June 30, 2013</u>
Land	\$ 4,162,325	\$ 4,162,325
Construction in Progress	16,353	425,960
Land Improvements	21,306,947	21,224,731
Buildings	135,763,985	135,118,499
Equipment	<u>13,803,777</u>	<u>13,632,379</u>
Total Capital Assets	175,053,387	174,563,894
Less: Accumulated Depreciation	<u>57,452,283</u>	<u>52,846,224</u>
Net Capital Assets	<u>\$117,601,104</u>	<u>\$121,717,670</u>

More detailed information about capital assets can be found in Note 4 in the financial statements. Also see Note 8 for commitments related to capital expenditures.

Long-Term Debt:

At the end of fiscal year 2014 the District had \$115,776,216 outstanding in long-term debt. More detailed information about long-term debt can be found in Note 5 in the financial statements.

Next Year's Budget

The District's fiscal year 2015 budget projects a deficit of approximately \$1.9 million in the Operating Funds {Educational, Operation & Maint., Transportation, IMR and Working Cash}. About \$1.0 million of the variance can be attributed to the continued technology initiatives. The deficit has been curtailed as a result of previous cost containment initiatives that included staff reductions and/or freezes on all non-labor expenditures. The district is fortunate to have adequate reserves to accommodate these shortfalls; however, revenue and expenditure trends will continue to be carefully monitored.

# **DuPage High School District #88**

## **Management's Discussion and Analysis**

### **For the Year Ended June 30, 2014**

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#### Factors Bearing on the District's Future

The District is dependent on local sources for the majority of its revenue and the property tax cap legislation continues to limit the revenue the District can realize from its tax levy. In addition, the current economic climate has caused reductions in property values and significantly reduced new property growth. Interest income has dropped significantly as well due to historically low investment returns and less funds to invest. Although State Aid has modestly increased, due to a rise in poverty counts, future reductions and/or prorated state funding is anticipated to continue. These identified revenue constraints, of which the district has little control, continues to place significant pressure on the district's budget to maintain high quality educational and extra-curricular programs. 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 in District 88.

The Board of Education has been successful working toward correlating future salary contracts with the Consumer Price Index factor, which is used to limit the annual property tax revenue for the District under the Property Tax Extension Limitation Law.

In addition, more than 2 out of every 4 students now qualify for the Free and Reduced Breakfast and Lunch Program which the district is mandated to provide. The district is required to not only provide meals throughout the year, but also offer a meal program during the summer months to anyone up to the age of eighteen who wishes to stop in and eat. This mandated and essential program, while partially supported by federal reimbursement, is expensive to run and manage. Furthermore, there is a corresponding decline in local revenue from the waiver of registration fees for these students who are in need of such support.

Special Education costs continue to increase significantly with the revision to the federal requirements. Tuition for outside placement students in special education, alternative and, vocational education costs have increased by 14% on average over the past three fiscal years. Meanwhile the level of state and federal funding assistance remains relatively flat, which is creating financial pressure on the school district. In today's economic climate, especially in the State of Illinois, we cannot reasonably expect funding to increase in any significant way.

#### Contacting the District's Financial Management

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

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014 WITH COMPARATIVE TOTALS FOR 2013**

	<b>Governmental Activities</b>	
	<b>2014</b>	<b>2013</b>
<b>Assets:</b>		
Cash and investments	\$ 46,194,378	\$ 46,360,086
Receivables:		
Property taxes	29,925,863	30,653,028
Other governments	323,508	1,518,797
Other	1,565	11,252
Inventories	508,976	620,141
Prepaid health insurance	420,924	403,673
Prepaid bond payments	2,446,875	-
Capital assets:		
Land and construction in progress	4,178,678	4,588,285
Other capital assets, net of depreciation	113,422,426	117,129,385
 Total assets	 197,423,193	 201,284,647
 <b>Deferred outflows of resources:</b>		
Deferred charge on refunding	111,932	148,725
 Total deferred outflows of resources	 111,932	 148,725
 <b>Liabilities:</b>		
Accounts Payable	537,093	932,802
Payroll deductions payable	45,087	5,730
Long-term liabilities		
Due within one year	4,385,000	3,365,000
Due in more than one year	111,391,216	116,093,308
 Total liabilities	 116,358,396	 120,396,840
 <b>Deferred inflows of resources:</b>		
Property taxes levies for subsequent year	59,210,786	57,477,812
 Total deferred outflows	 59,210,786	 57,477,812
 <b>Net Position:</b>		
Net investment in capital assets	14,192,015	15,441,844
Restricted for:		
Capital projects	718	293,104
Debt service	267,197	214,616
Transportation	2,081,804	2,136,395
Retirement	32,327	-
Unrestricted	5,391,882	5,472,761
 Total net position	 \$ 21,965,943	 \$ 23,558,720

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

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE TOTALS FOR 2013**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
					2014	2013
<b>Governmental activities:</b>						
Instructional services:						
Regular programs	\$ 33,786,389	\$ 859,535	\$ 10,895,757	\$ -	\$ (22,031,097)	\$ (19,542,333)
Special programs	14,410,836	-	4,022,819	-	(10,388,017)	(9,213,943)
Other programs	3,056,901	-	-	-	(3,056,901)	(4,916,444)
Supporting services:						
Students	6,438,241	-	163,972	-	(6,274,269)	(6,747,115)
Instructional staff	1,588,575	-	96,050	-	(1,492,525)	(1,473,708)
District administration	1,198,914	-	-	-	(1,198,914)	(1,186,601)
School administration	4,313,305	-	-	-	(4,313,305)	(4,349,583)
Business	1,006,012	-	-	-	(1,006,012)	(1,014,004)
Operation and maintenance						
of facilities	6,285,992	-	-	50,000	(6,235,992)	(6,127,653)
Transportation	3,679,235	26,556	1,341,992	-	(2,310,687)	(2,062,276)
Food service	1,159,035	533,284	768,389	-	142,638	137,508
Staff	1,420,218	-	-	-	(1,420,218)	(1,395,446)
Other	20,885	-	-	-	(20,885)	(45,513)
Community services	115,354	-	-	-	(115,354)	(110,572)
Interest on long-term liabilities	5,072,025	-	-	-	(5,072,025)	(5,087,075)
Total school district	<u>\$ 83,551,917</u>	<u>\$ 1,419,375</u>	<u>\$ 17,288,979</u>	<u>\$ 50,000</u>	<u>(64,793,563)</u>	<u>(63,134,758)</u>
<b>General revenues:</b>						
Property taxes levied for:						
General purposes					44,631,326	43,411,008
Transportation					2,074,995	2,010,473
Retirement					2,062,589	1,808,063
Debt service					8,844,620	6,318,163
Federal and state aid not restricted to						
specific purposes					3,603,948	2,977,809
Earnings on investments					86,464	109,322
Miscellaneous					1,896,844	1,987,578
Total general revenues					<u>63,200,786</u>	<u>58,622,416</u>
Change in net position						
					(1,592,777)	(4,512,342)
Net position - beginning, as restated					<u>23,558,720</u>	<u>28,071,062</u>
Net position - ending					<u>\$ 21,965,943</u>	<u>\$ 23,558,720</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, 2014**

	General	Debt Services	Other Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>				
Cash and investments	\$ 39,136,452	\$ 2,612,954	\$ 4,444,972	\$ 46,194,378
Receivables (net of allowance for uncollectibles):				
Property taxes	22,693,637	4,897,944	2,334,282	29,925,863
Intergovernmental	323,508	-	-	323,508
Other	1,262	140	163	1,565
Inventory	508,976	-	-	508,976
Prepaid health insurance and bond payment	420,924	2,446,875	-	2,867,799
<b>TOTAL ASSETS</b>	<b><u>\$ 63,084,759</u></b>	<b><u>\$ 9,957,913</u></b>	<b><u>\$ 6,779,417</u></b>	<b><u>\$ 79,822,089</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 490,738	\$ -	\$ 46,355	\$ 537,093
Accrued payroll expenditures	45,087	-	-	45,087
<b>Total Liabilities</b>	<b><u>535,825</u></b>	<b><u>-</u></b>	<b><u>46,355</u></b>	<b><u>582,180</u></b>
<b>Deferred inflows of resources:</b>				
Property taxes levies for subsequent year	44,901,857	9,690,716	4,618,213	59,210,786
<b>Total deferred inflows of resources</b>	<b><u>44,901,857</u></b>	<b><u>9,690,716</u></b>	<b><u>4,618,213</u></b>	<b><u>59,210,786</u></b>
<b>Fund Balance:</b>				
Nonspendable	929,900	-	-	929,900
Restricted	-	267,197	2,114,849	2,382,046
Committed	1,109,369	-	-	1,109,369
Unassigned	15,607,808	-	-	15,607,808
<b>Total Fund Balance</b>	<b><u>17,647,077</u></b>	<b><u>267,197</u></b>	<b><u>2,114,849</u></b>	<b><u>20,029,123</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 63,084,759</u></b>	<b><u>\$ 9,957,913</u></b>	<b><u>\$ 6,779,417</u></b>	<b><u>\$ 79,822,089</u></b>

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

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

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

<b>Total fund balance - governmental funds</b>	\$ 20,029,123
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$175,053,387 and the accumulated depreciation is \$57,452,283.	117,601,104
Long-term liabilities, including bonds payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(112,445,000)
Deferred amounts for issuance discount/premium	(2,392,495)
Deferred charge on refunding	111,932
IMRF net pension obligation	(430,775)
Net other post employment benefits obligation	<u>(507,946)</u>
<b>Total net position - governmental activities</b>	<u><u>\$ 21,965,943</u></u>

