

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

Audited Financial Statements
And
Supplementary Financial Information

June 30, 2015

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TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	-
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet	
- Governmental Funds	17
Reconciliation of the Balance Sheet of Governmental Funds	
to the Statement of Net Position.....	18
Statement of Revenues, Expenditures and	
Changes in Fund Balances - Governmental Funds.....	19
Reconciliation of the Statement of Revenues, Expenditures and	
Changes in Fund Balances of Governmental Funds	
to the Statements of Activities	20
Statement of Fiduciary Assets and Liabilities - Agency Fund	21
Notes to Financial Statements	22

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - General Fund.....	53
Schedule of Funding Progress – Other Postemployment Benefit Plan.....	54
Schedule of Changes in Net Pension Liability and Related Ratios – Illinois Municipal Retirement Fund.....	55
Schedule of Contributions – Illinois Municipal Retirement Fund.....	56
Schedule of District’s Proportionate Share of the Net Pension Liability – Teachers’ Retirement System of the State of Illinois.....	57
Schedule of Contributions – Teachers’ Retirement System of the State of Illinois.....	58
Notes to Required Supplementary Information.....	59
 Supplementary Financial Information:	
Combining and Individual Fund Schedules:	
Major Funds:	
General Fund:	
Combining Balance Sheet by Account.....	63
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances by Account.....	64
Educational Account:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	65
Operations and Maintenance Account:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	75
Working Cash Account:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	76
Debt Services Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	77

TABLE OF CONTENTS

	<u>Page</u>
Non-Major Funds:	
Combining Balance Sheet	
Non-major Governmental Funds.....	78
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Non-major Governmental Funds.....	79
Transportation Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	80
Municipal Retirement/Social Security Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	81
Capital Projects Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	82
Fire Prevention and Safety Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	83
Fiduciary Funds - Agency Funds:	
Agency Funds – Student Activity Funds and Convenience Accounts - Schedule of Changes in Assets and Liabilities	84
Other Financial Information:	
Schedule of Bonded Debt Maturities and Interest.....	85
Tax Levy Summary	86
Legal Bonded Debt Margin	87
Summary of Operations - Bookstores	88
Enrollment Data	89

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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, 2015, 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, 2015, 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, and Related Notes

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, budgetary comparison schedule, schedule of funding progress for other postemployment benefits, required pension schedules, and related notes on pages and 53 through 62 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 2014 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 November 6, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 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 October 6, 2015 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
October 6, 2015

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DuPage High School District #88

Management's Discussion and Analysis

For the Year Ended June 30, 2015

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, 2015, 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, 2015 with comparative data to the fiscal year ended June 30, 2014. This format incorporates required information for the District to be in compliance with the provisions of the Governmental Accounting Standards Board.

During the current year, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date pertaining to the District's participation in the Illinois Municipal Retirement Fund (IMRF) and Teachers' Retirement System (TRS). Certain comparative information between the current and prior year is required to be presented in the Management's Discussion and Analysis (MD&A); however, prior year information does not include the effects of GASB Statements No. 68 and 71.

Financial Highlights

The District's fund balances increased by \$614,250 during the fiscal year. This is an improvement over the prior year deficit of \$1,121,510. Several factors contributed to this positive change:

- The District continues to decisively control operating expenditures with a commitment to minimizing the impact upon the educational programs and services to students. This past year there was increased control of staffing for programs. In addition, bus routing changes combined with intense review of outside student placement for tuition based programs contributed to the positive outcome.
- We were also successful with efforts to secure outside grant funding for energy and safety improvement projects.
- Careful evaluation of program effectiveness in many areas will continue as we struggle with operating expenses that continue to increase at a faster pace than the Consumer Price Index (CPI), which is used to determine the Property Tax Cap. This is an ongoing challenge with 80% of our revenue generated from property tax, excluding state of Illinois on-behalf payments.
- Investment earnings, which generated significant returns in the past, are still slow to rebound.
- General revenues accounted for \$66,100,575 in revenue or 74% of all revenues. Program specific revenues in the form of charges for services, grants, and contributions accounted for \$23,253,736 or 26% of total revenues of \$89,354,161.
- On-behalf payments for state contributions to the TRS pension system increased by \$4,315,460 or 40% over the prior year.
- The District had \$88,928,964 of expenses related to government activities. However, only \$23,253,736 of these expenses were offset by program specific charges, grants, and contributions.
- The District continued to pay down its long term debt retiring \$4,385,000 of bond principal in fiscal 2015.
- 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. Two of these were retired early and contributed approximately \$9,000,000 of new property back on to the taxable base for tax year 2014. Two more are scheduled to expire, one in 2016 and another in the year 2017. This will bring

DuPage High School District #88

Management's Discussion and Analysis

For the Year Ended June 30, 2015

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. 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 0.50% in addition to step advancement of approximately 2.9%. The following year's base increase is limited to 50% of the CPI or 0.75% in 2016 with step of approximately 2.63%. The prior expired agreement for included a freeze in salaries 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 of approximately 2.5%.
- 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 80% of CPI in the final year with a floor of 2.5% and a ceiling of 3.0%. There is no step advancement schedule for this employee group.
- Maintenance and custodial personnel salaries were negotiated for a four year agreement to 2017-18 at a base increase of 2.0% and 1.50% for the first two years in addition to step advancement which is approximately 1.40%. Final two years are indexed to 70% of CPI with floor of 1% and ceiling of 2% in addition to step.
- The District operating expense per pupil is estimated to be \$19,707 as of 2015 following the prior year 2014 at \$19,343, 2013 at \$18,856 and 2012 at \$16,401. The substantial increase of \$2,455 between 2012 and 2013 is primarily due to the shift of alternative education student attendance to a regional Alternative Learning Opportunities Program (ALOP). This 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 1.50%, which the 2013 levy was based on to fund the 2014-15 fiscal year, was quite challenging. Minimal growth in property tax revenues combined with stagnant new property growth has resulted in the Board of Education commitment to use some financial reserves and pursue further budgetary controls to move toward a balanced 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, required supplementary information, supplementary information, and other financial information. The basic financial statements include two kinds of statements that present different views of the District:

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

DuPage High School District #88
Management's Discussion and Analysis
For the Year Ended June 30, 2015

information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

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

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"> • Statements of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary assets and liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows of resources, deferred inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and dedications during the year, regardless of when cash is received or paid

Reporting the District as a Whole

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, deferred inflows of resources, and liabilities. All of the 2014-15 revenues and expenditures are accounted for in the Statement of Activities regardless of when the

DuPage High School District #88

Management's Discussion and Analysis

For the Year Ended June 30, 2015

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 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.

DuPage High School District #88
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Financial Analysis of the District as a Whole

Net Position: the District's combined net position was \$19,715,979 on June 30, 2015.

Table A-1 DuPage High School District #88 Net Position – Governmental Activities <u>June 30, 2015 and 2014</u>		
	<u>2015</u>	<u>2014*</u>
Assets:		
Current and Other Assets		
Capital Assets	\$82,673,040	\$79,822,089
Total Assets	<u>113,691,415</u>	<u>117,601,104</u>
	<u>196,364,455</u>	<u>197,423,193</u>
Deferred outflows of resources:	<u>3,446,809</u>	<u>111,932</u>
Liabilities:		
Long Term Liabilities (Long Term Debt)	117,450,085	115,776,216
Other Liabilities	<u>483,623</u>	<u>582,180</u>
Total Liabilities	<u>117,933,708</u>	<u>116,358,396</u>
Deferred inflows of resources:	<u>62,161,577</u>	<u>59,210,786</u>
Net Position:		
Net investment in capital assets	14,154,062	14,192,015
Restricted	3,352,130	2,382,046
Unrestricted	<u>2,209,787</u>	<u>5,391,882</u>
Total Net Position	<u>\$19,715,979</u>	<u>\$21,965,943</u>

* Prior year information has not been updated for the District's implementation of GASB Statement No. 68 and No. 71.

- The District's decrease in net position is primarily attributable to the new GASB 68 and GASB 71 reporting requirements which restated beginning Net Position as of July 1, 2014. See Note 1 for more information.
- Investment returns continue to be at historic low rates of return with fewer funds to invest.

DuPage High School District #88
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Changes in Net Position:

The District's increase in net position was \$425,347 for the fiscal year ended June 30, 2015.

Table A-2 DuPage High School District #88 Change in Net Position <u>For the Years Ended June 30, 2015 and 2014</u>		
	<u>2015</u>	<u>2014*</u>
Revenues:		
Program Revenue		
Charges for Services	\$1,462,854	\$1,419,375
Operating Grants and Contributions	21,790,882	17,288,979
Capital Grants and Contributions	-	50,000
General Revenue		
Property Taxes	59,659,849	57,613,530
Unrestricted State and Federal Aid	3,865,453	3,603,948
Investment Earnings	92,736	86,464
Other	<u>2,482,537</u>	<u>1,896,844</u>
Total Revenues	89,354,311	81,959,140
Expenses:		
Instruction	58,806,686	51,254,126
Student and Staff Support	6,737,012	8,026,816
Administration	5,543,730	5,512,219
Business Support	1,006,928	1,006,012
Operations and Maintenance of Facilities	5,855,443	6,285,992
Transportation	3,537,751	3,679,235
Food Service	1,086,886	1,159,035
Other	1,401,051	1,556,457
Interest on Long-Term Debt	<u>4,953,477</u>	<u>5,072,025</u>
Total Expenses	88,928,964	83,551,917
Increase (Decrease) in Net Position	425,347	(1,592,777)
Beginning Net Position	-	23,558,720
Beginning Net Position, as restated	<u>19,290,632</u>	-
Ending Net Position	<u>\$19,715,979</u>	<u>\$ 21,965,943</u>

* Prior year information has not been updated for the District's implementation of GASB Statement No. 68 and No. 71.

- The District's total revenues were \$89,354,311 for the year ended June 30, 2015, an increase of \$7,395,171 over the prior year. State on-behalf pension contribution was the primary increase by \$4,315,460 or 40% in addition to property tax revenue.
- The total cost of all programs and services was \$88,928,964 for the year ended June 30, 2015, an increase of \$5,377,047 from the prior year. This is primarily due to the state on-behalf pension contribution which increased by \$4,315,460. In addition, salaries and benefit costs were less than

DuPage High School District #88
Management's Discussion and Analysis
For the Year Ended June 30, 2015

budgeted and we achieved a reduction of expenses for outside placement tuition and transportation program services combined with less facility improvement projects. The District's expenses are predominantly related to instruction and student and staff support with these areas accounting for 74% of total expenses. The state on-behalf pension contribution increase of \$4,315,460 represents a significant increase over the prior year. Operations and Maintenance of facilities accounted for 7% of expenses or \$430,549 less than prior year. Expenditures for fiscal year 2015 were less than revenues by 0.5%.

