

DuPage County, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Year Ending June 30, 2018

Comprehensive Annual Financial Report

of

**Community High School
District 99**

Downers Grove, Illinois

For the Fiscal Year Ended June 30, 2018

Official Issuing Report

Mark E. Staehlin, District Controller

Department Issuing Report

Business Office

Community High School District 99
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2018

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INTRODUCTORY SECTION (UNAUDITED)

December 21, 2018

President and Members of the Board of Education
and Members of the Community
Community High School District 99
Downers Grove, Illinois

The Comprehensive Annual Financial Report of Community High School District 99, Downers Grove, Illinois, as of and for the year ended June 30, 2018, is submitted herewith. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data as presented is: (1) accurate in all material aspects; (2) presented in a manner designed to fairly set forth the financial position and results of operations of the District, as shown by the disclosure of all financial activity of its various funds; and (3) that all disclosures necessary for maximum public understanding of the District's financial status have been incorporated in the report.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the District's organizational chart, a list of principal officials, and the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International. The Financial Section includes Management's Discussion and Analysis, the basic financial statements, notes to the financial statements, and the auditors' report on these items, as well as Required Supplementary Information (RSI) and Other Supplementary Financial Information (OSFI). RSI, which is unaudited, includes supplementary information relating to pension and other postemployment benefits, budgetary schedules, and notes to the RSI. OSFI includes combining and individual fund schedules. The Statistical Section (unaudited) includes selected financial and demographic information, generally presented on a multiyear basis.

GAAP/MD&A

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Community High School District 99's MD&A can be found immediately following the report of the independent auditors.

District Profile

Community High School District 99 was formed in 1923. The District is a suburban school district located in south central DuPage County, which covers 31 square miles comprised of the Villages of Downers Grove and Woodridge and portions of the communities of Oak Brook, Lombard, Darien, Lisle, Westmont, and Bolingbrook. The District maintains two high schools (grades 9-12) in addition to a small transitional life skill facility and currently serves 4,929 students. The District is primarily residential with substantial commercial areas as well. Several industrial parks are located in the District, with the major industries employing more than 15,000 people. Numerous retail areas provide for the shopping needs of District residents. Housing includes many older, well-kept frame buildings, new subdivisions with some upper income homes, and many apartments and condominiums.

The District offers a comprehensive high school curriculum including a full range of vocational and technical courses, special education programs, a gifted education program and twenty-seven advanced placement course offerings. Both of the District's high schools sponsor a variety of athletic teams and co-curricular activities. The District also offers an extensive professional development program to staff, including a comprehensive induction program, mentoring program, professional appraisal system, and numerous professional workshops.

Reporting Entity

GAAP requires that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Community High School District 99 is a municipal corporation governed by a Board of Education, which is elected by the public and has the exclusive responsibility and accountability for the decisions it makes. The District has the statutory authority to adopt its own budget, to levy taxes, and to issue debt without the approval of another government. It has the right to sue and be sued, and has the right to buy, sell, lease, or mortgage property in its own name. Based on these criteria, the District is considered a primary government and there are no other organizations or agencies whose financial statements should be combined and presented with these general purpose financial statements.

Accounting Systems and Budgetary Control

The District's funds report on the modified accrual basis of accounting, which is applied to the District's accounting records. The notes to the financial statements expand upon the modified accrual basis and upon all District accounting policies and procedures. All District funds are included in this report.

This presentation allows the reader to obtain an overview of the District's financial operations by viewing the basic financial statements, in the front section of the report. Detailed presentations of the basic financial statements are available throughout the remainder of the report. All of the figures used in the following discussion were obtained or derived from the financial statements attached herewith.

The District's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary control is maintained at the department level within each building by the encumbrance of estimated purchase amounts prior to release of purchase orders. Purchase orders, which exceed the available account balances, are not approved until the responsible administrator reapportions his budget. All outstanding encumbrances lapse at year-end.

Administrators have real-time access to their transaction activity and budgetary status. Monthly expenditure and revenue reports are reviewed by the business office and provided to the Board of Education. On a quarterly basis, detailed public presentations are also made to the Board, at its regular business meeting, comparing year-to-date actual account balance activity with the budgeted amounts.

The Illinois Department of Revenue attempts to equalize the assessment practices of the 102 county assessors, by annually setting a property tax multiplier. This multiplier is applied to the base assessment of real property to achieve the equalized assessed valuation (EAV) used for taxation.

Real estate tax bills in DuPage County, Illinois, are due in two equal installments. Generally, first installment collections are remitted to the District in June of each year. Second installments are generally remitted in September of each year. Each calendar year based levy is intended to be used in the next immediate fiscal year that begins on July 1. Accordingly, the 2017 levy, collected by the District in June and September 2018, is intended for the fiscal year beginning July 1, 2018.

First installment tax collections of the 2017 tax levy were \$44.9 million, representing 52.9% of the total levy, and were deferred to the 2018-19 fiscal year. This compares to the prior year's first installment collection of \$42.4 million which was 51.3% of the total 2016 tax levy.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Beginning in 2018, the State of Illinois adopted a multi-tiered Evidence Base Model (EBM) system to determine the amount of General State Aid to be allocated to each public school district in the state. The Model uses 23 different data sets for each district to estimate an average cost per pupil for each individual district. The relative real estate property wealth per pupil is the major factor in determining the allocation tier applied to each district. District 99 is in the highest, fourth tier, in terms of local property wealth. Any increase in funding under the EBM goes first to districts in the lower three tiers with only a small fraction going to tier 4 districts. Under the EBM, our State Aid is basically frozen at the 2016-17 level of about \$810 per student per year, for a total of about \$4 million. This amount is a "Hold Harmless," or guaranteed base funding level going forward.

While the Hold Harmless base gives the District some financial security, it represents a relatively small portion of our overall support and is not adjusted for inflation. The increase for fiscal year 2018 was about \$7,000, or less than 0.2%. Consequently, the District relies heavily upon its local property tax base to support its operations.

Property tax extension limits (tax caps) have been in place in DuPage County since 1991. Tax caps limit the growth of the District's annual extension of taxes on existing property to the prior year's (not seasonally adjusted) Consumer Price Index for Urban areas (CPI-U), or 5%, whichever is lower. The CPI-U has ranged between 0.7% and 2.1% over the last five years. Annual CPI-U increases for the last decade have averaged about 1.6%.

The State of Illinois is experiencing its worst financial crisis in several decades. School funding has remained a high priority, but even so, the State does not have sufficient cash on hand to fund all educational programs on a timely basis. At the end of the fiscal year about \$0.5 million in funding was due and receivable from the State. This amount is \$1.4 million less than last year.

The Local Economy and Long-Term Financial Planning

The total increase in local property taxes that will be available for the District's operations is a combination of (1) the tax cap limit amount and (2) taxes on new construction values added to the tax rolls each year. Changes in the District's assessed values attributable to new construction have been increasing slightly over the last five years, ranging from 0.5% to 0.8%. The District anticipates new construction to average about 1.2%, or better, over the next five years.

CPI-U increase rates were 2.1% for each of the 2016 and 2017 calendar years. These factors will be used to limit the 2017 and 2018 calendar year levies and, in turn, impact property tax increases for the 2018-19 and 2019-20 fiscal years, respectively. The District is using the latest ten-year average, 1.8%, for the increase in the CPI-U index for the 2018 through 2020 calendar years thereby affecting respective forecasted revenues for fiscal years 2020-21 through 2022-23. The combined tax cap and new construction increase amount affecting the 2018 calendar year levy is 2.9%. This increase will impact the fiscal year 2018-19 tax revenues. A similar increase of about 3.3% is expected for fiscal year 2019-20 tax revenues. Following that, the combined annual increases are expected to be about 3.0%. The local economies of those communities served by the District are expected to remain relatively strong and generally grow at a rate slightly in excess of the average national cost of living.

Expenditure changes for the next several years are expected to be closely aligned with changes in the District's revenue level. This is due to the fact that increases in all major employment and purchased service contracts are tied to the same inflation factor (CPI-U) which limits property taxes, the largest component of our revenue stream. Student enrollment levels are expected to remain relatively stable over the next five years which should also help the District control expenditures.

Funding for all critical capital maintenance projects has been identified through the use of planning tools and is not expected to have any negative impact on the District's regular annual financial operations in the foreseeable future. Ongoing building infrastructure and site needs and/or desired improvements are addressed through long-term planning documents referred to as the Master Facility Plan (MFP) and the Master Site Plan (MSP). Our main North Campus building was originally built in 1928 with larger additions made in the 1930's, 1956 and 2000. Our South Campus building was built in 1964 with large additions made in 1970 and 2000. Pool structures were added to each campus in 1975.

The MSP was used in 2012 and 2013 to coordinate expansion of the North Campus site and to improve safety and utilization aspects for the areas around each campus. In 2014, a new 10,000 square foot facility was completed designed specifically to serve our Transitional Life Skills students.

The District has a long-term financial forecast reflecting positive operations for at least the next five years. Further, the District expects to be able to maintain a stable level of fund balances into the future by continuing a careful scrutiny and development of the annual budget. Approvals of new initiatives and curriculum enhancements will only occur when adequate funding has been identified that will support any proposed new program or service level.

Major Initiatives

The District has operated under a philosophy of keeping expenditure growth in line with revenue growth and has done so over for more than twenty years. Reductions of fund balances have occurred during this period, but only for planned non-recurring expenditures such as special capital project initiatives. In order to keep operating expenditure growth in check, District 99 was among the first Illinois school districts to directly link increases in all major employee compensation contracts to changes in the Consumer Price Index for all Urban Consumers (CPI-U). Increases in larger purchased service contracts, such as those for cafeteria operations management and student transportation services are also tied to the CPI-U factor. This management practice has allowed the District to maintain a more stable educational program for its students and community.

In addition, other expenditure control adjustments were made so that certain relatively small capital improvements could be funded from operations without the need to ask our taxpayers for an increase. The renovation of 14 science labs and a fine arts lab, a major HVAC/boiler replacement project and major site safety projects have all occurred in the last seven years. In the 2012-13 fiscal year, an expansion of our North Campus site was completed. In 2013-14, our Transition Program students were provided with a new 10,000 square foot state-of-the-art facility. In 2015-16, the District rolled out a 1:1 Chromebook learning device program for all students also without raising property taxes. In total, these projects represent \$38.0 million worth of improvements, funded with revenue sources other than those which would have increased the burden on our local taxpayers.

In 2014, the District used the Master Facility Planning process to study whether major facility changes or improvements might enhance the learning environment, increase safety and address accessibility concerns at each campus. In 2016-17 this multi-year process, involving all District stakeholders, resulted in our identifying several major structural improvements that could be made at each campus. The recommended changes include creating a Learning Commons section in the center of each of our two campuses, addressing major safety and ADA compliance issues and adding additional spaces for STEM and fine arts programs. In March of 2018 the District 99 community approved a \$136.6 million referendum for these major improvements to be made to our facilities. Work will be phased over the next 3 years.

Independent Audit

The School Code of Illinois and the District's adopted policy require an annual audit of the financial statements of all funds of the District. The audit is performed by independent certified public accountants, selected by the District's Board of Education. The independent auditors' report has been included in the financial section of this report.

Award and Acknowledgements

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report, for the fiscal year ended June 30, 2017. This was the nineteenth consecutive year that the District has received this prestigious award. In order to be awarded this Certificate, the District published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

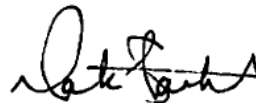
The Certificate is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the program requirements and we are submitting it to ASBO to determine its eligibility for a fiscal year 2018 Certificate.

We have prepared this Comprehensive Annual Financial Report to provide a more meaningful financial presentation to our Board of Education, local citizens, and interested outside investors. The preparation of this report would not have been possible without the dedicated services of the entire staff of the Business Office. We would like to express our appreciation to all members of the office who assisted and contributed to the preparation of this report. We also extend our appreciation to Superintendent, Dr. Hank Thiele, and the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,

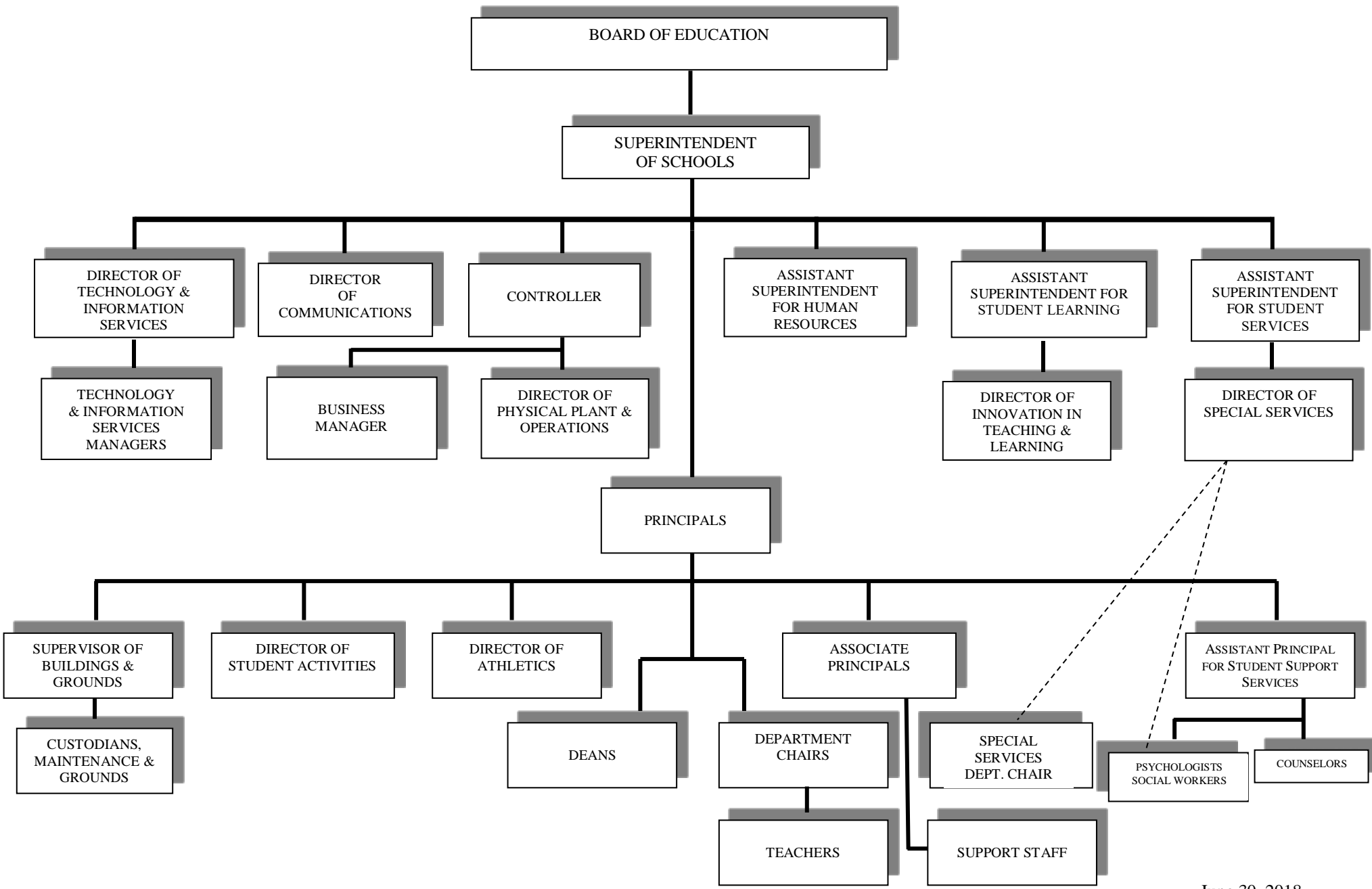


Dr. Hank Thiele
Superintendent



Mr. Mark Staehlin
District Controller

**COMMUNITY HIGH SCHOOL DISTRICT 99
ORGANIZATIONAL CHART**



Community High School District 99

6301 Springside Avenue
Downers Grove, Illinois 60516

Comprehensive Annual Financial Report
Officers and Officials
For the Fiscal Year Ended June 30, 2018

Board of Education

		<u>Term Expires</u>
Nancy J. Kupka	President	2019
Teresa K. Pavesich	Vice President	2021
Sherell Fuller	Member	2021
Michael J. Davenport	Member	2019
Daniel Nicholas	Member	2021
Rick A. Pavinato	Member	2021
Donald E. Renner III	Member	2019

Appointed Officials

Juli A. Gniadek	Secretary
Eric C. Wagner	District Treasurer

District Administration

Henry C. Thiele	Superintendent
Gina R. Ziccardi	Assistant Superintendent for Student Learning
Mark E. Staehlin	District Controller
Peter L. Theis	Assistant Superintendent for Human Resources
Scott D. Wuggazer	Assistant Superintendent for Special Services
Rodney D. Rousseau	Director of Technology & Information Services
James J. Kolodziej	Director of Physical Plant & Operations
Jeree L. Ethridge	Business Manager
Jill S. Browning	Director of Communications
Janice Schwarze	Principal - North High School
Edward H. Schwartz	Principal - South High School
Robert Lang	Director of Innovation in Teaching & Learning
Lisa Bollow	Director of Special Services

Official Issuing Report

Mark E. Staehlin	District Controller
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Department Issuing Report

Business Office



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Community High School District 99

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.'.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE
Executive Director

FINANCIAL SECTION

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
Community High School District 99
Downers Grove, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Community High School District 99 (the District), as of and for the year ended June 30, 2018, 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

The District's 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

(Continued)

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, 2018, 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.

Emphasis of a Matter

As discussed in Note O to the financial statements, deferred outflows, long-term liabilities, and net position as of July 1, 2017 have been restated as a result of an adjustment due to the implementation of the Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 18, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data on pages 82 through 85, the other postemployment benefits data on pages 86 through 88, and the budgetary comparison schedules and notes to the required supplementary information on pages 89 through 112, 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 for the year ended June 30, 2018 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other schedules listed in the table of contents in the introductory section, the statistical section, and the other supplementary financial information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

(Continued)

Other Information (Continued)

The other supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information for the year ended June 30, 2018 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2018 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary financial information for the year ended June 30, 2018 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District, as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated December 14, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund and the Debt Service Fund with comparative actual amounts for the year ended June 30, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Capital Projects Fund and the Debt Service Fund have been subjected to the auditing procedures applied in the audit of the 2017 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 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund and the Debt Service Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

The introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, 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.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
December 21, 2018

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

This section of the Community High School District 99 Comprehensive Annual Financial Report presents management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2018. Please read it in conjunction with the Transmittal Letter found in the Introductory Section, and the District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB).

Financial Overview

- The District's total assets were \$194.1 million.
- Total capital assets, net of accumulated depreciation, were \$90.3 million at year end reflecting a net increase of \$1.4 million.
- Depreciation expense was \$3,991,078 in FY 2018 and \$4,254,409 in FY 2017.
- The District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in fiscal year 2018. Implementation of GASB 75 required a restatement to opening net position in the amount of \$70.0 million. This resulted in opening net position decreasing from \$46.5 million as reported as of June 30, 2017 to a restated opening net deficit balance of \$(23.5) million.
- The District's deferred outflows of resources consisted of \$6.4 million in deferred amounts related to pensions and other postemployment benefits (OPEB), as detailed in Note J and Note K.
- The District's total liabilities at year end, on a government-wide basis, were \$117.6 million.
- Long-term liabilities increased by \$54.1 million (including the restatement amount) and other liabilities increased by \$0.6 million in FY 2018.
- The District's deferred inflows of resources consisted of \$84.0 million in property taxes levied for a future period and \$16.4 million related to pensions and OPEB.
- The total net deficit decreased by \$6 million from the restated beginning of year balance, to \$(17.5) million during the year.
- General revenues were \$88.3 million and total expenses, net of program revenues, were \$82.2 million.
- Expenses for total governmental activities, net of program revenues, increased by \$2.7 million, or by about 3.3%, compared to FY 2017.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide a *long-term* view of the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the government-wide statements, with a short-term view.

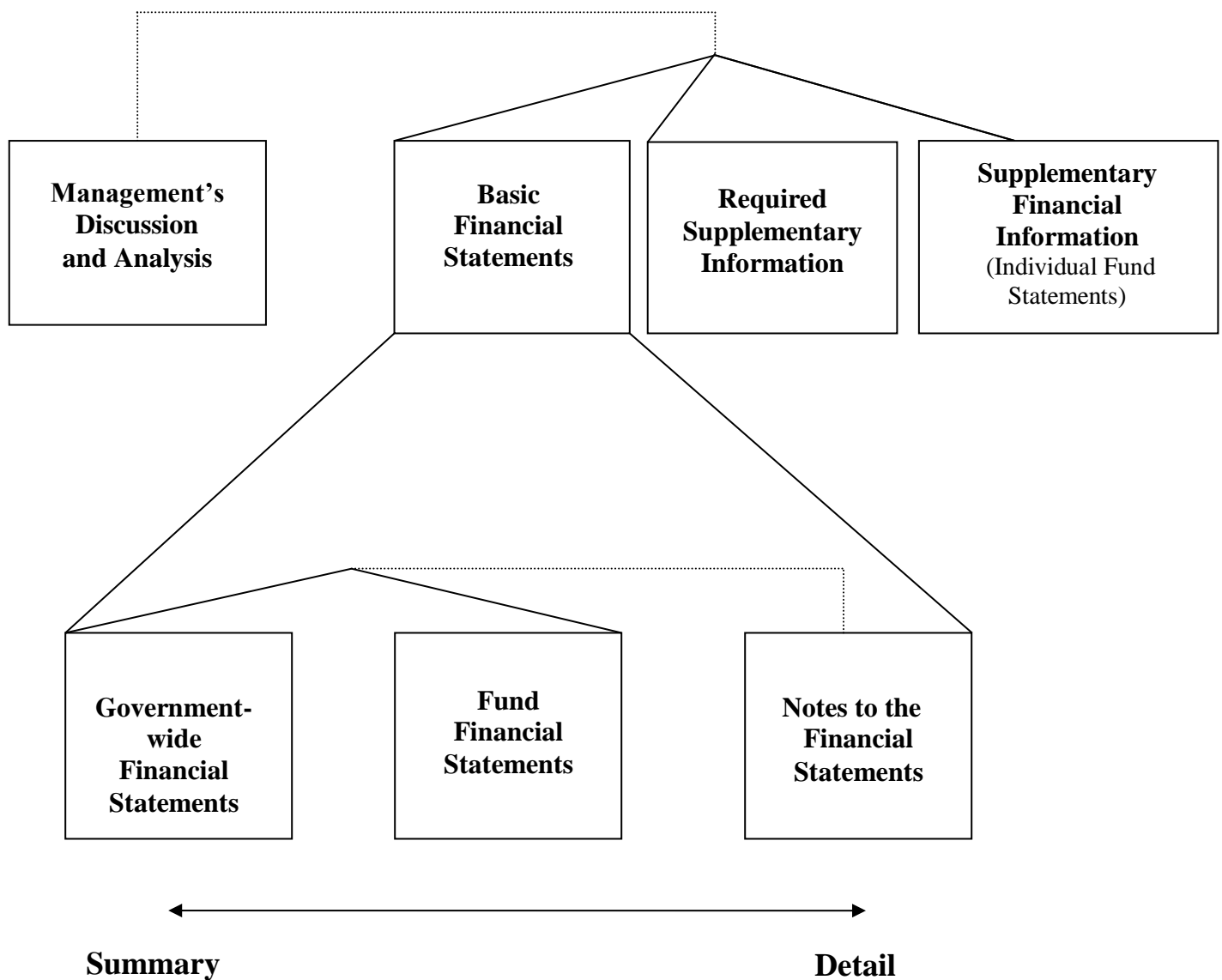
COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The notes are followed by sections of required supplementary information and supplementary financial information that further explain and support the basic financial statements.

Figure A-1 shows how the various parts of this Comprehensive Annual Financial Report are arranged and related to one another.