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

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	General	Debt Services	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Property taxes	\$ 44,631,326	\$ 8,844,620	\$ 4,137,584	\$ 57,613,530
Other local sources	3,249,191	1,941	165,304	3,416,436
State sources	17,121,423	-	1,341,992	18,463,415
Federal sources	2,465,759	-	-	2,465,759
Total Revenues	<u>67,467,699</u>	<u>8,846,561</u>	<u>5,644,880</u>	<u>81,959,140</u>
<b>EXPENDITURES:</b>				
Current operating:				
Instruction	34,898,655	-	60,725	34,959,380
Supporting services	31,796,592	-	5,857,309	37,653,901
Community services	129,979	-	-	129,979
Payments to other districts and governmental units	1,543,410	-		1,543,410
Debt service:				
Payment of principal on long-term debt	-	3,365,000	-	3,365,000
Interest on long-term debt	-	5,424,200	-	5,424,200
Service charges and bond costs	-	4,780	-	4,780
Total Expenditures	<u>68,368,636</u>	<u>8,793,980</u>	<u>5,918,034</u>	<u>83,080,650</u>
Excess (deficiency) of revenues over expenditures	<u>(900,937)</u>	<u>52,581</u>	<u>(273,154)</u>	<u>(1,121,510)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	700,000	700,000
Transfers out	<u>(700,000)</u>	<u>-</u>	<u>-</u>	<u>(700,000)</u>
Total other financing sources (uses)	<u>(700,000)</u>	<u>-</u>	<u>700,000</u>	<u>-</u>
Net change in fund balances	(1,600,937)	52,581	426,846	(1,121,510)
Fund balances at beginning of year	<u>19,248,014</u>	<u>214,616</u>	<u>1,688,003</u>	<u>21,150,633</u>
FUND BALANCES AT END OF YEAR	<u>\$ 17,647,077</u>	<u>\$ 267,197</u>	<u>\$ 2,114,849</u>	<u>\$ 20,029,123</u>

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

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2014**

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

**Net change in fund balances-total governmental funds** **\$ (1,121,510)**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$2,500 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays and loss on disposal of capital assets in the current period.

Capital outlays	489,493	
Depreciation expense	<u>(4,606,059)</u>	(4,116,566)

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

Repayment of bond principal	3,365,000	
Amortization of bond discount	390,968	
Amortization of deferred charge on refunding	(36,793)	
Increase in net post employment benefit obligation	<u>(73,876)</u>	<u>3,645,299</u>

**Change in net position of governmental activities** **\$ (1,592,777)**

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



**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**JUNE 30, 2014**

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	<u>Student Activity Funds</u>
<b>Assets:</b>	
Cash and investments	<u>\$    1,024,248</u>
<b>Liabilities:</b>	
Due to student organizations	<u>\$    1,024,248</u>
Total liabilities	<u>\$    1,024,248</u>

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements  
June 30, 2014

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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

**a. The Reporting Entity**

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

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

- School Association for Special Education in DuPage County (See Note 17)
- DuPage Area Occupational Education System (See Note 18)

**b. Basis of Presentation**

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

**1. Government-wide Financial Statements (GWFS):**

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

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

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

**2. Fund Financial Statements (FFS):**

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

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

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

Additionally, the District reports the following fund types:

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

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

*Government-wide financial statements*

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

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*Fund financial statements*

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

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

*Fiduciary financial statements*

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

**d. Deposits and Investments**

Investments held by the District which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase are reported by the District at amortized cost. All other investments are reported at fair value. Gains or losses on the sale of investments are recognized upon realization. Unrealized gains and losses are realized for those investments valued at fair value.

**e. Capital Assets**

Capital assets, which include land (which is not depreciated), buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,500 for furniture and equipment and \$2,500 for buildings and improvements and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

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

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

**f. Long-term Obligations**

In the GWFS, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

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

**g. Fund Equity**

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

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

**h. Property Taxes**

Property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December. The adoption date for the 2013 tax levy was December 16, 2013. Taxes attach as an enforceable lien on property on January 1 and are payable in two installments (on or about June 1 and September 1) subsequent to the year of levy. The District receives significant distributions of tax receipts approximately one month after these due dates. Property taxes for the 2013 levy, which are collected during 2014, are considered to be budgeted to fund the operations of the 2014/15 school year and are reported as deferred inflows of resources.

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

Based upon collection histories, the District has provided at June 30, 2014, an allowance for uncollectible real property taxes equivalent to 1% of the current levy. All property taxes receivable over one year old are considered uncollectible.

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

	Maximum	Actual	
	2013 Levy	2013 Levy	2012 Levy
Educational	3.5000	1.636	1.4543
Operations & Maintenance	.5500	.1860	.2247
Bond & Interest	N/A	.3989	.3375
Transportation	N/A	.0907	.0792
Municipal Retirement	N/A	.0556	.0400
Special Education	.4000	.0263	.0240
Social Security	N/A	.0438	.0387
<b>Total</b>		<b>2.4373</b>	<b>2.1984</b>

**i. Personal Property Replacement Taxes**

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

**j. Inventories**

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

**k. Use of Estimates**

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

**I. New Accounting Pronouncements**

During the year, the District implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASBS No. 65), which amends or supersedes the accounting and financial reporting guidance for certain items previously required to be reported as assets or liabilities. The objective is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses) or inflows of resources (revenues). Under GASBS No. 65, bond issuance costs will now be expensed when incurred, rather than being amortized over the term of the bond. The implementation of GASBS No. 65 also resulted in the reclassification of the unamortized portion of bond refunding losses and property taxes received prior to the period they were levied to support. These amounts are now reported as Deferred Outflows of Resources rather than a reduction of Bonds Payable and Deferred Inflows of Resources rather than Deferred Revenue, respectively. The effect of these changes on the fiscal year 2013 financial statements is as follows:

	2013, as Previously <u>Presented</u>	GASBS No. 65 <u>Restatement</u>	<u>2013 Restated</u>
Statement of Net Position:			
Assets:			
Bond issuance costs, net	\$ 752,779	\$ (752,779)	\$ -
Deferred outflows of resources:			
Deferred charge on refunding	-	148,725	148,725
Liabilities:			
Unearned (deferred) revenue	57,477,812	(57,477,812)	-
Long-term liabilities, due in more than 1 year	115,944,583	148,725	116,093,308
Deferred inflows of resources:			
Property taxes levied for subsequent year	-	57,477,812	57,477,812
Net position:			
Net position, restricted for debt service	967,395	(752,779)	214,616
Statement of Activities:			
Net Expense (Revenue)			
Interest on long-term liabilities	5,170,615	(83,540)	5,087,075
Net position – beginning of the year	28,907,381	(836,319)	28,071,062

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

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**m. Deferred outflows/inflows of resources**

In addition to assets, the statement of net position and the balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has only one item that qualifies for reporting in this category. It is the deferred charge on refunding of bonds reported in the government-wide statement of net position. A deferred charge on refunding of bonds results from the difference in the outstanding balance of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and the balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an increase of net position or fund balance that applies to a future period(s) and so will not be recognized as revenue until that time. The District has only one type of item, which arises under both full- and modified-accrual basis of accounting that qualifies for reporting in this category. A deferred inflow of resources results from the District legal claim to receive property taxes prior to the period that those taxes are intended to fund operations.

**n. Prior Year Comparative Information**

The basic financial statements include certain prior year partial comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2013 from which the partial information was derived.

**NOTE 2. CASH AND INVESTMENTS:**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2014, none of the District's bank balances of \$48,702,971 was exposed to custodial credit risk.



DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

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**Investments**

As of June 30, 2014, the District had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Illinois School District Liquid Asset Funds	60 days or less	\$3,519
Total		<u>\$3,519</u>

The District has funds invested in the amount of \$3,519 (valued at \$1.00 per share) in the Illinois School District Liquid Asset Fund, a state investment pool, as of June 30, 2014. The fair value of the positions in these investment pools is the same as the value of the pooled shares. All investments are SEC registered. The District's proportionate share of investment in these investment pools are collateralized in the same proportion that the total assets of the Funds are collateralized. Although information regarding the level of collateralization of total assets of these Funds was not available, the Illinois School District Liquid Asset Fund represent that all assets are fully collateralized.

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

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

Securities issued or guaranteed by the United States.

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

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

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

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

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

Repurchase agreements which meet instrument transaction requirements of Illinois law.

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

The District has no investment policy that would further limit its investment choices. As of June 30, 2014, the District's investments were rated as follows:

	<u>Standard &amp; Poors</u>	<u>Moody's Investor Service</u>	<u>Fitch</u>
Illinois School District Liquid Asset Funds	AAAm	N/A	N/A

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer.