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.

Table A-3
 DuPage High School District #88
 Net Cost of Governmental Activities
 For the Years Ended June 30, 2015 and 2014

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Regular Instruction	\$25,692,773	\$23,080,232	\$24,380,786	\$22,031,097
Special Instruction Programs	14,960,837	14,410,836	11,124,142	10,388,017
Other Instruction Programs	3,131,459	3,056,901	3,131,459	3,056,901
On-behalf payments	15,021,617	10,706,157	-	-
Student Support Services	5,341,157	6,438,241	5,191,521	6,274,269
Instructional Staff Support	1,395,855	1,588,575	1,305,172	1,492,525
Administration/Business	6,550,658	6,518,231	6,550,658	6,518,231
Operations/Maintenance	5,855,443	6,285,992	5,757,362	6,235,992
Transportation	3,537,751	3,679,235	2,026,551	2,310,687
Food Service	1,086,886	1,159,035	(146,951)	(142,638)
Other	1,401,051	1,556,457	1,401,051	1,556,457
Interest on Long-Term Debt	4,953,477	5,072,025	4,953,477	5,072,025
Total	<u>\$88,928,964</u>	<u>\$83,551,917</u>	<u>\$65,675,228</u>	<u>\$64,793,563</u>

- The cost of all governmental activities this year is \$88,928,964.
- Net of on-behalf state pension payments, total cost of services increased by 2% over prior year.
- Some of that cost was financed by the users of the District's programs (\$1,462,854).
- The State and Federal government subsidized certain programs with grants and contributions (\$21,790,882).
- Most of the District's programs and operations were supported with local property taxes representing 80% of revenue, net of on-behalf state pension payments.

Financial Analysis of District Funds:

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

DuPage High School District #88
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Revenues for the District's governmental funds were \$89,354,161 while expenditures in the governmental funds were \$88,740,061 (both of these figures include state of Illinois "on-behalf" payments to TRS). The beginning fund balance for fiscal year 2015 in the governmental funds was \$20,029,123. The fund balance in government funds was \$20,643,373 at the end of fiscal year 2015. The primary reason for the increase in the fund balance was controlled expenditures combined with continued strong property tax collections. The budget continues to be a challenge 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>2015</u>	Year Ended <u>2014</u>
Local Sources	\$49,190,640	\$47,880,517
State Sources	6,332,684	6,415,266
Federal Sources	2,717,845	2,465,759
On Behalf Payments	<u>15,021,617</u>	<u>10,706,157</u>
Total General Fund Revenue	<u>\$73,262,786</u>	<u>\$67,467,699</u>

The following schedule represents a summary of General Fund expenditures:

<u>General Fund Expenditures</u>		
	Year Ended <u>2015</u>	Year Ended <u>2014</u>
Instruction	\$35,887,514	\$34,898,655
Supporting Services	20,945,575	21,090,435
Non-Programmed Charges	1,764,064	1,673,389
On Behalf Payments	<u>15,021,617</u>	<u>10,706,157</u>
Total General Fund Expenditures	<u>\$73,618,770</u>	<u>\$68,368,636</u>

The total General Fund expenditures of \$73,618,770 exceeded General Fund revenues of \$73,262,786 that resulted in expenditures exceeding revenues by \$355,984. As a result of this variance, in addition to proceeds from the sale of assets, the fund balance in the General Fund decreased by \$355,834. Although the district ended with a deficit, the amount was less than the budgeted shortfall of \$2,021,384.

This favorable outcome was primarily due to lower than expected salary and benefit expense combined with controlled expenditures in contracted services, capital outlay and tuition for outside placement students.
 Debt Services Fund:

DuPage High School District #88
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Total revenues in the Debt Services Fund were \$9,776,878, while expenditures totaled \$9,696,558. The fund balance in the Debt Services Fund ended with \$347,517 on June 30, 2015 compared to \$267,197 on June 30, 2014.

Non-Major Funds:

Total revenue in the Special Revenue Funds (Transportation and Municipal Retirement/Social Security) was \$6,314,497 and total expenditures were \$5,424,733. The combined fund balance in these funds ended with \$3,003,895 as of June 30, 2015.

In the Fire Prevention and Safety Fund, the fund balance remained at \$718. The District has completed all required safety improvements and submitted the required decennial facility review to the State Board of Education as of March 2015, awaiting their determination of what remediation work is to be completed.

General Fund Budget Information

In the General Fund's Educational Account budget, total revenue was anticipated to be \$53,050,446 and actual revenue (when removing TRS On-behalf payments) was \$53,185,527. This resulted in a favorable variance of \$135,081 when compared to the budget.

In the General Fund's Educational Account budget, total expenditures were projected to be \$53,577,986 and actual expenditures (when removing TRS On-behalf payments) totaled \$52,404,796. This resulted in a favorable variance of \$1,173,190. This was primarily due to lower than expected salary and benefit expense combined with controlled expenditures in contracted services, capital outlay and tuition for outside placement students. The administration continues to work closely with the Board of Education to control expenditures following the continued commitment to use some financial reserves to stabilize programs and services during the economic downturn. The district has worked tirelessly to balance resources with a comprehensive academic program that is expected by the community. The district continues to make great strides and set milestones with academic achievements while navigating these unprecedented times.

DuPage High School District #88
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Capital Assets and Debt Administration

Capital Assets:

At the end of fiscal year 2015 the District had a net total of \$113,691,415 in capital assets. A breakdown of net capital assets follows:

Capital Assets – Governmental Activities		
	Balance <u>June 30, 2015</u>	Balance <u>June 30, 2014</u>
Land	\$ 4,162,325	\$ 4,162,325
Construction in Progress	-	16,353
Land Improvements	21,426,691	21,306,947
Buildings	136,213,174	135,763,985
Equipment	<u>13,902,941</u>	<u>13,803,777</u>
Total Capital Assets	175,705,131	175,053,387
Less: Accumulated Depreciation	<u>62,013,716</u>	<u>57,452,283</u>
Net Capital Assets	<u>\$113,691,415</u>	<u>\$117,601,104</u>

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

Long-Term Debt:

At the end of fiscal year 2015 the District had \$117,450,085 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 2016 budget projects a deficit of approximately \$1.9 million in the Operating Funds {Educational, Operation & Maintenance, Transportation, IMR and Working Cash}. State funding is projected to decline due to the reduction of reimbursable expenses for categorical programs (transportation and special education tuition). Administrative restructuring and staffing reductions were implemented along with other cost controls to continue working toward a balanced budget. Facility improvement projects and bus replacement were deferred until the new borrowing plan is approved and intended to be implemented for the summer 2016. The expectation is that we will continue to control actual expenditures to come in lower than the budget plan. The district is fortunate to have adequate reserves to accommodate these shortfalls; however, comprehensive financial planning with the Board of Education is on-going with a focus on alignment of available resources balanced with the program services and pursuit of efficiencies throughout the operations.

Factors Bearing on the District's Future

The District is dependent on local sources for the majority of its revenue and the property tax cap legislation continues to limit the revenue the District can realize from its tax levy. In addition, proposed legislation that would freeze property tax revenue, combined with discussions to shift more pension cost to the local level,

DuPage High School District #88
Management's Discussion and Analysis
For the Year Ended June 30, 2015

would be detrimental to the programs in the district. The current economic climate is beginning to show signs of recovery as property values are expected to reflect increases for the first time in over six years. However, new property growth will lag and is not expected to help for at least three or more years. Although State Aid has remained relatively level, 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 within the financial resources available.

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. This will be essential to achieving financial stability in future years.

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.

Homeless transportation expense has grown exponentially from approximately \$20,000 to over \$180,000 as of fiscal year 2015. While somewhat offset by sharing the cost with other public school districts involved and some state reimbursement, this is an expanding program of services not previously demanding such commitment.

Special Education costs are finally beginning to level off for outside placement tuition after a three year average annual increase of 14%. However, enrollment in these programs continues to increase. 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.

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DUPAGE HIGH SCHOOL DISTRICT NO. 88
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities
	2015
Assets:	
Cash and investments	\$ 49,179,225
Receivables:	
Property taxes	30,963,846
Other governments	1,260,236
Interest	15,032
Inventories	797,421
Prepaid health insurance	457,280
Capital assets:	
Land and construction in progress	4,162,325
Other capital assets, net of depreciation	109,529,090
	196,364,455
Deferred outflows of resources:	
Teachers' Retirement System	1,270,797
Illinois Municipal Retirement Fund	2,100,874
Deferred charge on refunding	75,138
	3,446,809
Liabilities:	
Accounts Payable	445,170
Payroll deductions payable	30,074
Unearned revenue	8,379
Long-term liabilities	
Due within one year	5,900,000
Due in more than one year	111,550,085
	117,933,708
Deferred inflows of resources:	
Teachers' Retirement System	273,135
Illinois Municipal Retirement Fund	342,398
Property taxes levies for subsequent year	61,546,044
	62,161,577
Net Position:	
Net investment in capital assets	14,154,062
Restricted for:	
Capital projects	718
Debt service	347,517
Transportation	2,451,242
Retirement	552,653
Unrestricted	2,209,787
	\$ 19,715,979