Figure A-1
Organization of Community High School District No. 99 Comprehensive Annual Financial Report



COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

Figure A-2 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-2
Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District, such as General and Operations and Maintenance, that are not proprietary or fiduciary.	Instances in which the District administers resources on behalf of someone else, such as student activities monies.
Basic financial statements	<ul style="list-style-type: none"> • Statement of net deficit • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances (deficits). 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
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 financial information	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital, short-term and long-term.	Generally assets/deferred outflows expected to be used up and liabilities/deferred inflows 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; funds do not currently contain capital assets, although they can.
Type of inflow/outflow 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 deductions during the year, regardless of when cash is received or paid.

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

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 deficit includes all of the District's assets/deferred outflows and liabilities/deferred inflows, except for the fiduciary funds. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

In the government-wide financial statements, the District's activities are all categorized as *governmental activities*. All of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and State formula aid finance most of these activities.

Fund Financial Statements

The District's fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. The District considers all of its governmental funds to be major funds. 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 or by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues.

The District has two categories of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader 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 government-wide statements, additional information following the governmental funds statements explains the relationship (or differences) between them.

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

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

Financial Analysis of the District as a Whole

Net position (deficit): The District's total net deficit was \$(17.5) million on June 30, 2018, a decrease of \$6.0 million compared to \$(23.5) million as of June 30, 2017. (See Figure A-3).

Figure A-3 Condensed Statement of Net Deficit

	Governmental Activities	
	2018	2017 *
Current and other assets	\$ 103,876,314	\$ 94,850,839
Capital Assets, net of depreciation	<u>90,267,438</u>	<u>88,900,311</u>
Total Assets	<u>194,143,752</u>	<u>183,751,150</u>
Deferred outflows related to pensions	4,551,692	5,856,934
Deferred outflows related to other postemployment benefits	<u>1,843,271</u>	<u>364,156</u>
Total deferred outflow of resources	<u>6,394,963</u>	<u>6,221,090</u>
Long-term liabilities	109,811,725	123,547,610
Other liabilities	<u>7,785,331</u>	<u>7,138,340</u>
Total liabilities	<u>117,597,056</u>	<u>130,685,950</u>
Deferred inflows related to pensions	7,561,596	1,012,462
Deferred inflows related to other postemployment benefits	8,887,768	-
Property taxes levied for a future period	<u>83,953,406</u>	<u>81,777,885</u>
Total deferred inflows	<u>100,402,770</u>	<u>82,790,347</u>
Net position (deficit)		
Net investment in capital assets	65,719,285	59,654,622
Restricted	10,372,646	5,162,406
Unrestricted	<u>(93,553,042)</u>	<u>(88,321,085)</u>
Total net deficit	<u>\$ (17,461,111)</u>	<u>\$ (23,504,057)</u>

*As restated for the adoption of GASB Statement No. 75

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

The District's financial position is the product of many factors. Our largest revenue source is taxes on assessed property within our boundaries. Property tax caps, which limit increases to the lesser of 5% or the annual increase in the rate of the CPI-U, is the most significant factor limiting revenue growth.

Another factor is the relatively low level of aid and grant support from state and federal sources. Grant and aid funding from those two sources combined was about 33.8% of the District's total revenue for the last fiscal year. However, the support level drops to 6.8% when \$36.1 million of State "On Behalf" pension payments made directly to the Teacher's Retirement System (TRS) is excluded.

Finally, investment earnings have also been suppressed over the last ten years, reflecting a level of only about \$450,000 in fiscal year 2017-18. Prior to this stretch, investment revenue had been as high as \$2.3 million per year.

These three major revenue factors, along with several others, have caused the District to make periodic reductions in expenses and service levels in order to maintain a stable overall financial position.

Changes in net position (deficit): The District's total revenues were \$133.5 million (See Figure A-4), representing a \$3.6 million, or 2.8%, increase from last year.

The largest increased item, for both the revenue and expense sections, is the State retirement "on behalf" contributions made directly to the Teachers' Retirement System of the State of Illinois.

Real estate and personal property replacement taxes accounted for most of the District's revenue, equating to approximately 62 cents of every dollar raised. (See Figure A-5.)

State aid – formula grants increased by 73.4% while other grants decreased by \$1.3 million, or -20.6%. This dramatic shift is due to the State adopting a new Evidence Based Model formula for allocation support. Several prior grants were combined into the new state aid formulation. Investment earnings increased by 152.0%. Charges for services increased by 6.2%.

The total costs of all programs and services were \$127.4 million, representing a \$4.1 million increase compared to the previous year.

The District's expenses were predominantly related to instructing, transporting and providing supporting instructional services to our students (55.5%). (See Figure A-6.)

State retirement contributions, made by the State of Illinois on behalf of the District, were \$36.1 million, or 28.4% of total costs, for the year.

The District's administrative and business activities accounted for 4.8% of total costs. Operations and maintenance expenses were 7.5% of the costs for the year. Other costs, including interest on long-term debt, were 3.9%.

Total revenues exceeded total expenses by \$6.0 million, and resulted in a net deficit of \$(17.5) million at the end of the year, after restatement of the prior year-end net position. (See Note O.)

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

Figure A-4 Changes in Net Position (Deficit) from Operating Results

	<i>Governmental Activities</i>			
	<u>2018</u>	<u>% of</u> <u>Total</u>	<u>2017 *</u>	<u>% of</u> <u>Total</u>
Revenues				
Program revenues				
Charges for services	\$ 4,154,027	3.1%	\$ 3,912,126	3.0%
Grants	4,898,934	3.7%	6,172,901	4.8%
State retirement contributions	36,144,694	27.1%	33,658,146	25.9%
General revenues				
Taxes	83,312,633	62.4%	82,568,090	63.6%
State aid - formula grants	4,024,511	3.0%	2,321,318	1.8%
Investment earnings	450,116	0.3%	178,620	0.1%
Miscellaneous	<u>490,757</u>	<u>0.4%</u>	<u>1,060,163</u>	<u>0.8%</u>
Total revenues	133,475,672	100.0%	129,871,364	100.0%
Expenses				
Instructional programs	57,880,134	45.4%	55,766,632	45.2%
State retirement contributions	36,144,694	28.4%	33,658,146	27.3%
Pupil and instructional support services	8,754,727	6.9%	8,730,232	7.1%
Administration and business	6,141,351	4.8%	5,746,173	4.7%
Transportation	4,049,470	3.2%	3,874,563	3.1%
Operations and maintenance	9,496,295	7.4%	10,054,371	8.1%
Central and other supporting services	3,544,538	2.8%	3,657,967	3.0%
Community services	30,577	0.0%	35,866	0.0%
Non-programmed charges - excluding special education	739,418	0.6%	603,215	0.5%
Interest on long term liabilities	<u>651,522</u>	<u>0.5%</u>	<u>1,198,912</u>	<u>1.0%</u>
Total expenses	127,432,726	100.0%	123,326,077	100.0%
Change in net position (deficit)	6,042,946		6,545,287	
Net position (deficit):				
July 1 - beginning of year, (2018 restated - Note O)	<u>(23,504,057)</u>		<u>39,926,551</u>	
June 30 - end of year	<u>\$ (17,461,111)</u>		<u>\$ 46,471,838</u>	

*Amounts presented as originally reported and not restated due to implementation of GASB Statement No. 75.

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

Figure A-5 Governmental Activities - Sources of Revenue Comparison

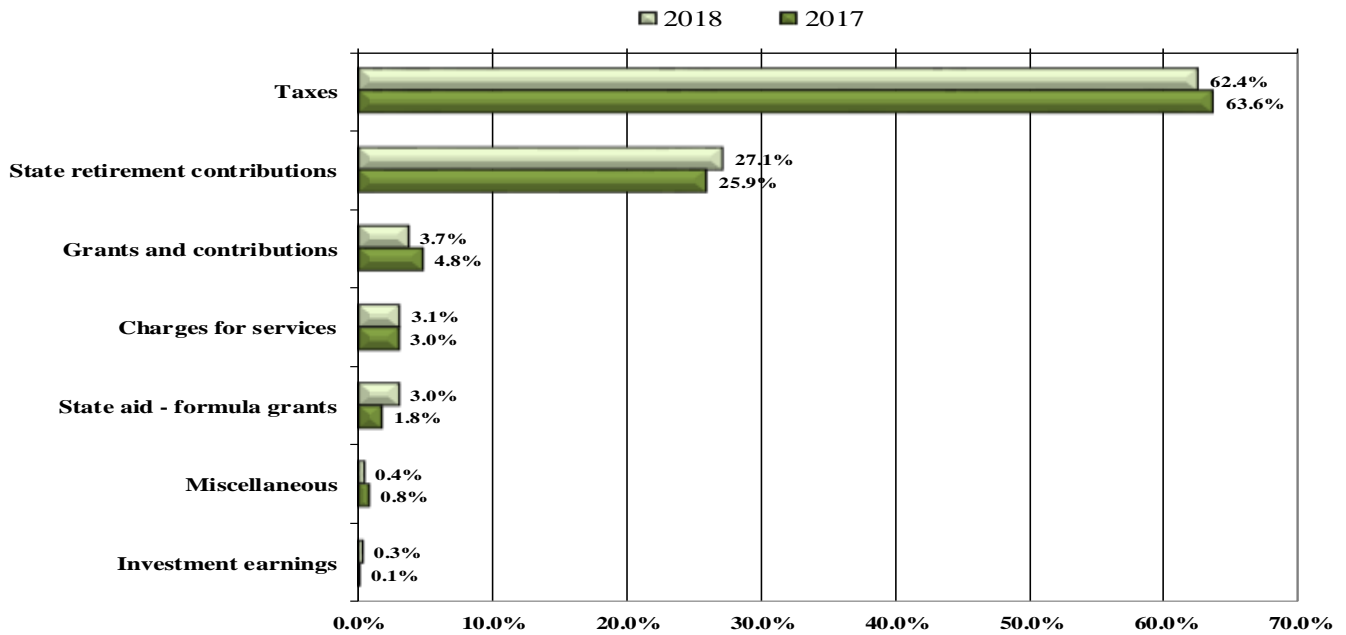
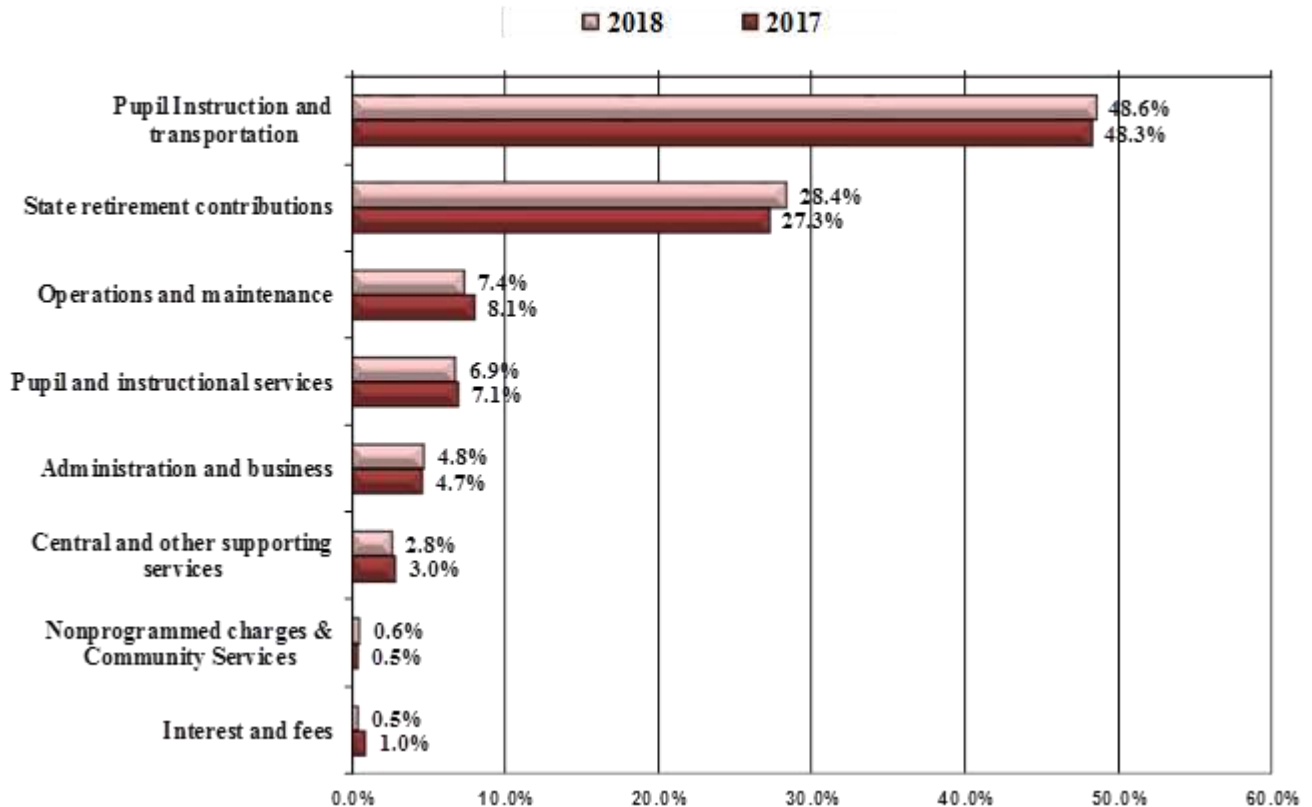


Figure A-6 Expenses of Governmental Activities Comparison



COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

Governmental Activities

The District's real estate tax base remains very strong when compared to many other regions of the State and country. The imposition of property tax extension controls, however, has constrained the District's ability to fully access that resource. Increases in the District's tax extension, on existing taxable properties, have been limited to annual increases in the CPI-U (Consumer Price Index for All Urban Users - not seasonally adjusted) and have lagged behind the rates of increases in certain expenses incurred by the District. New property, which is added to the tax rolls as a result of new construction or property improvements occurring within the District's boundaries, has helped the District cope with this financial constraint. Also, annual levies for debt service purposes, which were approved prior to the imposition of the tax extension controls, or later if approved by public referenda, are not subject to the annual limits.

During the fiscal year ended June 30, 2018, real estate tax revenues increased by \$1.0 million or 1.3%. Replacement Taxes decreased by 0.3 million or 26.2%. State retirement contributions increased by \$2.5 million or 7.4%. Miscellaneous Revenues decreased by \$0.6 million or 53.7%. State aid-formula grants increased by 1.7 million or 73.4% and other grants decreased by \$1.3 million, or 20.6%.

Figure A-7 presents the cost of major District activities: instruction, state retirement contributions, pupil and instructional support services, administration and business, transportation, operations and maintenance, central and other supporting services, community services, non-programmed charges, and interest and fees.

- The cost of all *governmental* activities this year was \$127.4 million.
- About 3.3% of the cost was financed by the users of the District's programs (\$4.2 million).
- The federal and State governments subsidized certain programs with grants and contributions totaling \$41.0 million – which includes \$36.1 million of On-Behalf payments to TRS from the State of Illinois.
- District's net costs of \$82.2 million, or 64.5%, were financed primarily by District taxpayers.

Figure A-7 Total Cost of Governmental Activities

	TOTAL COST OF SERVICES			
	<u>2018</u>	<u>2017</u>	<u>\$ change</u>	<u>% change</u>
Instructional programs	\$57,880,134	\$55,766,632	\$2,113,502	3.8%
State retirement contributions	36,144,694	33,658,146	2,486,548	7.4%
Pupil and instructional support services	8,754,727	8,730,232	24,495	0.3%
Administration and business	6,141,351	5,746,173	395,178	6.9%
Transportation	4,049,470	3,874,563	174,907	4.5%
Operations and maintenance	9,496,295	10,054,371	(558,076)	-5.6%
Central and other supporting services	3,544,538	3,657,967	(113,429)	-3.1%
Community services	30,577	35,866	(5,289)	-14.7%
Non-programmed charges	739,418	603,215	136,203	22.6%
Interest and fees	<u>651,522</u>	<u>1,198,912</u>	<u>(547,390)</u>	-45.7%
Total	<u>\$127,432,726</u>	<u>\$123,326,077</u>	<u>\$4,106,649</u>	<u>3.3%</u>

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

Figure A-8 shows each activity's *net cost* (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

Figure A-8 Net Cost of Governmental Activities

	NET COST OF SERVICES			
	<u>2018</u>	<u>2017</u>	<u>\$ change</u>	<u>% change</u>
Instructional programs	\$51,722,799	\$48,563,144	\$3,159,655	6.5%
Pupil and instructional support services	8,614,569	8,443,403	171,166	2.0%
Administration and business	4,463,904	4,425,660	38,244	0.9%
Transportation	2,912,993	2,832,273	80,720	2.9%
Operations and maintenance	9,254,751	9,822,464	(567,713)	-5.8%
Central and other supporting services	3,544,538	3,657,967	(113,429)	-3.1%
Community services	30,577	35,866	(5,289)	-14.7%
Non-programmed charges	739,418	603,215	136,203	22.6%
Interest and fees	<u>651,522</u>	<u>1,198,912</u>	<u>(547,390)</u>	-45.7%
Total	<u>\$81,935,071</u>	<u>\$79,582,904</u>	<u>\$2,352,167</u>	<u>3.0%</u>

Financial Analysis of the District's Funds

The financial performance of the District as a whole can be better understood through a more detailed analysis of the governmental funds. As the District completed the year, its governmental funds reported an increase in fund balance of about \$6.2 million, resulting in a combined fund balance of about \$12.2 million.

The fund balance of the General (Educational) Fund is approximately \$2.4 million, reflecting an increase of approximately \$0.9 million for the year ended June 30, 2018.

Total General Fund revenues increased by \$4.6 million, or 4.4%, during the fiscal year. The net revenue change is primarily due to a number of positive factors. Revenue from the educational levy increased by \$2.0 million, or 3.3%. On Behalf Payments to TRS from the State increased by \$2.5 million, representing a 7.4% increase in that source. Total State revenues, aside from the State retirement contribution, increased by 5.1% when taken in the aggregate. Federal support increased by \$0.3 million, or 11.3% and interest income increased by \$0.2 million, or 142.6%. These increases helped offset decreases in Replacement taxes of \$0.3 million and decreases in Other revenues of \$0.3 million.

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

Total expenditures for the General Fund increased by approximately \$4.9 million or 4.7%, for the 2017-18 fiscal year. On Behalf Payments to TRS from the State was the largest single variance reflected in the expenditures of this fund. Total General Fund expenditures, exclusive of On Behalf Payments to TRS from the State, reflect an increase of \$2.4 million, or 3.4%, compared to last year. Other financing uses in the General Fund reflect \$2.2 million transferred to the Debt Service Fund for retiring debt incurred for capital projects and capital lease obligations.

The Operations and Maintenance Fund reflects a net negative change of \$0.2 million resulting in a Fund Balance of about \$0.4 million at year end. Total revenues in the 2017-18 fiscal year decreased by \$0.9 million compared to the prior fiscal year. Property tax revenue was \$8.0 million for the year ended June 30, 2018, \$0.7 million lower than that of the previous fiscal year. The reduction in property taxes was deliberate. The levy for this fund was reduced to allow increases in levies for other funds. This was done so that fund balances in certain other funds could be improved.

Expenditures in the Operations and Maintenance Fund increased by \$0.3 million this year. During the year, this fund transferred \$0.2 million to the Debt Service Fund to retire debt from prior year capital projects.

The Transportation Fund shows a \$0.1 million decrease in the fund deficit. Revenues were \$4.2 million and expenditures were \$4.0 million. Transportation costs exceeded budget due to increases in special education student needs for transportation being greater than anticipated. An increase in wages for outside contracted drivers and the need for an additional daily bus route at one campus also added to the annual costs. The fund deficit for the Transportation Fund is \$0.6 million at year end which is intended to be offset by future tax levies.

The fund balance of the Municipal Retirement/Social Security Fund decreased by \$0.8 million during the year. The Social Security/Medicare Only levy was decreased by \$1.3 million to allow the levy to be increased in other funds. The fund balance at year end is \$0.3 million.

The Debt Service Fund revenues of \$8.3 million and transfers in of \$2.9 million totaling \$11.2 million, slightly exceeded expenditures of \$11.1 million for the year. The Debt Service Fund has a fund balance of \$1.4 million at year end.

The Capital Projects Fund had revenues of \$0.1 million and expenditures of \$2.6 million this year. Proceeds of a \$9.1 million bond issuance for major renovations to each campus are accounted for in this fund. Proceeds of a \$3.5 million Fire Prevention and Safety bond issued in the 2015-16 fiscal year, and a \$1.9 million issuance in the 2016-17 fiscal year for the same purpose, are also accounted for in this fund, as are proceeds of Debt Certificates. Unspent proceeds from Debt Certificates may be transferred to the Debt Service Fund to pay for principal and interest on outstanding Debt Certificate Obligations. During the year, \$0.4 million was transferred for that purpose. The fund balance at year end is \$8.3 million.

There are no variances from budget in any Governmental Fund that management believes might have a significant impact on future operations of the District.

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

Capital Asset and Debt Administration

Capital Assets

By the end of 2018, the District had invested \$139.7 million in a broad range of capital assets, including land, school buildings, an administrative office, and equipment (see Figure A-9; more detailed information about capital assets can be found in Note E to the financial statements). Total depreciation expense for the year was approximately \$4.0 million, and net improvements and additions amounted to about \$5.3 million. Capital assets, net of depreciation, totaled \$90.3 million at June 30, 2018.

Figure A-9 Capital Assets (net of depreciation)

	<u>2018</u>	<u>2017</u>	<u>\$ change</u>	<u>% change</u>
Land	\$ 3,234,393	\$ 3,234,393	\$ -	0%
Buildings and Improvements	122,417,707	120,068,557	2,349,150	2.0%
Equipment	10,636,491	9,801,172	835,319	8.5%
Vehicles	833,039	744,725	88,314	11.9%
Construction in Progress & Equipment Not Yet Placed in Service	<u>2,594,973</u>	<u>530,351</u>	<u>2,064,622</u>	389.3%
Total	139,716,603	134,379,198	5,337,405	4.0%
Less accumulated depreciation	<u>(49,449,165)</u>	<u>(45,478,887)</u>	<u>(3,970,278)</u>	8.7%
Net capital assets	<u>\$90,267,438</u>	<u>\$88,900,311</u>	<u>\$1,367,127</u>	1.5%

The District maintains a Five-Year Capital Project Program designed to identify, quantify, and plan all future major capital expenditures. This program provides for the District to address routine maintenance and repairs of existing capital assets and also facilitates the prioritization of new capital assets being considered each year. The District also developed a Master Facility Plan to address large environmental changes that would improve the educational environment for our students. In March of 2018, the community approved a referendum authorizing the District to issue up to \$136.6 million in school construction bonds to address safety, accessibility and operational deficiencies in our facilities. Work will take place over the next three fiscal years.

Every ten years a Fire Prevention and Safety Survey is performed to identify capital projects or maintenance work necessary to keep all facilities in compliance with local safety codes which may have changed or been updated in between surveys. A survey was performed in 2015-16 that identified a number of eligible capital projects. The District has issued \$5.4 million of general obligation bonds for these purposes which is believed to be adequate to address all items. The Illinois School Code allows the District up to five years to address all items.

Long-Term Liabilities

At year-end, the District had \$109.8 million in general obligation bonds and other long-term liabilities outstanding – as shown in Figure A-10. (More detailed information about the District's long-term liabilities is presented in Note F to the financial statements.)

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

- The District retired \$10.8 million of outstanding bonds, debt certificates, and capital leases during the year.
- \$9.1 million of School Construction bonds were issued during the year.
- The legal debt margin is \$274 million, or 88.1% unused, of the total authority of \$310 million.

Figure A-10 Outstanding Long Term Debt

	<u>2018</u>	<u>2017*</u>	<u>\$ change</u>	<u>% change</u>
General obligation bonds	\$ 31,299,711	\$ 31,171,094	\$ 128,617	0.4%
Debt certificates	4,445,918	5,003,610	(557,692)	-11.1%
Capital Lease	1,420,182	1,074,315	345,867	32.2%
Pension liability	11,317,792	18,112,816	(6,795,024)	-37.5%
Other postemployment benefit liability	60,984,379	-	60,984,379	0.0%
Compensated absences	<u>343,743</u>	<u>345,152</u>	<u>(1,409)</u>	<u>-0.4%</u>
TOTAL	<u>\$ 109,811,725</u>	<u>\$ 55,706,987</u>	<u>\$ 54,104,738</u>	<u>97.1%</u>

*Amounts presented as originally reported and not restated due to implementation of GASB Statement No. 75.