**NOTE 3. COMMON BANK ACCOUNT:**

Separate bank accounts are not maintained for District funds; instead, certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

**NOTE 4. CAPITAL ASSETS:**

A summary of changes in capital assets follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	\$4,162,325	\$-	\$-	\$4,162,325
Construction in progress	425,960	232,558	642,165	16,353
Total	\$4,588,285	\$232,558	\$642,165	\$4,178,678
Capital assets, being depreciated:				
Land improvements	\$21,224,731	\$82,216	\$-	\$21,306,947
Buildings	135,118,499	645,486	-	135,763,985
Equipment	13,632,379	171,398	-	13,803,777
Total capital assets being depreciated	\$169,975,609	\$899,100	\$-	\$170,874,709
Accumulated depreciation for:				
Land improvements	\$4,815,632	\$1,001,554	\$-	\$5,817,186
Buildings	36,019,259	3,199,146	-	39,218,405
Equipment	12,011,333	405,359	-	12,416,692
Total accumulated depreciation	\$52,846,224	\$4,606,059	\$-	\$57,452,283
Total capital assets being depreciated, net	117,129,385	(3,706,959)	-	113,422,426
Total capital assets, net	\$121,717,670	\$(3,474,401)	\$642,165	\$117,601,104

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

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

Instructional services:	
Regular programs	\$3,309,033
Special programs	341,113
Other programs	476,103
Supporting services:	
Students	85,852
Instructional staff	78,968
General administration	26,170
School administration	12,402
Business	10,107
Operations and Maintenance	80,313
Transportation	175,891
Staff	10,107
	\$4,606,059

**NOTE 5. CHANGES IN LONG-TERM LIABILITIES:**

Changes in long-term liabilities are summarized as follows:

	Balance July 1, 2013	Additions	Reductions	Defeasements	Balance June 30, 2014	Amount Due in One Year
<b>Governmental Activities:</b>						
General Obligation Bonds	\$115,810,000	\$	\$3,365,000	\$-	\$112,445,000	\$4,385,000
Deferred Amounts for Issuance Premium	2,826,030		394,536	-	2,431,494	-
Deferred Amounts for Issuance Discount	(42,567)		(3,568)	-	(38,999)	-
Net OPEB Obligation	434,070	73,876		-	507,946	-
IMRF Net Pension Obligation	430,775	-	-	-	430,775	-
<b>Total Governmental Activities Long-Term Liabilities</b>	<b>\$119,458,308</b>	<b>\$73,876</b>	<b>\$3,755,968</b>	<b>\$-</b>	<b>\$115,776,216</b>	<b>\$4,385,000</b>

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

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Long- term liabilities at June 30, 2014 are comprised of the following:

Bonds Payable

October 5, 2005 General Obligation Limited Tax School Bonds, due in annual installments varying from \$950,000 to \$1,240,000 beginning in 2018 through 2025; interest rates vary from 3.875% to 4.0% per annum.

August 2, 2007 General Obligation School Building Bonds, due in annual installments varying from \$910,000 to \$9,340,000 beginning in 2018 through 2027; interest rates vary from 4.25% to 5.0% per annum.

December 30, 2008 General Obligation School Building Bonds, due in one installment of \$10,000,000 in 2028 with an interest rate of 5.125%.

April 9, 2009 General Obligation School Building Bonds, due in annual installments varying from \$3,505,000 to \$6,715,000 through 2018; interest rates vary from 4.0% to 5.0% per annum.

June 2, 2010 General Obligation Limited Refunding Bonds, due in annual installments varying from \$880,000 to \$905,000 through 2017; interest rates vary from 2.0% to 4.0% per annum.

Prior Year Refunding

In a prior year, the District issued General Obligation Limited Tax School Bonds to currently refund a portion of the 2002 School Bonds. Proceeds in the amount of \$5,311,930 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the debt.

Neither the securities held by the escrow agent nor the refunded debt defeased in the June 2, 2010 advance refundings are reflected in the District's financial statements since they are not considered assets or liabilities of the District as a result of the defeasance of debt in the refunding transactions. The District issued additional bonds resulting in the District receiving cash of \$4,175.

As a result of the current year in substance defeasance transactions, General Obligation Bonds - Series 2002 - in the amount of \$2,570,000 are not shown on the Statement of Net Position at June 30, 2014. This advance refunding was undertaken to reduce total debt service payments by \$375,977 and resulted in an economic gain of \$88,883.

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

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Prior Year Refunding

In a prior year, the District issued General Obligation Limited Tax School Bonds to refund a portion of the 2002 School Bonds. Proceeds in the amount of \$1,492,548 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the debt.

Neither the securities held by the escrow agent nor the refunded debt defeased in the October 5, 2005 advance refundings are reflected in the District's financial statements since they are not considered assets or liabilities of the District as a result of the defeasance of debt in the refunding transactions. The District issued additional bonds resulting in the District receiving cash of \$7,025,466.

As a result of the prior year in substance defeasance transactions, General Obligation Bonds - Series 2002 - in the amount of \$255,000 are not shown on the Statement of Net Position at June 30, 2014.

The annual requirements to amortize all debt outstanding as of June 30, 2014 are as follows:

Year Ending June 30,	Bonds Payable		Total
	Principal	Interest	
2015	4,385,000	5,305,650	9,690,650
2016	5,900,000	5,144,300	11,044,300
2017	6,730,000	4,914,950	11,644,950
2018	8,575,000	4,605,600	13,180,600
2019	7,185,000	4,193,175	11,378,175
2020-2024	41,785,000	15,732,914	57,517,914
2025-2028	37,885,000	4,809,600	42,694,600
<b>Total</b>	<b>\$112,445,000</b>	<b>\$44,706,189</b>	<b>\$157,151,189</b>

General obligation bonds are liquidated by the Debt Services Fund.

The Illinois Compiled Statutes limits the amount of bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2014, the statutory debt limit for the District was \$169,319,019 providing a debt margin of \$57,141,216.

**NOTE 6. RETIREMENT FUND COMMITMENTS:**

**Retirement Plans**

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

Illinois Teachers' Retirement System:

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.

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The active member contribution rate for the year ended June 30, 2014 was 9.4% of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4% for the years ended June 30, 2013 and 2012.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees.

**On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2014, State of Illinois contributions were based on 35.41% of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$10,416,388 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2013 and June 30, 2012, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 28.05% (\$8,170,657) and 24.91% (\$6,922,162), respectively.

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

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The District makes other types of employer contributions directly to TRS:

**2.2 formula contributions.** Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2014 were \$173,264. Contributions for the years ending June 30, 2013 and June 30, 2012 were \$170,182 and \$162,733, respectively.

**Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2014, the employer pension contribution was 35.41% of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer contribution was 28.05% and 24.91%, respectively. For the year ended June 30, 2014, salaries totaling \$456,601 were paid from federal and special trust funds that required employer contributions of \$161,683. For the years ended June 30, 2013 and June 30, 2012, required District contributions were \$59,190 and \$66,945, respectively.

**Early Retirement Option (ERO).** The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

The maximum employer ERO contribution under the current program is 146.5% and applies when the member is age 55 at retirement.

For the year ended June 30, 2014, the District paid \$48,983 to TRS for employer contributions under the ERO program. For the year ended June 30, 2013 the District paid \$90,686 in employer ERO Contributions. For the year ended June 30, 2012, the District was not required to make employer ERO contributions.

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

For the year ended June 30, 2014, the District paid \$3,065 to TRS for employer contributions due on salary increases in excess of 6%. For the year ended June 30, 2013, the

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Notes to Financial Statements (Cont'd)  
June 30, 2014

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District paid \$2,018 to TRS for employer contributions due on salary increases in excess of 6%. For the year ended June 30, 2012, the District did not grant salary increases in excess of 6% that were used to calculate retiree final salaries.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29% of salary during the year ended June 30, 2014).

For the year ended June 30, 2014, the District did not grant sick leave days to TRS in excess of the normal annual allotment. For the years ended June 30, 2013 and June 30, 2012, the District paid \$102,743 and \$56,986, respectively.

**Further information on TRS.** TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2013. The report for the year ended June 30, 2014, is expected to be available in late 2014.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS website at <http://trs.illinois.gov>.

Illinois Municipal Retirement Fund:

*Plan Description.* The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, the District's Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2013 was 11.41%. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.



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Notes to Financial Statements (Cont'd)  
June 30, 2014

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*Annual Pension Cost.* The required contribution for calendar year 2013 was \$971,292.

**Three-Year Trend Information for the Regular Plan**

<b>Calendar Year Ending</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
12/31/13	\$971,292	100%	\$430,775
12/31/12	1,246,681	93	430,775
12/31/11	1,125,591	88	339,863

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funded Status and Funding Progress.* As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 81.41% funded. The actuarial accrued liability for benefits was \$17,451,678 and the actuarial value of assets was \$14,207,477, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,244,201. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$8,512,636 and the ratio of the UAAL to the covered payroll was 37%.

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

**NOTE 7. OTHER POST EMPLOYMENT BENEFITS:**

Teacher Health Insurance Security:

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. The THIS Fund provides medical, prescription, and behavioral health benefits, but

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

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it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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

**On behalf contributions to THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 0.97% of pay during the year ended June 30, 2014. State of Illinois contributions were \$289,769, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2013 and June 30, 2012 were 0.92% and 0.88% of pay, respectively. State contributions on behalf of District employees were \$269,927 and \$246,905, respectively.

**Employer contributions to the THIS Fund.** The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.72% during the year ended June 30, 2014 and 0.69% and 0.66% during the years ended June 30, 2013 and June 30, 2012 respectively. For the year ended June 30, 2014, the District paid \$215,086 to the THIS Fund. For the years ended June 30, 2013 and June 30, 2012, the District paid \$202,445 and \$185,179 to the THIS Fund, respectively, which was 100% of the required contribution.