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, 2015

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities 2015
Governmental activities:				
Instructional services:				
Regular programs	\$ 25,692,773	\$ 1,003,071	\$ 308,916	\$ (24,380,786)
Special programs	14,960,837	-	3,836,695	(11,124,142)
Other programs	3,131,459	-	-	(3,131,459)
On-behalf payments	15,021,617	-	15,021,617	-
Supporting services:				
Students	5,341,157	-	149,636	(5,191,521)
Instructional staff	1,395,855	-	90,683	(1,305,172)
District administration	1,483,726	-	-	(1,483,726)
School administration	4,060,004	-	-	(4,060,004)
Business	1,006,928	-	-	(1,006,928)
Operation and maintenance of facilities	5,855,443	-	98,081	(5,757,362)
Transportation	3,537,751	69,561	1,441,639	(2,026,551)
Food service	1,086,886	390,222	843,615	146,951
Staff	1,275,627	-	-	(1,275,627)
Other	3,504	-	-	(3,504)
Community services	121,920	-	-	(121,920)
Interest on long-term liabilities	4,953,477	-	-	(4,953,477)
Total school district	\$ 88,928,964	\$ 1,462,854	\$ 21,790,882	(65,675,228)
General revenues:				
Property taxes levied for:				
General purposes				45,238,265
Transportation				2,219,698
Retirement				2,432,634
Debt service				9,769,252
Federal and state aid not restricted to specific purposes				3,865,453
Earnings on investments				92,736
Miscellaneous				2,482,537
Total general revenues				66,100,575
Change in net position				425,347
Net position - beginning, as restated				19,290,632
Net position - ending				\$ 19,715,979

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, 2015

	General	Debt Services	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 38,405,614	\$ 5,833,997	\$ 4,939,614	\$ 49,179,225
Receivables (net of allowance for uncollectibles):				
Property taxes	23,180,564	5,557,029	2,226,253	30,963,846
Intergovernmental	908,468	-	351,768	1,260,236
Interest	12,336	2,107	589	15,032
Inventory	797,421	-	-	797,421
Prepaid health insurance and bond payment	457,280	-	-	457,280
TOTAL ASSETS	\$ 63,761,683	\$ 11,393,133	\$ 7,518,224	\$ 82,673,040
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 356,061	\$ -	\$ 89,109	\$ 445,170
Accrued payroll expenditures	30,074	-	-	30,074
Unearned revenue	8,379	-	-	8,379
Total Liabilities	394,514	-	89,109	483,623
Deferred inflows of resources:				
Property taxes levies for subsequent year	46,075,926	11,045,616	4,424,502	61,546,044
Total deferred inflows of resources	46,075,926	11,045,616	4,424,502	61,546,044
Fund Balance:				
Nonspendable	1,254,701	-	-	1,254,701
Restricted	-	347,517	3,004,613	3,352,130
Unassigned	16,036,542	-	-	16,036,542
Total Fund Balance	17,291,243	347,517	3,004,613	20,643,373
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 63,761,683	\$ 11,393,133	\$ 7,518,224	\$ 82,673,040

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, 2015

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

Total fund balance - governmental funds	\$ 20,643,373
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$175,705,131 and the accumulated depreciation is \$62,013,716.	113,691,415
Long-term liabilities, including bonds payable, capital leases, and pension liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(108,060,000)
Deferred amounts for issuance discount/premium	(2,001,528)
Deferred charge on refunding	75,138
Net other post employment benefits obligation	(592,200)
Net pension liability - Teachers' Retirement System	(5,434,701)
Net pension liability - Illinois Municipal Retirement Fund	(1,361,656)
Deferred outflows and deferred inflows, related to the pensions, represent a consumption of, or increase to, net position that applies to future periods and therefore, are not reported in the funds.	
Deferred outflows - Teachers' Retirement System	1,270,797
Deferred outflows - Illinois Municipal Retirement Fund	2,100,874
Deferred inflows - Teachers' Retirement system	(273,135)
Deferred inflows - Illinois Municipal Retirement Fund	(342,398)
Total net position - governmental activities	<u>\$ 19,715,979</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, 2015

	General	Debt Services	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Property taxes	\$ 45,238,265	\$ 9,769,252	\$ 4,652,332	\$ 59,659,849
Other local sources	3,952,375	7,626	220,526	4,180,527
State sources	21,354,301	-	1,441,639	22,795,940
Federal sources	2,717,845	-	-	2,717,845
Total Revenues	<u>73,262,786</u>	<u>9,776,878</u>	<u>6,314,497</u>	<u>89,354,161</u>
EXPENDITURES:				
Current operating:				
Instruction	35,887,514	-	1,391,368	37,278,882
Supporting services	35,967,192	-	4,033,365	40,000,557
Community services	121,920	-	-	121,920
Payments to other districts and governmental units	1,642,144	-	-	1,642,144
Debt service:				
Payment of principal on long-term debt	-	4,385,000	-	4,385,000
Interest on long-term debt	-	5,305,650	-	5,305,650
Service charges and bond costs	-	5,908	-	5,908
Total Expenditures	<u>73,618,770</u>	<u>9,696,558</u>	<u>5,424,733</u>	<u>88,740,061</u>
Excess (deficiency) of revenues over expenditures	<u>(355,984)</u>	<u>80,320</u>	<u>889,764</u>	<u>614,100</u>
OTHER FINANCING SOURCES:				
Proceeds from the sale of capital assets	150	-	-	150
Total other financing sources	<u>150</u>	<u>-</u>	<u>-</u>	<u>150</u>
Net change in fund balances	(355,834)	80,320	889,764	614,250
Fund balances at beginning of year	<u>17,647,077</u>	<u>267,197</u>	<u>2,114,849</u>	<u>20,029,123</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 17,291,243</u></u>	<u><u>\$ 347,517</u></u>	<u><u>\$ 3,004,613</u></u>	<u><u>\$ 20,643,373</u></u>

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

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

Net change in fund balances-total governmental funds **\$ 614,250**

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	667,332	
Depreciation expense	<u>(4,577,021)</u>	(3,909,689)

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 and net pension liabilities are reported only in the statement of activities. The net effect of these differences in the treatment of long-term obligation and related items is as follows:

Repayment of bond principal	4,385,000	
Amortization of bond discount	390,967	
Amortization of deferred charge on refunding	(36,794)	
Increase in net post employment benefit obligation	(84,254)	
Change in net pension liability - Teachers' Retirement System	(1,012,276)	
Change in net pension liability - Illinois Municipal Retirement Fund	<u>(1,880,892)</u>	1,761,751

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

Change in deferred outflows - Teachers' Retirement System	935,850	
Change in deferred outflows - Illinois Municipal Retirement Fund	1,638,718	
Change in deferred inflows - Teachers' Retirement System	(273,135)	
Change in deferred inflows - Illinois Municipal Retirement Fund	<u>(342,398)</u>	<u>1,959,035</u>

Change in net position of governmental activities **\$ 425,347**

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, 2015

	<u>Student Activity Funds</u>
Assets:	
Cash and investments	\$ <u>1,085,010</u>
Liabilities:	
Due to student organizations	\$ <u>1,085,010</u>
Total liabilities	<u>\$ 1,085,010</u>

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

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DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

a. The Reporting Entity

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

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

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

b. Basis of Presentation

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

1. Government-wide Financial Statements (GWFS):

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

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

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, 2015

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 \$5,000 for furniture and equipment and \$10,000 for buildings and improvements and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

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 2014 tax levy was December 15, 2014. 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 2014 levy, which are collected during 2015, are considered to be budgeted to fund the operations of the 2015/16 school year and are reported as deferred inflows of resources.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

Based upon collection histories, the District has provided at June 30, 2015, 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	
	2014 Levy	2014 Levy	2013 Levy
Educational	3.5000	1.6890	1.636
Operations & Maintenance	.5500	.1990	.1860
Bond & Interest	N/A	.4591	.3989
Transportation	N/A	.0814	.0907
Municipal Retirement	N/A	.0633	.0556
Special Education	.4000	.0271	.0263
Social Security	N/A	.0392	.0438
Total		2.5581	2.4373

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, 2015

l. 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 three items that qualify for reporting in this category. The 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. Additionally, the District had deferred outflows related to Teachers' Retirement System and Illinois Municipal Retirement Fund pensions. See Note 6 for more information.

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 three types of items, which arise under both full- and modified-accrual basis of accounting that qualify 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. Additionally, the District had deferred inflows related to Teachers' Retirement System and Illinois Municipal Retirement Fund pensions. See Note 6 for more information.

m. 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, 2014 from which the partial information was derived.

n. New Accounting Pronouncements

During the current year, the District implemented *Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions*, as amended by *Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date* pertaining to the District's participation in the Illinois Municipal Retirement Fund (IMRF) and Teacher's Retirement System (TRS).

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plan. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing the plan. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the district's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

The effect of these changes on the fiscal year 2014 financial statements is as follows:

Net Position as previously reported at June 30, 2014	\$ 21,965,943
Prior Period Adjustment:	
Long-term liabilities:	
Net Pension Obligation -- IMRF	430,775
Net Pension Liability -- IMRF	519,236
Net Pension Liability -- TRS	(4,422,425)
Deferred outflows:	
IMRF	462,156
TRS	334,947
Total prior period adjustment	(2,675,311)
Net Position as restated, July 1, 2014	\$ 19,290,632

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, 2015, none of the District's bank balances of \$49,554,205 was exposed to custodial credit risk.

Investments

As of June 30, 2015, 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	\$2,959,324
Total		\$2,959,324

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

The District has funds invested in the amount of \$2,959,324 (valued at \$1.00 per share) in the Illinois School District Liquid Asset Fund, a state investment pool, as of June 30, 2015. 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.

The District has no investment policy that would further limit its investment choices. As of June 30, 2015, the District's investments were rated as follows:

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

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, 2014	Additions	Deletions	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	\$4,162,325	\$-	\$-	\$4,162,325
Construction in progress	16,353	-	16,353	-
Total	\$4,178,678	\$-	\$16,353	\$4,162,325
Capital assets, being depreciated:				
Land improvements	\$21,306,947	\$119,744	\$-	\$21,426,691
Buildings	135,763,985	449,189	-	136,213,174
Equipment	13,803,777	114,752	15,588	13,902,941
Total capital assets being depreciated	\$170,874,709	\$683,685	\$15,588	\$171,542,806
Accumulated depreciation for:				
Land improvements	\$5,817,186	\$984,656	\$-	\$6,801,842
Buildings	39,218,405	3,226,899	-	42,445,304
Equipment	12,416,692	365,466	15,588	12,766,570
Total accumulated depreciation	\$57,452,283	\$4,577,021	\$15,588	\$ 62,013,716
Total capital assets being depreciated, net	113,422,426	(3,893,336)	-	109,529,090
Total capital assets, net	\$117,601,104	\$(3,893,336)	\$(16,353)	\$113,691,415

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

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

Instructional services:	
Regular programs	\$3,314,446
Special programs	340,227
Other programs	480,129
Supporting services:	
Students	86,136
Instructional staff	79,662
General administration	20,896
School administration	12,265
Business	10,107
Operations and Maintenance	73,366
Transportation	149,680
Staff	10,107
	\$4,577,021

NOTE 5. CHANGES IN LONG-TERM LIABILITIES:

Changes in long-term liabilities are summarized as follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Amount Due in One Year
Governmental Activities:					
General Obligation Bonds	\$112,445,000	\$-	\$4,385,000	\$108,060,000	\$5,900,000
Deferred Amounts for Issuance Premium	2,431,494		394,536	2,036,958	-
Deferred Amounts for Issuance Discount	(38,999)		(3,569)	(35,430)	-
Net OPEB Obligation	507,946	167,705	83,451	592,200	-
Net Pension Liability - IMRF	(519,236)	1,880,892	-	1,361,656	-
Net Pension Liability - TRS	4,422,425	1,012,276	-	5,434,701	-
Total Governmental Activities Long-Term Liabilities	\$119,248,630	\$3,060,873	\$4,859,418	\$117,450,085	\$5,900,000

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

Long- term liabilities at June 30, 2015 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 \$5,000,000 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 \$900,000 to \$905,000 through 2017; interest rates vary from 2.0% to 4.0% per annum.