Factors Bearing on the District's Future

Property taxes account for 62.4% of the District's governmental fund revenue. Accordingly, the future expectations for this funding source have great impact on the District's projected revenue stream. The property tax limitation law (tax cap) limits the amount of annual property tax revenue increase to the lesser of 5% or the consumer price index for all urban consumers (CPI-U). The CPI-U limit for the 2017 and 2018 tax extensions have already been established and are 2.1% for each of those years. This limit will impact the property tax revenue to be reflected in the 2018-19 and 2019-20 fiscal year budgets. Long-term projections for the CPI-U reflect an annual increase of 1.8% for the three fiscal years following 2019-20.

The drop in the economy starting in the last quarter of calendar 2008 caused the District to lower interest rate projections, and ultimately, to reduce the expenditure budgets by \$750,000 starting with the 2009-10 fiscal year. This represented a reduction of about 1.0% of the budgets of the four individual funds the District commonly refers to, on a combined basis, as our operating funds. Those four funds are the General (Educational), Operations and Maintenance, Transportation, and Municipal Retirement/Social Security Funds. Interest rates for investments have started to rebound over the last year and future projections reflect an average earnings rate to increase from 2.1% to 3.5% over the next 5 years.

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

Changes in student enrollments, and the District's desire to consistently maintain appropriate pupil to teacher ratios, are the factors that most affect operating costs. Community High School District No. 99's student enrollment has decreased slightly over the last four years with a present enrollment of 4,929. Enrollment is projected to remain relatively stable for the foreseeable future. The District intends to keep pupil-to-teacher ratios constant going forward.

The District negotiated a four-year collective bargaining agreement with the Downers Grove Educational Association beginning with the 2016-17 school year. This agreement covers all certified faculty members which is our largest employee group. The terms will help us maintain cost limits at levels that are in line with expected revenue streams for the District for each of the next two years. All other employee groups have contracts, or salary schedules, to which increases are directly linked to our expected revenue stream.

At the time these financial statements were prepared and audited, the District was unaware of any existing circumstances that could significantly affect its financial health in the future. The District has adopted a balanced budget for the fiscal year ending June 30, 2019 and projections for future year operations reflect our ability to remain balanced for each of the next four years as well. These projections support the District's expectation that we will be able to continue to offer a broad range of high quality educational programs and opportunities to the communities we serve.

The current facilities adequately accommodate the District's enrollment. The near term future plans call for a major renovation of both main campuses to address safety, accessibility and program equity concerns. In March of 2018, our community supported the District by approving a referendum authorizing the issuance \$136.6 million of construction bonds for the renovations. \$9.1 million of bonds were issued in June of 2018 under this new authority. Construction began in the summer of 2018 and is expected to continue in phases lasting through the summer of 2021.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and 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 the District Controller at the District 99 Administrative Service Center, 6301 S. Springside Avenue, Downers Grove, IL 60516.

BASIC FINANCIAL STATEMENTS

Community High School District 99
STATEMENT OF NET DEFICIT - GOVERNMENTAL ACTIVITIES
June 30, 2018

ASSETS

Cash and investments	\$ 63,812,408
Receivables (net of allowance for uncollectibles):	
Property taxes	39,082,858
Replacement taxes	146,113
Intergovernmental	834,935
Capital assets:	
Land	3,234,393
Construction in progress and equipment not yet placed in service	2,594,973
Depreciable buildings, property, and equipment, net	<u>84,438,072</u>
Total assets	<u>194,143,752</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows related to pensions	4,551,692
Deferred outflows related to other postemployment benefits	<u>1,843,271</u>
Total deferred outflows	<u>6,394,963</u>

LIABILITIES

Accounts payable	3,024,688
Salaries and wages payable	3,828,836
Claims payable	775,189
Interest payable	66,087
Other current liabilities	90,531
Long-term liabilities:	
Due within one year	10,613,560
Due after one year	<u>99,198,165</u>
Total liabilities	<u>117,597,056</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows related to pensions	7,561,596
Deferred inflows related to other postemployment benefits	8,887,768
Property taxes levied for a future period	<u>83,953,406</u>
Total deferred inflows	<u>100,402,770</u>

NET DEFICIT

Net investment in capital assets	65,719,285
Restricted For:	
Operations and maintenance	406,627
Debt service	1,284,616
Retirement benefits	337,991
Capital projects	8,343,412
Unrestricted	<u>(93,553,042)</u>
Total net deficit	<u>\$ (17,461,111)</u>

The accompanying notes are an integral part of this statement.

Community High School District 99

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental activities				
Instruction:				
Regular programs	\$ 37,550,185	\$ 2,934,679	\$ 558,650	\$ (34,056,856)
Special programs	15,390,062	28,786	2,420,726	(12,940,550)
Other instructional programs	4,939,887	43,585	170,909	(4,725,393)
State retirement contributions	36,144,694	-	36,144,694	-
Support services:				
Pupils	5,513,888	-	-	(5,513,888)
Instructional staff	3,240,839	-	140,158	(3,100,681)
General administration	1,438,790	-	-	(1,438,790)
School administration	2,403,665	-	-	(2,403,665)
Business	2,298,896	905,433	472,014	(921,449)
Transportation	4,049,470	-	1,136,477	(2,912,993)
Operations and maintenance	9,496,295	241,544	-	(9,254,751)
Central	3,544,538	-	-	(3,544,538)
Community services	30,577	-	-	(30,577)
Nonprogrammed charges - excluding special education	739,418	-	-	(739,418)
Interest and fees	651,522	-	-	(651,522)
Total governmental activities	<u>\$ 127,432,726</u>	<u>\$ 4,154,027</u>	<u>\$ 41,043,628</u>	<u>(82,235,071)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				61,043,785
Real estate taxes, levied for specific purposes				13,164,959
Real estate taxes, levied for debt service				8,246,351
Personal property replacement taxes				857,538
State aid-formula grants				4,024,511
Investment earnings				450,116
Miscellaneous				490,757
Total general revenues				<u>88,278,017</u>
Change in net position				6,042,946
Net deficit, beginning of year, as restated (Note O)				<u>(23,504,057)</u>
Net deficit, end of year				\$ (17,461,111)

The accompanying notes are an integral part of this statement.

Community High School District 99

Governmental Funds

BALANCE SHEET

June 30, 2018

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 40,194,992	\$ 5,455,125	\$ 900,860	\$ 1,516,825
Receivables (net of allowance for uncollectibles):				
Property taxes	28,639,845	4,190,651	1,397,563	1,026,782
Replacement taxes	146,113	-	-	-
Intergovernmental	<u>550,321</u>	<u>-</u>	<u>284,614</u>	<u>-</u>
Total assets	<u>\$ 69,531,271</u>	<u>\$ 9,645,776</u>	<u>\$ 2,583,037</u>	<u>\$ 2,543,607</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts payable	\$ 1,027,804	\$ 117,723	\$ 223,570	\$ -
Salaries and wages payable	3,761,772	65,521	1,543	-
Claims payable	721,169	54,020	-	-
Other current liabilities	<u>90,531</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,601,276</u>	<u>237,264</u>	<u>225,113</u>	<u>-</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>61,520,901</u>	<u>9,001,885</u>	<u>3,002,087</u>	<u>2,205,616</u>
FUND BALANCES (DEFICITS)				
Restricted	-	406,627	-	337,991
Assigned	1,428,920	-	-	-
Unassigned	<u>980,174</u>	<u>-</u>	<u>(644,163)</u>	<u>-</u>
Total fund balances (deficits)	<u>2,409,094</u>	<u>406,627</u>	<u>(644,163)</u>	<u>337,991</u>
Total liabilities, deferred inflows, and fund balances (deficits)	<u>\$ 69,531,271</u>	<u>\$ 9,645,776</u>	<u>\$ 2,583,037</u>	<u>\$ 2,543,607</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total
\$ 5,745,603	\$ 9,999,003	\$ 63,812,408
3,828,017	-	39,082,858
-	-	146,113
-	-	834,935
<u>\$ 9,573,620</u>	<u>\$ 9,999,003</u>	<u>\$ 103,876,314</u>
\$ -	\$ 1,655,591	\$ 3,024,688
-	-	3,828,836
-	-	775,189
-	-	90,531
<u>-</u>	<u>1,655,591</u>	<u>7,719,244</u>
<u>8,222,917</u>	<u>-</u>	<u>83,953,406</u>
1,350,703	8,343,412	10,438,733
-	-	1,428,920
-	-	336,011
<u>1,350,703</u>	<u>8,343,412</u>	<u>12,203,664</u>
<u>\$ 9,573,620</u>	<u>\$ 9,999,003</u>	<u>\$ 103,876,314</u>

Community High School District 99
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET DEFICIT
For the Year Ended June 30, 2018

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

Total fund balances - total governmental funds	\$ 12,203,664
--	---------------

Net capital assets used in governmental activities and included in the statement of net deficit do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.	90,267,438
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Deferred outflows and inflows of resources related to pensions and other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds:

Net deferred outflows and (inflows) of resources related to:		
IMRF pension	\$(2,907,642)	
TRS pension	(102,262)	
RHP OPEB	(2,930,194)	
THIS OPEB	<u>(4,114,303)</u>	(10,054,401)

Interest on long-term liabilities accrued in the statement of net deficit will not be paid with current financial resources and, accordingly, is not recognized in the governmental funds balance sheet.	(66,087)
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Long-term liabilities included in the statement of net deficit are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet.	<u>(109,811,725)</u>
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Net deficit of governmental activities	<u><u>\$ (17,461,111)</u></u>
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The accompanying notes are an integral part of this statement.

Community High School District 99

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)

For the Year Ended June 30, 2018

	General	Operations and Maintenance	Transportation
Revenues			
Property taxes	\$ 61,043,785	\$ 7,986,308	\$ 2,996,365
Replacement taxes	825,538	-	-
State aid	41,230,829	-	1,136,477
Federal aid	2,700,833	-	-
Interest	344,836	38,692	5,004
Other	<u>4,263,265</u>	<u>269,430</u>	<u>25,172</u>
Total revenues	<u>110,409,086</u>	<u>8,294,430</u>	<u>4,163,018</u>
Expenditures			
Current:			
Instruction:			
Regular programs	35,207,374	-	-
Special programs	13,547,262	-	-
Other instructional programs	4,657,313	-	-
State retirement contributions	36,144,694	-	-
Support services:			
Pupils	5,195,744	-	-
Instructional staff	1,849,503	-	-
General administration	1,327,748	-	-
School administration	2,187,720	-	-
Business	1,681,634	123,733	-
Transportation	730	-	3,982,858
Operations and maintenance	703	6,985,708	-
Central	3,066,908	-	-
Community services	28,925	-	-
Nonprogrammed charges	1,949,676	-	-
Debt service:			
Principal	-	-	-
Interest and other	-	-	-
Capital outlay	<u>1,733,735</u>	<u>1,151,693</u>	<u>55,608</u>
Total expenditures	<u>108,579,669</u>	<u>8,261,134</u>	<u>4,038,466</u>
Excess (deficiency) of revenues over expenditures	1,829,417	33,296	124,552
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	(2,221,054)	(231,878)	-
Principal on bonds sold	-	-	-
Capital lease proceeds	<u>1,259,807</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(961,247)</u>	<u>(231,878)</u>	<u>-</u>
Net change in fund balance	868,170	(198,582)	124,552
Fund balance (deficit), beginning of year	<u>1,540,924</u>	<u>605,209</u>	<u>(768,715)</u>
Fund balance (deficit), end of year	<u>\$ 2,409,094</u>	<u>\$ 406,627</u>	<u>\$ (644,163)</u>

The accompanying notes are an integral part of this statement.

Municipal Retirement / Soc. Sec.	Debt Service	Capital Projects	Total
\$ 2,182,286	\$ 8,246,351	\$ -	\$ 82,455,095
32,000	-	-	857,538
-	-	-	42,367,306
-	-	-	2,700,833
15,372	39,774	6,438	450,116
-	-	86,917	4,644,784
<u>2,229,658</u>	<u>8,286,125</u>	<u>93,355</u>	<u>133,475,672</u>
1,007,803	-	-	36,215,177
376,891	-	-	13,924,153
124,850	-	-	4,782,163
-	-	-	36,144,694
194,565	-	-	5,390,309
40,816	-	-	1,890,319
33,399	-	-	1,361,147
86,359	-	-	2,274,079
119,107	-	164,402	2,088,876
-	-	-	3,983,588
803,013	-	-	7,789,424
289,852	-	-	3,356,760
484	-	-	29,409
-	-	-	1,949,676
-	10,303,940	-	10,303,940
-	767,354	-	767,354
-	-	2,417,169	5,358,205
<u>3,077,139</u>	<u>11,071,294</u>	<u>2,581,571</u>	<u>137,609,273</u>
(847,481)	(2,785,169)	(2,488,216)	(4,133,601)
-	2,854,932	-	2,854,932
-	-	(402,000)	(2,854,932)
-	-	9,055,000	9,055,000
-	-	-	1,259,807
<u>-</u>	<u>2,854,932</u>	<u>8,653,000</u>	<u>10,314,807</u>
(847,481)	69,763	6,164,784	6,181,206
<u>1,185,472</u>	<u>1,280,940</u>	<u>2,178,628</u>	<u>6,022,458</u>
<u>\$ 337,991</u>	<u>\$ 1,350,703</u>	<u>\$ 8,343,412</u>	<u>\$ 12,203,664</u>

Community High School District 99

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds	\$	6,181,206
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense and disposals in the current period.

	1,367,127
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Changes in deferred outflows and inflows of resources related to pensions and OPEB are reported only in the statement of activities:

Net deferred outflows and (inflows) of resources related to:

IMRF pension	\$(7,285,954)	
TRS pension	(568,422)	
RHP OPEB	(2,930,194)	
THIS OPEB	<u>(4,478,459)</u>	(15,263,029)

Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.

21,757

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

13,198,389

Governmental funds report the effect of premiums, discounts, losses on refunding and similar items when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year, net effect of these differences.

<u>537,496</u>

Change in net position of governmental activities	\$	<u><u>6,042,946</u></u>
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The accompanying notes are an integral part of this statement.

Community High School District 99
Fiduciary Funds
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2018

	Agency Fund	Private Purpose Trust Fund
<hr/>		
ASSETS		
Cash and investments	<u>\$ 652,137</u>	<u>\$ 1,531,434</u>
LIABILITIES		
Due to student groups	<u>\$ 652,137</u>	<u>\$ -</u>
NET POSITION HELD IN TRUST FOR EXTERNAL PARTIES	<u>\$ -</u>	<u>\$ 1,531,434</u>

The accompanying notes are an integral part of this statement.

Community High School District 99
Fiduciary Funds - Private Purpose Trust Fund
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2018

	Private Purpose Trust Fund
<hr/>	
ADDITIONS	
Contributions by external parties	\$ 1,026
Interest and investment income	<u>10,847</u>
Total additions	11,873
DEDUCTIONS	
Scholarships paid	<u>18,659</u>
Change in net position	\$ (6,786)
Net position, beginning of year	<u>1,538,220</u>
Net position, end of year	<u>\$ 1,531,434</u>

The accompanying notes are an integral part of this statement.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Community High School District 99 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as Generally Accepted Accounting Principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

1. Reporting Entity

The District is located in DuPage County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all personnel, budgetary, taxing, and debt matters.

The District includes all funds of its 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 of the District, as there are no organizations for which it has financial accountability.

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

2. New Accounting Pronouncement

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which was implemented by the District during the fiscal year ended June 30, 2018. This Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses on the government-wide financial statements.

Specific changes to the District's financial statements relate to the recognition of a net other postemployment benefit (OPEB) liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense. See Note K and Note O for the effects of this restatement.

3. Fund Accounting

The accounts of the District are organized 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 and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting (Continued)

Funds are classified into the following categories: governmental and fiduciary.

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (debt service funds), and the acquisition or construction of major capital facilities (capital projects funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund. The District considers all governmental funds to be major.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District.

4. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net deficit and the statement of activities) report information on all the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and local fees.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) amounts paid by recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

a. General Fund

The *General Fund* includes the Educational Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Government-Wide and Fund Financial Statements (Continued)

b. Special Revenue Funds

The special revenue funds are used to account for and report the proceeds of specific revenue sources (other than those accounted for in the Debt Service Fund, Capital Projects Fund, or fiduciary funds) that are legally restricted to expenditures for specified purposes.

Each of the District's special revenue funds has been established as a separate fund in accordance with the fund structure required by the state of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's special revenue funds is as follows:

Operations and Maintenance Fund - accounts for all revenues and expenditures made for operations, repair, and maintenance of the District's building and land. Revenues consist primarily of local property taxes.

Transportation Fund - accounts for all revenue and expenditures made for student transportation. Revenues are derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for noncertified employees. Revenues to finance contributions are derived primarily from local property taxes and personal property replacement taxes.

c. Debt Service Fund

Debt Service Fund - accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue sources are local property taxes levied specifically for debt service and transfers from other funds.

d. Capital Projects Fund

Capital Projects Fund - accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bond proceeds or transfers from other funds.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Government-Wide and Fund Financial Statements (Continued)

e. Fiduciary Funds

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

The *Agency Fund* - includes Student Activity Funds. These funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. Although the Board of Education has the ultimate responsibility for activity funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated, and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational, or cultural purposes. They account for activities such as student yearbook, student clubs, and student council.

The *Private Purpose Trust Fund* - is accounted for on the flow of economic resources measurement focus and uses the accrual basis of accounting. Under this method, additions are recorded when earned and deductions are recorded at the time liabilities are incurred. The Private Purpose Trust Fund accounts for scholarship and memorial trust funds.

5. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions 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 as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers most revenues available if they are collected within 60 days after year-end. Revenues that are paid to the District by the Illinois State Board of Education are considered available if they are vouchered by year-end. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Property taxes, replacement taxes, interest, and intergovernmental grant revenues associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports unearned and unavailable revenue on its financial statements. Unearned and unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability or deferred inflow of resources for unearned or unavailable revenue is removed from the balance sheet and revenue is recognized. Governmental Funds also defer revenue recognition in connection with resources received, but not yet earned.

The fiduciary fund statements are reported using the accrual basis of accounting.

6. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net deficit and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net deficit / fund balance that applies to a future period. At June 30, 2018, the District has deferred outflows of resources related to pensions and other postemployment benefits. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period. At June 30, 2018, the District reported deferred inflows of resources related to pensions, other postemployment benefits, and property taxes levied for a future period.

7. Deposits and Investments

Investments are stated at fair value. Changes in fair value are included in investment income.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Capital Assets

Capital assets, which include land, buildings and improvements, vehicles, equipment, construction in progress, and equipment not yet in service, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual or group cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at acquisition value if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation.

Construction in progress is stated at cost and includes engineering, design, material, and labor incurred for planned construction. No provision for depreciation is made on construction in progress or equipment not yet in service, until the asset is completed and placed in service.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	50 - 100
Vehicles	10 - 20
Equipment	3 - 25

9. Accumulated Unpaid Vacation and Sick Pay

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2018 are determined on the basis of current salary rates and include salary related payments.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Accumulated Unpaid Vacation and Sick Pay (Continued)

Employees who work a twelve-month year are entitled to be compensated for vacation time. Administrators with a 52 week contract are granted 20 vacation days per year which are given on the first day of the year. Full-time support staff employees (52 week) are granted 15 vacation days per year for the first 5 years. For the next 5 years, support staff earn 1 additional day per year until they reach 20 days. Vacations are usually taken within the year. Employees may carry over up to 10 vacation days into the next fiscal year. Payment for unused vacation days only occurs upon termination of employment.

All certified faculty receive 15 sick days per year. Administrative certified and noncertified employees receive up to 18 days based on the number of days they work per year. Unused sick leave days accumulate to a maximum of 340 days. Upon retirement, a certified faculty or administrator may apply up to 340 days of unused sick leave toward service credit for the Teacher's Retirement System (TRS). Noncertified administrators may apply up to 221 days of unused sick leave toward service credit for the Illinois Municipal Retirement Fund (IMRF). The District does not reimburse certified faculty or administrative employees for unused sick days remaining upon termination of employment or retirement.

Exempt educational support personnel receive 18 sick days per year which accumulate to a maximum of 260 days. All other noncertified employees receive 10 to 18 days per year, which accumulate to a maximum of 240 days. Upon retirement, a noncertified support employee may apply up to 221 days of unused sick leave toward service credit for the Illinois Municipal Retirement Fund (IMRF). The District does not reimburse employees for unused sick days remaining upon termination of employment. Upon retirement, however, educational support personnel who are at least 55 years of age with a minimum of 5 years of service are reimbursed for unused sick days not applied toward IMRF service credit at a rate of \$30 per day.

The liability for accrued vacation, at June 30, 2018, was \$343,743 and is recorded as a long-term liability in the Statement of Net Deficit. Due to the nature of the policies on sick leave, and the fact that any liability is contingent upon future events and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated unpaid sick leave.

10. Pensions and Other Postemployment Benefits

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

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net deficit. Bond premiums and discounts, and losses on refunding of bonds, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount or loss on refunding. Bond issuance costs are expensed as they are incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, losses on refunding, and 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. Losses on refunding and issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Personal Property Replacement Taxes

Personal property replacement tax revenues for the calendar year are first allocated to the Municipal Retirement/Social Security Fund with the balance allocated at the discretion of the District.

13. Budgetary Data

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted at the fund level for the governmental funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year-end.

14. Restricted Net Position (Deficit)

For the government-wide financial statements, net position (deficit) is reported as restricted when constraints placed on net position are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, (2) imposed by law through constitutional provisions, or (3) imposed by enabling legislation. All of the District's restricted net position (deficit) was restricted as a result of enabling legislation.

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

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Fund Balance

Governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items, long-term portions of interfund loans receivable, or inventories. As of June 30, 2018, the District has no nonspendable fund balances.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds, as well as the Debt Service and Capital Projects funds are by definition restricted for those specified purposes. All restricted fund balances are for the purpose of the restricted funds as described in Note A-4.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. As of June 30, 2018, the District had no committed fund balances.
- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegates the authority to assign amounts to be used for specific purposes. The Board of Education has designated the Controller with the ability to assign fund balances. The assigned fund balance in the General Fund is comprised of \$1,428,920 for health claims.
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the general fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Deficit

The governmental funds balance sheet includes a reconciliation between total fund balances – total governmental funds and net deficit – governmental activities as reported in the government-wide statement of net deficit. One element of that reconciliation explains that “Long-term liabilities included in the statement of net deficit are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet.” The details of this difference are as follows:

General obligation bonds	\$ 23,505,000
Capital appreciation bonds	7,518,866
Debt certificates	4,445,000
Capital leases	1,420,182
Unamortized bond and debt certificate premiums	276,763
Compensated absences	343,743
IMRF net pension liability	6,118,171
TRS net pension liability	5,199,621
RHP total other postemployment benefit liability	12,068,517
THIS net other postemployment benefit liability	<u>48,915,862</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net deficit – governmental activities	<u><u>\$ 109,811,725</u></u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(Continued)

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances (deficits) includes a reconciliation between net change in fund balance - total governmental funds and change in net deficit - governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	\$ 5,358,205
Depreciation expense	<u>(3,991,078)</u>
Net adjustment to increase net change in fund balance (deficits) - total governmental funds to arrive at change in net deficit - governmental activities	 <u>\$ 1,367,127</u>

Another element of that reconciliation states that "The issuance of long-term debt (e.g. bonds, compensated absences, and employee obligations) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." The details of this difference are as follows:

Issuance of general obligation bonds	\$ (9,055,000)
Capital lease proceeds	(1,259,807)
Principal repayments	
General obligation bonds	6,745,000
Capital appreciation bonds	2,090,000
Debt certificates	555,000
Capital leases	913,940
Accreted interest	(443,421)
IMRF pension liability, net	6,083,338
TRS pension liability, net	711,686
RHP other postemployment benefit liability, net	5,834,058
THIS other postemployment benefit liability, net	1,022,186
Compensated absences, net	<u>1,409</u>
Net adjustment to increase net change in fund balances (deficits) – total governmental funds to arrive at change in net deficit of governmental activities	 <u>\$ 13,198,389</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE C - DEPOSITS AND INVESTMENTS

The District's investment policy is in line with State Statutes. The investments that the District may purchase are limited by Illinois law to the following: (1) securities that are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) interest-bearing savings accounts, interest-bearing certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; (4) short-term discount obligations of corporations organized in the United States with assets exceeding \$500,000,000; (5) interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation or school district; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

At June 30, 2018, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ <u>63,812,408</u>	\$ <u>2,183,571</u>	\$ <u>65,995,979</u>

For disclosure purposes, this amount is segregated into three components, as follows:

	<u>Total</u>
Cash on hand	\$ 500
Deposits with financial institutions *	65,911,313
Investments	<u>84,166</u>
	\$ <u>65,995,979</u>

* Includes accounts held in demand accounts and savings accounts, as well as non-negotiable certificates of deposit, and money market savings accounts, which are valued at cost.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The District's investments detailed in the interest rate risk table below are measured using the market valuation method and level 2 valuation inputs.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District's investment policy seeks to ensure preservation of capital in the District's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the policy requires the District investment portfolio to be sufficiently liquid to enable the District to meet all operating requirements as they come due. A portion of the portfolio is required to be invested in readily available funds to ensure appropriate liquidity.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity</u>
Negotiable certificates of deposit	\$ <u>84,166</u>	Less than one year

2. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The District's investments in negotiable certificates of deposits are unrated.

3. Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return.

4. Custodial Credit Risk

With respect to 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. The District's investment policy limits the exposure to deposit custodial credit risk by providing that all deposits in excess of FDIC insurable limits may be secured by collateral to protect against an event of default or failure of the financial institution holding the funds. At June 30, 2018, the bank balances of the District's deposits with financial institutions totaling \$66,045,447 were fully insured or collateralized. The District's investment instruments are either held by the District or by the District's agent.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

4. Custodial Credit Risk (Continued)

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring that all investments be secured by private insurance or collateral.

NOTE D - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2017 tax levy resolution was approved by the Board on November 20, 2017. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

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

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

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

The portion of the 2017 property tax levy not received by June 30 is recognized as a receivable, net of estimated uncollectible amounts of approximately 1%. The District considers that the 2017 levy is to be used to finance operations in fiscal 2019. Therefore, the entire 2017 levy, including amounts collected in fiscal 2018, has been reported as a deferred inflow - property taxes levied for a future period, in the accompanying financial statements.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2018
Capital assets, not being depreciated				
Land	\$ 3,234,393	\$ -	\$ -	\$ 3,234,393
Equipment not yet in service	-	1,304,636	-	1,304,636
Construction in progress	530,351	1,290,337	530,351	1,290,337
	<u>3,764,744</u>	<u>2,594,973</u>	<u>530,351</u>	<u>5,829,366</u>
Total capital assets not being depreciated				
	<u>3,764,744</u>	<u>2,594,973</u>	<u>530,351</u>	<u>5,829,366</u>
Capital assets, being depreciated				
Buildings and improvements	120,068,557	2,349,150	-	122,417,707
Equipment	9,801,172	835,319	-	10,636,491
Vehicles	744,725	109,114	20,800	833,039
	<u>130,614,454</u>	<u>3,293,583</u>	<u>20,800</u>	<u>133,887,237</u>
Total capital assets being depreciated				
	<u>130,614,454</u>	<u>3,293,583</u>	<u>20,800</u>	<u>133,887,237</u>
Less accumulated depreciation for:				
Buildings and improvements	38,905,662	2,406,644	-	41,312,306
Equipment	6,120,044	1,515,585	-	7,635,629
Vehicles	453,181	68,849	20,800	501,230
	<u>45,478,887</u>	<u>3,991,078</u>	<u>20,800</u>	<u>49,449,165</u>
Total accumulated depreciation				
	<u>45,478,887</u>	<u>3,991,078</u>	<u>20,800</u>	<u>49,449,165</u>
Total capital assets being depreciated, net				
	<u>85,135,567</u>	<u>(697,495)</u>	<u>-</u>	<u>84,438,072</u>
Governmental activities capital assets, net	\$ <u>88,900,311</u>	\$ <u>1,897,478</u>	\$ <u>530,351</u>	\$ <u>90,267,438</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE E - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Regular programs	\$ 916,425
Special programs	110,493
Other instructional programs	105,048
Pupils	46,427
Instructional staff	1,267,573
General administration	67,696
School administration	104,929
Business	103,058
Transportation	40,185
Operations and maintenance	<u>1,229,244</u>
 Total depreciation expense - governmental activities	 \$ <u><u>3,991,078</u></u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE F - LONG-TERM LIABILITIES

1. Changes in General Long-Term Liabilities

During the year ended June 30, 2018, the following is the long-term liability activity for the District:

	Balance July 1, 2017 (as restated)	Accretion / Additions	Reductions / Refunds	Balance June 30, 2018
Bonds payable:				
General obligation bonds	\$ 21,195,000	\$ 9,055,000	\$ 6,745,000	\$ 23,505,000
Capital appreciation bonds	9,165,445	443,421	2,090,000	7,518,866
Add unamortized premium	810,649	-	534,804	275,845
Debt certificates	5,000,000	-	555,000	4,445,000
Add unamortized premium	3,610	-	2,692	918
Capital leases	1,074,315	1,259,807	913,940	1,420,182
IMRF net pension liability	12,201,509	7,296,880	13,380,218	6,118,171
TRS net pension liability	5,911,307	131,531	843,217	5,199,621
RHP total other postemployment benefit liability**	17,902,575	978,578	6,812,636	12,068,517
THIS net other postemployment benefit liability**	49,938,048	5,194,399	6,216,585	48,915,862
Compensated absences	345,152	627,390	628,799	343,743
Total long-term liabilities - governmental activities	\$ 123,547,610	\$ 24,987,006	\$ 38,722,891	\$ 109,811,725

** The beginning balance as of July 1, 2017 is restated due to the implementation of GASB 75 (Note K and Note O).

	Due Within One Year
General obligation bonds	\$ 7,065,000
Capital appreciation bonds	2,090,000
Debt certificates	790,000
Capital leases	324,817
Compensated absences	343,743
	<u>\$ 10,613,560</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE F - LONG-TERM LIABILITIES (Continued)

2. General Obligation Bonds and Capital Appreciation Bonds

General obligation bonds and capital appreciation bonds are direct obligations, and pledge the full faith and credit of the District. General obligation bonds and capital appreciation bonds currently outstanding are as follows:

<u>Issuance, Purpose, and Maturity</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Face Amount</u>	<u>Carrying Amount</u>
General Obligation Bond Alternate Revenue Source - 2011 Capital improvements - Matures December 2020	3.25% - 3.75%	\$ 10,000,000	\$3,655,000	\$ 3,655,000
General Obligation Refunding School Bonds - 2014 - Matures December 2018	5.00%	21,550,000	5,765,000	5,765,000
General Obligation Limited School Bonds - 2016 - Matures December 2023	1.74%	3,500,000	3,115,000	3,115,000
General Obligation Limited School Bonds - 2017 - Matures December 2024	2.12%	1,915,000	1,915,000	1,915,000
General Obligation School Bonds 2018 - Matures December 2021	2.25% - 2.55%	9,055,000	9,055,000	9,055,000
Subtotal - General Obligation Bonds		46,020,000	23,505,000	23,505,000
Capital Appreciation Bonds - 2002A Refunding bonds - Matures June 2022	5.34% - 5.43%	4,589,207	8,350,000	7,518,866
		<u>\$ 50,609,207</u>	<u>\$ 31,855,000</u>	<u>\$ 31,023,866</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE F - LONG-TERM LIABILITIES (Continued)

2. General Obligation Bonds and Capital Appreciation Bonds (Continued)

At June 30, 2018, the District's future cash flow requirements for retirement of bond principal and interest were as follows:

Year Ending June 30	Principal	Interest	Total
2019	\$ 9,155,000	\$ 554,791	\$ 9,709,791
2020	11,955,000	270,704	12,225,704
2021	3,800,000	122,293	3,922,293
2022	2,445,000	89,577	2,534,577
2023	2,245,000	65,960	2,310,960
2024-2025	<u>2,255,000</u>	<u>42,078</u>	<u>2,297,078</u>
Total	<u>\$ 31,855,000</u>	<u>\$ 1,145,403</u>	<u>\$ 33,000,403</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$1,350,703 in the Debt Service Fund to service the outstanding bonds payable.

The District is subject to the Illinois School Code, which limits the indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2018, the statutory debt limit for the District was \$310,622,998 of which \$273,733,950 is fully available.

During the fiscal year ended June 30, 2018, the District issued \$9,055,000 of General Obligation School Bonds, Series 2018. The purpose of this bond issuance was to finance certain capital improvements under the District's Master Facility Plan.

3. Debt Certificates

In 2008, the District entered into a financing agreement with a bank for \$3,635,000 to finance the construction of Downers Grove South's second access road. The debt certificates mature in December 2018 and have an interest rate of 3.80%.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE F - LONG-TERM LIABILITIES (Continued)

3. Debt Certificates (Continued)

On November 1, 2016, the District issued \$4,650,000 Taxable Refunding Debt Certificates Series 2016A, for purposes of refunding the December 1, 2019 through December 2027 maturities of the 2008 debt certificates and fully refunding certain other debt certificates. The net proceeds of the 2016A certificates were used to establish an irrevocable escrow account. Funds in the escrow account were invested in special direct obligations of the United States Treasury or other obligations of the United States government or its agencies. The escrow securities and their earnings were used to pay the principal and interest on the refunded portion of the 2008 certificates in fiscal 2018.

At June 30, 2018, annual debt service requirements to maturity for debt certificates of participation are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 790,000	\$ 66,340	\$ 856,340
2020	805,000	53,473	858,473
2021	815,000	41,725	856,725
2022	<u>2,035,000</u>	<u>17,806</u>	<u>2,052,806</u>
	<u>\$ 4,445,000</u>	<u>\$ 179,344</u>	<u>\$ 4,624,344</u>

The obligations for the debt certificates will be repaid from the Debt Service Fund with funds provided by the General Fund and Operations and Maintenance Fund.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE F - LONG-TERM LIABILITIES (Continued)

4. Capital Leases

The District leases various computer, network, and copier equipment, with a gross asset cost of \$1,966,399, under various capital leases which expire at various dates through August 2023. Accumulated depreciation of the assets was \$473,438 as of June 30, 2018, which includes \$267,864 of depreciation expense recorded for the year ended June 30, 2018. The leases require aggregate annual payments of \$538,874, including interest at rates ranging from 1.88% to 3.96%. The following is a schedule by years of the future minimum lease payments, together with the present value of the minimum lease payments as of June 30, 2018:

<u>Years Ending June 30,</u>	<u>Minimum Payments</u>
2019	\$ 336,611
2020	400,010
2021	204,851
2022	202,263
2023	202,263
Thereafter	<u>202,263</u>
Total minimum lease payments	1,548,261
Less amount representing interest	<u>(128,079)</u>
Present value of minimum lease payments	<u><u>\$ 1,420,182</u></u>

NOTE G - INTERFUND TRANSFERS

The following is a schedule of interfund transfers as shown on the statement of revenues, expenditures, and changes in fund balances (deficits).

<u>To</u>	<u>From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Debt Service Fund	General (Educational Account) Fund	\$ 2,221,054	Principal and interest payments on long-term debt
Debt Service Fund	Operations and Maintenance Fund	231,878	Principal and interest payments on long-term debt
Debt Service Fund	Capital Projects Fund	<u>402,000</u>	Principal payments on long-term debt
		<u><u>\$ 2,854,932</u></u>	

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - DEFICIT FUND BALANCE

At June 30, 2018 the Transportation Fund had a deficit fund balance of \$644,163. District management expects to fund this deficit through future property tax revenues.

NOTE I - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. The District has purchased insurance from private insurance companies for general liability, workers' compensation, and other coverages not included below. Premiums have been recorded as expenditures in the appropriate funds. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

The District is self-insured for medical and dental coverage that is provided to District personnel. A third-party administrator administers claims for a monthly fee per participant. Expenditures are recorded, as incurred, in the form of direct contributions from the District to the third-party administrator for payment of employee health claims and administration fees. The District's liability will not exceed \$115,000 per employee, as provided by stop-loss provisions incorporated in the plan.

At June 30, 2018, total unpaid claims, including an estimate of claims that have been incurred but not reported (IBNR) to the administrative agent, totaled \$775,189. These estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other nonincremental costs to the claims liability.

Balances of medical and dental claims liabilities during the past two years are as follows:

	<u>June 30,</u> <u>2018</u>	<u>June 30,</u> <u>2017</u>
Unpaid claims, beginning of fiscal year	\$ 680,036	\$ 668,379
Incurred claims (including those claims incurred but not reported)	4,850,787	4,109,830
Claim payments	<u>(4,755,634)</u>	<u>(4,098,173)</u>
Unpaid claims, end of fiscal year	\$ <u><u>775,189</u></u>	\$ <u><u>680,036</u></u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - PENSION LIABILITIES

1. Teachers' Retirement System of the State of Illinois

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 nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at www.trsil.org/financial/cafrs/fy2017; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

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

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

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2017, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2018, 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 \$31,585,228 in pension contributions from the state of Illinois.

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2018, were \$255,130, and are deferred because they were paid after the June 30, 2017 measurement date.

Federal and Special Trust Fund Contributions

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

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher. Public Act 98-0674 now requires the two rates to be the same.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

Contributions (Continued)

Federal and Special Trust Fund Contributions (Continued)

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$62,036 were paid from federal and special trust funds that required employer contributions of \$6,266. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

Early Retirement Cost Contributions

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer 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, 2018, the District paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2017.

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, 2018, the District paid \$1,720 to TRS for employer contributions due on salary increases in excess of 6 percent and \$4,388 for sick leave days granted in excess of the normal annual allotment.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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

At June 30, 2018, 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 follows:

District's proportionate share of the net pension liability	\$ 5,199,621
State's proportionate share of the net pension liability associated with the District	<u>320,938,485</u>
Total	<u><u>\$ 326,138,106</u></u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. 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, 2017, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.0068059517 percent, which was a decrease of 0.000682778 percent from its proportion measured as of June 30, 2016.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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

For the year ended June 30, 2018, the District recognized pension expense of \$31,702,385 and revenue of \$31,585,228 for support provided by the state. At June 30, 2018, 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	\$ 56,474	\$ 2,400
Changes of assumptions	347,037	149,413
Net difference between projected and actual earnings on pension plan investments	3,567	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>164,093</u>	<u>783,016</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>571,171</u>	<u>934,829</u>
District contributions subsequent to the measurement date	<u>261,396</u>	<u>-</u>
	<u>\$ 832,567</u>	<u>\$ 934,829</u>

The District reported \$261,396 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, 2019. Other amounts reported as net deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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

<u>Year ended June 30:</u>	<u>Net Deferred Inflows (Outflows) of Resources</u>
2019	\$ 306,643
2020	(56,667)
2021	(29,301)
2022	125,919
2023	17,064
Thereafter	<u>-</u>
	<u>\$ 363,658</u>

Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014. The same assumptions were used in the June 30, 2016 actuarial valuation.

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:

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - PENSION LIABILITIES (Continued)

1. **Teachers' Retirement System of the State of Illinois** (Continued)

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	14.4 %	6.94 %
U.S. equities small/mid cap	3.6	8.09
International equities developed	14.4	7.46
Emerging market equities	3.6	10.15
U.S. bonds core	10.7	2.44
International debt developed	5.3	1.70
Real estate	15.0	5.44
Commodities (real return)	11.0	4.28
Hedge funds (absolute return)	8.0	4.16
Private equity	14.0	10.63
Total	<u>100.0 %</u>	

Discount Rate

At June 30, 2017, the discount rate used to measure the total pension liability was 7.00 percent, which was a change from the June 30, 2016 rate of 6.83 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2017 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. All projected future payments were projected to be covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier 2 were not sufficient to cover all projected benefit payments.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - PENSION LIABILITIES (Continued)

1. **Teachers' Retirement System of the State of Illinois** (Continued)

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 6,388,413	\$ 5,199,621	\$ 4,225,901

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2017 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

2. **Illinois Municipal Retirement Fund**

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed with the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent 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. That report is available for download at www.imrf.org.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - PENSION LIABILITIES (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP).

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

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

Employees Covered by Benefit Terms

As of December 31, 2017, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	402
Inactive plan members entitled to but not yet receiving benefits	239
Active plan members	<u>282</u>
Total	<u><u>923</u></u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - PENSION LIABILITIES (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2017 was 13.05%. For the fiscal year ended June 30, 2018 the District contributed \$1,549,779 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.50%
Projected Retirement Age	Experience-based table of rates, specific to the type of eligibility condition, last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Mortality

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

Long-term Expected Rate of Return

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	37%	6.85%
International equity	18%	6.75%
Fixed income	28%	3.00%
Real estate	9%	5.75%
Alternative investments	7%	2.65% - 7.35%
Cash equivalents	1%	2.25%
Total	100%	

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - PENSION LIABILITIES (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

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:

- a. 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
- b. 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 plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

Changes in Net Pension Liability

The following table shows the components of the change in the District's net pension liability for the calendar year ended December 31, 2017:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 70,419,116	\$ 58,217,607	\$ 12,201,509
Changes for the year:			
Service cost	1,230,661	-	1,230,661
Interest on the total pension liability	5,175,148	-	5,175,148
Difference between expected and actual experience of the total pension liability	891,071	-	891,071
Changes of assumptions	(2,278,346)	-	(2,278,346)
Contributions - employer	-	1,466,500	(1,466,500)
Contributions - employees	-	506,439	(506,439)
Net investment income	-	10,532,115	(10,532,115)
Benefit payments, including refunds of employee contributions	(4,064,952)	(4,064,952)	-
Other (net transfer)	-	(1,403,182)	1,403,182
Net changes	<u>953,582</u>	<u>7,036,920</u>	<u>(6,083,338)</u>
Balances at December 31, 2017	<u>\$ 71,372,698</u>	<u>\$ 65,254,527</u>	<u>\$ 6,118,171</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - PENSION LIABILITIES (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

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

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (6.50%)	Current Discount (7.50%)	1% Higher (8.50%)
	<u> </u>	<u> </u>	<u> </u>
Net pension liability (asset)	\$ 13,983,711	\$ 6,118,171	\$ (494,513)
	<u> </u>	<u> </u>	<u> </u>

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

For the year ended June 30, 2018 the District recognized pension expense of \$2,752,399. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred amounts to be recognized in pension		
Expense in future periods		
Differences between expected and actual experience	\$ 937,998	\$ -
Change of assumptions	-	1,589,276
Net difference between projected and actual earnings on pension plan investments	<u>1,936,852</u>	<u>5,037,491</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>2,874,850</u>	<u>6,626,767</u>
Pension contributions made subsequent to the measurement date	<u>844,275</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 3,719,125</u>	<u>\$ 6,626,767</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The District reported \$844,275 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, 2019.

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 Ended June 30,	Net Deferred Inflows of Resources
2019	\$ 499,427
2020	808,315
2021	1,184,803
2022	1,259,372
2023	-
Thereafter	-
Total	\$ <u>3,751,917</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - PENSION LIABILITIES (Continued)

3. Summary of Pension Items

Below is a summary of the various pension items:

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 261,396	\$ 844,275	\$ 1,105,671
Experience	56,474	937,998	994,472
Assumptions	347,037	-	347,037
Proportionate share	164,093	-	164,093
Investments	3,567	1,936,852	1,940,419
	<u>\$ 832,567</u>	<u>\$ 3,719,125</u>	<u>\$ 4,551,692</u>
Net pension liability	<u>\$ 5,199,621</u>	<u>\$ 6,118,171</u>	<u>\$ 11,317,792</u>
Pension expense	<u>\$ (143,264)</u>	<u>\$ 2,752,399</u>	<u>\$ 2,609,135</u>
Deferred inflows of resources:			
Assumptions	\$ 149,413	\$ 1,589,276	\$ 1,738,689
Experience	2,400	-	2,400
Investments	-	5,037,491	5,037,491
Proportionate share	783,016	-	783,016
	<u>\$ 934,829</u>	<u>\$ 6,626,767</u>	<u>\$ 7,561,596</u>

4. Social Security/Medicare

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare. The District paid the total required contribution for the current fiscal year.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE K - OTHER POSTEMPLOYMENT BENEFITS

1. **Teachers' Health Insurance Security (THIS)**

General Information about the Other Postemployment Plan

Plan Description

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

The 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" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

Benefits Provided

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

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. **Teachers' Health Insurance Security (THIS)** (Continued)

General Information about the Other Postemployment Plan (Continued)

Contributions

On behalf contributions to the 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 1.18 percent of pay during the year ended June 30, 2018. State of Illinois contributions, including a proportional allocation of the State's OPEB expense (base on the portion of the District's share of the expense compared to all School Districts in aggregate), were \$4,559,466 and the District recognized revenue and expenditures of this amount during the year.

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.88 percent during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$387,094 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2017 measurement date.

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

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. **Teachers' Health Insurance Security (THIS)** (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state OPEB support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 48,915,862
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>64,238,682</u>
Total	<u>\$ 113,154,544</u>

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

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2017, the District's proportion was 0.188504 percent, which was an increase of 0.005820 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$8,402,939 and revenue of \$4,559,466, which represents support provided by the state. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 27,706
Change of assumptions	-	5,824,079
Net difference between projected and actual earnings on OPEB plan investments	-	538
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,350,926</u>	<u>-</u>
Total deferred amounts to be recognized in OPEB expense in future periods	<u>1,350,926</u>	<u>5,852,323</u>
District contributions subsequent to the measurement date	<u>387,094</u>	<u>-</u>
Total deferred amounts related to OPEB	<u><u>\$ 1,738,020</u></u>	<u><u>\$ 5,852,323</u></u>

The District reported \$387,094 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2019. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending June 30:</u>	Net Deferred Inflows of Resources
2018	\$ 691,511
2019	691,511
2020	691,511
2021	691,511
2022	691,377
Thereafter	<u>1,043,976</u>
Total	<u><u>\$ 4,501,397</u></u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. **Teachers' Health Insurance Security (THIS)** (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions

The total OPEB liability and contributions in the June 30, 2017 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you basis. Contribution rates are defined by statute. For fiscal year end June 30, 2017, contribution rates are 1.12% of pay for active members, 0.84% of pay for school districts, and 1.12% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.75 percent
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. **Teachers' Health Insurance Security (THIS)** (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Healthcare Trend Rate	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare cost and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare cost on and after 2020 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Discount Rate

The State, the District and active members contribute 1.12 percent, 0.84 percent, 1.12 percent of pay, respectively for fiscal year 2017. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 2.85 percent at June 30, 2016, and 3.56 percent at June 30, 2017, was used to measure the total OPEB liability. The increase in the single discount rate, from 2.85 percent to 3.56 percent, caused the total OPEB liability for the entire plan to decrease by approximately \$3.564 billion.

Investment Return

During plan year end June 30, 2017, the trust earned \$357,000 in interest, and due to a significant benefit payable, the plan fiduciary net position at June 30, 2017, is a negative \$45 million. Given the significant benefit payable, negative plan fiduciary net position and pay-as-you-go funding policy, the investment return assumption was set to zero.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. **Teachers' Health Insurance Security (THIS)** (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Money-Weighted Rate of Return

The annual money-weighted rate of return was estimated based on monthly investment performance, net of investment expenses, adjusted for changing amounts actually invested. The annual money-weighted rate of return was 0.678% for plan year end June 30, 2017, and 0.382% for plan year end June 30, 2016.