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

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Defined Postemployment Benefit Plan:

*Plan Description:* The District's Other Postemployment Benefits (OPEB) Plan is a single-employer defined benefit healthcare plan that is administered by the District. The District provides medical, dental, and life insurance benefits to retirees and their covered eligible dependents. Retirees contribute the full cost for these benefits. While there is no explicit cost to the District, there is an implicit subsidy to the District for the retiree medical benefits only. All active employees who retire from the District and meet the eligibility criteria may participate. Benefit provisions are established through contractual agreements and may only be amended through negotiations with the Board. The plan does not issue a separate, publicly available report.

*Funding Policy:* Contribution requirements are established through contractual agreements and may only be amended through negotiations with the Board. The retiree is responsible for paying the full monthly premium. The District currently pays for postemployment health care benefits on a pay-as-you-go basis.

*Annual OPEB Cost and Net OPEB Obligation:* For fiscal year 2014, the District's annual OPEB cost for the plan was \$201,512. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2014, were as follows:

Annual required contribution	\$ 207,364
Interest on net OPEB obligation	21,704
Adjustment to annual required contribution	<u>(27,556)</u>
Annual OPEB cost	201,512
Contributions made	<u>(127,636)</u>
Increase in net OPEB obligation	73,876
Net OPEB obligation — July 1, 2013	<u>434,070</u>
Net OPEB obligation — June 30, 2014	<u><u>\$ 507,946</u></u>

*Trend Information:* The District's annual OPEB cost, the percentage of the annual OPEB cost contribution to the plan, and the net OPEB obligation is as follows:

**Trend Information for the Plan**

Fiscal Year Ending	Annual OPEB Cost	Actual Employer Contribution	Percentage of APC Contributed	Net Pension Obligation
06/30/14	\$201,512	\$127,636	63.33%	\$507,946
06/30/13	196,038	106,962	54.56	434,070
06/30/12	181,009	104,523	57.74	344,994

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

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*Funding Status and Funding Progress:* The funded status of the plan as of July 1, 2012 the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 1,734,863
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,734,863</u>
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	\$38,447,501
UAAL as a percentage of covered payroll	4.51%

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions:* Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the District's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation for the plan as of July 1, 2012 the unit credit cost method was used. The actuarial assumptions included a 5.00% discount rate and an annual healthcare cost trend rate of 9% initially, reduced to an ultimate rate of 5% after four years. Both rates included a 2% inflation assumption. The UAAL will be amortized as a level dollar amount of projected payroll on a closed group valuation basis. The period selected for amortizing the unfunded actuarial liability in

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

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determining the Annual Required Contribution (ARC) is the maximum limit of 30 years. Amortization reflects a level dollar method.

**NOTE 8. COMMITMENTS:**

The District has entered into contractual commitments building improvements with a remaining commitment of \$417,441. The District intends to fund these commitments from cash on hand in the Operations and Maintenance Account in the General Fund and the Capital Projects Fund.

**NOTE 9. RESTRICTED POSITION:**

The government-wide statement of net position reports \$2,382,046 of restricted net assets, all of which is restricted by enabling legislation.

**NOTE 10. FUND BALANCES – GOVERNMENTAL FUNDS:**

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

Restricted Fund Balance – The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the District. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes.

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

Assigned – The assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the School Board itself or the School Board may delegate the authority to assign amounts. Currently the School Board has not delegated the authority.

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

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

As of June 30, 2014, fund balances are composed of the following:

	General Fund	Debt Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>				
Inventories	\$508,976	\$-	\$-	\$508,976
Prepaid Health Insurance	420,924	-	-	420,924
<b>Restricted:</b>				
Municipal Retirement/ Social Security Fund	-	-	32,327	32,327
Debt service	-	267,197		267,197
Transportation	-	-	2,081,804	2,081,804
Capital projects	-	-	718	718
<b>Committed:</b>				
Health insurance	1,109,369	-	-	1,109,369
<b>Unassigned</b>	<b>15,607,808</b>	<b>-</b>	<b>-</b>	<b>15,607,808</b>
<b>Total fund balances</b>	<b>\$17,647,077</b>	<b>\$267,197</b>	<b>\$2,114,849</b>	<b>\$20,029,123</b>

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

**NOTE 11. INTERFUND TRANSFERS:**

Interfund transfers involving the general fund or a major fund for the year ended June 30, 2014 consisted of the following:

Transfer to	Transfer from	Amount
Municipal Retirement/ Social Security Fund	Working Cash Account	\$700,000

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

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

**NOTE 12. RISK MANAGEMENT:**

The District has purchased insurance coverage through risk pools (See Notes 13, 14, and 15). Risks covered include general liability, property damage, workers' compensation, medical, and other. Premiums have been recorded as expenditures disbursed in appropriate funds.

No material decreases in insurance coverages have occurred nor have any insurance claims in excess of insurance coverages been paid or reported during the last three fiscal years.

**NOTE 13. RISK POOL - COLLECTIVE LIABILITY INSURANCE COOPERATIVE (CLIC):**

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

Complete financial statements for CLIC can be obtained from its administrator, 1441 Lake Street, Libertyville, Illinois 60048.

**NOTE 14. RISK POOL - SCHOOL EMPLOYEES LOSS FUND (SELF):**

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

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Complete financial statements for SELF can be obtained from their accountant at Two Pierce Place, Itasca, Illinois 60143.

**NOTE 15. RISK POOL - EDUCATIONAL BENEFIT COOPERATIVE (EBC):**

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

Complete financial statements for EBC can be obtained from its treasurer at 1105 North Hunt Club Road, Gurnee, Illinois 60031.

**NOTE 16. SELF-INSURANCE PLAN:**

Until March 1, 2010, the District maintained a self-insurance plan to provide medical insurance to its employees. An outside administrator processed claims for a fixed fee per enrolled employee. The District made periodic payments to an escrow account established by the plan administrator. The administrator paid employee claims from this escrow account and required the District to cover any deficiencies. The District's liability was limited by private insurance which provided a \$100,000 and \$75,000 individual stop loss for the PPO Plan and HMO Plan, respectively, and an aggregate stop loss ("terminal liability") based on a specific rate multiplied by the average number of employees insured over a three month period prior to plan termination.

After March 1, 2010, the District began to provide medical insurance benefits through a cooperative (See Note 15). The reserve balance of \$1,109,294 for health insurance will be spent down as final claims are paid. The District does not anticipate any additional payments into the escrow for final claim amounts.

**NOTE 17. JOINT VENTURE - SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY (SASED):**

The District has entered into a joint agreement with other districts in DuPage County to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the policy board.



DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Financial Statements (Cont'd)  
June 30, 2014

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Complete financial statements for SASSED can be obtained from its business office at 6 S 331 Cornwall Road, Naperville, Illinois 60540.

**NOTE 18. JOINT VENTURE - DUPAGE AREA OCCUPATIONAL EDUCATION SYSTEM (DAOES):**

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

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2014**

	General Fund		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>			
Local sources	\$ 49,486,362	\$ 47,880,517	\$ (1,605,845)
State sources	6,163,536	17,121,423	10,957,887
Federal sources	2,238,179	2,465,759	227,580
Total Revenues	57,888,077	67,467,699	9,579,622
<b>EXPENDITURES:</b>			
Instruction	35,693,841	34,898,655	795,186
Supporting services	22,120,397	31,796,592	(9,676,195)
Community services	118,329	129,979	(11,650)
Payments to other districts and governmental units	1,786,464	1,543,410	243,054
Total Expenditures	59,719,031	68,368,636	(8,649,605)
Excess (deficiency) of revenues over expenditures	(1,830,954)	(900,937)	930,017
<b>OTHER FINANCING USES:</b>			
Transfers out	(700,000)	(700,000)	-
Total other financing uses	(700,000)	(700,000)	-
Net change in fund balances	<u>\$ (2,530,954)</u>	(1,600,937)	<u>\$ 930,017</u>
Fund balances at beginning of year		19,248,014	
FUND BALANCES AT END OF YEAR		<u>\$ 17,647,077</u>	

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Required Supplementary Information  
June 30, 2014

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**NOTE 1. BUDGETARY DATA:**

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

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

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30 the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues. The budget was adopted on September 23, 2013 and amended on June 9, 2014.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. The District has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
7. The budget lapses at the end of each fiscal year. (All appropriations lapse at year end.)