Prior Year Refunding - 2010

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 \$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 prior 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, 2015. 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, 2015

Prior Year Refunding - 2005

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, 2015.

The annual requirements to amortize all debt outstanding as of June 30, 2015 are as follows:

Year Ending June 30,	Bonds Payable		Total
	Principal	Interest	
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	7,550,000	3,891,507	11,441,507
2021-2025	43,905,000	13,735,757	57,640,757
2026-2028	28,215,000	2,915,250	31,130,250
Total	\$108,060,000	\$39,400,539	\$147,460,539

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, 2015, the statutory debt limit for the District was \$167,685,893 providing a debt margin of \$59,973,410.

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:

General Information about the Pension Plan

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

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

Benefits provided: TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

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

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

Contributions from active members and TRS contributing districts are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2015, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

On behalf contributions to TRS: The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2015, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$14,715,886 in pension contributions from the state of Illinois.

2.2 formula contributions: Districts contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2015, were \$173,847, and are deferred because they were paid after the June 30, 2014 measurement date.

Federal and special trust fund contributions: When TRS members are paid from federal and special trust funds administered by the district, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, District 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, 2015, the District pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$457,036 were paid from federal and special trust funds that required District

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

contributions of \$150,822. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

Employer retirement cost contributions: Under GASB Statement No. 68, contributions that a district is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum District ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2015, the District paid \$144,569 to TRS in employer contribution under the ERO program.

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, the District paid payments of \$4,050 to TRS for District contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2015, the District did not grant sick leave days in excess of the normal annual allotment.

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

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follow:

District's proportionate share of the net pension liability	\$5,434,701
State's proportionate share of the net pension liability associated with the District	<u>182,781,933</u>
Total	<u>\$188,216,634</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the District's proportion was .0089 percent.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The District's proportion of the net pension liability as of June 30, 2013, was based on the District's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the District's proportion was .0071 percent.

For the year ended June 30, 2015, the District recognized pension expense of \$14,715,886 and revenue of \$14,715,886 for support provided by the state.

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,871	\$ -
Net difference between projected and actual earnings on pension plan investments	-	273,135
Changes in proportion and differences between District contributions and proportionate share of contributions	943,257	-
District contributions subsequent to the measurement Date	324,669	-
Total	\$1,270,797	\$273,135

\$324,669 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	Deferred Outflow (Inflow)
2016	\$486,028
2017	161,359
2018	161,359
2019	161,359
2020	27,557
Total	\$997,662

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

Actuarial assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	5.75 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 White Collar Table with projections using scale AA that vary by member group.

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2014 and 2013 were assumed to be the same. However, for funding purposes, the actuarial valuations for those two years were different. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered. The actuarial assumptions used in the June 30, 2013 valuation were based on the 2012 actuarial experience analysis and first adopted in the June 30, 2012 valuation. The investment return assumption was lowered from 8.5 percent to 8.0 percent and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
U.S. large cap	18.0%	8.23%
Global equity excluding U.S.	18.0	8.58
Aggregate bonds	16.0	2.27
U.S. TIPS	2.0	3.52
NCREIF	11.0	5.81
Opportunistic real estate	4.0	9.79
ARS	8.0	3.27
Risk parity	8.0	5.57
Diversified inflation strategy	1.0	3.96
Private equity	14.0	13.03
Total	<u>100.0%</u>	

Discount rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, District contributions, and state contributions will be made at the current statutorily-required rates.

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	<u>Discount Rate</u>	<u>Net pension liability (asset)</u>
1% decrease	6.50%	\$ 6,711,589
Current discount rate	7.50%	\$ 5,434,701
1% increase	8.50%	\$ 4,377,292

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

TRS fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2014 is available in the separately issued TRS Comprehensive Annual Financial Report

Illinois Municipal Retirement Fund

Plan Description: The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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

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

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

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

Employees Covered by Benefit Terms: At December 31, 2014, the number of District employees covered by IMRF were:

Active members	237
Retirees and beneficiaries	284
Inactive, non-retired members	<u>306</u>
Total	<u>827</u>

Contributions: As set by statute, the District's regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for 2014 was 10.93% of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute. Required contributions were \$946,940 and actual contributions were \$946,965, or 99.99% of required contributions.

Net Pension Liability: The District's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

Actuarial Assumptions: The following are the methods and assumptions used to determine the Total Pension Liability at December 31, 2014:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation	3.5%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Projected Retirement Age	Experience-based Table of Rates that are specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, the IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
Disabled Retirees	For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives.
Active Members	For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

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

<u>Asset Class</u>	<u>Approximate Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	38.0%	7.6%
International equity	17.0	7.8
Fixed income	27.0	3.0
Real estate	8.0	6.15
Alternative investments	9.0	5.25-8.50
Cash equivalents	1.0	2.25

Single Discount Rate: A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects: (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and (2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.56%; and the resulting single discount rate is 7.50%.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

Changes in the District's Net Pension Liability: Changes in the District's Net Pension Liability for the year ended December 31, 2014 were as follows:

	Increase (Decrease)		Net Pension Liability (Asset) (a) – (b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	
Balance, December 31, 2013	\$ 41,880,658	\$ 42,399,894	\$ (519,236)
Charges for the year:			
Service cost	1,027,946	-	1,027,946
Interest	3,087,331	-	3,087,331
Difference between expected and actual experience	(530,912)	-	(530,912)
Changes in assumptions	1,927,793	-	1,927,793
Net investment income	-	2,552,135	(2,552,135)
Contributions – employees	-	390,242	(390,242)
Contributions – employers	-	946,965	(946,965)
Benefit payments including refunds of employee contributions	(2,460,447)	(2,460,447)	-
Administrative expenses	-	-	-
Other changes	-	(258,076)	258,076
Net changes	<u>3,051,711</u>	<u>1,170,819</u>	<u>1,880,892</u>
Balance, December 31, 2014	<u>\$ 44,932,369</u>	<u>\$ 43,570,713</u>	<u>\$ 1,361,656</u>

Sensitivity of the Net Pension Liability to Changes in the Single Discount Rate: The following presents the Net Pension Liability calculated using the single discount rate of 7.50%, as well as what the Net Pension Liability would be if it were calculated using a single discount rate that is 1% higher and lower:

	Discount Rate	Net Pension Liability (Asset)
1% decrease	6.50%	\$ 6,840,270
Current discount rate	7.50	1,361,656
1% increase	8.50	(3,169,548)

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2015, the District recognized pension expense of \$1,466,129. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	Net Deferred Outflows / (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ -	\$ 342,398	\$ (342,398)
Changes of assumptions	1,243,280	-	1,243,280
Net difference between projected and actual earnings on Plan investments	460,846	-	460,846
Employer contributions to plan after measurement date	<u>396,748</u>	<u>-</u>	<u>396,748</u>
Total	<u>\$ 2,100,874</u>	<u>\$ 342,398</u>	<u>\$ 1,758,476</u>

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

Year ending April 30,	Net Deferred Outflows (Inflows)
2015	\$ 1,007,959
2016	520,096
2017	115,212
2018	<u>115,209</u>
Total	<u>\$ 1,758,476</u>

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 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.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

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

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.02% of pay during the year ended June 30, 2015. State of Illinois contributions were \$305,731, and the District recognized revenue and expenditures of this amount during the year.

Employer contributions to the THIS Fund. The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.76% during the year ended June 30, 2015. For the year ended June 30, 2015, the District paid \$227,799 to the THIS Fund.

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."

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.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

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 2015, the District's annual OPEB cost for the plan was \$167,705. 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, 2015, were as follows:

Annual required contribution	\$ 174,554
Interest on net OPEB obligation	25,397
Adjustment to annual required contribution	<u>(32,246)</u>
Annual OPEB cost	167,705
Contributions made	<u>(83,451)</u>
Increase in net OPEB obligation	84,254
Net OPEB obligation — July 1, 2014	<u>507,946</u>
Net OPEB obligation — June 30, 2015	<u>\$ 592,200</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
06/30/15	\$167,705	\$ 83,451	49.76%	\$592,200
06/30/14	201,512	127,636	63.33	507,946
06/30/13	196,038	106,962	54.56	434,070

Funding Status and Funding Progress: The funded status of the plan as of July 1, 2014, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 1,428,063
Actuarial value of plan assets	<u> -</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,428,063</u>
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	\$25,791,295
UAAL as a percentage of covered payroll	5.54%

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

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, 2014 the unit credit cost method was used. The actuarial assumptions included a 5.00% discount rate and an annual healthcare cost trend rate of 7% 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 determining the Annual Required Contribution (ARC) is the maximum limit of 30 years. Amortization reflects a level dollar method.

NOTE 8. RESTRICTED POSITION:

The government-wide statement of net position reports \$3,352,130 of restricted net assets, all of which is restricted by enabling legislation.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

NOTE 9. FUND BALANCES – GOVERNMENTAL FUNDS:

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

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

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

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

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.