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current rate:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
District's proportionate share of the net OPEB liability \$	\$ 58,698,778	\$ 48,915,862	\$ 41,087,979

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. **Teachers' Health Insurance Security (THIS)** (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Trend Rate

The following table shows the District's net OPEB liability as of June 30, 2017, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.09% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	<u>1% Decrease*</u>	<u>Current Healthcare Trend Rate</u>	<u>1% Increase **</u>
District's proportionate share of the net OPEB liability \$	<u>39,480,111</u>	<u>\$ 48,915,862</u>	<u>\$ 62,459,287</u>

* One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.09% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

** One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan

Plan Description

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The benefits, benefit levels, employee contributions and employer contributions are governed by the District and may be amended by the District through its employment contracts. The plan does not issue a separate financial report.

Benefits Provided

Subject to certain age and years of service eligibility provisions, the following benefits are provided:

Administrators: TRS and IMRF administrators hired prior to 1999 and retired by June 30, 2015, the District pays the premium for single or employee plus one dependent medical coverage for the life of the administrator. Upon attaining the age of 65, the administrator must enroll in Medicare Part B, and the District insurance becomes secondary coverage. For administrators hired after 1999, the coverage is the same, except that upon reaching Medicare eligibility, the District reimburses the retiree up to \$250 per month for the retiree and up to one dependent's medical coverage in a qualified medical insurance plan of their choice, one year for every year of service with the District, less the number of postretirement years the District already paid the premium on behalf of the Administrator. Surviving spouse coverage continues for the shorter of the aforementioned time period, or the life of the surviving spouse. The District also pays the premium for \$10,000 face value of term life insurance up to the age of 65 or, for certain retirees, for the lifetime of the retiree.

Faculty: The District reimburses up to \$250 per month for premiums paid to a qualified medical insurance plan, for the retiree and one dependent. For retirees who submitted their intent to retire prior to 2012, benefit years are equal to length of service. For retirees who submitted their intent to retire in 2012 or later, this benefit terminates when the retiree attains Medicare eligibility. Surviving spouse coverage continues for the shorter of the aforementioned time period, or the life of the surviving spouse. The District also pays the premium for term life insurance up to the age of 65 or, for certain retirees, for the lifetime of the retiree.

Support Staff and Custodial, Maintenance and Grounds: The District reimburses up to \$250 per month for the retiree's medical coverage on the District's plan or an other qualified medical insurance plan, until the earlier of Medicare eligibility or 10 years from the date of retirement.

All IMRF Employees: Retirees and eligible dependents may remain on the District's medical insurance plans on a pay-all basis. Spousal coverage ends upon the death or remarriage of the spouse. Dependent coverage ends on the date it otherwise would have ended (such as attainment of limiting age). Upon attaining the age of 65, the employee must enroll in Medicare Part B, and the District insurance becomes secondary coverage.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan** (Continued)

Employees Covered by Benefit Terms

As of June 30, 2018 the following employees were covered by the benefit terms:

Active employees	706
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	<u>328</u>
Total	<u><u>1,034</u></u>

Total OPEB Liability

The District's total OPEB liability was measured as of June 29, 2018, and the total OPEB liability used to calculate the net OPEB liability, was determined by an actuarial valuation as of July 1, 2017.

The total OPEB liability, after considering the share if benefit-related costs with inactive Plan members, was determined by an actuarial valuation performed as of July 1, 2017 using the following actuarial methods and assumptions:

Actuarial valuation date	July 1, 2017
Measurement date	June 29, 2018
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation	3.00%
Discount rate	2.98%
Salary rate increase	4.00%
Healthcare inflation rate	5.00 - 6.50% initial 4.50 - 5.00% ultimate
Mortality, retirement, withdrawal and disability rates	IMRF employees and retirees - rates from the December 31, 2017 IMRF Actuarial Valuation Report. TRS employees and retirees - rates from the June 30, 2017 TRS Actuarial Valuation Report.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan** (Continued)

Total OPEB Liability (Continued)

Election at Retirement: 100% of eligible faculty members assumed to elect the District medical subsidy and Life insurance. 100% of eligible Administrators are assumed to elect the District medical subsidy and Life Insurance. 100% of eligible support staff are assumed to elect the District medical subsidy. 10% of all other IMRF employees are assumed to elect pay-all coverage continuation coverage at retirement.

Coverage Status: Employees are assumed to continue in their current plan into retirement if a District medical plan is selected.

Marital Status: 50% of employees electing District coverage are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.

Discount Rate

The District does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 2.98% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 29, 2018.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2017	\$ 17,902,575	\$ -	\$ 17,902,575
Changes for the year:			
Service cost	309,754	-	309,754
Interest on the total OPEB liability	546,967	-	546,967
Changes of benefit terms	(2,443,098)	-	(2,443,098)
Difference between expected and actual experience of the total OPEB liability	(792,054)	-	(792,054)
Changes of assumptions	121,857	-	121,857
Contributions - employer	-	-	-
Contributions - employees	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(855,178)	-	(855,178)
Other (net transfer)	(2,722,306)	-	(2,722,306)
Net changes	<u>(5,834,058)</u>	<u>-</u>	<u>(5,834,058)</u>
Balances at June 30, 2018	<u>\$ 12,068,517</u>	<u>\$ -</u>	<u>\$ 12,068,517</u>

In 2018, changes in assumptions related to the discount rate were made (3.13% to 2.98%).

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

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 2.98%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (1.98%)	Current Discount Rate (2.98%)	1% Higher (3.98%)
Total OPEB liability	<u>\$ 12,992,437</u>	<u>\$ 12,068,517</u>	<u>\$ 11,256,176</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan** (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the plan's net OPEB liability, calculated using a Healthcare Trend Rate range of 4.50%-6.00%, as well as what the plan's net OPEB liability would be if it were calculated using a Healthcare Trend Rate range that is 1% lower or 1% higher than the current range:

	1% Lower (3.50%- 5.00%)	Current Healthcare Rate (4.50%- 6.00%)	1% Higher (5.50%- 7.00%)
Total OPEB liability	\$ 11,399,020	\$ 12,068,517	\$ 12,816,270

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

For the year ended June 30, 2018 the District recognized OPEB expense (revenue) of (\$2,048,685). At June 30, 2018, the District reported deferred inflows and outflows of resources related to OPEB from the following sources:

<u>Deferred Amounts Related to OPEB</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ 684,118
Change of assumptions	105,251	2,351,327
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total deferred amounts to be recognized in OPEB expense in the future periods	\$ 105,251	\$ 3,035,445

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan** (Continued)

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

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

Year Ended June 30,	Net Deferred Inflows of Resources
2019	\$ 462,309
2020	462,309
2021	462,309
2022	462,309
2023	462,309
Thereafter	<u>618,649</u>
Total	<u>\$ 2,930,194</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2018:

	<u>THIS</u>	<u>RHP</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 387,094	\$ -	\$ 387,094
Experience	-	-	-
Assumptions	-	105,251	105,251
Proportionate share	1,350,926	-	1,350,926
Investments	-	-	-
	<u>\$ 1,738,020</u>	<u>\$ 105,251</u>	<u>\$ 1,843,271</u>
OPEB liability	<u>\$ 48,915,862</u>	<u>\$ 12,068,517</u>	<u>\$ 60,984,379</u>
Deferred inflows of resources:			
Assumptions	\$ 5,824,079	\$ 2,351,327	\$ 8,175,406
Experience	27,706	684,118	711,824
Investments	538	-	538
Proportionate share	-	-	-
	<u>\$ 5,852,323</u>	<u>\$ 3,035,445</u>	<u>\$ 8,887,768</u>

NOTE L - CONSTRUCTION COMMITMENTS

As of June 30, 2018, the District is committed to approximately \$5,456,000 in the upcoming years, for various construction projects. These amounts will be paid from available fund balances.

NOTE M - JOINT AGREEMENT

The District is a member of the School Association for Special Education in DuPage County (SASED), a joint agreement that provides certain special education services to residents of many school districts. The District believes that, because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these should not be included as component units of the District.

Complete financial statements for the School Association for Special Education in DuPage County (SASED) can be obtained from its business office at 2900 Ogden Avenue, Lisle, Illinois 60532.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE N - CONTINGENCIES

1. Litigation

In the normal course of operations, the District is subject to various litigation and claims. Although the outcome of these matters is not presently determinable, the resolution of these matters, should the outcome be unfavorable, is not expected by management to be significant.

2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

3. Tax Abatements

During fiscal year 2018, the District entered into a real estate tax abatement agreement with an industrial taxpayer to provide an incentive for the taxpayer to expand its existing facility; thereby increasing the District's tax base and increasing employment. Under the terms of the agreement, the District agreed to abate a portion of the additional tax revenues generated by the expansion project, ranging from 90% in the first full tax year following the completion of the project, to 10% in the ninth year. The amount of the real estate taxes to be abated in future years is not presently determinable, as that amount is subject to the assessed valuation of the property following completion of the expansion.

NOTE O - PRIOR PERIOD ADJUSTMENT

The implementation of GASB 75 (Note A-2) required the District to report its proportionate share of the net other postemployment benefit liability related to the Teacher Health Insurance Security plan and the total other postemployment benefit liability related to its unfunded retiree health plan. As a result of this implementation as of July 1, 2017, net position decreased by \$69,975,895, OPEB liabilities (included in long-term liabilities) increased by \$67,840,623, assets decreased by \$2,499,428 and deferred outflows increased by \$364,156.

NOTE P - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 21, 2018, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the statement of net deficit/balance sheet date that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Community High School District 99

MULTIYEAR SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

MOST RECENT CALENDAR YEARS

Illinois Municipal Retirement Fund

June 30, 2018

Calendar year ended December 31,	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 1,230,661	\$ 1,307,943	\$ 1,302,468	\$ 1,389,450
Interest on the total pension liability	5,175,148	4,911,615	4,706,407	4,242,693
Difference between expected and actual experience of the total pension liability	891,071	1,168,863	296,678	1,007,713
Assumption changes	(2,278,346)	(379,672)	221,474	2,770,511
Benefit payments and refunds	(4,064,952)	(3,726,750)	(3,317,101)	(2,715,376)
Net change in total pension liability	953,582	3,281,999	3,209,926	6,694,991
Total pension liability, beginning	70,419,116	67,137,117	63,927,191	57,232,200
Total pension liability, ending	<u>\$ 71,372,698</u>	<u>\$ 70,419,116</u>	<u>\$ 67,137,117</u>	<u>\$ 63,927,191</u>
Plan fiduciary net position				
Contributions, employer	\$ 1,466,500	\$ 1,491,131	\$ 1,419,419	\$ 1,411,299
Contributions, employee	506,439	523,856	525,962	530,615
Net investment income	10,532,115	3,746,168	279,167	3,265,932
Benefit payments, including refunds of employee contributions	(4,064,952)	(3,726,750)	(3,317,101)	(2,715,376)
Other (net transfer)	(1,403,182)	813,943	(57,476)	100,218
Net change in plan fiduciary net position	7,036,920	2,848,348	(1,150,029)	2,592,688
Plan fiduciary net position, beginning	58,217,607	55,369,259	56,519,288	53,926,600
Plan fiduciary net position, ending	<u>\$ 65,254,527</u>	<u>\$ 58,217,607</u>	<u>\$ 55,369,259</u>	<u>\$ 56,519,288</u>
Net pension liability	<u>\$ 6,118,171</u>	<u>\$ 12,201,509</u>	<u>\$ 11,767,858</u>	<u>\$ 7,407,903</u>
Plan fiduciary net position as a percentage of the total pension liability	91.43 %	82.67 %	82.47 %	88.41 %
Covered Valuation Payroll	\$ 11,237,545	\$ 11,382,667	\$ 11,530,612	\$ 11,352,324
Net pension liability as a percentage of covered valuation payroll	54.44 %	107.19 %	102.06 %	65.25 %

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 therefore 10 years of information is not available.

Community High School District 99
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
June 30, 2018

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2017	\$ 1,466,500 *	\$ 1,466,500	\$ -	\$ 11,237,545	13.05 %
2016	1,491,129	1,491,131	(2)	11,382,667	13.10
2015	1,419,418	1,419,419	(1)	11,530,612	12.31
2014	1,384,984	1,411,299	(26,315)	11,352,324	12.43

* Estimated based on contribution rate of 13.05% and covered valuation payroll of \$11,237,545 (most recent information available).

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 therefore 10 years of information is not available.

Community High School District 99
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
June 30, 2018

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.0068059517 %	0.0074887299 %	0.0072615760 %	0.0069728248 %
District's proportionate share of the net pension liability	\$ 5,199,621	\$ 5,911,307	\$ 4,757,064	\$ 4,243,541
State's proportionate share of the net pension liability associated with the District	<u>320,938,485</u>	<u>337,785,602</u>	<u>268,101,504</u>	<u>248,645,969</u>
Total	<u>\$ 326,138,106</u>	<u>\$ 343,696,909</u>	<u>\$ 272,858,568</u>	<u>\$ 252,889,510</u>
District's covered-employee payroll	\$ 43,351,908	\$ 42,521,677	\$ 41,404,241	\$ 40,296,860
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	11.99 %	13.90 %	11.49 %	10.53 %
Plan fiduciary net position as a percentage of the total pension liability	39.3 %	36.4 %	41.5 %	43.0 %

Note 1: The amounts presented were determined as of the prior fiscal-year end.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 therefore 10 years of information is not available.

Community High School District 99
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Retirement System of the State of Illinois
June 30, 2018

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 281,377	\$ 288,878	\$ 254,439	\$ 248,750
Contributions in relation to the contractually required contribution	<u>280,403</u>	<u>290,017</u>	<u>254,445</u>	<u>248,787</u>
Contribution deficiency (excess)	\$ <u>974</u>	\$ <u>(1,139)</u>	\$ <u>(6)</u>	\$ <u>(37)</u>
District's covered-employee payroll	\$ 43,987,955	\$ 43,351,908	\$ 42,521,677	\$ 41,404,241
Contributions as a percentage of covered-employee payroll	0.64 %	0.67 %	0.60 %	0.60 %

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 therefore 10 years of information is not available.

Community High School District 99

SCHEDULE OF CHANGES IN TOTAL OTHER POSTRETIREMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS

Retiree Health Plan

June 30, 2018

Fiscal year ended June 30,	<u>2018</u>
Total OPEB liability	
Service cost	\$ 309,754
Interest on the total OPEB liability	546,967
Change in benefit terms	(2,443,098)
Difference between expected and actual experience of the total OPEB liability	(792,054)
Assumption changes	121,857
Benefit payments and refunds	(855,178)
Other changes	<u>(2,722,306)</u>
Net change in total OPEB liability	(5,834,058)
Total OPEB liability, beginning	<u>17,902,575</u>
Total OPEB liability, ending	<u><u>\$ 12,068,517</u></u>
Plan fiduciary net position	
Contributions, employer	\$ -
Contributions, employee	-
Net investment income	-
Benefit payments, including refunds of employee contributions	-
Other (net transfer)	<u>-</u>
Net change in plan fiduciary net position	-
Plan fiduciary net position, beginning	<u>-</u>
Plan fiduciary net position, ending	<u><u>\$ -</u></u>
Net OPEB liability	<u><u>\$ 12,068,517</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %
Covered Valuation Payroll	\$ 49,938,246
Net OPEB liability as a percentage of covered valuation payroll	24.17 %

Note: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

Community High School District 99
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Teachers' Health Insurance Security Fund
June 30, 2018

Fiscal year ended June 30,	<u>2017</u>
District's proportion of the net OPEB liability	0.1885040 %
District's proportionate share of the net OPEB liability	\$ 48,915,862
State's proportionate share of the net OPEB liability associated with the District	<u>64,238,682</u>
Total	<u><u>\$ 113,154,544</u></u>
District's covered-employee payroll	\$ 43,351,908
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	112.83%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.17%

Note 1: The amounts presented were determined as of the prior fiscal-year end.

Note 2: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

Community High School District 99
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Health Insurance Security Fund
June 30, 2018

Fiscal year ended June 30,	<u>2017</u>
Contractually required contribution	\$ 364,156
Contributions in relation to the contractually required contribution	<u>364,262</u>
Contribution excess	\$ <u><u>106</u></u>
District's covered-employee payroll	\$ 43,987,955
Contributions as a percentage of covered-employee payroll	0.83%

Note: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

Community High School District 99

General Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 59,534,000	\$ 59,545,592	\$ 11,592	\$ 57,585,740
Special education levy	1,498,000	1,498,193	193	1,496,903
Corporate personal property replacement taxes	765,000	825,538	60,538	1,116,696
Regular tuition from pupils or parents	4,000	13,001	9,001	6,121
Summer school tuition from pupils or parents	225,200	43,585	(181,615)	42,461
Special education tuition from other districts	64,000	28,786	(35,214)	-
Interest on investments	250,000	344,836	94,836	142,164
Sales to pupils - lunch	375,000	264,370	(110,630)	347,484
Sales to pupils - breakfast	10,000	9,707	(293)	10,084
Sales to pupils - a la carte	475,000	594,694	119,694	479,439
Sales to adults	40,000	36,662	(3,338)	39,718
Admissions - athletic	83,000	108,312	25,312	84,142
Fees	1,007,500	961,398	(46,102)	750,774
Book store sales	13,800	11,016	(2,784)	-
Other district/school activity revenue	-	62,208	62,208	87,470
Rentals - regular textbook	1,528,000	1,341,053	(186,947)	1,367,876
Rentals - other	278,000	318,686	40,686	318,826
Sales - regular textbook	-	-	-	13,499
Other - textbooks	-	119,005	119,005	132,325
Contributions and donations from private sources	38,000	69,858	31,858	18,223
Refund of prior years' expenditures	100,000	46,413	(53,587)	42,723
Drivers' education fees	84,000	85,321	1,321	84,771
Proceeds from vendors' contracts	60,000	-	(60,000)	-
Other	600,000	149,190	(450,810)	701,900
Total local sources	67,032,500	66,477,424	(555,076)	64,869,339

(Continued)

Community High School District 99

General Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
State sources				
Evidence Based Funding Formula	\$ 2,321,000	\$ 4,024,511	\$ 1,703,511	\$ -
General State Aid	-	-	-	2,321,318
Special Education -				
Private Facility Tuition	570,000	685,269	115,269	586,105
Special Education - Funding for Children Requiring Sp Ed Services	632,000	-	(632,000)	631,278
Special Education - Personnel	1,000,000	-	(1,000,000)	982,034
Special Education - Orphanage				
- Individual	82,000	117,713	35,713	70,933
Special Education - Orphanage	11,000	8,973	(2,027)	10,822
- Summer Individual				
Special Education - Summer School	5,500	-	(5,500)	5,528
CTE - Secondary Program				
Improvement (CTEI)	92,000	91,931	(69)	86,906
Bilingual Ed. - Downstate				
- T.P.I. and T.P.E.	20,000	4,402	(15,598)	24,225
State Free Lunch and Breakfast	2,500	4,684	2,184	3,158
Driver Education	120,000	118,612	(1,388)	118,256
Scientific Literacy	3,000	6,813	3,813	-
Other state sources	25,000	23,227	(1,773)	-
On Behalf Payments to TRS from the State	<u>24,000,000</u>	<u>36,144,694</u>	<u>12,144,694</u>	<u>33,658,146</u>
Total state sources	<u>28,884,000</u>	<u>41,230,829</u>	<u>12,346,829</u>	<u>38,498,709</u>

(Continued)

Community High School District 99

General Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Federal sources				
National School Lunch Program	\$ 340,000	\$ 404,176	\$ 64,176	\$ 380,834
Special Breakfast Program	55,000	63,154	8,154	59,796
Title I - Low Income	441,015	436,495	(4,520)	500,930
Federal - Special Education				
- I.D.E.A. - Flow Through	886,958	833,008	(53,950)	840,311
Federal - Special Education				
- I.D.E.A. - Room and Board	290,000	312,204	22,204	287,017
CTE - Perkins -				
Title III Technical Prep	51,604	51,604	-	55,728
Emergency Immigrant Assistance	8,800	1,591	(7,209)	8,817
Title III - English				
Language Acquisition	10,000	14,568	4,568	11,231
Title II - Teacher Quality	118,049	116,931	(1,118)	102,776
Medicaid Matching Funds -				
Administrative Outreach	54,100	76,704	22,604	53,385
Medicaid Matching Funds -				
Fee-For-Service-Program	180,000	386,855	206,855	97,801
Other federal sources	<u>187,474</u>	<u>3,543</u>	<u>(183,931)</u>	<u>28,687</u>
Total federal sources	<u>2,623,000</u>	<u>2,700,833</u>	<u>77,833</u>	<u>2,427,313</u>
Total revenues	<u>98,539,500</u>	<u>110,409,086</u>	<u>11,869,586</u>	<u>105,795,361</u>

(Continued)

Community High School District 99

General Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Expenditures				
Instruction				
Regular programs				
Salaries	\$ 30,186,145	\$ 30,293,228	\$ (107,083)	\$ 30,091,421
Employee benefits	3,756,593	3,869,695	(113,102)	3,500,246
On-behalf payments to TRS from the state	24,000,000	36,144,694	(12,144,694)	33,658,146
Purchased services	347,134	298,633	48,501	345,971
Supplies and materials	616,621	630,467	(13,846)	641,446
Capital outlay	105,000	992,102	(887,102)	559,668
Other objects	30,925	25,153	5,772	24,134
Non-capitalized equipment	<u>285,463</u>	<u>90,198</u>	<u>195,265</u>	<u>418,752</u>
Total	<u>59,327,881</u>	<u>72,344,170</u>	<u>(13,016,289)</u>	<u>69,239,784</u>
Special education programs				
Salaries	9,221,754	9,147,995	73,759	9,021,970
Employee benefits	964,216	1,048,896	(84,680)	1,006,404
Purchased services	187,400	218,464	(31,064)	183,868
Supplies and materials	103,905	94,176	9,729	110,332
Other objects	3,021,529	2,800,821	220,708	1,289,731
Non-capitalized equipment	<u>3,500</u>	<u>19,540</u>	<u>(16,040)</u>	<u>5,499</u>
Total	<u>13,502,304</u>	<u>13,329,892</u>	<u>172,412</u>	<u>11,617,804</u>
Remedial and Supplemental programs K-12				
Salaries	107,442	97,130	10,312	89,771
Employee benefits	28,619	9,059	19,560	14,201
Purchased services	45,535	40,670	4,865	66,696
Supplies and materials	<u>13,334</u>	<u>21,361</u>	<u>(8,027)</u>	<u>36,892</u>
Total	<u>194,930</u>	<u>168,220</u>	<u>26,710</u>	<u>207,560</u>

(Continued)

Community High School District 99

General Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
CTE programs				
Salaries	\$ 65,274	\$ 25,400	\$ 39,874	\$ 58,744
Employee benefits	1,600	60	1,540	4,263
Purchased services	24,660	22,915	1,745	25,647
Supplies and materials	88,715	75,003	13,712	67,043
Capital outlay	-	12,295	(12,295)	-
Non-capitalized equipment	<u>26,840</u>	<u>32,627</u>	<u>(5,787)</u>	<u>51,055</u>
Total	<u>207,089</u>	<u>168,300</u>	<u>38,789</u>	<u>206,752</u>
Interscholastic programs				
Salaries	2,228,921	2,325,727	(96,806)	2,221,019
Employee benefits	92,150	97,061	(4,911)	90,775
Purchased services	455,200	447,518	7,682	432,223
Supplies and materials	285,000	339,579	(54,579)	292,943
Non-capitalized equipment	<u>23,000</u>	<u>6,858</u>	<u>16,142</u>	<u>9,617</u>
Total	<u>3,084,271</u>	<u>3,216,743</u>	<u>(132,472)</u>	<u>3,046,577</u>
Summer school programs				
Salaries	268,200	203,186	65,014	255,539
Employee benefits	2,620	2,005	615	2,446
Purchased services	-	1,531	(1,531)	1,397
Supplies and materials	132,300	142,269	(9,969)	136,288
Other objects	<u>7,000</u>	<u>2,975</u>	<u>4,025</u>	<u>6,717</u>
Total	<u>410,120</u>	<u>351,966</u>	<u>58,154</u>	<u>402,387</u>
Drivers education programs				
Salaries	823,052	813,659	9,393	787,639
Employee benefits	95,448	97,448	(2,000)	95,024
Purchased services	650	3,305	(2,655)	731
Supplies and materials	12,100	14,507	(2,407)	11,022
Other objects	<u>9,000</u>	<u>3,680</u>	<u>5,320</u>	<u>8,811</u>
Total	<u>940,250</u>	<u>932,599</u>	<u>7,651</u>	<u>903,227</u>