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Notes to Required Supplementary Information (Cont'd)  
June 30, 2014

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

Expenditures disbursed exceeded the budgeted amount in the following account and funds:

	Budget	Actual	Excess
Education Account	\$53,654,821	\$62,601,284	\$8,946,463
Debt Service Fund	8,792,400	8,793,980	1,580

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
Required Supplementary Information  
Schedule of Funding Progress  
June 30, 2014

Illinois Municipal Retirement Fund:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b-a)/c]</b>
12/31/13	\$14,207,477	\$17,451,678	\$3,244,201	81.41%	\$8,512,636	37.11%
12/31/12	12,128,390	16,729,299	4,600,909	72.50	8,417,835	54.66
12/31/11	12,191,939	16,752,287	4,560,348	72.78	8,074,541	56.48

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$18,278,362. On a market basis, the funded ratio would be 104.74%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with DuPage High School District No. 88. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

Defined Postemployment Benefit Plan:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b-a)/c]</b>
7/1/12	\$-	\$1,737,863	\$1,734,863	0.00%	\$37,976,180	4.57%
7/1/10	-	1,497,745	1,497,745	0.00	33,095,531	4.53
7/1/08	-	1,340,979	1,340,979	0.00	34,671,605	3.87

## **SUPPLEMENTARY FINANCIAL INFORMATION**

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**COMBINING BALANCE SHEET BY ACCOUNT**  
**GENERAL FUND**  
**JUNE 30, 2014**

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 27,495,413	\$ 6,213,082	\$ 5,427,957	\$ 39,136,452
Receivables (net of allowance for uncollectibles):				
Property taxes	20,410,346	2,283,291	-	22,693,637
Intergovernmental	323,508	-	-	323,508
Other	965	228	69	1,262
Inventory	508,976	-	-	508,976
Prepaid health insurance	420,924	-	-	420,924
<b>TOTAL ASSETS</b>	<b><u>\$ 49,160,132</u></b>	<b><u>\$ 8,496,601</u></b>	<b><u>\$ 5,428,026</u></b>	<b><u>\$ 63,084,759</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 423,912	\$ 66,826	\$ -	\$ 490,738
Payroll deductions and withholdings	45,087	-	-	45,087
<b>Total Liabilities</b>	<b><u>468,999</u></b>	<b><u>66,826</u></b>	<b><u>-</u></b>	<b><u>535,825</u></b>
<b>Deferred inflows of resources:</b>				
Property taxes levies for subsequent year	40,383,248	4,518,609	-	44,901,857
<b>Total deferred inflows of resources</b>	<b><u>40,383,248</u></b>	<b><u>4,518,609</u></b>	<b><u>-</u></b>	<b><u>44,901,857</u></b>
<b>Fund Balance:</b>				
Nonspendable	929,900	-	-	929,900
Committed	1,109,369	-	-	1,109,369
Unassigned	6,268,616	3,911,166	5,428,026	15,607,808
<b>Total Fund Balance</b>	<b><u>8,307,885</u></b>	<b><u>3,911,166</u></b>	<b><u>5,428,026</u></b>	<b><u>17,647,077</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 49,160,132</u></b>	<b><u>\$ 8,496,601</u></b>	<b><u>\$ 5,428,026</u></b>	<b><u>\$ 63,084,759</u></b>



**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES BY ACCOUNT**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2014**

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
<b>REVENUES:</b>				
Property taxes	\$ 38,742,513	\$ 5,888,813	\$ -	\$ 44,631,326
Other local sources	2,972,337	269,270	7,584	3,249,191
State sources	17,071,423	50,000	-	17,121,423
Federal sources	2,465,759	-	-	2,465,759
Total Revenues	<u>61,252,032</u>	<u>6,208,083</u>	<u>7,584</u>	<u>67,467,699</u>
<b>EXPENDITURES:</b>				
Current operating:				
Instruction	34,898,655	-	-	34,898,655
Supporting services	26,029,240	5,767,352	-	31,796,592
Community services	129,979	-	-	129,979
Payments to other districts and governmental units	1,543,410	-	-	1,543,410
Total Expenditures	<u>62,601,284</u>	<u>5,767,352</u>	<u>-</u>	<u>68,368,636</u>
Excess (deficiency) of revenues over expenditures	<u>(1,349,252)</u>	<u>440,731</u>	<u>7,584</u>	<u>(900,937)</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(700,000)</u>	<u>(700,000)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(700,000)</u>	<u>(700,000)</u>
Net change in fund balances	<u>(1,349,252)</u>	<u>440,731</u>	<u>(692,416)</u>	<u>(1,600,937)</u>
Fund balances at beginning of year	<u>9,657,137</u>	<u>3,470,435</u>	<u>6,120,442</u>	<u>19,248,014</u>
FUND BALANCES AT END OF YEAR	<u>\$ 8,307,885</u>	<u>\$ 3,911,166</u>	<u>\$ 5,428,026</u>	<u>\$ 17,647,077</u>

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014		2013
	Original and Final Budget	Actual	Actual
<b>REVENUES:</b>			
Local Sources:			
Property taxes			
General tax levy	\$ 40,090,647	\$ 38,113,362	\$ 36,906,080
Special education tax levy	-	629,151	610,473
Total property taxes	40,090,647	38,742,513	37,516,553
Corporate replacement taxes	1,564,025	1,503,156	1,447,492
Tuition	36,000	29,119	39,710
Earnings on investments	70,000	62,609	78,786
Food service	591,211	533,284	585,706
Activity income	460,543	423,093	464,944
Textbooks	295,542	325,158	287,276
Services provided other districts	-	-	23,455
Drivers' education fees	77,724	71,099	79,292
Payments from other districts	23,500	-	8,298
Other local fees	9,000	24,819	32,679
Total Local Sources	43,218,192	41,714,850	40,564,191
State Sources:			
General state aid	3,441,091	3,603,948	2,977,809
Special education	2,424,344	2,436,934	2,752,025
Vocational education	56,709	56,709	64,857
Bilingual education	100,409	87,031	85,555
Free lunch & breakfast	17,913	14,075	10,960
Drivers' education	119,984	156,588	158,223
On-behalf payments - State of Illinois	-	10,706,157	8,440,584
Other	3,086	9,981	9,909
Total State Sources	\$ 6,163,536	\$ 17,071,423	\$ 14,499,922

(Continued)

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014		2013
	Original and Final Budget	Actual	Actual
<b>REVENUES - Continued:</b>			
Federal Sources:			
Smaller learning communities	\$ -	\$ -	\$ 16,979
Food Service	575,073	754,314	699,024
Title I - low income	389,256	374,008	353,112
IDEA - flow through	765,824	951,893	696,661
IDEA - room and board	-	8,173	82,472
CTE - Perkins	58,392	48,343	52,258
Title III - english language acquisition	23,786	23,786	23,840
Title II - Eisenhower/teacher quality	94,600	96,050	93,209
Medicaid programs	303,134	199,914	155,401
Other restricted grants	28,114	9,278	6,512
Total Federal Sources	2,238,179	2,465,759	2,179,468
Total Revenues	51,619,907	61,252,032	57,243,581
<b>EXPENDITURES:</b>			
Instruction:			
Regular programs:			
Salaries	15,958,643	15,567,059	13,615,329
Employee benefits	2,587,625	2,588,067	2,124,759
Purchased services	420,243	382,068	412,566
Supplies and materials	724,267	742,482	531,200
Capital outlay	180,000	59,490	201,919
Other	273,860	19,000	24,151
Non-capitalized equipment	380,569	174,495	191,446
Total	20,525,207	19,532,661	17,101,370
Special programs:			
Salaries	4,350,432	4,505,899	4,119,086
Employee benefits	837,898	800,342	674,647
Purchased services	125,870	150,613	108,706
Supplies and materials	58,487	35,244	51,853
Non-capitalized equipment	-	557	20,499
Tuition	3,577,373	3,628,367	3,613,131
Total	\$ 8,950,060	\$ 9,121,022	\$ 8,587,922

(Continued)

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014		2013
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES - Continued:</b>			
Instruction - Continued:			
Remedial & supplemental:			
Salaries	\$ 138,119	\$ 127,368	\$ 121,681
Employee benefits	50,000	31,650	26,906
Supplies and materials	1,667	13,012	5,962
Total	189,786	172,030	154,549
Adult/continuing education programs:			
Purchased services	-	145	90
Supplies and materials	250	-	-
Total	250	145	90
CTE programs:			
Salaries	1,571,811	1,616,694	1,529,098
Employee benefits	197,827	212,591	188,489
Purchased services	68,377	56,286	43,269
Supplies and materials	138,951	131,557	135,127
Capital outlay	3,200	16,820	6,254
Non-capitalized equipment	44,392	33,729	51,400
Total	2,024,558	2,067,677	1,953,637
Interscholastic programs:			
Salaries	2,204,000	2,060,774	3,782,571
Employee benefits	237,695	56,263	207,056
Purchased services	239,000	290,993	286,243
Supplies and materials	119,600	102,932	126,745
Capital outlay	3,500	4,760	-
Total	2,803,795	2,515,722	4,402,615
Summer school:			
Salaries	40,000	61,067	75,886
Supplies and materials	5,100	3,500	4,734
Total	\$ 45,100	\$ 64,567	\$ 80,620

(Continued)

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014		2013
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES - Continued:</b>			
Instruction - Continued:			
Driver's education programs:			
Salaries	\$ 260,768	\$ 201,858	\$ 233,010
Employee benefits	977	959	880
Purchased services	10,000	4,463	3,265
Supplies and materials	10,600	8,001	10,250
Capital outlay	75,000	-	-
Total	357,345	215,281	247,405
Bilingual:			
Salaries	405,815	438,597	116,589
Purchased services	-	1,000	-
Supplies and materials	2,652	1,140	-
Total	408,467	440,737	116,589
Truant alternative and optional:			
Salaries	195,771	429,098	581,416
Employee benefits	185,502	162,605	138,306
Supplies and materials	8,000	3,950	5,740
Tuition	-	173,160	162,570
Total	389,273	768,813	888,032
Total Instruction	35,693,841	34,898,655	33,532,829
Support Services:			
Pupils:			
Attendance and social work :			
Salaries	2,889,466	2,827,618	2,916,483
Employee benefits	245,060	267,106	247,967
Purchased services	235,000	180,975	225,874
Supplies and materials	1,000	341	179
Total	\$ 3,370,526	\$ 3,276,040	\$ 3,390,503