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.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

As of June 30, 2015, fund balances are composed of the following:

	General Fund	Debt Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventories	\$797,421	\$-	\$-	\$797,421
Prepaid Health Insurance	457,280	-	-	457,280
Restricted:				
Municipal Retirement/ Social Security Fund	-	-	552,653	552,653
Debt service	-	347,517	-	347,517
Transportation	-	-	2,451,242	2,451,242
Capital projects	-	-	718	718
Unassigned	16,036,542	-	-	16,036,542
Total fund balances	\$17,291,243	\$347,517	\$3,004,613	\$20,643,373

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

NOTE 10. RISK MANAGEMENT:

The District has purchased insurance coverage through risk pools (See Notes 11, 12, and 13). Risks covered include general liability, property damage, workers' compensation, medical, and other. Premiums have been recorded as expenditures disbursed in appropriate funds.

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

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

The District is a member of CLIC, which has been formed to provide casualty, property and liability protections and to administer some or all insurance coverages and protection other than health, life and accident coverages procured by the member districts. It is intended, by the creation of CLIC to allow a member district to equalize annual fluctuations in insurance costs by establishing a program whereby reserves may be created and temporary deficits of individual districts covered

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

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

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

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

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

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

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Financial Statements (Cont'd)
June 30, 2015

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

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

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

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

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

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

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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, 2015

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
REVENUES:				
Local sources	49,290,846	\$ 49,290,846	\$ 49,190,640	\$ (100,206)
State sources	6,480,650	17,080,650	21,354,301	4,273,651
Federal sources	2,397,073	2,397,073	2,717,845	320,772
Total Revenues	58,168,569	68,768,569	73,262,786	4,494,217
EXPENDITURES:				
Instruction	37,074,061	37,074,061	35,887,514	1,186,547
Supporting services	21,315,693	31,915,693	35,967,192	(4,051,499)
Community services	95,707	95,707	121,920	(26,213)
Payments to other districts and governmental units	1,704,492	1,704,492	1,642,144	62,348
Total Expenditures	60,189,953	70,789,953	73,618,770	(2,828,817)
Excess (deficiency) of revenues over expenditures	(2,021,384)	(2,021,384)	(355,984)	1,665,400
OTHER FINANCING SOURCES:				
Proceeds from the sale of capital assets	-	-	150	150
Total other financing sources	-	-	150	150
Net change in fund balances	\$ (2,021,384)	\$ (2,021,384)	\$ (355,834)	\$ 1,665,550
Fund balances at beginning of year			17,647,077	
FUND BALANCES AT END OF YEAR			\$ 17,291,243	

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFIT PLANS
JUNE 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2014	\$ -	\$ 1,428,063	\$ 1,428,063	0.00%	\$ 25,791,295	5.54%
7/1/2012	-	1,737,863	1,734,863	0.00	37,976,180	4.57
7/1/2010	-	1,497,745	1,497,745	0.00	33,095,531	4.53
7/1/2008	-	1,340,979	1,340,979	0.00	34,671,605	3.87

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
JUNE 30, 2015

Calendar year ending December 31,	2014
<u>Total pension liability:</u>	
Service cost	\$ 1,027,946
Interest on the total pension liability	3,087,331
Difference between expected and actual experience	(530,912)
Assumption changes	1,927,793
Benefit payments and refunds	(2,460,447)
Net change in total pension liability	3,051,711
Total pension liability, beginning	41,880,658
Total pension liability, ending	\$ 44,932,369
 <u>Plan fiduciary net position</u>	
Employer contributions	\$ 946,965
Employee contributions	390,242
Pension plan net investment income	2,552,135
Benefit payments and refunds	(2,460,447)
Other	(258,076)
Net change in plan fiduciary net position	1,170,819
Plan fiduciary net position, beginning	42,399,894
Plan fiduciary net position, ending	\$ 43,570,713
 Net pension liability/(asset), ending	\$ 1,361,656
 Plan fiduciary net position as a percentage of total pension liability	96.97%
 Covered valuation payroll	\$ 8,663,680
 Net pension liability as a percentage of covered valuation penalty	15.72%

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

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
JUNE 30, 2015**

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ Excess	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 946,940	\$ 946,965	\$ (25)	\$ 8,663,680	10.93%

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
JUNE 30, 2015

District's proportion of the net pension liability	0.0089%
District's proportionate share of the net pension liability	5,434,701
State's proportionate share of the net pension liability associated with the District	182,781,933
Total	<u>\$ 188,216,634</u>
District's covered-employee payroll	29,873,116
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	18.19%
Plan fiduciary net position as a percentage of the total pension liability	<u>43.00%</u>

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

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
JUNE 30, 2015

Contractually-required contribution	\$ 324,669
Contributions in relation to the contractually-required contribution	<u>330,177</u>
Contribution deficiency (excess)	<u>\$ (5,508)</u>
District's covered-employee payroll	\$ 29,973,581
Contribution as a percentage of covered-employee payroll	1.10%

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

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 22, 2014 and amended on June 8, 2015.
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, 2015

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

Expenditures disbursed exceeded the budgeted amount in the Education account as follows:

	Budget	Actual	Excess
Education Account	\$64,177,986	\$67,426,413	\$3,248,427

The above budget and actual comparison for the Educational Fund includes on-behalf budget and related expenditures. If on-behalf amounts were not included, the Educational Fund expenditures would not have exceeded the budgeted amounts.

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Required Supplementary Information (Cont'd)
June 30, 2015

NOTE 3. SCHEDULE OF CONTRIBUTIONS – ILLINOIS MUNICIPAL RETIREMENT FUND:

The following describes the summary of actuarial methods and assumptions used in the calculation of the 2014 contribution rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies: 29-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	4.00%
Price Inflation	3.0% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008-2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
Valuation Date	Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.
Other Information	There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2012, actuarial valuation; note two year lag between valuation and rate setting.

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

DUPAGE HIGH SCHOOL DISTRICT NO. 88
Notes to Required Supplementary Information (Cont'd)
June 30, 2015

NOTE 4. SCHEDULE OF CONTRIBUTIONS – TEACHERS RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of assumptions

Amounts reported in 2014 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.0 percent, an inflation rate of 3.25 percent and real return of 4.75 percent, and salary increases of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

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SUPPLEMENTARY FINANCIAL INFORMATION

DUPAGE HIGH SCHOOL DISTRICT NO. 88
COMBINING BALANCE SHEET BY ACCOUNT
GENERAL FUND
JUNE 30, 2015

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
<u>ASSETS</u>				
Cash and investments	\$ 27,793,621	\$ 5,179,955	\$ 5,432,038	\$ 38,405,614
Receivables (net of allowance for uncollectibles):				
Property taxes	20,771,757	2,408,807	-	23,180,564
Intergovernmental	908,468	-	-	908,468
Interest	11,434	741	161	12,336
Inventory	797,421	-	-	797,421
Prepaid health insurance	457,280	-	-	457,280
TOTAL ASSETS	\$ 50,739,981	\$ 7,589,503	\$ 5,432,199	\$ 63,761,683
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 324,632	\$ 31,429	\$ -	\$ 356,061
Payroll deductions and withholdings	30,074	-	-	30,074
Unearned revenue	8,379	-	-	8,379
Total Liabilities	363,085	31,429	-	394,514
Deferred inflows of resources:				
Property taxes levies for subsequent year	41,288,130	4,787,796	-	46,075,926
Total deferred inflows of resources	41,288,130	4,787,796	-	46,075,926
Fund Balance:				
Nonspendable	1,254,701	-	-	1,254,701
Unassigned	7,834,065	2,770,278	5,432,199	16,036,542
Total Fund Balance	9,088,766	2,770,278	5,432,199	17,291,243
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 50,739,981	\$ 7,589,503	\$ 5,432,199	\$ 63,761,683

DUPAGE HIGH SCHOOL DISTRICT NO. 88
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES BY ACCOUNT
GENERAL FUND
YEAR ENDED JUNE 30, 2015

	Educational	Operations and Maintenance	Working Cash	Total General
REVENUES:				
Property taxes	\$ 40,684,740	\$ 4,553,525	\$ -	\$ 45,238,265
Other local sources	3,548,339	399,863	4,173	3,952,375
State sources	21,256,220	98,081	-	21,354,301
Federal sources	2,717,845	-	-	2,717,845
Total Revenues	<u>68,207,144</u>	<u>5,051,469</u>	<u>4,173</u>	<u>73,262,786</u>
EXPENDITURES:				
Current operating:				
Instruction	35,887,514	-	-	35,887,514
Supporting services	29,774,835	6,192,357	-	35,967,192
Community services	121,920	-	-	121,920
Payments to other districts and governmental units	1,642,144	-	-	1,642,144
Total Expenditures	<u>67,426,413</u>	<u>6,192,357</u>	<u>-</u>	<u>73,618,770</u>
Excess (deficiency) of revenues over expenditures	<u>780,731</u>	<u>(1,140,888)</u>	<u>4,173</u>	<u>(355,984)</u>
OTHER FINANCING SOURCES:				
Proceeds from the sale of capital assets	150	-	-	150
Total other financing sources	<u>150</u>	<u>-</u>	<u>-</u>	<u>150</u>
Net change in fund balances	<u>780,881</u>	<u>(1,140,888)</u>	<u>4,173</u>	<u>(355,834)</u>
Fund balances at beginning of year	<u>8,307,885</u>	<u>3,911,166</u>	<u>5,428,026</u>	<u>17,647,077</u>
FUND BALANCES AT END OF YEAR	<u>\$ 9,088,766</u>	<u>\$ 2,770,278</u>	<u>\$ 5,432,199</u>	<u>\$ 17,291,243</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, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Original Budget	Final Budget	Actual	
REVENUES:				
Local Sources:				
Property taxes				
General tax levy	\$ 40,474,821	\$ 40,474,821	\$ 40,041,079	\$ 38,113,362
Special education tax levy	648,306	648,306	643,661	629,151
Total property taxes	<u>41,123,127</u>	<u>41,123,127</u>	<u>40,684,740</u>	<u>38,742,513</u>
Corporate replacement taxes	1,554,265	1,554,265	1,572,054	1,503,156
Tuition	36,000	36,000	24,774	29,119
Earnings on investments	60,000	60,000	59,851	62,609
Food service	498,550	498,550	390,222	533,284
Activity income	538,962	538,962	431,712	423,093
Textbooks	403,000	403,000	420,323	325,158
Services provided other districts	-	-	9,023	-
Refund of prior years' expenditures	-	-	5,613	-
Surplus moneys from TIF districts	-	-	374,978	-
Drivers' education fees	-	-	86,548	71,099
Payments from other districts	20,000	20,000	14,846	-
Other local	82,000	82,000	158,395	24,819
Total Local Sources	<u>44,315,904</u>	<u>44,315,904</u>	<u>44,233,079</u>	<u>41,714,850</u>
State Sources:				
General state aid	3,840,363	3,840,363	3,865,453	3,603,948
Special education	2,203,000	2,203,000	2,105,622	2,436,934
Vocational education	55,286	55,286	55,281	56,709
Bilingual education	99,023	99,023	54,151	87,031
Free lunch & breakfast	12,000	12,000	8,818	14,075
Drivers' education	125,000	125,000	135,298	156,588
On-behalf payments - State of Illinois	-	10,600,000	15,021,617	10,706,157
Other	2,797	2,797	9,980	9,981
Total State Sources	<u>\$ 6,337,469</u>	<u>\$ 16,937,469</u>	<u>\$ 21,256,220</u>	<u>\$ 17,071,423</u>