(Continued)

Community High School District 99

General Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance From Final Budget	2017 Actual
	Original and Final Budget	Actual		
Truant's alternative and optional programs				
Purchased services	\$ 40,000	\$ -	\$ 40,000	\$ 20
Special education programs K-12 private tuition	40,000	49,150	(9,150)	1,057,625
Total instruction	77,746,845	90,561,040	(12,814,195)	86,681,736
Support services				
Pupils				
Attendance and social work services				
Purchased services	60,000	15,000	45,000	15,500
Guidance services				
Salaries	2,351,932	2,441,682	(89,750)	2,351,420
Employee benefits	267,084	274,356	(7,272)	264,483
Purchased services	12,200	15,384	(3,184)	12,949
Supplies and materials	202,620	201,285	1,335	200,181
Other objects	400	-	400	239
Total	2,834,236	2,932,707	(98,471)	2,829,272
Health services				
Salaries	195,548	202,046	(6,498)	254,013
Employee benefits	41,118	33,303	7,815	36,062
Purchased services	700	942	(242)	724
Supplies and materials	5,360	4,739	621	8,035
Other objects	420	432	(12)	326
Total	243,146	241,462	1,684	299,160

(Continued)

Community High School District 99

General Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Psychological services				
Salaries	\$ 498,597	\$ 492,615	\$ 5,982	\$ 485,205
Employee benefits	<u>47,970</u>	<u>50,533</u>	<u>(2,563)</u>	<u>47,824</u>
Total	<u>546,567</u>	<u>543,148</u>	<u>3,419</u>	<u>533,029</u>
Other support services - pupils				
Salaries	591,740	712,520	(120,780)	567,208
Employee benefits	37,007	56,122	(19,115)	36,079
Purchased services	20,450	14,021	6,429	16,076
Supplies and materials	761,404	635,434	125,970	779,706
Other objects	52,000	45,082	6,918	53,786
Non-capitalized equipment	<u>500</u>	<u>248</u>	<u>252</u>	<u>100</u>
Total	<u>1,463,101</u>	<u>1,463,427</u>	<u>(326)</u>	<u>1,452,955</u>
Total pupils	<u>5,147,050</u>	<u>5,195,744</u>	<u>(48,694)</u>	<u>5,129,916</u>
Instructional staff				
Improvement of instruction services				
Salaries	832,244	865,036	(32,792)	720,175
Employee benefits	52,639	86,096	(33,457)	61,303
Purchased services	177,767	117,409	60,358	126,014
Supplies and materials	14,830	13,769	1,061	12,243
Other objects	7,600	7,798	(198)	7,598
Non-capitalized equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>485</u>
Total	<u>1,085,080</u>	<u>1,090,108</u>	<u>(5,028)</u>	<u>927,818</u>

(Continued)

Community High School District 99

General Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Educational media services				
Salaries	\$ 578,267	\$ 543,823	\$ 34,444	\$ 504,356
Employee benefits	59,144	54,724	4,420	59,120
Purchased services	13,650	12,047	1,603	11,650
Supplies and materials	138,000	77,093	60,907	199,540
Other objects	1,200	1,618	(418)	1,293
Non-capitalized equipment	<u>27,700</u>	<u>9,841</u>	<u>17,859</u>	<u>22,959</u>
Total	<u>817,961</u>	<u>699,146</u>	<u>118,815</u>	<u>798,918</u>
Assessment and testing				
Salaries	15,000	18,730	(3,730)	12,797
Employee benefits	200	273	(73)	181
Purchased services	16,900	41,246	(24,346)	49,922
Supplies and materials	<u>6,904</u>	<u>-</u>	<u>6,904</u>	<u>5,248</u>
Total	<u>39,004</u>	<u>60,249</u>	<u>(21,245)</u>	<u>68,148</u>
Total instructional staff	<u>1,942,045</u>	<u>1,849,503</u>	<u>92,542</u>	<u>1,794,884</u>
General administration				
Board of education services				
Purchased services	456,400	492,895	(36,495)	388,400
Supplies and materials	17,269	18,631	(1,362)	15,809
Other objects	<u>23,000</u>	<u>18,859</u>	<u>4,141</u>	<u>26,936</u>
Total	<u>496,669</u>	<u>530,385</u>	<u>(33,716)</u>	<u>431,145</u>

(Continued)

Community High School District 99

General Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Executive administration services				
Salaries	\$ 313,012	\$ 313,012	\$ -	\$ 296,378
Employee benefits	35,650	39,535	(3,885)	35,162
Purchased services	36,500	38,704	(2,204)	53,739
Supplies and materials	14,657	-	14,657	17,337
Capital outlay	-	-	-	248,521
Other objects	8,750	7,470	1,280	8,081
Non-capitalized equipment	<u>12,000</u>	<u>167</u>	<u>11,833</u>	<u>3,300</u>
Total	<u>420,569</u>	<u>398,888</u>	<u>21,681</u>	<u>662,518</u>
Special area administrative services				
Salaries	326,260	326,604	(344)	196,366
Employee benefits	31,800	67,485	(35,685)	31,231
Purchased services	7,000	4,386	2,614	1,975
Supplies and materials	<u>1,250</u>	<u>-</u>	<u>1,250</u>	<u>-</u>
Total	<u>366,310</u>	<u>398,475</u>	<u>(32,165)</u>	<u>229,572</u>
Total general administration	<u>1,283,548</u>	<u>1,327,748</u>	<u>(44,200)</u>	<u>1,323,235</u>
School administration				
Office of the principal services				
Salaries	1,584,722	1,599,685	(14,963)	1,494,987
Employee benefits	266,571	313,314	(46,743)	264,118
Purchased services	88,249	148,866	(60,617)	76,511
Supplies and materials	44,731	103,645	(58,914)	156,751
Capital outlay	130,657	35,957	94,700	24,212
Non-capitalized equipment	<u>12,750</u>	<u>22,210</u>	<u>(9,460)</u>	<u>11,687</u>
Total	<u>2,127,680</u>	<u>2,223,677</u>	<u>(95,997)</u>	<u>2,028,266</u>
Total school administration	<u>2,127,680</u>	<u>2,223,677</u>	<u>(95,997)</u>	<u>2,028,266</u>

(Continued)

Community High School District 99

General Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Business				
Direction of business support services				
Salaries	\$ 474,724	\$ 470,334	\$ 4,390	\$ 516,447
Employee benefits	20,660	39,189	(18,529)	19,151
Purchased services	9,600	6,479	3,121	9,385
Other objects	<u>85,000</u>	<u>-</u>	<u>85,000</u>	<u>-</u>
Total	<u>589,984</u>	<u>516,002</u>	<u>73,982</u>	<u>544,983</u>
Fiscal services				
Other objects	<u>-</u>	<u>86,302</u>	<u>(86,302)</u>	<u>84,129</u>
Operation and maintenance of plant services				
Purchased services	-	703	(703)	-
Non-capitalized equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,100)</u>
Total	<u>-</u>	<u>703</u>	<u>(703)</u>	<u>(8,100)</u>
Pupil transportation services				
Purchased services	<u>800</u>	<u>730</u>	<u>70</u>	<u>158,381</u>
Food services				
Purchased services	1,004,005	1,024,824	(20,819)	955,969
Supplies and materials	6,000	7,423	(1,423)	2,703
Other objects	7,000	5,347	1,653	6,476
Non-capitalized equipment	<u>74,273</u>	<u>41,736</u>	<u>32,537</u>	<u>41,972</u>
Total	<u>1,091,278</u>	<u>1,079,330</u>	<u>11,948</u>	<u>1,007,120</u>
Total business	<u>1,682,062</u>	<u>1,683,067</u>	<u>(1,005)</u>	<u>1,786,513</u>

(Continued)

Community High School District 99

General Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Information services				
Salaries	\$ 100,445	\$ 135,984	\$ (35,539)	\$ 96,445
Employee benefits	28,836	28,840	(4)	27,166
Purchased services	46,160	84,689	(38,529)	51,603
Supplies and materials	<u>1,000</u>	<u>1,387</u>	<u>(387)</u>	<u>830</u>
Total	<u>176,441</u>	<u>250,900</u>	<u>(74,459)</u>	<u>176,044</u>
Staff services				
Salaries	377,754	365,010	12,744	368,854
Employee benefits	368,250	400,723	(32,473)	390,711
Purchased services	37,000	18,681	18,319	35,044
Supplies and materials	3,000	1,462	1,538	276
Other objects	<u>1,200</u>	<u>7,738</u>	<u>(6,538)</u>	<u>1,060</u>
Total	<u>787,204</u>	<u>793,614</u>	<u>(6,410)</u>	<u>795,945</u>
Data processing services				
Salaries	1,078,277	1,077,992	285	1,055,547
Employee benefits	75,805	85,290	(9,485)	77,161
Purchased services	188,000	158,348	29,652	275,430
Supplies and materials	511,000	678,507	(167,507)	595,617
Capital outlay	285,317	693,381	(408,064)	278,649
Other objects	2,000	1,165	835	3,340
Non-capitalized equipment	<u>-</u>	<u>21,092</u>	<u>(21,092)</u>	<u>973</u>
Total	<u>2,140,399</u>	<u>2,715,775</u>	<u>(575,376)</u>	<u>2,286,717</u>
Total central	<u>3,104,044</u>	<u>3,760,289</u>	<u>(656,245)</u>	<u>3,258,706</u>
Total support services	<u>15,286,429</u>	<u>16,040,028</u>	<u>(753,599)</u>	<u>15,321,520</u>

(Continued)

Community High School District 99

General Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Community services				
Salaries	\$ 9,690	\$ 7,395	\$ 2,295	\$ 9,888
Employee benefits	20	18	2	20
Purchased services	22,500	20,360	2,140	21,530
Supplies and materials	<u>1,000</u>	<u>1,152</u>	<u>(152)</u>	<u>996</u>
Total	<u>33,210</u>	<u>28,925</u>	<u>4,285</u>	<u>32,434</u>
Payments to other districts and government units				
Payments for regular programs				
Purchased services	6,540	9,685	(3,145)	2,400
Other objects	<u>-</u>	<u>65,505</u>	<u>(65,505)</u>	<u>30,195</u>
Total	<u>6,540</u>	<u>75,190</u>	<u>(68,650)</u>	<u>32,595</u>
Payments for special education programs				
Purchased services	90,000	92,994	(2,994)	110,690
Other objects	<u>1,039,976</u>	<u>1,117,264</u>	<u>(77,288)</u>	<u>942,773</u>
Total	<u>1,129,976</u>	<u>1,210,258</u>	<u>(80,282)</u>	<u>1,053,463</u>
Payments for CTE education programs				
Other objects	<u>580,000</u>	<u>664,228</u>	<u>(84,228)</u>	<u>570,620</u>
Total payments to other districts and other government units	<u>1,716,516</u>	<u>1,949,676</u>	<u>(233,160)</u>	<u>1,656,678</u>

(Continued)

Community High School District 99

General Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Debt service				
Provision for contingencies	\$ 600,000	\$ -	\$ 600,000	\$ -
Total expenditures	<u>95,383,000</u>	<u>108,579,669</u>	<u>(13,196,669)</u>	<u>103,692,368</u>
Excess of revenues over expenditures	<u>3,156,500</u>	<u>1,829,417</u>	<u>(1,327,083)</u>	<u>2,102,993</u>
Other financing sources (uses)				
Proceeds from capital leases	-	1,259,807	1,259,807	657,419
Transfer to Debt Service Fund for principal on capital leases	(903,000)	(913,940)	(10,940)	(793,251)
Transfer to Debt Service Fund for interest on capital leases	(19,000)	(18,114)	886	(15,723)
Transfer to Debt Service Fund for principal on revenue bonds	(1,140,000)	(1,140,000)	-	(1,170,000)
Transfer to Debt Service Fund for interest on revenue bonds	<u>(149,000)</u>	<u>(149,000)</u>	<u>-</u>	<u>(184,687)</u>
Total other financing sources (uses)	<u>(2,211,000)</u>	<u>(961,247)</u>	<u>1,249,753</u>	<u>(1,506,242)</u>
Net change to fund balance	<u>\$ 945,500</u>	868,170	<u>\$ (77,330)</u>	596,751
Fund balance, beginning of year		<u>1,540,924</u>		<u>944,173</u>
Fund balance, end of year		<u>\$ 2,409,094</u>		<u>\$ 1,540,924</u>

(Concluded)

Community High School District 99

Operations and Maintenance Fund

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL**

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 7,985,000	\$ 7,986,308	\$ 1,308	\$ 8,694,221
Interest on investments	28,000	38,692	10,692	13,596
Rentals	220,000	241,544	21,544	231,907
Refund of prior years' expenditures	-	300	300	-
Other	<u>267,500</u>	<u>27,586</u>	<u>(239,914)</u>	<u>23,073</u>
Total local sources	<u>8,500,500</u>	<u>8,294,430</u>	<u>(206,070)</u>	<u>8,962,797</u>
State sources				
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,053</u>
Total state sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,053</u>
Total revenues	<u>8,500,500</u>	<u>8,294,430</u>	<u>(206,070)</u>	<u>9,146,850</u>
Expenditures				
Facilities acquisition and construction services				
Purchased services	125,000	73,992	51,008	(5,840)
Supplies and materials	-	-	-	11,945
Capital outlay	1,022,500	1,131,822	(109,322)	915,579
Non-capitalized equipment	<u>52,500</u>	<u>49,741</u>	<u>2,759</u>	<u>175,966</u>
Total	<u>1,200,000</u>	<u>1,255,555</u>	<u>(55,555)</u>	<u>1,097,650</u>

(Continued)

Community High School District 99

Operations and Maintenance Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Operation and maintenance of plant services				
Salaries	\$ 3,959,000	\$ 3,949,665	\$ 9,335	\$ 3,854,281
Employee benefits	728,000	695,485	32,515	720,879
Purchased services	1,015,000	1,068,774	(53,774)	995,312
Supplies and materials	1,285,000	1,216,888	68,112	1,339,049
Capital outlay	100,000	19,871	80,129	(7,005)
Non-capitalized equipment	2,000	54,896	(52,896)	5,449
Total	<u>7,089,000</u>	<u>7,005,579</u>	<u>83,421</u>	<u>6,907,965</u>
Total business	<u>8,289,000</u>	<u>8,261,134</u>	<u>27,866</u>	<u>8,005,615</u>
Total support services	<u>8,289,000</u>	<u>8,261,134</u>	<u>27,866</u>	<u>8,005,615</u>
Provision for contingencies	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Total expenditures	<u>8,489,000</u>	<u>8,261,134</u>	<u>227,866</u>	<u>8,005,615</u>
Excess (deficiency) of revenues over expenditures	<u>11,500</u>	<u>33,296</u>	<u>21,796</u>	<u>1,141,235</u>
Other financing sources (uses)				
Transfer to Debt Service Fund for principal on debt certificates	(555,000)	(153,000)	(402,000)	(370,000)
Transfer to Debt Service Fund for interest on debt certificates	<u>(79,000)</u>	<u>(78,878)</u>	<u>(122)</u>	<u>(62,063)</u>
Total other financing sources (uses)	<u>(634,000)</u>	<u>(231,878)</u>	<u>(402,122)</u>	<u>(432,063)</u>
Net change in fund balance	<u>\$ (622,500)</u>	<u>(198,582)</u>	<u>\$ 423,918</u>	<u>709,172</u>
Fund balance, beginning of year		<u>605,209</u>		<u>(103,963)</u>
Fund balance, end of year		<u>\$ 406,627</u>		<u>\$ 605,209</u>

(Concluded)

Community High School District 99

Transportation Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
General levy	\$ 2,995,000	\$ 2,996,365	\$ 1,365	\$ 1,997,427
Interest on investments	4,000	5,004	1,004	1,993
Refund of prior years' expenditures	-	25,172	25,172	-
Other	100,000	-	(100,000)	-
Total local sources	3,099,000	3,026,541	(72,459)	1,999,420
State sources				
Transportation - Regular/Vocational	116,000	143,282	27,282	116,653
Transportation - Special Education	975,000	993,195	18,195	925,637
Total state sources	1,091,000	1,136,477	45,477	1,042,290
Total revenues	4,190,000	4,163,018	(26,982)	3,041,710
Expenditures				
Support services				
Business				
Pupil transportation services				
Salaries	213,000	213,014	(14)	210,226
Employee benefits	44,000	50,030	(6,030)	43,241
Purchased services	3,451,000	3,688,792	(237,792)	3,334,406
Supplies and materials	25,000	29,108	(4,108)	27,856
Capital outlay	-	55,608	(55,608)	-
Non-capitalized equipment	-	1,914	(1,914)	1,176
Total	3,733,000	4,038,466	(305,466)	3,616,905
Total support services	3,733,000	4,038,466	(305,466)	3,616,905
(Continued)				

(Continued)

Community High School District 99

Transportation Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance From Final Budget	2017
	Original and Final Budget	Actual		Actual
Provision for contingencies	\$ 100,000	\$ -	\$ 100,000	\$ -
Total expenditures	<u>3,833,000</u>	<u>4,038,466</u>	<u>(205,466)</u>	<u>3,616,905</u>
Deficiency of revenues over expenditures	<u>\$ 357,000</u>	124,552	<u>\$ (232,448)</u>	(575,195)
Fund balance (deficit), beginning of year		<u>(768,715)</u>		<u>(193,520)</u>
Fund balance (deficit), end of year		<u>\$ (644,163)</u>		<u>\$ (768,715)</u>

(Concluded)

Community High School District 99
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
General levy	\$ 1,091,000	\$ 1,091,133	\$ 133	\$ 1,496,887
Social security/Medicare only levy	1,091,000	1,091,153	153	1,997,050
replacement taxes	32,000	32,000	-	45,000
Interest on investments	11,000	15,372	4,372	5,367
Other	100,000	-	(100,000)	-
Total local sources	2,325,000	2,229,658	(95,342)	3,544,304
Total revenues	2,325,000	2,229,658	(95,342)	3,544,304
Expenditures				
Instruction				
Regular programs	956,725	1,007,803	(51,078)	976,441
Special education programs	302,650	365,161	(62,511)	299,643
Remedial and supplemental programs K-12	12,250	11,730	520	10,594
Vocational educational programs	9,050	1,879	7,171	8,265
Interscholastic programs	93,700	101,730	(8,030)	92,184
Summer school programs	10,050	9,923	127	9,615
Drivers education programs	11,200	11,318	(118)	10,972
Total instruction	1,395,625	1,509,544	(113,919)	1,407,714

(Continued)

Community High School District 99
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Support services				
Pupils				
Guidance services	\$ 34,200	\$ 34,210	\$ (10)	\$ 32,864
Health services	13,950	12,096	1,854	13,484
Psychological services	7,000	6,926	74	6,834
Other support services -pupils	<u>116,500</u>	<u>141,333</u>	<u>(24,833)</u>	<u>114,399</u>
Total pupils	<u>171,650</u>	<u>194,565</u>	<u>(22,915)</u>	<u>167,581</u>
Instructional staff				
Improvement of instruction services	29,100	32,879	(3,779)	28,450
Educational media services	7,200	7,677	(477)	7,035
Assessment and testing	<u>200</u>	<u>260</u>	<u>(60)</u>	<u>178</u>
Total instructional staff	<u>36,500</u>	<u>40,816</u>	<u>(4,316)</u>	<u>35,663</u>
General administration				
Executive administration services	19,900	20,741	(841)	19,526
Special area administrative services	<u>11,350</u>	<u>12,658</u>	<u>(1,308)</u>	<u>10,883</u>
Total general administration	<u>31,250</u>	<u>33,399</u>	<u>(2,149)</u>	<u>30,409</u>
School administration				
Office of the principal services	<u>88,000</u>	<u>86,359</u>	<u>1,641</u>	<u>85,569</u>
Total school administration	<u>88,000</u>	<u>86,359</u>	<u>1,641</u>	<u>85,569</u>

(Continued)

Community High School District 99
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Business				
Direction of business support services	\$ 127,480	\$ 93,370	\$ 34,110	\$ 99,875
Fiscal services	-	25,737	(25,737)	24,919
Operation and maintenance of plant services	<u>778,795</u>	<u>803,013</u>	<u>(24,218)</u>	<u>764,765</u>
Total business	<u>906,275</u>	<u>922,120</u>	<u>(15,845)</u>	<u>889,559</u>
Central				
Information services	20,550	28,618	(8,068)	19,903
Staff services	42,400	41,409	991	41,516
Data processing services	<u>212,000</u>	<u>219,825</u>	<u>(7,825)</u>	<u>210,835</u>
Total central	<u>274,950</u>	<u>289,852</u>	<u>(14,902)</u>	<u>272,254</u>
Total support services	<u>1,508,625</u>	<u>1,567,111</u>	<u>(58,486)</u>	<u>1,481,035</u>
Community services	<u>750</u>	<u>484</u>	<u>266</u>	<u>666</u>
Provision for contingencies	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Total expenditures	<u>3,005,000</u>	<u>3,077,139</u>	<u>(72,139)</u>	<u>2,889,415</u>
Deficiency of revenues over expenditures	<u>\$ (680,000)</u>	(847,481)	<u>\$ (167,481)</u>	654,889
Fund balance, beginning of year		<u>1,185,472</u>		<u>530,583</u>
Fund balance, end of year		<u>\$ 337,991</u>		<u>\$ 1,185,472</u>

(Concluded)

Community High School District 99
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

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

- a) 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.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December of each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- e) 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 a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- f) The budget amounts shown in the financial statements were originally adopted by the Board of Education on September 18, 2017.
- g) All budget appropriations lapse at the end of the fiscal year.

Community High School District 99
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

2. EXPENDITURES IN EXCESS OF BUDGETS

The following funds had expenditures in excess of budgets at June 30, 2018:

<u>Fund</u>	<u>Variance</u>
General	\$ 13,196,669
Transportation	205,466
Debt Service	7,706
Municipal Retirement / Social Security	72,139
Capital Projects	581,571

3. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

For the 2017 and 2016 measurement years, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50%. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. However, salary increases were assumed to vary by age.

Community High School District 99
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2017 IMRF CONTRIBUTION RATE*

Valuation Date:

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

Methods and Assumptions Used to Determine the 2017 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 (Regular, SLEP, and ECO groups): 26-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 21 years for most employers (two employers were financed over 30 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 calculation pursuant to an experience study of the period 2011-2013.

Community High School District 99
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2017 IMRF CONTRIBUTION RATE* (Continued)

Mortality

For non-disabled retirees, an IMRF mortality table was used with fully generational projections scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes

There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation.