(Continued)

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014		2013
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES - Continued:</b>			
Support Services - Continued:			
Pupils - Continued:			
Guidance services			
Salaries	\$ 1,716,870	\$ 1,460,292	\$ 1,428,464
Employee benefits	198,674	206,090	182,506
Purchased services	-	165	1,004
Supplies and materials	9,000	9,147	6,825
Total	1,924,544	1,675,694	1,618,799
Health services:			
Salaries	201,192	239,696	262,758
Employee benefits	38,066	36,694	24,379
Supplies and materials	5,500	4,851	5,468
Total	244,758	281,241	292,605
Psychological services:			
Salaries	418,100	431,034	638,183
Employee benefits	24,073	27,046	24,719
Purchased services	4,000	5,210	2,730
Supplies and materials	1,000	230	51
Total	447,173	463,520	665,683
Speech pathology:			
Purchased services	1,000	488	760
Supplies and materials	800	100	200
Total	1,800	588	960
Other support - pupil:			
Salaries	286,100	248,968	375,475
Employee benefits	69,585	75,838	81,910
Supplies and materials	1,500	1,067	790
Total	357,185	325,873	458,175
Total Pupils	\$ 6,345,986	\$ 6,022,956	\$ 6,426,725

(Continued)

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014		2013
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES - Continued:</b>			
Support Services - Continued:			
Instructional Staff:			
Improvement of instructional services:			
Salaries	\$ 215,050	\$ 171,163	\$ 192,815
Employee benefits	21,246	15,090	16,352
Purchased services	77,401	106,073	131,185
Total	313,697	292,326	340,352
Educational media services:			
Salaries	588,783	602,368	577,749
Employee benefits	106,142	122,883	116,406
Purchased services	-	289	60
Supplies and materials	75,400	76,777	67,780
Total	770,325	802,317	761,995
Assessment and testing:			
Salaries	10,000	18,756	5,141
Purchased services	80,000	86,830	66,160
Supplies and materials	80,000	58,376	65,914
Total	170,000	163,962	137,215
Total Instructional Staff	1,254,022	1,258,605	1,239,562
General Administration:			
Board of education:			
On-behalf payments - State of Illinois	-	10,706,157	8,440,584
Purchased services	384,200	330,930	299,954
Other	430,772	372,381	336,969
Total	814,972	11,409,468	9,077,507
Executive administration:			
Salaries	310,000	276,774	309,197
Employee benefits	28,250	30,044	30,585
Purchased services	22,000	16,035	18,155
Supplies and materials	7,000	8,390	7,977
Total	\$ 367,250	\$ 331,243	\$ 365,914

(Continued)

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014		2013
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES - Continued:</b>			
Support Services - Continued:			
General Administration - Continued:			
Special area administration:			
Supplies and materials	\$ 1,000	\$ 482	\$ 1,795
Total	1,000	482	1,795
Total General Administration	1,183,222	11,741,193	9,445,216
School Administration:			
Office of the principal:			
Salaries	1,897,000	1,791,164	1,882,155
Employee benefits	307,905	307,714	277,755
Purchased services	-	16,167	31,318
Supplies and materials	351,522	348,890	351,045
Capital outlay	5,000	-	9,119
Non-capitalized equipment	12,931	13,384	7,788
Total	2,574,358	2,477,319	2,559,180
Other support - school administration:			
Salaries	1,448,670	1,377,366	1,335,311
Employee benefits	7,859	7,708	6,941
Purchased services	3,800	3,108	3,459
Total	1,460,329	1,388,182	1,345,711
Total School Administration	4,034,687	3,865,501	3,904,891
Business:			
Direction of business support services:			
Salaries	508,500	511,488	503,172
Employee benefits	68,051	68,153	78,359
Purchased services	47,750	31,135	30,168
Supplies and materials	14,000	13,349	12,820
Other	-	460	-
Total	\$ 638,301	\$ 624,585	\$ 624,519

(Continued)



**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014		2013
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES - Continued:</b>			
Support Services - Continued:			
Business - Continued:			
Fiscal services:			
Salaries	\$ 66,000	\$ 69,020	\$ 65,275
Employee benefits	12,505	12,398	12,757
Supplies and materials	-	-	(113)
Total	78,505	81,418	77,919
Pupil transportation services:			
Salaries	4,000	450	63
Purchased services	44,926	-	48
Total	48,926	450	111
Food services:			
Salaries	50,500	50,167	48,074
Employee benefits	15,600	14,641	13,416
Purchased services	1,030,420	1,027,974	993,621
Supplies and materials	5,600	29,804	59,565
Other	-	-	5,713
Total	1,102,120	1,122,586	1,120,389
Internal services:			
Salaries	130,700	125,474	134,052
Employee benefits	21,594	21,264	19,841
Total	152,294	146,738	153,893
Total Business	\$ 2,020,146	\$ 1,975,777	\$ 1,976,831

(Continued)

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014		2013
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES - Continued:</b>			
Support Services - Continued:			
Central:			
Direction of central support services:			
Salaries	\$ 381,400	\$ 464,515	\$ 398,865
Employee benefits	50,324	50,721	60,561
Purchased services	33,000	2,745	40,684
Supplies and materials	43,000	17,492	90,052
Capital outlay	35,000	7,502	-
Non-capitalized equipment	36,000	47,655	12,764
Total	578,724	590,630	602,926
Staff services:			
Employee benefits	21,246	-	-
Purchased services	74,016	71,538	60,477
Supplies and materials	3,086	4,771	6,223
Total	98,348	76,309	66,700
Data processing services:			
Salaries	351,000	352,314	335,578
Employee benefits	63,246	62,882	55,831
Purchased services	66,880	60,041	39,302
Supplies and materials	21,000	2,147	14,125
Total	502,126	477,384	444,836
Total Central	1,179,198	1,144,323	1,114,462
Other Support Services:			
Purchased services	38,926	20,885	45,513
Total Other Support Services	38,926	20,885	45,513
Total Support Services	\$ 16,056,187	\$ 26,029,240	\$ 24,153,200

(Continued)

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014		2013
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES - Continued:</b>			
Community Services:			
Salaries	\$ 70,100	\$ 71,627	\$ 74,440
Employee benefits	43,900	22,915	21,791
Purchased services	4,329	20,812	14,341
Capital outlay	-	14,625	-
Total Community Services	118,329	129,979	110,572
Payments to other districts and governmental units:			
Special education - tuition	1,582,222	1,203,767	1,020,493
Special education - purchased services	75,000	86,421	66,156
Special education - other	-	59,130	118,809
CTE -tuition	129,242	124,401	94,220
Other - tuition	-	69,691	39,750
Total payments to other districts and governmental units	1,786,464	1,543,410	1,339,428
Total Expenditures	53,654,821	62,601,284	59,136,029
Deficiency of revenues over expenditures	(2,034,914)	(1,349,252)	(1,892,448)
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	-	-	31,487
Total other financing sources	-	-	31,487
Net change in fund balances	\$ (2,034,914)	(1,349,252)	(1,860,961)
Fund balances at beginning of year		9,657,137	11,518,098
FUND BALANCES AT END OF YEAR		\$ 8,307,885	\$ 9,657,137

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014		2013
	Original and Final Budget	Actual	Actual
<b>REVENUES:</b>			
Local Sources:			
Property taxes	\$ 6,009,945	\$ 5,888,813	\$ 5,894,455
Earnings on investments	9,500	8,815	10,693
Rentals	144,900	165,046	141,645
Other	97,650	95,409	126,811
Total Local Sources	6,261,995	6,158,083	6,173,604
State Sources:			
School maintenance grant	-	50,000	-
Total State Sources	-	50,000	-
Total Revenues	6,261,995	6,208,083	6,173,604
<b>EXPENDITURES:</b>			
Facilities acquisition and construction:			
Capital outlay	133,915	-	-
Non-capitalized equipment	-	-	5,595
Total	133,915	-	5,595
Operation and maintenance of plant services:			
Salaries	2,999,628	2,898,579	2,821,101
Benefits	556,955	558,831	538,855
Purchased services	1,697,367	1,656,160	1,482,419
Supplies and materials	346,000	284,373	376,754
Capital outlay	25,000	102,513	81,781
Other	265,345	262,122	237,630
Non-capitalized equipment	40,000	4,774	16,521
Total	5,930,295	5,767,352	5,555,061
Total Business	6,064,210	5,767,352	5,560,656
Total Support Services	6,064,210	5,767,352	5,560,656
Total Expenditures	6,064,210	5,767,352	5,560,656
Excess of revenues over expenditures	\$ 197,785	\$ 440,731	\$ 612,948

(Continued)

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014		2013
	Original and Final Budget	Actual	Actual
<b>OTHER FINANCING USES:</b>			
Transfers out	\$ -	\$ -	\$ (11,757)
Total other financing uses	-	-	(11,757)
Net change in fund balances	<u>\$ 197,785</u>	440,731	601,191
Fund balances at beginning of year		<u>3,470,435</u>	<u>2,869,244</u>
FUND BALANCES AT END OF YEAR		<u>\$ 3,911,166</u>	<u>\$ 3,470,435</u>