(Continued)

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Original Budget	Final Budget	Actual	
REVENUES - Continued:				
Federal Sources:				
Food Service	\$ 874,815	\$ 874,815	\$ 834,797	\$ 754,314
Title I - low income	400,000	400,000	648,457	374,008
IDEA - flow through	752,116	752,116	879,791	951,893
IDEA - room and board	22,435	22,435	-	8,173
CTE - Perkins	50,603	50,603	50,639	48,343
Title III - english language acquisition	21,312	21,312	21,312	23,786
Title II - Eisenhower/teacher quality	90,213	90,213	90,683	96,050
Medicaid programs	157,465	157,465	171,078	199,914
Other restricted grants	28,114	28,114	21,088	9,278
Total Federal Sources	2,397,073	2,397,073	2,717,845	2,465,759
Total Revenues	53,050,446	63,650,446	68,207,144	61,252,032
EXPENDITURES:				
Instruction:				
Regular programs:				
Salaries	16,835,520	16,835,520	16,418,025	15,567,059
Employee benefits	3,025,785	3,025,785	2,605,450	2,588,067
Purchased services	464,377	464,377	431,607	382,068
Supplies and materials	699,089	699,089	782,784	742,482
Capital outlay	45,000	45,000	16,974	59,490
Other	23,000	23,000	34,359	19,000
Non-capitalized equipment	257,000	257,000	261,966	174,495
Total	21,349,771	21,349,771	20,551,165	19,532,661
Special programs:				
Salaries	4,737,814	4,737,814	4,613,037	4,505,899
Employee benefits	778,980	778,980	807,700	800,342
Purchased services	176,200	176,200	137,862	150,613
Supplies and materials	36,538	36,538	46,523	35,244
Non-capitalized equipment	-	-	-	557
Tuition	2,752,000	2,752,000	2,559,821	3,628,367
Total	\$ 8,481,532	\$ 8,481,532	\$ 8,164,943	\$ 9,121,022

(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, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued:				
Instruction - Continued:				
Remedial & supplemental:				
Salaries	\$ 135,112	\$ 135,112	\$ 146,284	\$ 127,368
Employee benefits	40,152	40,152	44,191	31,650
Supplies and materials	6,000	6,000	52,190	13,012
Non-capitalized equipment	-	-	51,663	-
Total	181,264	181,264	294,328	172,030
Adult/continuing education programs:				
Purchased services	-	-	-	145
Supplies and materials	1,250	1,250	-	-
Total	1,250	1,250	-	145
CTE programs:				
Salaries	1,672,405	1,672,405	1,704,798	1,616,694
Employee benefits	199,200	199,200	195,062	212,591
Purchased services	42,263	42,263	62,779	56,286
Supplies and materials	143,421	143,421	137,695	131,557
Capital outlay	9,100	9,100	5,085	16,820
Non-capitalized equipment	42,215	42,215	46,362	33,729
Total	2,108,604	2,108,604	2,151,781	2,067,677
Interscholastic programs:				
Salaries	2,169,000	2,169,000	2,005,227	2,060,774
Employee benefits	43,000	43,000	42,469	56,263
Purchased services	277,000	277,000	315,886	290,993
Supplies and materials	102,000	102,000	110,567	102,932
Capital outlay	-	-	-	4,760
Total	2,591,000	2,591,000	2,474,149	2,515,722
Summer school:				
Salaries	76,000	76,000	70,861	61,067
Purchased services	-	-	214	-
Supplies and materials	4,200	4,200	5,412	3,500
Total	\$ 80,200	\$ 80,200	\$ 76,487	\$ 64,567

(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, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued:				
Instruction - Continued:				
Driver's education programs:				
Salaries	\$ 255,000	\$ 255,000	\$ 194,353	\$ 201,858
Employee benefits	540	540	461	959
Purchased services	10,000	10,000	3,292	4,463
Supplies and materials	10,000	10,000	5,635	8,001
Capital outlay	75,000	75,000	78,080	-
Total	350,540	350,540	281,821	215,281
Bilingual:				
Salaries	451,112	451,112	407,428	438,597
Purchased services	1,000	1,000	1,000	1,000
Supplies and materials	3,128	3,128	905	1,140
Total	455,240	455,240	409,333	440,737
Truant alternative and optional:				
Salaries	696,300	696,300	672,038	429,098
Employee benefits	123,000	123,000	130,161	162,605
Supplies and materials	4,300	4,300	2,148	3,950
Tuition	651,060	651,060	679,160	173,160
Total	1,474,660	1,474,660	1,483,507	768,813
Total Instruction	37,074,061	37,074,061	35,887,514	34,898,655
Support Services:				
Pupils:				
Attendance and social work :				
Salaries	1,398,685	1,398,685	1,466,237	2,827,618
Employee benefits	246,850	246,850	271,608	267,106
Purchased services	238,000	238,000	276,249	180,975
Supplies and materials	-	-	368	341
Total	\$ 1,883,535	\$ 1,883,535	\$ 2,014,462	\$ 3,276,040

(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, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued:				
Support Services - Continued:				
Pupils - Continued:				
Guidance services				
Salaries	\$ 1,539,615	\$ 1,539,615	\$ 1,531,791	\$ 1,460,292
Employee benefits	197,500	197,500	199,482	206,090
Purchased services	-	-	127	165
Supplies and materials	9,000	9,000	8,665	9,147
Total	1,746,115	1,746,115	1,740,065	1,675,694
Health services:				
Salaries	243,550	243,550	250,416	239,696
Employee benefits	37,600	37,600	37,086	36,694
Supplies and materials	5,500	5,500	5,283	4,851
Non-capitalized equipment	-	-	5,215	-
Total	286,650	286,650	298,000	281,241
Psychological services:				
Salaries	411,000	411,000	376,763	431,034
Employee benefits	24,500	24,500	23,454	27,046
Purchased services	7,200	7,200	10,161	5,210
Supplies and materials	1,000	1,000	495	230
Total	443,700	443,700	410,873	463,520
Speech pathology:				
Purchased services	1,000	1,000	415	488
Supplies and materials	1,000	1,000	300	100
Total	2,000	2,000	715	588
Other support - pupil:				
Salaries	388,500	388,500	363,572	248,968
Employee benefits	66,680	66,680	62,292	75,838
Purchased services	-	-	10,023	-
Supplies and materials	21,500	21,500	91,797	1,067
Total	476,680	476,680	527,684	325,873
Total Pupils	\$ 4,838,680	\$ 4,838,680	\$ 4,991,799	\$ 6,022,956

(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, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued:				
Support Services - Continued:				
Instructional Staff:				
Improvement of instructional services:				
Salaries	\$ 176,084	\$ 176,084	\$ 188,660	\$ 171,163
Employee benefits	20,000	20,000	19,498	15,090
Purchased services	57,280	57,280	116,213	106,073
Total	253,364	253,364	324,371	292,326
Educational media services:				
Salaries	602,510	602,510	601,054	602,368
Employee benefits	127,980	127,980	126,204	122,883
Purchased services	-	-	762	289
Supplies and materials	74,800	74,800	81,089	76,777
Total	805,290	805,290	809,109	802,317
Assessment and testing:				
Salaries	10,000	10,000	13,838	18,756
Purchased services	80,000	80,000	86,506	86,830
Supplies and materials	60,000	60,000	30,233	58,376
Total	150,000	150,000	130,577	163,962
Total Instructional Staff	1,208,654	1,208,654	1,264,057	1,258,605
General Administration:				
Board of education:				
Salaries	-	-	7,956	-
On-behalf payments - State of IL	-	10,600,000	15,021,617	10,706,157
Purchased services	417,750	386,550	252,492	330,930
Supplies and materials	10,000	10,000	8,640	-
Other	382,038	-	21,524	372,381
Total	809,788	10,996,550	15,312,229	11,409,468
Executive administration:				
Salaries	288,500	292,500	279,924	276,774
Employee benefits	34,000	34,000	34,275	30,044
Purchased services	20,000	20,000	12,447	16,035
Supplies and materials	9,000	9,000	3,341	8,390
Total	\$ 351,500	\$ 355,500	\$ 329,987	\$ 331,243

(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, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued:				
Support Services - Continued:				
General Administration - Continued:				
Supplies and materials	\$ 1,000	\$ 1,000	\$ 302	\$ 482
Total	1,000	1,000	302	482
Tort immunity:				
Purchased services	-	625,413	822,853	-
Total	-	625,413	822,853	-
Total General Administration	1,162,288	11,978,463	16,465,371	11,741,193
School Administration:				
Office of the principal:				
Salaries	1,676,500	1,676,500	1,675,766	1,791,164
Employee benefits	298,200	298,200	287,311	307,714
Purchased services	-	-	23,859	16,167
Supplies and materials	348,377	348,377	324,973	348,890
Non-capitalized equipment	20,000	20,000	20,419	13,384
Total	2,343,077	2,343,077	2,332,328	2,477,319
Other support - school administration:				
Salaries	1,523,085	1,523,085	1,494,024	1,377,366
Employee benefits	10,100	10,100	9,849	7,708
Purchased services	3,800	3,800	-	3,108
Total	1,536,985	1,536,985	1,503,873	1,388,182
Total School Administration	3,880,062	3,880,062	3,836,201	3,865,501
Business:				
Direction of business support services:				
Salaries	532,500	532,500	519,682	511,488
Employee benefits	92,000	92,000	89,567	68,153
Purchased services	42,000	42,000	39,637	31,135
Supplies and materials	14,000	14,000	13,311	13,349
Other	17,170	17,170	2,432	460
Total	\$ 697,670	\$ 697,670	\$ 664,629	\$ 624,585