OTHER SUPPLEMENTARY FINANCIAL INFORMATION

Community High School District 99

Debt Service Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance From Final Budget	2017 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 8,245,000	\$ 8,246,351	\$ 1,351	\$ 8,138,166
Interest on investments	<u>13,000</u>	<u>39,774</u>	<u>26,774</u>	<u>15,112</u>
Total local sources	<u>8,258,000</u>	<u>8,286,125</u>	<u>28,125</u>	<u>8,153,278</u>
Total revenues	<u>8,258,000</u>	<u>8,286,125</u>	<u>28,125</u>	<u>8,153,278</u>
Expenditures				
Debt services - interest				
Bonds and certificates - interest	<u>1,941,000</u>	<u>765,846</u>	<u>1,175,154</u>	<u>1,061,152</u>
Total debt service - interest	<u>1,941,000</u>	<u>765,846</u>	<u>1,175,154</u>	<u>1,061,152</u>
Principal payments on long-term debt	<u>9,118,000</u>	<u>10,303,940</u>	<u>(1,185,940)</u>	<u>9,593,251</u>
Other debt service				
Purchased services	<u>20,000</u>	<u>1,508</u>	<u>18,492</u>	<u>73,148</u>
Total	<u>20,000</u>	<u>1,508</u>	<u>18,492</u>	<u>73,148</u>
Total debt service	<u>11,079,000</u>	<u>11,071,294</u>	<u>7,706</u>	<u>10,727,551</u>
Total expenditures	<u>11,079,000</u>	<u>11,071,294</u>	<u>7,706</u>	<u>10,727,551</u>
Deficiency of revenues over expenditures	<u>(2,821,000)</u>	<u>(2,785,169)</u>	<u>35,831</u>	<u>(2,574,273)</u>

(Continued)

Community High School District 99

Debt Service Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Other financing sources (uses)				
Principal on debt certificates issued	\$ -	\$ -	\$ -	\$ 4,650,000
Transfer to pay for principal on capital leases	903,000	913,940	10,940	793,251
Transfer to pay for interest on capital leases	19,000	18,114	(886)	15,723
Transfer to pay for principal on debt certificates	1,695,000	1,695,000	-	1,540,000
Transfer to pay for interest on debt certificates	<u>228,000</u>	<u>227,878</u>	<u>(122)</u>	<u>246,750</u>
Total other financing sources (uses)	<u>2,845,000</u>	<u>2,854,932</u>	<u>9,932</u>	<u>2,506,893</u>
Net change in fund balance	<u>\$ 24,000</u>	69,763	<u>\$ 45,763</u>	(67,380)
Fund balance, beginning of year		<u>1,280,940</u>		<u>1,348,320</u>
Fund balance, end of year		<u>\$ 1,350,703</u>		<u>\$ 1,280,940</u>

(Concluded)

Community High School District 99

Capital Projects Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance From Final Budget	2017 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
Interest on investments	\$ 500	\$ 6,438	\$ 5,938	\$ 388
Contributions and donations from private sources	-	-	-	112,996
Impact fees from municipal or county governments	100,000	86,917	(13,083)	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,477</u>
Total local sources	<u>100,500</u>	<u>93,355</u>	<u>(7,145)</u>	<u>189,861</u>
Total revenues	<u>100,500</u>	<u>93,355</u>	<u>(7,145)</u>	<u>189,861</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	180,000	164,402	15,598	367,117
Capital outlay	<u>1,820,000</u>	<u>2,417,169</u>	<u>(597,169)</u>	<u>2,753,798</u>
Total	<u>2,000,000</u>	<u>2,581,571</u>	<u>(581,571)</u>	<u>3,120,915</u>
Total support services	<u>2,000,000</u>	<u>2,581,571</u>	<u>(581,571)</u>	<u>3,120,915</u>
Total expenditures	<u>2,000,000</u>	<u>2,581,571</u>	<u>(581,571)</u>	<u>3,120,915</u>
Deficiency of revenues over expenditures	<u>(1,899,500)</u>	<u>(2,488,216)</u>	<u>(588,716)</u>	<u>(2,931,054)</u>

(Continued)

Community High School District 99

Capital Projects Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Other financing sources (uses)				
Principal on bonds sold	\$ -	\$ 9,055,000	\$ (9,055,000)	\$ 1,915,000
Transfer to Debt Service Fund for principal on debt certificates	-	(402,000)	402,000	-
Total other financing sources (uses)	-	8,653,000	(8,653,000)	1,915,000
Net change in fund balance	<u>\$ (1,899,500)</u>	6,164,784	<u>\$ 8,064,284</u>	(1,016,054)
Fund balance (deficit), beginning of year		<u>2,178,628</u>		<u>3,194,682</u>
Fund balance (deficit), end of year		<u>\$ 8,343,412</u>		<u>\$ 2,178,628</u>

(Concluded)

Community High School District 99
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Assets				
Cash and investments	\$ 547,846	\$ 2,005,112	\$ 1,900,821	\$ 652,137
Liabilities				
Due to student groups				
North High School	\$ 200,758	\$ 1,134,784	\$ 1,056,588	\$ 278,954
South High School	347,088	870,328	844,233	373,183
Total liabilities	\$ 547,846	\$ 2,005,112	\$ 1,900,821	\$ 652,137

STATISTICAL SECTION
(Unaudited)

Statistical Section

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

119 - 130

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes.

131 - 135

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

136 - 140

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

141 - 143

Operating Information

These schedules contain information about the District's services and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

144 - 148

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

Community High School District 99

NET POSITION (DEFICIT)

LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017*</u>	<u>2016</u>	<u>2015</u>
Governmental Activities				
Net investment in capital				
assets	\$ 65,719,285	\$ 59,654,622	55,484,485	\$ 50,299,332
Restricted	10,372,646	5,162,406	4,913,672	1,730,325
Unrestricted	<u>(93,553,042)</u>	<u>(88,321,085)</u>	<u>(20,471,606)</u>	<u>(17,205,101)</u>
Total governmental				
activities net position (deficit)	<u>\$ (17,461,111)</u>	<u>\$ (23,504,057)</u>	<u>39,926,551</u>	<u>\$ 34,824,556</u>

* 2017 balances restated due to the implementation of GASB 75.

** 2014 balances restated due to the implementation of GASB 68 and 71.

<u>2014**</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 43,077,850	\$ 38,594,562	\$ 28,730,656	\$ 18,683,604	\$ 17,395,025	\$ 16,666,405
2,219,865	1,458,732	3,745,602	10,135,822	987,644	975,139
<u>(15,566,445)</u>	<u>(8,318,057)</u>	<u>(6,771,985)</u>	<u>(7,864,450)</u>	<u>(20,625,827)</u>	<u>(21,619,270)</u>
<u>\$ 29,731,270</u>	<u>\$ 31,735,237</u>	<u>\$ 25,704,273</u>	<u>\$ 20,954,976</u>	<u>\$ (2,243,158)</u>	<u>\$ (3,977,726)</u>

Community High School District 99
CHANGES IN NET POSITION (DEFICIT)
LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014
Expenses					
Instruction:					
Regular programs	\$ 37,550,185	\$ 36,611,191	\$ 37,588,258	\$ 36,051,834	\$ 36,077,791
Special programs	15,390,062	14,363,744	12,000,760	12,646,259	11,361,159
Other instructional programs	4,939,887	4,791,697	4,675,227	4,370,261	4,239,823
State retirement contributions	36,144,694	33,658,146	22,420,118	20,440,963	14,644,970
Support services:					
Pupils	5,513,888	5,410,106	5,195,978	4,985,765	4,894,295
Instructional staff	3,240,839	3,320,126	3,275,624	2,991,342	2,758,046
General administration	1,438,790	1,178,329	1,204,947	1,102,268	1,131,090
School administration	2,403,665	2,201,346	2,208,280	2,111,851	1,998,222
Business	2,298,896	2,366,498	2,704,508	3,239,497	2,921,024
Transportation	4,049,470	3,874,563	3,785,033	3,715,024	3,314,636
Operations and maintenance	9,496,295	10,054,371	10,062,314	9,824,223	8,904,410
Central	3,544,538	3,657,967	3,440,595	3,030,225	2,776,870
Other supporting services	30,577	-	-	953	37,880
Community services	-	35,866	33,861	27,897	26,277
Nonprogrammed charges	739,418	603,215	673,799	804,108	827,840
Interest and fees	651,522	1,198,912	2,210,521	1,799,405	2,742,944
Total expenses	127,432,726	123,326,077	111,479,823	107,141,875	98,657,277
Program Revenues					
Charges for services					
Instruction:					
Regular programs	2,934,679	2,761,033	2,259,442	1,814,576	1,774,912
Special programs	28,786	-	-	-	-
Other instructional programs	43,585	42,461	517,815	350,431	253,542
Support services:					
Business	905,433	876,725	794,996	856,280	1,055,280
Operations and maintenance	241,544	231,907	294,019	237,118	251,932
Capital and operating grants and contributions	41,043,628	39,831,047	29,055,910	26,935,379	20,706,422
Total program revenues	45,197,655	43,743,173	32,922,182	30,193,784	24,042,088
Net (expense)/revenue	(82,235,071)	(79,582,904)	(78,557,641)	(76,948,091)	(74,615,189)
General revenues					
Taxes					
Real estate taxes, levied for general purposes	61,043,785	59,082,643	59,309,274	45,415,244	55,031,366
Real estate taxes, levied for specific purposes	13,164,959	14,185,585	12,732,672	25,159,486	14,119,596
Real estate taxes, levied for debt service	8,246,351	8,138,166	7,765,296	8,078,173	7,991,766
Personal property replacement taxes	857,538	1,161,696	823,212	1,030,249	957,960
State aid-formula grants	4,024,511	2,321,318	2,192,197	2,065,223	2,102,571
Investment earnings	450,116	178,620	157,004	91,133	116,321
Miscellaneous	490,757	1,060,163	679,981	201,869	525,225
Total general revenues	88,278,017	86,128,191	83,659,636	82,041,377	80,844,805
Special items - gain on sale of unimproved land	-	-	-	-	-
Change in net position (deficit)	\$ 6,042,946	\$ 6,545,287	\$ 5,101,995	\$ 5,093,286	\$ 6,229,616

	2013	2012	2011	2010	2009
\$	34,456,548	\$ 34,499,640	\$ 31,940,740	\$ 34,059,408	\$ 33,016,493
	11,791,629	11,287,395	10,623,145	10,694,407	10,040,231
	3,860,356	3,952,182	3,760,983	3,728,484	3,658,188
	11,347,061	9,802,334	8,718,032	9,212,174	6,748,987
	4,747,280	4,371,269	4,329,629	4,430,663	4,450,597
	2,862,064	2,754,009	2,459,072	2,421,042	2,559,082
	909,651	1,216,012	1,229,740	1,111,468	1,194,765
	1,971,471	1,950,327	1,922,119	1,878,261	1,814,981
	3,186,831	4,399,500	2,822,510	3,945,934	3,785,966
	3,435,359	3,249,004	3,326,913	3,636,362	3,471,317
	8,061,229	8,104,263	8,484,343	7,895,118	8,053,798
	2,620,375	2,464,640	2,269,360	2,395,254	2,245,964
	3,550	1,456	2,960	-	-
	37,958	6,097	5,167	6,127	3,216
	793,049	769,579	777,813	955,065	983,236
	3,113,228	3,418,992	3,452,123	3,665,265	3,691,785
	93,197,639	92,246,699	86,124,649	90,035,032	85,718,606
	1,809,093	2,238,819	2,285,614	2,169,843	2,219,841
	-	-	-	-	-
	318,530	95,854	70,810	80,492	88,343
	1,148,685	1,280,501	1,363,558	1,366,284	1,447,260
	206,472	169,060	112,600	68,328	70,415
	17,366,773	15,375,632	14,683,713	15,155,076	11,634,974
	20,849,553	19,159,866	18,516,295	18,840,023	15,460,833
	(72,348,086)	(73,086,833)	(67,608,354)	(71,195,009)	(70,257,773)
	53,178,208	54,207,965	54,546,585	54,068,270	51,752,707
	13,587,016	11,413,399	9,111,823	9,063,199	8,388,328
	7,874,052	8,093,192	7,943,513	6,276,046	5,872,324
	946,956	926,804	1,007,473	776,881	960,307
	2,076,727	2,119,799	2,185,936	2,140,404	2,194,364
	139,755	236,515	330,711	432,032	1,052,933
	576,336	838,456	942,153	172,745	522,163
	78,379,050	77,836,130	76,068,194	72,929,577	70,743,126
	-	-	14,738,294	-	-
\$	6,030,964	\$ 4,749,297	\$ 23,198,134	\$ 1,734,568	\$ 485,353

Community High School District 99
FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ 2,671	\$ 1,929
Assigned	1,428,920	1,573,763	1,373,615	1,596,821
Unassigned	980,174	(32,839)	(432,113)	175,460
Reserved	-	-	-	-
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Fund	<u>\$ 2,409,094</u>	<u>\$ 1,540,924</u>	<u>\$ 944,173</u>	<u>\$ 1,774,210</u>
All Other Governmental Funds				
Unassigned				
Operations and Maintenance	\$ -	\$ -	\$ (103,963)	\$ (1,211,854)
Transportation	(644,163)	(768,715)	(193,520)	(349,484)
Municipal Retirement / Soc. Sec.	-	-	-	-
Capital Projects	-	-	-	-
Restricted				
Operations and Maintenance	406,627	605,209	-	-
Transportation	-	-	-	-
Municipal Retirement / Soc. Sec.	337,991	1,185,472	530,583	128,289
Debt Service	1,350,703	1,280,940	1,348,320	1,284,260
Capital Projects	8,343,412	2,178,628	3,194,682	521,656
Assigned				
Site Acquisition	-	-	-	-
Reserved	-	-	-	-
Unreserved, reported in:				
Special Revenue Funds	-	-	-	-
Debt Service Fund	-	-	-	-
Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 9,794,570</u>	<u>\$ 4,481,534</u>	<u>\$ 4,776,102</u>	<u>\$ 372,867</u>
Total Governmental Funds	<u>\$ 12,203,664</u>	<u>\$ 6,022,458</u>	<u>\$ 5,720,275</u>	<u>\$ 2,147,077</u>

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54), which was adopted by the District as of the fiscal year ended June 30, 2011. In the fund financial statements, governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 17,857,981	\$ 23,318,374	\$ 22,659,025	\$ 21,576,715	\$ -	\$ -
2,490,026	2,194,884	1,756,350	1,198,066	-	-
11,524,042	9,209,732	11,065,958	10,387,239	-	-
-	-	-	-	598,272	1,280,583
-	-	-	-	11,499,339	6,446,728
<u>\$ 31,872,049</u>	<u>\$ 34,722,990</u>	<u>\$ 35,481,333</u>	<u>\$ 33,162,020</u>	<u>\$ 12,097,611</u>	<u>\$ 7,727,311</u>
\$ (25,430,061)	\$ (28,432,859)	\$ (27,714,552)	\$ (25,346,052)	\$ -	\$ -
-	-	(336,363)	(771,960)	-	-
(2,272,072)	(1,830,775)	(927,850)	(410,664)	-	-
(2,626,583)	(804,393)	-	-	-	-
-	-	-	-	-	-
1,278,343	318,107	-	-	-	-
-	-	-	-	-	-
1,236,284	1,169,846	1,119,643	1,378,578	-	-
-	-	2,644,351	15,721,009	-	-
-	-	-	373,784	-	-
-	-	-	-	410,617	445,810
-	-	-	-	(9,892,756)	(5,183,036)
-	-	-	-	979,629	913,053
-	-	-	-	(2,878,351)	(2,738,064)
<u>\$ (27,814,089)</u>	<u>\$ (29,580,074)</u>	<u>\$ (25,214,771)</u>	<u>\$ (9,055,305)</u>	<u>\$ (11,380,861)</u>	<u>\$ (6,562,237)</u>
<u>\$ 4,057,960</u>	<u>\$ 5,142,916</u>	<u>\$ 10,266,562</u>	<u>\$ 24,106,715</u>	<u>\$ 716,750</u>	<u>\$ 1,165,074</u>

Community High School District 99
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Local Sources				
Property taxes	\$ 82,455,095	\$ 81,406,394	\$ 79,807,242	\$ 78,652,903
Replacement taxes	857,538	1,161,696	823,212	1,030,249
Charges for services	4,154,027	3,912,126	3,866,272	3,258,405
Investment earnings	450,116	178,620	157,004	105,972
Other local sources	<u>490,757</u>	<u>1,060,163</u>	<u>679,981</u>	<u>201,869</u>
Total local sources	<u>88,407,533</u>	<u>87,718,999</u>	<u>85,333,711</u>	<u>83,249,398</u>
State sources	<u>42,367,306</u>	<u>39,725,052</u>	<u>28,635,335</u>	<u>26,565,093</u>
Federal sources	<u>2,700,833</u>	<u>2,427,313</u>	<u>2,612,772</u>	<u>2,435,509</u>
Total	<u>\$ 133,475,672</u>	<u>\$ 129,871,364</u>	<u>\$ 116,581,818</u>	<u>\$ 112,250,000</u>

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	77,142,728	\$ 74,639,276	\$ 73,555,663	\$ 71,448,825	\$ 69,260,971	\$ 65,874,367
	957,960	946,956	926,804	1,007,473	776,881	960,307
	3,335,666	3,482,780	3,784,234	3,832,582	3,684,947	3,825,859
	111,623	157,930	573,077	413,580	299,337	916,092
	<u>525,225</u>	<u>576,336</u>	<u>985,698</u>	<u>1,200,924</u>	<u>325,917</u>	<u>698,724</u>
	<u>82,073,202</u>	<u>79,803,278</u>	<u>79,825,476</u>	<u>77,903,384</u>	<u>74,348,053</u>	<u>72,275,349</u>
	<u>20,602,080</u>	<u>17,239,163</u>	<u>15,315,334</u>	<u>14,497,892</u>	<u>14,416,748</u>	<u>11,825,931</u>
	<u>2,206,913</u>	<u>2,204,337</u>	<u>2,180,097</u>	<u>2,371,757</u>	<u>2,878,732</u>	<u>2,003,407</u>
\$	<u><u>104,882,195</u></u>	<u><u>99,246,778</u></u>	<u><u>97,320,907</u></u>	<u><u>94,773,033</u></u>	<u><u>91,643,533</u></u>	<u><u>86,104,687</u></u>

Community High School District 99
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS

	2018	2017	2016	2015
Current				
Instruction				
Regular programs	\$ 36,215,177	\$ 35,998,411	\$ 37,400,589	\$ 36,003,948
Special programs	13,924,153	13,193,226	10,798,101	11,194,502
Other instructional programs	4,782,163	4,679,999	4,600,270	4,302,690
State retirement contributions	36,144,694	33,658,146	22,420,118	20,440,963
Total instruction	91,066,187	87,529,782	75,219,078	71,942,103
Supporting Services				
Pupils	5,390,309	5,297,497	5,086,999	4,929,267
Instructional staff	1,890,319	1,830,547	1,998,173	1,855,051
General administration	1,361,147	1,105,123	1,147,722	1,048,518
School administration	2,274,079	2,089,623	2,125,714	2,033,980
Business	2,088,876	2,310,214	2,452,619	3,054,907
Transportation	3,983,588	3,775,286	3,682,405	3,650,237
Operations and maintenance	7,789,424	7,671,635	7,680,474	8,187,821
Central	3,356,760	3,252,311	2,956,041	2,814,854
Other supporting services	-	-	-	953
Total supporting services	28,134,502	27,332,236	27,130,147	27,575,588
Community Services	29,409	33,100	32,875	27,516
Nonprogrammed charges	1,949,676	1,656,678	1,817,418	2,210,461
Total current	121,179,774	116,551,796	104,199,518	101,755,668
Other:				
Debt service:				
Principal	10,303,940	9,593,251	8,739,206	8,658,425
Interest	767,354	1,134,300	1,500,449	1,657,553
Capital outlay	5,358,205	4,773,422	2,147,176	4,051,880
Total other	16,429,499	15,500,973	12,386,831	14,367,858
Total	\$ 137,609,273	\$ 132,052,769	\$ 116,586,349	\$ 116,123,526
Debt Service as a Percentage of Noncapital Direct Expenditures	8.371%	8.428%	8.948%	9.205%

	2014	2013	2012	2011	2010	2009
\$	35,803,282	\$ 34,031,159	\$ 33,405,733	\$ 31,528,932	\$ 33,506,998	\$ 32,425,842
	10,269,577	10,700,245	10,239,147	9,265,302	9,431,351	8,750,555
	4,161,765	4,119,638	3,877,548	3,684,326	3,669,696	3,634,534
	14,644,970	11,347,061	9,802,334	8,718,032	9,212,174	6,748,987
	<u>64,879,594</u>	<u>60,198,103</u>	<u>57,324,762</u>	<u>53,196,592</u>	<u>55,820,219</u>	<u>51,559,918</u>
	4,859,797	4,703,942	4,330,683	4,281,970	4,404,681	4,420,371
	1,816,151	1,893,919	1,936,170	1,711,443	1,711,673	1,733,857
	1,080,787	1,151,913	1,170,016	1,184,406	1,073,583	1,150,693
	1,920,252	1,881,385	1,877,500	1,850,207	1,819,539	1,746,668
	2,462,985	2,737,530	3,842,000	2,097,380	2,200,993	3,106,531
	3,284,777	3,435,333	3,121,136	3,273,703	3,532,443	3,392,415
	7,990,999	7,983,165	7,850,260	7,955,421	7,711,852	7,918,613
	2,776,870	2,615,604	2,450,385	2,243,771	2,395,254	2,245,964
	37,880	3,550	1,456	2,960	-	-
	<u>26,230,498</u>	<u>26,406,341</u>	<u>26,579,606</u>	<u>24,601,261</u>	<u>24,850,018</u>	<u>25,715,112</u>
	<u>26,277</u>	<u>37,958</u>	<u>6,097</u>	<u>5,167</u>	<u>6,127</u>	<u>3,216</u>
	<u>1,837,319</u>	<u>1,835,835</u>	<u>1,729,296</u>	<u>2,035,612</u>	<u>2,156,287</u>	<u>2,156,243</u>
	<u>92,973,688</u>	<u>88,478,237</u>	<u>85,639,761</u>	<u>79,838,632</u>	<u>82,832,651</u>	<u>79,434,489</u>
	7,647,868	7,226,907	6,865,000	6,045,000	4,305,000	3,820,000
	2,362,422	2,676,910	2,913,110	2,660,844	2,759,805	2,849,773
	<u>2,983,173</u>	<u>5,988,370</u>	<u>16,243,040</u>	<u>7,777,563</u>	<u>2,194,401</u>	<u>3,989,991</u>
	<u>12,993,463</u>	<u>15,892,187</u>	<u>26,021,150</u>	<u>16,483,407</u>	<u>9,259,206</u>	<u>10,659,764</u>
\$	<u>105,967,151</u>	<u>\$ 104,370,424</u>	<u>\$ 111,660,911</u>	<u>\$ 96,322,039</u>	<u>\$ 92,091,857</u>	<u>\$ 90,094,253</u>
	9.720%	10.067%	10.248%	9.832%	7.859%	7.746%

Community High School District 99
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCE
LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Excess of revenues over (under) expenditures	\$ (4,133,601)	\$ (2,181,405)	\$ (4,531)	\$ (3,873,526)
Other financing sources (uses)				
Principal on bonds sold	9,055,000	6,565,000	3,500,000	21,550,000
Premiums on bonds sold	-	-	-	2,102,226
Transfer to refunded bond escrow	-	(4,738,831)	-	(23,449,763)
Transfers in	2,854,932	2,595,724	2,527,642	22,358,047
Transfers out	(2,854,932)	(2,595,724)	(2,527,642)	(22,358,047)
Other	<u>1,259,807</u>	<u>657,419</u>	<u>77,729</u>	<u>1,760,180</u>
Total	<u>10,314,807</u>	<u>2,483,588</u>	<u>3,577,729</u>	<u>1,962,643</u>
Net change in fund balance	\$ <u><u>6,181,206</u></u>	\$ <u><u>302,183</u></u>	\$ <u><u>3,573,198</u></u>	\$ <u><u>(1,910,883)</u></u>

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ (1,084,956)	\$ (5,123,646)	\$ (14,340,004)	\$ (1,549,006)	\$ (448,324)	\$ (3,989,566)
-	-	-	10,000,000	-	-
-	-	-	199,677	-	-
-	-	-	-	-	-
2,084,778	2,920,809	3,124,444	1,107,720	946,137	1,048,595
(2,084,778)	(2,920,809)	(3,124,444)	(1,107,720)	(946,137)	(1,048,595)
<u>-</u>	<u>-</u>	<u>499,851</u>	<u>14,739,294</u>	<u>-</u>	<u>100</u>
<u>-</u>	<u>-</u>	<u>499,851</u>	<u>24,938,971</u>	<u>-</u>	<u>100</u>
<u>\$ (1,084,956)</u>	<u>\$ (5,123,646)</u>	<u>\$ (13,840,153)</u>	<u>\$ 23,389,965</u>	<u>\$ (448,324)</u>	<u>\$ (3,989,466)</u>

Community High School District 99
 EQUALIZED ASSESSED VALUATION AND ESTIMATED
 ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN TAX LEVY YEARS

Tax Levy Year	Residential	Farms	Commercial	Industrial	Railroad	Total Assessed Value	Total Direct Rate	Estimated Actual Value
2017	\$ 3,534,071,405	\$ 58,655	\$ 813,690,244	\$ 70,883,300	\$ 1,720,618	\$ 4,420,424,222	1.9184	\$ 13,261,272,666
2016	3,363,371,113	69,986	771,880,754	67,318,580	1,549,551	4,204,189,984	1.9648	12,612,569,952
2015	3,143,896,235	37,055	734,583,484	62,366,510	1,370,809	3,942,254,093	2.0666	11,826,762,279
2014	3,033,778,188	37,108	702,845,055	60,396,000	1,316,340	3,798,372,691	2.1079	11,395,118,073
2013	3,045,583,110	61,655	702,845,181	58,983,180	1,301,857	3,808,774,983	2.0729	11,426,324,949
2012	3,215,520,728	59,082	745,361,475	62,407,920	1,202,326	4,024,551,531	1.9209	12,073,654,593
2011	3,480,255,128	53,742	792,618,004	65,387,780	1,128,851	4,339,443,505	1.7271	13,018,330,515
2010	3,708,859,802	52,369	802,848,202	67,642,610	956,519	4,580,359,502	1.6105	13,741,078,506
2009	3,938,922,582	50,709	861,641,005	71,650,990	836,188	4,873,101,474	1.4679	14,619,304,422
2008	3,926,491,746	142,679	883,600,342	71,007,480	694,371	4,881,936,618	1.4214	14,645,809,854

Source of information: DuPage County Clerk

Note: The County assesses property at approximately 33.3% of actual value for all types of real property, under the County's jurisdiction. Estimated actual value is calculated by dividing assessed value by that percentage. Tax rates are per \$100 of assessed value.
 The tax levy year is defined as the first preceding calendar year of each fiscal year.