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**WORKING CASH ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES:</b>				
Local Sources:				
Earnings on investments	\$ 6,175	\$ 6,175	\$ 7,584	\$ 6,445
Total Local Sources	6,175	6,175	7,584	6,445
Total Revenues	6,175	6,175	7,584	6,445
Excess of revenues over expenditures	6,175	6,175	7,584	6,445
<b>OTHER FINANCING USES:</b>				
Transfers out	-	(700,000)	(700,000)	(7,700)
Total other financing uses	-	(700,000)	(700,000)	(7,700)
Net change in fund balances	\$ 6,175	\$ (693,825)	(692,416)	(1,255)
Fund balances at beginning of year			6,120,442	6,121,697
FUND BALANCES AT END OF YEAR			\$ 5,428,026	\$ 6,120,442

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014		2013
	Original and Final Budget	Actual	Actual
<b>REVENUES:</b>			
Local Sources:			
Property taxes	\$ 9,345,891	\$ 8,844,620	\$ 6,318,163
Earnings on investments	3,020	1,941	3,409
Total Local Sources	9,348,911	8,846,561	6,321,572
Total Revenues	9,348,911	8,846,561	6,321,572
<b>EXPENDITURES:</b>			
Debt Service:			
Payment of principal on long-term debt	3,365,000	3,365,000	840,000
Interest on long-term debt	5,424,200	5,424,200	5,441,250
Other fees	-	2,000	-
Service charges	3,200	2,780	2,031
Total Debt Service	8,792,400	8,793,980	6,283,281
Total Expenditures	8,792,400	8,793,980	6,283,281
Excess of revenues over expenditures	556,511	52,581	38,291
<b>OTHER FINANCING USES:</b>			
Transfers out	-	-	(3,775)
Total other financing uses	-	-	(3,775)
Net change in fund balances	\$ 556,511	52,581	34,516
Fund balances at beginning of year		214,616	180,100
FUND BALANCES AT END OF YEAR		\$ 267,197	\$ 214,616

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	Special Revenue			Capital Projects			Total Nonmajor Governmental Funds
	Transportation	Municipal Retirement/ Social Security	Total	Capital Projects	Fire Prevention and Safety	Total	
<b><u>ASSETS</u></b>							
Cash and investments	\$ 3,217,733	\$ 1,226,521	\$ 4,444,254	\$ -	\$ 718	\$ 718	\$ 4,444,972
Receivables (net of allowance for uncollectibles):							
Property taxes	1,113,737	1,220,545	2,334,282	-	-	-	2,334,282
Other	118	45	163	-	-	-	163
<b>TOTAL ASSETS</b>	<b>\$ 4,331,588</b>	<b>\$ 2,447,111</b>	<b>\$ 6,778,699</b>	<b>\$ -</b>	<b>\$ 718</b>	<b>\$ 718</b>	<b>\$ 6,779,417</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u></b>							
<b>Liabilities:</b>							
Accounts payable	\$ 46,355	\$ -	\$ 46,355	\$ -	\$ -	\$ -	\$ 46,355
<b>Total Liabilities</b>	<b>46,355</b>	<b>-</b>	<b>46,355</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,355</b>
<b>Deferred inflows of resources:</b>							
Property taxes levies for subsequent year	2,203,429	2,414,784	4,618,213	-	-	-	4,618,213
<b>Total deferred inflows of resources</b>	<b>2,203,429</b>	<b>2,414,784</b>	<b>4,618,213</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,618,213</b>
<b>Fund Balance:</b>							
Restricted	2,081,804	32,327	2,114,131	-	718	718	2,114,849
<b>Total Fund Balance</b>	<b>2,081,804</b>	<b>32,327</b>	<b>2,114,131</b>	<b>-</b>	<b>718</b>	<b>718</b>	<b>2,114,849</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 4,331,588</b>	<b>\$ 2,447,111</b>	<b>\$ 6,778,699</b>	<b>\$ -</b>	<b>\$ 718</b>	<b>\$ 718</b>	<b>\$ 6,779,417</b>



**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Special Revenue			Capital Projects			Total Nonmajor Governmental Funds
	Transportation	Municipal Retirement/ Social Security	Total	Capital Projects	Fire Prevention and Safety	Total	
<b>REVENUES:</b>							
Property taxes	\$ 2,074,995	\$ 2,062,589	\$ 4,137,584	\$ -	\$ -	\$ -	\$ 4,137,584
Other local sources	31,316	133,909	165,225	20	59	79	165,304
State sources	1,341,992	-	1,341,992	-	-	-	1,341,992
Total Revenues	3,448,303	2,196,498	5,644,801	20	59	79	5,644,880
<b>EXPENDITURES:</b>							
Current operating:							
Instruction	-	60,725	60,725	-	-	-	60,725
Support services	3,502,894	2,061,950	5,564,844	292,465	-	292,465	5,857,309
Total Expenditures	3,502,894	2,122,675	5,625,569	292,465	-	292,465	5,918,034
Excess (deficiency) of revenues over expenditures	(54,591)	73,823	19,232	(292,445)	59	(292,386)	(273,154)
<b>OTHER FINANCING SOURCES:</b>							
Transfers in	-	700,000	700,000	-	-	-	700,000
Total other financing sources	-	700,000	700,000	-	-	-	700,000
Net change in fund balances	(54,591)	773,823	719,232	(292,445)	59	(292,386)	426,846
Fund balances (deficit) at beginning of year	2,136,395	(741,496)	1,394,899	292,445	659	293,104	1,688,003
FUND BALANCES AT END OF YEAR	\$ 2,081,804	\$ 32,327	\$ 2,114,131	\$ -	\$ 718	\$ 718	\$ 2,114,849

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**TRANSPORTATION FUND**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014		2013
	Original and Final Budget	Actual	Actual
<b>REVENUES:</b>			
Local Sources:			
Property taxes	\$ 2,199,578	\$ 2,074,995	\$ 2,010,473
Transportation fees	-	26,556	-
Earnings on investments	6,600	4,760	7,582
Total Local Sources	2,206,178	2,106,311	2,018,055
State Sources:			
Transportation aid			
Regular	100,074	103,512	133,331
Special education	1,213,988	1,238,480	1,300,788
Total State Sources	1,314,062	1,341,992	1,434,119
Total Revenues	3,520,240	3,448,303	3,452,174
<b>EXPENDITURES:</b>			
Business - Pupil Transportation Services:			
Salaries	-	36,626	35,184
Purchased services	3,518,708	3,180,850	2,984,304
Supplies and materials	-	285,418	297,361
Capital outlay	-	-	213,207
Total	3,518,708	3,502,894	3,530,056
Total Support Services	3,518,708	3,502,894	3,530,056
Total Expenditures	3,518,708	3,502,894	3,530,056
Excess (deficiency) of revenues over expenditures	1,532	(54,591)	(77,882)
<b>OTHER FINANCING USES:</b>			
Transfers out	-	-	(8,255)
Total other financing uses	-	-	(8,255)
Net change in fund balances	\$ 1,532	(54,591)	(86,137)
Fund balances at beginning of year		2,136,395	2,222,532
FUND BALANCES AT END OF YEAR		\$ 2,081,804	\$ 2,136,395

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES:</b>				
Local Sources:				
Property taxes				
General tax levy	\$ 2,256,336	\$ 2,256,336	\$ 1,048,577	\$ 923,015
Social security/medicare tax levy	-	-	1,014,012	885,048
Corporate replacement taxes	133,233	133,233	133,233	113,902
Earnings on investments	1,875	1,875	676	2,177
Total Local Sources	2,391,444	2,391,444	2,196,498	1,924,142
Total Revenues	2,391,444	2,391,444	2,196,498	1,924,142
<b>EXPENDITURES:</b>				
Instruction - employee benefits	62,786	62,786	60,725	60,626
Support Services - employee benefits	2,131,059	2,131,059	2,061,950	2,079,322
Total Expenditures	2,193,845	2,193,845	2,122,675	2,139,948
Excess (deficiency) of revenues over expenditures	197,599	197,599	73,823	(215,806)
Transfers in	-	700,000	700,000	-
Total other financing sources	-	700,000	700,000	-
Net change in fund balances	\$ 197,599	\$ 897,599	773,823	(215,806)
Fund (deficit) at beginning of year			(741,496)	(525,690)
FUND BALANCES (DEFICIT) AT END OF YEAR			\$ 32,327	\$ (741,496)

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES:</b>				
Local Sources:				
General Tax Levy	\$ 673,062	\$ -	\$ -	\$ -
Earnings on investments	-	-	20	-
Contributions	-	-	-	7,500
Insurance refund	-	-	-	150,228
Total Local Sources	673,062	-	20	157,728
Total Revenues	673,062	-	20	157,728
<b>EXPENDITURES:</b>				
Support Services:				
Business - Facilities Acquisition and Construction:				
Purchased services	-	-	8,682	10,097
Capital outlay	673,052	673,052	283,783	825,149
Non-capitalized equipment	-	-	-	6,281
Total Support Services	673,052	673,052	292,465	841,527
Total Expenditures	673,052	673,052	292,465	841,527
Excess (deficiency) of revenues over expenditures	10	(673,052)	(292,445)	(683,799)
<b>OTHER FINANCING USES:</b>				
Net change in fund balances	\$ 10	\$ (673,052)	(292,445)	(683,799)
Fund balances at beginning of year			292,445	976,244
FUND BALANCES AT END OF YEAR			\$ -	\$ 292,445