(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, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued:				
Support Services - Continued:				
Business - Continued:				
Fiscal services:				
Salaries	\$ 71,200	\$ 71,200	\$ 69,909	\$ 69,020
Employee benefits	12,300	12,300	12,248	12,398
Purchased services	-	9,000	9,000	-
Total	83,500	92,500	91,157	81,418
Pupil transportation services:				
Salaries	4,000	4,000	1,268	450
Purchased services	4,000	4,000	18,257	-
Total	8,000	8,000	19,525	450
Food services:				
Salaries	50,300	50,300	50,848	50,167
Employee benefits	11,100	11,100	11,322	14,641
Purchased services	1,048,000	1,048,000	1,016,386	1,027,974
Supplies and materials	5,600	5,600	5,741	29,804
Capital outlay	7,000	7,000	-	-
Total	1,122,000	1,122,000	1,084,297	1,122,586
Internal services:				
Salaries	137,800	137,800	121,495	125,474
Employee benefits	21,300	21,300	21,263	21,264
Purchased services	-	2,450	-	-
Total	159,100	161,550	142,758	146,738
Total Business	\$ 2,070,270	\$ 2,081,720	\$ 2,002,366	\$ 1,975,777

(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, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued:				
Support Services - Continued:				
Central:				
Direction of central support services:				
Salaries	\$ 247,500	\$ 247,500	\$ 247,899	\$ 464,515
Employee benefits	42,000	42,000	41,933	50,721
Purchased services	8,000	23,000	6,016	2,745
Supplies and materials	30,000	30,000	29,905	17,492
Capital outlay	25,000	25,000	-	7,502
Non-capitalized equipment	45,000	45,000	44,414	47,655
Total	397,500	412,500	370,167	590,630
Information services:				
Salaries	71,000	71,000	70,047	-
Employee benefits	-	-	15,792	-
Purchased services	-	-	172	-
Supplies and materials	-	-	2,513	-
Total	71,000	71,000	88,524	-
Staff services:				
Salaries	144,000	144,000	131,009	-
Employee benefits	61,500	61,500	23,457	-
Purchased services	69,700	60,700	59,469	71,538
Supplies and materials	4,797	4,797	4,383	4,771
Total	279,997	270,997	218,318	76,309
Data processing services:				
Salaries	354,000	354,000	349,757	352,314
Employee benefits	66,000	66,000	65,268	62,882
Purchased services	125,900	135,650	114,744	60,041
Supplies and materials	6,000	6,000	4,759	2,147
Total	551,900	561,650	534,528	477,384
Total Central	\$ 1,300,397	\$ 1,316,147	\$ 1,211,537	\$ 1,144,323

(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, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued:				
Other Support Services:				
Purchased services	\$ -	\$ -	\$ 3,504	\$ 20,885
Total Other Support Services	-	-	3,504	20,885
Total Support Services	14,460,351	25,303,726	29,774,835	26,029,240
Community Services:				
Salaries	68,378	68,378	73,385	71,627
Employee benefits	23,000	23,000	22,667	22,915
Purchased services	4,329	4,329	25,868	20,812
Capital outlay	-	-	-	14,625
Total Community Services	95,707	95,707	121,920	129,979
Payments to other districts and governmental units:				
Special education - tuition	1,391,000	1,391,000	1,295,828	1,203,767
Special education - purchased services	80,000	80,000	92,284	86,421
Special education - other	60,000	60,000	119,325	59,130
CTE -tuition	129,242	129,242	122,564	124,401
Other - tuition	44,250	44,250	12,143	69,691
Total payments to other districts and governmental units	1,704,492	1,704,492	1,642,144	1,543,410
Total Expenditures	53,334,611	64,177,986	67,426,413	62,601,284
Excess (deficiency) of revenues over expenditures	(284,165)	(527,540)	780,731	(1,349,252)
OTHER FINANCING SOURCES:				
Proceeds from the sale of fixed assets	-	-	150	-
Total other financing sources	-	-	150	-
Net change in fund balances	\$ (284,165)	\$ (527,540)	780,881	(1,349,252)
Fund balances at beginning of year			8,307,885	9,657,137
FUND BALANCES AT END OF YEAR			\$ 9,088,766	\$ 8,307,885

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, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Original Budget	Final Budget	Actual	
REVENUES:				
Local Sources:				
Property taxes	\$ 4,585,377	\$ 4,585,377	\$ 4,553,525	\$ 5,888,813
Earnings on investments	9,000	9,000	10,849	8,815
Rentals	164,600	164,600	164,886	165,046
Other	207,765	207,765	224,128	95,409
Total Local Sources	<u>4,966,742</u>	<u>4,966,742</u>	<u>4,953,388</u>	<u>6,158,083</u>
State Sources:				
School maintenance grant	143,181	143,181	98,081	50,000
Total State Sources	<u>143,181</u>	<u>143,181</u>	<u>98,081</u>	<u>50,000</u>
Total Revenues	<u>5,109,923</u>	<u>5,109,923</u>	<u>5,051,469</u>	<u>6,208,083</u>
EXPENDITURES:				
Support Services:				
Business:				
Operation and maintenance of plant services:				
Salaries	3,048,125	3,048,125	2,970,349	2,898,579
Benefits	600,000	600,000	560,385	558,831
Purchased services	649,377	649,377	619,354	1,656,160
Supplies and materials	1,548,600	1,548,600	1,462,382	284,373
Capital outlay	753,941	753,941	567,193	102,513
Other	244,699	1,324	-	262,122
Non-capitalized equipment	10,600	10,600	12,694	4,774
Total Expenditures	<u>6,855,342</u>	<u>6,611,967</u>	<u>6,192,357</u>	<u>5,767,352</u>
Net change in fund balances	<u>\$ (1,745,419)</u>	<u>\$ (1,502,044)</u>	(1,140,888)	440,731
Fund balances at beginning of year			<u>3,911,166</u>	<u>3,470,435</u>
FUND BALANCES AT END OF YEAR			<u>\$ 2,770,278</u>	<u>\$ 3,911,166</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, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015		2014 Actual
	Original and Final Budget	Actual	
REVENUES:			
Local Sources:			
Earnings on investments	\$ 8,200	\$ 4,173	\$ 7,584
Total Revenues	<u>8,200</u>	<u>4,173</u>	<u>7,584</u>
Excess of revenues over expenditures	<u>8,200</u>	<u>4,173</u>	<u>7,584</u>
OTHER FINANCING USES:			
Transfers out	<u>-</u>	<u>-</u>	<u>(700,000)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(700,000)</u>
Net change in fund balances	<u>\$ 8,200</u>	4,173	(692,416)
Fund balances at beginning of year		<u>5,428,026</u>	<u>6,120,442</u>
FUND BALANCES AT END OF YEAR		<u>\$ 5,432,199</u>	<u>\$ 5,428,026</u>

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, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015		2014 Actual
	Original and Final Budget	Actual	
REVENUES:			
Local Sources:			
Property taxes	\$ 10,202,287	\$ 9,769,252	\$ 8,844,620
Earnings on investments	2,600	7,626	1,941
Total Revenues	10,204,887	9,776,878	8,846,561
EXPENDITURES:			
Debt Service:			
Payment of principal on long-term debt	4,385,000	4,385,000	3,365,000
Interest on long-term debt	5,305,650	5,305,650	5,424,200
Other fees	-	2,000	2,000
Service charges	6,000	3,908	2,780
Total Expenditures	9,696,650	9,696,558	8,793,980
Net change in fund balances	\$ 508,237	80,320	52,581
Fund balances at beginning of year		267,197	214,616
FUND BALANCES AT END OF YEAR		\$ 347,517	\$ 267,197

**DUPAGE HIGH SCHOOL DISTRICT NO. 88
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

	<u>Special Revenue</u>			<u>Capital Projects</u>	Total Nonmajor Governmental Funds
	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Total</u>	<u>Fire Prevention and Safety</u>	
<u>ASSETS</u>					
Cash and investments	\$ 3,161,418	\$ 1,777,478	\$ 4,938,896	\$ 718	\$ 4,939,614
Receivables (net of allowance for uncollectibles):					
Property taxes	985,300	1,240,953	2,226,253	-	2,226,253
Intergovernmental	351,768	-	351,768	-	351,768
Interest	291	298	589	-	589
TOTAL ASSETS	<u>\$ 4,498,777</u>	<u>\$ 3,018,729</u>	<u>\$ 7,517,506</u>	<u>\$ 718</u>	<u>\$ 7,518,224</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable	\$ 89,109	\$ -	\$ 89,109	\$ -	\$ 89,109
Total Liabilities	<u>89,109</u>	<u>-</u>	<u>89,109</u>	<u>-</u>	<u>89,109</u>
Deferred inflows of resources:					
Property taxes levies for subsequent year	1,958,426	2,466,076	4,424,502	-	4,424,502
Total deferred inflows of resources	1,958,426	2,466,076	4,424,502	-	4,424,502
Fund Balance:					
Restricted	2,451,242	552,653	3,003,895	718	3,004,613
Total Fund Balance	<u>2,451,242</u>	<u>552,653</u>	<u>3,003,895</u>	<u>718</u>	<u>3,004,613</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,498,777</u>	<u>\$ 3,018,729</u>	<u>\$ 7,517,506</u>	<u>\$ 718</u>	<u>\$ 7,518,224</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Special Revenue</u>			<u>Capital Projects</u>	Total Nonmajor Governmental Funds
	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Total</u>	<u>Fire Prevention and Safety</u>	
REVENUES:					
Property taxes	\$ 2,219,698	\$ 2,432,634	\$ 4,652,332	\$ -	\$ 4,652,332
Other local sources	76,647	143,879	220,526	-	220,526
State sources	1,441,639	-	1,441,639	-	1,441,639
Total Revenues	3,737,984	2,576,513	6,314,497	-	6,314,497
EXPENDITURES:					
Current operating:					
Instruction	-	1,391,368	1,391,368	-	1,391,368
Support services	3,368,546	664,819	4,033,365	-	4,033,365
Total Expenditures	3,368,546	2,056,187	5,424,733	-	5,424,733
Net change in fund balances	369,438	520,326	889,764	-	889,764
Fund balances at beginning of year	2,081,804	32,327	2,114,131	718	2,114,849
FUND BALANCES AT END OF YEAR	\$ 2,451,242	\$ 552,653	\$ 3,003,895	\$ 718	\$ 3,004,613