Community High School District 99
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN TAX LEVY YEARS

	2017	2016	2015	2014
District Direct Rates				
Educational	1.3601	1.4189	1.4619	1.4612
Operations and Maintenance	0.2057	0.1903	0.2207	0.2501
Special Education	0.0457	0.0357	0.0380	0.0395
Bond and Interest	0.1879	0.1965	0.2066	0.2051
Transportation	0.0686	0.0714	0.0507	0.0658
Illinois Municipal Retirement	0.0252	0.0260	0.0380	0.0395
Social Security	0.0252	0.0260	0.0507	0.0467
Total Direct	1.9184	1.9648	2.0666	2.1079
Overlapping Rates				
DuPage County	0.1749	0.1848	0.1971	0.2057
DuPage County Forest Preserve Dist.	0.1306	0.1514	0.1622	0.1691
DuPage Airport Authority	0.0166	0.0176	0.0188	0.0196
Downers Grove Township	0.0331	0.0350	0.0368	0.0378
Downers Grove Township Road Dist.	0.0512	0.0524	0.0550	0.0564
Village of Downers Grove & Library	0.7679	0.7798	0.8160	0.8257
Downers Grove Park District	0.3360	0.3425	0.3624	0.3765
Downers Grove Sanitary District	0.0404	0.0413	0.0434	0.0448
Downers Grove School District #58	2.0489	2.0984	2.2175	2.3051
College of DuPage #502	0.2431	0.2626	0.2786	0.2975
Total Direct & Overlapping Rate	5.7611	5.9306	6.2544	6.4461

Source of information: DuPage County Clerk

Note: Tax rates are per \$100 of assessed value.

The Tax Levy Year is defined as the first preceding calendar year of each fiscal year.

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year.

2013	2012	2011	2010	2009	2008
1.1040	1.2623	1.2103	1.1614	1.0970	1.0856
0.5304	0.2912	0.2049	0.1499	0.0950	0.0938
0.0398	0.0327	0.0202	0.0220	0.0205	0.0210
0.2129	0.1990	0.1822	0.1772	0.1632	0.1288
0.0531	0.0753	0.0675	0.0560	0.0512	0.0512
0.0398	0.0051	0.0152	0.0220	0.0205	0.0205
0.0929	0.0553	0.0268	0.0220	0.0205	0.0205
2.0729	1.9209	1.7271	1.6105	1.4679	1.4214
0.2040	0.1929	0.1773	0.1659	0.1554	0.1557
0.1657	0.1542	0.1414	0.1321	0.1217	0.1206
0.0178	0.0168	0.0169	0.0158	0.0148	0.0160
0.0368	0.0343	0.0307	0.0281	0.0256	0.0254
0.0549	0.0512	0.0459	0.0420	0.0382	0.0379
0.8245	0.7526	0.7923	0.7591	0.6784	0.6196
0.3691	0.3434	0.3077	0.2900	0.2699	0.2781
0.0436	0.0405	0.0363	0.0336	0.0305	0.0301
2.2613	2.0981	1.8851	1.6991	1.6304	1.5713
0.2956	0.2681	0.2495	0.2349	0.2127	0.1858
6.3462	5.8730	5.4102	5.0111	4.6455	4.4619

Community High School District 99
PRINCIPAL TAXPAYERS IN THE DISTRICT
CURRENT TAX YEAR AND NINE YEARS AGO

		Tax Levy Year		Percentage of	
		2017		Total 2017	
		Equalized		Equalized	
		Assessed		Assessed	
Taxpayer		Valuation		Valuation	
# 1	LSREF4 Turtle LLC	\$ 23,972,620		0.54%	
# 2	Esplanade I SPE LLC	23,019,240		0.52%	
# 3	BRE/ESA, BRE COH IL Properties LLC	21,930,080		0.50%	
# 4	PBH Stone Crest and Prentiss Creek LLC	19,744,300		0.45%	
# 5	PTA-K 225	19,738,610		0.45%	
# 6	Adventus Us Realty 9 LP	19,313,470		0.44%	
# 7	BCH Westwood And Emerald LLC	18,845,470		0.43%	
# 8	Amli Residential	17,977,750		0.41%	
# 9	Hamilton Partners Inc	17,465,040		0.40%	
# 10	Cole Capital Corp	<u>15,738,060</u>		<u>0.36%</u>	
Total		\$ <u>197,744,640</u>		<u>4.47%</u>	
		Tax Levy Year		Percentage of	
		2008		Total 2008	
		Equalized		Equalized	
		Assessed		Assessed	
Taxpayer		Valuation		Valuation	
# 1	Hamilton Partners	\$ 46,982,920		1.02%	
# 2	Wells Reit II	26,484,000		0.57%	
# 3	Real Estate Tax Advisors	24,127,940		0.52%	
# 4	PTA-K 225	23,701,460		0.51%	
# 5	BCH Westwood LLP and BCH Emerald	18,492,610		0.40%	
# 6	Amli at 7 Bridges LP	17,685,790		0.38%	
# 7	Oak Brook Promenada LLC	16,029,870		0.35%	
# 8	Corridors I & II	14,814,140		0.32%	
# 9	Highland Owner LLC	14,568,350		0.31%	
# 10	Butterfield Rd. Assoc. LLC	<u>13,743,790</u>		<u>0.30%</u>	
Total		\$ <u>216,630,870</u>		<u>4.68%</u>	

Source of information: Office of the DuPage County and Assessor's Offices of the following townships:
Milton, York, Lisle and Downers Grove.

Note: Tax Levy Year is defined as the first preceding calendar year of each fiscal year.

Community High School District 99
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN TAX LEVY YEARS

LEVY YEAR	TAXES EXTENDED FOR THE LEVY YEAR		COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY PERCENTAGE OF LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE PERCENTAGE OF LEVY	
			AMOUNT			AMOUNT	
2017	\$	84,801,418	\$ 44,870,549	52.91 %	\$ -	\$ 44,870,549	52.91 %
2016		82,603,925	42,413,432	51.35	40,041,663	82,455,095	99.82
2015		81,470,623	40,862,870	50.16	40,543,512	81,406,382	99.92
2014		80,065,897	39,360,039	49.16	40,447,203	79,807,242	99.68
2013		78,952,097	38,636,926	48.94	40,015,978	78,652,904	99.62
2012		77,307,610	37,568,995	48.60	39,573,734	77,142,729	99.79
2011		74,946,529	36,920,677	49.26	37,718,599	74,639,276	99.59
2010		73,766,690	36,313,946	49.23	37,241,827	73,555,773	99.71
2009		71,532,257	34,393,999	48.08	37,054,826	71,448,825	99.88
2008		67,228,346	32,736,603	48.69	36,524,368	69,260,971	103.02

Community High School District 99
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Year	General Obligation Bonds	Debt Certificates	Capital Leases	Total	Percentage of Personal Income	Outstanding Debt Per Capita
2018	\$ 31,023,866	\$ 4,445,000	\$ 1,420,182	\$ 36,889,048	0.81%	\$ 336
2017	30,360,445	5,000,000	1,074,315	36,434,760	0.83%	334
2016	36,309,453	5,335,000	1,210,147	42,854,600	0.98%	388
2015	40,031,349	5,750,000	1,760,180	47,541,529	1.07%	434
2014	48,954,137	6,155,000	148,425	55,257,562	1.28%	513
2013	55,616,419	6,545,000	291,293	62,452,712	1.51%	559
2012	61,897,028	6,915,000	438,200	69,250,228	1.67%	632
2011	67,137,220	7,985,000	-	75,122,220	1.94%	686
2010	61,969,697	8,485,000	-	70,454,697	2.74%	823
2009	64,921,539	8,970,000	-	73,891,539	2.97%	892

Note: See Demographic and Economic Statistics table for personal and population data.

Source of information: Business Office - District's Audited Financial Statements

Community High School District 99
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt	Less: Amounts Available To Repay Principal	Net General Bonded Debt	Percentage of Net General Bonded Debt To Estimated Actual Valuation	Net General Bonded Debt Per Capita
2018	\$ 31,023,866	\$ 1,350,703	\$ 29,673,163	0.24 %	\$ 270
2017	30,360,445	1,280,940	29,079,505	0.23	266
2016	36,309,453	1,348,320	34,961,133	0.30	317
2015	40,031,349	1,284,260	38,747,089	0.34	353
2014	48,954,137	1,236,284	47,717,853	0.42	443
2013	55,616,419	1,169,846	54,446,573	0.45	488
2012	61,897,028	1,119,643	60,777,385	0.47	555
2011	67,137,220	1,378,578	65,758,642	0.48	600
2010	61,969,697	979,629	60,990,068	0.42	712
2009	64,921,539	913,053	64,008,486	0.44	773

Community High School District 99

DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT

June 30, 2018

Taxing Authority	Outstanding Bonds	Applicable to District	
		Percent	Amount
Direct bonded debt:			
Community High School District 99	\$ 31,023,866	100.000%	\$ 31,023,866
Overlapping bonded debt:			
County			
DuPage County	31,845,000	11.566%	3,683,193
DuPage County Forest Preserve	111,711,749	11.566%	12,920,581
School District			
School District 58	12,579,958	100.000%	12,579,958
School District 60	12,370,000	22.838%	2,825,061
School District 61	4,230,000	45.962%	1,944,193
School District 63	3,662,313	0.154%	5,640
School District 66	3,995,000	100.000%	3,995,000
School District 502	151,525,000	10.225%	15,493,431
Park Districts			
Butterfield Park District	2,916,537	13.227%	385,770
Darien Park District	1,805,790	37.989%	686,002
Downers Grove Park District	9,275,000	97.066%	9,002,872
Lisle Park District	9,655,100	8.383%	809,387
Oak Brook Park District	2,553,552	14.048%	358,723
Oakbrook Terrace Park District	781,000	4.471%	34,919
Westmont Park District	857,100	29.606%	253,753
Woodridge Park District	2,255,000	71.461%	1,611,446
York Center Park District	310,000	13.161%	40,799
Municipalities			
Village of Bolingbrook	148,157,076	1.871%	2,772,019
Village of Darien	6,600,000	38.418%	2,535,588
Village of Downers Grove	63,365,000	96.251%	60,989,446
Miscellaneous			
DuPage Co. SSA #26	798,895	100.000%	798,895
Fountaindale Library	32,130,000	1.962%	630,391
Total Direct and Overlapping General Obligation Bonded Debt			\$ 165,380,933

Sources of information: DuPage County Clerk's Office

Note: Percent applicable to School District calculated using assessed valuation of the School District area value contained within the noted governmental unit divided by assessed valuation of the governmental unit.

Community High School District 99
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 310,622,998	\$ 294,958,909	\$ 272,015,532	\$ 262,087,716
Total Net Debt Applicable to Limit	<u>36,889,048</u>	<u>36,434,760</u>	<u>44,630,147</u>	<u>49,820,180</u>
Legal Debt Margin	<u>\$ 273,733,950</u>	<u>\$ 258,524,149</u>	<u>\$ 227,385,385</u>	<u>\$ 212,267,536</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>12%</u>	<u>12%</u>	<u>16%</u>	<u>19%</u>
2017 Equalized Assessed Valuation	\$ <u>4,501,782,583</u>			
Voted and Unvoted Debt Limit - 6.9% of Equalized Assessed Valuation		\$ 310,622,998		
Total Face Value of Debt Outstanding	36,889,048			
Less: Exempted Debt	<u>-</u>			
Net Subject to 6.9% Limit		<u>36,889,048</u>		
Total Legal Voted and Unvoted Debt Margin		<u>\$ 273,733,950</u>		

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 262,805,474	\$ 277,694,056	\$ 299,421,602	\$ 316,044,806	\$ 336,244,002	\$ 336,853,627
<u>58,013,425</u>	<u>62,452,712</u>	<u>69,250,228</u>	<u>75,122,220</u>	<u>70,454,697</u>	<u>73,891,539</u>
<u>\$ 204,792,049</u>	<u>\$ 215,241,344</u>	<u>\$ 230,171,374</u>	<u>\$ 240,922,586</u>	<u>\$ 265,789,305</u>	<u>\$ 262,962,088</u>
<u>22%</u>	<u>22%</u>	<u>23%</u>	<u>24%</u>	<u>21%</u>	<u>22%</u>

Community High School District 99
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA INCOME	UNEMPLOYMENT RATE
2018	109,750	\$ 4,558,685,750	\$ 41,537	4.1%
2017	109,216	4,395,944,000	40,250	4.8%
2016	110,458	4,385,624,432	39,704	4.7%
2015	109,627	4,454,912,399	40,637	5.6%
2014	107,735	4,310,477,350	40,010	7.5%
2013	111,674	4,148,130,730	37,145	7.3%
2012	109,523	4,145,336,027	37,849	8.3%
2011	109,523	3,866,380,946	35,302	8.4%
2010	85,602	2,569,361,980	30,015	5.0%
2009	82,826	2,491,644,340	30,083	3.8%

Sources of Information:

U.S. Bureau of Census, 2010 Census - Population data for years 2010 through 2012 is 2010 Census Redistricting Data (Public Law 94-171) Summary File, Table P1.

U.S. Bureau of Census, 2000 Census - Population data for years 2003 through 2009 is combined populations of Village of Downers Grove and Village of Woodridge.

U.S. Census Bureau, 2009-2013 American Community Survey, 5YR IL for HS 99

U.S. Bureau of Census - Personal and Per Capita Income data is average of Village of Downers Grove and Village of Woodridge for years prior to 2010. 2010 Information is for DuPage County.

For fiscal years 2011-2014 information is for High School 99 from factfinder2.census.gov.

Fiscal years 2015 - 2017 District's information - National Center for Education Statistics,

EDGE (Education Demographics and Geographic Statistics, which uses U.S. Census Bureau's

American Community Survey 5-year averages, for 2017: 2012-2016 Profile including 2016 dollars.

Illinois Department of Employment Security - Unemployment Rate is for DuPage County, IL

Community High School District 99
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>2018</u>		
Employer	Employees	Percentage of Total Employment
Navister/IC Bus, LLC	2,800	5.73%
Advocate Health Care Good Samaritan Hospital	2,500	5.12%
GCA Services	1,500	3.07%
University Subscription Services/Unique Mailing Svc Inc.	1,050	2.15%
Midwestern University	1,000	2.05%
Molex, LLC	1,000	2.05%
State Farm	1,000	2.05%
Novipax, LLC	900	1.84%
Coventry Health Care, Division of Aetna	800	1.64%
Acxiom Corporation	800	1.64%
Community High School District 99	673	1.38%
Downers Grove SD #58 (13 Schools)	642	1.31%
	<u>14,665</u>	<u>30.02%</u>

Sources of Information:

2018 Illinois Manufacturers' Directory, 2018 Illinois Services Directory, and official website of employer/financial records.

Note: The estimated number of persons employed in the District in 2016-17 is 48,844.

(Continued)

Community High School District 99
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>2009</u>		
Employer	Employees	Percentage of Total Employment
Good Samaritan Hospital	2,700	5.76%
Sara Lee Corp.	1,300	2.77%
Molex Incorporated	900	1.92%
Axiom Corp.	800	1.71%
Community High School District 99	673	1.44%
Downers Grove School 58	671	1.43%
Coventry First Health	500	1.07%
Wilton Industries	482	1.03%
Woodridge School District 68	450	0.96%
The Morey Corporation	430	0.92%
	<u>8,906</u>	<u>19.01%</u>

Source of Information: Phone canvass of employers, 2009 Illinois Manufacturers' News Directory, 2009 Illinois Services Directory, and the 2009 Harris Illinois Industrial Directory.

Note: The estimated number of persons employed in the District in 2008 was 46,849.

(Concluded)

Community High School District 99

NUMBER OF EMPLOYEES BY TYPE LAST TEN FISCAL YEARS

	2017- 2018	2016- 2017	2015- 2016	2014- 2015
Administration:				
Superintendent	1	1	1	1
Assistant Superintendents	3	3	3	3
District Administrators	7	5	5	6
Principals and Building Administrators	<u>16</u>	<u>15</u>	<u>13</u>	<u>14</u>
Total administration	<u>27</u>	<u>24</u>	<u>22</u>	<u>24</u>
Other Certified Staff:				
Teachers	327	333	333	330
Department Chairs	20	20	20	20
Librarians	7	7	6	6
Counselors	20	19	19	19
Student Assistance Coordinators	2	2	2	2
Social workers	7	7	7	7
Deans	7	7	7	7
Psychologists	5	5	5	5
Nurses	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total other certified staff	<u>397</u>	<u>402</u>	<u>401</u>	<u>398</u>
Support staff:				
Teacher aides	95	95	92	88
Student supervisors	25	25	26	26
Clerical and other support	90	89	92	88
Technical Support	13	13	13	12
Maintenance, custodians and grounds	<u>59</u>	<u>56</u>	<u>59</u>	<u>59</u>
Total support staff	<u>282</u>	<u>278</u>	<u>282</u>	<u>273</u>
Total employees	<u>706</u>	<u>704</u>	<u>705</u>	<u>695</u>

Source of Information: District Personnel Records

2013- 2014	2012- 2013	2011- 2012	2010- 2011	2009- 2010	2008 - 2009
1	1	1	1	1	1
3	2	2	2	2	2
5	5	5	5	5	5
<u>14</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>
<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>
331	327	322	327	326	325
20	20	20	20	20	20
6	6	6	5	5	5
19	19	18	18	20	20
2	2	2	2	2	2
7	7	7	5	5	5
7	7	7	7	7	7
5	5	5	5	5	5
<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<u>399</u>	<u>395</u>	<u>389</u>	<u>391</u>	<u>392</u>	<u>391</u>
85	88	86	83	85	82
26	24	22	22	22	22
88	88	86	84	83	83
12	12	12	11	11	11
<u>59</u>	<u>59</u>	<u>59</u>	<u>59</u>	<u>59</u>	<u>59</u>
<u>270</u>	<u>271</u>	<u>265</u>	<u>259</u>	<u>260</u>	<u>257</u>
<u>692</u>	<u>689</u>	<u>677</u>	<u>673</u>	<u>675</u>	<u>671</u>

Community High School District 99
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	EXPENSES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL - TEACHER RATIO	PERCENTAGE OF STUDENTS RECEIVING FREE OR REDUCED PRICE MEALS
2018	4,929	\$ 123,956,408	\$25,148	4.4%	\$ 127,432,726	\$ 25,854	2.9%	327	15.1	23.2%
2017	4,908	118,204,303	24,084	13.4%	123,326,077	25,128	12.5%	333	14.7	22.5%
2016	4,963	105,441,341	21,245	-0.7%	110,880,005	22,341	3.1%	333	14.9	18.0%
2015	4,944	105,799,888	21,400	15.0%	107,141,875	21,671	11.1%	330	15.0	28.1%
2014	5,057	94,119,465	18,612	6.3%	98,657,277	19,509	7.9%	331	15.3	27.8%
2013	5,154	90,214,212	17,504	4.7%	93,197,639	18,083	1.9%	327	15.8	26.6%
2012	5,196	86,856,283	16,716	9.5%	92,246,699	17,753	9.8%	322	16.1	21.8%
2011	5,328	81,313,050	15,261	-5.2%	86,124,649	16,165	-5.4%	327	16.3	20.0%
2010	5,269	84,771,380	16,089	7.3%	90,035,032	17,088	7.2%	326	16.2	16.9%
2009	5,375	80,565,613	14,989	5.7%	85,718,606	15,948	6.5%	325	16.5	15.9%

Sources of information:

Enrollment from District records - Fall Housing Reports.

Operating Expenditures taken from total expenditures of General and Special Revenue Funds.

Expenses are total governmental activities expense.

Percentage of Free or Reduced meals taken from District records of approved free or reduced applications - National School Lunch and Breakfast Program.

Community High School District 99

SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
North Campus										
Square Feet	453,652	453,652	453,652	453,652	453,652	453,652	453,652	453,652	453,652	453,652
Capacity (Students)	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Enrollment	2,185	2,206	2,197	2,129	2,117	2,130	2,131	2,179	2,144	2,169
South Campus										
Square Feet	470,878	470,878	470,878	470,878	470,878	470,878	470,878	470,878	470,878	470,878
Capacity (Students)	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400
Enrollment	2,696	2,656	2,722	2,769	2,881	3,024	3,065	3,149	3,125	3,206
Transition Facility										
Square Feet	10,000	10,000	10,000	10,000	10,000	-	-	-	-	-
Capacity (Students)	80	80	80	80	80	-	-	-	-	-
Enrollment	48	46	44	46	59	-	-	-	-	-
Administrative Office										
Square Feet	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Transportation Building										
Square Feet	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600

Sources of information:

- Area of buildings from District records - Office of Director of Physical Plant and Operations
- Capacity reflects functional operating capacity which is approximately 85% of actual capacity
- Enrollment is from District records - Fall Housing Reports

Note: Transition Facility was purchased in FY 2013 -14.

Community High School District 99
OPERATING EXPENDITURES PER STUDENT - STATE BOARD FORMAT
June 30, 2018 and June 30, 2017

	<u>2018</u>	<u>2017</u>
Expenditures:		
Educational Fund	\$ 72,434,975	\$ 70,034,222
Operations and Maintenance Fund	8,261,134	8,005,615
Debt Service Fund	11,071,294	10,727,551
Transportation Fund	4,038,466	3,616,905
Municipal Retirement/Social Security Fund	3,077,139	2,889,415
	<u>98,883,008</u>	<u>95,273,708</u>
Less Revenues/Expenditures not Applicable to Operating Expense of Regular Programs		
<u>General</u>		
Educational:		
Tuition paid	1,949,676	1,656,678
Summer school	351,966	402,387
Special education private tuition	49,150	1,057,625
Capital outlay	1,978,252	1,669,349
Community service	28,925	32,434
Operations and Maintenance:		
Capital outlay	1,256,330	1,089,989
<u>Special Revenue</u>		
Transportation:		
Capital outlay	57,522	1,176
Municipal Retirement/Social Security		
Summer School	9,923	9,615
Community service	484	666
<u>Debt Service</u>		
Debt retirement	10,303,940	9,593,251
	<u>15,986,168</u>	<u>15,513,170</u>
Net operating expenditures	\$ <u>82,896,840</u>	\$ <u>79,760,538</u>
Average daily attendance	<u>4,871.28</u>	<u>4,517.01</u>
Operating expenditure per student	\$ <u>17,017</u>	\$ <u>17,658</u>

Source of information: Annual Financial Reports to Illinois State Board of Education, (ISBE Form 50-35)