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FIRE PREVENTION AND SAFETY FUND**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014		2013
	Original and Final Budget	Actual	Actual
<b>REVENUES:</b>			
Local Sources:			
Earnings on investments	\$ -	\$ 59	\$ 230
Total Local Sources	-	59	230
Total Revenues	-	59	230
<b>EXPENDITURES:</b>			
Total Expenditures	-	-	-
Excess of revenues over expenditures	-	59	230
Net change in fund balances	<u>\$ -</u>	59	230
Fund balances at beginning of year		659	429
FUND BALANCES AT END OF YEAR		<u>\$ 718</u>	<u>\$ 659</u>

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND - STUDENT ACTIVITY FUNDS AND CONVENIENCE ACCOUNTS**  
**YEAR ENDED JUNE 30, 2014**

	Cash Balance July 1, 2013	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2014
<u>ASSETS</u>				
Cash	<u>\$ 885,256</u>	<u>\$ 1,958,190</u>	<u>\$ 1,819,198</u>	<u>\$ 1,024,248</u>
<u>LIABILITIES</u>				
Due to activity organizations:				
Addison Trail School	211,685	881,273	822,709	270,249
Willowbrook School	261,192	912,153	845,860	327,485
School District office	<u>412,379</u>	<u>164,764</u>	<u>150,629</u>	<u>426,514</u>
	<u>\$ 885,256</u>	<u>\$ 1,958,190</u>	<u>\$ 1,819,198</u>	<u>\$ 1,024,248</u>

## **OTHER FINANCIAL INFORMATION**

DUPAGE HIGH SCHOOL DISTRICT NO. 88  
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST  
JUNE 30, 2014

Year ending June 30	Bonds dated October 5, 2005		Bonds dated August 2, 2007		Bonds dated December 30, 2008		Bonds dated April 9, 2009		Bonds dated June 2, 2010		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ -	\$ 343,300	\$ -	\$ 3,414,050	\$ -	\$ 512,500	\$ 3,505,000	\$ 967,200	\$ 880,000	\$ 68,600	\$ 4,385,000	\$ 5,305,650
2016	-	343,300	-	3,414,050	-	512,500	5,000,000	827,000	900,000	47,450	5,900,000	5,144,300
2017	-	343,300	-	3,414,050	-	512,500	5,825,000	627,000	905,000	18,100	6,730,000	4,914,950
2018	950,000	343,300	910,000	3,414,050	-	512,500	6,715,000	335,750	-	-	8,575,000	4,605,600
2019	985,000	305,300	6,200,000	3,375,375	-	512,500	-	-	-	-	7,185,000	4,193,175
2020	1,025,000	267,132	6,525,000	3,111,875	-	512,500	-	-	-	-	7,550,000	3,891,507
2021	1,065,000	227,412	6,870,000	2,818,250	-	512,500	-	-	-	-	7,935,000	3,558,162
2022	1,105,000	185,345	7,230,000	2,474,750	-	512,500	-	-	-	-	8,335,000	3,172,595
2023	1,150,000	142,250	7,610,000	2,113,250	-	512,500	-	-	-	-	8,760,000	2,768,000
2024	1,195,000	97,400	8,010,000	1,732,750	-	512,500	-	-	-	-	9,205,000	2,342,650
2025	1,240,000	49,600	8,430,000	1,332,250	-	512,500	-	-	-	-	9,670,000	1,894,350
2026	-	-	8,875,000	910,750	-	512,500	-	-	-	-	8,875,000	1,423,250
2027	-	-	9,340,000	467,000	-	512,500	-	-	-	-	9,340,000	979,500
2028	-	-	-	-	10,000,000	512,500	-	-	-	-	10,000,000	512,500
	<u>\$ 8,715,000</u>	<u>\$ 2,647,639</u>	<u>\$ 70,000,000</u>	<u>\$ 31,992,450</u>	<u>\$ 10,000,000</u>	<u>\$ 7,175,000</u>	<u>\$ 21,045,000</u>	<u>\$ 2,756,950</u>	<u>\$ 2,685,000</u>	<u>\$ 134,150</u>	<u>\$ 112,445,000</u>	<u>\$ 44,706,189</u>



**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**TAX LEVY SUMMARY**  
**JUNE 30, 2014**

	Assessed Valuation	Rate	Extensions	Collected	Balance Uncollected	Percent collections
2013 levy:	<u>\$ 2,453,898,825</u>					
Educational		1.6360	\$ 40,145,785	\$ 19,656,918	\$20,488,867	
Operations and maintenance		0.1860	4,564,252	2,235,318	2,328,934	
Bond and interest		0.3989	9,788,602	4,792,772	4,995,830	
Transportation		0.0907	2,225,686	1,089,692	1,135,994	
Municipal retirement		0.0556	1,364,368	667,989	696,379	
Special education		0.0263	645,375	315,984	329,391	
Social security		0.0438	1,074,808	526,250	548,558	
		2.4373	\$59,808,876	\$29,284,923	\$30,523,953	48.96%
2012 levy:	<u>\$ 2,631,444,778</u>					
Educational		1.4543	\$ 38,269,101	\$ 38,111,187	\$157,914	
Operations and maintenance		0.2247	5,912,856	5,888,481	24,375	
Bond and interest		0.3375	8,881,127	8,844,267	36,860	
Transportation		0.0792	2,084,104	2,074,880	9,224	
Municipal retirement		0.0400	1,052,578	1,048,526	4,052	
Special education		0.0240	631,547	629,118	2,429	
Social security		0.0387	1,018,369	1,013,961	4,408	
		2.1984	\$57,849,682	\$57,610,420	\$239,262	99.59%
2011 levy:	<u>\$ 2,934,225,174</u>					
Educational		1.2635	\$ 37,073,935	\$ 36,902,533	\$171,402	
Operations and maintenance		0.2018	5,921,266	5,893,875	27,391	
Bond and interest		0.2163	6,346,729	6,317,549	29,180	
Transportation		0.0688	2,018,747	2,010,208	8,539	
Municipal retirement		0.0316	927,215	922,925	4,290	
Special education		0.0209	613,253	610,415	2,838	
Social security		0.0303	889,070	884,958	4,112	
		1.8332	\$53,790,215	\$53,542,463	\$247,752	99.54%

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**LEGAL BONDED DEBT MARGIN**  
**JUNE 30, 2014**

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Assessed valuation of taxable properties for the 2013 tax year	\$ 2,453,898,825
Statutory rate	<u>6.90%</u>
Bonded debt limit	<u>169,319,019</u>
Bonds outstanding	112,445,000
Less: Debt Services fund balance	<u>(267,197)</u>
Total net general bonded debt outstanding	<u>112,177,803</u>
Legal bonded debt margin	<u><u>\$ 57,141,216</u></u>

**DUPAGE HIGH SCHOOL DISTRICT NO. 88**  
**SUMMARY OF OPERATIONS**  
**BOOKSTORES**  
**JUNE 30, 2014**

	Addison Trail High School	Willowbrook High School	Total
Revenue from sales:			
Sale of textbooks	\$ 126,675	\$ 165,034	\$ 291,709
Sale of supplies	30,293	41,409	71,702
Total	156,968	206,443	363,411
Cost of sales:			
Inventory of supplies & textbooks at July 1, 2013	363,145	256,996	620,141
Purchase of supplies	48,186	27,767	75,954
Purchase of textbooks	154,527	160,964	315,491
Total available for sale	565,858	445,728	1,011,586
Less inventory of supplies & textbooks at June 30, 2014	314,745	194,231	508,976
Total cost of sales, including disposals	251,113	251,497	502,610
Gross profit (loss)	(94,145)	(45,053)	(139,199)
Operating expenses:			
Salaries	63,340	62,134	125,474
Sales tax	7,924	11,076	19,000
Insurance	6,409	15,185	21,594
Total operating expenses	77,673	88,395	166,068
Net income (loss)	\$ (171,818)	\$ (133,448)	\$ (305,266)

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

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

Willowbrook  
Addison Trail  
September 30 (excluding special education)

	Enrollment				Total
	Freshman	Sophomore	Junior	Senior	
2013	1,120	991	948	998	4,057
2012	996	1,084	986	1,042	4,108
2011	1,005	1,032	1,062	1,043	4,142
2010	1,000	1,012	994	872	3,878
2009	1,001	959	1,013	978	3,951
2008	994	952	987	942	3,875
2007	958	1,024	977	992	3,951
2006	1,024	1,003	1,001	1,036	4,064
2005	1,013	1,044	1,009	991	4,057
2004	1,040	1,030	1,007	960	4,037

Average Daily Attendance

2013/2014	3,239
2012/2013	3,245
2011/2012	3,627
2010/2011	3,776
2009/2010	3,690
2008/2009	3,607
2007/2008	3,648
2006/2007	3,521
2005/2006	3,562
2004/2005	3,573
2003/2004	3,569

	Operating expense per pupil	Per capita tuition charge
2013/2014	\$ 19,343.26	\$ 18,287.94
2012/2013	18,855.88	17,780.81
2011/2012	16,401.42	15,558.39
2010/2011	15,446.39	14,468.61
2009/2010	16,207.62	15,168.40
2008/2009	15,536.29	14,120.43
2007/2008	13,810.65	12,476.60
2006/2007	12,893.94	11,470.34
2005/2006	12,659.74	11,369.27
2004/2005	12,167.33	10,915.68
2003/2004	11,851.99	10,651.44