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015		2014 Actual
	Original and Final Budget	Actual	
REVENUES:			
Local Sources:			
Property taxes	\$ 2,093,075	\$ 2,219,698	\$ 2,074,995
Transportation fees	20,000	69,561	26,556
Earnings on investments	4,800	7,086	4,760
Total Local Sources	<u>2,117,875</u>	<u>2,296,345</u>	<u>2,106,311</u>
State Sources:			
Transportation aid			
Regular	117,310	93,474	103,512
Special education	1,069,977	1,348,165	1,238,480
Total State Sources	<u>1,187,287</u>	<u>1,441,639</u>	<u>1,341,992</u>
Total Revenues	<u>3,305,162</u>	<u>3,737,984</u>	<u>3,448,303</u>
EXPENDITURES:			
Support Services:			
Business - Pupil Transportation Services:			
Salaries	39,000	38,606	36,626
Employee benefits	5,605	5,984	-
Purchased services	3,287,400	3,126,115	3,180,850
Supplies and materials	310,250	197,841	285,418
Total Expenditures	<u>3,642,255</u>	<u>3,368,546</u>	<u>3,502,894</u>
Net change in fund balances	<u>\$ (337,093)</u>	369,438	(54,591)
Fund balances at beginning of year		<u>2,081,804</u>	<u>2,136,395</u>
FUND BALANCES AT END OF YEAR		<u>\$ 2,451,242</u>	<u>\$ 2,081,804</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015		2014 Actual
	Original and Final Budget	Actual	
REVENUES:			
Local Sources:			
Property taxes			
General tax levy	\$ 1,441,963	\$ 1,360,664	\$ 1,048,577
Social security/medicare tax levy	1,008,303	1,071,970	1,014,012
Corporate replacement taxes	140,728	140,728	133,233
Earnings on investments	600	3,151	676
Total Revenues	<u>2,591,594</u>	<u>2,576,513</u>	<u>2,196,498</u>
EXPENDITURES:			
Instruction - employee benefits	1,417,506	1,391,368	60,725
Support Services - employee benefits	677,300	664,819	2,061,950
Total Expenditures	<u>2,094,806</u>	<u>2,056,187</u>	<u>2,122,675</u>
Excess of revenues over expenditures	<u>496,788</u>	<u>520,326</u>	<u>73,823</u>
OTHER FINANCING SOURCES:			
Transfers in	-	-	700,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>700,000</u>
Net change in fund balances	<u>\$ 496,788</u>	520,326	773,823
Fund balances (deficit) at beginning of year		<u>32,327</u>	<u>(741,496)</u>
FUND BALANCES AT END OF YEAR		<u>\$ 552,653</u>	<u>\$ 32,327</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015		2014 Actual
	Original and Final Budget	Actual	
REVENUES:			
Local Sources:			
Earnings on investments	\$ -	\$ -	\$ 20
Total Revenues	-	-	20
EXPENDITURES:			
Support Services:			
Business - Facilities Acquisition and Construction:			
Purchased services	-	-	8,682
Capital outlay	-	-	283,783
Total Expenditures	-	-	292,465
Net change in fund balances	<u>\$ -</u>	-	(292,445)
Fund balances at beginning of year		-	292,445
FUND BALANCES AT END OF YEAR		<u>\$ -</u>	<u>\$ -</u>

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, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015		2014 Actual
	Original and Final Budget	Actual	
REVENUES:			
Local Sources:			
Earnings on investments	\$ -	\$ -	\$ 59
Total Revenues	<u>-</u>	<u>-</u>	<u>59</u>
EXPENDITURES:			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>59</u>
Fund balances at beginning of year		<u>718</u>	<u>659</u>
FUND BALANCES AT END OF YEAR		<u>\$ 718</u>	<u>\$ 718</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, 2015

	Cash Balance July 1, 2014	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2015
<u>ASSETS</u>				
Cash	\$ 1,024,248	\$ 7,872,485	\$ 7,811,723	\$ 1,085,010
<u>LIABILITIES</u>				
Due to activity organizations:				
Addison Trail School	270,249	946,531	912,718	304,062
Willowbrook School	327,485	793,711	728,190	393,006
School District office	426,514	6,132,243	6,170,815	387,942
	<u>\$ 1,024,248</u>	<u>\$ 7,872,485</u>	<u>\$ 7,811,723</u>	<u>\$ 1,085,010</u>

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OTHER FINANCIAL INFORMATION

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2015

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
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>\$ 2,304,339</u>	<u>\$ 70,000,000</u>	<u>\$ 28,578,400</u>	<u>\$ 10,000,000</u>	<u>\$ 6,662,500</u>	<u>\$ 17,540,000</u>	<u>\$ 1,789,750</u>	<u>\$ 1,805,000</u>	<u>\$ 65,550</u>	<u>\$ 108,060,000</u>	<u>\$ 39,400,539</u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
TAX LEVY SUMMARY
JUNE 30, 2015

	Assessed Valuation	Rate	Extensions	Collected	Balance Uncollected	Percent collections
2014 levy:	<u>\$ 2,430,230,340</u>					
Educational		1.6890	\$ 41,046,590	\$ 20,192,508	\$20,854,082	
Operations and maintenance		0.1990	4,836,158	2,378,989	2,457,169	
Bond and interest		0.4591	11,157,188	5,488,587	5,668,601	
Transportation		0.0814	1,978,208	973,126	1,005,082	
Municipal retirement		0.0633	1,538,336	756,604	781,732	
Special education		0.0271	658,592	323,865	334,727	
Social security		0.0392	952,650	468,519	484,131	
		2.5581	\$62,167,722	\$30,582,198	\$31,585,524	49.19%
2013 levy:	<u>\$ 2,453,898,825</u>					
Educational		1.6360	\$ 40,145,785	\$ 40,036,568	\$109,217	
Operations and maintenance		0.1860	4,564,252	4,552,828	11,424	
Bond and interest		0.3989	9,788,602	9,768,205	20,397	
Transportation		0.0907	2,225,686	2,219,452	6,234	
Municipal retirement		0.0556	1,364,368	1,360,540	3,828	
Special education		0.0263	645,375	643,587	1,788	
Social security		0.0438	1,074,808	1,071,850	2,958	
		2.4373	\$59,808,876	\$59,653,030	\$155,846	99.74%
2012 levy:	<u>\$ 2,631,444,778</u>					
Educational		1.4543	\$ 38,269,101	\$ 38,115,698	\$153,403	
Operations and maintenance		0.2247	5,912,856	5,889,178	23,678	
Bond and interest		0.3375	8,881,127	8,845,314	35,813	
Transportation		0.0792	2,084,104	2,075,126	8,978	
Municipal retirement		0.0400	1,052,578	1,048,650	3,928	
Special education		0.0240	631,547	629,192	2,355	
Social security		0.0387	1,018,369	1,014,081	4,288	
		2.1984	\$57,849,682	\$57,617,239	\$232,443	99.60%

DUPAGE HIGH SCHOOL DISTRICT NO. 88
LEGAL BONDED DEBT MARGIN
JUNE 30, 2015

Assessed valuation of taxable properties for the 2014 tax year	\$ 2,430,230,340
Statutory rate	<u>6.90%</u>
Bonded debt limit	<u>167,685,893</u>
Bonds outstanding	108,060,000
Less: Debt Services fund balance	<u>(347,517)</u>
Total net general bonded debt outstanding	<u>107,712,483</u>
Legal bonded debt margin	<u><u>\$ 59,973,410</u></u>

DUPAGE HIGH SCHOOL DISTRICT NO. 88
SUMMARY OF OPERATIONS
BOOKSTORES
JUNE 30, 2015

	Addison Trail High School	Willowbrook High School	Total
Revenue from sales:			
Sale of textbooks	\$ 193,610	\$ 197,342	\$ 390,952
Sale of supplies	35,719	30,736	66,455
Total	<u>229,329</u>	<u>228,078</u>	<u>457,407</u>
Cost of sales:			
Inventory of supplies & textbooks at July 1, 2014	314,745	194,231	508,976
Purchase of supplies	48,039	33,667	81,706
Purchase of textbooks	<u>393,386</u>	<u>273,560</u>	<u>666,946</u>
Total available for sale	<u>756,170</u>	<u>501,458</u>	<u>1,257,628</u>
Less inventory of supplies & textbooks at June 30, 2015	493,691	303,730	797,421
Total cost of sales, including disposals	<u>262,479</u>	<u>197,728</u>	<u>460,207</u>
Gross profit (loss)	<u>(33,150)</u>	<u>30,350</u>	<u>(2,800)</u>
Operating expenses:			
Salaries	59,161	62,334	121,495
Sales tax	18,220	16,139	34,359
Insurance	<u>6,289</u>	<u>14,897</u>	<u>21,186</u>
Total operating expenses	<u>83,670</u>	<u>93,370</u>	<u>177,040</u>
Net income (loss)	<u>\$ (116,820)</u>	<u>\$ (63,020)</u>	<u>\$ (179,840)</u>

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

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

Willowbrook
Addison Trail
September 30 (excluding special education)

	Enrollment				Total
	Freshman	Sophomore	Junior	Senior	
2014	1,180	1,006	815	1,070	4,071
2013	1,120	991	948	998	4,057
2012	996	1,084	986	1,042	4,108
2011	1,005	1,032	1,062	1,043	4,142
2010	1,000	1,012	994	872	3,878
2009	1,001	959	1,013	978	3,951
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

Average Daily Attendance

2014/2015	3,200
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

	Operating expense per pupil	Per capita tuition charge
2014/2015	\$ 19,707.09	\$ 18,628.38
2013/2014	19,343.26	18,287.94
2012/2013	18,855.88	17,780.81
2011/2012	16,401.42	15,558.39
2010/2011	15,446.39	14,468.61
2009/2010	16,207.62	15,168.40
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



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